

QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 31 MARCH 2007

HIGHLIGHTS

- At the Erongo Granites Project:
 - Completion of review of historic exploration data and preliminary site visits confirmed **potential for large tonnage, low grade and metallurgical extractable deposits of uranium.**
 - Completion of scintillometer surveys over target areas to further refine anomalous targets.
 - Environmental and access clearances obtained.
 - **Initial 10,000m drilling programme scheduled to commence in early May 2007.**
- At Koichab Mineral Sands Project, granting of licence covering 946 sq kms.
- Completion of share placement raising \$2.16 million.
- Sale of petroleum interests in North America.

MINERAL EXPLORATION ACTIVITIES

Erongo Granites Project (ERN 90%)

This project consists of two granted tenements (EPLs 3453 and 3454) covering approximately 420 sq kms located to the south and north of the Erongo Complex in mid central Namibia. The Company is targeting intrusive style granite-hosted uranium deposits.

During the quarter the Company completed a review and interpretation of data available in respect of exploration activities undertaken by Goldfields and Falconbridge in the 1970s and early 1980s at EPL 3454. No reported, systematic exploration has been undertaken on the project area since the early 1980s.

The results of the historic data review were released on 13 March 2007, and in summary included:

- At the Area 1 Prospect, significant results from previous drill testing included:
 - 32m at 348 ppm U3O8 from 6m to 38m,
 - 12m at 310 ppm U3O8 from 18m to 30m,
 - 7m at 307 ppm U3O8 from 7m to 14m,
 - 17m at 287 ppm U3O8 from 28m to 45m
 - 39m at 272 ppm U3O8 from 2m to 41m, and
 - 33m at 248 ppm U3O8 from 13m to 46m.

The drilling identified an apparently broadly flat undulating zone of mineralization 25 to 35m thick over an area of 800m by 250m. The mineralisation, identified as a radiometric and Radon anomaly, remains open to the south and north east.

A mineralogical investigation positively identified uraninite as the major primary uranium mineral and a metallurgical study concluded that no metallurgical problems existed.

- A ground radiometric and Radon gas survey over the Area 3 Prospect identified an anomalous target area of 5,000m by 2,000m.
- Two significant untested radiometric anomalies have been identified at the Area 2 Prospect. Falconbridge completed limited drilling at one of the anomalies, and only a limited amount of the historic drilling data is available.

Subsequent to completion of the historic data review the Company has (i) completed ground scintillometer surveys over target Areas 1 and 3 to further refine anomalous targets, (ii) located drill collars in respect of the historic Goldfields drilling in Area 1, and (iii) obtained necessary environmental and access clearances to allow commencement of drill programme.

Recent field work has identified that granites exposed in target Areas 1, 2 and 3 are transgressed by broad WSW-ENE zones of intense vertical jointing. The highest readings from the recent scintillometer surveys were recorded from granites within these jointed areas which have eroded into broad WSW-ENE trending corridors covered in sand and scree and bounded in to the north and south by more resistant undeformed granites. Increased weathering and deflation within jointed granites suggests these

granites have been subjected to increased fluid flow and potential remobilization and concentration of uranium minerals.

Proposed Exploration Programme

An RC rig is scheduled to commence an initial 10,000 metre drilling programme in early May 2007 to test targets at Areas 1, 2 and 3 at the Erongo Granites Project. The commencement of drilling has been delayed by 2 weeks due to the contractor being required to complete unscheduled maintenance on the drill rig compressor unit. Drilling at Area 1 has been designed to confirm historic results and test potential extensions of the previously identified mineralised zone. The objective is to define large tonnage, low grade resources at each of the target areas.

Spitzkoppe Project (ERN 90%)

This project consists of two granted tenements (EPLs 3477 and 3523) covering approximately 500 sq kms and lies to the west of the Erongo Granites Project. The Company is targeting secondary calcrete-hosted mineralisation as well as granite-hosted mineralisation.

The project area lies within an ancient drainage system downslope from surrounding granites elevated in uranium. Strong calcrete development has been identified in the western area of the project, which is a suitable host rock for secondary uranium mineralisation. A number of drainage related targets have also been identified from geophysical interpretation of radiometric data. There has been limited historic work on this project area.

The Company has also recently been advised that an application for an additional licence at the Spitzkoppe project has been unsuccessful as the area the subject of the application (and the larger area around the application) has been “withdrawn” by the Ministry of Mines and Energy. It is the Company’s understanding that the area is considered by the Ministry to be of environmental significance and no licences will be granted within the “withdrawn” area.

Proposed Exploration Programme

Initial exploration work will follow up on radiometric anomalies in the form of a detailed ground radiometric survey and a regional calcrete and soil sampling programme once environmental clearances have been obtained. Distinct anomalies will be followed up with drilling.

Koichab Mineral Sands Project (ERN 70%)

The Koichab Mineral Sands Project is located approximately 120kms northeast of the port of Luderitz, in south western Namibia, and is a typical dune sand deposit. The project consists of one granted licence and two licence applications covering a total area of 2,186 sq kms.

In February 2007 the Company was granted the first of three licence applications, covering 946 sq kms and the significant proportion of the target area (refer announcement dated 15 February 2007). The Company anticipates the remaining two licence applications, adjoining the granted licence, will be granted in the next few months.

The Company proposes to undertake the required environmental clearance work, and then complete an initial sampling programme over priority areas defined from the interpretation of the airborne

geophysics to assess the extent and concentration of heavy mineral distribution over the project area. If the results of this review are positive, the Company will consider spinning off the Koichab Mineral Sands Project into a separate vehicle through an in-specie distribution to shareholders (or some other mechanism that ensures ERN shareholders are entitled to maintain a significant interest in the project).

PETROLEUM PROJECTS

Caddo Pine Island Field Project

In April 2007 the Company entered into an agreement to dispose of its interest in the Caddo Pine Island Field Project. Sale consideration is US\$286,000, payable in twelve monthly instalments of US\$3,000 each and US\$250,000 one year after completion. Completion is scheduled for mid May 2007.

CORPORATE

In February 2007 the Company completed Erongo a share placement of 3.6 million shares at an issue price of 60 cents each together with 0.72 million free attaching options to raise \$2.16 million.

As at 31 March 2007 the Company had cash at bank totaling \$3.68 million.

For further information in respect of Erongo, please contact:

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Scientific or technical information in this news release has been prepared under the supervision of Mr Klaus Eckhof, a consultant to the Company and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Eckhof has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Eckhof consents to the inclusion in this report of the Information, in the form and context in which it appears.

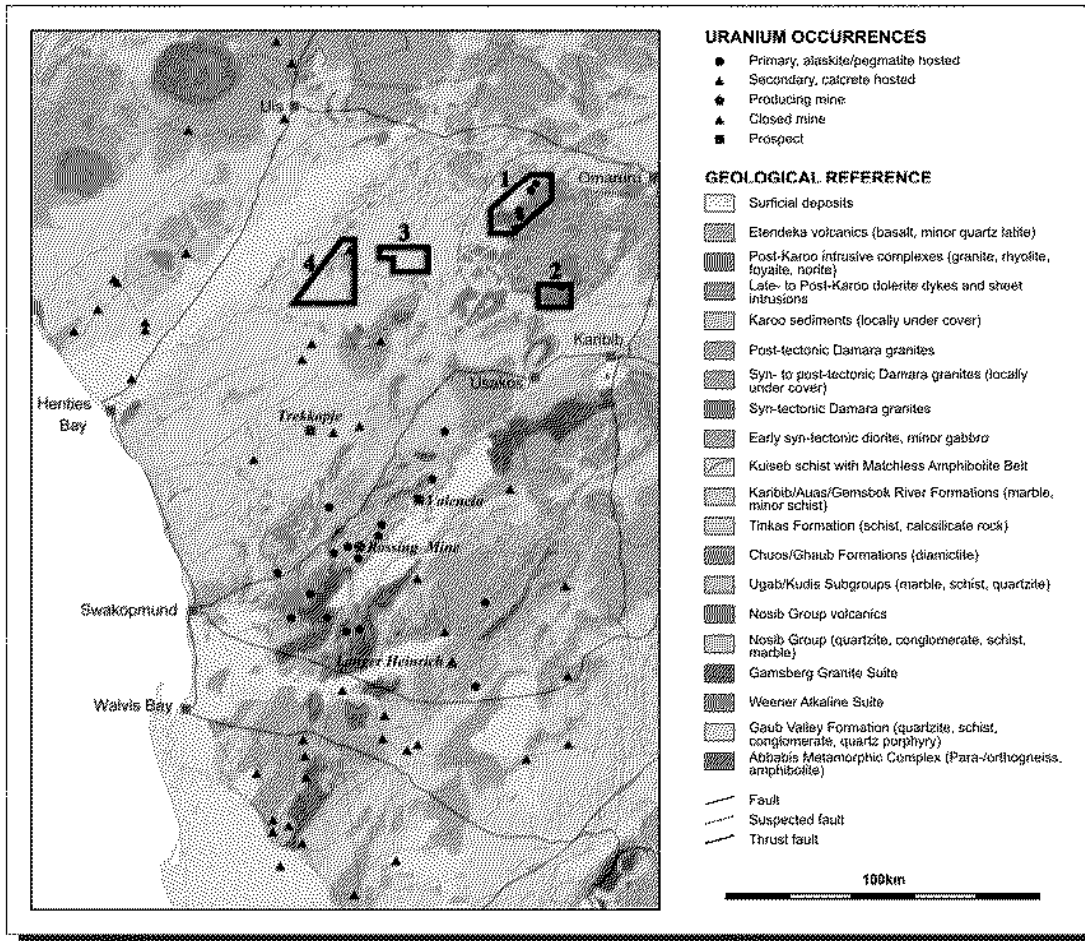


Figure 1 - Location of the Erongo (1 & 2) and Spitskoppe (3 & 4) uranium projects within the Damara Uranium Province. Erongo 1 – EPL3454, Erongo 2 – EPL 3453, Spitskoppe 3 – EPL3477, Spitskoppe 4 – EPL3523.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ERONGO ENERGY LIMITED

ABN

50 114 175 138

Quarter ended ("current quarter")

31 March 2007

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from sales – oil and gas revenues	48	170
1.2 Payments for		
(a) exploration and evaluation	(72)	(100)
(b) development	-	(199)
(c) production	(51)	(172)
(d) administration	(196)	(450)
(e) oil sales – cost of goods sold	(53)	(86)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	23	64
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other revenues		
Net Operating Cash Flows	(301)	(773)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	(130)
(b) equity investments	-	-
(c) other fixed assets	(89)	(203)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to employees	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other deposit on lease assets	-	-
Net investing cash flows	(89)	(333)
1.13 Total operating and investing cash flows (carried forward)	(390)	(1,106)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(390)	(1,106)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2,285	2,837
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - costs of share issues	(74)	(74)
Net financing cash flows		2,211	2,763
Net increase (decrease) in cash held		1,821	1,657
1.20	Cash at beginning of quarter/year to date	1,882	2,068
1.21	Exchange rate adjustments to item 1.20	(25)	(47)
1.22	Cash at end of quarter	3,678	3,678

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	45
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Relates to Directors fees and salaries for executive and non-executive directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	750
4.2 Development	-
Total	750

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	366	1,002
5.2 Deposits at call	3,002	513
5.3 Bank overdraft	-	-
5.4 Other – Operators Bonds	310	367
Total: cash at end of quarter (item 1.22)	3,678	1,882

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	EPL 3576	Nil	70%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

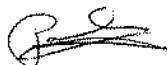
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	42,234,310	39,534,310		
7.4 Changes during quarter				
Exercise of options	625,560	625,560	20 cents	20 cents
Issue of Shares through placement	3,600,000	3,600,000	60 cents	60 cents
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	37,085,689	37,085,689	20 cents	30/04/2009
7.8 Issued during quarter Options issued as part of placement	720,000	720,000	20 cents	30/04/2009
7.9 Exercised during quarter	(625,560)	(625,560)	20 cents	30/04/2009
7.10 Cancelled/Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 30 April 2007
(Company secretary)

Print name: Paul Jurman

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.