

8 May 2007

DRILLING COMMENCES AT ERONGO GRANITES URANIUM PROJECT IN NAMIBIA

- **Commencement of drilling** at Area 1 Prospect in the Erongo Granites Project.
- Objective is to define large tonnage, low grade uranium resources.
- Previous drilling by Goldfields at Area 1 identified an apparently broadly flat undulating zone of mineralization **25m to 35m thick** over an area of 800m by 250m.
- Recently completed ground scintillometer survey over Area 1 has extended radiometric anomaly at Area 1 over an area of **1.8km by 1km**.
- Drill testing of Area 3 Prospect, covering an **anomalous target area of 5km by 2km**, will commence after Area 1 drilling completed.

Erongo Granites Project (ERN 90%)

The Company is pleased to announce that drilling has commenced on its Erongo Granites Project in mid central Namibia.

A total of 10,000 metres of RC drilling is planned with the objective of defining large tonnage, low grade resources within the project area.

The drilling programme will initially focus on Area 1, where drilling by Goldfields in the early 1980s returned significant mineralised intercepts (refer announcement of 14 March 2007, results included 32m at 348 ppm U3O8 from 6m to 38m, 39m at 272 ppm U3O8 from 2m to 41m and 33m at 248 ppm U3O8 from 13m to 46m) and identified an apparently broadly flat undulating zone of mineralization 25m to 35m thick over an area of 800m by 250m. The mineralized zone remained open to the north east, west and south.

A recently completed ground scintillometer survey over Area 1 by the Company has confirmed that the radiometric anomaly identified and partially drill tested by Goldfields extends over an area of 1.8km by 1km.

The Company plans to twin six of the holes (for approximately 600 metres) previously drilled by Goldfields at Area 1 in order to confirm those results, and complete a further 7,400 metres of drilling over a systematic grid to confirm and test extensions to the previously identified mineralization.

All holes will be drilled at -60 degrees to the north to a minimum of 100m downhole and will only be stopped once out of the zone of mineralisation. The intention is to intersect both the uranium enriched exfoliated granites which dip at -20 degrees to the south and the vertical joint planes.

Initial drilling results are expected to be released by the end of May.

The drilling programme will also test three additional radiometrically anomalous areas (2,000 metres of drilling is initially planned) at the Erongo Granites Project, referred to as Area 2, Area 3 and Area 4 (refer Figure 1). Area 3 is a 5,000m by 2,000m anomaly covered with sand and scree, defined by radiometric and Radon gas surveys completed by Goldfields and coincident with the Erongo/Salem Granite contact. Field observations have confirmed that radiometrically anomalous zones at Area 3 extend from intensely jointed granites similar to those in Area 1. Drilling at Area 3 will commence upon completion of the programme at Area 1.

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.

For further information in respect of Erongo, please contact:

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EPL 3454 Target Areas-Orthophoto

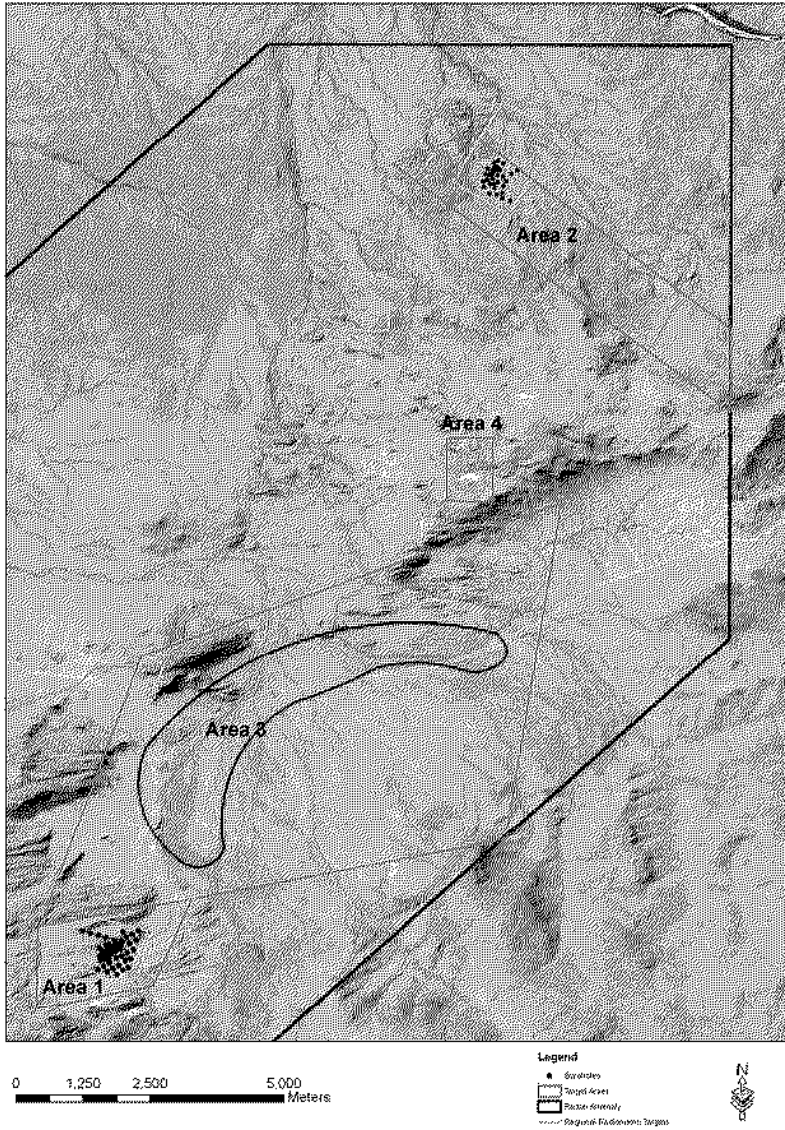


Figure 1. Erongo Granites Project: Summary map showing priority exploration targets on the orthophoto background.