

16 October 2007

EXPLORATION UPDATE - ERONGO GRANITES AND SPITZKOPPE PROJECTS

HIGHLIGHTS

- At the **Erongo Granites Project (415 sq kms)**:
 - Results received for a further fifteen holes designed to test for extensions to and significantly increase area of identified uranium mineralization at Area 1 prospect. All drill holes intersected anomalous uranium mineralization. Better results include:
 - 4m at 230 ppm U3O8, from 70m to 74m.
 - 3m at 202 ppm U3O8, from 46m to 49m.
 - 10m at 193 ppm U3O8, from 21m to 31m.
 - Drilling has now confirmed uranium mineralization over an area of 1,000 metres by 1,000 metres, from surface to depths exceeding 100m. The uranium mineralization remains open in all directions, and includes an area of higher grade mineralisation covering 600 metres by 300 metres.
 - The Company will now consider potential for further higher grade zones of uranium mineralization in the surrounding areas. Recent fieldwork has identified several highly anomalous target areas for follow up drill testing
 - First phase of drilling now completed at the Area 1 Prospect. Initial 2,500m drill programme at Area 3 Prospect, testing an anomalous area of 5km by 2km and targeting granite-hosted uranium mineralization, now in progress.

- At the **Spitzkoppe Project (505 sq kms)**:
 - Field work has identified several zones of strong calcrete development and uranium mineralisation (carnotite) in the calcretes.
 - Initial 5,000m drilling programme, targeting calcrete-hosted uranium mineralization, has commenced.

Erongo Granites Project (ERN 90%)

The Company has completed a first pass drilling programme targeting intrusive style granite-hosted uranium mineralisation at the Area 1 Prospect in its Erongo Granites Project.

Results have now been received for a further fifteen holes drilled (for a total of 1,336 metres). The holes were designed to test for extensions up to 500 metres from the currently identified uranium mineralization, and thereby significantly increase the mineralised area. All fifteen drill holes intersected anomalous uranium mineralization, although at grades and widths lower than those intersected previously. Results are shown in Table 1. The results continue to confirm the Company's interpretation that uranium mineralization occurs in multiple horizontal layers and in higher grade chutes up to 50 metres across.

Drilling has now confirmed uranium mineralization over an area of 1,000 metres by 1,000 metres, from surface to depths exceeding 100m. This area of identified mineralization remains open in all directions, and includes a zone of higher grade uranium mineralization covering an area of approximately 600 metres by 300 metres. The Company will now consider the potential for further higher grade zones of uranium mineralization in the surrounding areas. Recent fieldwork has identified several highly anomalous target areas for follow up drill testing.

The Company has commenced drilling at the Area 3 Prospect. The Area 3 Prospect lies immediately north-east of Area 1 and is underlain by intensely jointed layered granites similar to those currently being drilled at the Area 1 Prospect. Goldfields previously identified an anomalous target area of 5kms by 2kms from ground radiometric and Radon gas surveys but were not able to penetrate the thick sand cover (due to limited capabilities of drilling equipment available at the time). The Company is testing an initial 4kms of potential strike length over the anomalous target area with an initial 2,500m drilling programme. Results are expected in late November 2007.

Spitzkoppe Project (ERN 90%)

The Company has commenced an initial 5,000m drill programme at its Spitzkoppe Project, targeting secondary calcrete-hosted mineralisation.

Field work has identified several zones of strong calcrete development, including zones over areas of 5kms by 2.5kms, 7kms by 1.5kms and 4kms by 1km. Uranium mineralisation (carnotite) has been identified in the calcretes in several pits excavated down to a maximum of 1.5m. Initial assays from the drill programme are expected in late November 2007.

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.

Table 1
Significant Uranium intersections from Area 1 Prospect, EPL 3454.

Hole_ID	Easting (mE)	Northing (mN)	Elevation (Z)	EOH (m)	Dip (deg)	Magnetic Azimuth	From (m)	To (m)	Width (m)	U3O8 (ppm)							
MAWRC029	554602	7614496	1337	103		0	10	34	24	104							
							42	64	22	101							
											incl	46	49	3	202		
												67	68	1	119		
												88	89	1	134		
												98	99	1	127		
MAWRC030	554895	7614507	1336	91	-60	0	42	43	1	104							
MAWRC031	554900	7614577	1332	73	-60	0	53	54	1	159							
MAWRC032	554906	7614623	1332	50	-60	0	43	44	1	107							
MAWRC033	554648	7614550	1350	91	-60	0	70	74	4	230							
MAWRC034	555007	7614844	1364	100			14	17	3	117							
												87	88	1	102		
												91	92	1	123		
MAWRC035	555004	7614936	1363	100	-60	0	15	37	22	145							
												incl	17	18	1	415	
												incl	21	31	10	193	
													36	37	1	131	
													54	55	1	124	
													61	74	13	115	
MAWRC036	555004	7614978	1363	85	-60	0	19	21	2	160							
												27	35	8	123		
							MAWRC037	555001	7615025	1365	91	-60	0	22	47	25	100
														incl	23	29	6
							56	57	1	120							
MAWRC038	555002	7615082	1366	85	-60	0	18	22	4	103							
MAWRC039	555002	7615201	1370	100			8	9	1	100							
												13	15	2	206		
												26	27	1	104		
												37	39	2	111		
												72	73	1	105		
MAWRC040	554997	7615252	1370	85	-60	0	22	24	2	182							
MAWRC041	555001	7615301	1378	91	-60	0	12	14	2	149							
MAWRC042	554599	7615150	1362	100	-60	0	27	28	1	123							
MAWRC043	554900	7614400	1330	91	-60	0	48	57	9	108							
												79	80	1	120		

A bottom cut of 100ppm U3O8 was applied. All samples were prepared for assay and analysed at the ALS Chemex Laboratory in Johannesburg, South Africa using aqua regia ICP-MS method (ME-MS41U). Industry accepted QA/QC checks were applied through out the programme including use of duplicates, standards and blanks.