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QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

HIGHLIGHTS

- At the **Erongo Granites and Spitzkoppe Projects**:
 - Completed 13 drill holes for 703 metres and a downhole geophysical logging programme to test five target areas. Uranium mineralisation identified, but the widths of the mineralisation considered insufficient to warrant follow up drilling at this stage.
 - Company will now evaluate results of extensive exploration completed to date. Limited field work planned for December quarter.
- At the **Koichab Mineral Sands Project**:
 - Mineralogical studies in progress to assess the potential of an iron deposit within the project.
- **New project opportunities**:
 - Company reviewing new project opportunities. Initial focus is on mineral projects located in Africa.
- **Cash at Bank at 30 September of \$2.67 million.**

MINERAL EXPLORATION ACTIVITIES

Erongo Granites Project (ERN 90%)

The Erongo Granites project consists of two granted tenements (EPLs 3453 and 3454) covering approximately 415 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 mineralisation.

During the quarter the Company completed an RC drilling programme on four prospective target areas (Area 3N, Area 3, Area 5 and Area 6) identified in the regional programme of field mapping and ground scintillometer surveys shown in Figure 1. Thirteen holes were drilled for a total of 703 metres.

Uranium mineralisation was intersected in three of the target areas. Two models for mineralization were recognised in the drilling – (i) uranium was brought in together with fine grained or porphyritic granitic dykes and sills which intruded the Erongo granites; and (ii) uranium was driven close to the outer contact with overlying Damaran lithologies during cooling.

At the Area 3 North Prospect a best intersection of 6m @ 145ppm U3O8 from 24 to 30 metres in hole MR3N-03 was reported from a fine grained leucogranite dyke exposed on surface over 300m. At the Area 6 Prospect a significant intersection of 9m @ 155ppm U3O8 from 45 to 54 metres in MR6-01 was reported from a similar leucogranitic intrusion. At the Area 5 Prospect a best intersection of 3m @ 311ppm U3O8 from surface to 3 metres in hole MR5-01 was reported from the outer margins of the laccolith to the west. Drilling results are summarised in Table 1.

The Company also contracted Terratec Geophysical Services of Namibia to conduct a downhole geophysical logging programme on ten diamond holes drilled in a radioactively anomalous area by Goldfields and Falconbridge in the 1970's and early 1980's at the Area 2 Prospect for which no assay results were available. Best intersections included 6.5m @ 228ppm eU3O8 from 8.19 – 14.69m in ET07, 4.3m @ 252ppm eU3O8 from 24.22 – 28.52m in ET14 and 2.5m @ 318ppm eU3O8 from 38.73 – 41.23m in ET21. Downhole logging results are summarized in Table 2. Mineralisation is interpreted to be confined to an area of roughly 300m x 150m, varies in thickness from 2.5m to 6.5m and occurs within a flat undulating layer 10 to 40m below surface.

The drill programme and downhole logging completed during the quarter tested the potential of five target areas identified within the licence area to host significant uranium mineralisation. Although uranium mineralisation was identified within four of the target areas, the widths of the mineralisation are considered insufficient to warrant follow up drilling at this stage.

Previous drilling by the Company in 2007 at the Area 1 Prospect confirmed a main zone of uranium mineralization over an area of 1,000 metres by 1,000 metres. The uranium mineralization includes an area of higher grade mineralisation covering 600 metres by 300 metres. The Company is currently investigating alternative screening methods which could potentially upgrade the mineralisation at the Area 1 Prospect to economic levels.

Proposed Exploration Programme

During the December quarter the Company will evaluate all drilling results to date and complete metallurgical and density separation studies on RC samples from Area 1 to establish whether grades of mineralisation and tonnages can be improved.

Spitzkoppe Project (ERN 90%)

The Spitzkoppe project consists of two tenements (EPLs 3477 and 3523) covering approximately 505 sq kms and lies approximately 25 kms to the west of the Erongo Granites Project. The Company is targeting secondary calcrete-hosted mineralisation as well as granite-hosted mineralisation. Both tenements lie within an ancient drainage system downslope from surrounding granites elevated in uranium.

During the quarter a 500m trench was excavated on EPL 3523 across a radiometrically anomalous area in which coarse grained granites and pegmatites have intruded a mica schist. Assay results confirmed that high scintillometer readings were related to thorium and lower uranium mineralisation (maximum of 123ppm U3O8).

Proposed Exploration Programme

During the December quarter the Company will review the database to identify additional target zones. A large part of the project remains unexplored.

Koichab Mineral Sands Project (ERN 70%)

The Koichab Heavy Mineral Sands project covers an area of approximately 2,000 sq kms and is located approximately 100km to the north east of the coastal port town of Luderitz in south western Namibia. The Company is targeting heavy mineral sands in a typical dune field. The dunes extend over an area of 90 kms by 20 kms and range from heights of between 50 metres to up to 280 metres.

During the quarter Allied Mineral Services in Perth, Australia completed a preliminary heavy mineral analysis of samples from previous pitting and the auger test programme to determine the valuable heavy mineral (dollar in-ground potential) and deleterious mineral content of the heavy mineral suite.

Results indicated that samples with a heavy mineral grade of 10-12% have higher magnetite and hematite levels than those normally seen in mineral sands deposits and have good potential for an iron ore deposit. There are however high levels of titanium in the coarse magnetite fraction. Testwork is being undertaken to establish whether economic quantities of magnetite with low Titanium content can be recovered from the dunes. Although the deposit typically has low levels of zircon and rutile, the zircon could possibly be recovered as an accessory mineral during a mining operation. High concentrations of garnet could also be recovered as a marketable commodity.

Additional electrostatic, mineralogical and metallurgical studies are also being undertaken by Allied Mineral Services to better understand the economic potential of the heavy minerals present.

Proposed Exploration Programme

During the December quarter the Company will complete the mineralogical studies to assess the economic potential of heavy minerals, in particular the iron potential.

Other Projects

The Company is reviewing new project opportunities to expand its asset portfolio. The Company is initially focussing on mineral projects located in Africa.

CORPORATE

As at 30 September 2008 the Company had cash at bank totalling \$2.67 million. The Company plans to conserve these funds and ensure they are expended in the most efficient manner.

For further information in respect of Erongo, please contact:

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Notes:

Scientific or technical information in this news release has been prepared by Mr Mark Gasson, the Managing Director of the Company and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Gasson 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 Gasson 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 EPL 3454.

Hole_ID	Easting (mE)	Northing (mN)	Dip	Magnetic Azimuth	From (m)	To (m)	Approx. True width	U3O8 (ppm)
MR3N-01	562049	7622086	-60	0				NSR
MR3N-02	562047	7622142	-60	0				NSR
MR3N-03	562261	7621964	-60	0	19	20	1	148
					24	30	6	145
MR3N-04	562640	7622050	-60	0				NSR
MR3N-05	562660	7622305	-60	0				NSR
MR3-13	556503	7618290	-60	0				NSR
MR3-14	556500	7618386	-60	0				NSR
MR6-01	552383	7615544	-60	0	45	54	9	155
MR6-02	552595	7615930	-60	0				NSR
MR6-03	551665	7615557	-60	0				NSR
MR5-01	549515	7617430	-90	0	0	3	3	311
MR5-02	549005	7617545	-90	0				NSR
MR5-03	549675	7617180	-90	0	0	1	1	130

Notes:

A bottom cut of 100ppm U3O8 was applied. All samples were prepared for assay and analysed at the SGS Laboratory in Johannesburg, South Africa using pressed pellet XRF method of analysis (XRF75G). Industry accepted QA/QC checks were applied throughout the programme including use of duplicates, standards and blanks.

NSR – No significant result

Table 2: Significant eU3O8 intersections from Area 2 on EPL 3454.

Hole_ID	Easting (mE)	Northing (mN)	Dip	From (m)	To (m)	Approx. True Width	eU3O8 (ppm)
ET01	561943	7629148	-90	20.73	21.93	1.20	147
ET02	561910	7629168	-90	9.42	11.42	2.00	199
ET04	561848	7629224	-90	15.21	17.31	2.10	199
				20.71	23.21	2.50	309
ET07	561852	7629164	-90	8.19	14.69	6.50	228
ET13	561715	7629129	-90	1.61	4.11	2.50	74
				17.71	19.51	1.80	122
ET14	561750	7629103	-90	24.22	28.52	4.30	252
				33.32	48.92	15.60	120
ET19	561637	7629039	-90	17.30	18.20	0.90	89
ET21	561524	7628902	-90	18.93	19.93	1.00	101
				38.73	41.23	2.50	318
				61.03	63.13	2.10	137
ET24	561930	7629388	-90	30.21	30.51	0.30	240
				33.11	34.61	1.50	133
				36.61	37.01	0.40	245
				37.71	41.01	3.30	297
ET28	561747	7628947	-90	6.17	10.77	4.60	85
				19.67	22.57	2.90	98

Notes - Data processing was carried out by Terratec Geophysical Services. The spectrometer tool used to derive the radiometric grade data was calibrated at the Pelindaba facility in South Africa. By comparing known analytical and radiometric grades from boreholes in general area, it was possible to perform a disequilibrium analysis for the data at Area 2, which was applied prior to calculating the radiometric grades, presented in Table 2 above.

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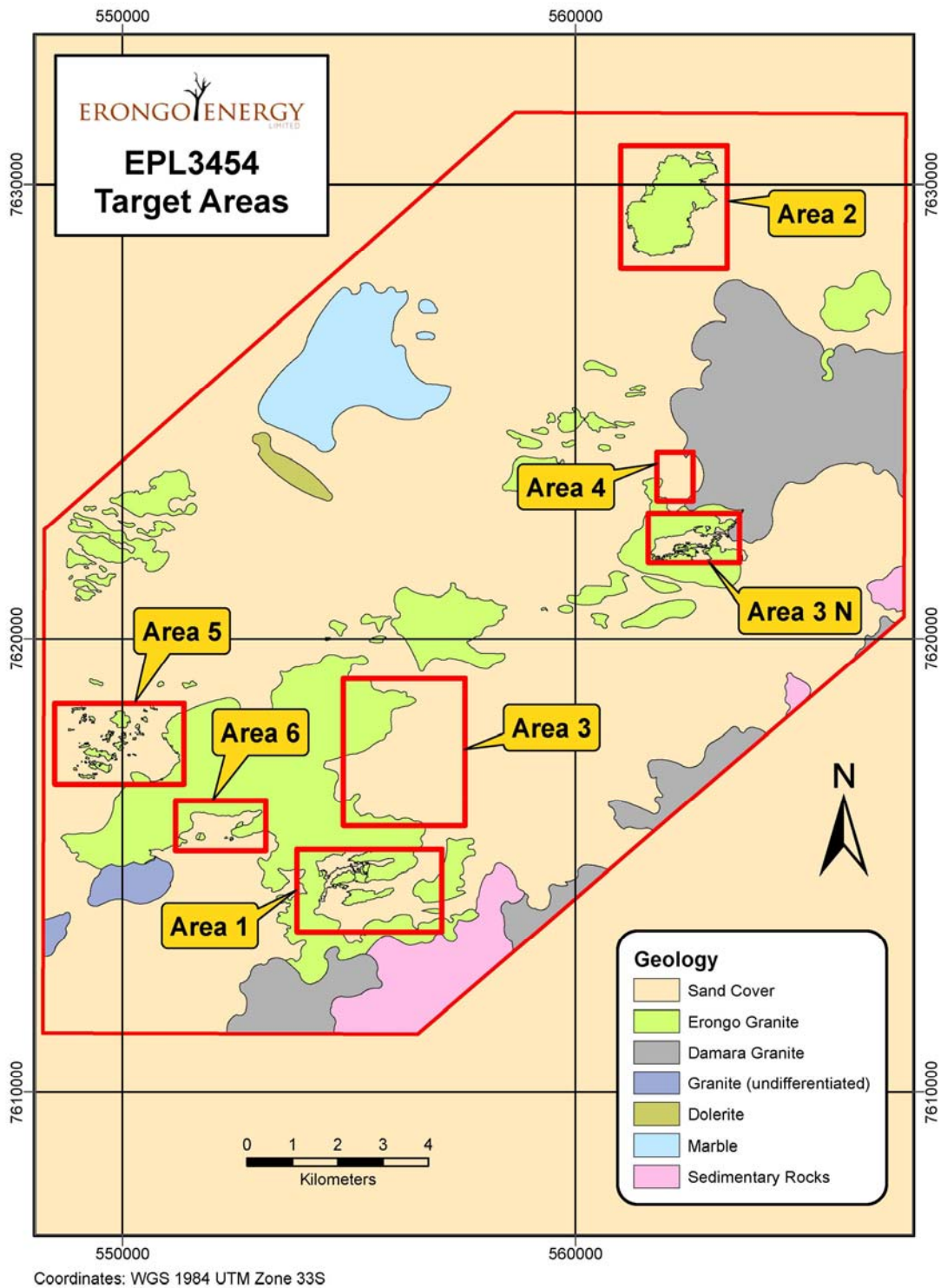


Figure 1: Simplified geological map of EPL 3454 showing historic and recently defined target areas.

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")

30 September 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from sales	-	-
1.2 Payments for		
(a) exploration and evaluation	(207)	(207)
(b) development	-	-
(c) production	-	-
(d) administration	(95)	(95)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	48	48
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other revenues	-	-
Net Operating Cash Flows	(254)	(254)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	(2)	(2)
1.9 Proceeds from sale of:		
(a)prospects	95	95
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to employees	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other -	-	-
Net investing cash flows	93	93
1.13 Total operating and investing cash flows (carried forward)	(161)	(161)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(161)	(161)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
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	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(161)	(161)
1.20	Cash at beginning of quarter/year to date	2,819	2,819
1.21	Exchange rate adjustments to item 1.20	15	15
1.22	Cash at end of quarter	2,673	2,673

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	86
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 and payments made for company secretarial services.

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

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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	150
4.2 Development	-
Total	150

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	20	312
5.2 Deposits at call	2,653	2,507
5.3 Bank overdraft	-	-
5.4 Other – Operators Bonds	-	-
Total: cash at end of quarter (item 1.22)	2,673	2,819

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			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	51,731,408	51,731,408		
7.4 Changes during quarter				
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>
Listed options	27,648,591	27,648,591	20 cents	30/04/2009
Director options	2,250,000	-	60 cents	30/11/2010
7.8 Issued during quarter				
7.9 Exercised during quarter				
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: 24 October 2008
(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.

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