



ERONGO ENERGY LIMITED
ACN 114 175 138

Registered Office:
30 LEDGAR ROAD, BALCATTA
WESTERN AUSTRALIA 6021

Postal Address:
PO BOX 717
BALCATTA WA 6914

Contact Details:
TELEPHONE 61 8 9240 8801
FACSIMILE 61 8 9240 2406
ADMIN@ERONGOENERGY.COM.AU
WWW.ERONGOENERGY.COM.AU

QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

MINERAL EXPLORATION ACTIVITIES

Erongo Granites Project (ERN 90%)

The Erongo Granites project consists of two granted tenements (EPLs 3453 and 3454) covering approximately 312 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.

Previous drilling by the Company at the Area 1 Prospect confirmed a main zone of uranium mineralization over an area of 1,000 metres by 1,000 metres which is open at depth and along strike. The uranium mineralization includes an area of higher grade mineralisation covering 600 metres by 300 metres.

The Company is of the opinion that the best potential for significant additional uranium resources on the project lie at depth at the Area 1 target area and in the relatively unexplored Area 3 target area. Due to the high costs involved in carrying out this next phase of exploration the Company has been in discussions with various parties that have expressed an interest in farming-in to the project. These discussions are continuing.

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 the Company held discussions with several parties that have expressed an interest in farming-in to the Spitzkoppe Project.

Other Projects

The Company continued to actively review new project opportunities during the quarter, with a particular focus on uranium projects in central and southern Africa where it is considered excellent potential exists for the Company to identify a significant new project.

CORPORATE

As at 30 September 2009 the Company had cash at bank of approximately \$2 million.

For further information in respect of Erongo, please contact:

<i>Mark Gasson</i>	<i>Patrick Flint</i>	<i>Ron Gajewski</i>
<i>Managing Director</i>	<i>Director</i>	<i>Chairman</i>
<i>Tel: +27 21 554 5104</i>	<i>Tel: +61 2 9212 7999</i>	<i>Tel: +61 8 9240 8801</i>
<i>Email: gassonm@telkomsa.net</i>	<i>Email: admin@erongoenergy.com.au</i>	<i>Email: gajewski@crcpl.com.au</i>

Erongo Energy website: www.erongoenergy.com.au.

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.

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 2009

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	(75)	(75)
(b) development	-	-
(c) production	-	-
(d) administration	(74)	(74)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	21	21
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other revenues	-	-
Net Operating Cash Flows	(128)	(128)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
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 -	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(128)	(128)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(128)	(128)
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	(128)	(128)
1.20	Cash at beginning of quarter/year to date	2,118	2,118
1.21	Exchange rate adjustments to item 1.20	(3)	(3)
1.22	Cash at end of quarter	1,987	1,987

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	62
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	100
4.2 Development	-
Total	100

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	37	45
5.2 Deposits at call	1,950	2,073
5.3 Bank overdraft	-	-
5.4 Other – Operators Bonds	-	-
Total: cash at end of quarter (item 1.22)	1,987	2,118

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			

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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>
7.8 Director options Issued during quarter	2,250,000	-	<i>60 cents</i>	<i>30/11/2010</i>
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>	-	-		

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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: 27 October 2009
(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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