

**1 December 2010**

**ERONGO ENTERS INTO AGREEMENT TO ACQUIRE  
HIGHLY PROSPECTIVE GOLD PROJECT IN  
THE DEMOCRATIC REPUBLIC OF CONGO**

**HIGHLIGHTS**

- Erongo to acquire (subject to completion of due diligence) 70% interest in the Maniema Gold Project, which covers a total of 1,800km<sup>2</sup> and is located in east central Democratic Republic of Congo.
- Project in the same geological setting as the Banro and Kilo-Moto gold deposits.
- Seven significant target areas identified from previous stream sediment, rock chip and soil sampling and trenching. Trench results include 25m @ 5.5g/t Au, 12m @ 4.6g/t Au and 24m @ 2.8g/t Au.
- Key target areas have not been previously drill tested.

**Maniema Project**

Erongo Energy Ltd (ASX: ERN) (“Erongo” or “the Company”) advises that it has entered into an agreement with Afrimines Resources SPRL to acquire a group of nine tenements which cover 1,800 sq kms of prospective ground in the Maniema Province, east central Democratic Republic of Congo. The tenements are located in one of the world’s principal Precambrian orogenic-metallogenic provinces, which hosts Banro Corporation’s deposits within the “Twangiza –Namoya belt” immediately to the east of the Maniema Project and the world class gold deposits in the Kilo-Moto belt to the north (held by Randgold Resources and AngloGold Ashanti).

The Maniema Project area is underlain by highly prospective Ruzizian and Burundian lithologies which have been intruded by granites and pegmatites of various ages. Previous exploration work on the project includes stream sediment, rock chip and soil sampling and trenching, mainly from areas of artisanal workings and rock exposures.

Seven significant target areas have been identified from previous exploration work. One primary mineralized exposure of high grade quartz vein hosted in sheared schists and associated quartz stringers was defined over more than 1,000m (open to south and potentially to north) from soil sampling. Gold in soil values varied from 300-600ppb Au (max 1,050ppb Au) and results of three trenches manually excavated across the structure returned:

- 24m @ 2.8g/t Au in KBT1
- 25m @ 5.5g/t Au in KBT2 (open to the east)
- 12m @ 4.6g/t Au in KBT3 (open to the east and west)

In addition, six other significant target areas for follow up were identified. Grades reported for panned concentrates from these areas were generally >10g/t Au with a maximum of 90g/t Au associated with primary gold mineralisation. A highly significant gold in stream anomaly (over 4kms) is associated with a similar northeast lineament which lies parallel to and west of Banro's Namoya deposit.

### Agreement Terms

The principal terms of the agreement for the Company to acquire a 70% interest in the Maniema Gold Project are:

- Agreement is subject to Company completing a due diligence review to its satisfaction within 3 months.
- On the date of completion of due diligence ("Effective Date"), Company to pay US\$360,000 and issue of 6.5 million shares.
- Six months after the Effective Date, Company to pay US\$300,000 and issue of shares to the value of US\$790,000 (based on market value of shares at the time of issue).
- Company shall have the option to acquire a further 10% interest in the tenements eighteen months after the Effective Date by making a payment of US\$10 million.
- Erongo responsible for all expenditure to completion of a feasibility study.
- Erongo can withdraw from project at any time with no further obligations.

The vendors (and their associates) are not associated with the Company, its Directors or their associates.

*For further information in respect of Erongo, please contact:*

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*Scientific or technical information in this report 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.*