

1 March 2011

ERONGO TO PROCEED WITH AGREEMENT TO ACQUIRE INTEREST IN THE MANIEMA GOLD PROJECT

HIGHLIGHTS

- Erongo concludes due diligence and elects to proceed with agreement to acquire 70% interest the Maniema Gold Project, which covers a total of 1,800km² and is located in east central Democratic Republic of Congo.
- Results from trench sampling and limited drilling completed as part of due diligence programme confirm significant potential of key target area.
- Erongo plans aggressive exploration programme for discovery of gold and tin deposits, including commencement of diamond drilling late in the June 2011 quarter.

Maniema Project

On 1 December 2010 Erongo Energy Ltd (ASX: ERN) (“Erongo” or “the Company”) announced it had entered into an agreement (“Agreement”) with Afrimines Resources SPRL (“Afrimines”) 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 Agreement was subject to a 3 month due diligence review. Erongo has now successfully completed its due diligence review and has elected to proceed with the Agreement.

Previous exploration work at the Maniema project, which included stream sediment, rock chip and soil sampling and trenching, identified seven significant target areas. Erongo completed a technical review of all historic exploration data, as well completing trenching on PR4804, where results from previous trenching included 24m @ 2.8g/t Au in KBT1, 25m @ 5.5g/t Au in KBT2 and 12m @ 4.6g/t Au in KBT3. Two additional trenches were completed by Erongo 100m to the north and south of the previously identified mineralisation, with results confirming the continuity of grade and widths of mineralisation in both directions. A significant soil anomaly (>100ppb) associated with the structure has been defined over more than 1km, and remains open to the south and to the north. A second west-east trending soil anomaly (>50ppb) has also now been identified that suggests that the main structure is intersected by a secondary cross cutting structure which continues over more than 1.2kms.

A limited drilling programme with hand held equipment was also undertaken by Erongo on PR4804. The drilling programme was abandoned due to poor penetration and poor recoveries. However, the drilling intersected significant mineralization down to 6m below trench samples confirming mineralization is open at depth. The drilling also confirmed widths of mineralization of more than 40m can be expected.

Erongo plans on completing further soil sampling and trenching at PR4804, to be followed by a diamond drilling programme planned for late in the June 2011 quarter.

In addition to PR4804, Erongo also plans on completing further exploration on the other significant target areas previously identified, including:

- PR4801 – where two significant gold in soil anomalies have been defined, one of more than 5kms and the other over 2kms.
- PR4806 – where a significant gold in soil anomaly has been defined over 5kms.
- PR4810 – where a tin anomaly originating from underlying granites and pegmatites and covering an aerial extent of more than 5kms by 2 kms has been identified.

The Company believes the project has the potential for discovery of one or more highly significant deposits.

The principal terms of the Agreement were set out in the Company's news release dated 1 December 2010 and in the notice of meeting sent to shareholders on 18 January 2011. The Company will now proceed with the payment of US\$360,000 and the issue of 6.5 million shares to Afrimines.

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.