

29 March 2006 URANIUM DRILLING UPDATE

Curnamona Energy is pleased to announce that its recent drilling in the Yarramba palaeovalley has produced further gamma log responses that are indicative of uranium mineralisation. Drillhole CEM056 intersected a 1 metre interval of 0.05% eU3O8 near the base of a 30 metre thick sequence of channel sands (see attached log). An associated strong EM log conductive response at the base of the sand column is indicative of reducing sulphides and hence a potentially favourable uranium trapping environment. This result follows other earlier reported uranium indications within the palaeochannel sands of the main Yarramba palaeovalley just north of the Honeymoon uranium deposit.

Drillhole CEB001, some 15 kilometres further north in the Shylock palaeochannel tributary has also showed significant gamma log responses over more than 12 metres in deeply weathered bedrock near the palaeochannel margin. This is in an area where previous Pasminco bedrock drilling had returned a uranium intersection of 0.07% U3O8 over 3 metres. The Shylock palaeochannel is one of numerous relatively small side tributaries that drain into the main Yarramba palaeovalley. Based on the distribution of uranium recorded in Pasminco drillholes, the target area of anomalous uranium mineralisation extends at least 4 kilometres down the 10 kilometre long Shylock palaeochannel over widths of more than 500 metres, both within the channel sands and in bedrock marginal to the channel.

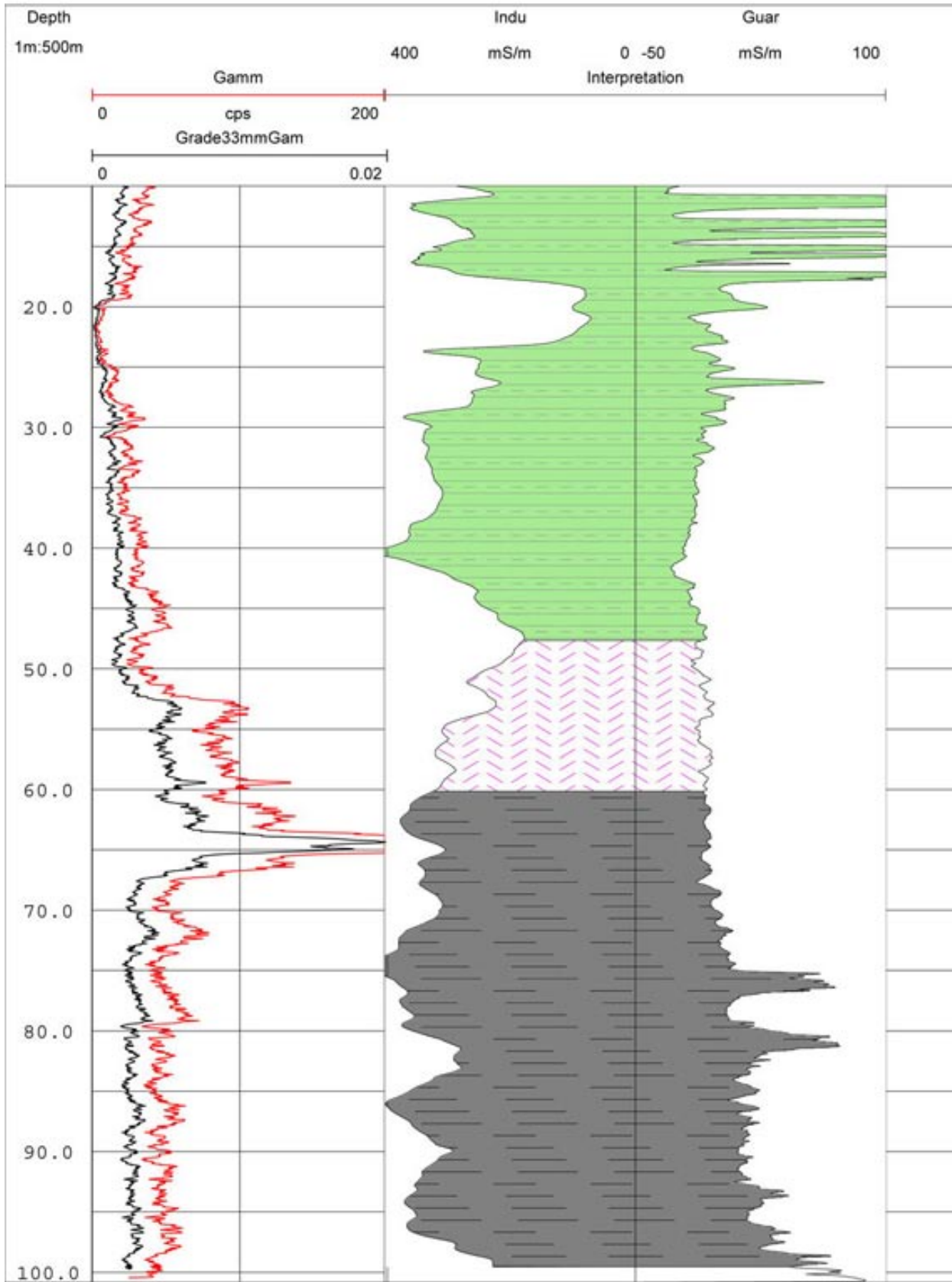
Commenting on the results, Curnamona's Chairman, Dr Bob Johnson said that drilling at both prospects was widely spaced and several Honeymoon size deposits could fit between the current drillhole spacing. "This is grass roots exploration in a large area of prospective palaeochannels and it is bound to take us some time to narrow down the search area and determine exactly where to home in with our drilling. We are most encouraged by the results to date as it indicates a fertile uranium migration and depositional palaeochannel environment. With the positive indications we are getting, we believe it is only a matter of time before we hit economic grades" he said.

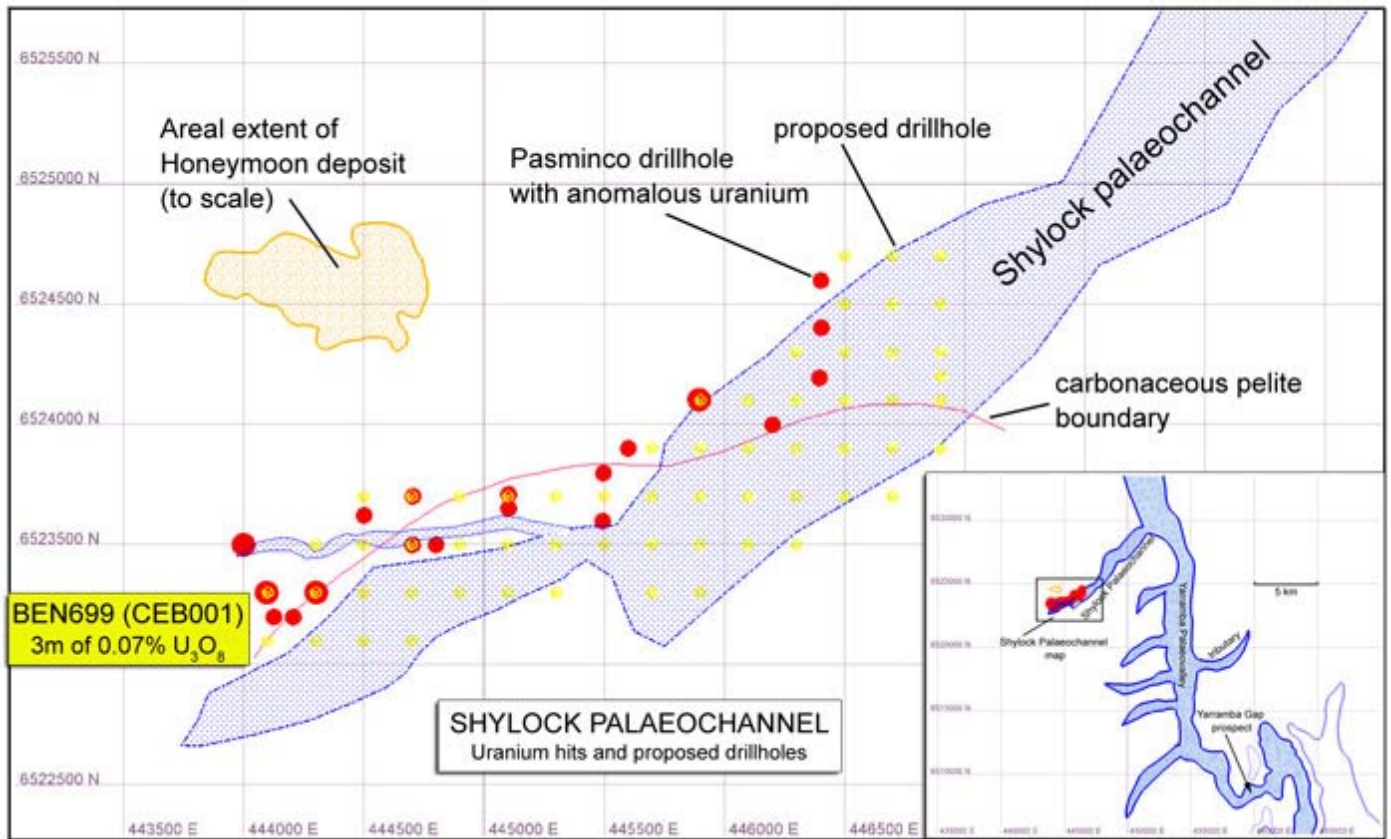
Dr Johnson said that Curnamona's ability to explore the extensive area of palaeochannels on its ground had been greatly assisted by the recent acquisition of a backhoe that was vital for preparing drills sites and clearing the terrain in advance of the drill rig. "We are fortunate to have our own drilling and logging equipment which greatly enhances our chances of discovery success, since it is all about drilling holes" he said.

Dr Johnson said that drilling will continue to test the Shylock palaeochannel over the next few weeks with significant results to be released progressively as they come to hand.

Bob Johnson, Ph.D, FAusIMM, Chairman

Hole ID CEB 001





The information in this report has been prepared by Dr Bob Johnson and Mr Mark Randell who are members of the Australasian Institute of Mining and Metallurgy and Dr Chris Giles who is a member of The Australian Institute of Geoscientists. All are adherents to the respective Institutes' codes and recommended practices and have had a minimum of five years experience in the types of activities being reported.

Enquiries should be directed to Dr Bob Johnson, Chairman, on (08) 8338 9292.