27 September 2006 - OBAN URANIUM PROSPECT - DRILLING UPDATE

Drilling at Curnamona Energy's 100% owned Oban prospect, located 60 kilometres north of the Honeymoon uranium deposit continues to generate economically significant uranium intersections (defined as grade x thickness in excess 0.1 metre % eU3O8). As of yesterday 21 holes have been sunk, with 18 holes having uranium mineralised intervals ranging between 0.8m to 6.05 m thick and with grades up to 0.34 metre % eU3O8. An area of 23,000 square metres has been drilled to date on approximately 40 metre centres. The average grade thickness within this area is 0.135 metre % eU3O8.

As an indication of the potential value at current spot uranium prices, 0.1 metre % U3O8 has an in-ground value of approximately A$250 per square metre (assuming a density of 1.8 tonnes per cubic metre). The advantage of in situ leach extraction is that it is potentially possible to strip most of the available uranium from a mineralized interval irrespective of the grade for a comparatively low capital outlay. On a cautionary note it is emphasized that the uranium must be proven to be in equilibrium, before the grades cited can be confidently related to actual U3O8. This will require assaying of representative core samples for uranium.

The area currently being drilled was subject to some earlier exploration but the drill rig used was not able to access all parts of the area because of the sandy terrain. Curnamona Energy s drill rig, with assistance from the 4WD backhoe where necessary, should be able to access most parts of the area without too much difficulty.

Curnamona Energy s immediate objective is to incrementally build the resource base within the target 3 square kilometer Oban sub-basin by progressively stepping out from the central core area reported above (see map). At this stage the host material appears to be a blanket of coarse-grained, lignite-bearing sands, deposited directly on older basement and in this respect it is somewhat different to the cleaner sands seen in the main Yarramba Palaeochannel. Oban appears to be a more classical overbank sand deposit which has trapped much organic debris in what might have been a backwater adjacent to the main river channel. This makes for a reducing host, evidenced by frequent organic pyrite in the sands, that is favourable for the chemical precipitation of the uranium dissolved in groundwater.

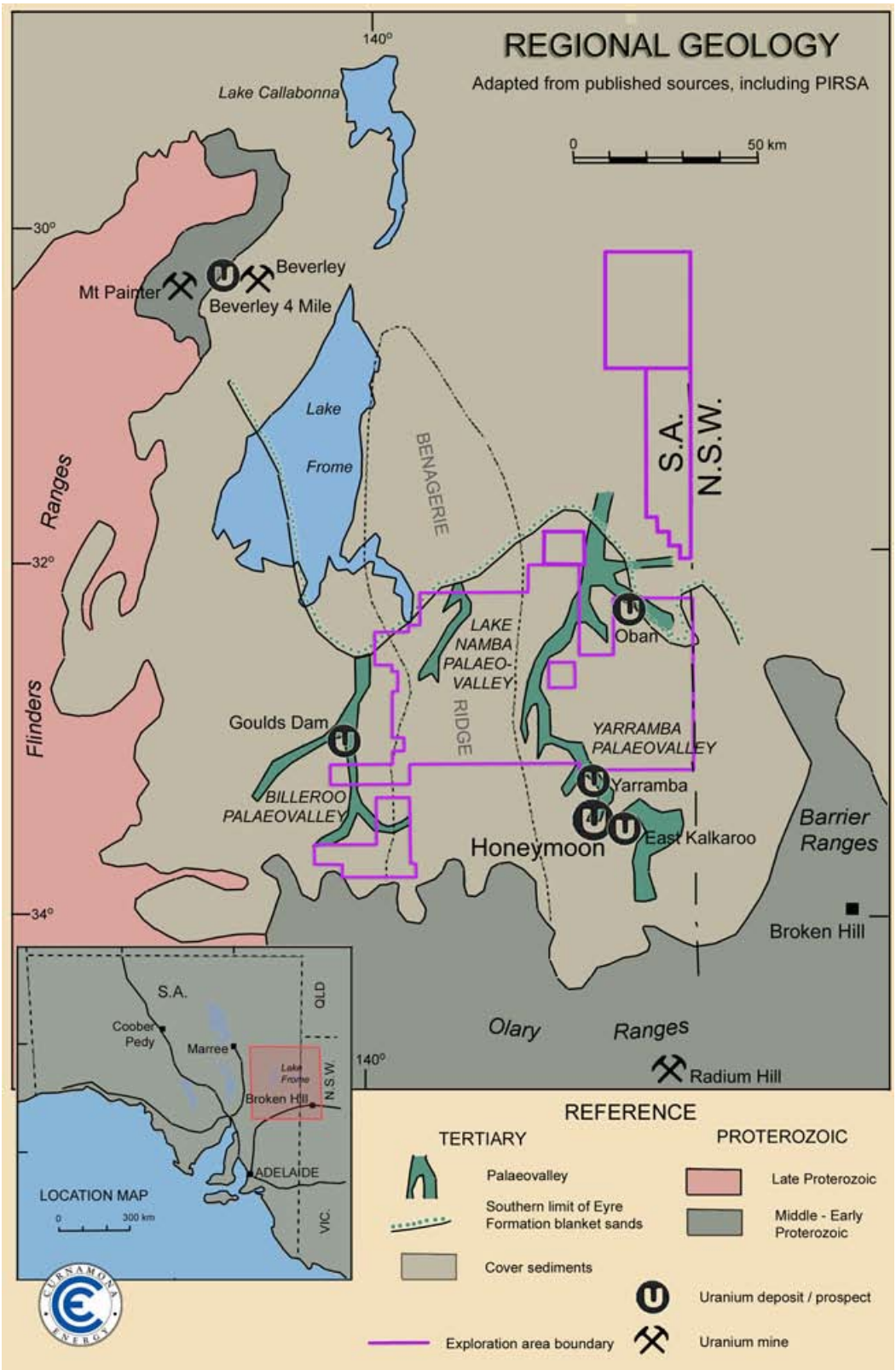
Ongoing drilling will focus on the Oban sub-basin area as outlined on the attached plan, particularly immediately west of the current drilling where historic drill logs show good uranium indications. Knowledge gained from drilling at Oban will be invaluable in searching for repeat situations. Gravity data and careful reconstruction of the ancient bedrock topography based on old drilling data, has already highlighted several further potential target zones for follow up outside of the Oban sub-basin. Historic drilling in this area is generally sparse, being mostly confined to existing tracks, with hole spacing often up to 2 or 3 kilometres.

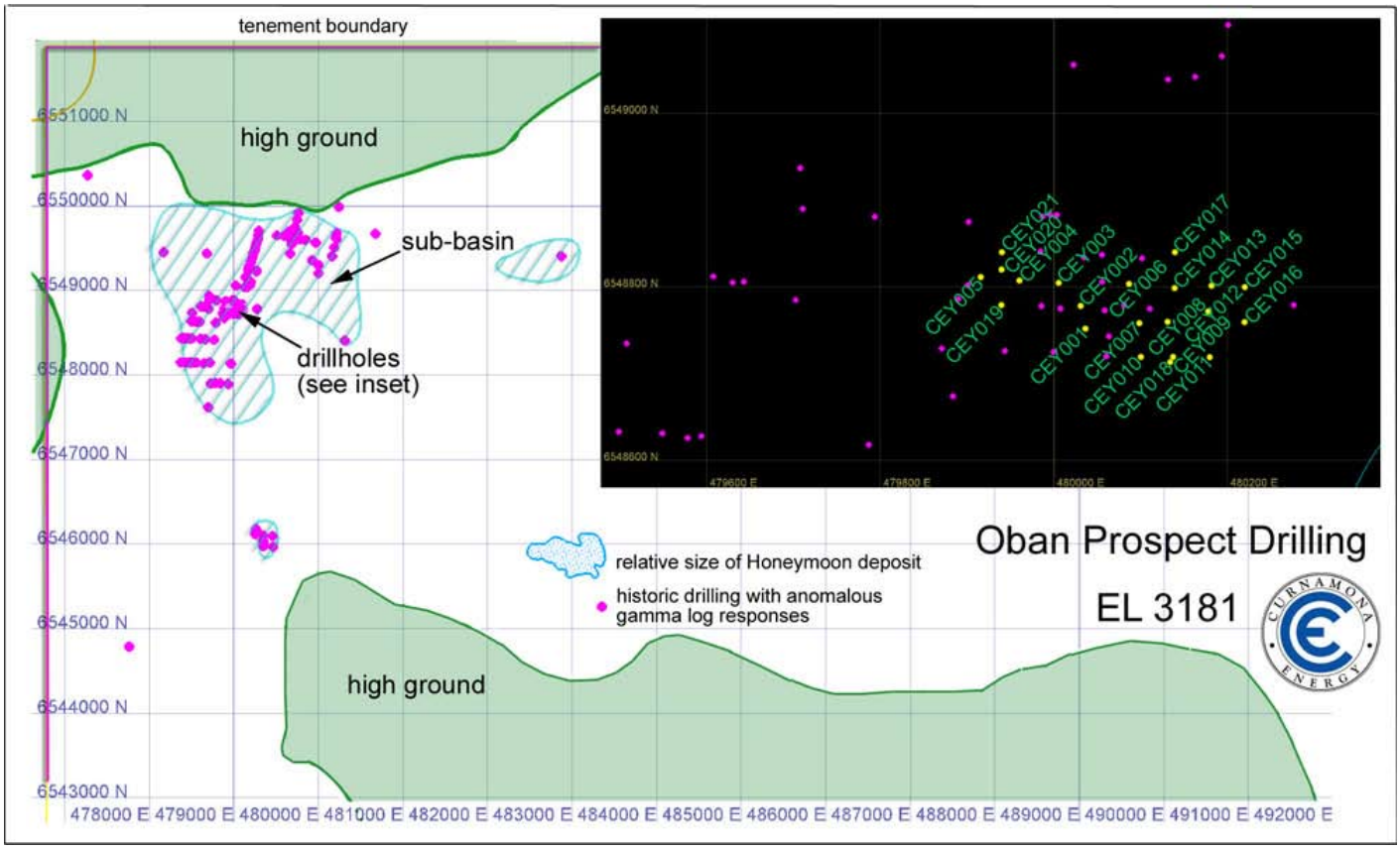
The drilling crew are due to take a break at the end of this week. Upon resumption of drilling in a week or so, it is planned to release regular drilling update reports in order to keep shareholders abreast of progress.

Curnamona Energy is 50.6% owned by Havilah Resources, and holds Tertiary palaeochannel uranium exploration rights over an area in excess of 5000 square kilometres in the world class Curnamona Craton uranium province of northeastern South Australia

CURNAMONA ENERGY LIMITED

Bob Johnson, Ph.D, FAusIMM, Chairman


REGIONAL GEOLOGY
Adapted from published sources, including PIRSA
0
50 km
140°
30°
32°
34°
Lake Callabonna
Mt Painter
Beverley
Beverley 4 Mile
Lake
Frome
BENAGERIE
RIDGE
Flinders
Ranges
S.A.
N.S.W.
LAKE
NAMBA
PALAEO-
VALLEY
Oban
Goulds Dam
YARRAMBA
PALAEOVALLEY
Yarramba
BILLEROO
PALAEOVALLEY
Honeymoon
East Kalkaroo
Barrier
Ranges
Broken Hill
Olary
Ranges
Radium Hill
LOCATION MAP
S.A.
QLD
N.S.W.
VIC.
Coober
Pedy
Marree
Lake
Frome
Broken Hill
ADELAIDE
0
300 km
REFERENCE
TERTIARY
PROTEROZOIC
Palaeovalley
Southern limit of Eyre
Formation blanket sands
Cover sediments
Late Proterozoic
Middle - Early
Proterozoic
Uranium deposit / prospect
Exploration area boundary
Uranium mine



The information in this report has been prepared by geologists 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. Drs Johnson and Giles are employed by the Company on consulting contracts and Mr Randell is a full-time employee. They have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration to qualify as Competent Persons as defined in the JORC Code 2004. Drs Johnson and Giles and Mr Randell consent to the release of the information compiled in this report in the form and context in which it appears.

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