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## 20 October 2006 - OBAN URANIUM PROSPECT - DRILLING UPDATE

### HIGHLIGHTS

- Drilling within the resource target area at the Oban prospect continues to return positive down hole gamma log responses.
- All recent holes contain anomalous uranium levels, with a peak value of 0.09% eU<sub>3</sub>O<sub>8</sub>, confirming a wide area of uranium mineralized sands.

Curnamona Energy Limited (Curnamona Energy – ASX : CUY) advises that drilling at its 100% owned Oban prospect, located 60 kilometers north of the Honeymoon uranium deposit continues to generate economically significant uranium intersections\*. As of yesterday a further 14 holes have been sunk, with uranium mineralised intervals ranging between 1 - 6 metres thick and with grades up to 0.23 metre % eU<sub>3</sub>O<sub>8</sub>. Best results were returned from drillhole CEY23, which intersected 6.3 metres of 0.036 eU<sub>3</sub>O<sub>8</sub> or 0.23 metre % eU<sub>3</sub>O<sub>8</sub> (see attached down hole log). This and many other holes show characteristic double spike anomalous gamma log responses that are indicative of the two limbs of uranium roll fronts.

A total area of 60,000 square metres has now been drilled in the interpreted Oban sub-basin on 40 - 80 metre drillhole spacings (see attached map). The average grade thickness for the 32 mineralised holes drilled within this area is 0.11 metre % eU<sub>3</sub>O<sub>8</sub>. At the present time drilling is still at a preliminary stage while the basin and channel palaeogeography is being determined. Eventually, this will permit targeting of geologically more favourable potentially higher grade areas of the sub-basin.

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

Cautionary Note : the uranium mineralisation intersected in the drillholes reported here must be proven to be in equilibrium, before the grades cited can be confidently related to actual U<sub>3</sub>O<sub>8</sub>. This will require assaying of representative core samples for uranium or use of a PFN downhole logging tool which would be undertaken during the next phase of resource definition work.

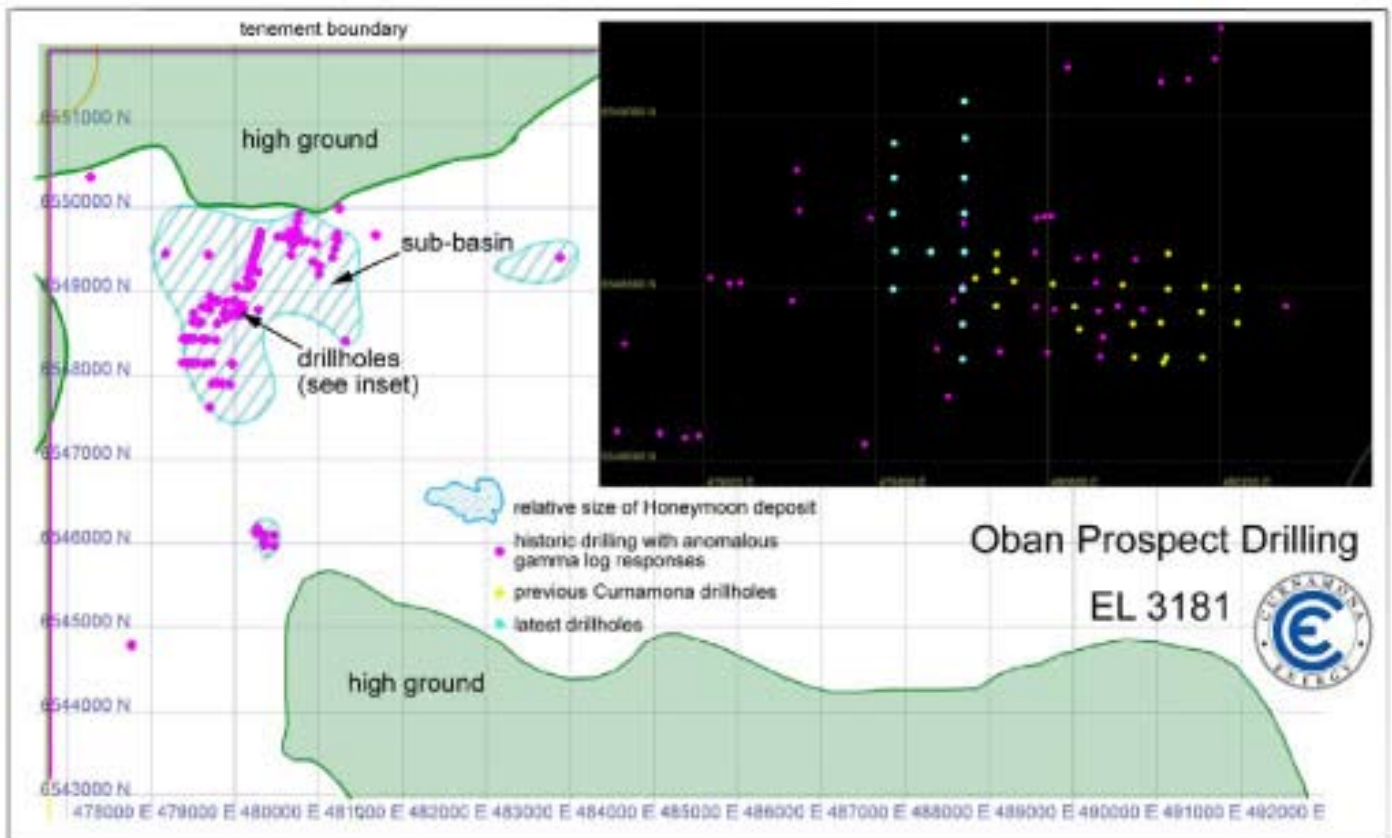
CURNAMONA ENERGY LIMITED

Bob Johnson, Ph.D, FAusIMM, Chairman

*\* in this report "economically significant" is defined as grade x thickness in excess 0.1 metre % eU<sub>3</sub>O<sub>8</sub>, where 0.1 metre % U<sub>3</sub>O<sub>8</sub> has an in-ground value of approximately A\$250 per square metre, assuming a density of 1.8 tonnes per cubic metre at current uranium spot prices.*

The information in this report has been prepared by geologists Dr Bob Johnson who is a member 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. 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 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





Tenement: Yaku

Co-ords (AGD86) 479881E 6548838N

Date: 11/10/08

Geologist: ATP

Hole ID CEY023

