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OBAN URANIUM PROSPECT - DRILLING UPDATE

HIGHLIGHTS

- **Drilling within the resource target area at the Oban prospect continues to return economically significant uranium intersections in channel sands.**
- **Includes the best result to date at Oban of 0.44 metre % eU3O8.**

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 23 holes have been sunk, with uranium mineralised intervals ranging between 1 - 7 metres thick and with grades up to 0.4 % eU3O8. Best results were returned from drillhole CEY51, which intersected 5.4 metres of 0.082% eU3O8 or 0.44 metre % eU3O8 (see attached down hole log). These results confirm the significant gamma responses in nearby holes drilled by previous explorers within the Oban resource target area.

A total area of approximately 169,000 square metres of uranium mineralized palaeochannel sands has now been drilled in the interpreted Oban sub-basin on 40 - 80 metre drillhole spacings (see attached map). Drilling is continuing within the resource target area, with the ongoing objective of expanding the area of uranium mineralization above the 0.1 metre % eU3O8 cutoff boundary

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. It has identified numerous palaeochannel uranium prospects on its tenement area and plans to systematically explore these with its owner operated integrated drilling and logging equipment.

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 U3O8. 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.

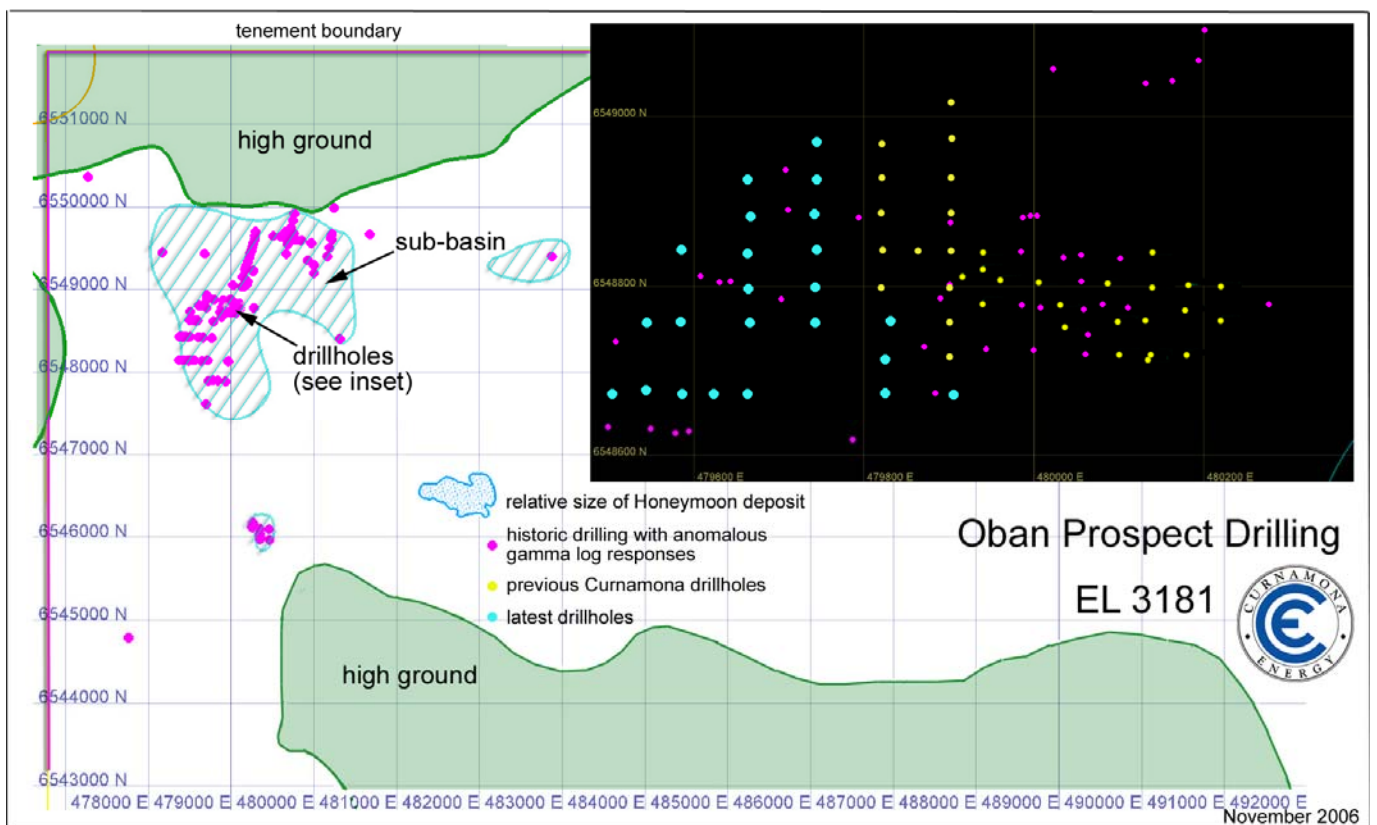
CURNAMONA ENERGY LIMITED

Bob Johnson, Ph.D, FAusIMM, Chairman

**** in this report “economically significant” is defined as grade x thickness in excess 0.1 metre % eU3O8, where 0.1 metre % U3O8 has an in-ground value of approximately A\$300 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: Yalu

Co-ords (AGD66) 479852E 6548680N

Date: 31/10/2006

Geologist: MHR

Hole ID CEY051

