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## FIELD LEACH TRIAL TO COMMENCE AT OBAN

### HIGHLIGHTS

- A Mineral Claim has been pegged on the Oban deposit with the view to commencing a field leach trial on the uranium mineralisation.
- This will be a relatively inexpensive exercise that will conclusively determine the amenability of the resource to *in situ* leach extraction methods.

Curnamona Energy Limited (Curnamona Energy – ASX : CUY) advises that its wholly owned subsidiary, Oban Energy Pty Limited, has pegged a Mineral Claim over its 100% owned Oban uranium project, located 60 kilometres north of the Honeymoon uranium deposit. Drilling in the second half of last year at Oban returned numerous economically significant uranium intersections within palaeochannel sands, with uranium mineralised intervals up to 6.5 metres thick and grades up to 0.44 % eU<sub>3</sub>O<sub>8</sub>. A well mineralized area (average Grade Thickness of 0.2 m% eU<sub>3</sub>O<sub>8</sub>) covering some 100,000 square metres was defined, with the uranium mineralization currently open to the northeast and southwest. The *in situ* value of gamma-indicated uranium in this small area is over \$70 million at current spot uranium prices, with the potential for a tenfold increase in the immediate vicinity.

Like the Honeymoon and Beverley uranium deposits, Oban is in a coarse-grained sandy palaeochannel aquifer, which should be amenable to low cost *in situ* leach (ISL) extraction methods. It has been decided to proceed with a simple field leach trial in order to determine the factors critical to successful ISL processing, such as permeability of the sands, uranium leachability / recovery and the extent of uranium disequilibrium. Subject to obtaining required approvals from PIRSA and other relevant government agencies, field leach trials are permitted on a Mineral Claim, but product cannot be sold. To this end, a Declaration of Environmental Factors will be lodged with PIRSA as soon possible in support of the field leach trial operation.

The planned key parameters of the field leach trial are:

- Simple five hole patterns, consisting of four injection bores at each corner of a square with a central extraction bore
- One pattern to be on line at any time

- Design throughput 10 litres per second
- Ion Exchange Resins to be used
- Plant capacity 20-40 tonnes of U<sub>3</sub>O<sub>8</sub> per annum
- Collect baseline EIS data

Assuming the field leach trial is successful, Oban Energy will then move to:

- Submit an Environmental Impact Statement
- Obtain a Mining Lease and the right to sell uranium
- Upgrade the field leach trial pilot plant to a full scale operation
- Operate at an optimum level with sales of yellowcake slurry to existing producers

In the meantime, exploration drilling at Oban is planned to re-commence early in March, following completion of maintenance and repairs to the Company's drilling rig and construction of a semi-permanent camp near Oban that will service both the drilling and field leach trial personnel.

Commenting on the above, Curnamona Energy General Manager, Mr Mark Randell said that commencement of field leach trials signals an important development step for the Company. "A field leach trial is only possible because the uranium occurs in salty, water-saturated palaeochannel sands that are confined by impervious clay barriers. We can do the field leach trials without major expense and if the results are favourable we can scale up to a sustainable operation that will progressively exploit additional uranium resources we discover in the Oban area" he said.

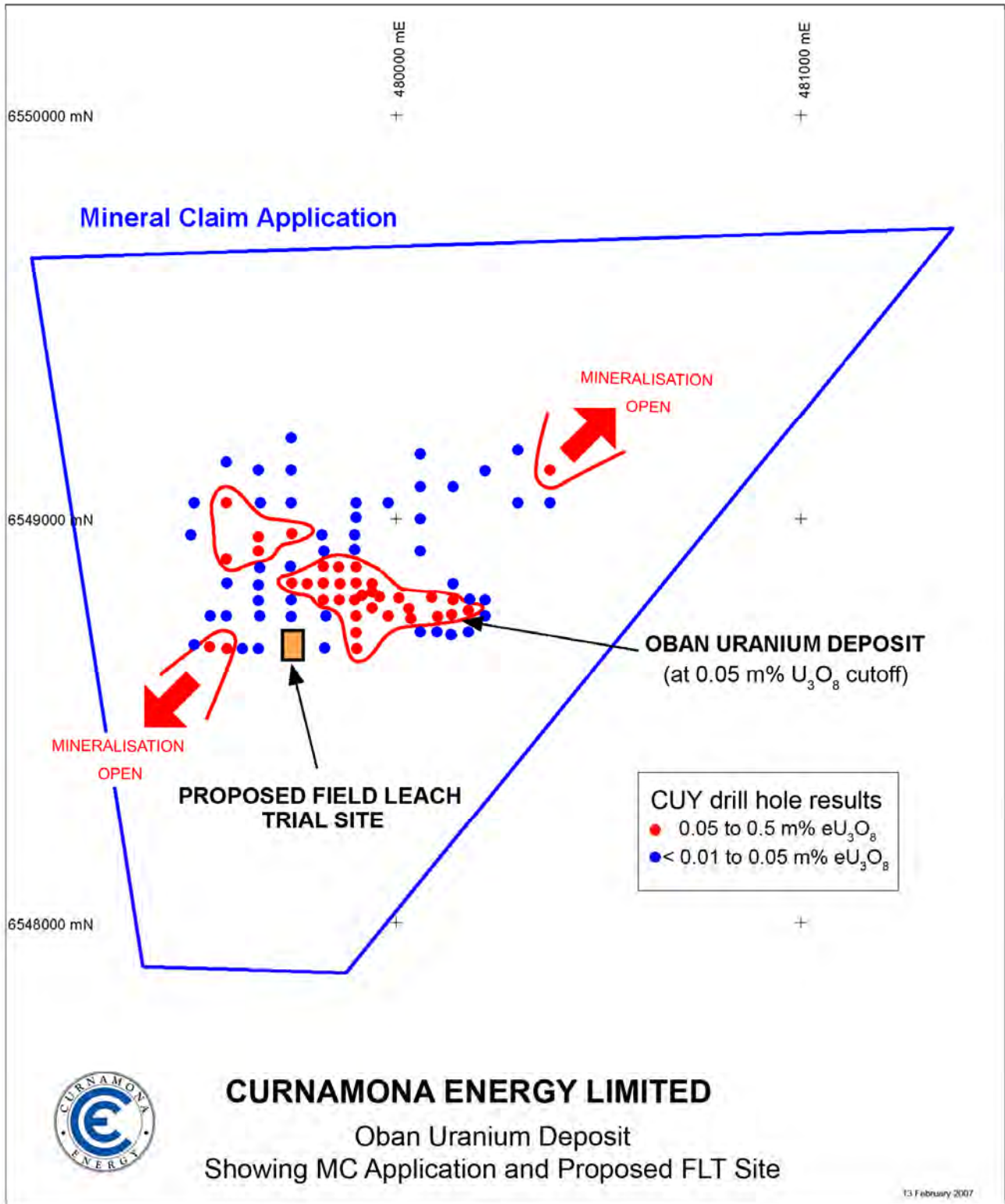
Curnamona Energy is 50.6% owned by Havilah Resources, and holds Tertiary palaeochannel uranium exploration rights over an area in excess of 5000 square kilometres in the world class Curnamona Craton uranium province of northeastern South Australia

## CURNAMONA ENERGY LIMITED

Bob Johnson, Ph.D, FAusIMM, Chairman

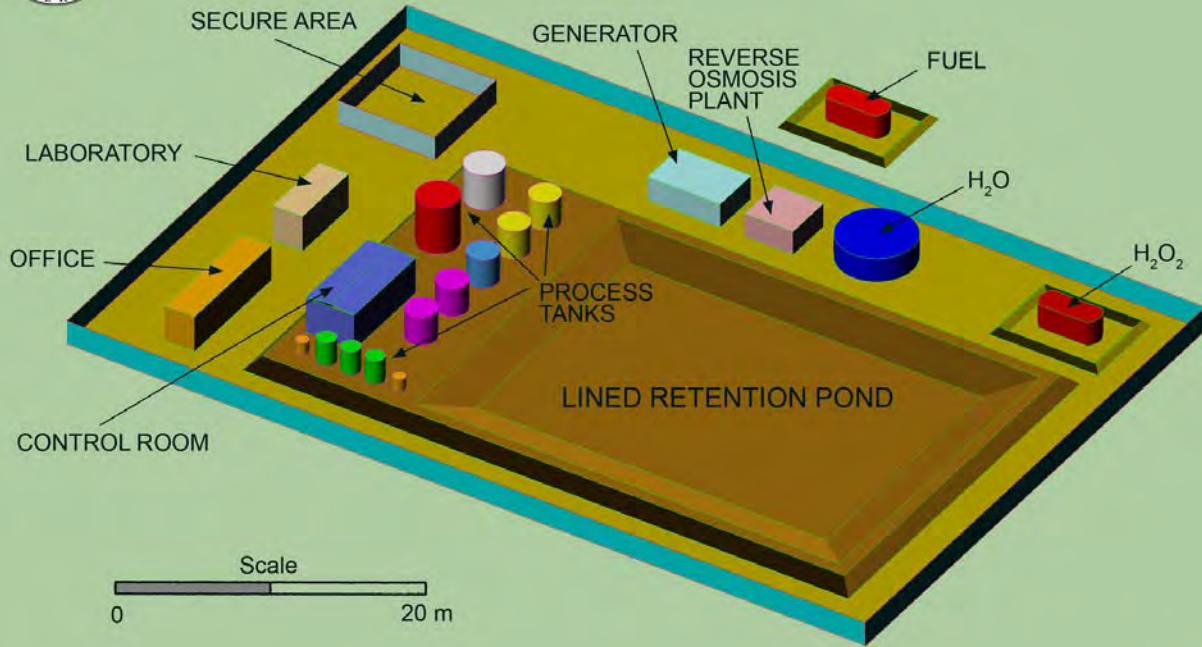
The information in this report has been prepared by geologists Dr Bob Johnson and Mr Mark Randell who are members of the Australasian Institute of Mining and Metallurgy and Dr Chris Giles who is a member of The Australian Institute of Geoscientists. Drs Johnson and Giles are employed by the Company on 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





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## PROPOSED FIELD LEACH TRIAL TREATMENT PLANT