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# NEWS

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• RELEASE •

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Wednesday 14 February 2007

## TRIAL TEST PLANT COULD LEAD TO NEW

### S.A. URANIUM MINE - CURNAMONA

Curnamona Energy Limited (ASX code : "CUY") today announced plans for a trial treatment plant which could lead to another in-situ leach uranium operation in South Australia.

If the proposed trial plant proves successful, Curnamona says it could easily be scaled up to a small commercial uranium mining operation able to produce up to 40 tonne of yellowcake per annum.

Details of the trials and proposed plant were contained in an announcement by Curnamona today that it had applied for a Mineral Claim over the Oban project, 60 kilometres north of the Honeymoon uranium deposit.

If approved, the claim will allow installation and commissioning of the trial treatment plant by the second half of this year.

"The Oban uranium deposit lies in the deeply buried sands of an ancient river channel," Curnamona Chairman, Dr Bob Johnson, said today.

"As such, it should be amenable to low cost in-situ leach (ISL) extraction methods similar to Honeymoon, which is in development, or the highly successful Beverley ISL uranium operation to the northwest " Dr Johnson said.

"Our drilling late last year at Oban identified several leads including one particularly well mineralised area covering more than 100,000 square metres.

"The value of uranium indicated by the drillhole gamma logging in this small area is more than A\$70 million at current spot uranium prices, with the potential for a tenfold increase in the immediate vicinity. If the trials are successful, Oban can quickly become a small commercial mine."

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Curnamona Energy's General Manager, Mr Mark Randell, said the commencement of field leach trials was an important development step for the project.

"A field leach trial is only possible because the uranium occurs in permeable salt water saturated sands that are sandwiched between impermeable clay layers," Mr Randell said.

"We can initiate the trials without major expense and if the results are favourable, we can scale up to a sustainable mining operation able to progressively exploit additional uranium resources we discover in the Oban area," he said.

"The tests on the Oban deposit will not require digging or ground disturbance. All that is required is a network of boreholes and pumps and collection of uranium on a resin column."

The Mineral Claim will allow Curnamona to conduct the field leach trials, but not to sell any yellowcake produced until a subsequent Mining Lease is approved.

Mr Randell said preliminary planning of the field leach trial treatment plant was well advanced, and subject to PIRSA approvals, should be constructed and operational by the second half of calendar 2007.

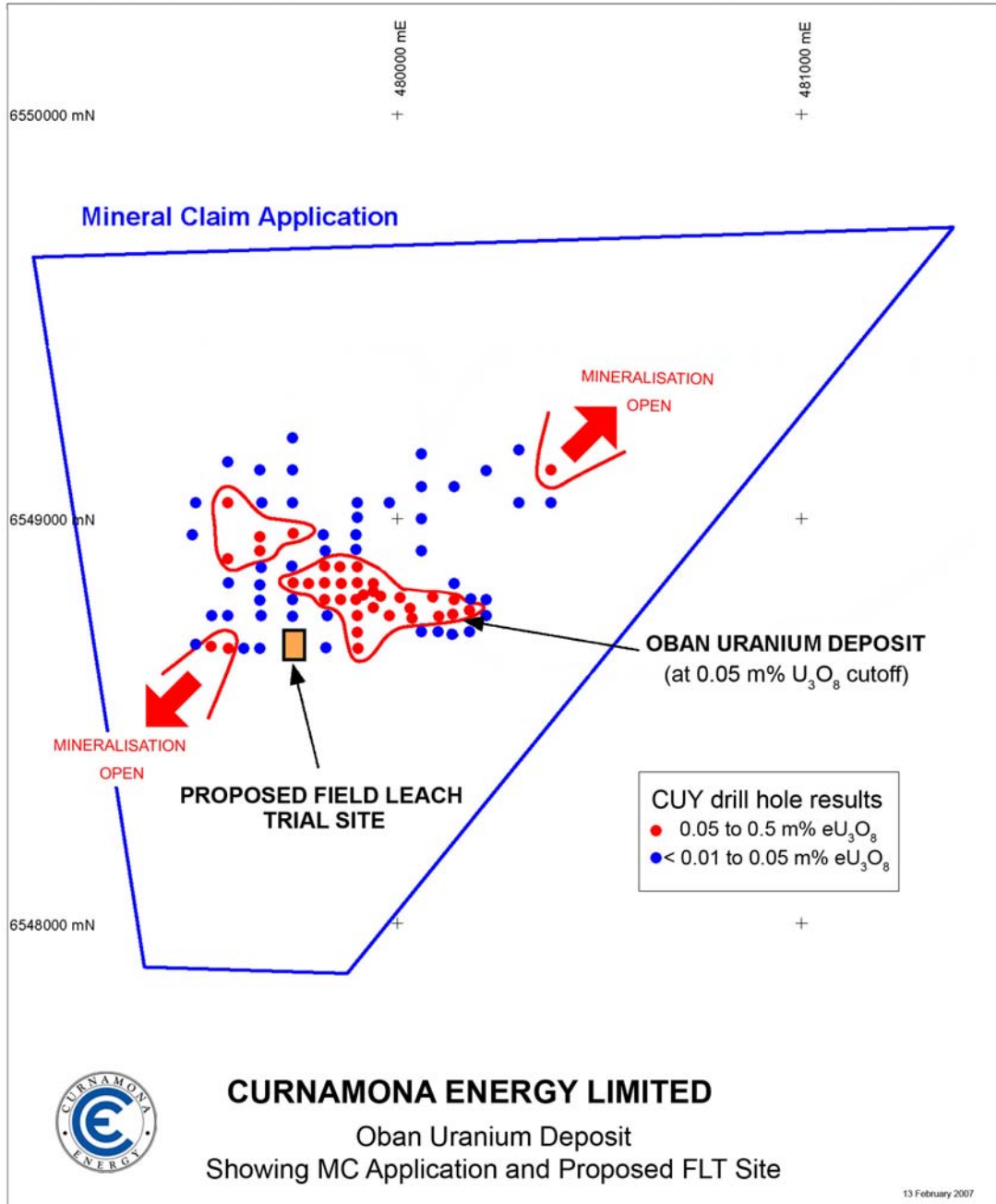
Further exploration drilling at Oban is planned to re-commence next month. The project's uranium mineralisation was discovered more than 40 years ago and has been drilled since by a number of companies, including Paladin.

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.

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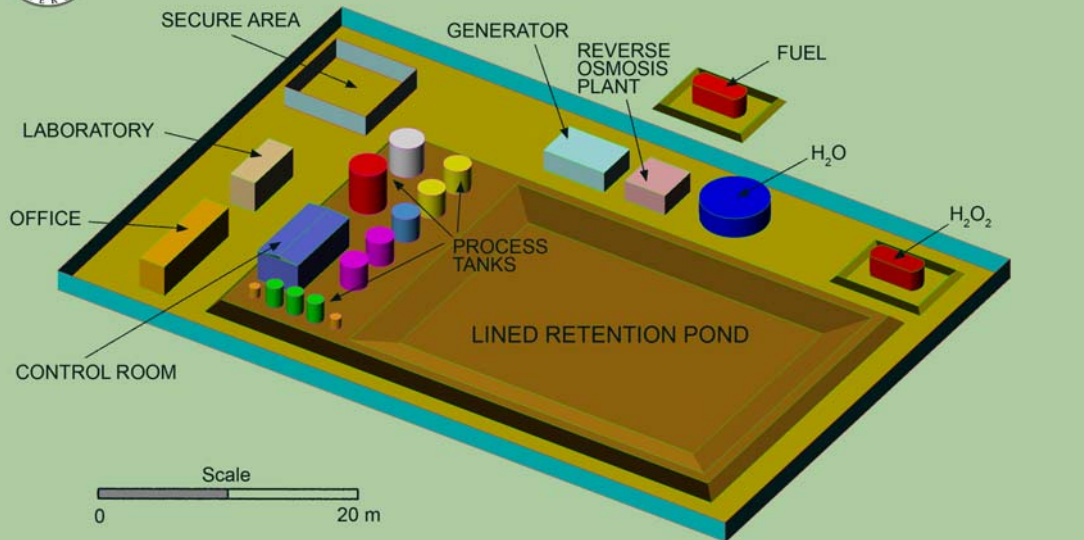
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# CURNAMONA ENERGY LIMITED



## PROPOSED FIELD LEACH TRIAL TREATMENT PLANT

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