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ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE

DIAMOND DRILLING AT KARIBA URANIUM PROJECT IN ZAMBIA CONFIRMS ORIGINAL AGIP DATA

The Directors of OmegaCorp Limited ("the Company") are pleased to announce the results from a diamond drilling program completed at the Mutanga Prospect of the Kariba Uranium Project in Zambia. The program aimed to test the veracity of the work completed by the Italian Oil company AGIP SPA ("AGIP") in the late 1970s and early 1980s and provide material for metallurgical test work. The assays from nine of the eleven holes drilled have been received and there is a good correlation between the holes drilled by AGIP and those by the Company, with two holes – MR04 and MR07 returning higher grade intercepts than the original AGIP data.

The AGIP data had formed the basis of a resource estimation completed by independent consultants in November. This resource estimation currently totals approximately 11 million pounds U_3O_8. The eleven holes were drilled adjacent to a selection of holes drilled by AGIP across the area where the resource estimation was made. This technique is referred to as "twinning" and provides confidence not only in the original assay data, but also the drilling techniques employed by AGIP.

The Company also completed geophysical logging as a further check on five of the eleven holes drilled. These preliminary results are also consistent with the original data. Furthermore, the geophysical logging of hole MR09 (chemical analysis results still awaited) has revealed equivalent U_3O_8 values higher than the original AGIP data.

This drilling has given the Company a high degree of confidence in the resource and the metallurgical test work will now continue as the economic assessment of the project accelerates. Limited further drilling will also now be conducted to assess the areas where higher than anticipated grades have been intersected and this is expected to lift the overall resource category at Mutanga.

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Introduction

A total of eleven diamond core drill holes for 650m of drilling were completed before Christmas 2005 on the Mutanga Prospect of the Kariba Uranium Project in Southern Zambia. The drilling of the holes was completed in order to confirm the results of diamond and wagon drilling completed by previous explorer AGIP during the mid 1970s to early 1980s. Wagon drilling is a form of open hole percussion drilling. Sufficient assays for nine of the holes have been received to enable a comparison to be made with the results of the earlier drilling.

The programme involved drilling a diamond hole in close proximity to an earlier hole that contained significant mineralisation. This technique is referred to as "twinning". The twinned holes were placed as close as possible to the original hole collars as this type of "roll front" uranium mineralisation is characterised by a rapid change in both thickness and grade of mineralisation over short lateral distances.

In addition to the use of chemical analysis, the Company undertook the use of down hole geophysical logging, to provide an estimate of the U_3O_8 content in the drill holes. This was completed on five of the drill holes.

Chemical Assay Results

Hole MR01 returned 14m at 190ppm U_3O_8 from 18.7m compared to 13.1m at 305ppm U_3O_8 from 14.54m in twinned wagon hole WD059.

Hole MR03 returned 7m at 294ppm U_3O_8 from 39.7m compared to 8m at 408ppm U_3O_8 from 40.31m in twinned wagon hole WD056.

Hole MR04 twinned wagon hole WD021 and produced significantly higher assay values than the original hole. Sufficient assay intervals were available from the original hole to enable a direct comparison of the results.

Interval	Grade in original hole WD021 (ppm U_3O_8)	Grade in new hole MR04 (ppm U_3O_8)
13.11-40.42m (27.31m)	255	487
Includes		
13.11-34.42m (21.31m)	303	619

Hole MR06 returned 5.5m at 182ppm U_3O_8 from 16.5m compared to 5.2m at 199ppm U_3O_8 from 15.68m in twinned wagon hole WD022.

Hole MR07 returned 2.6m at 1047ppm U_3O_8 from 40.8m compared to 1.87m at 663ppm U_3O_8 from 34.42m in twinned wagon hole WD030.

Hole MR08 returned 5m at 792ppm ppm U_3O_8 from 31.45m which included 2m at 1,802ppm U_3O_8 from 34.45m. This compares with 5m at 1,296ppm U_3O_8 from 31.7m in twinned diamond hole DD026.

Hole MR10 returned 8m at 390ppm U_3O_8 from 31m compared to 8.45m at 388ppm U_3O_8 from 31.42m in twinned wagon hole WD058.

Hole MR11 twinned the earlier wagon drill hole WD038 which recorded 6.97m at 1,203ppm U_3O_8 from 18.15m. The new hole returned an assay interval of 12.2m at 514ppm U_3O_8 which included 7.2m at 710ppm U_3O_8 from 18.5 with a maximum value of 0.5m at 4,068ppm.

The Directors are encouraged by the results as the wagon drilling method can often result in down-hole smearing of samples giving the appearance of wider mineralised intervals. The comparative results for MR06 and wagon drill hole WD022 are very similar whereas those for MR04 have similar intersection intervals but the grades are almost twice as high as for wagon drill WD021. Hole MR07 has both a significantly wider intersection and higher grade than for its twin hole WD030. Conversely hole MR11 returned a significantly wider zone of mineralisation but at a lower grade than for the twinned wagon hole WD038.

Geophysical Results

Down-hole logging was completed on five complete holes (MR01, 02, 05, 07 and 9). The preliminary results of the logging compare very well with the original assay data and indicate that a higher grade can be expected from MR09 for which assays are yet to be received.

A selection of the samples will be sent to Australia, where metallurgical test work will be completed to verify earlier reports of favourable metallurgical characteristics of the deposit. This work will be integrated into the scoping study already underway.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves on the Kariba Project in Zambia is based on information compiled by Dr John Chisholm, a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Chisholm is Principal Geologist of Continental Resource Management Pty Ltd, a consultant of OmegaCorp Limited. Dr Chisholm has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Chisholm consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.