OMEGACORP LIMITED

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 10 May 2006

OMEGACORP TO FLOAT ITS TANZANIAN URANIUM ASSETS

The Board of OmegaCorp Limited ("the Company") advises that it will float its wholly owned subsidiary, Mantra Resources Limited ("Mantra"), on the Australian Stock Exchange ("ASX"). It is intended that Mantra will raise approximately $8.5 million through an initial public offering and the transfer of the Company's uranium interests in Tanzania to Mantra is in the process of being finalised.

Mantra will have direct and joint venture interests in a number of prospective uranium projects in Tanzania. These projects have been essentially dormant since being acquired by OmegaCorp due to the Company's focus on its Zambian and Mozambique assets. The Board believes that a separate listing of these projects will ensure that they have adequate funding for exploration, allow for a better focus on their development and enable a more transparent market value to be placed on them.

The major points of the proposed transaction are as follows:

- Mantra will apply for listing of its shares on the ASX and it will hold OmegaCorp's Tanzanian uranium assets and some other non-core residual mining assets;
- Broadly, the prospectus will offer up to 34 million Mantra shares at an issue price of $0.25 each to raise approximately $8.5 million;
- Existing OmegaCorp shareholders will be entitled to subscribe for shares in Mantra as part of a Priority Offer of approximately 26 million shares, to be set aside for OmegaCorp shareholders on a 1 for 4 basis. A further 8 million shares will be offered on an oversubscription basis, plus any shares not subscribed for under the Priority Offer, in a Placement Offer;
- As part of the share subscription the Company also intends to grant up to approximately 17 million $0.30 unlisted options (expiry date 30 June 2009) to be distributed as free attaching options on a 1 for 2 basis, providing a future source of capital for Mantra; and
- 6 million $0.30 unlisted options (expiry date 30 June 2009) will be granted to OmegaCorp as consideration for facilitating the proposed listing of Mantra on the ASX.

The Mantra Board will comprise Mr Robert Behets, an experienced geologist and previous executive with WMC Resources Ltd, as Managing Director and two existing OmegaCorp directors, Messrs Ian Middlemas and Mark Pearce.

OmegaCorp expects to issue and lodge a prospectus by the end of June 2006.

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