



ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 29 AUGUST 2006

JORC COMPLIANT RESOURCE INCREASES BY 25% AT KARIBA PROJECT

The Directors of OmegaCorp Limited (the Company) are pleased to announce that the JORC code compliant inferred resource at the Kariba Uranium Project (“KUP or Project”) has increased by approximately 25% from 10.9 to 13.7 million pounds U₃O₈. Independent consultants, Finore Mining Consultants Pty Ltd (“FinOre”), have remodelled and integrated last years drilling together with additional historical data resulting in an overall increase in the resource. This resource estimation work has been completed on the Mutanga and Dibwe Prospects, which are two of five key prospects within the Project. Infill drilling is expected to increase the resources and lift the resource classification of these Prospects.

At the Mutanga Prospect, the resource has increased by 0.8 million pounds to 6.2 million pounds U₃O₈. Extensions and satellite prospects at Mutanga have been estimated to contain a further 900,000 pounds U₃O₈. Further potential exists to increase the Mutanga resource with the identification of additional lenses of mineralisation adjacent to and below the current resource envelope.

At the Dibwe Prospect, located ten kilometres to the southwest of Mutanga, the recently acquired results for the historical AGIP RDM drill holes have been incorporated into the resource model resulting in an increase from 4.7 to 6.6 million pounds U₃O₈. There is also considerable scope to increase the resource in this area by addition of the known mineralisation at Dibwe West and North, where additional historical drilling has been identified.

FinOre have recommended additional work which has been adopted by the Company to lift the resource categories at Mutanga and Dibwe. The Company now has two drill rigs on site at Mutanga completing both RC and diamond drilling. This substantial drilling program comprises approximately 10,000m and will be completed by November 2006. It is anticipated that this will ultimately both increase the resource and improve the resource confidence level for both the Mutanga and Dibwe deposits as the Company moves to make the transition from explorer to producer and generate an early cash flow.

Enquiries:

Managing Director – Matthew Yates

Contact Details:

Phone

+ 61 8 9322 6322

Summary

The Company contracted FinOre, a subsidiary of the CSA Geological Consultants, to provide a 3D geological model, a Mineral Resource Estimate (“MRE”) and recommendations for future exploration for the KUP, located in the Southern Province of the Republic of Zambia.

All geological and sampling data provided to FinOre was supplied by Omega via Continental Resource Management (CRM), who also provided geological support to FinOre during the resource modelling process. Additional data and detailed site-specific geological information was obtained during a site visit to the project area. Support has also been provided by Zambian based geological consultants who have been awarded responsibility for the geological field activities at the Project.

FinOre produced a MRE for the Mutanga and Dibwe deposits within the KUP.

The FinOre MRE presented in Table 1 incorporated:

- Historical and new drilling data, consisting of both percussion and diamond drilling validated by FinOre.
- In-situ dry density assumptions based on the Escarpment Grit Formation sandstone samples.
- Geological information obtained from GeoQuest and by FinOre during a visit to the site.

Table 1 presents the KUP - Mutanga and Dibwe MRE, reported at a lower cut-off grade of 200ppm U₃O₈.

Table 1 Mutanga and Dibwe Summary of Mineral Resource Estimate

OmegaCorp - Kariba Uranium Deposits - Zambia						
Mineral Resource Estimate						
	Inferred			Total Resource		
Deposit	Tonnes	U₃O₈ ppm	U₃O₈ lbs	Tonnes	U₃O₈ ppm	U₃O₈ lbs
Mutanga	7,000,000	400	6,200,000	7,000,000	400	6,200,000
Mutanga Extensions	500,000	340	400,000	500,000	340	400,000
Mutanga East	200,000	320	100,000	200,000	320	100,000
Mutanga West	500,000	340	400,000	500,000	340	400,000
Dibwe	8,200,000	370	6,600,000	8,200,000	370	6,600,000
Total	16,400,000	380	13,700,000	16,400,000	380	13,700,000

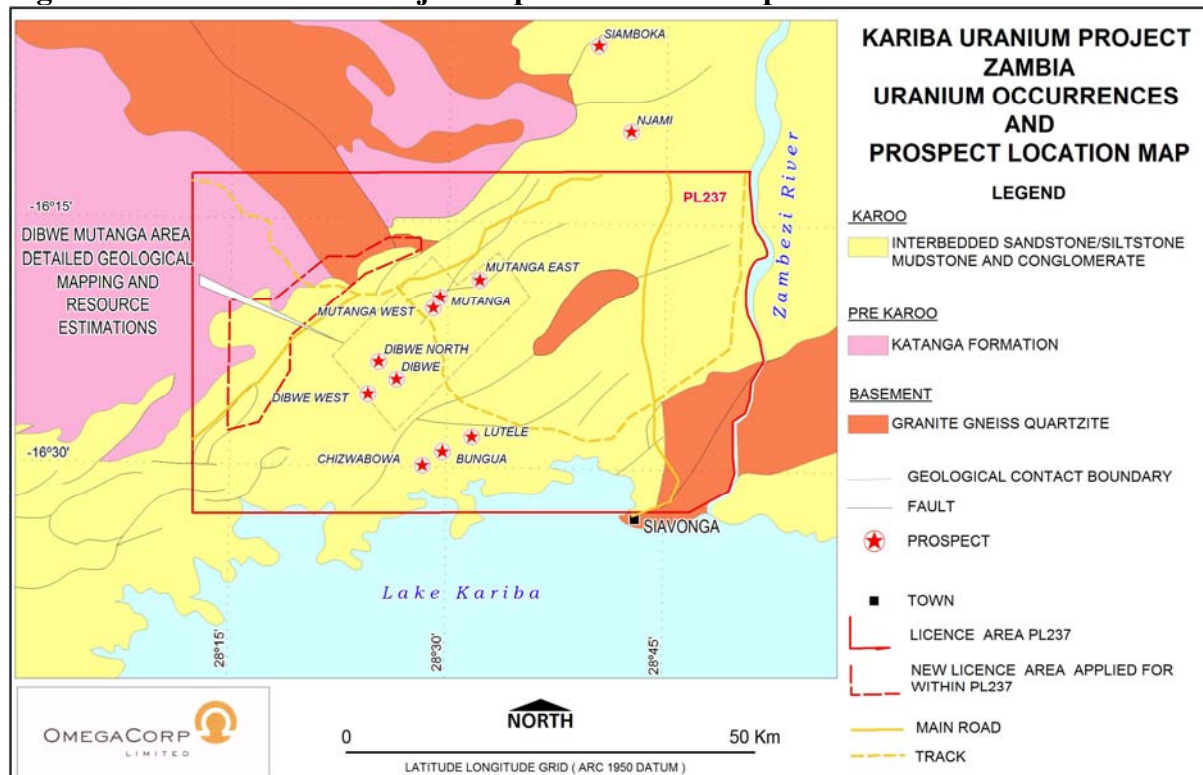
Introduction

The KUP mineral resource consists of material from four areas within the Mutanga and Dibwe prospects. The four areas are Mutanga Central, Mutanga East, Mutanga West and Dibwe Central (Figure 1). All of the Mineral Resource has been assigned to the Inferred category, due to the limited understanding of geological continuity and low drilling density.

After detailed statistical analysis between the different assay and radiometric methods used to determine the sample U_3O_8 grades, a conservative approach was adopted in the treatment of the historical U_3O_8 assay data during resource estimation. The down-hole logger equivalent U_3O_8 values were factored down by approximately 20% based on regression analysis between fluorimetry, spectrometry and gamma logger duplicate assay pairs. The data set used for the regression analysis was based on early drilling results only. This has been completed to ensure that the grade of U_3O_8 obtained from historical down hole-logging and spectrometry is not overstated. The recent program of diamond twin holes at Mutanga has supported the validity of historical U_3O_8 down-hole intercepts, however statistical analysis of the combined data sets indicates that adjustment is justified at present.

Although a conservative approach in applying the 20% factor has been used for estimation of the resource grades, there is evidence to suggest that this may not be applicable to all samples. As a result of this evidence, FinOre have produced grade 'up-side' block models, using the AGIP reported grades without any adjustment. These resource models indicate that there is potential for an approximate 25% increase in uranium pounds with an elevation in the overall grade.

Figure 1 Kariba Uranium Project Deposit Location Map



Mineral Resource Estimation

The Mineral Resource estimates were based on the following assumptions and parameters:

- The primary data used to model the geology and to estimate the resource was predominantly from the historical AGIP percussion and diamond drilling programs, together with an additional eleven diamond holes drilled at Mutanga by the Company in 2005. Details of the drill holes used to derive the estimate are listed in Table 2. Plans showing the drill hole collar locations and surface geology are presented in Figures 2 and 2a.

Table 2 Summary of Drill Hole Data Used in the Mineral Resource Estimates

Deposit	Hole Prefix	Num Holes	Metres Drilled	Comments
Mutanga	DD	65	6908.1	AGIP Diamond holes
	MR	11	650.2	The Company 2005 Twinned Diamond Holes
	SWD	83	974.0	AGIP Short Wagon Percussion Holes
	WD	124	7238.0	AGIP Wagon Percussion Holes
Sub-Total		283	15770.3	
Mutanga West	DD	4	547.1	AGIP Diamond holes
	WD	23	1361.0	AGIP Wagon Percussion Holes
Mutanga East	DD	1	146.0	AGIP Diamond hole
	WD	7	420*	AGIP Wagon Percussion Holes (*final depths estimated)
Sub-Total		35	2474.1	
Dibwe	DDH	40	5255.4	AGIP Diamond holes
	WD	134	13400.0	AGIP Wagon Percussion Holes (depths assumed to be 100m)
	RDM	36	6796.5	AGIP Regional Diamond Drill holes (some depths not certain)
Sub-Total		210	25451.9	
TOTAL		528	43696.3	

Figure 2 Mutanga and Dibwe Drill Hole Collar Locations

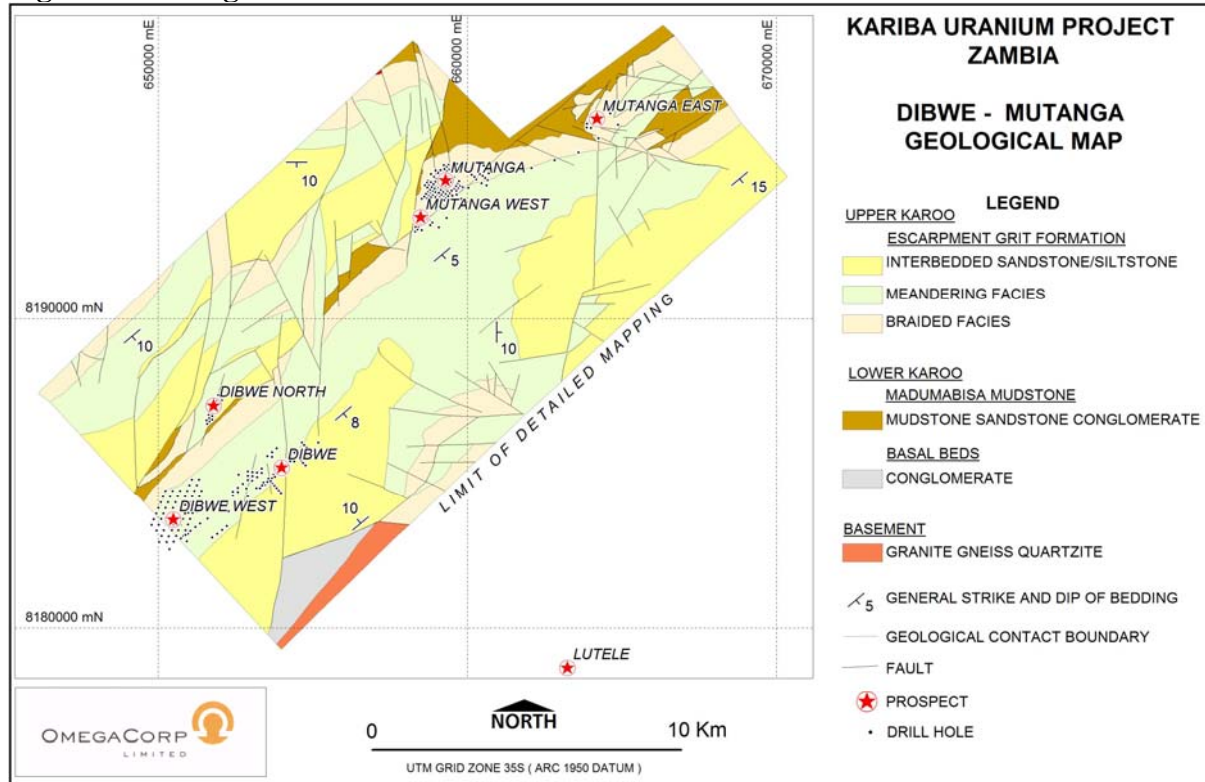
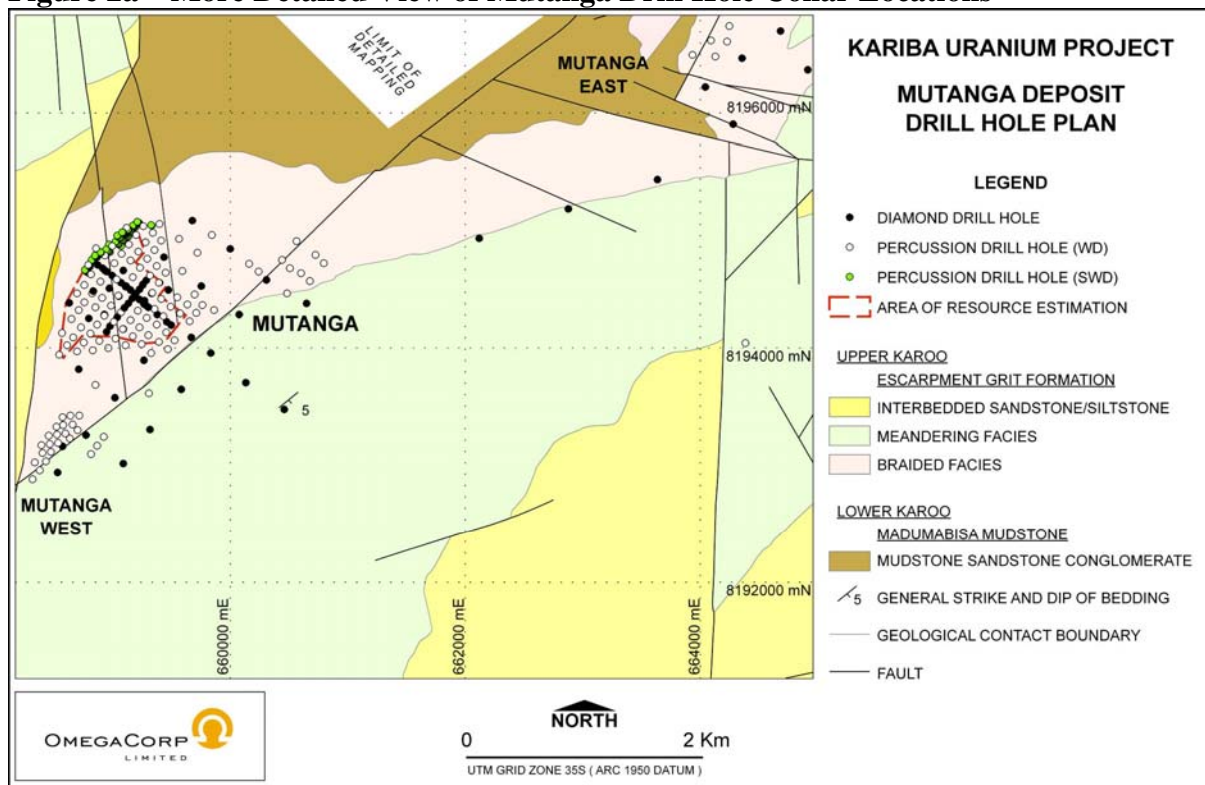


Figure 2a – More Detailed View of Mutanga Drill Hole Collar Locations

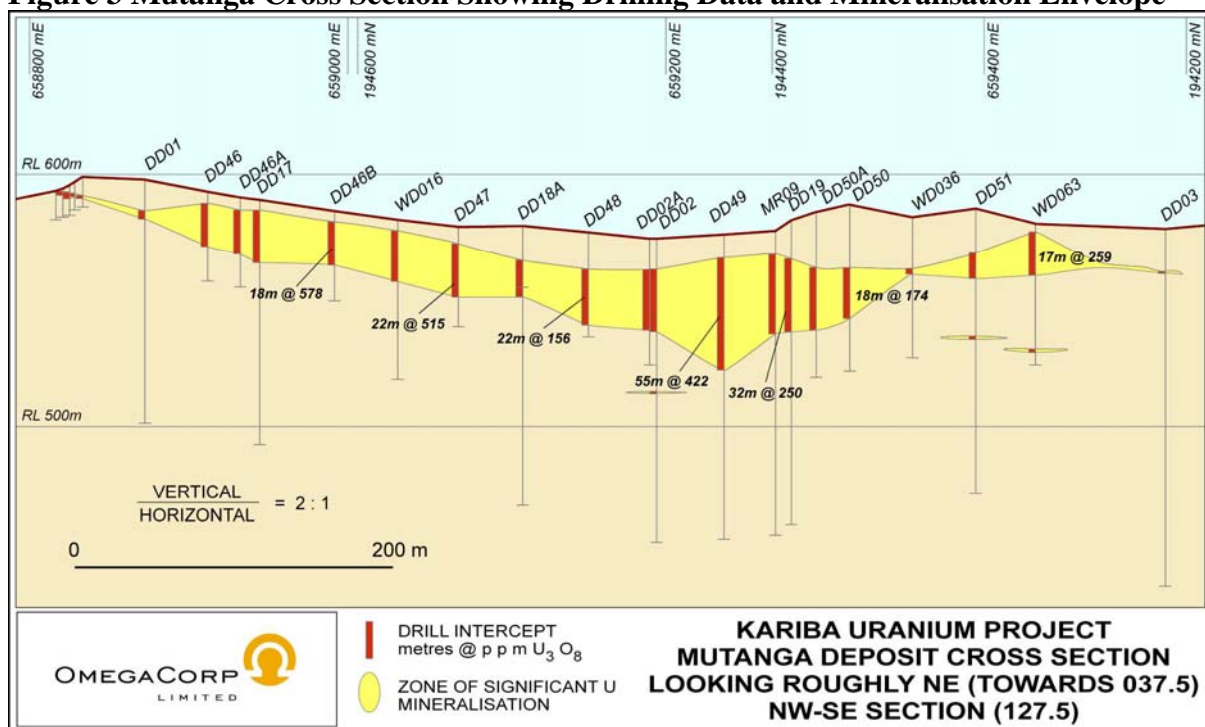


- Historical sample intervals were composites created by AGIP and reported at different U_3O_8 cut-offs ranging from 200ppm to 700ppm. The bulk of the composites used for the resource were from the 200ppm data set. No waste or

below cut-off assay data was available. The Company diamond holes were sampled on 0.5 metre increments within the mineralised zones and 1m increments in the waste (less than 50ppm) zones.

- Mineralisation wireframes were constructed from sectional interpretations using drillhole intercepts for Mutanga and Dibwe. Limited surface or outcrop mapping data was available or used during the construction of the resource models. Mineralisation wireframes were interpreted at a lower cut-off grade of around 100 ppm U_3O_8 and were used to constrain grade estimation. In some areas the mineralisation wireframe was extrapolated through barren drill holes in order to maintain continuity within the mineralised envelope. An example of a cross section through the Mutanga deposit is presented in Figure 3.

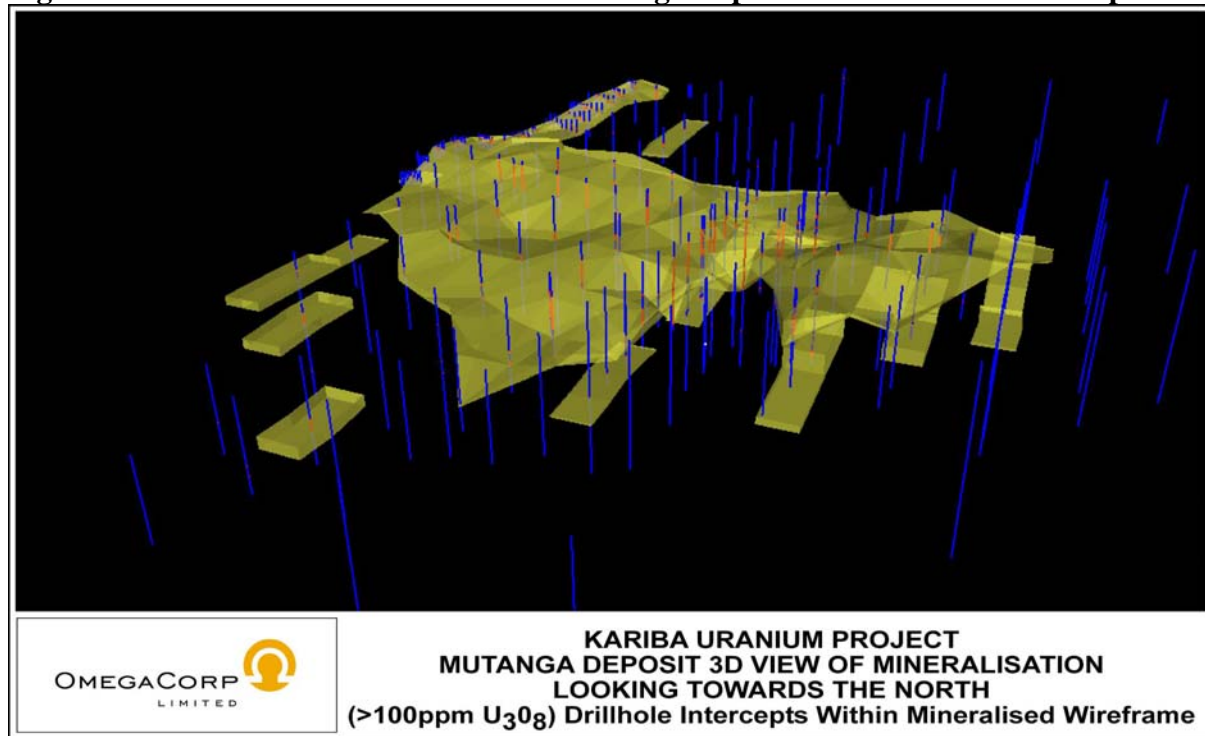
Figure 3 Mutanga Cross Section Showing Drilling Data and Mineralisation Envelope



- Mutanga East and West block models were created as polygonal block models using nearest neighbour estimation methods.
- Block models were created with a parent block size of 25m x 25m x 2m for Mutanga Central and Dibwe, with sub cells down to 5m x 5m x 0.5m used to ensure the block models accurately reflected the geometry of the mineralisation boundaries. Mutanga East and West were modelled using a computer assisted polygonal method. Areas of influence around U_3O_8 intercepts were calculated based on the spacing of surrounding drill holes.
- A density estimate of 2.2 dry in-situ tonnes per cubic meter was applied to all resources. The density value was based on sampling from the Escarpment Grit Formation.

- All samples within the mineralisation envelope were composited to two metre down-the-hole intervals with a minimum composite length of 1m, honouring mineralised zone boundaries. A three dimensional view of the Mutanga deposit mineralisation envelopes used to constrain the grade estimation process is presented in Figure 4.

Figure 4 Three Dimensional View of the Mutanga Deposit Mineralisation Envelope



- Variography was completed for Mutanga to determine appropriate Ordinary Kriging (OK) and Inverse Distance (ID) grade estimation parameters. No useful variograms were obtained from the Dibwe data.
- OK was selected as the most appropriate method for grade estimation for Mutanga and Dibwe (using the Mutanga variogram parameters) with polygonal nearest neighbour methods used for Mutanga East and West deposits.
- The reported resource volume was restricted to the material enclosed within interpreted mineralisation boundary. Isolated intercepts outside of these shapes were excluded from the resource. Further drilling in these areas may lead to additional material being included in future resource modelling.

FinOre concluded the following:

1. The historical drilling data available from AGIP has been successfully used to estimate an inferred mineral resource for the Dibwe and Mutanga deposits.
2. A diamond drilling program completed in 2005 consisting of 11 holes designed to twin historical holes has confirmed the tenor of the historical mineralised U₃O₈ intercepts.

3. A number of different consultants and companies have previously estimated resources for these deposits using a variety of methods. All estimates to date have compared favourably demonstrating similar U₃O₈ grades and tonnage, supporting the robustness of the estimated mineral resource.
4. Potential exists at Mutanga to further increase the resource by the addition of outlying mineralisation both below and peripheral to the main mineralised envelope.

Finore has made a series of recommendations which have been adopted by the Company. FinOre's recommendations included a Diamond and Reverse Circulation drilling program. Two drilling rigs are currently on site completing this drilling program. This work is aimed to:

- Improve the geological knowledge for both Mutanga and Dibwe. Indications are that structure and fracturing are major controls on high grade U₃O₈ mineralisation. These controls need to be understood, to ensure that appropriate drilling and sampling methods are used to improve resource confidence, enhance future mine design and design appropriate mining and grade control procedures.
- Increase the confidence in the grade of the modelled U₃O₈ mineralisation at Mutanga. This will be done by the completion of a 50m x 50m infill reverse circulation drill program.
- Allow for calibration of down-hole geophysical tools
- Confirm the extent and general geometry of the mineralisation at Dibwe on a 200m x 50m spacing. Once this is completed, additional infill drilling will be required to increase confidence from Inferred to Indicated.
- Provide material for metallurgical test work and additional specific gravity determinations.
- Give modern quality assurance and control to the Project.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Malcolm Titley and Mr David Williams, who are Members of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Titley and Mr Williams are Director and Senior Consultant respectively of FinOre. Both Mr Titley and Mr Williams have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Mr Titley and Mr Williams consent to the inclusion in this release of the matters based on their information in the form and context in which they appear.