QUARTERLY REPORT TO THE AUSTRALIAN STOCK EXCHANGE FOR THE PERIOD ENDED 30 SEPTEMBER 2006

The Directors of OmegaCorp Limited ("the Company") are pleased to present the September 2006 quarterly report. The Company has advanced significantly and is in the final stages of the scoping study for the Kariba Uranium Project ("KUP or Project") in Zambia. This quarter has seen a high level of activity on the Project with up to four drill rigs on site. The drilling aims to lift the resource category of the known areas of mineralisation, provide material for continuous metallurgical test work and identify additional areas of mineralisation. The JORC compliant resource for the KUP now stands at 13.7pounds U_3O_8 and metallurgical recoveries at 90% with positive metallurgical test work results.

The quarter's highlights are summarised as follows:

Kariba Uranium Project – Zambia

- *An increase in the global resource for the project by 25% to 13.7 million pounds U_3O_8;*
- *Positive metallurgical test work results with 90% recoveries using an alkali leach. Benefits of this process are numerous and range from a reduction of capex to significant environmental advantages;*
- *The positive new metallurgical results are being integrated into the scoping study;*
- *Identification of nine new radiometric targets from interpretation of the air-borne magnetic and radiometric survey covering only 20% of the original licence area;*
- *The commencement of a significant RC and diamond drilling program on two regional targets and areas of known mineralisation, giving the potential to increase the resource estimate and category for the project; and*
- *The renewal of the prospecting licence covering the KUP for a further two years.*

Mavuzi Project – Mozambique

- *The Company's exploration focus is open pitable, disseminated uranium mineralisation;*
- *Regional studies have continued with mapping, stream sediment and soil sampling identifying a new prospect area – Beau Viseau. This prospect has revealed anomalous uranium, gold and copper, which may have iron-oxide-copper-gold affinities;*
- *An airborne magnetic and radiometric survey is scheduled to commence in November covering the entire project area of 700 square kilometres.*

ABN: 60 094 212 307
Level 9, The BGC Centre, 28 The Esplanade, Perth WA 6000
Tel: 08 9322 6322 Fax: 08 9322 6558

Shareholder Approval Gained for Capital Raising

RBC Capital Markets were engaged by the Company to raise funds for the on going work on the KUP. On August 14, 2006 shareholders of the Company approved the issue of 22 million shares to raise AUD$10.8 million. The placement of shares was made to North American and European institutions and has highlighted the appetite of foreign interest in the Company's continued growth.

Successful IPO of Tanzanian Uranium Assets

The IPO of Mantra Resources Limited ("Mantra"), acquiring the Tanzanian uranium assets of the Company was successfully completed on 28 September 2006. This was completed so that the key focus of the Company remains on the KUP. The IPO raised $6.5 million and will be used by Mantra to test the Mkuju River Uranium and other projects in Tanzania.

The Directors believe that the increase in the resource, further positive metallurgical results, significant uranium radiometric anomalies and additional prospects identified on the KUP have highlighted its potential to yield an economically viable project. The conclusion of the scoping study is expected shortly and the testing of regional targets are anticipated to increase the overall resource base of the project, as the Company progresses from explorer to producer.

Enquiries-	Managing Director:	Matthew Yates
Contact Details:	Phone:	(61 8) 9322 6322

KARIBA URANIUM PROJECT - ZAMBIA

In February 2006 the Company announced that it had acquired a 100% interest in the KUP in Zambia. The KUP is located some 200 kilometres south of Lusaka and comprises a single prospecting licence. The licence renewal has been finalised for a further two years and now covers 1893 square kilometres and is valid until October 21 2008. The Company intends to apply for a mining lease (ML) under the current Zambian legislation.

Mineral Resource Estimate

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. The JORC code compliant inferred resource at the KUP has increased by approximately 25% from 10.9 to 13.7 million pounds U_3O_8 and the details are summarised in Table 1. 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 anticipated to increase the resources and lift the resource classification of these Prospects.

Table 1 Mutanga and Dibwe Summary of Mineral Resource Estimate

OmegaCorp - Kariba Uranium Deposits - Zambia						
Mineral Resource Estimate						
	Inferred			**Total Resource**		
Deposit	**Tonnes**	**U_3O_8 ppm**	**U_3O_8 lbs**	**Tonnes**	**U_3O_8 ppm**	**U_3O_8 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**

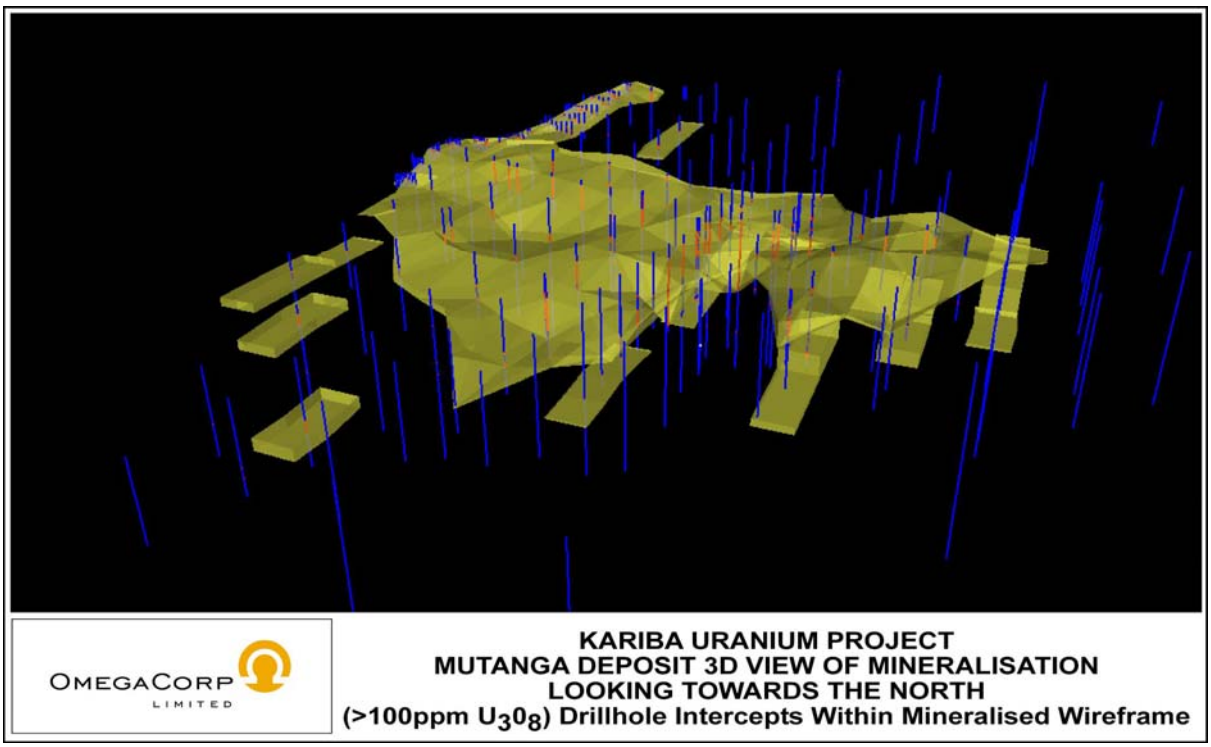
Refer to ASX announcement dated 29th August 2006

Mutanga

At the Mutanga Prospect, the resource has increased by 0.8 million pounds to 6.2 million pounds U_3O_8. Extensions and satellite prospects at Mutanga have been estimated to contain a further 900,000 pounds U_3O_8. Further potential exists to increase the Mutanga resource with the identification of additional lenses of mineralisation adjacent to and below the current resource envelope (Figure 1).

Approximately 1600 metres of core and over 2000m of RC drilling have been completed at Mutanga during the quarter to provide material for the continuous metallurgical test work and to close the drill spacing to lift the overall resource category.

Figure 1 Three Dimensional View of the Mutanga Deposit Mineralisation Envelope



Dibwe

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 U_3O_8. There is also considerable scope to increase the resource in this area by including the known mineralisation at Dibwe West and North, where additional historical drilling has been identified.

RC drilling has commenced at Dibwe with a view to lifting the resource category. A single line of drilling was also completed at Dibwe West with a view to identifying further mineralisation.

Metallurgy

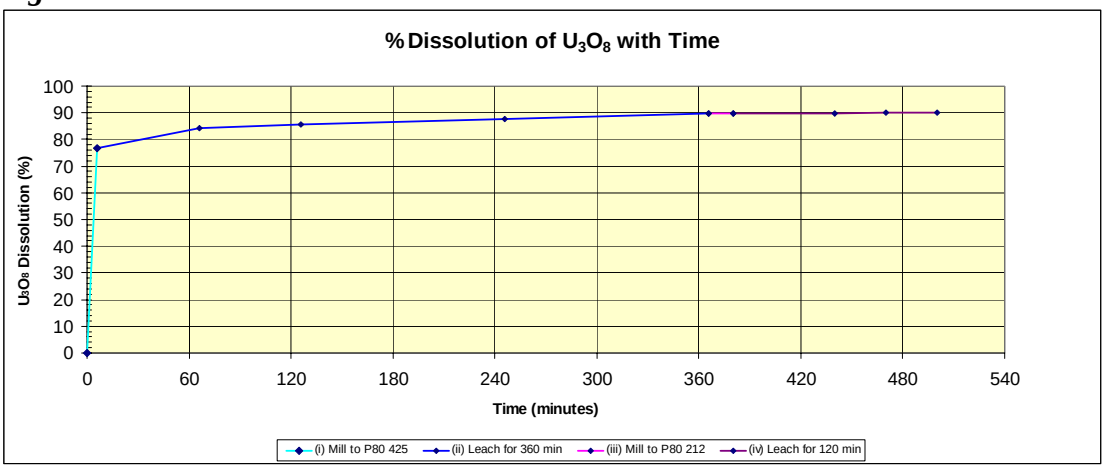
The Company had previously reported metallurgical recoveries in the order of 80% in the leach (see ASX Announcement 26 June 2006). This figure has now increased to 90%, with a faster leach time than was previously reported, with 85% of the uranium dissolved in less than two hours. Further mineralogical work is expected to enhance the economics and upside potential of the Project.

The higher recoveries were gained by the introduction of a modest heat (60^0C), combined with test work to commence the leach in the milling part of the circuit. Detailed mineralogical work has confirmed that all the uranium mineralisation either coats the feldspar and silica grains of the host rock or lies within the matrix. The ore can now be upgraded prior to its treatment, where the run of mine (ROM) ore will be "scrubbed" of its uranium mineralisation and discarded at the front end of the plant. This will reduce power, reagent consumption and overall operational and capital costs of the Project ensuring a low capex and low opex operation.

The recent work has highlighted that the uranium mineralisation at the KUP is in a very favourable form (hexavalent), which means that an oxidant will not be required in the process.

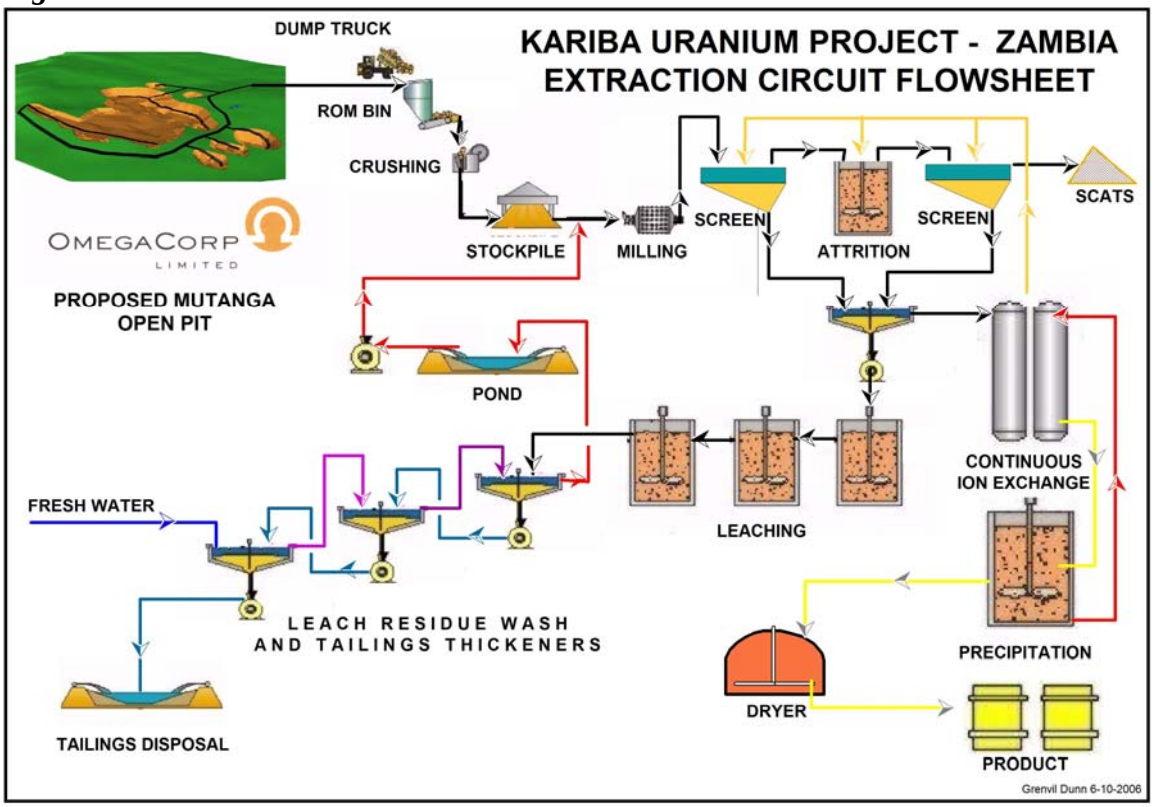
The leach reaction has been shown to be extremely fast, enabling the extraction of most of the uranium within the milling and scrubbing steps – refer Figure 3 below.

Figure 3



The latest metallurgical work has lead to a revision of the flow sheet for the project and is summarised in Figure 4. It is anticipated that the flow sheet will be refined further in the coming months as the Company moves to optimise the metallurgical process route.

Figure 4



Other opportunities presently being pursued is the upgrading of ore following the initial milling step.

The Company has drilled diamond core from the Mutanga Prospect representing the first few years of mine life for an extensive continuous pilot testing program. Tenders are currently being reviewed for this work. This programme is designed to further mitigate process risks and support the definitive engineering studies to better predict capital and operating costs of the full-scale plant.

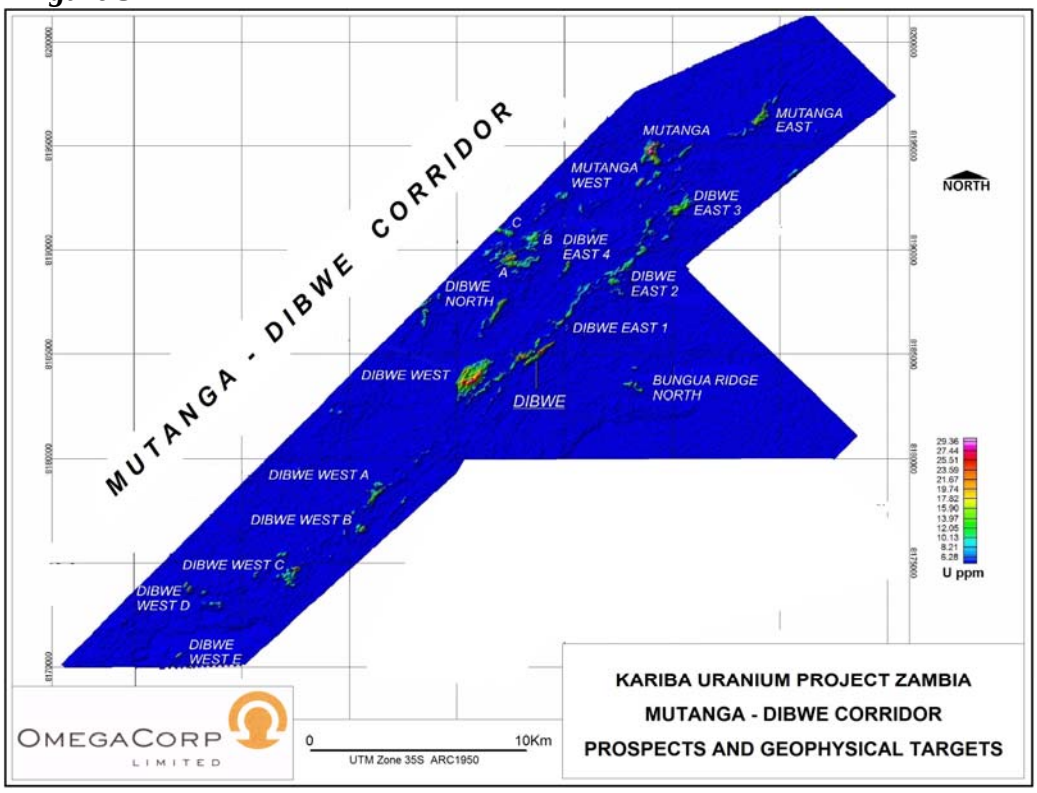
Airborne Survey

An airborne magnetic and radiometric survey covering approximately 500 square kilometres of the licence area was completed in May 2006 using a helicopter with a mean terrain clearance of 23m along lines 100m apart for a total of 5000 line kilometres.

Following the ASX announcement made by the Company on May 24 2006, geophysical consultants have completed a detailed analysis of the survey area and identified nine new uranium radiometric anomalies (Figure 5). These are in addition to the anomaly immediately south of Mutanga and another broad area of anomalism north of Dibwe North (now named Dibwe East 4 and Dibwe North A, B and C respectively), noted in the original announcement.

The anomalies and known prospects of Mutanga and Dibwe have now been defined within a corridor approximately thirty eight kilometres in strike length. This area is termed herein as the Mutanga-Dibwe corridor. These targets were defined by processing of the radiometric data to parts per million (ppm) of uranium, so that relative comparisons could be made between areas of known mineralisation and the new anomalies.

Figure 5



The interpretation of the geophysical data has revealed that the Mutanga and Dibwe Prospects are defined by a peak airborne radiometric grade of 120 ppm and 31 ppm uranium, with dimensions of 1000 x 120 m and 1600 x 125 m respectively. The new

anomalies range from 16 – 50 ppm uranium with dimensions up to 2300m in length and 450m in width.

Bungua Area Rock Chip Sampling

The sampling was completed in response to the significant uranium radiometric anomalism defined over the Bungua area in the airborne survey. Over 70% of the samples taken returned values > 400ppm (parts per million). The Bungua area is located approximately fifteen kilometres south of the Mutanga/Dibwe Prospects. These results highlight the capacity of the Bungua Area to yield further targets and the potential to materially increase the overall resource base of the Project. RC drilling has now commenced to test a number of the targets in this area.

The integrated results are summarised below and presented in Figures 6 and 7:

- The samples were collected over a strike length of ten kilometres;
- Detailed interpretation and processing of the airborne survey data has revealed eight specific uranium radiometric anomalies over a discontinuous strike length of twenty kilometres in the Bungua Area;
- Samples collected over previously unsampled areas by the Company yielded values up to 6700ppm (0.67%) U_3O_8;
- Visible mineralisation was noted in several localities;
- Two of the eight anomalies are yet to be sampled;
- >95 % of the Geological Survey of Zambia (GSZ) percussion drilling on two of the specific anomalies (Bungua A and B) generated mineralised intercepts >1m @ 100 ppm; and
- The surface sampling and previous drilling results supports the application of airborne geophysical exploration tools within the area to identify areas of uranium mineralisation.

Figure 6

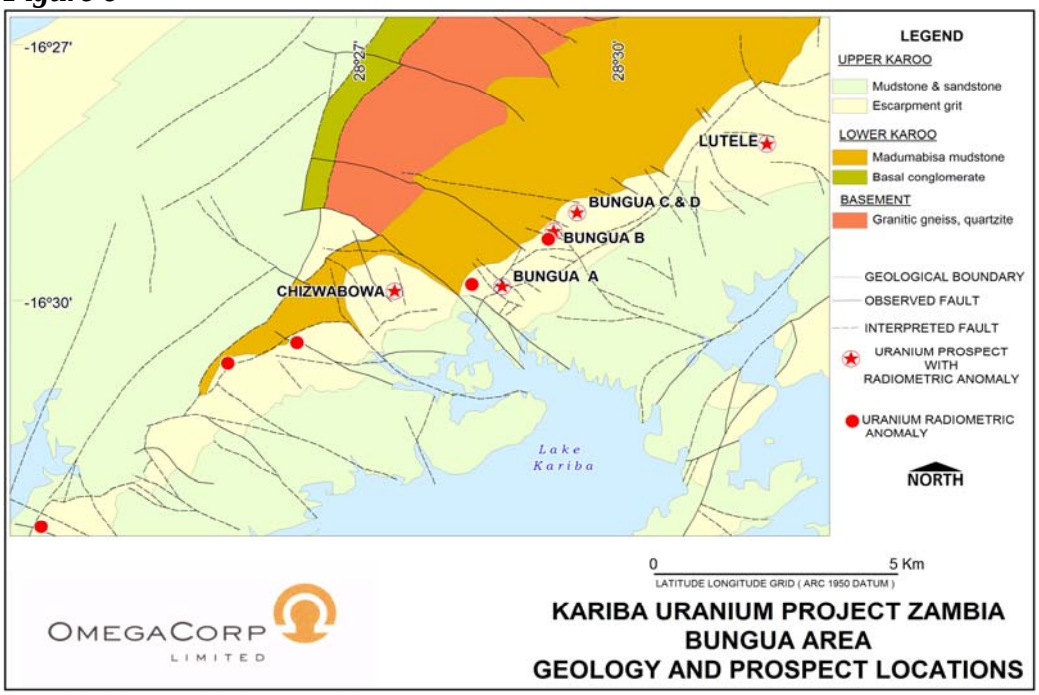
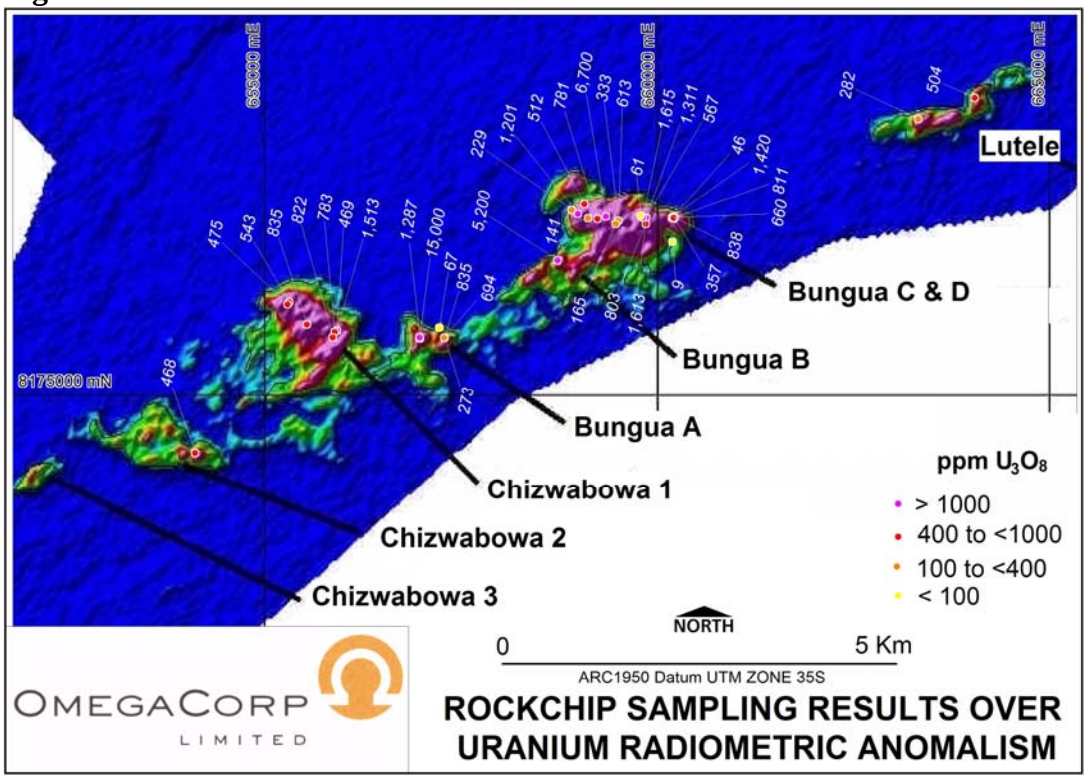


Figure 7



The Directors note the significance of these rock chip results and their integration in to the regional data set. An RC drill program has commenced to test approximately three kilometres of the anomalous area. This is a preliminary program only, with lines spaced up to 800m apart.

Project Summary

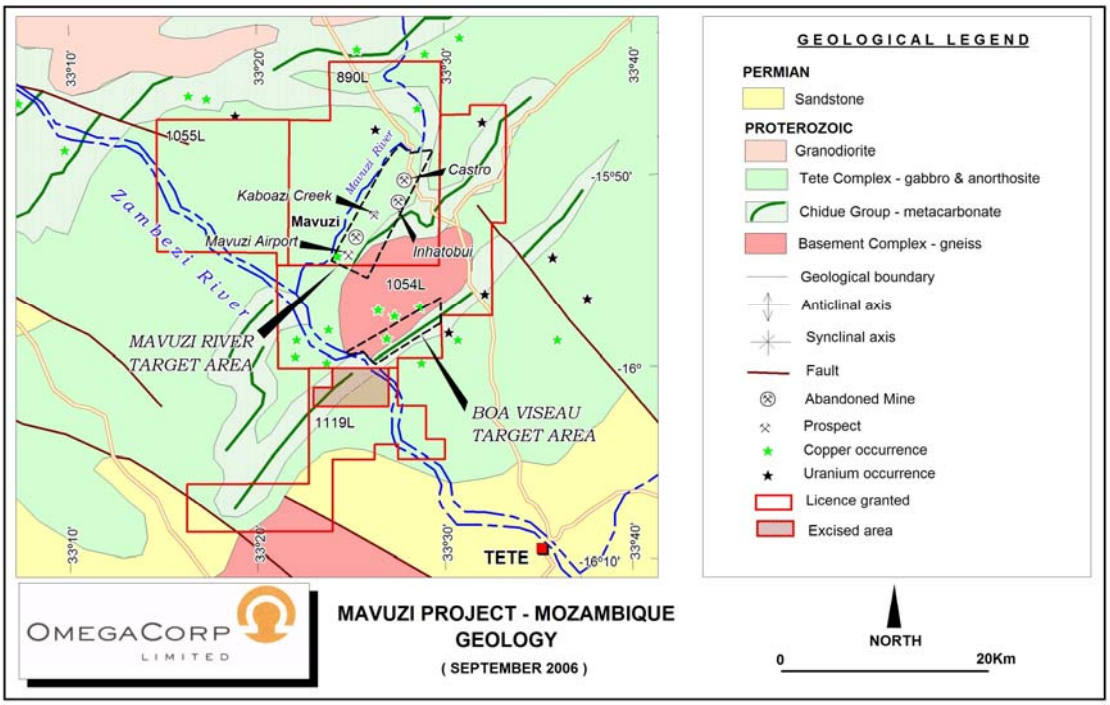
Scoping studies are continuing on the Mutanga and Dibwe prospects to assess their economic viability with a view to progressing the Company to production and an early cash flow. The KUP has advanced significantly in the quarter with the increase in both resources and metallurgical recoveries. Integration of the airborne data with rock chip sampling, mapping and the RDM drilling reported last quarter highlight the potential for further growth in the economic potential of the Project.

A significant drill program is underway and drilling has been completed on Mutanga and Dibwe with a view to lift the resource category and provide geological information and material for the continuous metallurgical test work scheduled to commence in the New Year. RC drilling has also commenced at Bungua and it is the Company's aim that further regional targets will be tested as part of this on going program.

MAVUZI PROJECT - MOZAMBIQUE

The Mavuzi Project is located some 40 kilometres northwest of the provincial centre of Tete in northwestern Mozambique and comprises four granted licences covering approximately 700 square kilometres. The central licence covers the historical Mavuzi Uranium Mine ("Mavuzi Mine") and has previously been the focus of the Company's exploration initiative.

Figure 8



Infill geological mapping and ground radiometrics have been completed on a 100 m x 50 m grid over the Inhatobui-Castro zones within the Mavuzi River Target Area, (Figure 8). The Inhatobui – Castro radiometric anomaly has a strike length of 1.6 km and reaches a maximum width of 0.4 km. Although the threshold for the anomaly is 140 cps (counts per second), individual radiometric values reach peaks of over 2000 cps. Consequently, this anomaly is more extensive and consistently contains higher values than any of the anomalies drilled last year. However, the presence of surficial concentrations of uranium-bearing davidite complicates the interpretation of these radiometric anomalies. A less substantial radiometric anomaly, also 1.6 km long, but only 0.2 km wide, occurs 1.2 km along strike to the south of the Inhatobui/Castro anomaly outside of the area of the infill grid. This anomaly and the Castro-Inhatobui anomaly are thought to lie on the same controlling structure, and it is strongly suspected this is a different structure to that controlling the Mavuzi Airport-Mavuzi Mine - Kaboazi Creek trend drilled in late 2005. A modest (500m) drill programme is being planned to assess the potential of the Inhatobui-Castro anomaly. However, drilling will not commence until the second half of 2007, after the end of the impending wet season.

Beau Viseau Prospect and Regional Sampling

By the end of September most of licences 890 and 1054 had been covered by stream sediment sampling at a density of two samples per square kilometre. This work has identified a major multielement stream sediment anomaly in an area of metacarbonate and basement gneiss in the south-east corner of licence 1054, termed herein as the Beau Viseau Prospect. The core of this complex geochemical anomaly is variably defined in terms of thorium, uranium, gold, copper, lanthanum, cerium and phosphorous and is approximately seven kilometres long and one kilometre wide. A 400 m x 50 m grid has been cut over the area and ground radiometrics have revealed a very strong total count anomaly with many values in the 1000 – 10,000 counts per second range. However, instrumental analyses in the field using a Geoexploranium 135 scintillometer indicate that, in marked contrast to the Mavuzi River target area,

thorium, not uranium, is the dominant radioactive element. Furthermore, the high level of phosphorous (>10,000 ppm) in many of the stream sediments suggest that the thorium and uranium, as well as probably the lanthanum and cerium, may be contained in apatite, a refractory mineral as far as the recovery of thorium and uranium are concerned.

The stream sediment survey is continuing and it is envisaged that nearly all of licences 890, 1054 and 1055 will have been covered by the end of 2006. The sampling of the remaining corners of these licences and of licence 1119 will most likely be completed at the conclusion of the wet season in mid-2007.

The planned high resolution, heliborne, magnetic and radiometric survey is now scheduled to start in early November. The survey will cover the entire Mavuzi Project of 700 square kilometres.

Summary

The new potential zones of mineralisation both at Mavuzi and Beau Viseau provide encouragement. The exploration focus in Mozambique will pursue mineralisation within the project areas with the aim of identifying mineralisation amenable to open pit mining.

ZVP – MOZAMBIQUE

In order to progress the project and refine target areas within the PL1062, an airborne magnetic and radiometric survey will be completed in November. The objective of the survey is to provide the Company with a detailed anomaly map and therefore allowing exploration to be completed in a focused manner. The results of the survey are anticipated by the end of 2006.

ZAMBEZI VALLEY PROJECT - ZIMBABWE

The licences that comprise the Zambezi Valley Project (“ZVP”) - Zimbabwe are still under application. The Company has been advised that the Minister has now approved the application and the licences will now require the signature of the President before it is formally granted. The ZVP licence applications cover an area that was extensively explored for uranium between 1981 and 1992 by Interuran.

TANZANIAN HEAVY MINERAL SANDS PROJECT

Work completed on the Heavy Mineral Sands Project in the previous quarter has identified key areas from the original 3000 square kilometres held by the Company. Three new licences have been applied for over these areas and the Company will continue to find a partner for the project whilst its main focus remains its uranium assets.

CORPORATE DEVELOPMENTS

Capital Raising

On the 14 August 2006 the Shareholders of the Company voted in favour of the placement of 20,845,000 ordinary shares at $0.52 each. RBC Capital Markets ("RBC") and Westwind Capital Partners acted as agents for the Company in completing the placement to institutional investors in Europe and North America. The proceeds from the placement will be used to finance advanced exploration activities of the KUP.

Successful Spin Out of Mantra Resources Limited

The Board of OmegaCorp Limited ("the Company") advised on May 10 2006 that it would float its wholly owned subsidiary, Mantra Resources Limited ("Mantra"), on the Australian Stock Exchange ("ASX"). This was successfully completed in early October with the Initial Public Offering closing over subscribed after raising $6.5m.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Matthew Yates, who is a Member of The Australian Institute of Geoscientists (AIG). Mr. Yates is a full-time employee of OmegaCorp Limited. Mr. Yates 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'. Mr. Yates consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

OMEGACORP LIMITED

ABN

60 094 212 307

Quarter ended ("current quarter")

30 September 2006

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (3 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(2,119)	(2,119)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(189)	(189)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	83	83
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – business development	(37)	(37)
	Net Operating Cash Flows	(2,262)	(2,262)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	(102)	(102)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(2,364)	(2,364)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,364)	(2,364)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	11,369	11,369
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising expenses	(745)	(745)
	Net financing cash flows	10,624	10,624
	Net increase (decrease) in cash held	8,260	8,260
1.20	Cash at beginning of quarter/year to date	3,452	3,452
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	11,712	11,712

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	136
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include consulting fees, directors' fees, managing director's salary and provision of a fully serviced office.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	3,000
4.2	Development	-
	Total	3,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	540	540
5.2	Deposits at call	11,172	11,172
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	11,712	11,712

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference** +**securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+**Ordinary securities**	140,570,060	140,570,060	Not Applicable	Not Applicable
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	30,945,000	30,945,000	Not Applicable	Not Applicable
7.5	+**Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options**			*Exercise price*	*Expiry date*
		-	-	$0.050	30 June 2007
		1,380,000	-	$0.225	30 June 2007
		9,900,000	-	$0.300	30 September 2007
7.8	Issued during quarter	2,800,000	-	$0.250	30 September 2008
7.9	Exercised during quarter	10,000,000	-	$0.050	30 June 2007
		-	-	$0.225	30 June 2007
		100,000	-	$0.300	30 September 2007
		-	-	$0.250	30 September 2008
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 October 2006
(~~Director~~/Company secretary)

Print name: **Luke Watson**

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.