



ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 13 NOVEMBER 2006

**SCOPING STUDY CONFIRMS STRONG CASH MARGINS EXPECTED FROM
KARIBA PROJECT**

The Directors of OmegaCorp Limited (the Company) are pleased to announce that the scoping study for the Kariba Uranium Project (“KUP or Project”) has confirmed the potential economic viability of the Project and its capacity to operate with strong cash margins. The project can support the production of 1.5 million pounds of U₃O₈ per annum at an initial operating cost of US\$23 per pound. With spot prices of uranium currently at US\$60 per pound, this indicates that the Project has the capacity to generate annual cash margins of around US\$50 million per annum, indicating that the capital costs for the process plant and associated infrastructure would be repaid in just over a year.

The mining rate for the project is estimated at 2 million tonnes per annum, with a 90% metallurgical recovery. Using these parameters, the operation can support a mining operation using the current resource of six years. This is considered to be a base case for the Project as there is considerable potential to increase the overall resource base and therefore the life of the project to at least ten years.

Capital costs (determined to a nominal accuracy of +/-30%) for the process plant and infrastructure are estimated at US\$41 and US\$17 million respectively. A further US\$1.5 million has been estimated for the “first fill” of reagents. The Company is currently considering an owner-operator scenario.

The Directors believe that this study underpins the Company’s strategy of focusing on production and generating an early cash flow. The Company has also held high level discussions with an industry major in regard to the sale and marketing of the product.

The Inferred Mineral Resource base of the Project has already increased by 25% since November 2005, with many targets within the KUP still remaining to be tested. Enhanced metallurgical recoveries announced recently also highlight the capacity of the Project to deliver further upside. The study has been based on the Inferred Mineral Resource and in order to increase confidence in this resource, infill drilling has commenced to upgrade the resource category as a prelude to the commencement of a prefeasibility and ultimately a definitive feasibility study.

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Introduction

The scoping study has been completed by a number of industry recognised consultants engaged by the Company. The study was completed on the current Inferred Mineral Resource for the Kariba Uranium Project in southern Zambia.

The scoping study has been managed by MDM Engineering Limited of Johannesburg, South Africa. MDM Engineering's study manager is Mr Dave Dodd, who holds a BSc (Hons) in Chemical Engineering. Mr Dodd is a fellow of the South African Institute of Mining Metallurgy with 32 years experience in the field of extractive metallurgy. MDM Engineering has acquired the intellectual property and key technical staff of the former MDM which includes 18 years' experience of design and construction of approximately 50 mineral processing plants and infrastructure throughout Africa including Zambia. This experience also includes more than 30 bankable feasibility studies of which more than 96% have succeeded in raising project finance.

Scoping Study Parameters

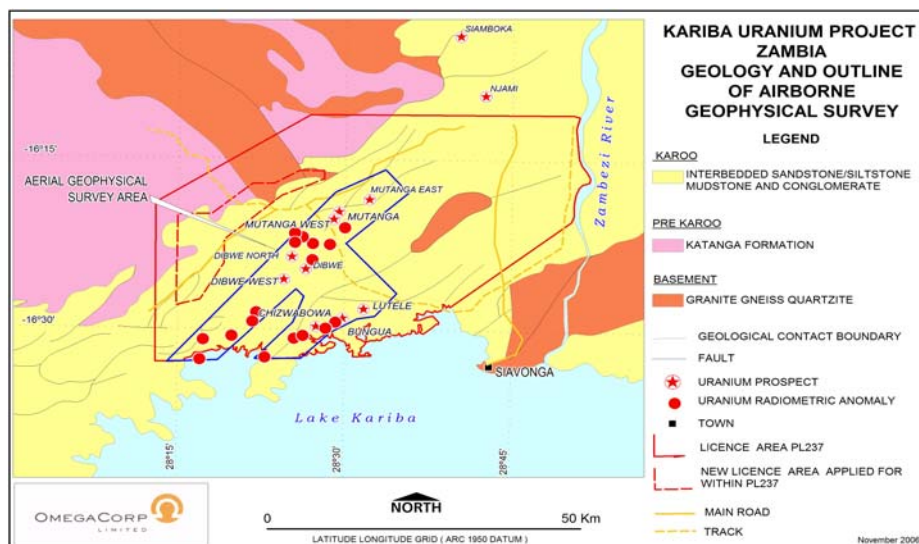
The study was completed using the following parameters:

- Life of mine 6-10 years*
- Ore Mining Rate 2.0 Million tonnes per annum
- Cut off grade 200 parts per million (ppm)
- Mining grade 360 – 420 ppm
- Recovery 90%
- Uranium price of US\$55 per pound

*Range dependant on potential resource additions.

The key considerations in the study were scale, throughput rate, project life, community and environmental impacts. The minimum project life is expected to be six years, but has the potential to be least ten, given the number of untested targets and other areas drilled by AGIP, who explored the area extensively in the past (Figure 1). To this end, the study completed to date is considered as a base case scenario.

Figure 1



Mineral Resources

The Company contracted FinOre Mining Consultants, a subsidiary of CSA Geological Consultants, to provide a 3D geological model and a Mineral Resource Estimate for the Project. This was announced to the ASX on 29 August 2006. The MRE is summarised in Table 1.

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

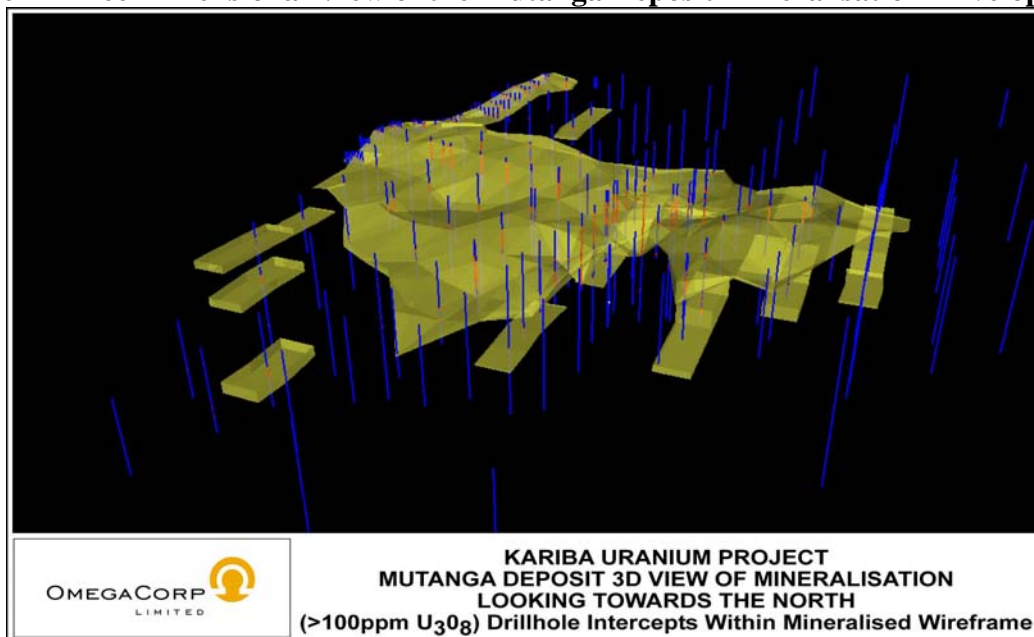
*Lower cut-off grade of 200ppm U₃O₈

After detailed statistical analysis between the different assay and radiometric methods used to determine the sample U₃O₈ grades, a conservative approach was adopted in the treatment of the historical U₃O₈ assay data during resource estimation. The down-hole logger equivalent U₃O₈ 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 U₃O₈ 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 U₃O₈ 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 increase in uranium pounds with an elevation in the overall grade.

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 U₃O₈ 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 (Figure 2). Mutanga East and West block models were created as polygonal block models using nearest neighbour estimation methods.

Figure 2 Three Dimensional View of the Mutanga Deposit Mineralisation Envelope



Capital Costs

The capital costs are summarised in Table 2. Note that this does not include the capital required for the mining fleet, facilities or working capital. The cost of the mining fleet and facilities is US\$22 (+/- 30% nominal accuracy) million, however it is anticipated that this will be leased and not form part of the capital expenditure for the Project. No provision for working capital has been made as this is currently unknown pending terms related to an off-take agreement.

Table 2 – Summary of Capital Costs (+/- 30% nominal accuracy)

Process plant	US\$ 41.3 million (Table 3)
Infrastructure	US\$ 17.1 million (Table 4)
Initial reagent expenditure	US\$ 1.5 million
Total*	US\$ 59.9 million

*Excludes mining fleet, facilities or working capital

Process Plant Costs

Table 3 - Summary of Process Plant Costs

Description	Cost US \$m
Civils Cost	\$4.1
Steelwork Cost	\$4.3
Mechanical Cost	\$12.9
Electrical & Instrumentation Cost	\$2.0
Piping and Valves Cost	\$1.4
Transport Costs	\$2.0
Construction Cost	\$5.1
EPCM Cost	\$4.4
Sub Total	\$36.3
Contractors Margin (7.5%)	\$2.7
Contingency	\$2.4
Total Plant	\$41.3m

Infrastructure

The proposed mining site is regionally well serviced with infrastructure, with power available from the hydro-electric scheme at Kariba Dam, approximately sixty kilometres from the site. The power is low cost @ 1.76c per kilowatt hour. Water is available from Lake Kariba if required, or from on site sources. The study has used the former option. The total cost of the infrastructure for the project is estimated at US\$17.1 million, including a US1.3 million dollar contingency (approximately 7.5%). These costs are summarised in Table 4.

Table 4 – Infrastructure Cost Summary (+/-30% nominal accuracy)

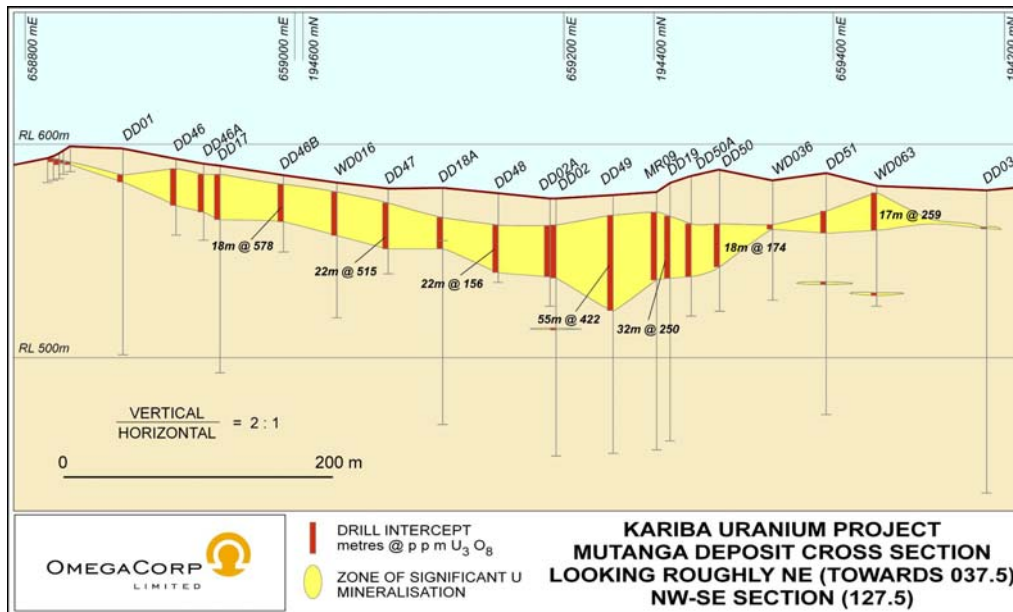
Description	Cost US \$m
Plant Infrastructure Cost	\$3.8
Camp Infrastructure Cost	\$3.6
Communications	\$0.1
Water Supply	\$0.6
Transport Costs	\$0.2
Tailings Facility	\$2.0
Overhead Power Line Cost	\$0.7
G & A Equipment Costs	\$2.1
EPCM Cost	\$0.9
Sub Total	\$14
Contractors Margin (7.5%)	\$1.05
Road Rehabilitation Provisional Sum	\$0.75
Contingency (7.5%)	\$1.3
Total Infrastructure	\$17.1m

Mining

The mining of both overburden and ore is a relatively simple process requiring limited blasting. The stripping ratio of Mutanga is currently estimated at <2:1 (Figure 3), with Dibwe expected to be higher, due to the nature of the mineralisation. The stripping ratio for the life of the operation is not expected to exceed 4:1. The basic mining fleet will comprise of 2 x 7m³ extractors, 6 x 50t rigid haul trucks and 2 x 25t articulated haul trucks and the average mining cost is approximately US\$ 7.20 per tonne of ore.

The mining of ore will allow for the back filling of the pit with overburden, thus reducing costs and minimising the mining impact on the environment and removing the need for large waste dumps. The processing of the ore by the upgrade of the material due to scats rejection will lead to these being placed directly back into the pit and reducing the tonnage processed and the tailings material reporting to the tailings dam.

Figure 3 Mutanga Cross Section Showing Drilling Data and Mineralisation Envelope

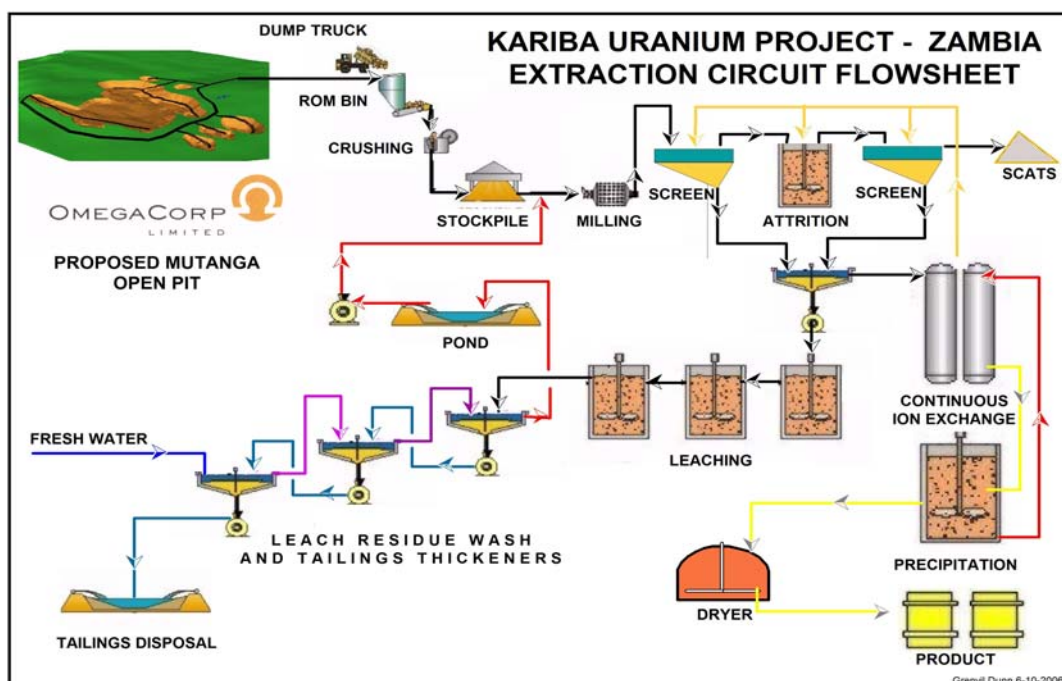


Processing

The current consideration is to locate the plant and associated infrastructure approximately one kilometre south of the Mutanga deposit. This area has been chosen due to its suitability, proximal nature to Mutanga and access.

A conceptual flow sheet (Figure 4) has been generated that incorporates the newly conceived concept of upgrading the ore ahead of its processing by running the milled ore through screens and an attrition scrubber. Leaching will commence in the milling part of the circuit, with the introduction of modest heat (60⁰C) and will continue in the leach tanks and counter-current-decant (CCD) part of the circuit. The process utilises an alkali leach, processing up to two million tonnes per annum. A metallurgical recovery factor of 90% has been applied in the scoping study.

Figure 4



Operating Costs

The operating cost per pound U₃O₈ in the first years will be lower due to a slightly higher grade feed to the plant. This is estimated to be US\$ 23.3 per pound U₃O₈ for owner operator mining. The operating costs for the current life of the operation are estimated and summarized in Table 5.

Table 5 - Summary of Operating Costs (+/- 30% nominal accuracy)

Description	US\$/t of ore	US\$/lb of U ₃ O ₈
Mining (owner operator)	7.20	9.24
Process Plant and Infrastructure	10.37	13.31
General & Administration	1.80	2.31
Closure	0.50	0.64
Total Operating Costs (owner operator mining)	19.87	25.5

Tailings Management

An estimate of US\$2 million has been allocated as part of the infrastructure costs. In addition a cost of US\$ 12 million has been included in the operational costs for tailings management through the life of the Project.

The current proposal for the location of the tailings dam is approximately two kilometres south of the plant. This will utilise a natural topographic low, which will be dammed to allow for the disposal of material from the plant. Utilisation of the alkali leach process allows for a safe, environmentally friendly disposal.

Community and Employment

The Company has worked closely with the local communities and relevant authorities in the work completed on the Project to date. The current estimates for the workforce are in the order of 300 people. These will be largely sourced wherever possible from the local community and in Country, with the appropriate level of expatriate supervision.

Permitting

The Company has just renewed the Prospecting Licence for a further two years. An application for a large scale mining licence (LSML) covering approximately 700 square will be made shortly.

Overall Study Consultants

The following team of consultants completed the Scoping Study:

FinOre Mining Consultants	Geology, Mineral Resource Estimation and Mining
SGS Lakefield Orestest Pty Ltd	Metallurgical Testwork
Hydromet Pty Ltd	Metallurgy and Process Plant Design
MDM Engineering Limited	Process Plant and Infrastructure Costs and Study management
African Mining Consultants Limited	Environmental
Golder Associates Africa Pty Ltd	Tailings Storage Facility

The information in this report that relates to this announcement is based on information compiled by Mr. Dave Dodd, who is a Chemical Engineer and a Fellow of the South African Institute of Mining and Metallurgy. Mr. Dodd is a Technical Consultant of MDM Engineering Ltd, a consultant of OmegaCorp Limited. Mr. Dodd 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. Dodd consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 Mining Consultants. 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.