QUARTERLY REPORT TO THE AUSTRALIAN SECURITIES EXCHANGE FOR THE PERIOD ENDED 31 DECEMBER 2006

The Directors of OmegaCorp Limited ("the Company") are pleased to present the December 2006 quarterly report. The Company is now the subject of a conditional cash takeover offer from Denison Mines Corp ("Denison"), a Canadian Toronto Stock exchange listed uranium producer, who have offered $1.10 per share to acquire all of the shares of the Company.

During the quarter the Company completed the scoping study for the Kariba Uranium Project ("KUP or Project") in Zambia, which has revealed strong cash margins. A high level of activity has continued during the quarter with further drilling, metallurgical testwork and geological mapping. Work also continued in Mozambique with the completion of airborne surveys over the Mavuzi and the ZVP Mozambique Projects.

The quarter's highlights are summarised as follows:

Denison Mines Corp Takeover Offer and Mavuzi Resources Limited IPO

On 6 December 2006, the Company announced to the ASX that Denison had made a conditional cash offer of $1.10 for the fully paid shares in the Company and that it proposed to spin off its Mavuzi and Meponda Projects in Mozambique in an initial public offer of shares in Mavuzi Resources Limited ("Mavuzi"). The Board of OmegaCorp Limited have unanimously accepted this offer in the absence of a superior offer. The Denison offer is subject to certain conditions and both the bidder and target statements have now been dispatched to shareholders. The offer is due to close on 28 February 2007.

Shareholders of the Company on 29 January 2007 will be entitled to subscribe for shares of Mavuzi. This entitlement will be on a one for five basis, with a free option for every two shares in Mavuzi. Mavuzi will comprise the Mavuzi and Meponda Projects in Mozambique, with the uranium rights to both projects remaining with Denison. Mavuzi will also have a three year strategic alliance with Denison under which Denison will have a right of first refusal on commercial terms to 100% of the rights to uranium on any properties acquired by Mavuzi if they are offered for sale.

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Kariba Uranium Project – Zambia

On 13 November 2006 the Company announced 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 study showed that the Project can support the production of 1.5 million pounds of U_3O_8 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.

RC and diamond drilling continued in the quarter and many assays results are still outstanding. The drilling was completed with a view to lift the resource category at Mutanga and also scout RC drilling was completed at Bungua A and B Prospects to test airborne and rock chip anomalism. The Bungua results should be released shortly.

Mavuzi Project – Mozambique

- The Company's exploration focus to date has been open pitable, disseminated uranium mineralisation;
- Regional studies have continued with mapping, stream sediment and soil sampling. Mapping and sampling has been conducted over the new prospect area – Beau Viseau. This prospect has revealed anomalous uranium, gold and copper, which may have iron-oxide-copper-gold affinities; and
- An airborne magnetic and radiometric survey was completed covering the entire Project area at a line spacing of 200m. Work is underway to finalise the interpretation of the survey data and integrate it with the sampling data.

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

BID BY DENISON MINES CORP

On 6 December 2006, the Directors of OmegaCorp announced that a conditional cash takeover bid for any and all its issued shares have been received from Denison Mines Corp.

The cash takeover offer price is $1.10 for every OmegaCorp share ("Denison offer"). The offer reflects a premium of approximately 25% to the volume weighted average price for OmegaCorp shares over the previous 20 trading days prior to Denison's offer being announced. Further details of the Denison offer, including the Bid Terms, are included in the Company's ASX Announcement dated 6 December 2006.

The Directors believe that the Denison offer provides OmegaCorp shareholders with the opportunity to realise benefit from the Company's wholly owned Kariba Project sooner than if the Company sought to develop the Kariba Project itself.

OmegaCorp's Directors have considered the terms of the Denison offer and unanimously recommend that OmegaCorp shareholders accept the offer in the absence of a superior offer. Furthermore, the Directors intend to accept the Denison offer for their own shares in the absence of a superior offer.

The Company has entered into a Bid Implementation Agreement with Denison that may result in OmegaCorp paying a break fee of 1% of the equity value of OmegaCorp in certain limited circumstances. OmegaCorp has also agreed not to, during the period of Denison's Offer, initiate negotiations which may lead to a competing offer to the Denison offer.

Argonaut Capital Ltd has been retained to advise the Company on this transaction.

MAVUZI RESOURCES LIMITED – IPO

The Mavuzi IPO will consist of approximately 44 million shares at $0.20 each to raise up to $8.8 million before costs, as follows:

1. The Priority Offer – persons registered as shareholders of OmegaCorp on 29 January 2007 or persons issued shares in OmegaCorp on exercise of options during the period of Denison's offer will be entitled to subscribe for shares in Mavuzi on a 1 for 5 basis for up to approximately 31 million shares. In addition, Denison will be entitled to subscribe for 5 million shares in Mavuzi;
2. The Public Offer - a further 8 million shares, plus any shares not subscribed for under the Priority Offer, will be offered to the public; and
3. Free listed options - in addition, for every two shares issued under both the Priority Offer and the Public Offer, Mavuzi shareholders will receive, for no further consideration, one listed option exercisable at $0.20 at any time up to 30 June 2010.

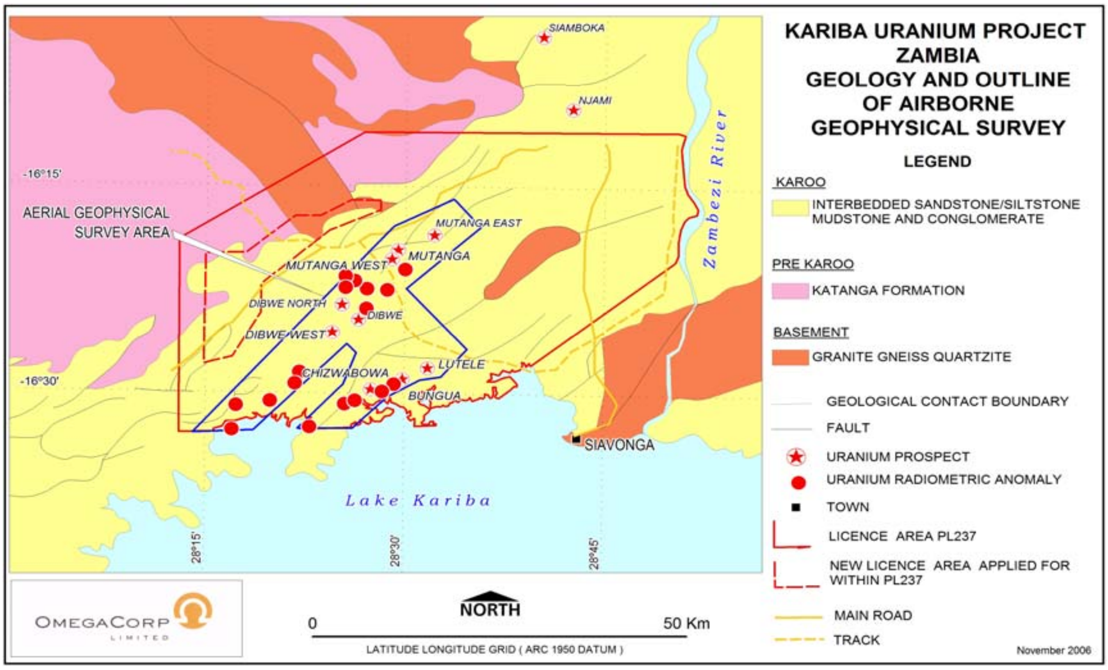
Mavuzi expects to lodge with the ASIC and make available a Prospectus (which will be accompanied by an application form that will need to be completed by persons wanting to acquire securities) for the Mavuzi IPO by mid 2007, however this is an indicative date and the completion of the Prospectus will be subject to Mavuzi obtaining all regulatory approvals in Mozambique, and the completion of all due diligence procedures.

The Mavuzi Board will initially comprise three existing OmegaCorp directors, Messrs Ian Middlemas, Matthew Yates and Mark Pearce. Mr. Yates will be the Managing Director of Mavuzi. The Mavuzi Board will be responsible for managing the Mavuzi IPO process.

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.

Figure 1



Scoping Study

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 Project of 13.7 million pounds in southern Zambia. The scoping study was managed by MDM Engineering Limited of Johannesburg, South Africa.

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.

In summary, the results from the scoping study for the Project have confirmed its potential economic viability and its capacity to operate with strong cash margins. The Project can support the production of 1.5 million pounds of U_3O_8 per annum at an initial operating cost of US$23 (determined to a nominal accuracy of +/-30%) per pound. With uranium 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.

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 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.

Metallurgical Update

Demonstration Scale Leach Test

On closing out the Prefeasibility Study Test work at SGS Lakefield Oretest a bulk leach was conducted on remaining core samples from Mutanga. This demonstration scale leach was conducted on 82 kilograms of drill core milled to a P80 of 212 micron and assaying 402 ppm U_3O_8.

The leach conditions were those that had indicated promise in the test work conducted during 2006 in the flowsheet development phase. Furthermore the process followed in this demonstration leach was identical to that which had been identified as optimal in the scoping studies.

The total extraction of uranium in the leach was 91% and again this demonstrated high initial extractions with over 60% of the uranium leaching almost instantly. This essentially demonstrated the expected leach extent in the ore milling step. It is also noted that this demonstration leach simulated plant conditions for the first 18 hours. In the full scale plant, the material will be in the circuit for about 48 hours, indicating that recoveries of better than 91% could be achieved.

Leach Liquors

In pursuit of providing data for the Prefeasibility Study further batch scale test work has been conducted at SGS Lakefield Oretest in Perth on leach liquors derived from Mutanga drill cores. This included**:**

- Ion Exchange for the recovery of uranium;
- Diuranate Semi-Product Precipitation, and
- Uranium oxide production.

Ion Exchange

Lanxess Ion Exchange Resins M500 and M800 were used in multiple lock-cycle load, scrub, elute (strip) and wash campaigns. These results indicated that the resin will allow multiple cycles of loading and stripping and suggest therein its robustness to the uranium recovery process.

The work was also completed to understand not only the response of the uranium in solution, but also that of the competing components such as chloride, sulphate, phosphate and vanadium. The results have been very positive and have shown that the uranium has a high loading capacity and selectivity over competing components.

The results of this work have been utilised to provide a preliminary sizing of the continuous ion exchange circuit that will be employed in the commercial plant.

Diuranate Precipitation

The eluate from the ion exchange step (refer above) was treated to produce a diuranate intermediate product. Uranium recoveries from the eluate were in excess of 97% and the product analyses were extremely encouraging. The remaining 3% of the uranium is not lost but is recycled to the earlier steps in this process.

Final Oxide

The diuranate intermediate was redissolved in acid and recrystallised as an oxide and results are awaited. These are due sometime in the March quarter.

Drilling Update

The Company aimed to complete a substantial drilling program prior to the end of 2006. However, due to rig availability not all of the planned program was completed. The following provides a summary of the drilling activities that commenced in the September quarter 2006.

Mutanga

At Mutanga, approximately 2000m of RC was completed for 71 holes, comprising approximately one third of the planned program. It is anticipated that this work will resume in the next few months. Approximately 1500m of diamond drilling was completed for metallurgical and geological purposes. This core was also sampled for analysis. There has been a very slow turnaround on assays. The data will be compiled and integrated with surface mapping ahead of any attempt to re-calculate the resource for the Mutanga Deposit. The metallurgical testwork is anticipated to start in the June 2006 quarter.

Dibwe

A total of 18 holes for 865m of RC drilling were completed, however several holes remain in the current program and no diamond drilling was completed in this phase of drilling. Data compilation will be finalised once all the assays have been received and the remainder of the holes drilled and integrated with the geology from the surface mapping.

Dibwe West

A single line of drilling was completed across part of the Dibwe West Prospect comprising eight holes for approximately 600m of drilling. The aim of this line of drilling was simply to allow a first pass of the area that was drilled by AGIP historically. Limited mineralisation was intersected and further drilling will be required to evaluate this Prospect.

Bungua

Forty two RC drill holes were completed on eight lines over a strike length of 2.6 kilometres to test rock chip and airborne geophysical anomalism in the Bungua A and B Prospect areas. A further line of holes were completed in December. It is anticipated that the results of the drilling from the initial forty two holes will be released shortly.

Project Summary

Scoping studies are now complete 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 positive results from the scoping study and Prefeasibility studies have commenced. Further Integration of the airborne data, mapping with rock chip sampling, mapping and the RDM drilling reported last year highlight the potential for further targets to be identified and ultimately drill tested.

MAVUZI PROJECT - MOZAMBIQUE

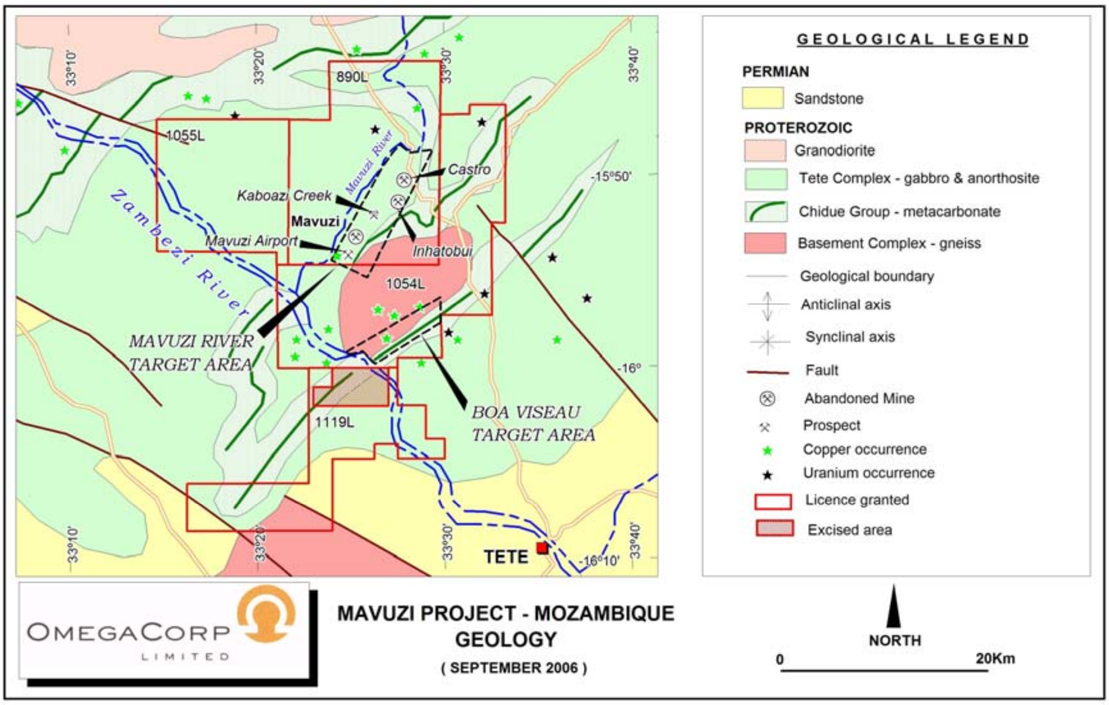
The Mavuzi Project is located some 40 kilometres northwest of the provincial centre of Tete in northwestern Mozambique and comprises four granted licences covering approximately 700 square kilometres. The central licence covers the historical Mavuzi Uranium Mine ("Mavuzi Mine") and has previously been the focus of the Company's exploration initiative (Figure 2).

By the end of December licences 890, 1054 and 1055 had all been covered by stream sediment sampling at a density of two samples per square kilometre. However, not all the results from the new sampling had been received by the end of the quarter. A preliminary inspection of those that were available revealed limited anomalism, which will require further interpretation. Only licence 1119, located south of Zambezi River, now remains to be covered by reconnaissance level stream sediment sampling. It is anticipated that work on this licence will commence after the wet season.

The soil sampling at Beau Viseau was completed over the seven by one kilometer anomaly. The –80 mesh soil sample pulps have been dispatched to Johannesburg for analyses, but no results were available by the end of the quarter. Once these results are received they will be integrated with the geological mapping and airborne data set.

A low-level (about 25m) heliborne geophysical survey was completed over the entire Project Area. The programme comprised a total of 4279 line kilometres of radiometric and magnetic measurements flown on lines 200 m apart. The results are currently being analysed and interpreted.

Figure 2



Summary

The Mavuzi Project is advancing in a regional context. The compilation of the sample data and its integration with the airborne data will continue and be integrated with the regional and local mapping. This data compilation and integration will take place over the wet season.

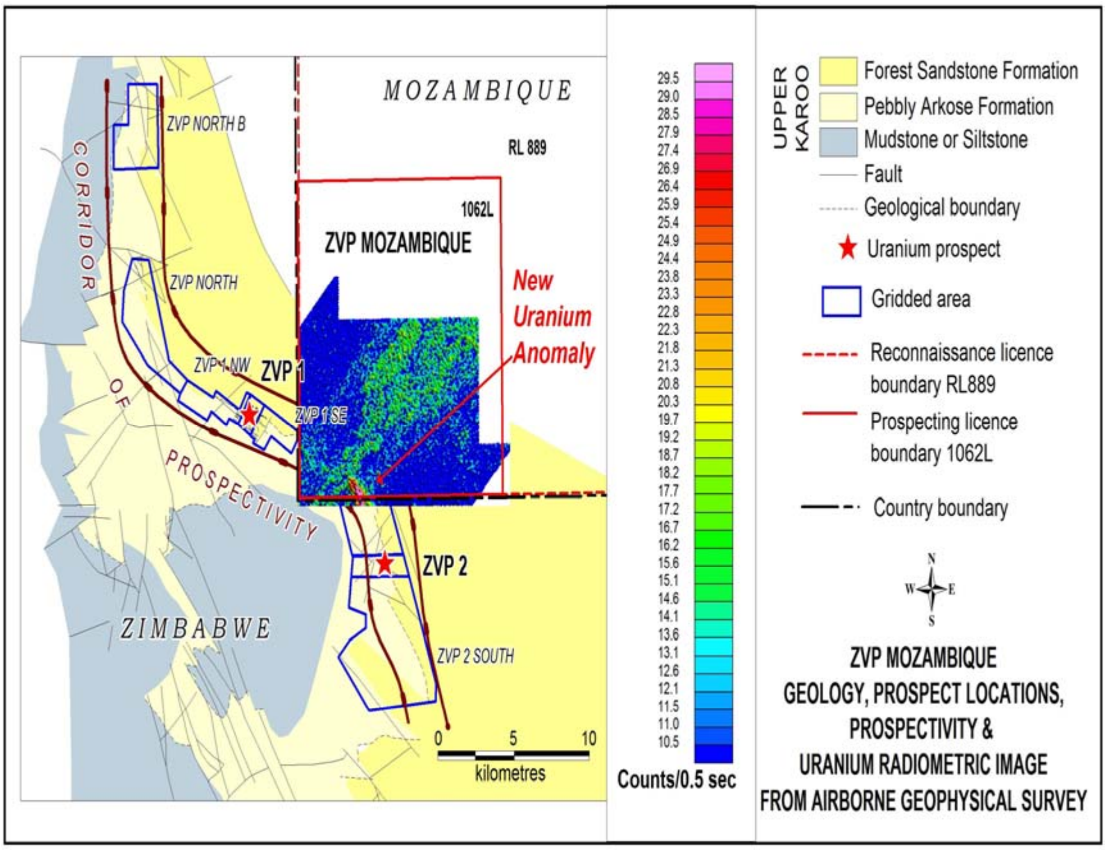
ZVP – MOZAMBIQUE

In order to progress the project and refine target areas within the PL1062, an airborne magnetic and radiometric survey was completed in November 2006. The objective of the survey is to provide the Company with a detailed anomaly map and allow exploration to be completed in a focused manner.

The main area of the anomaly is 1.2 kilometres long and it is considered to be an extension of known mineralisation over the international border. The Company acquired the Project as an extension to its licence applications in Zimbabwe with the expectation that it would contain mineralised extensions to the area extensively drilled by Saarberg Interplan (formerly Interuran) in the 1980's.

The heliborne survey covered approximately 100 of the 600 square kilometres that comprise the Project. The flight lines were 100m apart, with a mean terrain clearance of 20m and aimed to test for extensions to known mineralisation across the international border between ZVP1 and ZVP2. The main part of the anomaly identified in this survey is 1.2 kilometres long, trends northwest-southeast and can be interpreted to extend a further three kilometres between ZVP1 and ZVP2 (Figure 3).

Figure 3



MEPONDA PROJECT

The Meponda Project comprises three contiguous licences covering approximately 472 square kilometres. The Project is situated 60 km west of the regional capital Lichinga in Niassa Province of northern Mozambique. The licences cover the Meponda Alkaline Igneous Complex. The complex is exposed as a prominent, elongate mountain flanking the eastern edge of the Lake Malawi rift valley. This mountain, known as Monte Numale, is composed of a cream to pink, coarse grained, syenitic gneiss with a distinctly nodular appearance. The Project was acquired for its potential to host uranium and other elements. Work completed to date has been restricted to a data compilation and reconnaissance field work.

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

Three new licences have been applied for over the key areas of the original licence holding. The Company will continue to search for a partner for the project whilst its main focus remains its uranium assets.

The information in this report that relates to Exploration Results 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.

The information in this report that relates to the metallurgical results is based on information compiled by Mr. Grenvil Dunn, who is a Chartered Engineer (C Eng) in the UK and a Professional Engineer (Pr. Eng) in South Africa. Mr. Dunn is a Director of Hydromet Pty Ltd, a consultant of OmegaCorp Limited. Mr. Dunn 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. Dunn 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	Quarter ended ("current quarter")
60 094 212 307	31 December 2006

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (6 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	(2,682)	(4,801)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(302)	(491)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	131	214
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – business development	(114)	(151)
	Net Operating Cash Flows	(2,967)	(5,229)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	(109)	(212)
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	766	766
1.12	Other	-	-
	Net investing cash flows	657	554
1.13	Total operating and investing cash flows (carried forward)	(2,310)	(4,675)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,310)	(4,675)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	615	11,985
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	(10)	(755)
	Net financing cash flows	605	11,230
	Net increase (decrease) in cash held	(1,705)	6,555
1.20	Cash at beginning of quarter/year to date	11,712	3,452
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	10,007	10,007

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	389
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, managing director's bonus 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.

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	2,000
4.2	Development	-
	Total	2,000

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	1,291	540
5.2	Deposits at call	8,716	11,172
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	10,007	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				

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**	142,480,060	142,480,060	Not Applicable	Not Applicable
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,910,000	1,910,000	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*
		970,000	-	$0.225	30 June 2007
		9,100,000	-	$0.300	30 September 2007
		2,100,000	-	$0.250	30 September 2008
7.8	Issued during quarter				
7.9	Exercised during quarter			*Exercise price*	*Expiry date*
		410,000	-	$0.225	30 June 2007
		800,000	-	$0.300	30 September 2007
		700,000	-	$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 January 2007
(~~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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