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PREMIUM EXPLORATION, INC. ANNOUNCES CUCURPE PROJECT EXPLORATION UPDATE-1: Discovery of Copper-Molybdenum-Lead-Zinc Mineralization and Highly Anomalous Arsenic & Antimony Indicative of Potential for Buried Copper Porphyry and Epithermal/Carlin-Type Gold Deposits

VANCOUVER, BRITISH COLUMBIA--(CCN Matthews – August 15, 2006) – Premium Exploration, Inc., (TSX VENTURE:PEM) ("Premium" or the "Company") (<http://www.premiumexploration.com>) is pleased to provide an update on the progress of exploration at its Cucurpe Project, located in the State of Sonora, Mexico. This update is the first of a series of monthly updates the Company expects to release on our exploration progress at the Cucurpe Project for the rest of 2006. The highlights of the results obtained so far from the Phase 1 of the 2006 exploration campaign include:

- Identification of copper-molybdenum-lead-zinc mineralization zone that the Company is naming the "El Toro – Bamori Copper Zone."
- Discovery of anomalous gold and highly anomalous concentrations of pathfinder elements (arsenic, antimony and bismuth) for epithermal/Carlin-type gold deposits within structures in the El Toro – Bamori Copper Zone, potentially indicating metal leakage from buried gold deposits.
- Identification of a bonanza grade quartz vein and potential bulk-tonnage gold mineralization in the La Josephina area.

The Cucurpe Project comprises approximately 12,000 hectares (29,650 acres), 10,000 ha of which were staked by Premium, and an additional 2,000 ha are under option to Premium to purchase a 100% interest in through a combination of work commitments and cash payments. The Cucurpe Project area holds potential to host significant gold and base metal deposits. The region that the Company's Cucurpe Project is located in is currently the focus of substantial mineral exploration activity as well as reactivation and planning of new gold mines by both major and junior exploration companies, including Teck Cominco Ltd., (TSX: TCK.A) (TSX:TCK.B) (NYSE:TCK), Sonora Gold Corporation (TSX VENTURE:SGG), Meridian Gold, Inc., (NYSE:MDG)(TSX:MNG) and Columbia Metals Corporation (TSX VENTURE:COL).

The Cucurpe Project is located adjacent to the SW corner of Sonora Gold's Enrique Joint Venture Project with Teck Cominco Limited. Additionally, Teck Cominco has staked 90,000 ha of mining claims that completely surround the Company's Cucurpe Project. Premium has identified 33 different prospects on the Cucurpe Project for gold and copper mineralization. The Company has recently completed sampling at the Buena Vista prospect, and is currently focusing exploration efforts at the newly discovered El Toro – Bamori Copper prospect. As the Company's exploration work progresses at Cucurpe it will expand its exploration program to include the other 30 prospects it has identified on the property.

About the “El Toro – Bamori Copper Zone” ~ Discovery of significant base metal mineralization and highly anomalous pathfinder elements indicate potential for buried porphyry copper and epithermal / Carlin-type gold deposits

The El Toro – Bamori Copper Zone is located north-northwest of the high-grade gold Buena Vista prospect and trends northwest for three kilometers from El Toro, where an area of alteration approximately 100 by 300 meters is centered over copper staining on highly fractured rocks, to the Bamori area, where copper-stained float has been identified in creeks. It is not known at this time whether the El Toro-Bamori Copper Zone is a continuous zone or two separate and distinct copper zones. A reconnaissance sample taken from an old shallow trench between El Toro and Bamori returned 1000 ppm copper, 121 ppm molybdenum, 855 ppm zinc, 2.35% lead and 14 ppm bismuth. Additionally, a soil sample grid 500m x 600m, centered on the area of copper staining at El Toro has been completed. Inside this sample grid the Company collected approximately 150 soil samples, as well as 11 rock chip samples. These samples have been sent to the ALS-Chemex lab in Hermosillo, Mexico for analysis. The Company has initiated an expanded mapping and surface sampling program of this area and will report its results upon receipt of assays from the lab.

This sample mentioned above within the copper zone also returned 224 ppb gold, 5.2 ppm silver, 7230 ppm arsenic, 108 ppm antimony. The values for gold and silver are anomalous, and those for arsenic and antimony are highly anomalous; these elements are “pathfinder” elements which are commonly found with epithermal type gold deposits, including Carlin-type deposits. The presence of these metals along a structural corridor may represent leakage of mineralization from buried mineral deposits along this structure, formed within favorable host rocks such as those hosting the Santa Gertrudis deposits 10 km northeast of Cucurpe. The rocks in this area may have acted as a relatively permeable barrier to pool and deposit mineralization at depth.

About the “La Josephina Prospect” ~ A bonanza-grade quartz vein and potential bulk-tonnage gold mineralization

Located 2.3 km NE of Buena Vista, La Josephina is the site of past small-scale mining. Two grab samples of vein dump material from this area returned assay values of 56.8 g/t gold and 5.4 g/t silver, and 43.6 g/t gold and 82.2 g/t silver, respectively. Two preliminary samples from the vein structure returned 2.62 g/t gold and 1.87 g/t silver, respectively. The Company has initiated further surface sampling of this vein structure and reconnaissance sampling of the surrounding area to identify the areas with potential for a bulk-leachable gold deposit.

Status Update on the 2006 Phase 1 Exploration Program for the Cucurpe Project:

As previously announced on April 11, 2006, the Company is completing a \$200,000 soil sampling and mapping program on the Project. To date the Company has taken over 400 soil samples from the Buena Vista area, from a grid approximately 1400 by 600 meters, oriented across the strike of the Buena Vista vein structure, to test an area of potential low-grade bulk tonnage gold mineralization. These samples have been sent for analysis at the ALS-Chemex laboratory in Hermosillo, Mexico and all results are expected to be completed by early September.

The Company is currently compiling airborne magnetic data and regional geochemistry data obtained from the Servicio Geologico Mexicano for the entire Cucurpe Project. This data will assist in identifying areas of anomalous base metal mineralization and magnetic anomalies, which are associated with porphyry targets elsewhere in the district. Premium Exploration will publish a compilation map and interpretation on our web site at www.premiumexploration.com

upon completion of Phase 1 of our 2006 Cucurpe Exploration Program. It is anticipated that the Company will complete the Phase 1 sampling and mapping campaign in the early 4th quarter of 2006. A drill campaign to test targets developed from this sampling program and data compilation is anticipated to commence in the 4th quarter of 2006 or early first quarter of 2007.

Ms. Nancy Reardon, M.Sc., P.Geol, SEG Fellow, Chief Operating Officer and Director of the Company is the qualified person responsible for the technical disclosure in this press release under National Instrument 43-101.

About Premium Exploration, Inc.:

Premium Exploration Inc. is a publicly-traded junior exploration company which has been strategically developed to maximize the economic potential of the current bull market in precious metals. The Company is focused on discovering precious metal deposits in North America. Premium retains a very experienced management and advisory team, with extensive experience in various aspects of mineral exploration and production, including exploration at all stages, mining engineering, metallurgy, and minerals processing. The company currently holds exploration projects located in central and northern Mexico with potential to host gold, silver and copper deposits, and a platinum-palladium-gold project within the Stillwater Complex of Montana.

More information can be found on our website at <http://www.premiumexploration.com> or on the SEDAR website at <http://www.sedar.com>.

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The information in this press release is not NI 43-101 compliant and should not be relied upon as such. This press release contains certain "Forward-Looking Statements" within the meaning of Section 21E of the United States Security Exchange Act of 1934, and involve a number of risks and uncertainties. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents files from time to time with the TSX Venture Exchange and the British Columbia Securities Commission. All statements, other than of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. Information contained in this news release includes information about adjacent properties on which we have no right to explore or mine. We advise investors in the United States that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC. United States investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties.