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The Manager
Companies Announcements Office
Australian Stock Exchange Ltd
10th Floor, 20 Bond Street
SYDNEY NSW 2000

22 November 2005

Dear Sir / Madam,

APPENDIX 5B – FIRST QUARTER ACTIVITIES AND CASH FLOW REPORT

HIGHLIGHTS

POISED TO COMMENCE DRILLING OF YARRAMBA PALAEOCHANNEL TARGETS

- Curnamona Energy is poised to commence drilling following delays caused by late equipment delivery and heavy rains in the region.
- Drill grid laid out over a highly prospective portion of the Yarramba Palaeochannel where there are possible favourable uranium trap sites immediately downstream from the Honeymoon uranium deposit

REVIEW OF OPERATIONS

All drilling and logging equipment ordered by Curnamona Energy over the last few months has now been delivered and has undergone field testing in preparation for commencement of the planned exploration drilling programmes. Delays in the delivery of key pieces of equipment and heavy rains over the project area in the last two months have conspired to cause an unavoidable delay of some weeks in commencement of drilling. The heavy rains caused boggy conditions, which have in turn prevented the timely commissioning of the drilling rig and testing of the downhole logging tools.

At this time, the drill rig and logging equipment have been commissioned in readiness for commencement once site access is possible. An initial drill grid of fifty holes on a 400 metre x 800 metre spacing has been laid out and drilling sumps prepared by backhoe in readiness for drilling. The drill grid is located over a highly prospective portion of the Yarramba Palaeochannel where interpretation of airborne electromagnetic surveys completed and reported last quarter indicates that the sub-surface stream flow has been impeded by a restriction in the channel width, with consequent likely concentration of organic debris. Such a more reduced zone in the palaeochannel would be expected to cause a favourable chemical trapping site for the uranium being carried in oxidized solutions along the palaeochannel.

Over the next eighteen months some 400 drillholes are planned on various targets within Curnamona Energy's tenement area. The number of drillholes completed at each prospect area, and their precise locations will be subject to continuous review as logging results for each prospect area come to hand and are assessed. This drilling will be continuous subject to weather and mechanical availability of equipment, apart from a short break over the Christmas – New Year period. During

the next quarter drilling will concentrate on the Yarramba Palaeochannel target mentioned above that lies just downstream from the Honeymoon uranium deposit. If downhole logging gives indications of uranium the hole spacing will be closed in with the objective of defining the limits of possible uranium mineralisation prior to moving on to other prospects. Drilling and logging results will be reported to the market as they come to hand. Unlike conventional drilling, where assay results can take some weeks to finalise, logging gives an instant read –out of the downhole radioactivity and hence likely uranium mineralisation in the vicinity.

Other target areas further north along the Yarramba palaeovalley and elsewhere in the Lake Namba palaeovalley and Oban prospect areas will be drilled subsequently. In view of the positive results of Curnamona Energy's recent helicopter electromagnetic survey, it is expected that this method will be employed in other prospect areas, in order to assist with drill targeting.

Curnamona Energy's exploration activities coincide with a positive outlook for uranium largely brought about by the twin concerns of global warming and shortage in supply of fossil fuels. This is reflected in the doubling of uranium spot prices over the past twelve months and the planned dramatic expansion of nuclear electricity generating capacity in many developing countries, where alternative energy sources are either limited or prohibitively expensive. Curnamona Energy is therefore commencing its drilling programmes at a time when the outlook for uranium prices is the best that it has been for three decades. Given drilling success, shareholders can anticipate significant appreciation in their investment in Curnamona Energy.

FINANCE

As at 31 October 2005 the company had available funds of \$5.032 million, of which the majority is held in a term deposit. Expenditure on exploration for the next quarter will be largely governed by the amount of drilling that is completed once field programmes commence.

Dr K R Johnson
CHAIRMAN

The information in this report has been prepared by geologists Dr Bob Johnson and Mr Mark Randell who are members of the Australasian Institute of Mining and Metallurgy and Dr Chris Giles who is a member of The Australian Institute of Geoscientists. All are adherents to the respective Institutes' codes and recommended practices and have had a minimum of five years experience in the types of activities being reported.

Enquiries should be directed to Dr Bob Johnson, Chairman, on (08) 8338 9292

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

CURNAMONA ENERGY LIMITED

ABN

112 712 115

Quarter ended ("current quarter")

31/10/05

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a)exploration and evaluation	-227	-227
(b) development		
(c) production		
(d) administration	-94	-94
1.4 Dividends received	91	91
1.5 Interest and other items of a similar nature received		
1.6 Interest and other costs of finance paid		
1.7 Income taxes paid		
1.7 Other (provide details if material)		
	-230	-230
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets	-79	-79
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 (provide details if material)		
	-79	-79
Net investing cash flows		
1.13 Total operating and investing cash flows (brought forward)	-309	-309

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
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 (provide details if material)		
Net financing cash flows			
Net increase (decrease) in cash held		-309	-309
1.20	Cash at beginning of quarter/year to date	5341	5341
1.21	Exchange rate adjustments to item 1.20		-
1.22	Cash at end of quarter	5032	5032

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	89
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

The payments relate to management and consulting fees payable to entities associated with the directors pursuant to contracts entered into with the Company, and also reimbursement of expenses incurred by directors on behalf of the Company

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

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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

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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	250,000
4.2 Development	
Total	250,000

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	89	67
5.2 Deposits at call	4943	5274
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	5032	5341

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 <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	59,287,103	59,287,103		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	3,200,000	Directors	<i>Exercise price</i> 25 cents	<i>Expiry date</i> 19/04/2010
7.8	Issued during quarter	500,000 250,000	Employee Employee	62 cents 62 cents	14/07/2010 29/08/2010

7.9	Exercised during quarter			<i>Exercise price</i>	<i>Expiry date</i>
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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:
(Director/Company secretary)

Date: 22 November 2005

Print name: Dr KR Johnson.....

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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