REVIEW OF OPERATIONS

FIELD ACTIVITIES

Curnamona Energy Limited (Curnamona Energy - ASX : CUY) exploration drilling during the quarter focused entirely on the Oban project and was successful in considerably expanding the area of significant sand-hosted uranium mineralisation in an area indicated by historic drillhole data (note that 'significant' is used here to indicate potentially economic uranium mineralisation with a grade thickness > 0.05 m% eU_3O_8).

Some excellent uranium intercepts were achieved in this area, including:

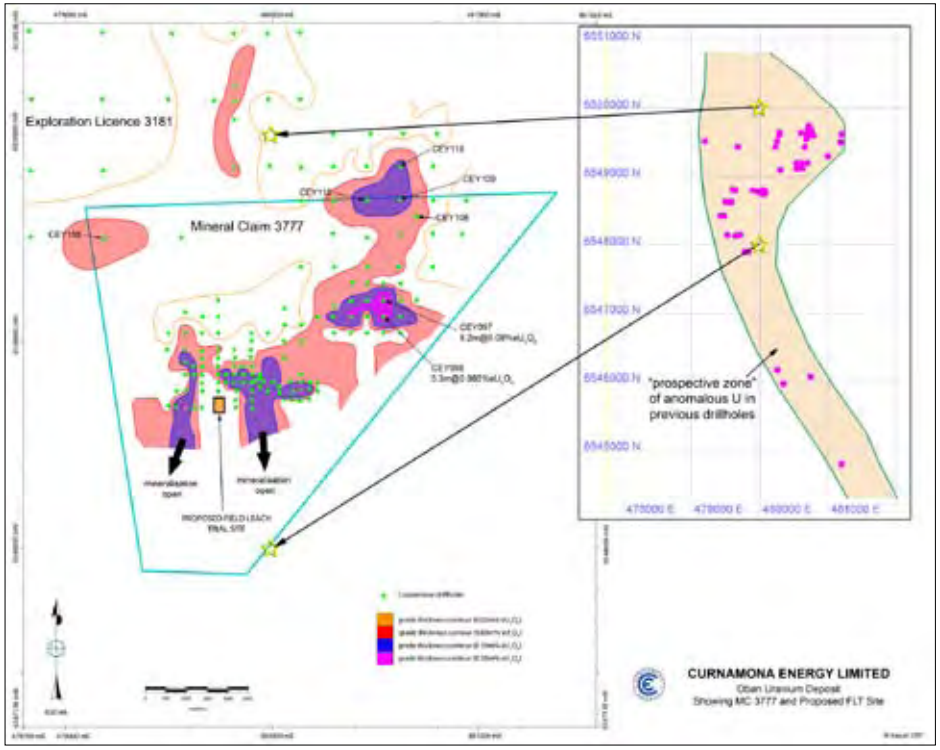
CEY097 : 8.20 metres averaging 0.08% eU_3O_8 for a grade thickness product (GT) of 0.63 m% eU_3O_8

CEY098 : 5.30 metres averaging 0.085% eU_3O_8 for a grade thickness product (GT) of 0.45 m% eU_3O_8

(Note : these intercepts are calculated using a cutoff of 0.01% eU_3O_8 and assuming equilibrium between radioactive components).

The accompanying map shows that a semi-continuous zone covering more than 100 Ha defined by the 0.05m% eU_3O_8 contour (red shading on map) has been outlined within Mineral Claim 3777 by drilling during the quarter. Within this zone are higher grade areas that in some cases are not yet fully defined by drilling (blue and pink areas on map). Most recent drilling is delineating a new area lying to the north of Mineral Claim 3777, that again is yet to be fully defined.

All areas of uranium mineralisation so far outlined within Exploration Licence 3181 lie within a 7 kilometre long 'prospective zone' that is defined by scattered anomalous results from previous drilling. Drilling is continuing along this zone with the objective of expanding the area of known mineralisation at Oban.



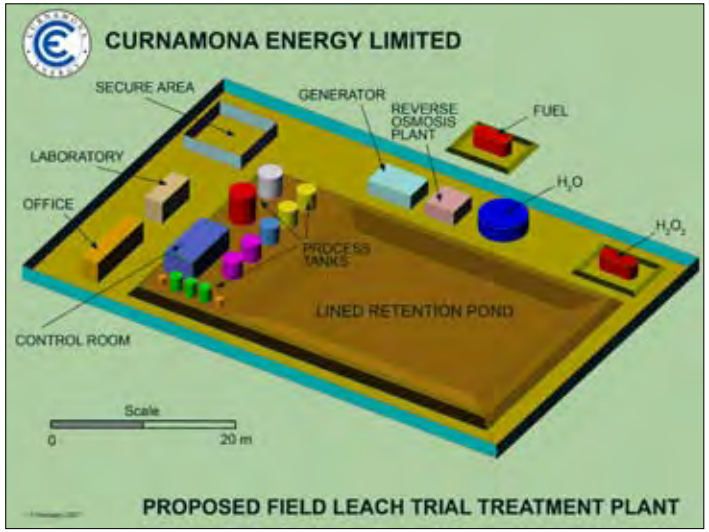
PROGRESS OF FIELD LEACH TRIAL AT OBAN

In order to determine the factors critical to successful in situ recovery processing at Oban, such as permeability of the sands, uranium leachability/recovery and the extent of uranium disequilibrium, it has been decided to proceed with a simple field leach trial on a relatively well mineralised area (average Grade Thickness of 0.2 m% eU_3O_8) covering some 100,000 square metres.

The field leach trial requires numerous approvals and consultation with relevant government agencies. After due consideration of Curnamona Energy's submission by relevant technical experts the Commonwealth Department of Environment and Water Resource (DEWR) have given their approval for commencement of field leach trials.

Mark Randell has undertaken considerable consultation during the quarter with various State Government agencies and other stakeholders and will shortly submit a draft Mining and Rehabilitation Plan (MARP) to PIRSA, which is a critical step in the approval process.

Assuming the field leach trial is successful, Oban Energy would then move to obtain a Mining Lease and the right to sell uranium. It would upgrade the field leach trial pilot plant to a full scale operation, with sales of yellowcake slurry initially to existing producers.



RESEARCH REPORT BY STRACHAN CORPORATE

A research report was prepared by respected resource analyst, Peter Strachan of Strachan Corporate during the quarter. This report notes that Curnamona Energy:

1. Is on track to be Australia's next uranium producer, partly because of a favourable state government regulatory regime, and the relative ease of bringing an in situ recovery uranium mine on stream.
2. Has the financial resources, management expertise and technical capability to achieve its stated objectives, including a field leach trial by 2008.
3. Has outlined an area with potential for at least 2300 tonnes of eU_3O_8 within its current mineral claim, with considerable exploration upside in the region.

This research report is available on the Company's website at www.curnamona-energy.com.au.

FORWARD EXPLORATION PLANNING

Curnamona Energy's immediate objectives are to:

1. Obtain all approvals required for the construction of a field leach trial plant on the Oban deposit.
2. Commence testing some 40 kilometres of the lower Yarramba palaeochannel that has never been drilled before.
3. Continue expanding the ISL uranium resources at Oban.

FINANCE

As at 31 July 2007 the Company had available funds of $9.36 million, of which the majority is held in a term deposit. Expenditure on exploration activities for the quarter was almost $200,000 and is expected to be at a similar level next quarter.

Dr K R Johnson
CHAIRMAN

Further technical details relating to Curnamona Energy activities will be found on the Company's website:

www.curnamona-energy.com.au

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. Drs Johnson and Giles are employed by the Company on consulting contracts and Mr Randell is a full-time employee. They have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Persons as defined in the JORC Code 2004. Drs Johnson and Giles and Mr Randell consent to the release of the information compiled in this report in the form and context in which it appears.

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

CURNAMONA ENERGY LIMITED

ACN 112 712 115

Quarterly Report
August 2007

HIGHLIGHTS

CONTINUING EXPANSION OF URANIUM MINERALISATION AT OBAN

- *Drilling considerably expands the area of sand-hosted uranium mineralisation at Oban*
- *Research report on Curnamona Energy prepared by Strachan Corporate*

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