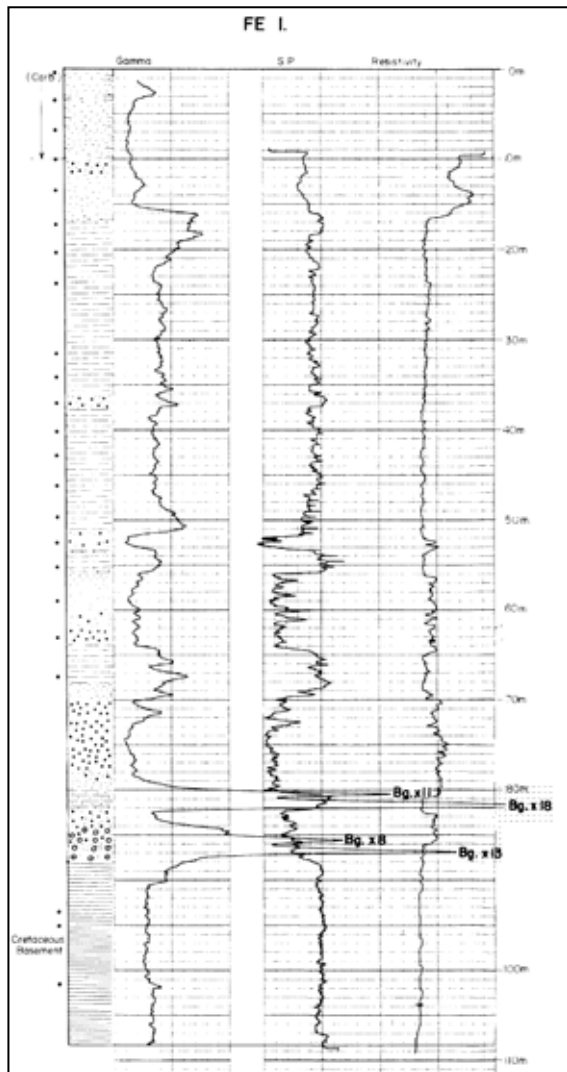


these prospect areas in detail for the first time by employing its all-wheel drive drill rigs and support equipment. This drilling is expected to commence during the next quarter and Curnamona Energy is optimistic that it will lead to further discoveries similar to Oban.



Downhole Log for 1974 uranium drillhole at Bingelly Prospect showing strong gamma response

FINANCE

As at 30 April 2008 the Company had available funds of approximately \$9 million, of which the majority is held in a term deposit. Expenditure on exploration activities for the quarter was \$306,000 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
May 2008

HIGHLIGHTS

ADVANCING FIELD LEACH TRIAL PERMITTING FOR OBAN

- Public comment addressed for Oban field leach trial permitting
- Commencement of exploration in new areas
- Identified several new prospects in ground to the north of Oban

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REVIEW OF OPERATIONS

Oban Field Leach Trial Progress

In order to carry out the proposed field leach trial, Curnamona Energy Limited's (Curnamona Energy – ASX : CUY) wholly owned subsidiary, Oban Energy Pty Ltd, has applied for a retention lease over the Oban uranium deposit. In support of the retention lease application a comprehensive document that outlines strategies for management of environmental impacts and operational risks associated with the proposed field leach trial was prepared and lodged with PIRSA. During the quarter the complete proposal was released publicly by PIRSA on its website : http://www.pir.sa.gov.au/minerals/public_notices/oban_energy_pty_ltd_-_field_leach_trial_proposal

The public had an opportunity until 11th April 2008 to make submissions on any factors that should be considered in the assessment of the retention lease application. Several parties that are opposed to the mining and use of uranium as a non-greenhouse gas emitting energy source lodged submissions against the field leach trial proposal and grant of the retention lease. Most concern related to the possibility of ground water pollution during the in-situ leaching process. Oban Energy's response to the public submissions can be viewed on the website referenced above.

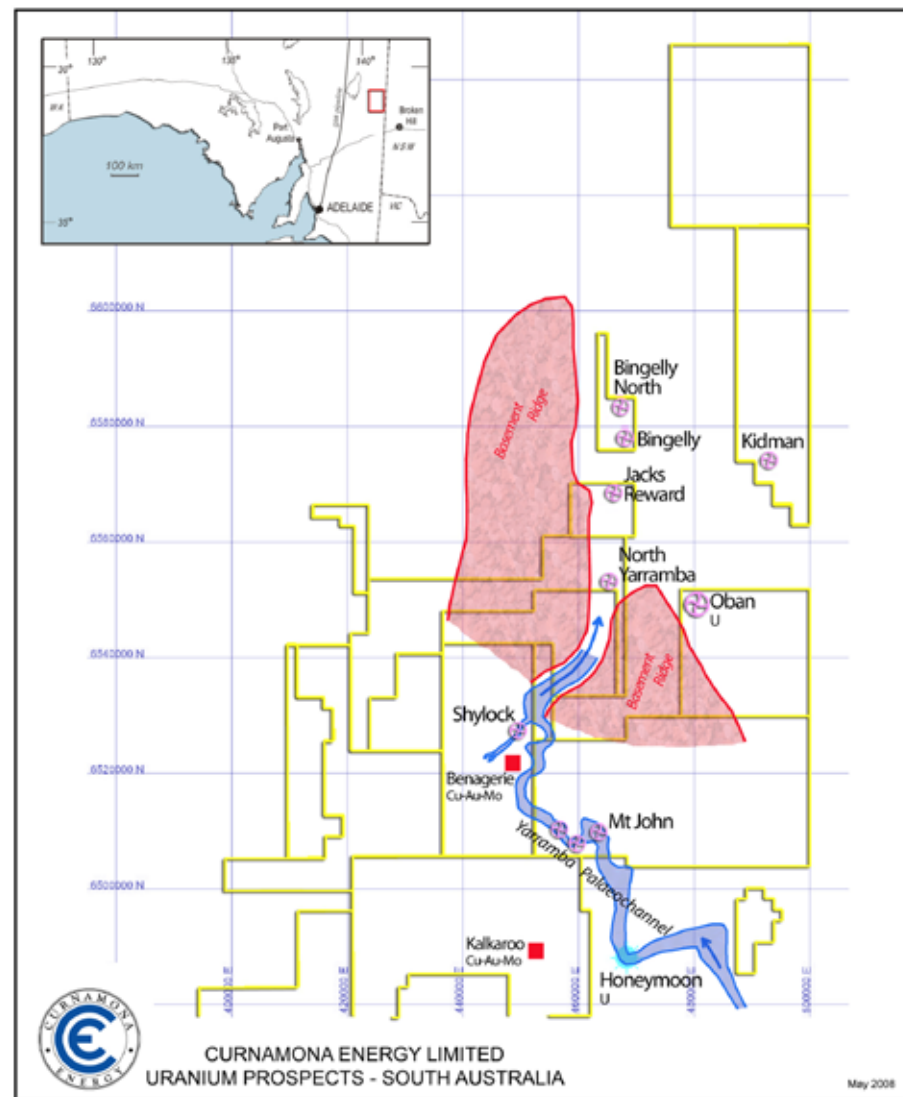
PIRSA is currently assessing Oban Energy's field leach trial proposal and its detailed responses to the public submissions to determine whether it will grant the retention lease. Should the retention lease application be successful, PIRSA has recently advised that Oban Energy will then be required to submit a formal mining and rehabilitation plan (MARP), which will also have to be approved by PIRSA before the field leach trial can proceed. Much of the work for the MARP has already been done for the retention lease application.

Exploration Progress

Exploration during the quarter was entirely concentrated in the northern Yarramba palaeochannel lying to the west of the Oban uranium deposit. The palaeochannel is up to 3 kms wide and 120 m deep in this area, and many holes were drilled to determine the overall geometry of the palaeochannel system. The initial objective was to find local oxidation-reduction boundaries within the palaeochannel that were favourable for the deposition of uranium.

Technical success was achieved with some significant gamma log responses recorded in thin sandy units within the Namba Clay in a number of holes. This indicates an active uranium migration system in the vicinity, and future drilling will aim to discover the areas where uranium might have deposited in economic concentrations.

Overall drilling progress was slower than usual owing to the second drill rig being out of action for most of the quarter, while it was being re-furbished and fitted to an 8x8 MAN truck chassis. Most of the area being drilled to the north of Oban is extremely sandy and remote, being on the southern margin of the Strzelecki Desert. The customised 8x8 truck, fitted with a heavy duty automatic transmission, will make accessible large parts of Curnamona Energy's highly prospective northern tenements, which would otherwise be impossible to explore with conventional drilling equipment.



Forward exploration planning

Curnamona Energy has a large tenement holding in the Strzelecki Desert to the north of Oban. Research of open file reports for uranium exploration carried out more than three decades ago, mostly along station tracks, has identified at least four prospects that have promising gamma responses comparable to Oban (see map). Curnamona Energy will be able to drill