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ASX / Media Release

31 August 2007

APPENDIX 5B – FOURTH QUARTER ACTIVITIES AND CASH FLOW REPORT
CONTINUING EXPANSION OF URANIUM MINERALISATION AT OBAN

HIGHLIGHTS

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

REVIEW OF OPERATIONS

Field Activities

During the quarter exploration drilling focused entirely on the Oban project and was successful in considerably expanding the area of significant sand-hosted uranium mineralization in an area indicated by historic drillhole data (note that “significant” is used here to indicate potentially economic uranium mineralization 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 100Ha 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 defining a new area lying to the north of Mineral Claim 3777, that again is yet to be fully defined by drilling.

All areas of uranium mineralization 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 mineralization at Oban.

Progress of Field Leach Trial At Oban

In order to determine the factors critical to a 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 mineralized area (average Grade Thickness of 0.2 m% eU₃O₈) 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 (MARF) 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 eU₃O₈ 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

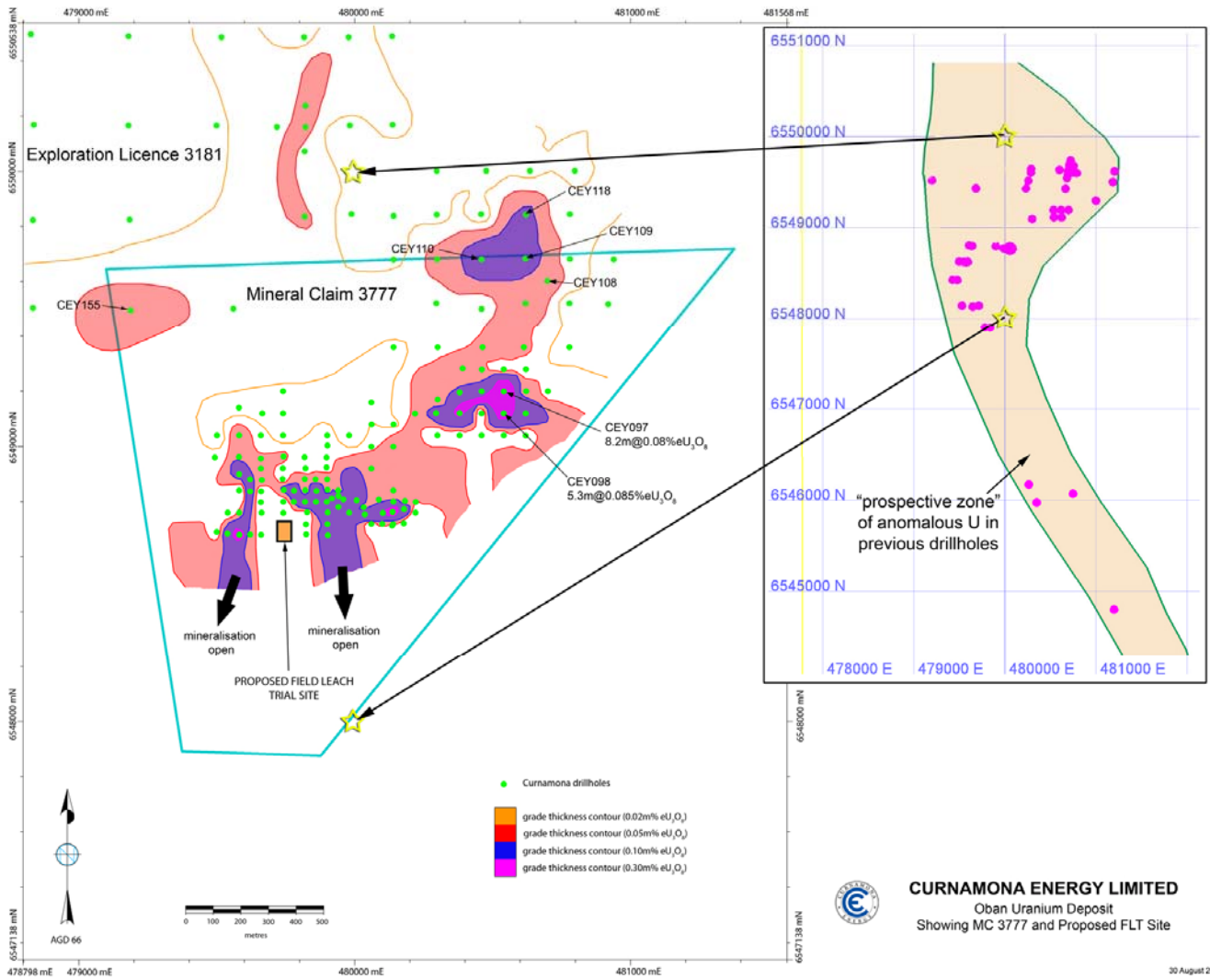
As at 31 July 2007 the Company had available funds of \$9.36 million, of which the majority is held in a term deposit. Expenditure on exploration activities for the quarter was almost \$200,000 and is expected to be at a similar level next quarter.

Dr K R Johnson

CHAIRMAN

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 mineralization 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



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

ACN

112 712 115

Quarter ended ("current quarter")

31/07/07

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a)exploration and evaluation	-193	-858
(b) development		
(c) production		
(d) administration	-127	-377
Dividends received		
1.4 Interest and other items of a similar nature received	146	340
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
	-174	-895
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	-67	-236
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)		-2
	-67	-238
Net investing cash flows		
1.13 Total operating and investing cash flows (brought forward)	-241	-1133

	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-354	6046
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	-354	6046
	Net increase (decrease) in cash held	-595	4913
1.20	Cash at beginning of quarter/year to date	9954	4446
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	9359	9359

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	94
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	183	72
5.2 Deposits at call	9176	9882
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	9359	9954

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	EL 3770	Granted application		100%
	EL 3771	Granted application		100%
	EL 3772	Granted application		100%
	EL 3820	Granted application		100%

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	62,497,103	62,497,103		
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 (description and conversion factor)	3,200,000 500,000 200,000 40,000 50,000 50,000 250,000	Directors Employee Employee Employee Employee Employee Employee	<i>Exercise price</i> 25 cents 62 cents 62 cents 55 cents 55 cents 55 cents 58 cents	<i>Expiry date</i> 19/04/2010 14/07/2010 29/08/2010 20/02/2011 15/05/2011 16/06/2011 19/10/2011
7.8	Issued during quarter	200,000	Employee	181cents	08/06/2012
7.9	Exercised during quarter	10,000		<i>Exercise price</i> 55 cents	<i>Expiry date</i> 20/02/2011
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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: 31 August 2007

Print name: Dr KR Johnson....Director / Chairman.....

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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