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ASX / Media Release

29 November 2007

APPENDIX 5B – FIRST QUARTER ACTIVITIES AND CASH FLOW REPORT
EXPANDED AREA OF URANIUM MINERALISATION AT OBAN

HIGHLIGHTS

- **Drilling continues to expand the area of sand-hosted uranium mineralization at Oban**
- **Progress on field leach trial permitting**

REVIEW OF OPERATIONS

Field Activities

During the quarter exploration drilling continued to focus entirely on the Oban project with a further 96 holes completed. This drilling has now confirmed potentially economic grades of sand-hosted uranium mineralization over at least 3 kilometres in a north south direction.

Some excellent uranium intercepts were achieved by this drilling including :
CEY190 : 3.9 metres averaging 0.059% eU₃O₈ for a grade thickness product (GT) of 0.23 m% eU₃O₈
CEY207 : 5.45 metres averaging 0.06% eU₃O₈ for a grade thickness product (GT) of 0.35 m% eU₃O₈
CEY212 : 4.5 metres averaging 0.02% eU₃O₈ for a grade thickness product (GT) of 0.1 m% eU₃O₈ (see map for drillhole locations)
(Note : these intercepts are calculated using a cutoff of 0.01 % eU₃O₈ and assuming equilibrium between radioactive components).

It is evident from the map that there are richer cores of uranium mineralization, which as yet are not fully defined, within an overall linear trending mineralised zone. As drilling progresses, the geological model emerging is one of a sinuous sand strandline system fringing a large lake area that lay to the east and north. It is a different style of uranium occurrence to the traditional palaeochannel, but the roll-front oxidation / reduction process still seems to be controlling the distribution of the uranium

mineralisation. Such a strand line system can be laterally extensive, as the present drilling is indicating. Curnamona Energy is being guided by the historic mineral drilling databases across the area to determine the likely strandline positions, and has identified many kilometres of potential strike where it can test this concept.

Importantly, the area of potentially economic uranium mineralization (defined by the 0.05 m% eU₃O₈ contour) continues to grow and is now over 2 square kilometers. It is considered that sufficient uranium resources exist at Oban to support a long term in-situ leach operation. However, until 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 are firmly established it will not be possible to obtain a JORC compliant resource estimate. It is for this reason that Curnamona Energy is proposing to establish a field leach trial to establish the amenability of the sands to in situ uranium recovery methods.

Although the field leach trial is extremely limited in size and scope, it still requires extensive public consultation and is subject to rigorous permitting procedures by PIRSA similar to a full scale uranium mining operation. A comprehensive Mining and Rehabilitation Plan (MARF), that outlines strategies for management of environmental impacts and operational risks, was lodged with PIRSA during the quarter, which is the first critical step in the permitting process. Feedback from PIRSA has been received and as a consequence revisions to the MARF document are being made to ensure compliance with the strict environmental guidelines and procedures laid down by PIRSA.

Research report by Strachan Corporate

An updated research report was prepared by respected resource analyst, Peter Strachan of Strachan Corporate on 17 October. This report notes that the area so far outlined by Curnamona Energy could contain over 3,000 tonnes of U₃O₈, which could potentially sustain 200 tonne per annum U₃O₈ production. He concludes that Curnamona Energy “appears to be on its way to becoming a significant uranium producer”.

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

Forward exploration planning

Curnamona Energy’ objectives during the next quarter are :

1. Continue working on obtaining all approvals required for the construction of a field leach trial plant on the Oban deposit, including finalization of the final MARF document.

2. Undertake detailed design of a field leach trial plant
3. Commence testing some 40 kilometres of the lower Yarramba palaeochannel that has never been drilled before. A water supply bore for the drilling has recently been completed to facilitate this drilling programme.

FINANCE

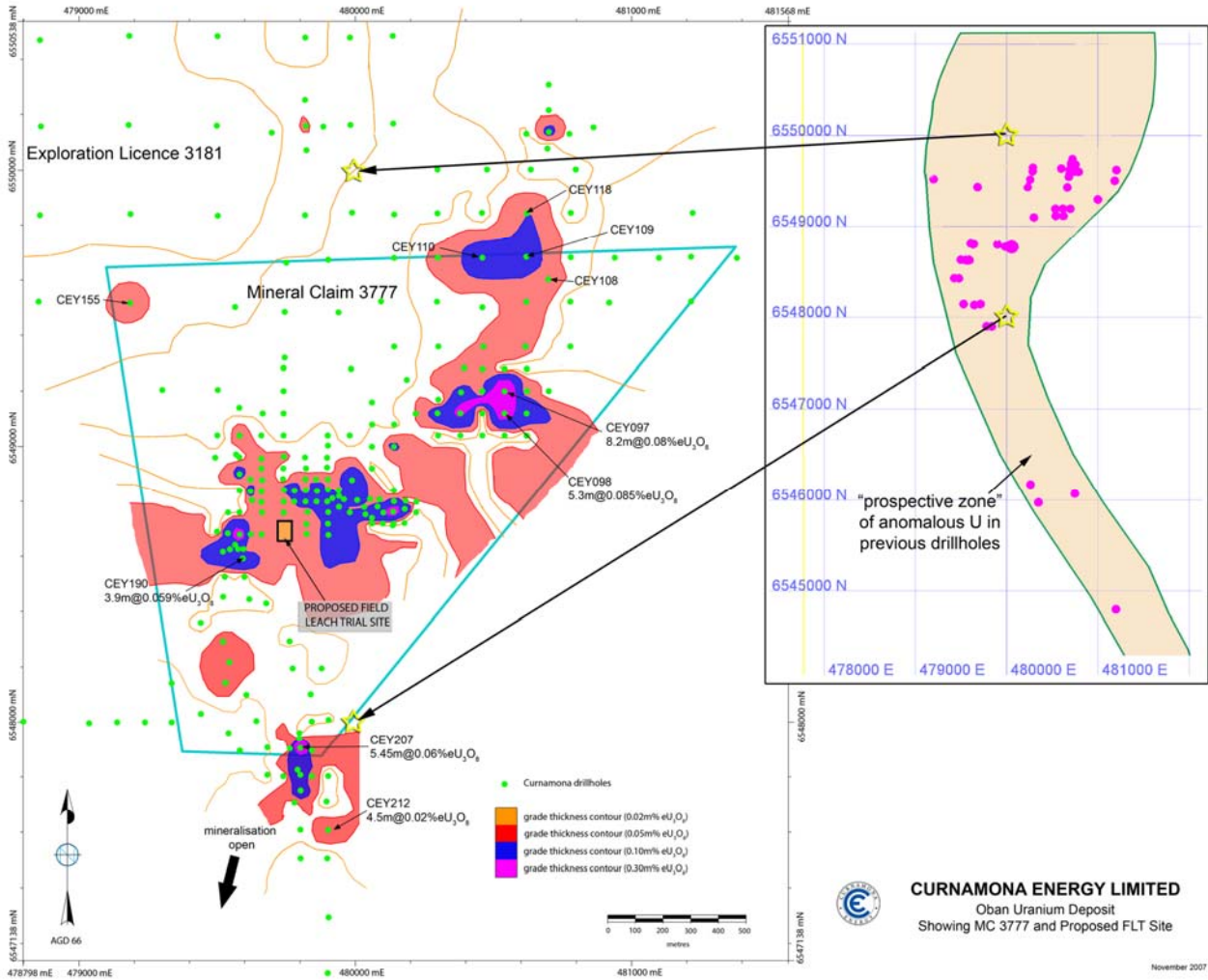
As at 31 October 2007 the Company had available funds of \$9.1 million, of which the majority is held in a term deposit. Expenditure on exploration activities for the quarter was \$324,000 and is expected to be at a similar level next quarter.

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")

31/10/07

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	-324	-324
(b) development		
(c) production		
(d) administration	-88	-88
1.4 Dividends received	146	146
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)		
	-266	-266
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	-144	-144
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
	-144	-144
Net investing cash flows		
1.13 Total operating and investing cash flows (brought forward)	-410	-410

	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	186	186
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	-29	-29
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	157	157
	Net increase (decrease) in cash held	-253	-253
1.20	Cash at beginning of quarter/year to date	9359	9359
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	9106	9106

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	91
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	300,000
4.2 Development	
Total	300,000

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	86	183
5.2 Deposits at call	9020	9176
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	9106	9359

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	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 <i>(description and conversion factor)</i>	3,200,000 500,000 200,000 40,000 50,000 50,000 250,000 200,000	Directors Employee Employee Employee Employee Employee Employee Employee	<i>Exercise price</i> 25 cents 62 cents 62 cents 55 cents 55 cents 55 cents 58 cents 181cents	<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 08/06/2012
7.8	Issued during quarter				
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: 29 November 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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