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ASX / Media Release

29 May 2008

APPENDIX 5B – THIRD QUARTER ACTIVITIES AND CASH FLOW REPORT
ADVANCING FIELD LEACH TRIAL PERMITTING FOR OBAN

HIGHLIGHTS

- **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**

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 have recently advised that Oban Energy will then be required to submit a formal mining and rehabilitation plan (MARF), which will also have to be approved by PIRSA before the field leach trial can proceed. Much of the work for the MARF 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 customized 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 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.

FINANCE

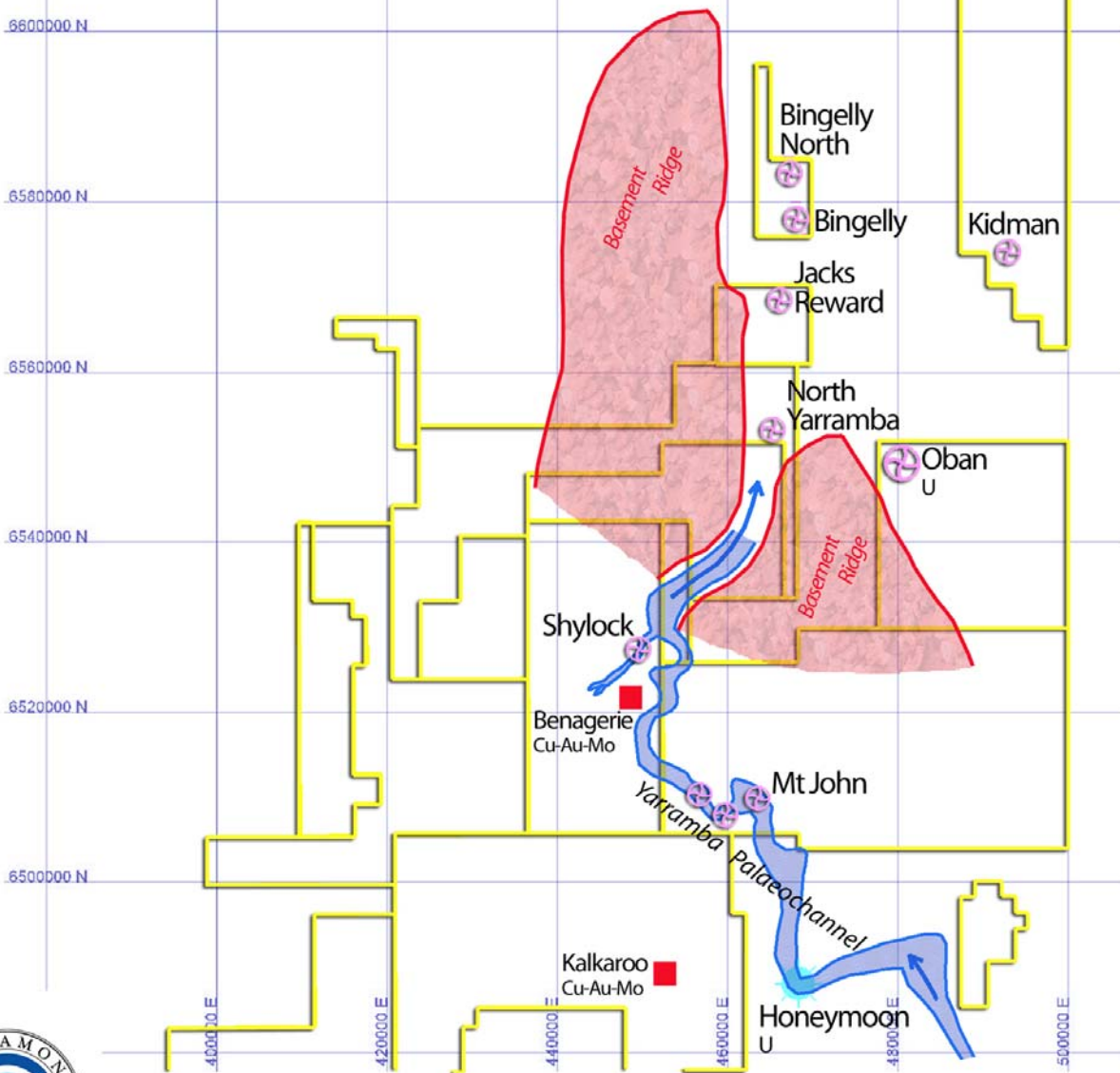
As at 30 April 2008 the Company had available funds of approximately \$9 million, of which the majority is held in a term deposit. Expenditure on exploration activities for the quarter was \$306,000 and is expected to be at a similar level next quarter.

Dr K R Johnson

CHAIRMAN

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



CURNAMONA ENERGY LIMITED
URANIUM PROSPECTS - SOUTH AUSTRALIA

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")

30/04/08

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	40	40
1.2 Payments for (a)exploration and evaluation (b) development (c) production (d) administration	-306	-1177
1.4 Dividends received	-146	-252
1.5 Interest and other items of a similar nature received	157	452
1.6 Interest and other costs of finance paid		
1.7 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	-295	-937
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	-128	-285
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)		
Net investing cash flows	-128	-285

1.13	Total operating and investing cash flows (brought forward)	-423	-1222
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	986
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	-11	-60
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-11	926
	Net increase (decrease) in cash held	-434	-296
1.20	Cash at beginning of quarter/year to date	9497	9359
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	9063	9063

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	167
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	350
4.2 Development	
Total	350

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	129
5.2 Deposits at call	8974	9368
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	9063	9479

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	66,007,103	66,007,103		
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>	200,000 200,000 40,000 50,000 50,000 190,000 150,000 4,000,000 200,000	Employee Employee Employee Employee Employee Employee Employee Directors Employee	<i>Exercise price</i> 62 cents 62 cents 55 cents 55 cents 55 cents 58 cents 181cents 111 cents 124 cents	<i>Expiry date</i> 14/07/2010 29/08/2010 20/02/2011 15/05/2011 16/06/2011 19/10/2011 08/06/2012 10/01/2013 17/12/2012
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	50,000 50,000	Employee Employee	58 cents 181cents	19/10/2011 08/06/2012
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 May 2008

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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