



Curnamona Energy Limited
63 Conyngham Street
Glenside 5065 South Australia
phone 61 8 8338 9292
fax 61 8 8338 9293
email info@curnamona-energy.com.au
ACN 112 712 115

ASX / Media Release

27 February 2009

APPENDIX 5B – SECOND QUARTER ACTIVITIES AND CASH FLOW REPORT
FOCUS ON *IN SITU* RECOVERY TRIAL AT OBAN URANIUM DEPOSIT

HIGHLIGHTS

- **Advancing approval process for Oban *in situ* recovery trial**
- **Detailed design of trial treatment plant being studied**
- **Exploration drilling further expands mineralization at Oban**

REVIEW OF OPERATIONS

Oban *In situ* Recovery Trial Progress

Curnamona Energy Limited (Curnamona Energy – ASX : CUY) has invested considerable effort during the quarter in seeking approval from PIRSA for its mining and rehabilitation program (MARP) for the Oban *in situ* recovery (ISR) field trial. The MARP is a comprehensive document that must be approved by PIRSA before it will allow the ISR trial to proceed. It is required to include considerable technical information as well as base line monitoring surveys. It is a blueprint for the safe conduct of the ISR field trial operation and the subsequent rehabilitation upon completion.

In spite of diligent effort by Curnamona Energy personnel, the timing for approval of the ISR field trial is still uncertain owing to the rigorous approval process applied by PIRSA. In the meantime, engineering design plans for the ISR trial treatment plant have been received from an Adelaide-based consulting engineering firm and work on cost estimates is underway. Following approval of the MARP, Curnamona Energy will move as quickly as possible to construct the ISR trial treatment plant and carry out the planned test work.

Subject to a successful outcome of the ISR field trial, Curnamona Energy will then apply for a Mining Lease and proceed to obtain an Export Licence and other approvals required for commercial uranium mining. This will require a further

MARP and approval process, to cover the situation of a full scale ISR mining operation.

The Oban uranium discovery is hosted by a coarse-grained sandy palaeochannel aquifer, and the purpose of the ISR field trial is to demonstrate that the deposit is amenable to low cost extraction methods. Knowledge of the critical ISR recovery parameters, which the ISR field trial is also designed to establish, should allow publication of a resource for the Oban deposit. Curnamona Energy remains confident, based on its extensive drilling to date, that Oban contains sufficient sand hosted uranium to support a profitable ISR operation for many years.

Exploration Work

Curnamona Energy continued with its regional exploration work including radon surveying and drilling, which was shortened by the Christmas - New Year break and annual maintenance work on the Company's drilling and logging equipment. Drilling in outlying areas around Oban continued to identify significant uranium mineralization as previously reported in drillhole **CEY376 which intersected more than 5 m of uranium mineralisation (above 100ppm eU₃O₈) with a grade thickness of 0.28 metre percent eU₃O₈**. The current interpretation of the distribution of the Oban roll front uranium mineralization is shown on the map.

Forward planning

Curnamona Energy's primary objective is to commence the Oban field leach trial as soon as possible upon receipt of all required approvals. Concurrently it is planned to drill several promising uranium prospects in more remote areas to the north of Oban in the coming quarter, once suitable access and drilling water supplies are established.

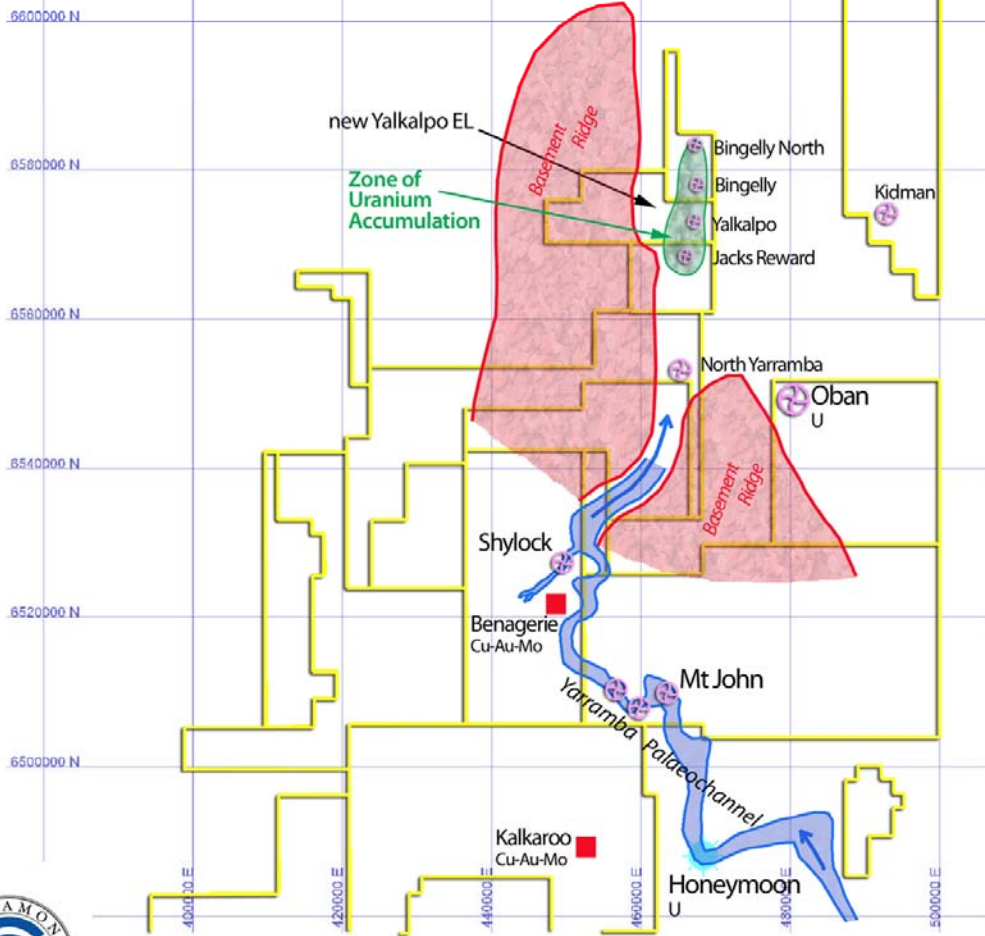
FINANCE

As at 31 January 2009 the Company had available funds of approximately \$7.7 million. Expenditure on exploration and related activities for the quarter was \$416,000 and is expected to be at a similar level next quarter.

Dr K R Johnson
CHAIRMAN

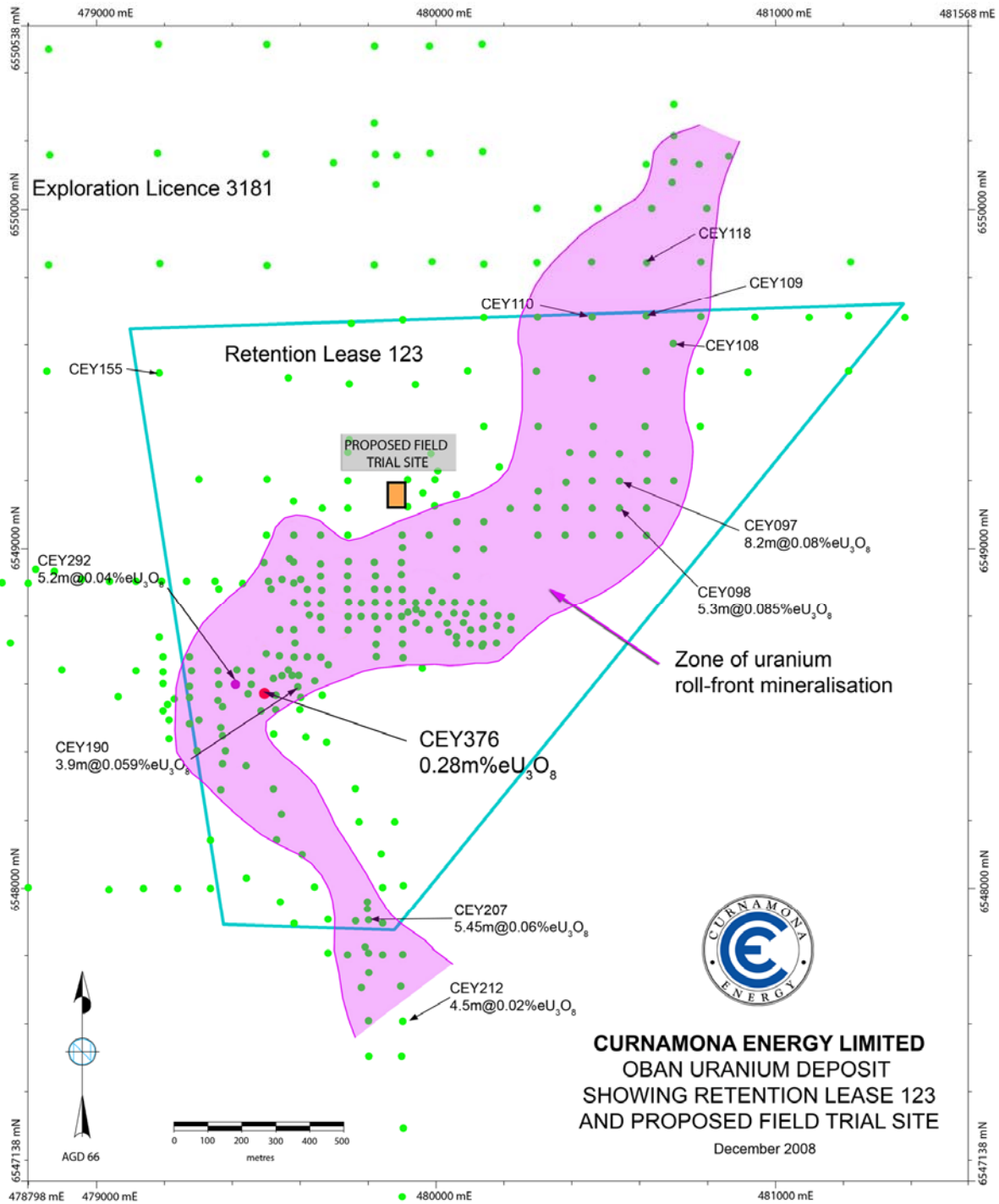
The information in this report has been prepared by geologists Dr Bob Johnson and Mr Mark Randell who are members of the Australasian Institute of Mining and Metallurgy and Dr Chris Giles who is a member of The Australian Institute of Geoscientists. Drs Johnson and Giles are employed by the Company on 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 92922



CURNAMONA ENERGY LIMITED
URANIUM PROSPECTS - SOUTH AUSTRALIA

August 2008



Exploration Licence 3181

Retention Lease 123

PROPOSED FIELD TRIAL SITE

Zone of uranium roll-front mineralisation



CURNAMONA ENERGY LIMITED
OBAN URANIUM DEPOSIT
SHOWING RETENTION LEASE 123
AND PROPOSED FIELD TRIAL SITE
 December 2008



478798 mE 479000 mE 480000 mE 481000 mE 481568 mE
 6547138 mN 6548000 mN 6549000 mN 6550000 mN 6550538 mN

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')

31/01/09

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a)exploration and evaluation	-416	-1022
(b) development		
(c) production		
(d) administration	-77	-121
Dividends received		
1.4 Interest and other items of a similar nature received	92	232
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
	-401	-911
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	-31	-102
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)		
	-31	-102
Net investing cash flows		
1.13 Total operating and investing cash flows (brought forward)	-432	-1013

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		250
1.16	Proceeds from borrowings		-65
1.17	Repayment of borrowings	-34	
1.18	Dividends paid		
1.19	Other (provide details if material)		
Net financing cash flows		-34	185
Net increase (decrease) in cash held		-466	-828
1.20	Cash at beginning of quarter/year to date	8173	8535
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	7707	7707

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	106
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

--

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

--

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	99	206
5.2 Deposits at call	7608	7967
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	7707	8173

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 4218	Application and Grant of EL	0	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	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 50,000 190,000 100,000 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				
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: 27 February 2009

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.

== == == == ==