



Quarterly Activities Report – period ending July 2011

Curnamona Energy ASX : CUY

Curnamona Energy Limited is exploring and developing Tertiary sand-hosted uranium deposits within the world class Curnamona uranium province of South Australia. Its 100% owned Oban deposit contains 2,100 tonnes of eU_3O_8 within an Inferred Resource of 8.2 million tonnes of uranium mineralisation at an average grade of 260 ppm eU_3O_8 . Approvals are in place to conduct field trials to test operating and design parameters for a full scale in situ recovery operation (>200 tpa). The Company maintains an active exploration program within its 8,000 km² tenement area using its own drilling and logging equipment. Numerous prospects have been identified, which remain to be followed up with drilling.

Issued Capital

66 million ordinary shares
16.527 million listed options
6.05 million unlisted options

Contact

Dr Bob Johnson – Chairman
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Highlights for quarter

- Regional exploration continued in the Yarramba palaeochannel with further encouraging results in new drillholes.
- Leach tests continued in a well pair but no uranium has been detected in solution yet.
- Electron microprobe study indicates common phosphatic uranium minerals in the Oban deposit.



Exploration drilling



Oban leach trials

During the quarter Curnamona Energy Limited's (45% owned by Havilah Resources NL ASX:HAV, referred to as Curnamona Energy or the Company) field activities were continued with only minor interruptions from the weather.

In the previous quarter a circulation test was initiated between a pair of wells where sonic core samples had confirmed that economic uranium grades were present. After several weeks circulation at optimum acidity levels, this test was suspended without any uranium being recovered. It is apparent that the chemical leaching regime established in AMDEL bench tests do not work underground for as yet unknown reasons. It may be due to excessive calcium in the groundwater causing precipitation of gypsum. It is likely that the original testing and the subsequent pair test failed for the same reasons.

During the quarter another well pair pattern was set up to trial new circulation tests. A new pump had to be installed and the circulation test has not been operating long enough to generate any meaningful results.

In the meantime, detailed electron microprobe work on uranium minerals in the sands indicates that phosphatic uranium minerals are present. These minerals should be soluble under the right conditions although phosphates can also render uranium insoluble under certain circumstances.

The reason for the lack of uranium leaching still remains unclear and it is planned to continue with test work in accordance with advice from external experts. Further sonic drilling is planned in order to confirm uranium grades in new areas where further leach tests are proposed.

Regional Exploration

Regional exploration continued during the quarter at the Mt John prospect area located within the Yarramba palaeochannel roughly 20 km north (downstream) of the Honeymoon uranium mine. Drilling at this location roughly five years ago, prior to the discovery of Oban, returned numerous promising uranium hits on quite widely spaced drillholes. Of the holes located within the palaeochannel, significant uranium indications were returned in 35% of cases (where "significant" is defined as a radiometric response greater than five times the background response). These areas, indicated in red on the accompanying map, are the target of the current program of infill drilling. At previous drillhole spacing of more than 400 metres it would be possible to miss higher grade uranium mineralized "ribbons" along the palaeochannel margins.

Drilling has returned encouraging results in locations near to the palaeochannel margins. A double peak uranium signature has been logged in several drillholes, including CEM 201 (see drill log below).



Tenement: Mulyungarie

Co-ords (AGD66)464805mE 6507497mN

Date: 20/8/2011

Geologist: MHR

Location 150m NW CEM200

Hole ID CEM201

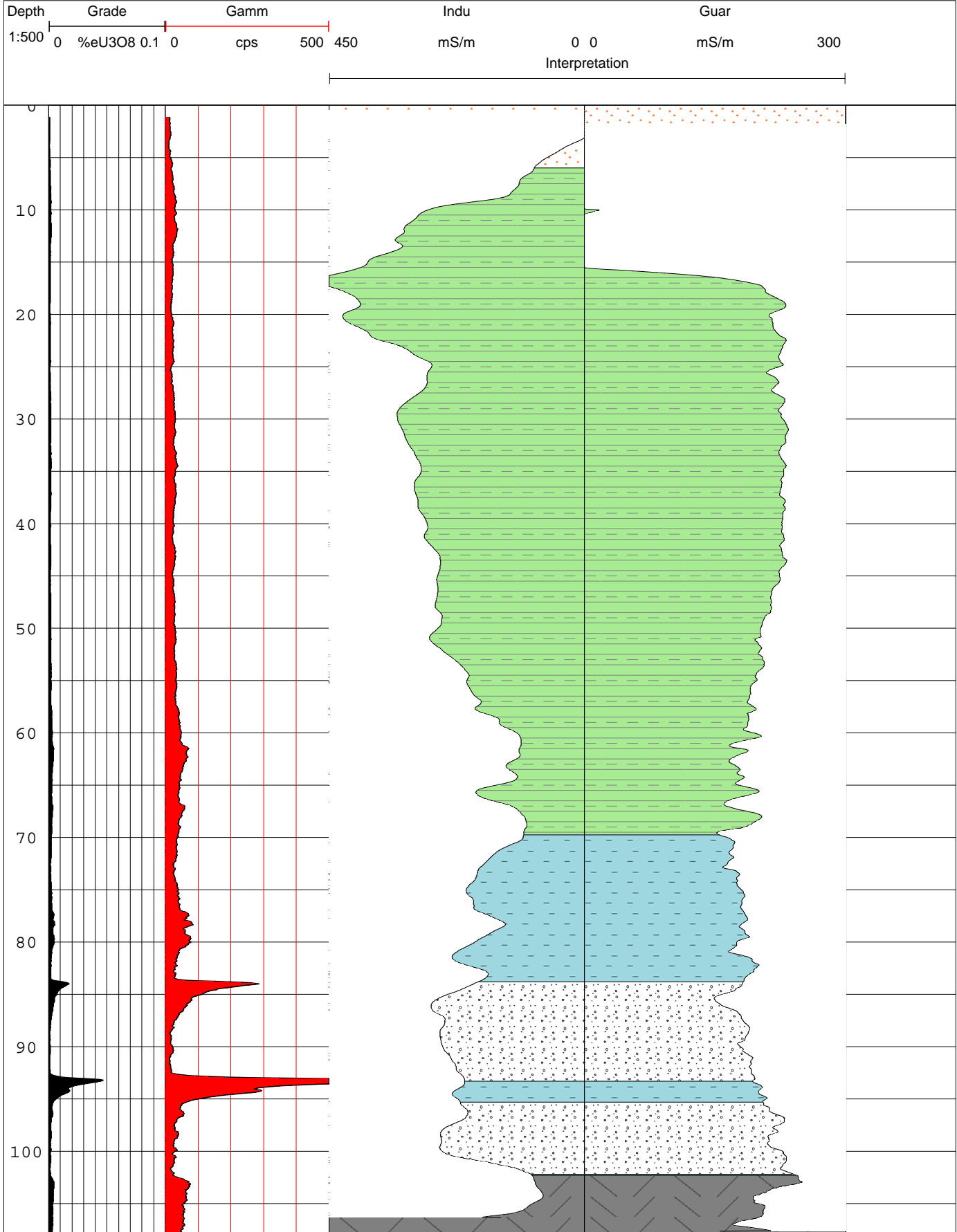
Quaternary Sand

Eyre Clay (undiff)

Willyama Graphitic Saprolite

Namba Clay

Eyre Sand (undiff)

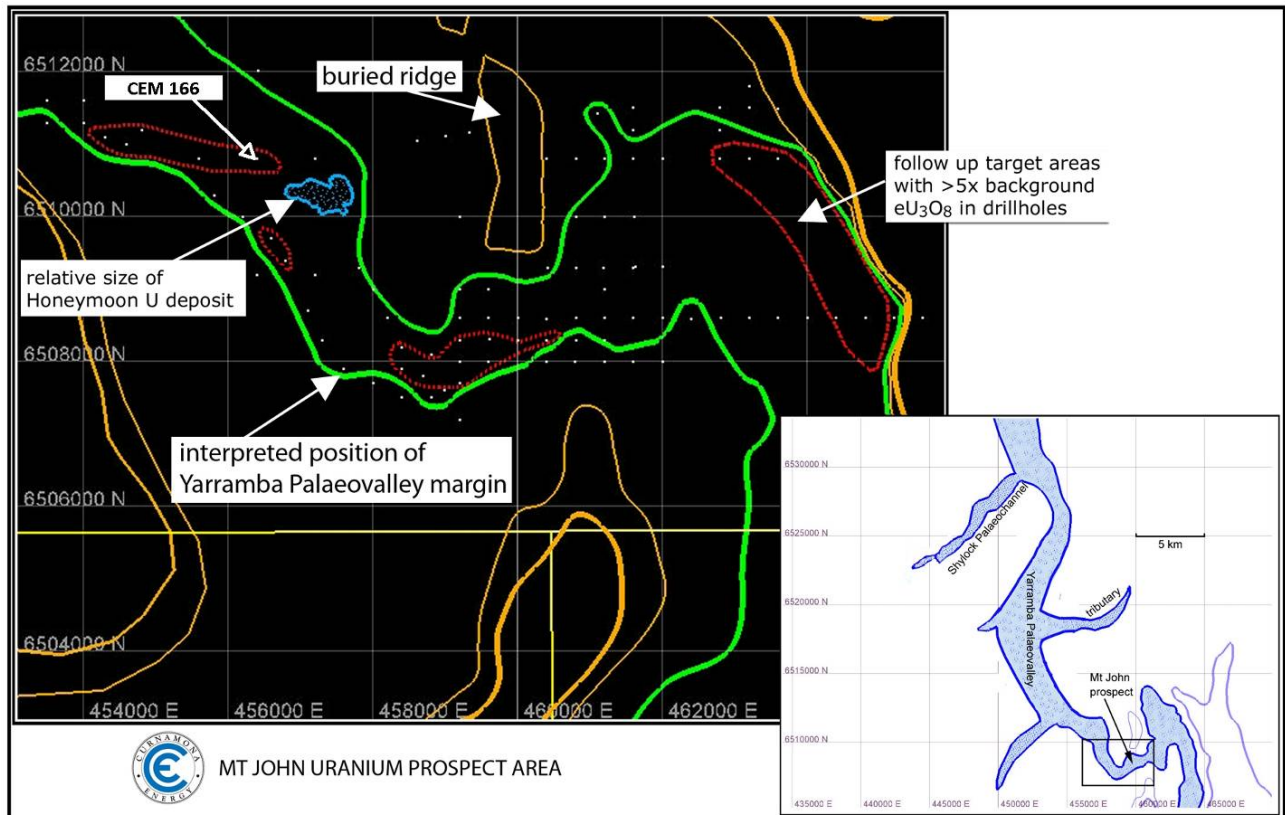




Finance

As at 31 July 2011 the Company had available funds of approximately \$2.59 million. Most expenditure went towards operating the field leach trial and exploration activities.

For further information visit the Company website www.curnamona-energy.com.au or contact :
Dr Bob Johnson, Chairman, on (08) 83389292 or email : info@curnamona-energy.com.au



Competent Persons Statement

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 who is employed full time as General Manager. 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.



Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Curnamona Energy Ltd

ABN

28 112 712 115

Quarter ended ("current quarter")

31 July 2011

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--|----------------------------|--|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | | |
| 1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration | -306 -85 | -1,279 -327 |
| 1.3 Dividends received | | |
| 1.4 Interest and other items of a similar nature received | 31 | 151 |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Other (provide details if material) | | |
| Net Operating Cash Flows | -360 | -1,455 |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets | | |
| 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 | -1 | -1 |
| 1.13 Total operating and investing cash flows (carried forward) | -361 | -1,456 |



| | | | |
|---|--|--------------|---------------|
| 1.13 | Total operating and investing cash flows (brought forward) | -361 | -1,456 |
| Cash flows related to financing activities | | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | 11 |
| 1.15 | Proceeds from sale of forfeited shares | | |
| 1.16 | Proceeds from borrowings | | |
| 1.17 | Repayment of borrowings | -35 | -134 |
| 1.18 | Dividends paid | | |
| 1.19 | Other (provide details if material) | - | -26 |
| | Net financing cash flows | -35 | -149 |
| | Net increase (decrease) in cash held | -396 | -1,605 |
| 1.20 | Cash at beginning of quarter/year to date | 2,987 | 4,196 |
| 1.21 | Exchange rate adjustments to item 1.20 | | |
| 1.22 | Cash at end of quarter | 2,591 | 2,591 |

**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 | 98 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | |

1.25 Explanation necessary for an understanding of the transactions

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 | 175 |
| 4.2 Development | |
| 4.3 Production | |
| 4.4 Administration | 75 |
| Total | 250 |

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 | 87 | 114 |
| 5.2 Deposits at call | 2,504 | 2,873 |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | | |
| Total: cash at end of quarter (item 1.22) | 2,591 | 2,987 |

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 | 66,116,234 | 66,116,234 | | |
| 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> | 4,000,000 4,000,000 260,000 1,190,000 | Directors Directors Employees Employees | <i>Exercise price</i> 111 cents 31 cents 36 cents 31 cents | <i>Expiry date</i> 10/1/2013 23/12/2014 31/3/2014 23/12/2014 |
| 7.8 Issued during quarter | | | | |
| 7.9 Exercised during quarter | | | | |
| 7.10 Expired during quarter | 50,000 50,000 500,000 | Employees Employees Employees | 55 cents 55 cents 31 cents | 15/5/2011 16/6/2011 23/12/2014 |



| | | | |
|------|---|--|--|
| 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 5).

2 This statement does ~~/does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here:K R Johnson.....Date: 31/8/11.....
(Director/Company secretary)

Print name:

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.