



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

The Manager
Companies Announcements Office
Australian Stock Exchange Ltd
10th Floor, 20 Bond Street
SYDNEY NSW 2000

25 May 2005

Dear Sir / Madam,

APPENDIX 5B – THIRD QUARTER ACTIVITIES AND CASH FLOW REPORT

HIGHLIGHTS

GETTING SET TO EXPLORE

- Successful oversubscribed capital raising and listing on ASX at a premium to issue price.
- Appointment of an experienced, well qualified General Manager
- Aboriginal heritage site clearances organized for early next quarter

REVIEW OF OPERATIONS

This is the first quarterly report of Curnamona Energy Limited as a publicly listed company following a successful capital raising. It is pleasing that the majority of shares in Curnamona Energy were subscribed for by Havilah Resources shareholders and that the shares have consistently traded at a premium to their issue price. It is also pleasing that in the absence of underwriting and sponsoring brokers fees, and minimal prospectus preparation costs, almost all the funds raised are now on deposit to be applied to the stated exploration objectives.

Curnamona Energy is now well underway to completing its initial key steps as a fledgling uranium explorer :

1. Raising of adequate funds to carry through its exploration plans to the point of discovery.
2. Appointment of a suitably skilled General Manager to implement and manage the Company's exploration activities.
3. Arrangement of aboriginal heritage clearance surveys which are required prior to drilling.

Appointment of a General Manager

The directors are pleased to advise that Mr Mark Randell has been appointed as the General Manager of Curnamona Energy. Mark has had more than 30 years experience in exploration and mining geology with a variety of companies including Poseidon Limited and Homestake Mining Company. Of particular relevance is his extensive experience in the Curnamona Craton over the last six years with Heathgate Resources and Southern Cross Resources, where he has been responsible for the planning and supervision of delineation drilling and well installation at the Beverley in-situ leach uranium mine and the Honeymoon in-situ leach uranium project, respectively. As a result

Mark brings with him considerable experience with Tertiary roll front uranium deposits of the type that Curnamona Energy will be exploring for and aiming to develop.

Directors believe that Mark will inject considerable enthusiasm and knowledge that will be crucial to Curnamona Energy's future success. As General Manager, Mark will be responsible for formulating programmes and budgets and the implementation of them once approved by the board of directors. Mark will take up his position on 14 June 2005.

Forward Plans

Arrangements have been made for site clearance surveys by the Native Title Claimants to be completed in early June. This is a requirement under the Aboriginal Heritage Act 1988 (SA) and the Aboriginal and Torres Strait Islander Heritage Protection Act 1984, in order to avoid inadvertent disturbance or interference with sites of significance by planned drilling activities

Once the drilling areas have been cleared by the Native Title Claimants plans for geophysical surveys, drilling and logging will be progressively implemented, with substantial drilling programmes in the Yarramba Palaeovalley planned to be completed during the second half of the year, subject to equipment availability.

FINANCE

As at 30 April the company had available funds of \$5.519 million, of which the majority is held in a term deposit. The extent of exploration expenditure in the forthcoming quarter will be dependent on how quickly field programmes can proceed.

Dr K R Johnson
CHAIRMAN

The information in this report has been prepared by Dr. Chris Giles, who is a member of The Australian Institute of Geoscientists, and an adherent to the Institute's codes and recommended practices. He has a minimum of five years experience in the types of activities being reported.

Enquiries should be directed to Dr. Bob Johnson, Chairman, on (08) 83389292

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

ABN

112 712 115

Quarter ended ("current quarter")

30/04/05

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (1 month) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a)exploration and evaluation (b) development (c) production (d) administration	-1 -50	-1 -50
1.4 Dividends received	3	3
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)		
	-48	-48
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		
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		
1.13 Total operating and investing cash flows (brought forward)	-48	-48

	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	5567	5567
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	5567	5567
	Net increase (decrease) in cash held	5519	5519
1.20	Cash at beginning of quarter/year to date		
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	5519	5519

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	
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	150,000
4.2 Development	
Total	150,000

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	119	
5.2 Deposits at call	5400	
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	5519	

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	59,287,103	59,287,103		
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		<i>Exercise price</i> 0.25	<i>Expiry date</i> 19/04/2010
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: 25 May 2005

Print name: Dr KR Johnson.....

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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