



20 December 2005 DRILLING UPDATE

Curnamona Energy Limited wishes to advise that it has completed 24 holes within the Yarramba Palaeochannel. Relatively high energy channel sands have been intersected in 14 holes, with up to 39 metres thickness of sand found in the central part of the palaeochannel. Anomalous radioactivity was detected near the base of the palaeochannel in several holes, indicating the existence of uranium.

Commenting on results to date, General Manager, Mark Randell said that the two positives from the drilling programme so far were proof of existence of the palaeochannel where predicted and an obviously active uranium migration system within the palaeochannel sands. "We are still at the early testing stage and from now on we will be looking for the lower energy, reduced backwater environments where uranium was more likely to be trapped and be at economic levels. By analogy with the Honeymoon deposit we are confident that such areas will exist within the palaeochannel regime on our area, and it is a matter of doing the necessary detective work with the drill to track down the right environment"

Field activities have now ceased for the Christmas break and drilling will resume again in mid-January. With technical issues largely resolved during the last few weeks, it is expected that drilling will continue to progress steadily with 1 to 1 1/2 holes completed each day.

Bob Johnson, Ph.D, FAusIMM, Chairman

The information in this report has been prepared by 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. All are adherents to the respective Institutes' codes and recommended practices and have had a minimum of five years experience in the types of activities being reported.

Enquiries should be directed to Dr Bob Johnson, Chairman, on (08) 8338 9292.