



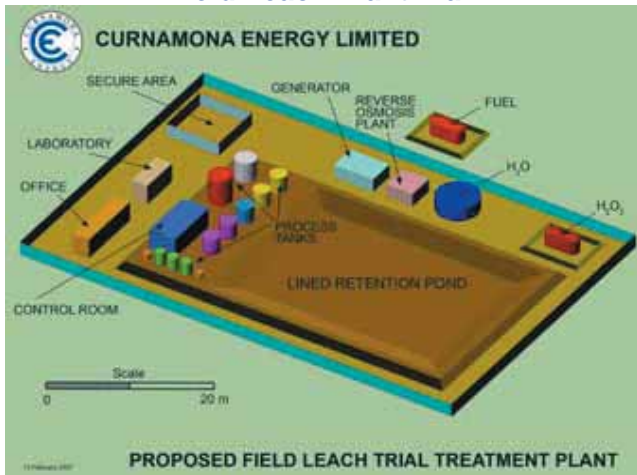
CURNAMONA ENERGY LIMITED (CUY)

Australia's next Uranium Producer

INVESTMENT ISSUES

- Curnamona Energy is on track to be Australia's next uranium producer from its Oban, insitu leach field trial project in South Australia.
- The company has adequate financial resources and its management has appropriate technical experience to undertake a field trial by 2008 and to expand this trial operation into a 100-200 tpa U₃O₈ production project.
- Strachan Corporate estimates that drilling at the Oban project has already outlined an area with potential to hold 2,300 tonnes of U₃O₈ and an insitu value averaging approximately A\$550 per square metre. Within this area, as much as 1,000 tonnes of U₃O₈ is estimated in higher grade zones where Strachan Corporate estimates the insitu value to be closer to A\$900 per m².
- Curnamona's market capitalisation is well supported by the value of its assets at Oban. A programme of continuous drilling is underway aimed at expanding and further defining zones of mineralisation around Oban, as well as along 40 km of Yarramba palaeochannel, which has not yet been drilled. Continuing success of this work holds potential to significantly grow Curnamona's market capitalisation.

Field Leach Plant Plan



Source: Curnamona Energy Ltd

BOARD

- Dr Bob Johnson Chairman
- Dr Christopher Giles Director
- Mr Kenneth Williams Non Executive Director

OPINION

Curnamona Energy has exploration rights over large areas of South Australia which have a strong track record for yielding sandstone hosted uranium oxide deposits. Unlike many jurisdictions within Australia, it is not only possible to find, but it is also possible to process and sell uranium oxide in this location.

The company is self sustaining, with its own field equipment for drilling and logging, which not only keeps costs down but provides the company with flexibility for planning and execution of exploration programmes. Curnamona represents an appealing target for the large number of local and overseas companies trying to get a foothold in Australia's uranium industry.

While the company has not released resource estimates at Oban, drilling to date enables Strachan Corporate to estimate potential for at least 2,300 tonnes of U₃O₈ within the limits of the Oban Mineral Claim.

Peter Strachan

* No recommendation is offered for commissioned research.

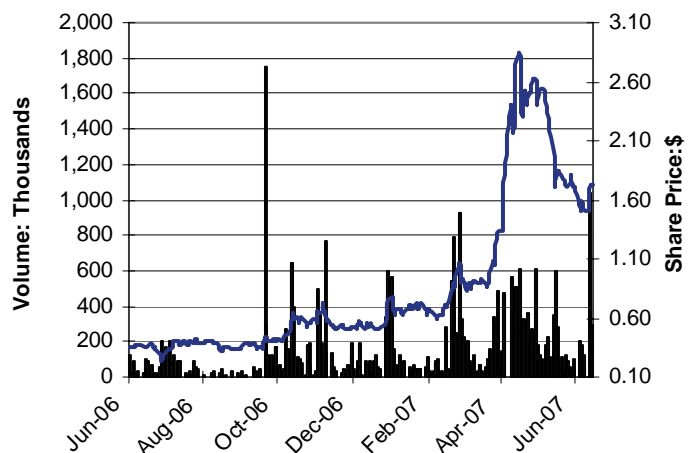
CAPITAL STRUCTURE

Shares	62.5 m.
Options	4.3 m. Av 34 cts
Unissued Equity	\$ 1.46 m.
Cash (est)	\$ 9 m.
Share Price	\$ 1.65
Market Cap	\$ 103 m.

SUBSTANTIAL SHAREHOLDERS

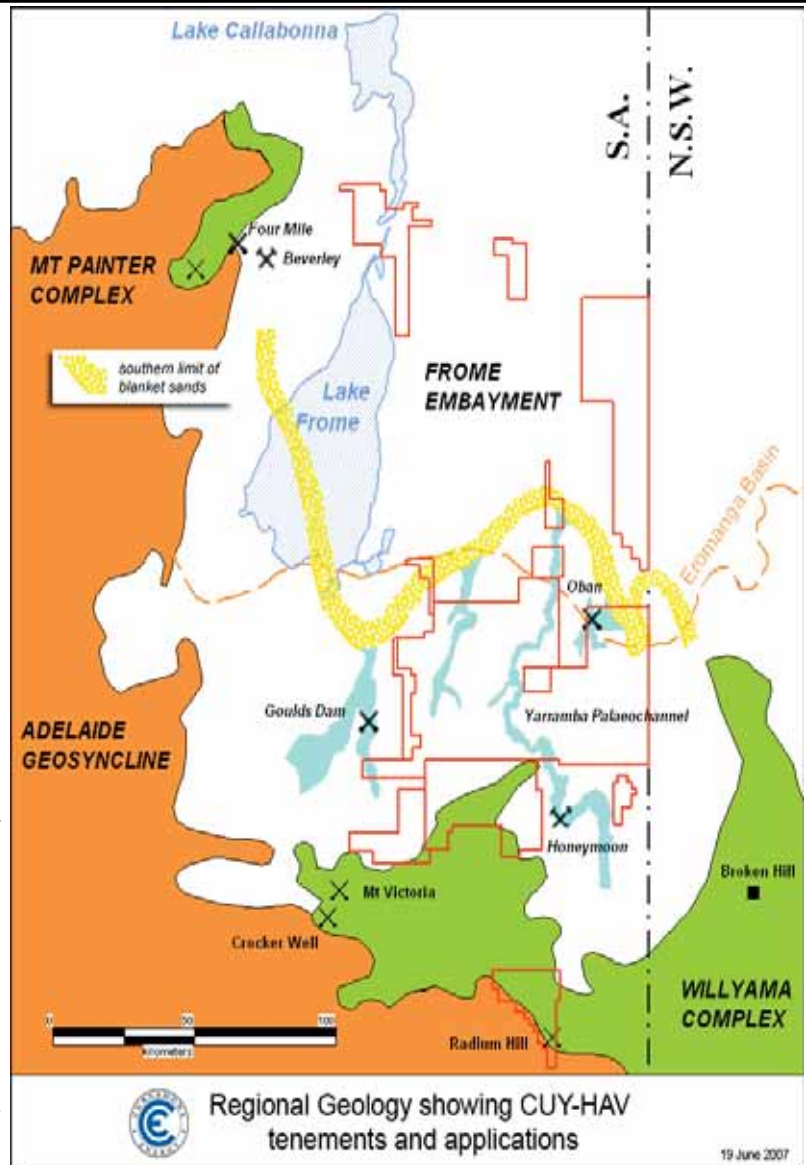
Havilah Resources	48.0%
JP Morgan AM	5.1%

SHARE PRICE



INTRODUCTION

Curnamona Energy floated out of Havilah Resources in early 2005. The company holds rights to all Tertiary uranium deposits on more than 8000 km² of permits in the east of South Australia, close to the NSW border. Curnamona owns its own drilling and logging equipment suitable for operation in the difficult terrain which it often confronts. The company has intersected several zones of uranium mineralisation along 60 kilometres of the Yarramba palaeochannels, located downstream from Uranium One's Honeymoon uranium project, containing 2,800 tonnes of U₃O₈ and more recently has expanded zones of known uranium mineralisation along a 2 kilometre stretch of channel sands at the Oban project area, where it is now preparing to conduct a Field, Insitu Leach Trial. Further west at the 4 Mile deposit, outlined by Quasar Resources, a resource containing 15,000 tonnes of U₃O₈ has been outlined, underlining the potential of this region.



Active uranium explorer & project developer in South Australia's Lake Frome embayment

Strategic location in highly prospective neighbourhood

Tertiary palaeochannels a proven uranium source

Initial assay using calibrated radiation count.

ROLL FRONT DEPOSITS & URANIUM ASSAYING

Curnamona Energy has access to extensive exploration licenses in South Australia's Curnamona Craton. This province is endowed with uranium-rich granites from which uranium has leached into the ground water over millions of years to travel along gravel sediments in fossil river paths (palaeochannels), below more recent clay sediments. These palaeochannels host chemical and physical mechanisms which trap and concentrate the passing mobile uranium. Typically, uranium is chemically entrapped in carbon-rich river sediments, which may have been associated with ancient swampy billabongs, backwaters or physical barriers which may have trapped logs and other organic materials from flood waters along the old river paths. Oxidised water in these gravels keeps moving uranium "down stream" which in the case of the Lake Frome Embayment is northwards.

Uranium, which is a very mobile metal in the environment, can be assayed by taking a physical sample for chemical assay determination. The problem facing the company at this location is taking a representative sample from unconsolidated, water saturated gravels, below 70-80 metres of overlying clays. Typically, field determinations of uranium content are made using a probe which measures gamma radiation emitted by both uranium and its breakdown products, including lead and bismuth. This type of probe needs to be calibrated so as to enable accurate correlation between the radiation count and uranium content. This method of assaying assumes that uranium is in equilibrium with its breakdown products and that the uranium has not been redissolved, leaving only the daughter products. Alternatively, a PFN probe can be used. This probe emits pulses of radiation as it is lowered slowing down a drill bore, receiving a signal which can be directly related to the U₂₃₅ content of surrounding sediments. Again, this type of probe needs to be calibrated and can give variable results depending on physical and chemical conditions in the hole. Disadvantages of this technique include the high cost of a PFN probe and the slowness of logging each hole.

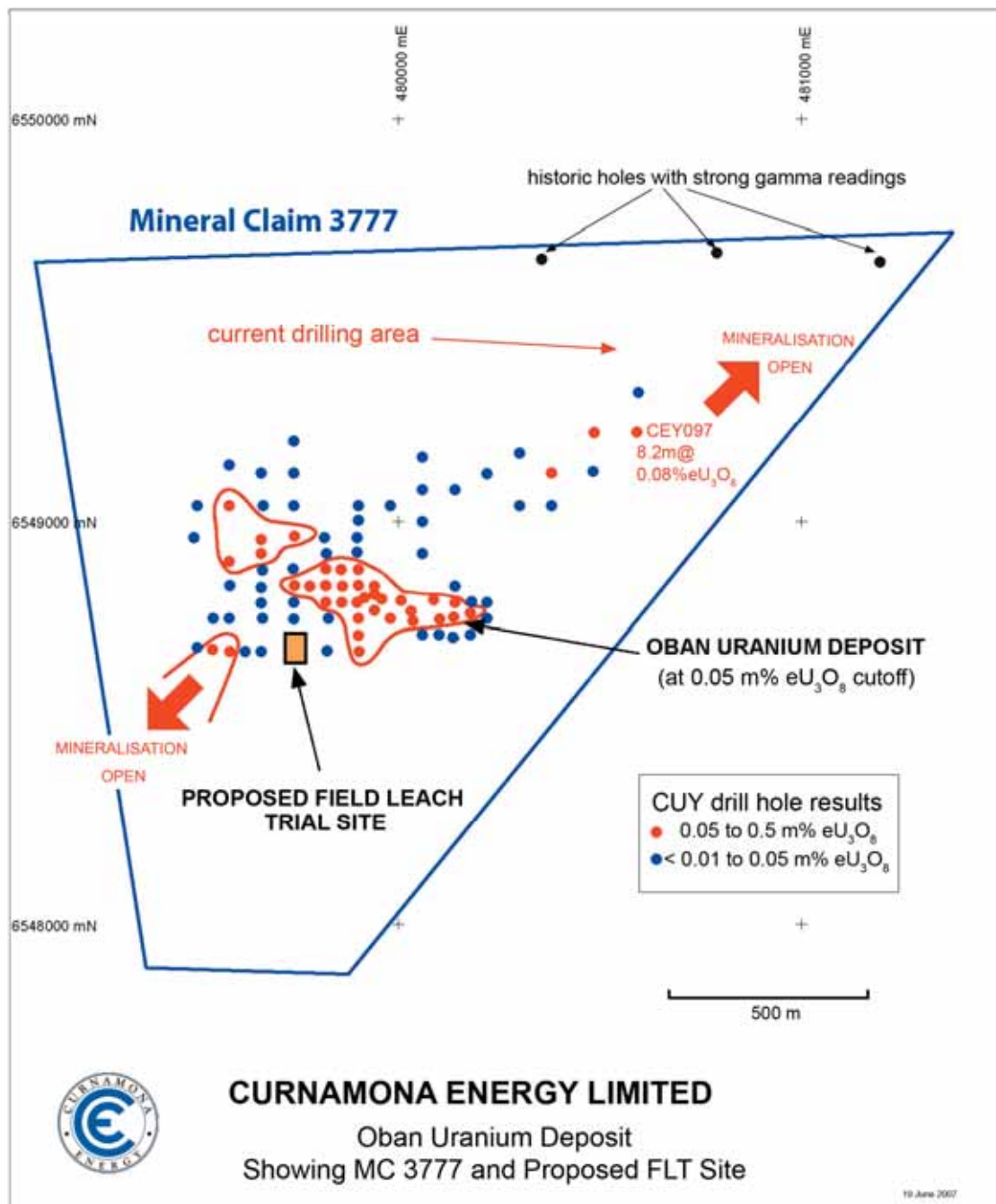
OBAN PROJECT AREA

Uranium mineralisation was first outlined at Oban by Marathon Petroleum's work in the 1970's and 1980's which was followed up by further exploration by Paladin Resources in 1998. The permits were taken up in 2003 and Curnamona Energy began its current programme in 2006.

Curnamona following on from work carried out 30 years ago at Oban

Mineral Claim covers 2 km of channel sands within larger exploration permit

Higher grade zones with an insitu value of up to \$4000 per m²



Source: Curnamona Energy Ltd

Strachan Corporate estimates potential 2,300 tonnes of U₃O₈ within Mineral Claim, of which \$580 million worth might be recovered

Uranium mineralisation occurs in a classic "roll front" deposit in coarse river gravels and sands containing pyrite and organic lignite at depths of between 80 to 90 metres. The palaeochannel at Oban trends NE-SW and the company has taken out a Mineral Claim along approximately 2 kilometres of the channel, which runs below more recent clay deposits and on top of ancient basement claystone. These wet, lignitic sands are bounded by impervious clays, which is an ideal setting for the use of insitu leaching technology.

Drilling so far has intersected several zones of relatively high grade uranium oxide over widths of between 1 and 10 metres. In the centre of the Mineral Claim, an area of roughly 700 by 180 metres shows grade thicknesses of between 0.05 and 0.5 metre-percent eU₃O₈ which Strachan Corporate estimates will average 0.2 m% eU₃O₈. This is equivalent to a grade of 0.2% eU₃O₈ over 1 metre or 0.1% eU₃O₈ over 2 metres and so on. Additional high grades have been intersected to the south and recent work about 600 metres to the northeast has outlined additional very high grades with hole CEY097 intersecting 8.2 metres grading 0.08% eU₃O₈.

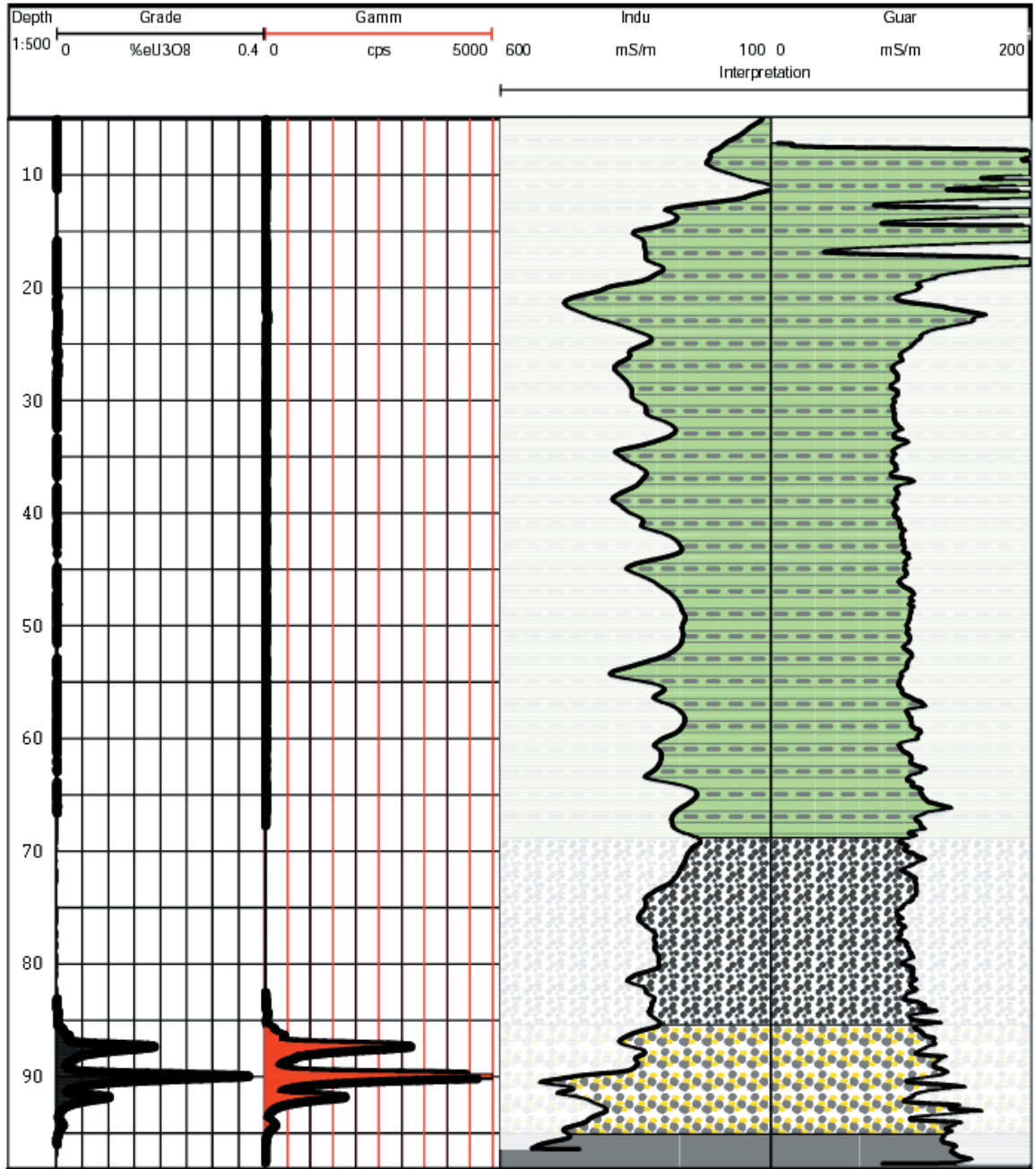


Tenement: Yalu
 Co-ords (AGD66) 480540 mE 6549200 mN
 Date: 4/6/07
 Geologist:

Hole ID CEY097



Trial ISL now awaits final authorisation



Source: Curnamona Energy Ltd

Low capital & operating costs

At a uranium oxide price of US\$135/lb and an AUDUSD of 0.84 cents, a zone of uranium mineralisation grading 0.2 m% has an insitu value of A\$1,275 per square metre or a recoverable value of about A\$890 per m² if 70% product recovery is assumed. The recent high grade-thickness intercept of 0.63 m%, translates to an insitu value of A\$4,000 per square metre. Drilling is continuing along the NE trend towards the claim boundary where previous drilling has shown strong gamma radiation. Curnamona's licenses extend beyond the Mineral Claim, so the company has potential to extend known areas of uranium mineralisation along more than 2 kilometres of channel sands over widths of up to 800 metres.

LEACH TRIAL

Potential for mobile processing plant

Curnamona is preparing to undertake a trial, insitu leach (ISL) test at Oban. The trial aims to determine the hydrological and chemical response of sediments to saturation with acid solution and to evaluate the metallurgical performance of resin column based uranium recovery. This path is seen as a cost effective way of achieving results which, if successful, would lead immediately to commercial ISL operations, once export and operational approvals have been received. Curnamona has received notification from the Federal Government that the trial may precede as soon as final regulatory approvals have been granted by the South Australian Government. This test involves drilling a pattern of four injector holes on a 30 metre grid, into the uranium bearing gravels 90 metres below the surface. An acid solution, with pH of about 2.5 (only a slightly higher acid content to that of some popular carbonated soft drinks), is then injected into each of the four holes. Solution containing dissolved uranium is extracted from a production bore, which has been drilled in the centre of this pattern. On the surface, the uranium bearing solution passes through a column containing chemically active resin to which the uranium attaches, while the stripped solution has acid added and is reinjected back into the injector bores. Periodically, uranium is stripped from the resin column and uranium oxide is precipitated from this concentrated solution and stored, ready for sale.

Capital costs associated with this trial are estimated to be around \$1 million. The ISL approach is very cost effective. Drilling and completing each well bore with a cemented PVC pipe lining and a screen around its base is estimated to cost \$5,000 per well. Tanks, pumps and filters are not expensive but reagents, including acid and chelating resin for uranium recovery will form a substantial part of initial working capital. Expansion of the plant to commercial operation would involve extending a grid pattern of injector and extraction wells while developing a network of pipes to deliver acid solution to the field while conveying pregnant solution to the resin columns for uranium extraction.

Ultimately, processing plant could be mounted on a trailer so as to be mobile for access to smaller deposits. Operating costs are low, involving power for pumping, acid and other reagents and labour, all of which could total less than \$20 per pound of oxide product. Curnamona could reduce its capital costs by simply producing and selling a wet oxide product at a discount to an existing producer with drying facilities, who would process and pack the product so as to take advantage of the current spot price to enhance revenue.

YARRAMBA PALAEOCHANNEL

Exploration appeal along 60 km of Yarramba palaeochannel

The Yarramba palaeochannel runs northwards across Curnamona's licence area, downstream from the 2,800 tonne eU₃O₈ Honeymoon deposit, from which uranium is thought to have been partially remobilised, to travel northwards into Curnamona's ground.

Curnamona has discovered several zones of anomalously high uranium grade by drilling on tributaries and bends in the channel. The company has identified over 40 kilometres of un-drilled channel which is still to test and plans to return to known area of mineralisation to further define grade and extent. Even a small area measuring just 600 metres by 200 metres with grades averaging 0.2 m% eU₃O₈ could contain over 430 tonnes of uranium oxide with an insitu value of over \$150 million at today's metal price.

VALUATION AND PEER COMPARISON

Selected Peer Group Data

Company	Code	M/cap	Resource		M/Cap per lb	Cash	Project
			tonne	mlb			
Alliance	AGS	\$ 511	3750	8.3	62	\$ 7	25% of high grade 15,000 t U3O8, 4 Mile roll front SA
Energy Metals	EME	\$ 250	3465	7.6	33	\$ 4	53.3% of Bigrlyi deposit NT
Nova	NEL	\$ 233	8996	19.8	12	\$ 16	Lake Way & Centipede in WA

Source: ASX reports

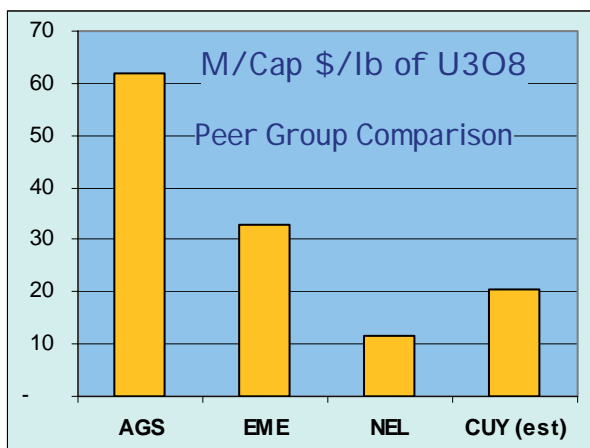
Strachan Corporate estimates higher grade zones contain 1,100 tonnes of U₃O₈ with total of up to 2,300 tonnes

Strachan Corporate estimates that drilling to date suggests that Curnamona is on track to outline a uranium oxide resource of approximately 1,100 tonnes within higher grade zones at Oban and that the whole channel area within its current Mineral Claim might ultimately be found to contain a total of 2,300 tonnes of uranium oxide. Clearly the company has additional potential both outside of the Oban Mineral Claim to the NE and SW, as well as on the company's other focus areas within the Yarramba palaeochannel, which are still to be defined by drilling.

All of the companies chosen for comparison have sandstone or calcrete styles of deposit, which may be higher cost to mine and process than Curnamona's proposed ISL operation. Nova is rated on a lower value since its project is located in Western Australia, where development is currently blocked by the policies of that State's government. Alliance is slightly better funded than Energy Metals and its project is also in South Australia, some 160 kilometres to the northwest of Oban.

Peer Group Value Comparison

Peer group companies priced with market cap of between \$30 and \$60 per lb of U₃O₈



Company	Code
Alliance	AGS
Energy Metals	EME
Nova	NEL
Curamona	CUY

Source: Company Reports and Strachan Corporate Pty Ltd

Oban project supports CUY's current market cap

Exploration has potential for share price expansion

Scoping out estimated cash flows for an ISL project at Oban, based only on estimated channel sands within the current Mineral Claim, indicates that the company is priced in line with expected discounted cash flow. Applying the market capitalisation per pound of resource multiples, which apply to peer companies, indicates a level of upside to market value which could be achieved if Curamona was ultimately to outline a resource in line with the broad estimates made by Strachan Corporate.

SWOT Analysis

Strengths

PROSPECTIVE URANIUM LICENSES: Curamona holds a strong permit position, covering a large swag of prospective geology with significant strategic value in the Curnamona Craton.

MANAGEMENT: Experienced management and Board with a strong background in the uranium industry.

ATTRACTIVE EXPLORATION RESULTS: Drilling by Curamona is outlining significant uranium mineralisation at several locations.

ACCESS TO INFRASTRUCTURE: The Curnamona region is well serviced by road, rail with access to power and other uranium producers.

LOW COST OPERATION: Curamona's Oban project will have low capital and operating costs.

EXCELLENT GOVERNMENT RELATIONSHIPS: The company has strong and positive relationships at all levels of government.

Weaknesses

SMALL COMPANY: Curamona's bargaining position and ability to raise funds depends on the ability of management and the results of its trial ISL work.

TAKEOVER TARGET: CURAMONA COULD BE VULNERABLE SHOULD ITS 48.5% shareholder, Havilah Resources receive a bid.

Threats

COMMODITY EXPOSURE: A fall in the uranium price would reduce Curamona's appeal, but the medium term market outlook for uranium remains strong.

METALLURGY: CURAMONA STILL HAS TO DEMONSTRATE THE effectiveness of resin extraction technology and may have to resort to more expensive, solvent extraction if this fails.

ASSAYING: Curamona uses standard radiation detection to "assay" for uranium content. There is a risk that this technique may over-call uranium content if it is not in equilibrium with its daughter products.

Opportunities

EXPLORATION: CURAMONA HAS STRONG EXPLORATION POTENTIAL both around known mineralisation and along over 60 km of palaeochannels.

POTENTIAL SYNERGY WITH EXISTING PRODUCERS: The company could reduce its capital costs by selling a wet product for drying to one of the other producers in South Australia.

APPLICATION OF TECHNOLOGY: Curamona has access to a huge suite of historical data and more recent remote sensing and photographic information which assist its exploration efforts.

Management

Dr Bob Johnson: Chairman

Bob has a PhD in geology. He is a leading practitioner in the application of computers to geological modelling and mine planning. His company, [Maptek Pty Ltd](#), is a major supplier of technical mining software, marketing the interactive [VULCAN](#) mining system globally. This experience has provided a broad understanding of ore bodies and the role of 3D geometry in structural geology.

Dr Christopher Giles: Director

Chris is an experienced geologist who has supervised exploration programmes for a variety of organisations globally. He has been directly involved in several discoveries that have led to successful mine developments, including with Newmont, North Flinders Mines and East African Gold Mines. He founded Havilah Resources and Curnamona Energy with Dr Bob Johnson and has been jointly responsible for the both companies ground acquisition and exploration strategy.

Mr Kenneth Williams: Non-Executive Director

Ken has extensive experience in mining finance, complementing the technical skills of other directors. He previously held roles in the treasury operations at Qantas Airways Limited and Normandy Mining Limited, before becoming Chief Financial Officer of Normandy. Until March 2003, Ken was Group Executive Finance & Business Management at Newmont Australia Limited.

Mark Randell: General Manager

Mark is a geologist who also holds a BSc (Geol) as well as a Grad Dip of Applied Science (Mining). He has over 35 years of experience working in exploration and project evaluation for gold, base metals and uranium. He was formerly Geology Manager for uranium exploration company, Southern Cross Resources and Chief Geologist for ISL uranium producer, Heathgate Resources.

Disclaimer

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