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## **DEFERRAL OF DISTRIBUTION OF CURNAMONA ENERGY SHARES**

At the last Annual General Meeting on 19 December 2007, shareholders voted in favour of an in specie distribution of not less than 80% of Curnamona Energy Limited (Curnamona - ASX:CUY) shares owned by Havilah Resources NL (Havilah – ASX:HAV).

The Explanatory Memorandum accompanying the Notice of Meeting stated that a ruling was being sought from the Australian Taxation Office (ATO) and any decision to proceed was subject to that ruling. A ruling was not received prior to the Entitlement Date cut-off of 29 March 2008.

Given the significant change in financial market conditions since the distribution was proposed, Directors recently reviewed the proposal and concluded that it is not in the best interests of Havilah shareholders for the distribution proposal to be revived. Factors considered by Directors included:

- Curnamona's current share price does not reflect its true underlying value. The Company has made steady progress during 2008 extending the Oban in situ recovery uranium deposit and obtaining government permitting to proceed with a field leach trial. Current indications are that Curnamona will be able to commence the field leach trial in the first half of 2009 and is focused on becoming Australia's next uranium mine. Curnamona has sufficient cash in hand to carry out the field trial.
- Recent transactions, in particular Mitsui's \$104 million investment to acquire a 49% interest in the nearby Honeymoon uranium project have established a benchmark value for uranium resources in pro-uranium mining, low sovereign risk jurisdictions such as South Australia, further highlighting the current undervaluation of Curnamona.
- Curnamona could potentially generate a dividend stream to Havilah to assist with the funding of commencement of Havilah's planned copper and gold production. In conditions where capital will be difficult to raise, this potential income stream would be valuable to Havilah as it develops its mining operations.
- Despite the current negative sentiment, uranium has a bright future. The proposed carbon tax on greenhouse gas will hasten the move to nuclear power throughout the world, already being reflected in the planning and construction of new nuclear reactors in many countries.

Should market circumstances change, directors may reconsider the distribution. In the meantime, Directors will aim to maximise the value of Havilah's 45.4% investment in Curnamona by husbanding this strategic stake through this abnormally depressed period for uranium stocks.

Dr K R Johnson  
CHAIRMAN

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