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QUARTERLY REPORT FOR PERIOD ENDING

30 SEPTEMBER 2005

HIGHLIGHTS

- The **Gunbarrel Nickel Joint Venture (BHP Billiton)** has completed a programme of RC drilling targeting nickel sulphide mineralization and plans to start ground EM surveying in the current Quarter;
- The **Gunbarrel Gold Joint Venture (Newmont)** has completed ~7,500m of RAB/air core drilling in September as part of a programme of ~25,000m;
- The **West Pilbara Mt Stuart Iron Ore Joint Venture (Aquila)** plans to start drill testing channel iron deposits in the current Quarter;
- The **Independence Group** plans drill testing of targets for nickel sulphide mineralization at Irwin Bore as soon as appropriate environmental approvals have been received;
- **Nickel Australia Limited** will commence a programme of ground EM surveying at the Killaloe Project near Norseman in November;
- **Cullen** has planned a ground EM survey for the current Quarter targeting nickel sulphide mineralization at the Wonganoo project in the North Eastern Goldfields.

EXPLORATION ACTIVITIES – WESTERN AUSTRALIA

NORTH EASTERN GOLDFIELDS

GUNBARREL NICKEL JOINT VENTURE - (Eureka Group : E53/568, E53/535, E53/818, E53/837, MLA's 53/868-870, and 1021-1047 Cullen 100%, BHP Billiton has earned a 75% interest in nickel and base metal rights by spending \$1M, Cullen's 25% is free carried to Decision to Mine)

As previously announced to the ASX on 13/9/05, an exploration drilling program comprising ~38 RC drillholes was initiated by the Joint Venture in September, in a search for nickel sulphide deposits. To the end of the Quarter, 20 holes of this programme had been completed. The drilling to date has confirmed that the magnetic units being tested are either mafic or ultramafic lithologies, with assay data pending.

A surface TEM survey designed to test the prospective AK47 stratigraphy and identify drill targets along strike from the known sulphide intersection in diamond drillhole "GBD2" will commence in the current Quarter– see Figure.

GUNBARREL GOLD/NEWMONT JOINT VENTURE - (Eureka Group, E53/568, E53/535, E53/818, E53/837, MLA's 53/868-870, and 1021-1047, Cullen 100%)

The Gunbarrel Gold Joint Venture was finalized during the Quarter and exploration drilling commenced, as announced to the ASX, on the 6th September. The Newmont Joint Venture covers a portion of Cullen's Gunbarrel Project tenements (E53/535, E53/568, E53/837 and E53/818).

To the end of the Quarter (30/9/05), a total of 4 RC holes (676m), 58 RAB holes (2974m) and 68 air core holes (4650m) had been completed, (assay data pending) , as follows:

- Four RC pre-collars (676m) were drilled at the **Southern** and **Galway** prospects in preparation for deep diamond drill testing (to depths of between 400 and 500m). This is the highest ranked prospect in the Gunbarrel Project area as evidenced from Cullen's previous drilling (to ~150m) and is strongly mineralized. The pre-collars intersected ultramafic and mafic stratigraphy with narrow porphyries and quartz veining.

The diamond drilling will test for mineralization associated with a porphyry body interpreted from 3D gravity data. The drilling will also test the ultramafic-porphyry contact, and provide important structural information.

- 38 RAB holes (1784m) and 8 air core holes (330m) were drilled at the **Eureka NW** prospect to test a 10ppb Au in lag soil anomaly which has a strike length of over 1.6km. The lag anomaly is coincident with the contact between ultramafics and conglomerates with sub-cropping quartz veins associated with known mineralization and some old workings.
- 11 RAB holes (572m) and 9 air core holes (567m) were drilled at the **Eureka NE** prospect to test a conceptual target interpreted from gravity data and geological interpretation;
- 9 RAB holes (618m) and 22 air core holes (1970m) were drilled at the **Eureka East** prospect where historic gold workings are coincident with interpreted deep granites;
- 10 aircore holes (383m) were drilled at **Target 18** located between Mt Eureka and Eureka East prospect. Drilling was designed to test a 10ppb lag anomaly coincident with the intersection of interpreted NW and NE gravity structures and a circular gravity “low” – which may be a porphyry;
- 19 aircore holes (1400m) were drilled at **Target 17** located south of Eureka East. Drilling was designed to test a 10ppb gold in lag soil anomaly coincident with a NNW trending structure identified from gravity and magnetic data.

The RAB/air core drilling programme is on-going and the diamond drilling at the **Southern Prospect** will be undertaken as soon a drill rig can be secured (probably in November).

IRWIN BORE NICKEL JOINT VENTURE - (E53/403, 925 and 981, Cullen 90% Independence earning 65%)

Cullen's 90% interest in the nickel rights for the Irwin Bore Project has been farmed out to the Independence Group NL (Independence). The CO2 Group Limited (formerly Revesco Limited) owns the remaining 10% interest which is free carried to completion of a pre-feasibility study in the project.

This Joint Venture is situated immediately south of BHP Billiton's **AK47** massive sulphide discovery. Joint Venture manager, Independence Group NL, is systematically testing the strike extension of the **AK47** ultramafic stratigraphy for nickel sulphides using a combination of soil geochemistry and surface TEM surveys. Interpreted bedrock conductors and coincident soil geochemical anomalies have previously been reported.

During the quarter, Heritage Clearance Surveying was completed to enable first-pass drill testing of these targets, as soon as appropriate environmental approvals have been received.

WONGANOO GOLD/NICKEL PROJECT - (E53/1046, ELA's 53/1030, 1069, and 1083 Cullen 100%, Cullen 80% in E53/988 with Quantum Resources Limited)

Lag sampling (~770 samples on a 200 x 200m grid) was completed in July. The sampling targeted gold prospective areas along the western granite-greenstone contact within E53/1046 including follow up of low-grade gold anomalies from previous very wide-spaced lag sampling (800 x 800m); and an interpreted NW-SE trending shear zone within E53/988, marked by a group of gold anomalies from previous lag sampling.

The recent sampling underlined the results of previous coarse surveys. Sampling along the granite-greenstone contact in areas of suitable regolith, was able to locate the contact as indicated by aeromagnetic data, but no significant gold anomalies were detected. However, low level gold anomalies in an area near a NE trending quartz vein zone in the granite warrant further ground checking.

Also, lag sampling of an interpreted NW-SE shear zone within E53/988, indicated a gold anomaly of 2-35ppb Au over ~800 x 500m. Limited RAB drilling in this area by previous workers has returned a number of low-grade, bottom of hole anomalies in altered and quartz veined dolerite (up to 1m @ 0.32 g/t Au). Further RAB traverses are under consideration for early in 2006.

A 25 line km ground EM survey is proposed for initiation in the current Quarter. The survey will target a 4km long trend of ultramafics within E53/988, where strong nickel (to 6405ppm) and copper (to 3525ppm) anomalies from previous RAB traverses occur on favorable komatiite contacts.

EASTERN GOLDFIELDS

KILLALOE GOLD PROJECT - (E63/722*, E63/765*, Ps 63/1131-1133, 1172-1174, Cullen 100%, * 7.5% NPI to Xplore Pty Ltd applies to these tenements)

From on-going interpretation and exploration work, Cullen has concluded that the Killaloe-Buldania break/shear zone in this project area is an extension of the Zuleika Shear, and that analogy to the Kundana, White Foil and Broads Dam gold deposits are valid target types. These deposits along the Zuleika shear, broadly consist of either high grade quartz veins, or moderate grade quartz stockworks and mineralized, silicified shear zones localized along lithological contacts, often near cross-cutting faults.

The Killaloe/Zuleika Shear extends for over 15km of strike within the Killaloe tenements and includes several prospect areas as follows:

- **Killaloe** - old gold workings (prospect pits and shafts) and abundant quartz veins localized along a 300° structural trend/splay from the Killaloe/Zuleika shear (330°). This splay is coincident with a linear, aeromagnetic, "low" feature.

- **Cashel** - where gold mineralization (up to 6m @ 1.32 g/t Au from 30m) has been intersected in previous drilling in quartz veins hosted by sheared basalt close to the Killaloe/Zuleika shear, and a series of interpreted N and NNE trending faults; and,
- **Windy Hill** - where gold mineralization, indicated by previous drilling, is coincident with the Killaloe/Zuleika Shear which in this section includes shale and conglomerate lithologies in contact with basalts, and faulting along N-S trends.

The discovery of a visible gold-bearing quartz vein (about 30cm wide) near surface from prospecting within the Cashel soil anomaly (**a sample of this gold bearing quartz vein assayed 960 g/t Au**) is a significant indication of the high prospectivity of the target structural trend and further review and target area prioritization is now in progress.

KILLALOE NICKEL PROJECT - (E63/722, E63/765, Ps 63/1131-1133, 1172-1174, Cullen 100%, Nickel Australia Ltd can earn 70% of the nickel rights; 7.5% NPI to Xplore Pty Ltd applies to these tenements)

Nickel Australia will commence exploration on the Killaloe project in November. Initial work will comprise a six week programme of surface electromagnetic surveying designed to follow-up and better define electromagnetic conductors identified by previous surveys. Following completion of the EM survey, an extended program of geochemical sampling, geological mapping and aircore drilling will be undertaken.

The Killaloe project area has good exposure of the prospective ultramafic units, and previous exploration identified the presence of numerous gossans containing highly anomalous geochemistry. These gossans are located in favourable geological settings, with several having electromagnetic conductors located nearby, most of which have not been drill tested. These targets will undergo aircore drilling to provide better definition prior to reverse circulation and diamond drilling.

Nickel Australia reports that the presence of strong geochemical and geophysical anomalies located near basal stratigraphic contacts indicates the Killaloe project is very prospective for hosting significant nickel sulphide mineralization.

ASHBURTON PROVINCE

Cullen holds a strategic position in the NW sector of the Ashburton Gold Province, including a number of projects areas along the Paraburdoo Hinge Zone - a 300km long set of regional structures which host a number of gold deposits and prospects. The Company has in place: a Joint Venture with Aquila Steel Pty Ltd (Aquila), to explore for iron ore on a group of Cullen's tenements; and a farm-in agreement with NuStar Mining Corporation Ltd (NuStar) to explore for gold.

NuStar has exploration programmes in progress. Similarly, Aquila has completed Heritage Clearances Surveys and ground preparation ready for first pass drill testing of two channel iron deposits (CIDs) in the current Quarter.

HARDEY JUNCTION JOINT VENTURE (E08/1166; E08/1189 and E08/1145, Cullen 100%; with Nustar Mining Corporation Limited earning up to 80%)

Nustar has reported the completion of programmes of soil sampling at the **Snakewood Well and Woolshed Prospects**. Results from the Woolshed area indicate the presence of a narrow, gold anomalous zone (+50ppb to 106ppb) extending over 400m of strike along an interpreted WNW/ESE structure.

A programme of auger sampling commenced towards the end of the Quarter. This programme will target 3 or 4 additional prospect areas.

WEST PILBARA - MT STUART JOINT VENTURE (E08/1341, E08/1375, E08/1330, E08/1292 and E08/1135 , Aquila earning 70% of iron ore rights)

Detailed geological mapping and sampling of CID's continued at Cardo Bore (E08/1341) and at Catho Well (E08/1330).

At the end of the quarter planned site access and drill hole locations have been identified. Heritage clearance surveys over the identified drill targets are scheduled for completion early in the December quarter. Once heritage clearance has been obtained an evaluation drilling programme is planned to commence in the December quarter.

Aquila has previously reported to Cullen results of mapping and rock chip sampling and concludes that:

“The CIDs on the Iron Ore JV tenements at Cardo Bore and Catho Well may host significant iron deposits. The geology, chemistry, and the potential size of the occurrences make them priority targets for accelerated exploration.”

TUNNEL CREEK PROJECT – ELA's 52/1890-1892 (Cullen 100%)

The Company has applied for three new exploration licences in an area approximately 100km SE of the town of Paraburdoo in W.A. which are considered to be prospective for uranium. These applications cover the faulted and/or unconformable contacts of the Bresnahan Group conglomerates, sandstones and mudstones of Palaeoproterozoic Age, in the vicinity of a number of known uranium prospects and mapped occurrences of uranium mineralization. Cullen considers that the general area of this unconformity and associated local faulting is prospective for uranium mineralization similar in style to that of the world class, Ranger and Jabiluka deposits in the Alligator River Region of the Northern Territory.

Cullen is now reviewing a detailed compilation of previous exploration results which has been completed, with a view to prioritizing any further work.

YANKS BORE PROJECT - Yanks Bore (E08/1022, Cullen 51% and Udu Resources Ltd 49%, diluting; Red Hill West, E08/1135 and Cardo Bore E08/1341, Cullen 100%)

There was no field work completed during the Quarter. Udu Resources Ltd has been placed in Administration and the Managers have advertised the assets of Udu for sale. Cullen holds pre-emptive rights.

EXPLORATION ACTIVITIES – NEW SOUTH WALES

CENTRAL LACHLAN INTRUSIVE-RELATED GOLD PROJECT (EL's 6168, 6206, 6227, 6207, 6220, 6235, 6257, 6256, Cullen 100%; option to purchase - EL's 5891 and 6020 from Mr Denis Walsh, Yalgogrin Prospect Area)

The Company has in place agreed terms for the sale of its New South Wales tenement package to Mantle Mining Corporation Ltd (initially proposed as Condor Mining Corporation Limited), a proposed new IPO headed by Mr. Martin Blakeman and Mr. Peter Anderton. Mantle has a portfolio of properties in NSW, Victoria and Queensland with a focus on gold exploration and mining.

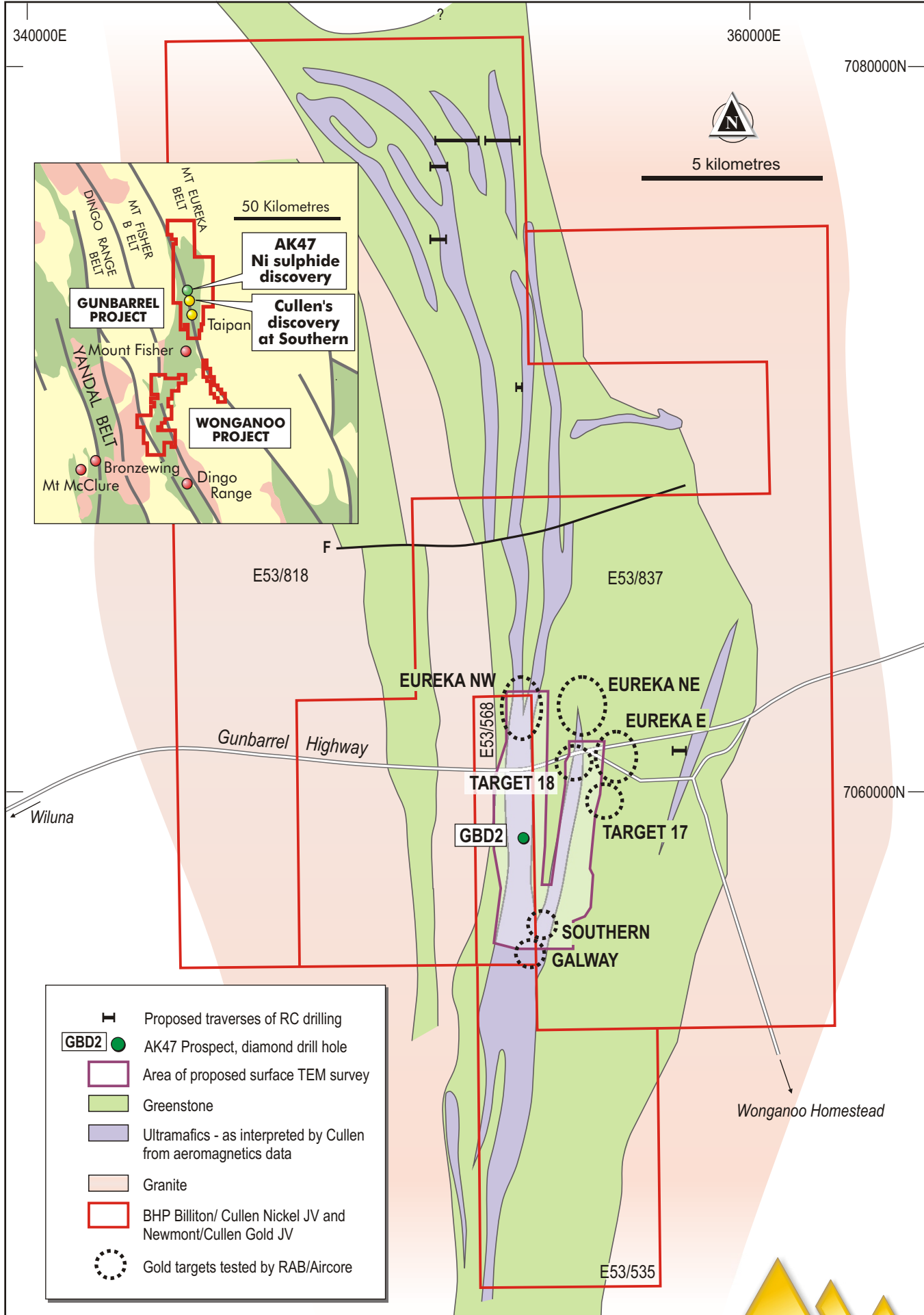
Mantle has notified Cullen that it has not to date secured the required seed capital to affect the sale (a condition precedent for the sale by Cullen). Mantle has advised Cullen that it is currently marketing an Information Memorandum in order to complete its seed capital raising. Cullen will continue management of its NSW tenements and prioritize targets for further exploration.









Cullen may in the future, choose to complete the sale of its NSW tenement package to Mantle should Mantle so wish, however Cullen is currently under no obligation to do so.

EXPLORATION ACTIVITIES – QUEENSLAND

DUCHESS PROJECT AREA - Erle (EPM 11990) and Mayfield (EPM 12395), Minotaur Resources Ltd can earn 70% with expenditure of \$3M over 4 years.

Detailed lithological, alteration and mineralisation mapping was undertaken on both tenements, highlighting three regions of extensive alteration and mineralisation requiring greater focus. New work programs for Year 2 were submitted to the Kalkadoon and Yalluna Peoples under the Joint ILUA requirement and a response is awaited prior to commissioning closer spaced gravity surveys over the areas of interest. Minotaur is exploring for iron oxide hosted copper-gold deposits.



-  Proposed traverses of RC drilling
-  **GBD2** AK47 Prospect, diamond drill hole
-  Area of proposed surface TEM survey
-  Greenstone
-  Ultramafics - as interpreted by Cullen from aeromagnetics data
-  Granite
-  BHP Billiton/ Cullen Nickel JV and Newmont/ Cullen Gold JV
-  Gold targets tested by RAB/Aircore

GUNBARREL PROJECT
Gold & Nickel Exploration Programmes

