CULLEN RESOURCES LIMITED

ABN 46 006 045 790

www.cullenresources.com.au ASX Symbol: CUL 30 October 2007

QUARTERLY REPORT for the period ending 30 September 2007

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PROJECTS

Gold and Nickel - Gunbarrel; Wonganoo; Killaloe, Forrestania

Iron - Mt Stuart; Wyloo; Paraburdoo

Uranium - Tunnel Creek; Central Australia; North Yilgarn

Copper - Gold - Duchess

Tungsten - Minter

Gold - Hardey Junction; Yanks Bore Woodcutters; Agnew

ABOUT CULLEN

Cullen is a Perth based, diversified, minerals explorer with a number of JV's with key partners including: BHP Billiton; FMG; API (Aquila); Hannans Reward, Intrepid, Red Hill Iron; Minotaur; and Thundelarra.

The Company continues to build its tenement portfolio throughout Australia and progressively evaluates and prioritises exploration plays with a view to further JV's or its own evaluation.

HIGHLIGHTS

IRON

- Results from drilling the northern extension of the Catho Well CID over 1.8km include: 16m @ 57.89% Fe; 22m @ 56.74% Fe; and 12m @ 56.9% Fe - the current resource estimate for the Catho Well CID is 68Mt @ 55.38% Fe (Cullen 30%)
- FMG is targeting the "Snowy Mountain Fault" for bedded iron deposits, where a previous intersection of 12m @ 61.4% Fe in the JV area SE of Paraburdoo was recorded

NICKEL

- RC drill testing of eight EM anomalies at the Forrestania project commenced on October 6th with assay results expected early December
- BHP Billiton has farmed into the Wonganoo Project for nickel and base metals

URANIUM

- A systematic geochemical sampling survey has been completed at "Stirling", located ~13km SE along the palaeochannel from the Maitland uranium deposit, with results pending
- A Tempest, airborne EM survey has commenced at the Kungerong (Tunnel Creek JV) uranium project to follow-up on several high-order radiometric anomalies

GOLD

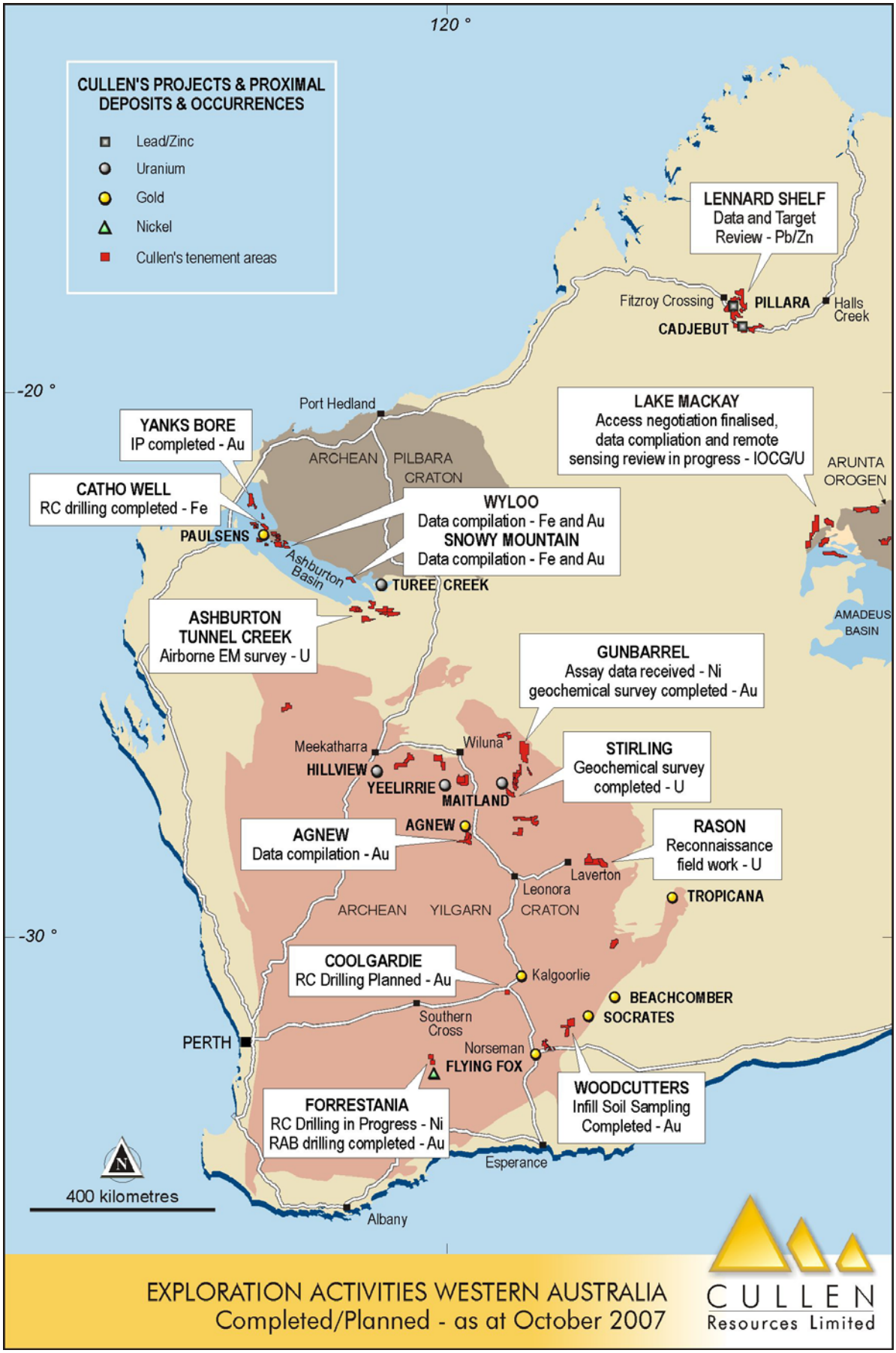
- Visible gold in quartz vein float, nuggets in thin colluvium on saprolite and a favourable local geological setting point to discovery of an important new gold target area within the Gunbarrel-Irwin Bore Project
- RAB drilling at North Ironcap Project, Forrestania has indicated an extension of known mineralised trend for further drill testing
- Cullen has an option to purchase a package of tenements near Coolgardie which are adjacent to the McPherson's Reward mine and prospective for gold

GOLD-COPPER

- IOCG targets on the Pilgrim Fault, south of Mt Isa, have returned selected outcrop samples with up to 15 g/t gold, 3.3% copper and 50% iron – drill testing is planned for the current Quarter

PROJECT GENERATION

- Cullen has applied for 4 tenements on the Lennard Shelf in the Kimberley, over ~1500km^2, to assess target areas for Mississippi Valley Type Pb-Zn deposits
- Cullen has applied for an additional tenement in the Lake Mackay area to cover part of a gravity high which may be prospective for IOCG-type mineralisation


120 °
CULLEN'S PROJECTS & PROXIMAL DEPOSITS & OCCURRENCES
Lead/Zinc
Uranium
Gold
Nickel
Cullen's tenement areas
LENNARD SHELF
Data and Target Review - Pb/Zn
Fitzroy Crossing
PILLARA
Halls Creek
CADJEBUT
-20 °
Port Hedland
YANKS BORE
IP completed - Au
LAKE MACKAY
Access negotiation finalised, data compliation and remote sensing review in progress - IOCG/U
ARCHEAN
PILBARA CRATON
ARUNTA OROGEN
CATHO WELL
RC drilling completed - Fe
WYLOO
Data compilation - Fe and Au
SNOWY MOUNTAIN
Data compilation - Fe and Au
PAULSENS
Ashburton Basin
TUREE CREEK
AMADEUS BASIN
ASHBURTON
TUNNEL CREEK
Airborne EM survey - U
GUNBARREL
Assay data received - Ni geochemical survey completed - Au
Meekatharra
Wiluna
HILLVIEW
YEELIRRIE
MAITLAND
STIRLING
Geochemical survey completed - U
AGNEW
AGNEW
Data compilation - Au
RASON
Reconnaissance field work - U
Laverton
Leonora
TROPICANA
ARCHEAN
YILGARN CRATON
-30 °
COOLGARDIE
RC Drilling Planned - Au
Kalgoorlie
BEACHCOMBER
SOCRATES
Southern Cross
PERTH
Norseman
FLYING FOX
WOODCUTTERS
Infill Soil Sampling Completed - Au
FORRESTANIA
RC Drilling in Progress - Ni
RAB drilling completed - Au
Esperance
400 kilometres
Albany
EXPLORATION ACTIVITIES WESTERN AUSTRALIA
Completed/Planned - as at October 2007
CULLEN
Resources Limited

KEY PROJECT – Iron

WEST PILBARA, W.A.

MT STUART JOINT VENTURE - Cullen 30% of iron ore rights

The West Pilbara - Mt Stuart Joint Venture (Australian Premium Iron Joint Venture [API], 70% and Managers, and Cullen Resources Limited, 30%) has previously announced to the ASX (16th May 2007) an initial Resource Estimate for its Catho Well Channel Iron Deposit (CID) of 68Mt @ 55.38% Fe, and the results of RC drilling which confirmed a northern extension of the deposit (ASX announcement of 19th October 2007).

The recent results from Catho Well (see Table) extend over a strike distance of ~1.8km and included intersections of: 22m @ 55.13% Fe; 22m @ 56.74% Fe; and 10m @ 57.46% Fe with relatively low levels of alumina, and low phosphorous. The mineralised CID consists of vitreous goethite, goethite and rare haematite-rich pisoliths.

The Catho Well CID is one of five separate iron resources in the West Pilbara Region, centred approximately 50 kilometres southwest of Pannawonica, in which API has an interest (see Figure). Aquila Resources Limited (50% owner of API) has also reported that these five CIDs collectively comprise: 203Mt @ 57.44% Fe.

The Catho Well resource has similar iron grades to the pisolitic ores mined at Robe River and Yandicoogina (~57% Fe). The average alumina (Al_2O_3) grade within the Catho Well Resource is the second lowest of the five resources in the project area, and the low average phosphorous levels at Catho Well (0.038%) are favourable, such that there may be the opportunity to beneficiate and also to blend this resource with other resources in the area in order to manage potential product specifications.

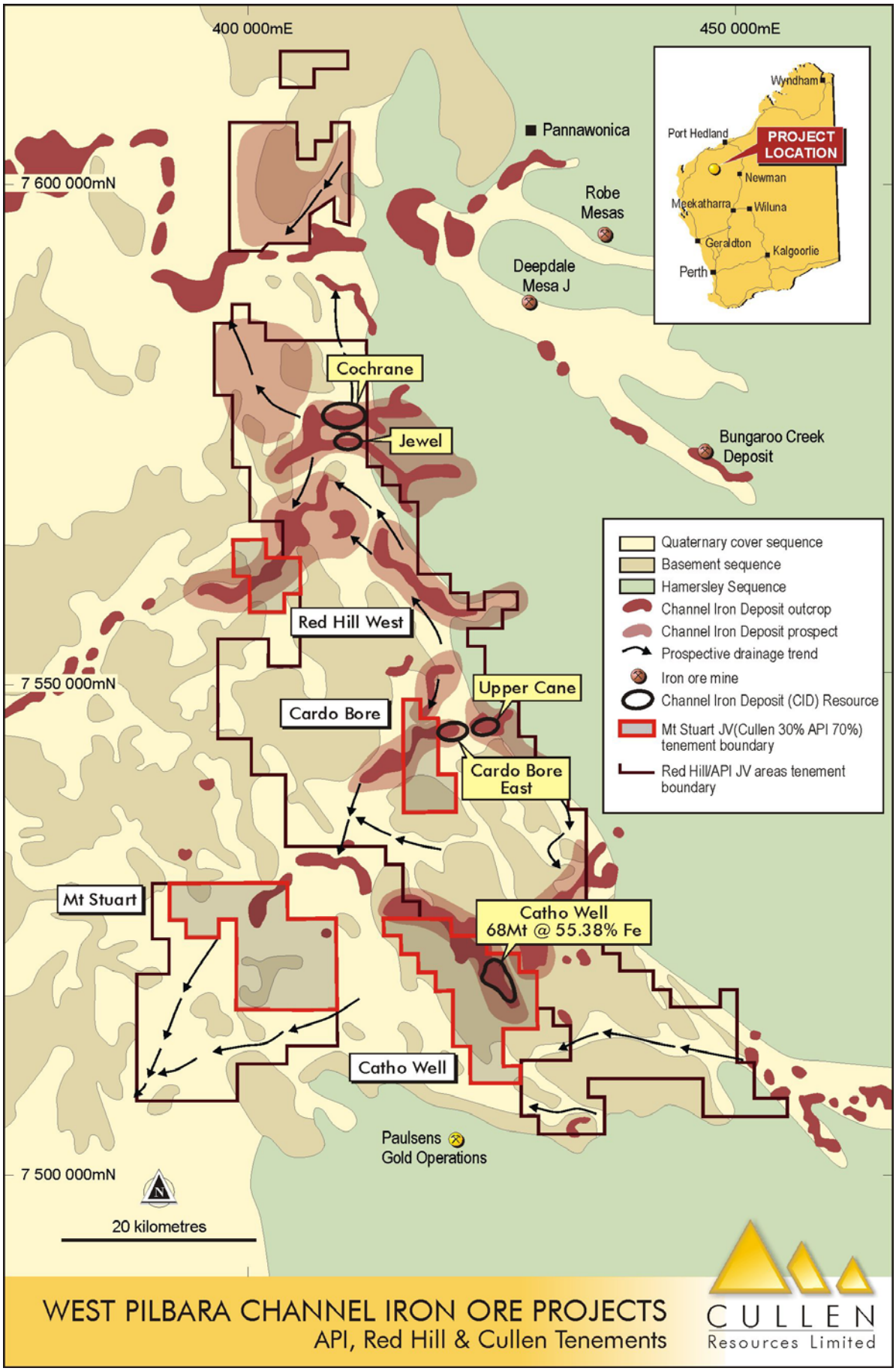
Cullen has approved the Joint Venture exploration budget for 2007-2008 of $370,000 and has also agreed for API to submit a revised budget for consideration by the Joint Venture to allow for the completion of baseline environmental and groundwater studies in preparation for possible development of the Catho Well Resource.

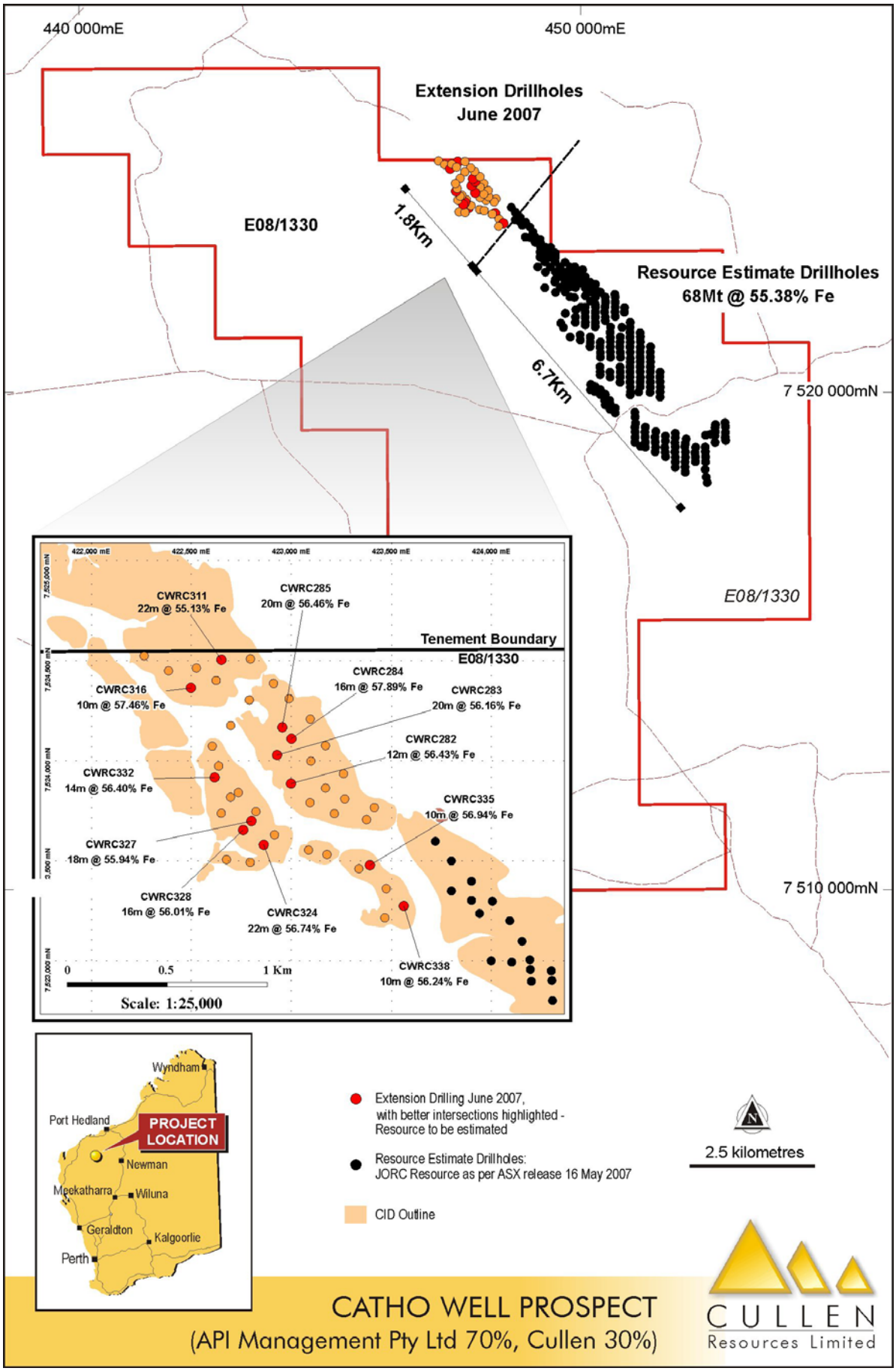
A new estimate of the Catho Well Resource will be completed following additional RC drilling targeting untested CID west of the recent drilling programme (see Figure).

Table: Catho Well CID (cut-off grade >54% Fe, no Al_2O_3 cut off applied)

HOLE ID	E	N	FROM m	TO M	INTERCEPT m	Fe %	Al_2O_3 %	SiO_2 %	Mn %	P %	S %	MgO %	LOI %
CWRC 273	423415	7523766	6	14	8	55.20	2.37	6.09	0.09	0.046	0.012	0.22	11.23
CWRC 274	423376	7523706	2	4	2	54.70	3.92	7.65	0.08	0.038	0.020	0.12	8.92
			12	16	4	55.10	2.31	7.67	0.07	0.043	0.022	0.17	10.40
			20	28	8	55.38	2.36	5.88	0.23	0.036	0.009	0.24	11.78
CWRC 275	423267	7523809	8	10	2	54.10	2.46	7.88	0.10	0.041	0.023	0.016	10.90
CWRC 276	423215	7523736	12	20	8	56.60	2.08	5.11	0.10	0.037	0.018	0.13	11.02
CWRC 277	423260	7523935				No significant result (<54% Fe)							
CWRC 278	423170	7523863	4	6	2	54.30	4.24	7.42	0.07	0.037	0.043	0.17	10.10
			12	14	2	57.50	1.98	4.65	0.09	0.042	0.032	0.16	10.50
CWRC 279	423093	7523791	12	14	2	55.40	1.65	8.85	0.10	0.036	0.013	0.14	9.68
CWRC 280	423170	7524075	6	10	4	54.65	2.76	8.57	0.11	0.031	0.015	0.17	9.07
CWRC 281	423097	7523998	10	20	10	56.76	2.51	5.82	0.11	0.04	0.017	0.16	9.43
CWRC 282	422998	7523886	0	2	2	54.10	5.78	6.30	0.06	0.032	0.025	0.12	10.00
			6	18	12	56.43	2.14	5.90	0.14	0.042	0.018	0.22	10.00
CWRC 283	422928	7524029	0	20	20	56.16	2.85	6.35	0.10	0.039	0.016	0.15	9.75
CWRC 284	423000	7524110	10	26	16	57.89	2.34	4.05	0.11	0.042	0.024	0.12	10.12
CWRC 285	422955	7524167	6	26	20	56.46	2.72	5.39	0.10	0.042	0.020	0.17	10.12
CWRC 286	423094	7524208	6	8	2	54.60	4.21	7.85	0.09	0.036	0.025	0.17	8.68
			12	18	6	55.27	3.17	6.60	0.08	0.049	0.018	0.19	10.30
CWRC 287	422988	7524310				No significant result							
CWRC 288	422910	7524386	6	10	4	55.20	3.08	7.26	0.09	0.037	0.014	0.24	9.61
CWRC 311	422650	7524505	18	40	22	55.13	3.26	6.35	0.10	0.050	0.016	0.17	10.54
CWRC 312	422264	7524524	8	24	16	55.42	2.72	6.79	0.11	0.033	0.016	0.21	10.3
CWRC 315	422385	7524449	8	20	12	56.35	2.45	5.87	0.10	0.042	0.020	0.18	10.21
CWRC 316	422498	7524364	16	26	10	57.46	2.16	4.91	0.09	0.038	0.019	0.14	10.14
CWRC 317	422525	7524463	20	32	12	55.37	3.00	6.82	0.08	0.040	0.021	0.18	10.25
CWRC 318	422624	7524401	26	40	14	55.41	3.07	5.66	0.09	0.039	0.014	0.43	10.74
CWRC 319	422795	7524509	4	12	8	55.67	3.31	6.59	0.10	0.035	0.020	0.23	9.67
CWRC 320	422790	7524304	2	6	4	54.50	2.58	7.73	0.07	0.032	0.019	0.27	9.99
			14	16	2	56.10	1.91	4.59	0.12	0.032	0.010	0.29	11.60
			20	24	4	55.50	2.84	5.59	0.30	0.043	0.008	0.27	11.40
CWRC 321	422696	7524175				No significant result							
CWRC 322	422675	7523506	0	4	4	55.45	2.90	7.50	0.13	0.035	0.020	0.14	9.43
CWRC 323	422794	7523492	2	10	8	55.42	2.58	7.36	0.10	0.041	0.036	0.16	9.87
			16	22	6	55.67	1.85	6.16	0.15	0.036	0.008	0.22	11.60
CWRC 324	422862	7523580	2	24	22	56.74	2.45	4.68	0.09	0.041	0.013	0.28	10.58
CWRC 325	422915	7523630	0	24	24	54.98	2.64	6.63	0.09	0.035	0.018	0.32	10.54
CWRC 326	422822	7523746	4	22	18	55.03	2.37	5.66	0.10	0.036	0.016	0.18	11.12
CWRC 327	422800	7523698	2	4	2	54.60	4.40	7.66	0.06	0.034	0.015	0.24	9.06
			8	26	18	55.94	2.60	5.20	0.09	0.039	0.017	0.18	11.09
CWRC 328	422759	7523654	2	18	16	56.01	2.46	4.77	0.08	0.040	0.015	0.34	11.25
			22	24	2	54.60	3.81	7.53	0.18	0.041	0.014	0.21	9.37
CWRC 329	422649	7523738	0	12	12	56.70	2.61	5.54	0.08	0.036	0.014	0.12	11.18
			16	20	4	55.65	3.15	6.84	0.11	0.034	0.010	0.15	10.57
CWRC 330	422735	7523841	4	8	4	56.75	2.66	6.20	0.08	0.037	0.017	0.13	10.35
CWRC 331	422695	7523818	6	18	12	56.90	2.27	4.47	0.08	0.040	0.028	0.20	11.78
CWRC 332	422616	7523916	0	14	14	56.40	2.18	6.66	0.09	0.031	0.023	0.10	11.01
			18	20	2	55.30	3.38	7.59	0.13	0.031	0.021	0.17	9.97
CWRC 333	422636	7523974	8	16	8	55.60	1.64	6.94	0.11	0.030	0.021	0.28	11.88
			20	24	4	55.45	3.26	6.86	0.19	0.038	0.011	0.23	10.62
CWRC 334	422605	7524073	0	6	6	55.93	2.42	6.24	0.14	0.034	0.017	0.13	11.93
CWRC 335	423393	7523478	2	12	10	56.94	1.81	5.68	0.18	0.047	0.015	0.17	11.36
CWRC 336	423338	7523460	4	10	6	55.20	1.46	6.81	0.13	0.036	0.020	0.42	12.17
CWRC 337	423474	7523361	6	8	2	55.00	1.64	4.80	0.15	0.045	0.015	0.99	12.50
			18	24	6	55.67	1.86	6.17	0.12	0.039	0.010	0.19	12.43
CWRC 338	423562	7523274	0	10	10	54.90	2.14	8.21	0.13	0.039	0.018	0.23	11.08
			18	28	10	56.24	2.24	4.71	0.17	0.030	0.008	0.27	11.92
CWRC 339	423467	7523215	0	2	2	55.40	2.84	6.20	0.09	0.045	0.035	0.15	12.10
CWRC 340	423086	7523553				No significant result							
CWRC 341	423178	7523551				No significant result							

Notes : Minimum intercept of 1m @ 54% Fe; Lower cut off – 54% Fe; Top cut off – 100% Fe; Maximum consecutive waste – 2m


400 000mE
450 000mE
7 600 000mN
7 550 000mN
7 500 000mN
Pannawonica
Robe Mesas
Deepdale Mesa J
Bungaroo Creek Deposit
Cochrane
Jewel
Red Hill West
Upper Cane
Cardo Bore
Cardo Bore East
Mt Stuart
Catho Well 68Mt @ 55.38% Fe
Catho Well
Paulsens Gold Operations
20 kilometres
Wyndham
Port Hedland
PROJECT LOCATION
Newman
Meekatharra
Wiluna
Geraldton
Kalgoorlie
Perth
Quaternary cover sequence
Basement sequence
Hamersley Sequence
Channel Iron Deposit outcrop
Channel Iron Deposit prospect
Prospective drainage trend
Iron ore mine
Channel Iron Deposit (CID) Resource
Mt Stuart JV(Cullen 30% API 70%) tenement boundary
Red Hill/API JV areas tenement boundary
WEST PILBARA CHANNEL IRON ORE PROJECTS
API, Red Hill & Cullen Tenements
CULLEN
Resources Limited


440 000mE
450 000mE
Extension Drillholes
June 2007
E08/1330
1.8Km
6.7Km
Resource Estimate Drillholes
68Mt @ 55.38% Fe
7 520 000mN
E08/1330
7 510 000mN
Tenement Boundary
E08/1330
CWRC311
22m @ 55.13% Fe
CWRC285
20m @ 56.46% Fe
CWRC284
16m @ 57.89% Fe
CWRC316
10m @ 57.46% Fe
CWRC283
20m @ 56.16% Fe
CWRC282
12m @ 56.43% Fe
CWRC332
14m @ 56.40% Fe
CWRC335
10m @ 56.94% Fe
CWRC327
18m @ 55.94% Fe
CWRC328
16m @ 56.01% Fe
CWRC324
22m @ 56.74% Fe
CWRC338
10m @ 56.24% Fe
0
0.5
1 Km
Scale: 1:25,000
Wyndham
Port Hedland
PROJECT LOCATION
Newman
Meekatharra
Wiluna
Geraldton
Kalgoorlie
Perth
Extension Drilling June 2007, with better intersections highlighted - Resource to be estimated
Resource Estimate Drillholes: JORC Resource as per ASX release 16 May 2007
CID Outline
2.5 kilometres
CATHO WELL PROSPECT
(API Management Pty Ltd 70%, Cullen 30%)
CULLEN
Resources Limited

KEY PROJECT – Nickel

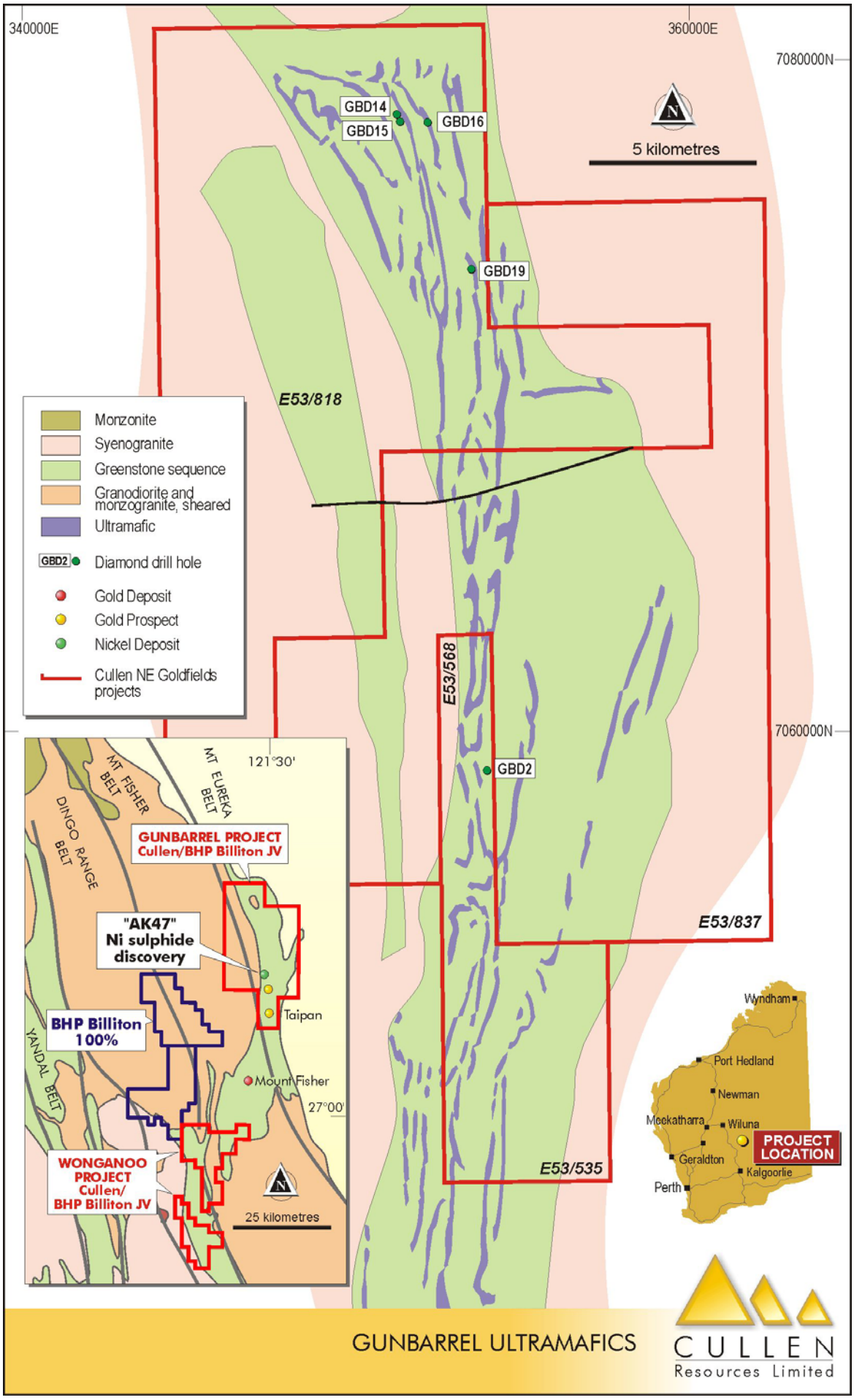
NORTH EASTERN GOLDFIELDS, W.A.

GUNBARREL NICKEL JOINT VENTURE - BHP Billiton holds a 75% interest in nickel and base metal rights; Cullen's 25% interest is free carried to Decision to Mine - E53/535, 568, 818, 837

BHP Billiton completed four diamond drill holes (for 1063m) to test 3 EM conductors in the June Quarter. No economic magmatic sulphides were intersected, but two holes (GBD15 and GBD16) contained trace to 5% disseminated and vein sulphides in ultramafics. All holes intersected sedimentary sulphides (including pyrite, pyrrhotite and chalcopyrite) below the ultramafic contact. Downhole EM at one target confirmed that sedimentary sulphide horizons are the source of the surface EM anomalies.

Assay data for this drilling has now been received (except for PGE analyses) and included a best intersection of 0.5m @ 0.95% Ni and 0.3% Cu from 265.75m downhole (GBD 15) in a remobilised quartz-violarite-pyrrhotite-chalcopyrite veinlet (2.5cm width). Although this result is not considered significant in itself, and no further work is planned at this stage on any of the three target areas drill tested in this programme, it is notable that this occurrence of ultramafic-hosted nickel mineralisation in GBD15 is some 15km north of the AK47 nickel prospect area (0.2m @ 1.93% Ni – drillhole "GBD 2", see Figure). There is currently limited exploration between these two prospects along the numerous ultramafic horizons present (see Figure).

A new project exploration team has recently taken over the running of the Gunbarrel Project on behalf of BHP Billiton as JV managers, and a review of the databases is underway to prioritise further exploration programmes.


340000E
360000E
7080000N
7060000N
GBD14
GBD15
GBD16
GBD19
GBD2
5 kilometres
E53/818
E53/568
E53/837
E53/535
Monzonite
Syenogranite
Greenstone sequence
Granodiorite and monzogranite, sheared
Ultramafic
GBD2 Diamond drill hole
Gold Deposit
Gold Prospect
Nickel Deposit
Cullen NE Goldfields projects
121°30'
27°00'
MT FISHER BELT
MT EUREKA BELT
DINGO RANGE BELT
YANDAL BELT
GUNBARREL PROJECT
Cullen/BHP Billiton JV
"AK47"
Ni sulphide
discovery
BHP Billiton
100%
Taipan
Mount Fisher
WONGANOO
PROJECT
Cullen/
BHP Billiton JV
25 kilometres
Wyndham
Port Hedland
Newman
Meekatharra
Wiluna
Geraldton
Kalgoorlie
Perth
PROJECT
LOCATION
GUNBARREL ULTRAMAFICS
CULLEN
Resources Limited

KEY PROJECT – Uranium

ASHBURTON PROVINCE, W.A.

TUNNEL CREEK JOINT VENTURE – Thundelarra/Element 92 can earn 70%

The Company has signed a Letter Agreement with Element 92 Pty Ltd (Element 92), a wholly owned subsidiary of Thundelarra Exploration Ltd (Thundelarra), for a Joint Venture over its three applications (ELA's 52/1890-1892) at Tunnel Creek. Thundelarra is actively exploring for uranium within Australia and is a major shareholder in Aldershot Resources Ltd (Aldershot), a Canadian-listed uranium exploration company. Aldershot owns the Turee Creek uranium project, the most exciting uranium prospect in the Tunnel Creek area, and is currently negotiating access agreements with a number of Native Title groups in the area. Thundelarra can earn a 70% equity in Cullen's three tenements by expenditure of $1.5M within five years, after which Cullen can contribute or convert to a 20% Free Carried Interest to completion of a Bankable Feasibility Study.

The JV Manager (Thundelarra) has reported the results of a radiometric survey of its Kunderong Project area, which includes the Tunnel Creek JV, to identify target areas for unconformity and structurally-controlled uranium mineralisation of the Ranger and Jabiluka type. Results from this survey are very encouraging and a number of trends of uranium channel anomalies have been identified within the Cullen-Thundelarra JV area. The radiometric survey has clearly outlined the position of the nearby Turee Creek uranium deposit (1.05Mt @ 0.035% U_3O_8 - Aldershot Resources Ltd), and identified a number of uranium channel anomalies which appear to be related to geological contacts and interpreted faults.

Thundelarra has advised that a "Tempest" airborne electromagnetic survey commenced in October to further test a number of these radiometric anomalies within E52/1890. The Tempest system has been successfully used in the East Alligator River uranium field of the Northern Territory to locate the uranium prospective unconformity and associated alteration zones beneath up to 300 meters of cover. Results from this survey should be available in November.

KEY PROJECT – Gold and Nickel

FORRESTANIA REGION, W.A.

STORMBREAKER AND NORTH IRONCAP GOLD / NICKEL PROJECTS
– Hannans Reward Limited 80%, and Cullen 20% and free carried to a Decision to Mine

The Stormbreaker and North Ironcap Projects lie along the western margin of the nickel-rich Forrestania greenstone belt and are centered about 12km on strike north of the Flying Fox, New Morning and Daybreak nickel deposits of Western Areas NL.

The Hannans-Cullen JV has completed the first modern ground geophysical exploration employed in the Stormbreaker Prospect area. Electromagnetic (EM) and Induced Polarisation (IP) surveys have identified 15 new anomalies along 4km of strike within the southern part of the Stormbreaker tenement. Eight of these geophysical targets are currently being drill tested for nickel sulphides with a programme of ~1650m of RC.

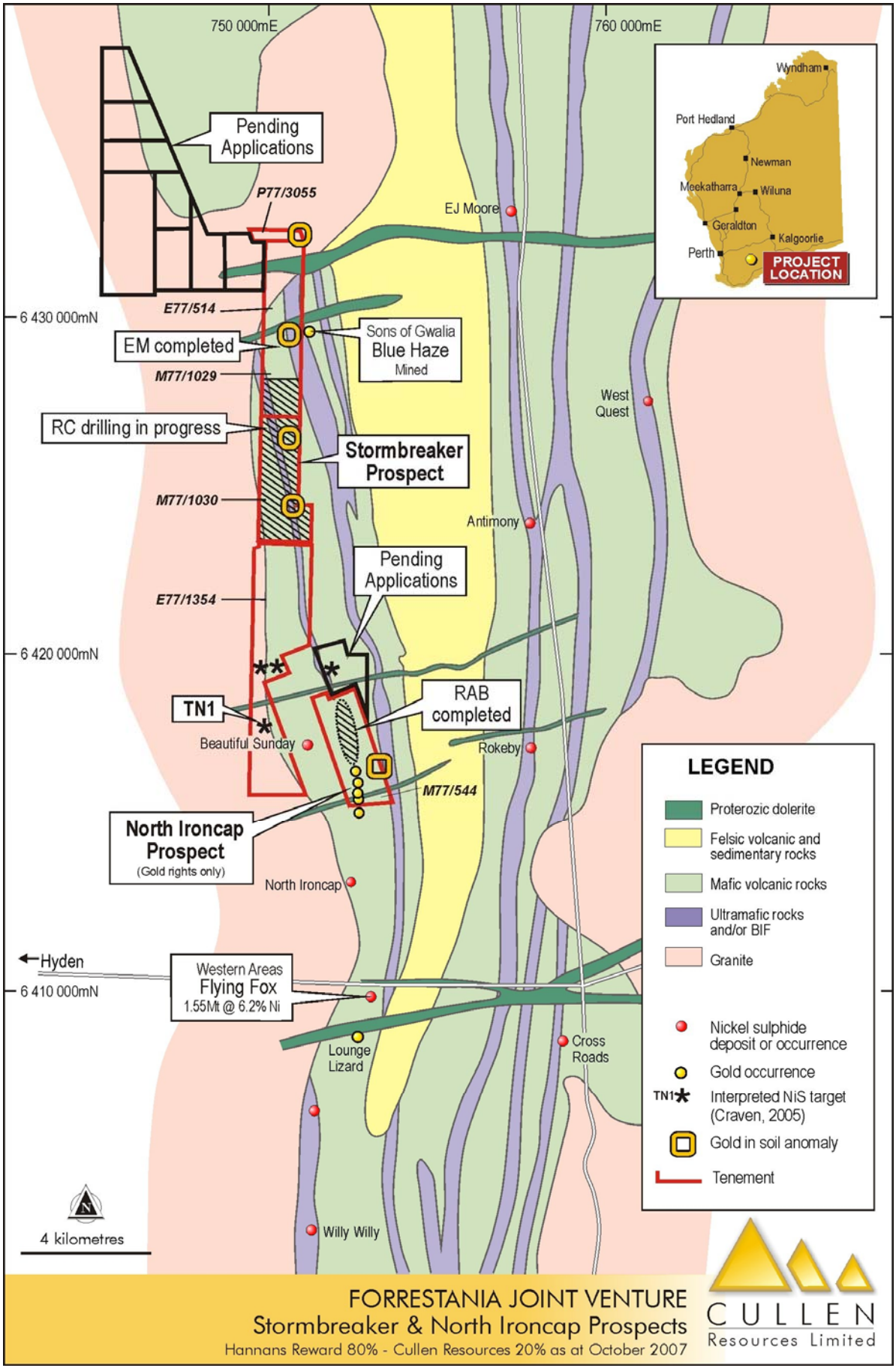
In addition, historical geophysical data collected on E77/1354, located west of the Beautiful Sunday nickel occurrence, has been reviewed. These data include an aeromagnetic interpretation of the southern portion of Beautiful Sunday and North Ironcap (by Mr. Bruce Craven of Southern Geoscience), which interpreted substantial amounts of ultramafic lithologies within the tenement and four target areas considered to be prospective for nickel sulphide mineralisation (see Figure).

An EM survey was completed over one of these target areas by previous tenement holders which identified a deep conductor in an area interpreted to be granite with relict greenstone (TN1 – see Figure). This target remains untested by drilling to date. A geophysical survey based on a superconducting quantum interference device (SQUID), is scheduled for this Quarter to better model this conductor. A moving loop electromagnetic survey (MLEM) will also be conducted in the current Quarter over the remaining three interpreted nickel sulphide target areas.

The North Ironcap Project (gold rights only) contains a significant trend of gold mineralisation which has been previously drill tested by Normandy and others in the 1990's. Although some gold resources were identified (and pit plans for ~50,000 ozs of gold were designed) the status of these resources with respect to JORC compliance cannot be established at present. The historical drilling targeted a prominent, well-mineralised, gossanous trend of chert-ironstone with quartz veining in sediments between basalts over ~1.6km of strike, and is considered by the Hannans-Cullen JV to have the potential for 120,000 to 140,000 ounces of gold.

The objective of further gold exploration in this tenement is to both re-evaluate the known mineralisation and seek extensions along strike and at depth. The JV will also test other geological settings for different styles of gold mineralisation, as indicated by auger soil sampling completed to date and solid geology interpretation.

A RAB programme of 107 vertical holes for 2,411m was completed in late August and successfully identified the gold anomalous chert-ironstone, quartz-veined unit at surface as the northern extension of the mineralised horizon at North Ironcap. Anomalous gold concentrations in these RAB samples ranged from 50 - 600ppb at depths of 0-2m from the soil above the chert or from the subcropping /outcropping chert itself, over a strike distance of ~500m. RC drilling will be required to test the target chert.


750 000mE
760 000mE
Pending Applications
P77/3055
E77/514
6 430 000mN
EM completed
Sons of Gwalia
Blue Haze
Mined
M77/1029
RC drilling in progress
Stormbreaker Prospect
M77/1030
E77/1354
Pending Applications
6 420 000mN
TN1
RAB completed
Beautiful Sunday
M77/544
North Ironcap Prospect
(Gold rights only)
North Ironcap
Hyden
6 410 000mN
Western Areas
Flying Fox
1.55Mt @ 6.2% Ni
Lounge Lizard
Willy Willy
EJ Moore
West Quest
Antimony
Rokeby
Cross Roads
Wyndham
Port Hedland
Newman
Meekatharra
Wiluna
Geraldton
Kalgoorlie
Perth
PROJECT LOCATION
LEGEND
Proterozic dolerite
Felsic volcanic and sedimentary rocks
Mafic volcanic rocks
Ultramafic rocks and/or BIF
Granite
Nickel sulphide deposit or occurrence
Gold occurrence
TN1
Interpreted NiS target (Craven, 2005)
Gold in soil anomaly
Tenement
4 kilometres
FORRESTANIA JOINT VENTURE
Stormbreaker & North Ironcap Prospects
Hannans Reward 80% - Cullen Resources 20% as at October 2007
CULLEN
Resources Limited

EXPLORATION ACTIVITIES – Nickel

IRWIN BORE AND MT TATE TENEMENTS
- Cullen 100% - E53/1040 and E53/1096; and
- Cullen 90%, Western Australia Resources Ltd 10% - E53/1209 and E53/1137

These tenements, situated immediately south of the Gunbarrel Nickel JV's AK47 Ni-Cu sulphide discovery, contain the interpreted strike extension of the AK47 ultramafic stratigraphy. The tenements have been explored most recently by the Independence Group for Ni - Cu sulphides in JV with Cullen, however following a database review, Independence withdrew from the JV. Cullen is reviewing the scope for further exploration for gold and nickel on these tenements, and is also conducting a regional laterite sampling programme.

EXPLORATION ACTIVITIES – Gold / Nickel

NORTH EASTERN GOLDFIELDS, W.A.

WONGANOO GOLD / NICKEL PROJECT
- Cullen 100% - E53/1046, E53/1069 and E53/1083; and
- Cullen 80% with Quantum Resources Limited 20% - E53/988

Documentation for a new nickel rights Joint Venture with BHP Billiton over EL's 53/1046; 1069; 1083 was finalised during the Quarter – ASX Announcement of 4th September. The Agreement allows BHP Billiton (BHP Billiton) to earn up to 70% in all Minerals, excluding gold, on Cullen's three granted exploration licences (EL's 53/1046, 1069 and 1083) near Wonganoo Homestead in the North East Goldfields of Western Australia (see Figure).

These tenements have potential for nickel sulphide deposits and are partly contiguous with a large tenement area that BHP Billiton holds in its own right in the Wonganoo area (see Figure). Cullen has conducted various initial exploration programmes for gold and nickel, and has highlighted areas of interest for nickel within E53/1046. During the first quarter of 2007, regional laterite sampling on E53/1046 identified Ni and Au dispersion haloes in a mafic dolerite sequence close to the axis of the regional antiform (29 ppb gold in laterite and 1400 ppm Ni associated with anomalous PGE). Results of follow-up biota sampling show a Ni-Co anomaly approximately 300m east of the previously identified laterite anomaly open to the east. An approximately 300m-long Au anomaly extends southeast across the hinge of the antiform.

A detailed aeromagnetic survey of the new JV area and BHPB's own adjoining projects will be flown in November, which may provide a new insight into the possibilities for both nickel and gold deposits.

EASTERN GOLDFIELDS, W.A.

KILLALOE PROJECT, near NORSEMAN - Cullen 100%

At Killaloe, previous reconnaissance sampling of saprolitic outcrop in the northern part of the tenement showed anomalous zinc (1.1 to 2%), lead (2.8%) and copper (1.0%) concentrations in an area of ~20 x 100m. This base metal mineralisation is associated with anomalous levels of Au, Cd, Hg, In, Mo, Pt, Se, Sn, Sb and the rare earth elements. The geochemical signature is interpreted to be that of a volcanic-hosted massive sulphide system similar to that described from the Abitibi Sub-province in Canada (e.g., at the Potter Zn-Cu mine and the Potterdoal Zn-Cu deposit).

Prospect-scale geological mapping and rock chip sampling completed during the previous quarter has outlined a southeast trending, approximately 3km long zone of meta-sediment with anomalous Zn (500 to 5900 ppm) and Cu (100 to 2000 ppm). Additional sampling at the site of the initial Zn-Pb-Cu anomaly also showed anomalous Au (maximum 3.4 g/t Au in saprolite) which will be further investigated.

EXPLORATION ACTIVITIES – Gold

NORTH EASTERN GOLDFIELDS, W.A.

GUNBARREL and IRWIN BORE GOLD – Cullen holds 100% of the gold rights on E 53/535,568,818,837 and 90% of E53/1209, 1137 with WAR Limited 10%

Previous gold exploration completed on this very large greenfields project has been substantial with ~$4M incurred by Cullen and its Joint Venture partners since 2001. A large geochemical and geophysical database has been established.

To reassess the tenements' overall gold potential, 54 laterite samples have been collected in the southern and central parts of the tenement group in addition to 45 samples collected during the previous quarter. Further sampling will be completed in the northern part during the current quarter. The newly collected laterite samples have been submitted for analysis and results are pending.

During the course of this sampling, quartz vein material with visible gold was located in deeply-eroded terrain with thin soil cover, and prospecting around two nearby localities found fourteen small gold nuggets (matchhead-sized). Field checking by Cullen's Chief Geologist suggests that these occurrences are within a favourable geological setting including foliated felsic rocks, aplitic dykes, cherts and fine to medium grained mafic rocks with abundant gossanous quartz veins. A number of rock chip samples were taken at these localities, as the area is considered by Cullen to represent an important new target. Previous drilling in the area is sparse and depth of holes and coverage considered inadequate for effective testing.

A drill programme will be planned and a heritage survey will be expedited to prepare the target area for further testing.

AGNEW PROJECT, SOUTH OF AGNEW / LAWLERS – Cullen 100%

ELA 36/632 covers ~212km^2 of granite and greenstone terrain south of the Agnew/Lawlers gold mines in the Lawlers greenstone sequence (see Figure). Located close to a major E-W drainage, the southern part of the tenement is considered prospective for sediment-hosted and calcrete-hosted uranium deposits. In addition, the northeastern portion of the tenement is highly prospective for primary and laterite-hosted gold mineralisation along a greenstone sequence that hosts several large gold deposits, including the Songvang open pit and the Waroonga underground complex owned by Goldfields SA, 5-10km along strike to the north. Aeromagnetic data indicates the felsic stratigraphy hosting the Genesis gold deposit, approximately 20 km along strike to the north, may extend south into the Cullen tenements.

Thick transported overburden covers Cullen's entire tenement area and is likely to have rendered previous surface exploration ineffective. There is no record and very little evidence of any exploration drilling within the tenement area and it is therefore considered unexplored despite its proximity to existing mines, i.e. the project area represents a "brownfields" exploration setting.

During an initial field visit, a phytogeochemical orientation survey was completed in the northern part of the tenement. The results show good correlation between the geochemical signatures and the interpreted bedrock stratigraphy. Two gold anomalies (maximum: 10 ppb Au in biota, which is considered to be highly anomalous in this sample type) indicate the potential of the sequence to host gold mineralisation.

It is concluded that a systematic biota sampling programme will effectively map the stratigraphy and highlight gold anomalies for drill testing. The Company is awaiting the grant of the tenement in order to commence systematic exploration.

EASTERN GOLDFIELDS, W.A.

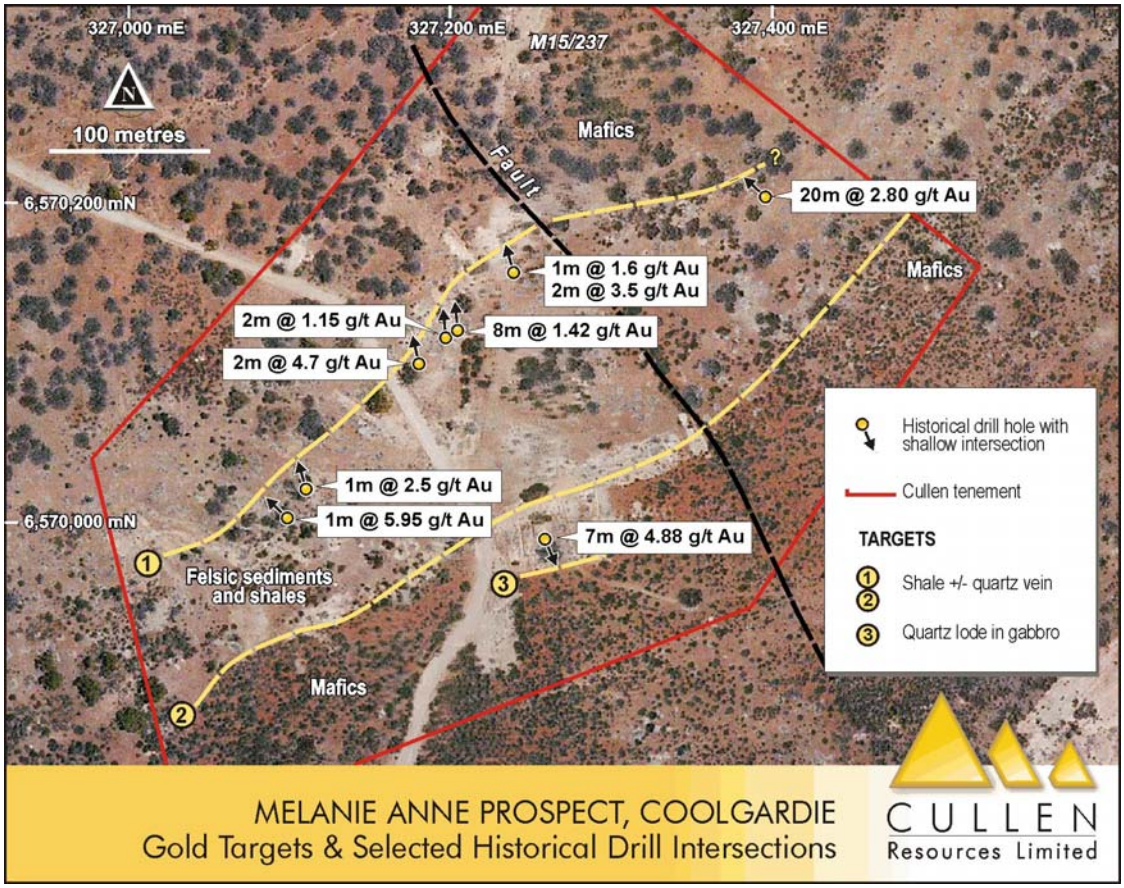
COOLGARDIE PROJECT, Lady Grace, Frank's Find, Melanie Anne Prospects - Option to Purchase 100%

As announced to the ASX on 2nd August 2007, the Company has signed an Option to Purchase Agreement with Killoran Pty Ltd, Kurana Pty Ltd (Kurana) and associates, which provides the opportunity for Cullen Resources Ltd (Cullen) to purchase a group of seven tenements in the Coolgardie area of Western Australia, namely: M15/128; MLA15/876; M15/237; PL's 15/4570-4572 and PL 15/4593, comprising ~350 Ha in total. The consideration for the Option is the issue of 300,000 Cullen shares, and Cullen may exercise the option at any time within three years by the issue of a further 3 million Cullen shares to Kurana. A 1.5% Net Smelter Return is also payable to Kurana on any production. Cullen's minimum expenditure is to maintain the tenements in good standing.

The largest tenement of this group, M15/128 (Lady Grace), adjoins the well known McPherson's Reward gold mine immediately to the SW. From available mapping, the Lady Grace prospect area includes approximately 1.5km of strike of the same intrusive porphyry that hosts the gold mineralisation at McPherson's Reward. This porphyry has previously been lightly explored and untested portions, sheared contacts and sheeted vein sets with supergene gold mineralisation within the porphyry, comprise an obvious set of primary targets for Cullen's exploration.

In addition, at Frank's Find (PL15/4571), at the southern limit of M15/128, previous reported drill intersections include: 1m @ 95.9 g/t Au; 1m @ 28.6 g/t Au; 1m @ 46.8 g/t Au and 2m @ 30.13 g/t Au. At the Melanie Anne prospect (M15/237) previous drill intersections include: 20m @ 2.82 g/t Au from mid-1990's drilling along a black shale/dolerite contact. Field review of this tenement suggests that there are two parallel target areas, each comprising a shale +/- quartz veins along the contact of mafic/dolerite with felsic-dominated sediments. Previous drilling indicates that these targets include several gold intercepts > 1 g/t , however drilling on section and at depth has not previously been completed (see Figure).

Drilling at these target areas will be undertaken in late November/early December, subject to access approvals and drill rig availability.



WOODCUTTERS PROJECT, near NORSEMAN - Cullen 100%

The Woodcutters Project comprises two Exploration Licences (E15/933 and E28/1662) located within an emerging, new exploration corridor which includes the Tropicana and Beachcomber gold discoveries, and where there is a major exploration push by Newmont-SIPA and Anglogold-Independence Group. A recent announcement by SIPA Resources International ("SRI" – ASX 19/10/07) reports a new gold prospect ("Socrates", with 29m @ 2.1 g/t Au) in an area located ~ 30km east of Cullen's Woodcutters Project - see Figure.

Geochemical sampling of nodular/pisolitic calcrete at Woodcutters by Cullen, has generated three distinct Au anomalies in the project area: in the northern part (E28/1662) is an approximately 10 km long, northeast trending anomaly (maximum 9.4 ppm Au) that is associated with anomalous Cu (max. 76 ppm) and As (max. 43 ppm); along strike to the southwest, is a 6 km long, northeast trending Au-Cu anomaly with a maximum of 9 ppb Au; and, in the southern part of the area, on E15/933, a gold anomaly trends northeast over a distance of approximately 7 km with a maximum concentration of 9.8 ppb Au. Further sampling in the northern part (E28/1662) was completed during the Quarter and results have improved the outline of a gold-in-calcrete anomaly associated with Cu and As. Additional testing using biota has been completed with results pending.

Interpretation of aeromagnetics data indicates the presence of a prominent NNW-SSE stratigraphic trend within E28/1662 which represents an Archaean target horizon – possibly a BIF. Additional geochemical sampling will be focused on this trend.

ASHBURTON PROVINCE, W.A.

HARDEY JUNCTION JOINT VENTURE - Intrepid Mines Limited earning up to 70%

Intrepid operates the Paulsens Gold Mine located approximately 15km north of the Hardey Junction JV ground. Intrepid, as Manager of the JV, is progressively exploring the Mt McGrath Formation prospective trend with plans to undertake further rock chip traverses at the Mt Edith and Alven prospects in the coming field season.

CULLEN/RED HILL JOINT VENTURE - Red Hill Iron Limited earning 70%

Cullen and Red Hill have signed a Joint Venture Agreement on tenements E08/1135, 1330, 1341, 1292, 1375 and 1622 (565km^2), all of which are contiguous with Red Hill's major Project Area in the NW of the Ashburton Basin. The JV excludes the iron ore rights, which remain the subject of a separate joint venture between Cullen and API. Red Hill can earn its equity by expending $1M over a four year period with a minimum expenditure of $200,000 in the first year.

The main target, already defined by Cullen, is the Yanks Bore prospect, where work by Cullen and other parties has defined a gold-mineralised system extending over 25 kilometres. Limited drilling of part of this zone intersected 3 m @ 2.4 g/t Au, including one metre of 6.7 g/t Au in altered dolomite.

During the Quarter a 30 line kilometre, dipole – dipole, Induced Polarisation survey was completed over an 11 km x 2 km section of the Hunter Zone, a key geochemically-anomalous structure within the Yanks Bore prospect area. The data are currently being processed and interpreted. Preliminary interpretation indicates a linear chargeable feature, corresponding to the Urandy shear zone, over 11 kilometres of strike length, with several discrete more chargeable bodies occurring within it. Drill testing of IP targets will be conducted in the 2008 field season.

Soil sampling was also completed over E08/1135 (399 samples); E08/1622 (727 samples); E08/1289 (59 samples); E08/1537 (13 samples); E08/1330 (44 samples) for a total of 1242 samples. Results are being compiled.

EXPLORATION ACTIVITIES – Uranium

The Company's exploration portfolio for uranium now includes applications over ~9500 sq km in WA, NT and SA.

- three exploration licence applications (ELAs) in the Ashburton province of WA for unconformity-type uranium targets (Thundelarra JV) with a further three, in the name of Cullen's subsidiary Montrose Resources Limited, in the same area;
- twelve ELAs for calcrete-type uranium targets in the northern and north-eastern portions of the Yilgarn in WA;
- six ELAs in the Amadeus Basin/Arunta Orogen region of far eastern WA for calcrete, IOCG and/or sandstone-hosted uranium; and
- four ELAs in the Northern Territory for sandstone-hosted, lignite and/or vein-alteration type uranium in the Amadeus Basin-Arunta region around Alice Springs.

Western Australia

On September 26th, a meeting was held on site at the Kiwirrkurra Community located about 600km west of Alice Springs near Lake Mackay. On-site meetings were held with traditional owners regarding four Cullen/Montrose applications and an agreement-in-principle was reached, which is now subject only to final documentation and signing. It is anticipated that this agreement will enable on-ground exploration to commence in the 2008 field season.

The Stirling Project (E37/851) is centered approximately 13 km southeast of the calcrete-type, Maitland Uranium deposit. Following successful orientation work, a systematic phytogeochemical survey covering the Stirling Project was completed during the Quarter, in the search for sediment-hosted U mineralisation within the Maitland drainage. A total of ~180 samples have been submitted for analyses and results are pending.

Reconnaissance work was completed on the Rason, Porcupine and Darlot South tenement applications in preparation for systematic work upon granting of these tenements.

Northern Territory

Two of the company's applications (EL25716 and EL25620) have now been approved and reconnaissance fieldwork will be undertaken in November to follow-up on indications of uranium mineralisation in vein and alteration type targets. (Review of previous work has also identified structurally-controlled Au mineralisation in EL 25620, related to WNW trending shears and a buried intrusive east of the Mordor Intrusive Complex. Previous drilling at Patterson's Gully area intersected structurally-controlled, quartz vein-hosted gold mineralisation with a best intersection of 30m @ 0.5 g/t Au (including 2m @ 2.5 g/t Au). This area will also be prospected as part of the current field reconnaissance programme).

The company has been advised that meetings with the Traditional Owners regarding access to ELA 25494 and ELA 25493, located about 100km and 150km SSW of Alice Springs, are not expected to be undertaken before March 2008.

South Australia

The Weekeroo area (E3838 and 3888) is on the northern margin of the Weekeroo Inlier which is part of the Proterozoic Olary Block. The presence of albitites and airborne radiometric anomalies over calc-silicate horizons indicated uranium potential in the area. Field reconnaissance has been carried out over selected areas within the ELs with rock chip samples taken of float and outcrop of ironstones, calc-silicates units and albitites. An interesting zone of quartz-ironstone float near an albite quarry in the NW part of the E3838 was located which has anomalous concentrations of Be (25ppm), Cl (620ppm), Cu (315ppm), Pb (190ppm), Zn (1500ppm) and U (26ppm). Ironstones from the Pauper Prospect are anomalous in Au (23ppb), As (4600ppm), Bi (15ppm), Cu (300ppm), Mo (30ppm) and Sb (91ppm). Follow up sampling of these areas is planned.

EXPLORATION ACTIVITIES – Iron

ASHBURTON PROVINCE, W.A.

WYLOO DOME IRON ORE PROJECT - Iron Ore Rights JV with FMG Ltd, Cullen retains 100% of other mineral rights

Fortescue Metals Group Ltd (FMG) can earn up to an 80% interest in the iron ore rights on a group of Cullen's tenements in the West Pilbara Region. The tenements, E08/1393 and ELs 47/1154, 1649 and 1650, include Marra Mamba and Brockman Iron Formations along the eastern and northern margin of the Wyloo Dome. These formations host the adjacent Metawandy bedded goethite-haematite deposits of Hamersley Iron Pty Ltd, for which an Inferred Resource of 225Mt @ 62.1% Fe has been reported.

FMG has completed an aeromagnetic and radiometric survey over the northern portion of the tenements, purchased satellite imagery and completed reconnaissance mapping and rock chip sampling. A drill programme is planned for the 2008 field season following heritage surveys and access preparation.

Cullen has completed data compilation and interpretation of mapping, remote sensing and aeromagnetics for E08/1393, which has led to the identification of several target areas for gold and/or base metals. A field reconnaissance and prospecting programme was completed in early October over a number of these targets, and rock chip samples have been submitted for analysis with assays pending.

PARABURDOO IRON ORE PROJECT - Iron Ore Rights JV with FMG Ltd, Cullen retains 100% of other mineral rights

The Company has signed a Memorandum of Understanding with Fortescue Metals Group Ltd (FMG) allowing FMG to earn up to an 80% interest in the iron ore rights on Cullen's E52/1667, located ~25km south east of Paraburdoo in the Pilbara Region of Western Australia. E52/1667 includes potential for bedded iron deposits within the Brockman Iron Formations, along strike from the Paraburdoo and Channar Group of iron deposits.

FMG has completed compilation of historical exploration data and helicopter-borne reconnaissance, and purchased orthophotograpy. Review of previous work highlighted the results of RC drilling completed by Hamersley Iron in 1995 to test the "Snowy Mountain Fault". Fourteen holes were completed and one intersected high-grade, low phosphorous iron mineralisation:

RC95SM001 – 10-22m : 12m @ 61.4% Fe; 5.41% SiO_2; 3.38% Al_2O_3; 0.054%P

This drill result is an encouraging indication of the potential for iron mineralisation beneath cover within E52/1667. Work proposed by FMG includes: geological mapping about the "Snowy Mountain Fault" including strike extensions of mineralisation located to date.

Cullen has completed a data compilation and data interpretation which has led to the identification of three target areas for gold including the Snowy Mountain Fault itself. Field reconnaissance and mapping programmes, as a first step, will commence in the 2008 field season.

EXPLORATION ACTIVITIES – Tungsten

CENTRAL LACHLAN N.S.W. - MINTER TUNGSTEN PROJECT

At the Minter Project near Lake Cargelligo, Cullen is targeting stockwork and vein-type tungsten mineralisation along a 20km trend of inferred, buried granite. A review of results to date has been carried out.

Exploration by Cullen (IP surveying and RC drilling) has focused on a large bedrock tungsten anomaly at the Doyenwae Prospect with greater than 500ppm WO_3 extending over an area of 600m x 400m which had been discovered in the early 1980s by RAB drilling and only partially explored. Last year's RC percussion drilling intersected broad zones of low-grade scheelite mineralisation related to pervasive quartz-pyrite stockworks/veins hosted by hornfelsed sediments. Best intercepts included: 12m @ 0.18% WO_3 from 123m (DRC1), 8m @ 0.13% WO_3 from 92m (DRC 4) and 4m @ 0.17% WO_3 from 158m (DRC4). Past and present drilling (16 percussion holes) indicates extensive tungsten-anomalous stockwork/veining over an area of at least 800m N-S and 500m E-W, possibly related to underlying granitic cupola(s).

The review indicates potential targets for higher grade tungsten closer to, or at, the granite-sediment interface at Doyenwae. At the Minter North Tungsten Prospect, 3.5km south of Doyenwae, disseminated scheelite was intersected in previous drilling, hosted by outcropping granite (50m @ 0.1% WO_3).

The remainder of the 20km trend is virtually unexplored. A detailed magnetic survey is under consideration to enhance the model for mineralisation, and a Joint Venture partner is sought.

EXPLORATION ACTIVITIES – Gold / Copper

DUCHESS PROJECT AREA, QLD – Minotaur Exploration Ltd can earn 70%

At Duchess (EPMs 11990, 12395), ground magnetics and reconnaissance rock chip sampling have highlighted the prospectivity of the Pilgrim Fault "megabend" area where gravity surveys had previously indicated potential for ironstone-related copper-gold mineralisation. Selected outcrop samples returned up to **15 g/t gold, 3.3% copper and 50% iron**, and ground magnetics with gravity have delineated magnetite and haematite ironstones. Drilling of at least two holes has been rescheduled to commence in the current Quarter.

PROJECT GENERATION – MVT Lead–Zinc Project

The Company has applied for four exploration licences on the Lennard Shelf in the Kimberley Region of WA, south and east of Fitzroy Crossing (see Figure). The Lennard Shelf area is a world-class province for Mississippi Valley Type (MVT) Lead-Zinc deposits which include the Pillara and Cadjebut deposits. A review of previous exploration and stratigraphic and structural data will be conducted to prioritise target areas.

PROJECT GENERATION – Iron Oxide Copper Gold (IOCG) Targets

The Company's application, ELA 327/07 - "Bindabu Bore", comprises an area of approximately 900km^2 centred 100km W of Coober Pedy in the northern Gawler Craton of South Australia. The tenement covers part of the Mabel Creek Gravity High which has strong magnetic features reflecting complex Proterozoic/Archaean basement at 150–230m depth. In the 1981-2006 period, the area attracted the attention of a number of companies such as BHP, CRA and Normandy for its IOCG potential. However, despite the recognised presence of prospective Proterozoic basement at moderate depths, the area has only been lightly explored. In fact, there has been no active exploration since 1998 and only one gravity/magnetic anomaly was drilled within the entire area prior to this. A preliminary review of MESA's SAEI magnetic/gravity data by Cullen has identified a number of untested IOCG-type magnetic signatures, which were also recognised in geophysical interpretation by Normandy in 1998. A more detailed review of available data is in progress.

In the Lake Mackay area, WA, the Company has applied for an additional EL to cover the northern extension of a large gravity high identified by BHP in 1997 as a potential IOCG target.

WEBSITE

The Company has "refreshed" and redesigned its web site. The Company would welcome any comments on the functionality and content of the website from any visitor's point of view.

The website address is : www.cullenresources.com.au.

For further information or a colour copy of this Report, please contact:

Dr Chris Ringrose,
Managing Director

+61 8 9474 5511

30 October 2007

ATTRIBUTION

The information in this report that relates to Exploration Results is based on information compiled by Dr Chris Ringrose, Managing Director, Cullen Resources Ltd who is a Member of the Australian Institute of Mining and Metallurgy. Dr. Ringrose is a full time employee of Cullen Resources Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr. Ringrose consents to the report being issued in the form and context in which it appears.

The information in this report that relates to Exploration Results for uranium is based on information compiled by Dr Chris Ringrose, Managing Director of Cullen Resources Ltd and reviewed by Mr Grahame Hamilton, Director, Cullen Resources Ltd , both of whom are Members of the Australian Institute of Mining and Metallurgy. Mr Hamilton is also a geological consultant to Cullen Resources Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr. Ringrose and Mr Hamilton consent to the report being issued in the form and context in which it appears.

The information in this announcement, insofar as it relates to iron ore exploration activities, is based on information compiled by Stuart H Tuckey, who is a member of the Australian Institute of Mining and Metallurgy, and who has more than five years experience in the field of activity being reported on. Mr. Tuckey is a full-time employee of API Management Pty Ltd. Mr. Tuckey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Tuckey consents to the inclusion in the report of the above matters, based on their information in the form and context in which it appears.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

CULLEN RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
46 006 045 790	30 September 2007

Consolidated statement of cash flows

	Cash flows related to operating activities		Current quarter $A'000	Year to date (...3..months) $A'000
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for	(a) exploration and evaluation	(197)	(197)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(133)	(133)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		8	8
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net Operating Cash Flows		(322)	(322)
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c) other fixed assets	(3)	(3)
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)- Security deposits		-	-
	Net investing cash flows		(3)	(3)
1.13	Total operating and investing cash flows (carried forward)		(325)	(325)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(325)	(325)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	265	265
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 share issue expenses	-	-
	Net financing cash flows	265	265
	Net increase (decrease) in cash held	(60)	(60)
1.20	Cash at beginning of quarter/year to date	1,802	1,802
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,742	1,742

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	100
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

-

+ See chapter 19 for defined terms.

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	250
4.2	Development	-
	Total	250

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	1,742	1,802
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	1,742	1,802

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	-	-	-	-

+ See chapter 19 for defined terms.

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 *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -	- -	- -	- -
7.3	+Ordinary securities	480,539,763	480,539,763	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	6,000,000 500,000 -	6,000,000 500,000 -	4 cents 5 cents -	- - -
7.5	+Convertible debt securities (*description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	Options *(description and conversion factor)*	2,000,000 7,000,000 7,000,000	- - -	*Exercise price* $0.04 $0.05 $0.08	*Expiry date* 30 November 2007 28 February 2010 28 February 2010
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	6,000,000 500,000	- -	$0.04 $0.05	30 November 2007 28 February 2010
7.10	Expired during quarter	-	-	-	-
7.11	Debentures *(totals only)*	-	-		
7.12	Unsecured notes *(totals only)*	-	-		

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 22/10/07.....
(Director/Company secretary)

Print name: Wayne Kernaghan

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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