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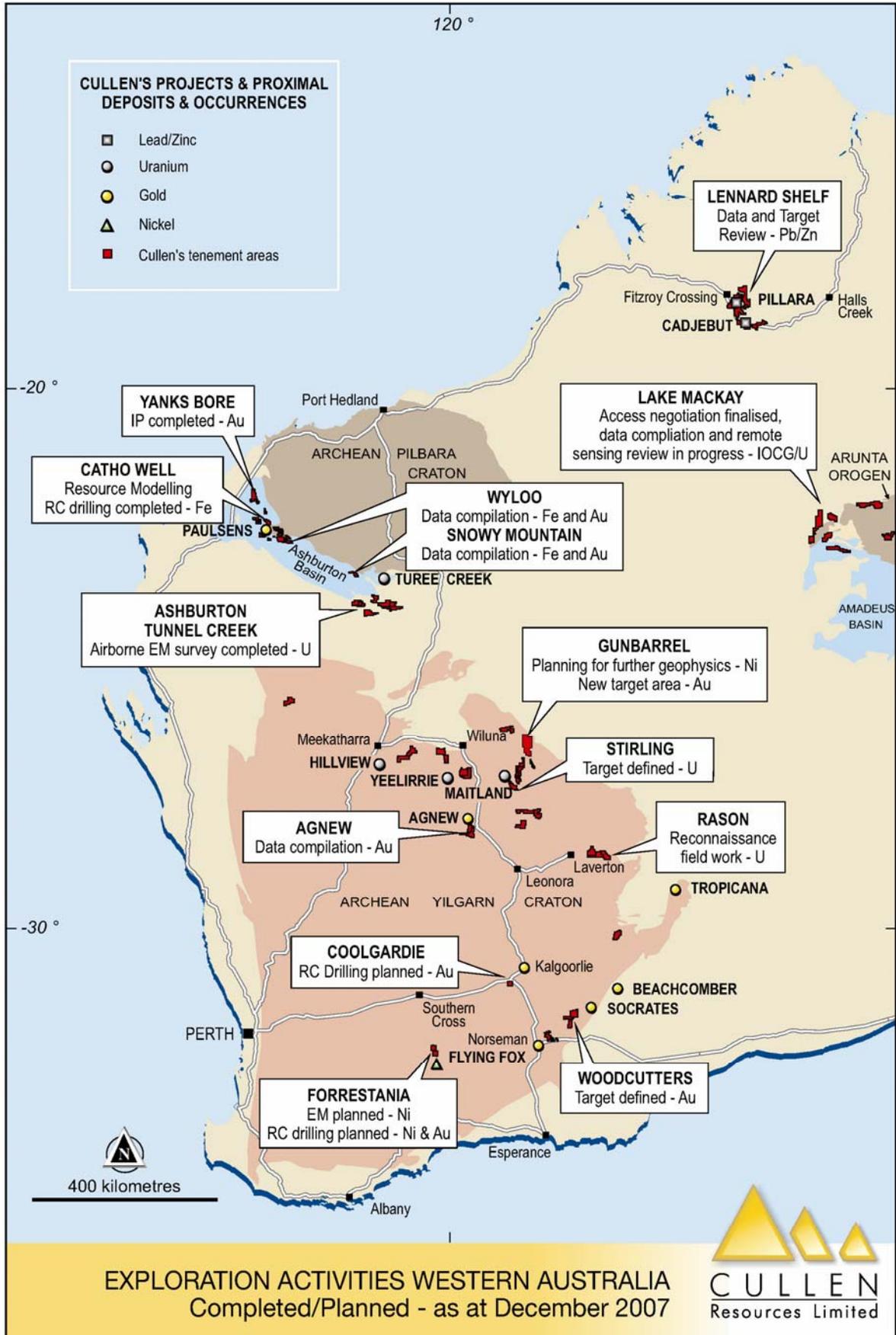
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ASX Symbol: CUL

31 January 2008

QUARTERLY REPORT for the period ending 31 December 2007

<p>PRINCIPAL OFFICE Unit 4, 7 Hardy Street South Perth WA 6151 Telephone: +61 8 9474 5511 Facsimile : +61 8 9474 5588</p> <hr/> <p>CONTACT Dr Chris Ringrose, Managing Director E-mail: info@cullenresources.com.au</p> <hr/> <p>PROJECTS</p> <p>Gold and Nickel - Gunbarrel; Wonganoo; Killaloe, Forrestania</p> <p>Iron - Mt Stuart; Wyloo; Paraburdoo</p> <p>Uranium - Tunnel Creek; Central Australia; North Yilgarn</p> <p>Copper - Gold - Duchess</p> <p>Tungsten - Minter</p> <p>Gold - Hardey Junction; Yanks Bore Woodcutters; Agnew</p> <hr/> <p>ABOUT CULLEN</p> <p><i>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.</i></p> <p><i>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.</i></p>	<p style="text-align: center;">HIGHLIGHTS</p> <p>IRON</p> <ul style="list-style-type: none"> Remodelling of the Catho Well resource using drilling results from the northern extension of the Catho Well CID, and preliminary mine planning studies are in progress. The current resource estimate for the Catho Well CID is 68Mt @ 55.38% Fe (Cullen 30%) <p>NICKEL</p> <ul style="list-style-type: none"> BHP Billiton has completed a detailed aeromagnetic survey over the Wonganoo Project where it is targeting nickel and base metals <p>URANIUM</p> <ul style="list-style-type: none"> A geochemical survey completed at "Stirling", located ~13km SE along the palaeochannel from the Maitland uranium deposit, has delineated a uranium anomaly measuring ~7 km x 1 km for drill testing A Tempest, airborne EM survey has been completed at the Kungerong (Tunnel Creek JV) uranium project to follow-up on several high-order radiometric anomalies A grab (soil) sample collected from the company's Yambla uranium prospect in the NT (ELA 26142), returned an assay of ~4.2% U₃O₈, marking a target area for further exploration <p>GOLD</p> <ul style="list-style-type: none"> New laterite sampling data from the Gunbarrel project has delineated a large gold-arsenic-antimony anomaly (measuring ~12km x 3.5km) which includes the known Southern Gold Prospect and a new target area where visible gold in quartz veins, and surface gold nuggets have been found Drilling to test a number of targets near Coolgardie is due to commence in mid-February <p>CORPORATE</p> <ul style="list-style-type: none"> Placement of 72 million shares to Aquila Steel Pty Ltd (a subsidiary of Aquila Resources Limited) to raise \$7.2m Substantial Holder Notices have been lodged by Aquila Resources Limited (14.7%), and AMCI Investments Pty Ltd and FRC AMCI Intermediate BV (7.25%) - as at 25 January 2008
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KEY PROJECT – Iron

WEST PILBARA, W.A.

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

Background

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 (16 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 19 October 2007).

The results from Catho Well North 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 a resource of **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 relatively low average alumina (Al_2O_3) grade within the Catho Well Resource (3.09%), and the low average phosphorous levels at Catho Well (0.038%) are favourable parameters, 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.

Exploration

During the Quarter, three PQ3 diamond drillholes were completed at Catho Well to provide additional representative material for ore characterisation and metallurgical studies.

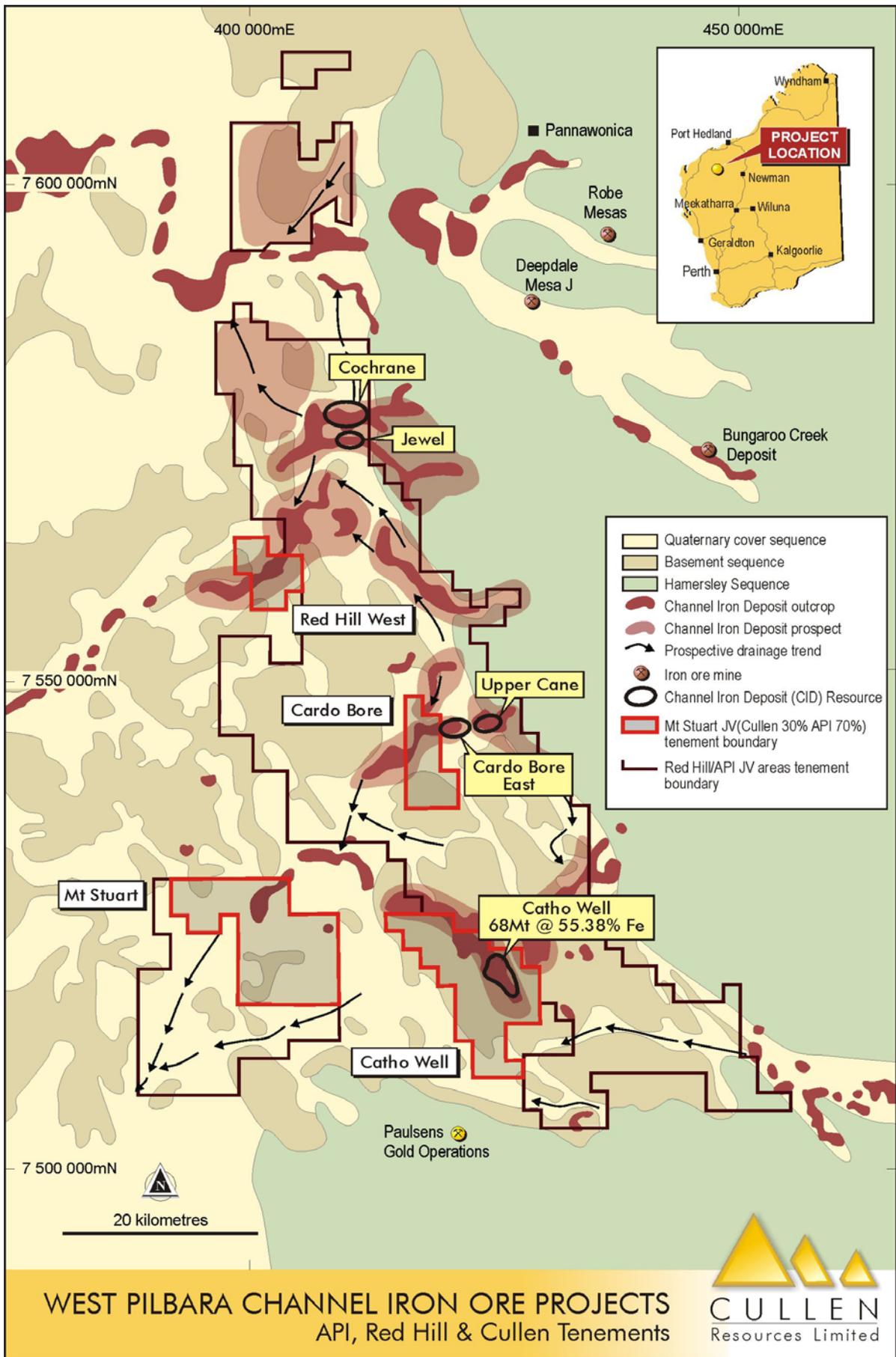
Resource modeling

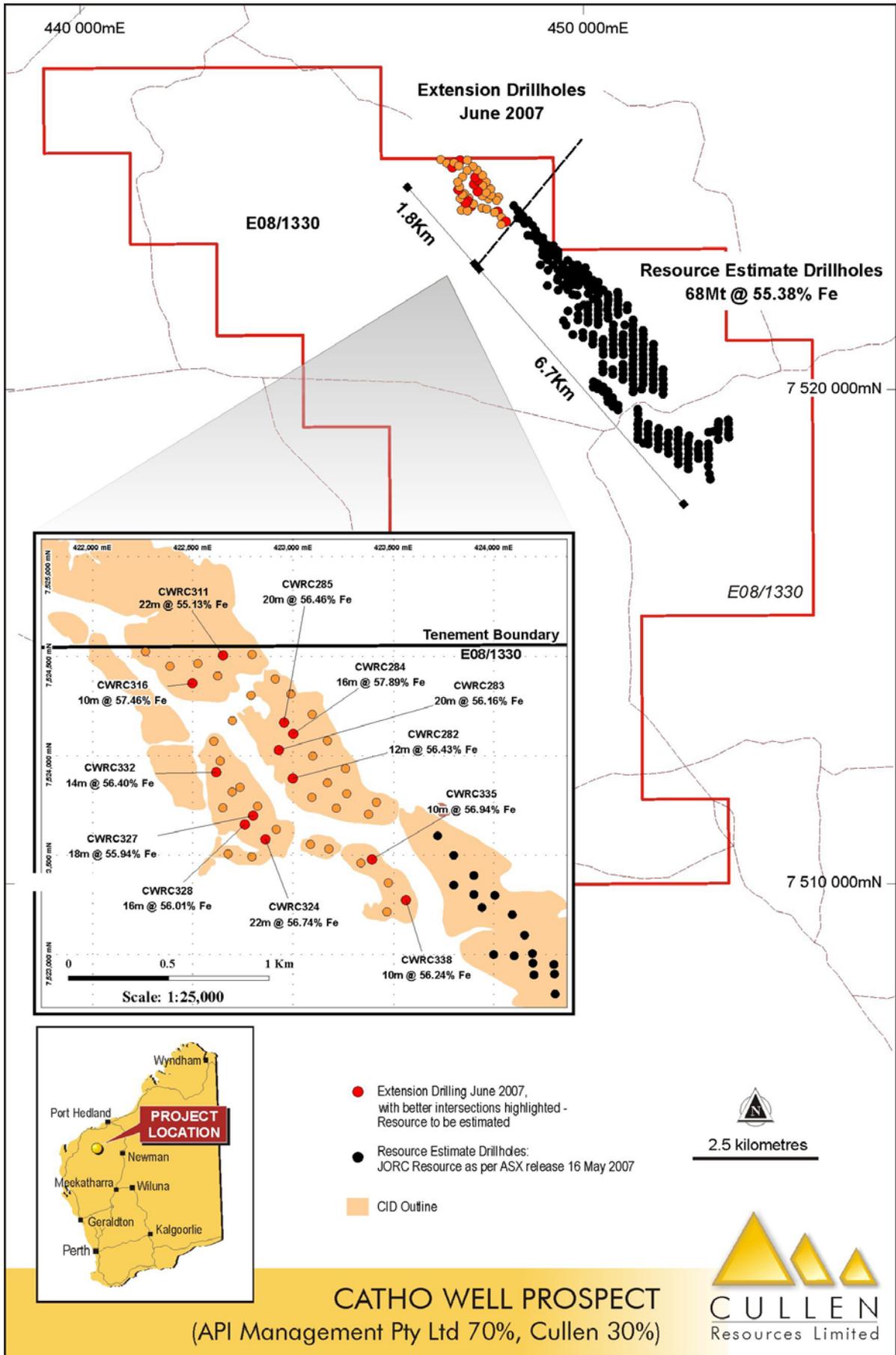
Work during the Quarter concentrated on remodelling of the Catho Well resource incorporating the new drill data from the northern extension of the mineralisation. A revised model is scheduled to be completed in the March 2008 Quarter.

Mine Planning

The first phase of environmental surveying was substantially completed in the Quarter, with reports from this fieldwork now being prepared in order to plan the second phase environmental surveys, due to commence in the first half of 2008.

Sampling has confirmed the presence of troglobitic fauna (a troglobite is a vertebrate or invertebrate that lives entirely in the dark parts of caves or cavities) in and around the Catho Well deposit and comprehensive data on the distribution and abundance of this fauna will be required by government agencies as part of the environmental assessment and mining approval process. A programme of groundwater exploration commenced during the Quarter and will extend into the first half of 2008. The objectives of this program are: to locate viable groundwater supplies; install monitoring bores for sampling of stygofauna (small, aquatic groundwater invertebrates) and provide initial data for assessment of dewatering requirements during any mining operation. Metallurgical testing of ore from previous diamond drilling continued during the Quarter. A bulk sampling programme is planned for the first half of 2008 to provide samples for further metallurgical testwork. Cullen has approved the Joint Venture exploration and evaluation budget for 2007-2008 of \$1.3M, Cullen's share being 30%.





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

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 plan and prioritise BHP Billiton's future exploration programmes.

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 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 project area contains the highly prospective unconformable contact between the Middle Proterozoic Bresnahan Group rocks and the Lower Proterozoic Wyloo Group. This unconformity and associated faulting are prospective for uranium mineralisation similar in style to the Ranger and Jabiluka deposits in the Alligator Rivers Region of the Northern Territory.

Thundelarra has advised that a "Tempest" airborne electromagnetic survey was completed during the Quarter to further test a number of 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 metres of cover. Results from this survey are presently being reviewed.

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, and Hannans Reward, as Manager of the JV, is planning further EM surveys targeting nickel sulphides. These surveys will be followed immediately with RC drilling to test any anomalies generated.

An RC programme of 6-8 drill holes is also being planned to target the strike extension of the North Ironcap gold mineralisation (scheduled to commence mid February).

EXPLORATION ACTIVITIES – Nickel

IRWIN BORE TENEMENTS - Cullen 100% - E53/1040; 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.

Cullen is reviewing the scope for further exploration for gold and nickel on these tenements, and has conducted regional laterite sampling. The multi-element analyses for 23 laterite samples have been received and based on these results, 17 samples have been resubmitted for platinum group element analyses to detect signatures of komatiite-hosted massive sulfides. The results are pending.

Cullen surrendered E53/1096 during the Quarter.

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

A new nickel rights Joint Venture with BHP Billiton over EL's 53/1046; 1069; and 1083 (near Wonganoo Homestead in the North East Goldfields of Western Australia - see Figure), allows BHP Billiton to earn up to 70% in all Minerals, excluding gold.

These tenements have potential for nickel sulphide deposits and Cullen has conducted various initial exploration programmes for gold and nickel, and has highlighted areas of interest for nickel within E53/1046. A detailed aeromagnetic survey of the new JV area and BHPB's own adjoining projects was flown in November 2007, and may provide a new insight into the prospectivity for both nickel and gold deposits.

Further phytogeochemical sampling (~330 samples) was completed to identify the extent of the previously outlined Ni-Co anomaly as well as to test nine Ni and Au targets across E53/988. Results are pending. Aeromagnetic and geochemical data will be combined for interpretation when available.

An additional 18 laterite samples have been submitted for platinum group element analyses in order to detect signatures of komatiite-hosted massive sulfides. These results are pending.

EASTERN GOLDFIELDS, W.A.

KILLALOE PROJECT, near NORSEMAN - Cullen 100%

Killaloe is located approximately 25 km NE of Norseman in the Eastern Goldfields of WA and covers approximately 150 sq km of Archaean greenstones between the Zuleika Shear and the Boulder-Lefroy Fault at the southern end of the Norseman-Wiluna Greenstone Belt, an area highly prospective for gold.

The Killaloe Project covers about 20 strike km of greenstones and includes the Duke, Baseline, Cashel, Peninsula and Killaloe gold prospects which are highly prospective for structurally controlled gold deposits. In gossanous outcrops in the NE Volcanic Zone, prior rock chip sampling returned up to 3.4 g/t Au and 8.5% Zn. At the **Duke** prospect, RAB drilling returned 10 m @ 0.2 ppm Au in an area west of Cullen's earlier survey. In the **Baseline** area, Cullen's RAB drilling intersected quartz veined and mineralised, intensely altered ultramafics with a best result of 21 m @ 0.25 ppm Au. At **Cashel**, a sub-cropping narrow quartz vein with bonanza-grade native gold was discovered by pitting.

Following a review of the extensive database generated by past explorers, Cullen has completed phytogeochemical surveys (~460 samples) across previously identified geophysical and geochemical (RAB and AC drilling) Ni and kimberlite targets, as well as along a broad corridor (2.5 x 1.5 km) that includes Au occurrences at Cashel.

The surveys are designed to detect discrete geochemical anomalies beneath variable thicknesses of transported cover and will be followed up by drilling over the coming quarters. Geochemical sampling analyses are pending.

EXPLORATION ACTIVITIES – Gold

NORTH EASTERN GOLDFIELDS, W.A.

GUNBARREL – E53/535, 968, 818, 837, Cullen holds 100% of the gold rights; IRWIN BORE - E53/1040, Cullen 100%; E53/1209 and E53/1137 - Cullen 90%, Western Australia Resources Ltd 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.

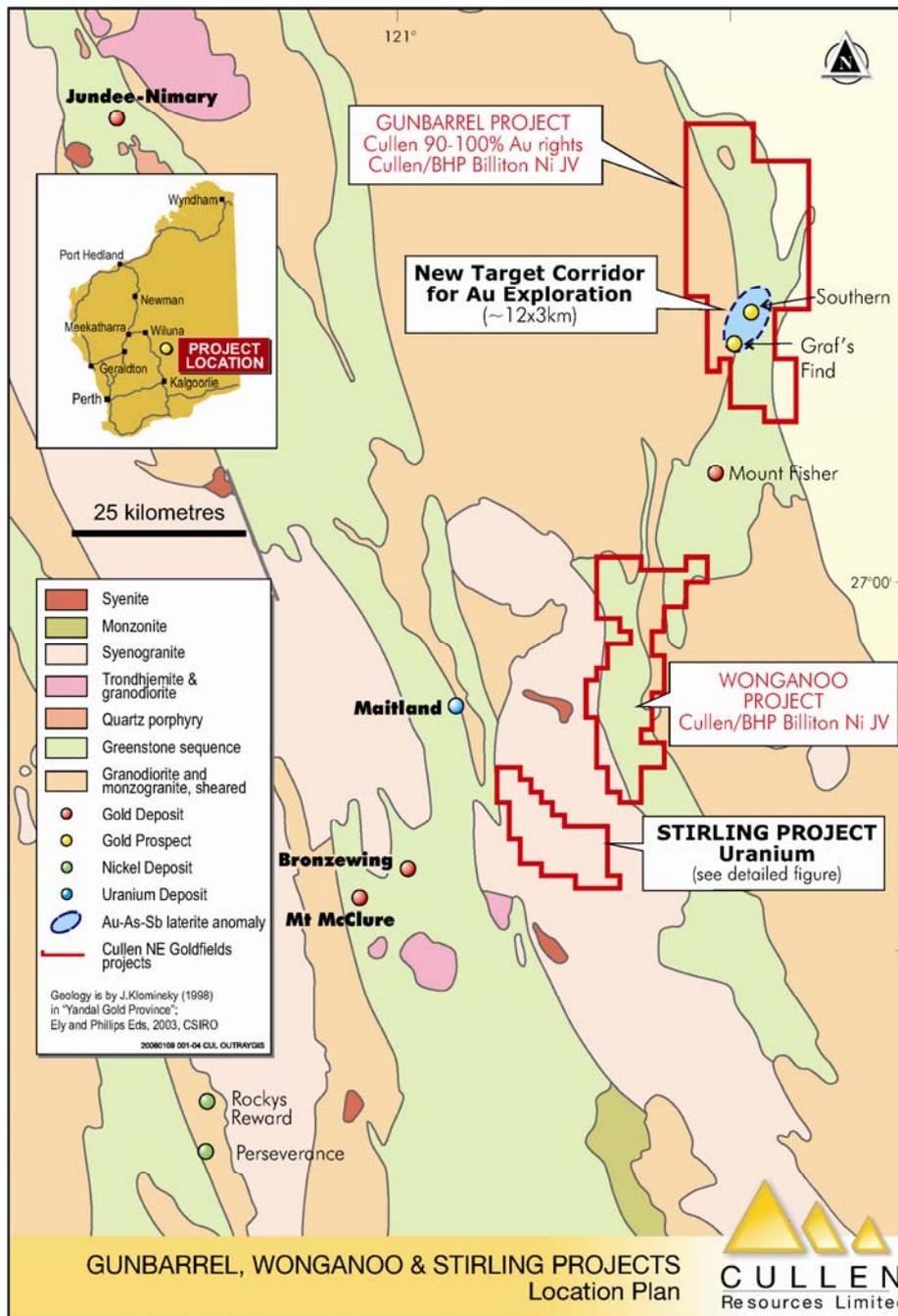
To reassess the tenements' overall gold potential, 67 laterite samples have been collected from remnants of lateritic residuum and locally derived ferruginous gravel in addition to 45 samples collected during the previous quarter.

Results show 10 samples out of the total of 112 analysed have Au concentrations that are greater than the 95th percentile for Au in greenstone terrain of 31 ppb, based on the Yilgarn Laterite Atlas (Cornelius et al. 2007); the maximum Au concentration is 253 ppb. These results demonstrate the highly anomalous nature of the laterite in the tenement area. In particular, the results outline an As-Sb-Au anomaly that is interpreted to extend from Graf's Find in the south to Southern Prospect in the north (12 x 3.5 km), and which has a maximum Au result of 124 ppb in laterite. The Au-As-Sb is well-defined, strikes approximately NNE, and is distinct on a regional scale.

The anomaly covers a favourable geological setting including foliated felsic rocks, aplitic dykes, cherts and fine to medium grained mafic and ultramafic rocks with abundant gossanous quartz veins. Part of the anomalous trend is concealed by alluvium and colluvium. Where the anomaly covers deeply-eroded terrain with thin soil cover, visible gold (matchhead-sized nuggets) was found.

The anomaly is considered by Cullen to represent an important new target including interpreted NW-SE structures overlying interpreted buried granite which have never specifically been targeted by drilling. The granite may have provided a heat and fluid source whereas the overlying or adjacent mafic-ultramafic rocks are suitable host rocks for gold mineralisation.

This newly-defined geochemical trend and these NW-SE structures will be the focus of the 2008 field season's exploration - 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 ~212 km² 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 and calcrete-hosted uranium deposits. In addition, the northeastern portion is highly prospective for primary and laterite-hosted gold mineralisation along a greenstone sequence that hosts several large gold deposits, including Songvang and Waroonga owned by Goldfields SA, 5-10km along strike to the north. Aeromagnetic data indicate 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, 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 systematic phytogeochemical sampling 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 exploration.

EASTERN GOLDFIELDS, W.A.

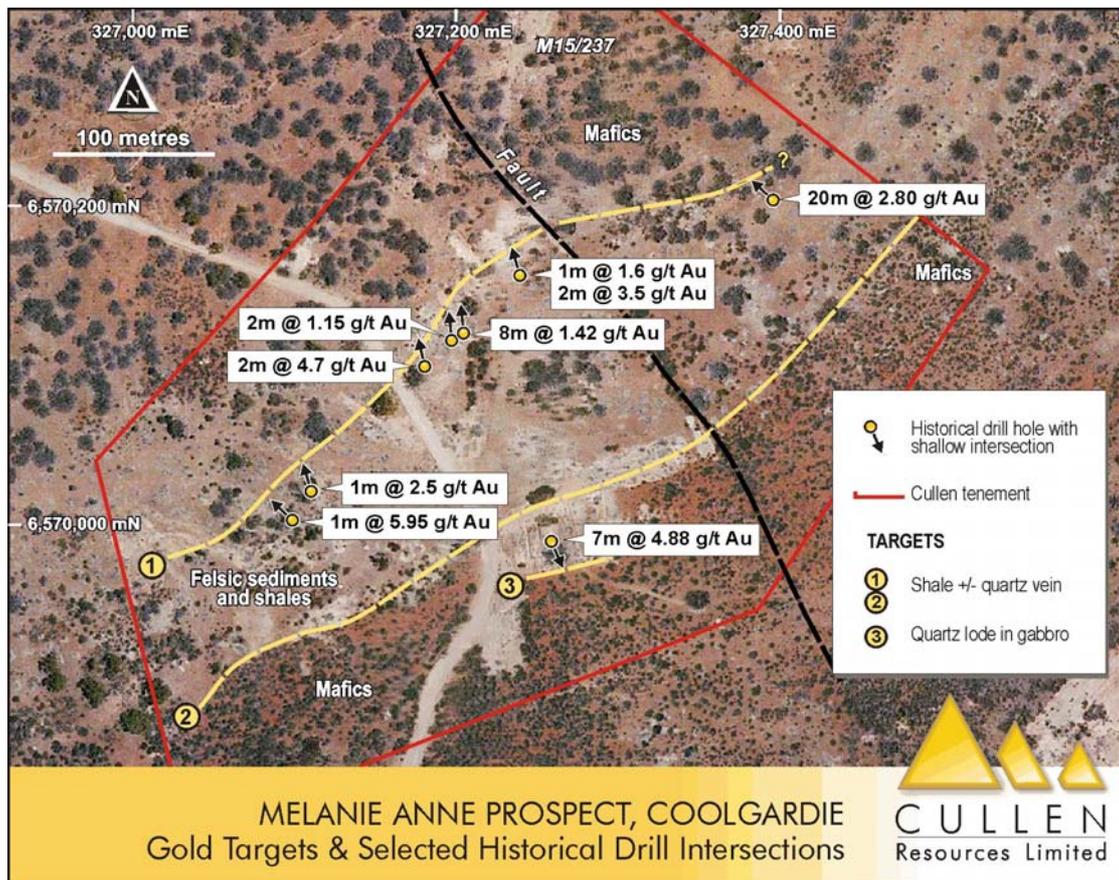
COOLGARDIE PROJECT, Lady Grace, Frank's Find, Melanie Anne Prospects - Option to Purchase 100%

As announced to the ASX on 2 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 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 1.5 km 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, previously reported drill intersections include: **1 m @ 95.9 g/t Au; 1 m @ 28.6 g/t Au; 1 m @ 46.8 g/t Au and 2 m @ 30.13 g/t Au**. At the **Melanie Anne** prospect (M15/237) previous drill intersections include: **20 m @ 2.82 g/t Au** from mid-1990's drilling along a black shale/dolerite contact. Field review indicates two parallel target areas, each comprising a shale horizon +/- 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 is scheduled to commence in mid-February.



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 29 m @ 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 phytogeochemical testing along one 3.5 km long traverse was completed. Results show a single point Au anomaly

Interpretation of aeromagnetic data indicates the presence of a prominent NNW-SSE stratigraphic trend within E28/1662 that represents an Archaean target horizon – possibly a banded iron formation. Aircore drilling is planned to test this trend and some of the geochemical anomalies identified by earlier work as soon as heritage clearance is completed.

ASHBURTON PROVINCE, W.A.

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

Intrepid operates the Paulsens Gold Mine located approximately 15 km 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 (565 km²), 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 have 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 previous 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. Processing of the data from this survey has defined two discrete anomalies. RC drilling is planned to test the anomalies in the second quarter of 2008.

Regional first pass soil and stream sediment sampling has been completed over areas of interest. Results are pending.

A fence of RAB drill holes testing the Urandy Shear zone, near previous RC drill holes containing anomalous gold values, did not intersect any further anomalies.

EXPLORATION ACTIVITIES – Uranium

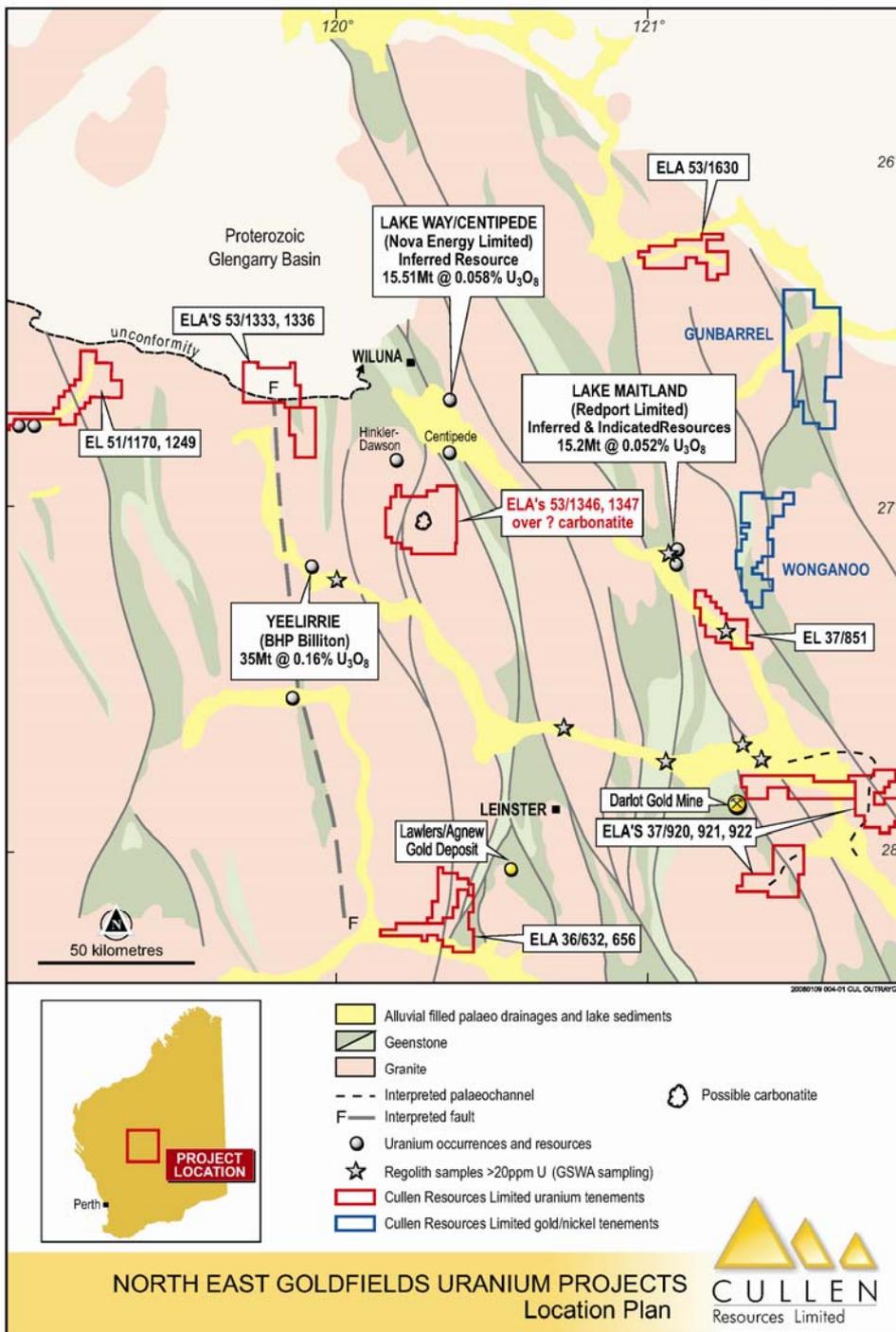
The Company's exploration portfolio for uranium now includes applications over ~9500 sq km in WA, NT and SA:

- 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 targets in the Amadeus Basin-Arunta region around Alice Springs.

WESTERN AUSTRALIA

On 26 September 2007, a meeting was held with Traditional Owners on site at the Kiwirrkurra Community located about 600 km west of Alice Springs near **Lake Mackay**, regarding four Cullen/Montrose applications and an agreement-in-principle was reached. This agreement 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 centred approximately 13 km southeast of the Maitland Palaeochannel Uranium deposit, and at the southern end of the company's Wonganoo Project tenement area (see Figure). Following successful geochemical orientation work, a systematic regional geochemical survey (~180 samples) was completed over E37/851 in the search for calcrete and/or sediment-hosted U mineralisation within the Maitland drainage.

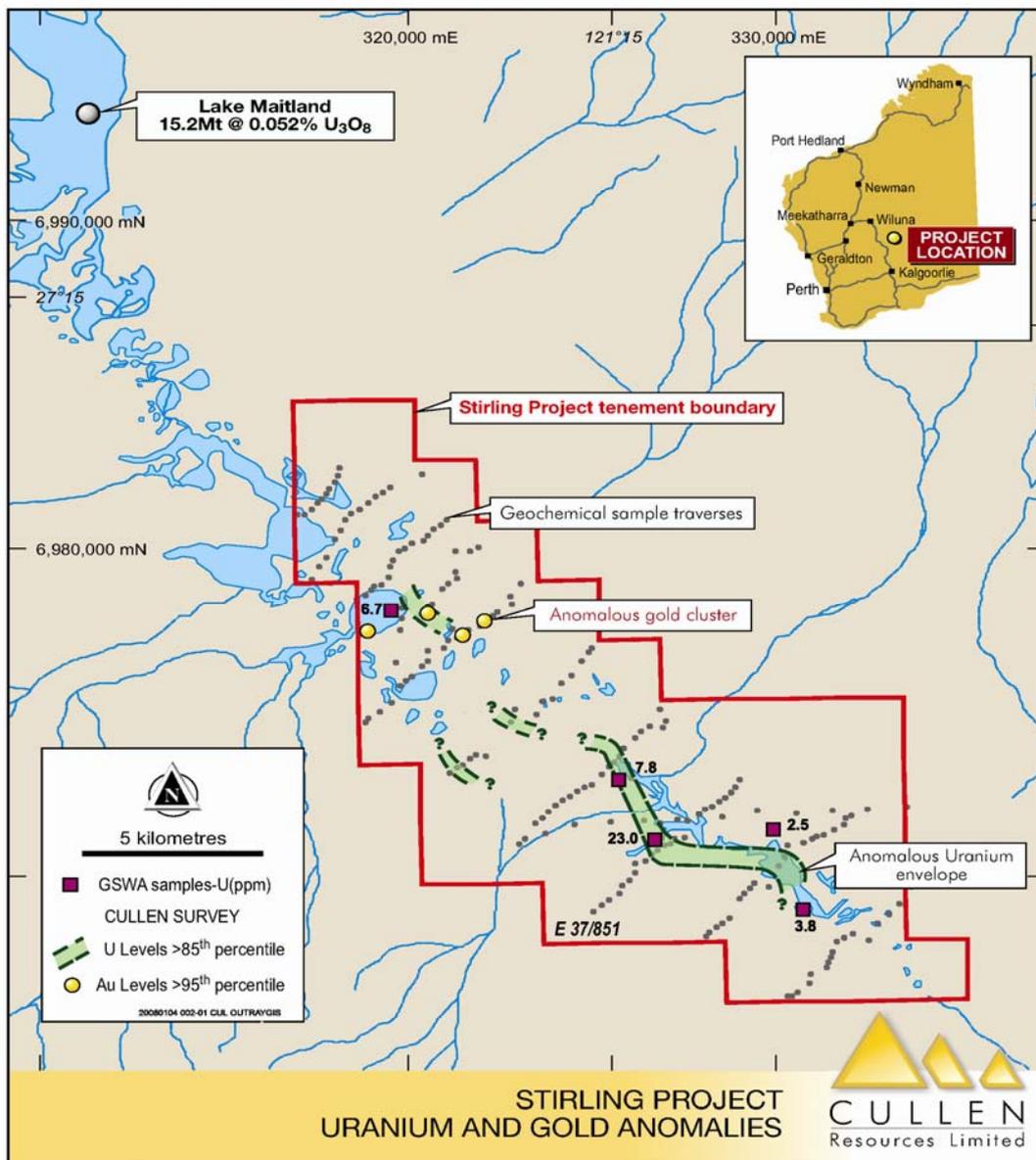


The results of this survey indicate the presence of a coherent uranium anomaly extending ~7 km x 1 km along the trend of the drainage channel. This anomaly includes anomalous geochemical sample sites reported by the Geological Survey of WA (GSWA) in their regional survey (see Figure). The Cullen geochemical survey also highlights four anomalous gold results forming a ~3.5 km x 0.5 km E-W orientated cluster in the northern part of the tenement. The latter anomalies may reflect the presence of gold-bearing, detrital material, possibly from the Yandal greenstone belt in the west

Both of these target trends will be drill tested early in 2008 once access permission is gained and a suitable drill rig has been sourced.

The **Hillview Project** (E51/1249 & 1170) is located 25 km NE of the Hillview uranium project (Encounter Resources) and has significant (60-125 ppb U) previous assays of bore water. E51/1170 is now granted and a new application, E51/1249, adjoining to the south, extends the prospective area. Reconnaissance phytogeochemical sampling was completed on both tenements totaling ~220 samples. Results are pending.

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



NORTHERN TERRITORY

Reconnaissance geological fieldwork on the company's tenements in the Arunta Region was completed in November.

ELA 26142 and EL 25716 are located approximately 140km ENE of Alice Springs. Exploration for uranium has previously been carried out in the region by PNC, which located the "Yambla Prospect" within ELA 26142. PNC interpreted the prospect as: "a structurally-controlled, vein-hosted uraninite-type target", in 1992. The prospect was marked by scattered, nodular uranium mineralization (?uraninite), and by anomalous scintillometer readings in outcrop and trenches. PNC completed 13 drillholes at the Yambla and concluded that: "although no economic mineralisation was intersected, the alteration envelope was intersected in all drillholes and radiometric anomalies were intersected in 3 drillholes". Only one traverse of drilling was completed which did not sufficiently test: "the 1.5km strike length of surface mineralisation, with only 150m of mineralised strike tested to a vertical depth of 50m." PNC also reported uranium mineralisation at the Bonny, Hof, Moondyne and Brumby Prospects, but these occurrences have not been reviewed by Cullen as yet.

Cullen's field investigations confirmed that there are indications of uranium mineralisation in the Yambla prospect area, with location of elevated scintillometer readings related to spot occurrences (as nodules) of a black mineral with a yellow weathering product – thought to be pitchblende (uraninite) . A grab sample of surface soil taken from an area of elevated scintillometer readings, assayed **4.21% U₃O₈ (repeat 4.03% U₃O₈) with 0.58% Thorium.**

The area clearly warrants further investigation and more systematic exploration will be undertaken by Cullen in the 2008 field season.

The company has been advised that meetings with the Traditional Owners regarding access to ELA 25494 and ELA 25493, located about 100 km and 150 km 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 indicate 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. A prominent 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 225 Mt @ 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 although rock chip samples did not return any significant gold analyses, a number of these target areas will be revisited in the coming field season for further sampling and mapping.

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 orthophotography. 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% SiO₂; 3.38% Al₂O₃; 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.

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. Cullen's RC percussion drilling has intersected broad zones of low-grade scheelite mineralisation related to pervasive quartz-pyrite stockworks/veins hosted by hornfelsed sediments. Best intercepts included: 12 m @ 0.18% WO_3 from 123 m (DRC1), 8 m @ 0.13% WO_3 from 92 m (DRC 4) and 4 m @ 0.17% WO_3 from 158 m (DRC4). A review of data indicates potential targets for higher grade tungsten closer to, or at, the granite-sediment interface at Doyenwae.

At the Minter North Tungsten Prospect, 3.5 km south of Doyenwae, disseminated scheelite was intersected in previous drilling, hosted by outcropping granite (50 m @ 0.1% WO_3).

The remainder of the 20 km 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 Au, 3.3% Cu and 50% Fe**, 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 eight 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 900km² 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.

CORPORATE

During the Quarter Cullen Resources Limited placed 72 million shares to Aquila Steel Pty Ltd (a subsidiary of Aquila Resources Limited) to raise \$7.2m. Aquila Resources Limited has acquired additional shares on market and, as per the last Substantial Notice lodged, holds 14.7% of the share capital of the company. Subsequent to the end of the quarter, AMCI Investments Pty Ltd and FRC AMCI Intermediate BV have become a substantial shareholder with a 7.25% shareholding (as at 25 January 2008).

The Company held ~\$8.3 million in cash at the end of the Quarter.

All resolutions were passed at the Annual General Meeting of the Company held on 26 November 2007.

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

Dr Chris Ringrose,
Managing Director
+61 8 9474 5511

31 January 2008

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.

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

46 006 045 790

Quarter ended ("current quarter")

31 December 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (...6.. months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(501)	(698)
(b) development	-	-
(c) production	-	-
(d) administration	(214)	(347)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	18
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	(705)	(1,027)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(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)
1.13 Total operating and investing cash flows (carried forward)	(705)	(1,030)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(705)	(1,030)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	7,280	7,545
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		7,280	7,545
Net increase (decrease) in cash held		6,575	6,515
1.20	Cash at beginning of quarter/year to date	1,742	1,802
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8,317	8,317

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	300
4.2 Development	-
Total	300

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	8,317	1,742
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,317	1,742

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.

Appendix 5B
Mining exploration entity quarterly report

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 <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	554,839,763	554,839,763	-	-
7.4 Changes during quarter				
(a) Increases through issues	2,000,000 72,000,000	2,000,000 72,000,000	4 cents 10 cents	- -
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	8,000,000 7,000,000 7,000,000	- - -	<i>Exercise price</i> \$0.1338 \$0.05 \$0.08	<i>Expiry date</i> 30 November 2010 28 February 2010 28 February 2010
7.8 Issued during quarter	8,000,000	-	\$0.1338	30 November 2010
7.9 Exercised during quarter	2,000,000	-	\$0.04	30 November 2007
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ 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: 22/01/08.....
(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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+ See chapter 19 for defined terms.