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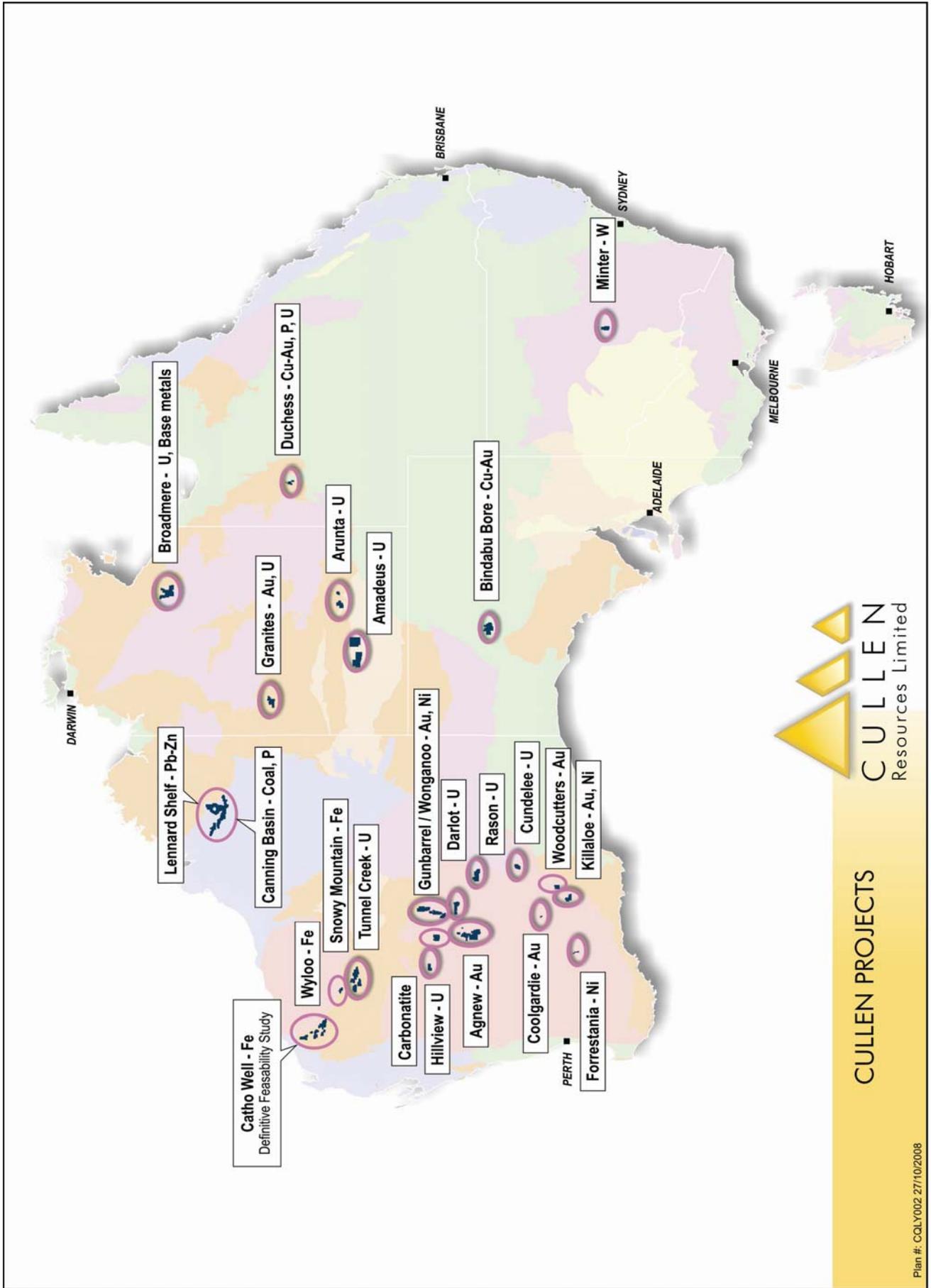
www.cullenresources.com.au

ASX Symbol: CUL

31 October 2008

QUARTERLY REPORT for the period ending 30 September 2008

<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>EXPLORING FOR:</p> <p>Nickel; Iron; Uranium; Copper; Gold; Tungsten; and Phosphate.</p> <hr/> <p>ABOUT CULLEN</p> <p><i>Cullen is a Perth-based, diversified, minerals explorer with a multi-commodity portfolio including a number of JVs with key partners - BHP Billiton; FMG; API (Aquila-AMCI); Hannans Reward, Intrepid, Red Hill Iron; 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 JVs or its own evaluation. The Company has sufficient cash to continue its general exploration efforts and has a positive view of the medium-term demand for commodities and of emerging exploration opportunities in the near-term.</i></p> <hr/> <p><i>Cash on Hand ~\$6.5M</i></p>	<p style="text-align: center;">HIGHLIGHTS</p> <p>IRON</p> <ul style="list-style-type: none"> • Work on the Definitive Feasibility Study for the mining of the Catho Well Channel Iron Deposit (Cullen 30%), as part of API's West Pilbara Iron Ore Project - Stage 1 has commenced. An exploration drilling programme has been completed on the Cardo Bore CID with assays awaited. <p>GOLD</p> <ul style="list-style-type: none"> • First pass drilling was completed to test a strong geochemical gold anomaly just south west of the Agnew - Lawlers gold deposits. The drilling indicated transported gravel beds within the transported profile which may be the source of the geochemical anomalies – assay data are awaited. • First pass drilling at Irwin Bore supports the working model for controls to mineralisation. <p>TUNGSTEN</p> <ul style="list-style-type: none"> • Multiple zones of tungsten mineralisation have been intersected in shallow aircore drilling at the Doyenwae Prospect, NSW, including: 24m @ 0.32% WO₃ from 4m - Hole DAC6 and 24m @ 0.16% WO₃ from 4m - Hole DAC7. Samples have been prepared for analysis of the tungsten mineral species in the oxidized material and the implications for potential metallurgical treatment. <p style="text-align: center;">CORPORATE</p> <p>The company's Substantial Holders are the AMCI and FRC Groups which together hold 17.60%, as per their substantial shareholder notice dated 5th August 2008; and Aquila Resources Limited which holds 16.91% as per an announcement on 25th August 2008.</p>
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CULLEN PROJECTS

Plan #: COLY002 27/10/2008

DEFINITIVE FEASIBILITY STUDY – Iron

WEST PILBARA, W.A.

MT STUART IRON ORE JOINT VENTURE - Cullen 30% of iron ore rights: Cullen is contributing (30%) to a Definitive Feasibility Study (DFS) for the mining of the **Catho Well Channel Well Deposit (CID)** as part of the West Pilbara Iron Ore Project – Stage 1 (**WPIOP**). The Catho Well CID, comprising **79.5Mt @ 55.34% Fe**, (as previously reported to ASX : 7th March 2008) is one of nine separate iron resources in the WPIOP area, centred ~50 kilometres south of Pannawonica (see Figure). A Pre- Feasibility Study, completed in May 2008, confirmed the technical and financial viability of a development based on a 25 million tonnes per annum iron ore operation based on the WPIOP's total resources of **430 Mt @ 56.86% Fe**. The WPIOP is managed by Australian Premium Iron Joint Venture (**API**), owned 50% by Aquila Resources Limited and AMCI, each substantial shareholders of Cullen.

Work completed

Development work for the period included: preparation for the bulk sample programme at Catho Well; obtaining required government approvals; and commencement of the DFS document for the WPIOP, of which the Mount Stuart Iron Ore Joint Venture tenement area is a component. The DFS document, as far as it pertains to the Mount Stuart Project area, is scheduled for issue to the joint venture participants in the middle of calendar 2009.

A referral document was submitted to the Environment Protection Authority (EPA) during September in relation to the Project's mine and associated mine infrastructure. A response from EPA is pending. Work continued during the period gathering relevant environmental data relating to flora and vegetation, fauna, soil and landscapes, hydrology, noise and vibration, greenhouse and dust impacts. Consultation with stakeholders of the project continued during the period.

DFS works commenced with the selection and commencement of a project managing contractor, and mine/processing engineering firm. The definition of infrastructure at the mine area was improved. On the basis of the quarterly mine schedule for the life of the Project, conceptual engineering and determination of the location for the crushing and sampling plant as well as a train load-out for the project area have been completed. Flowsheets have been prepared and nominal equipment lists devised.

Two marketing visits to China were undertaken during the period. The Chinese steel mills were very supportive of the proposed development of further supply sources from Australia. In addition, several meetings were held in Australia with potential customers from Korea and Japan. Further visits will be undertaken throughout the remainder of the 2008-2009 financial year. Despite recent high iron ore stocks and steep falls in the iron ore spot price, indications are that future steel output and therefore iron ore demand, will continue to remain robust.

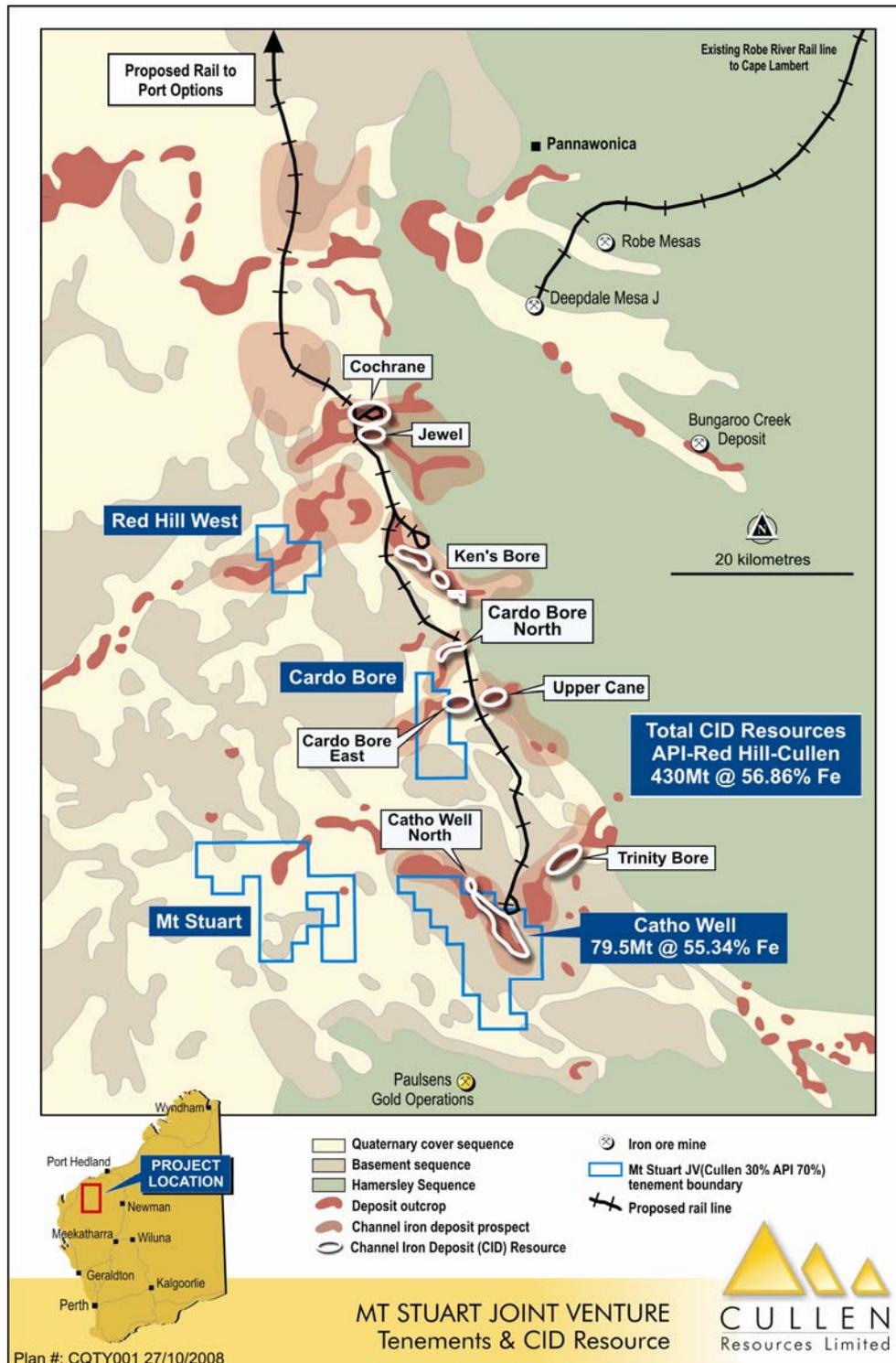
Work proposed

A simulation model is being extended from the mine faces through ROM pads to train load-out via the crushing plant and will also be based on the life-of-mine schedule. Metallurgical testing was progressed during the period. Diamond drill core samples from the orebodies are undergoing testing for ore properties and material handling characteristics. A second round of sinter test work is planned to be conducted at CISRI in Beijing. Bulk ore sampling, approximately 36,000 tonnes, from the Catho Well deposit, is planned to commence in November 2008. This will entail the trial use of a surface miner/terrain leveller. This programme will be supplemented by a small "winzing" project, whereby two winzes (vertical shafts) will be constructed to gain representative sample material from the profile of the Catho Well deposit. This work is due to be completed early in calendar 2009. The ore from the bulk sample programme will be utilised for further metallurgical testing work and to provide samples for prospective customers. Detailed mine scheduling work continued to assist in optimising resource development.

Exploration

Following a review of previous RC drilling at the **Cardo Bore** prospect, a programme of infill drilling has been completed. The Cardo Bore prospect represents the downstream continuation of API's Cardo Bore East CID deposit (see Figure). At Cardo Bore, RC drilling in 2007 encountered between 5 to 15 metres of mineralised CID extending over a channel length exceeding 4 kilometres. Previous broad-spaced drilling identified isolated zones of >55% Fe mineralisation with the best result returned from drill hole CBRC010 of: 20.0 metres at 57.15% Fe, 4.04% Al₂O₃, 4.58% SiO₂, 0.04% Mn, 0.09% P and 0.01% S from 22.0m.

A total of 43 holes for 1,570m has been completed, with results pending.



KEY EXPLORATION PROJECTS – Gold

AGNEW - E36/632, 656 and 681, Cullen 100%

The company holds three tenements and applications along the western margin of the Agnew-Lawlers greenstone belt (see Figure). This greenstone belt hosts a number of major gold deposits (Redeemer, Crusader, Deliverer, Songvang, Waroonga, New Holland and Genesis with estimated gold reserves and resources of several million ounces). Based on the drainage and general landform, Cullen's tenements are considered prospective for gold in ferruginous gravel lenses within the transported cover which is proximal to these large gold deposits. Such gravels within Cullen's tenements may comprise primary gold-bearing laterite, derived from bedrock Au deposits to the east and northeast, and secondary Au enrichment due to hydromorphic or groundwater-based dispersion from the bedrock Au deposits. Such gravels are commonly close to surface, detectable using surface geochemistry and can constitute economic Au deposits - examples include laterite deposits at Mt Gibson, and Moolart Well in the Duketon Belt. The bedrock stratigraphy within the Cullen tenements, interpreted locally to be the Scotty Creek Formation which hosts the Genesis-New Holland gold deposits, is also considered prospective for primary gold mineralisation but is unexplored by drilling.

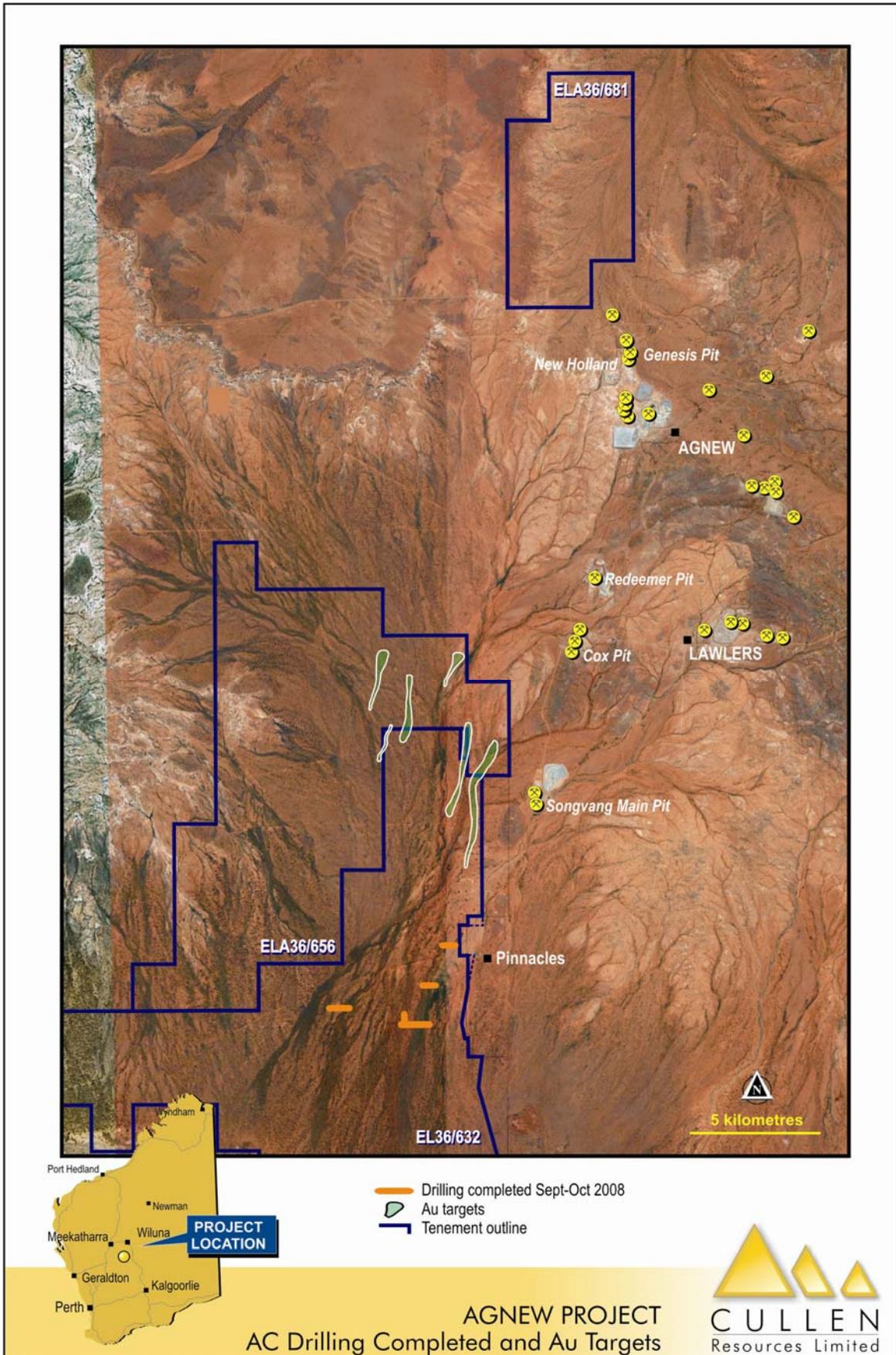
Work completed

During the quarter, a reconnaissance air core drilling programme (33 holes for ~1900m) was completed to test the first of a number of plant-based geochemical gold anomalies in the central part of E36/632, where heritage and DOIR clearances had been obtained. The drilling encountered transported cover that varies from about 7m in the west to about 128m in the east of the tested area (see Figure). The bedrock types comprise felsic schist and granitic-gneiss. The thickness of cover beneath the strongest surface geochemical anomaly (>35m) indicates gold enrichment in plant samples may be associated with ferruginous gravels and Fe-enrichment within the cover sequence. Gold and pathfinder geochemical anomalies are likely to have come from primary Au deposits in the Lawlers area.

All drill samples have been submitted to a Perth laboratory and analyses are pending.

Analytical results for the remaining plant-based samples from the northern part of E36/632 and the southern part of ELA36/656 have been received. The results show six Au anomalies, 1-6 km long and 100-400m wide. Most of these anomalies appear to delineate former drainage channels and may indicate Au-bearing ferruginous gravels. The three western anomalies do not appear to be aligned with present drainage and may be related to bedrock mineralisation. Further sampling is being carried out to prioritise targets with drill-testing to occur when the necessary approvals have been obtained.

On ELA36/681, located 4-5 km northwest of the Waroonga Complex Au deposit owned by Barrick Mines, surface geochemical sampling was completed and all samples have been submitted for analyses.



NORTH EASTERN GOLDFIELDS, W.A.

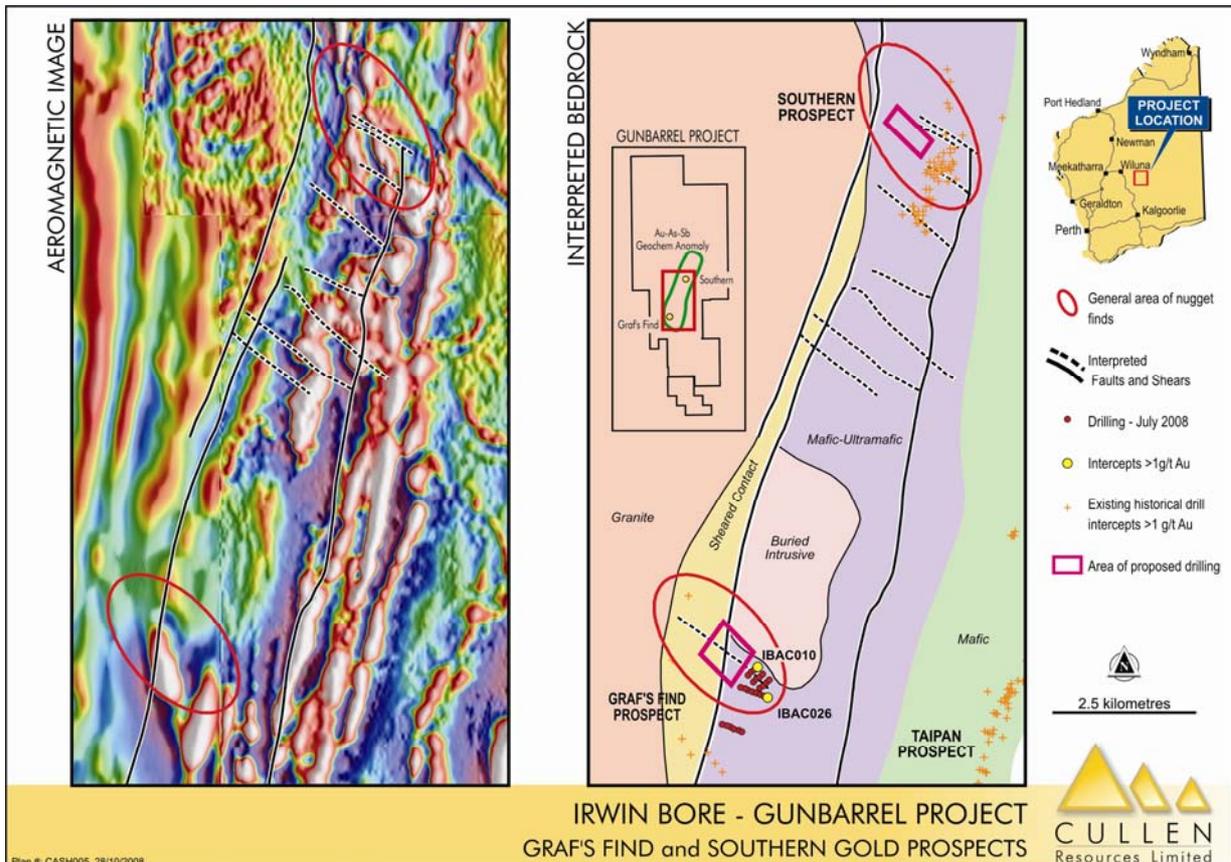
GUNBARREL - E53/535, 968, 818, 837, Cullen holds 100% of the gold rights;
IRWIN BORE - E53/1040, Cullen 100%; E53/1209 and E53/1137, Cullen 90%
 and Western Australian Resources Ltd 10%

The focus of on-going gold exploration is an Au-Sb-As geochemical anomaly, measuring ~12 x 3.5 km and trending NE-SW between the known gold prospects at **Southern** and **Graf's Find**. An interpretation of regional and high resolution aeromagnetic data covering the geochemical gold anomalies and gold occurrences/target zone at **Graf's Find**, outlined a coincident west-northwest trending structure. A first phase of aircore drilling (1355m in 26 holes) was completed during the previous quarter to test the southeastern part of this target near Graf's Find. The drilling intersected zones of alteration in mafic schist with some vein quartz, with intersections >1g/t Au as follows:

Hole No	Easting	Northing	Inclination (deg)	Azimuth (deg)	Depth interval (m)	Gold (g/t)
IBAC10	352001	7050426	-60	225	14-15	2.80
IBAC26	352128	7050053	-60	290	40-41	3.55
					44-45	3.97

Work Proposed

The western portion of this target, and structural/geochemical targets northwest of Southern Prospect, will be drill tested in the 2009 field season.



EASTERN GOLDFIELDS, W.A.

COOLGARDIE - option to purchase M15/237,128, P15/4593, and MLA 15/876

The results of an initial RC drilling programme (12 holes for 1024m) completed at the Coolgardie Gold Project (in March 2008) included: 3m @ 60.6 g/t Au from 69m (including 1m @ 173 g/t Au); and 4m @ 6.00 g/t Au from 92m. Gold mineralisation is related to quartz veining and sulphidic porphyry and dolerite, with significant potential for high-grade, lode-style mineralisation within the **Melanie Anne** prospect area (M15/237).

Work proposed

Cullen has planned follow-up drilling to test along strike from the best intersections from the initial programme and for an initial test of a parallel lode.

EXPLORATION ACTIVITIES – Gold / Nickel

NORTH EASTERN GOLDFIELDS, W.A.

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

BHP Billiton has withdrawn from its farm-in arrangement over EL's 53/1046, 1069, and 1083, where it held the opportunity to earn up to 70% in all Minerals, excluding gold. A detailed aeromagnetic survey of the JV area was completed by BHP in November 2007 - these data are being reviewed in order to assess the further prospectivity for both nickel and gold deposits.

Work completed

During the Quarter, a single RC drillhole (to 250m depth) tested an EM anomaly ("**WE2**") interpreted to be positioned close to the basal contact of an ultramafic horizon, and therefore prospective for nickel sulphide bodies within E53/988. The drillhole targeted a modelled "EM plate" at ~220m and intersected a sequence of magnetic to highly magnetic basalts with minor intercalations of black shale, but no obvious explanation for the EM anomaly was discovered. Assay results from this drillhole did not include any significant Ni or Cu anomalies. A downhole EM survey will be required to confirm and refine the position of the EM anomaly and help determine whether further drilling is required to fully test the target. Cullen will investigate the cost of mobilising and the availability of a downhole EM crew.

FORRESTANIA REGION, W.A.

STORMBREAKER AND NORTH IRONCAP– Hannans Reward Limited 80%, and Cullen 20%, 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 centred about 12km on strike north of the Flying Fox, New Morning and Daybreak nickel deposits of Western Areas NL.

Hannans has indicated plans to RC drill test a number of EM anomalies and to complete an aircore drilling programme testing auger soil anomalies along the eastern edge of E77/1354.

EASTERN GOLDFIELDS, W.A.

KILLALOE - E63/1018, 1019, 1034 and PL's 63/1331-1339 Cullen 100%

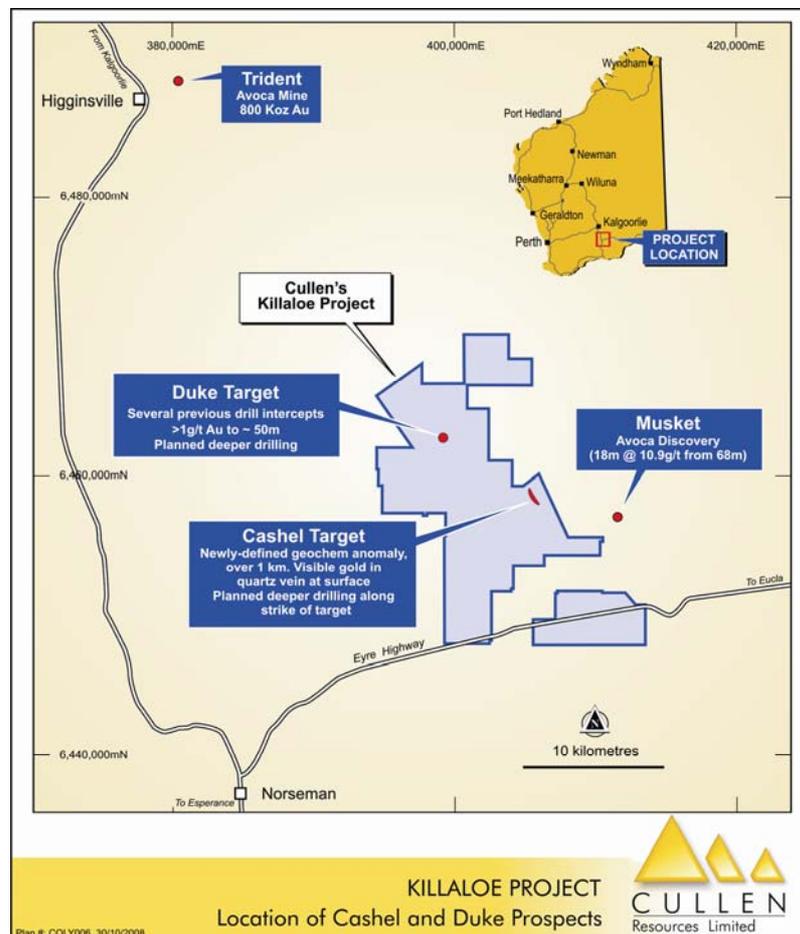
The Killaloe Project covers about 20 strike km of greenstones located ~30km SE of the Higginsville gold mine. The project area includes several structurally-controlled gold prospects including **Cashel**, where a sub-cropping narrow quartz vein with bonanza-grade native gold was discovered by pitting. Cashel is centred within a broad; NNW gold geochemical anomaly (in plant based samples) located approximately ~6km NW of Avoca's Musket discovery (see Figure). Cullen is also re-evaluating the **Duke** Prospect in light of the geological setting and characteristics of Au discoveries by Avoca around Higginsville and at Musket. At **Duke**, previous drilling intersected an approximately 200m long, SE trending zone of ultramafic-hosted, low-grade Au mineralisation, 5-30m wide and dipping steeply to the SW. The zone comprises 1-2 g/t intervals (maximum 1m @ 4 g/t) associated with anomalous As. Historic drilling was limited to testing the mineralised zone to a vertical depth of about 50m. However, in light of Avoca's exploration success around Higginsville and at Musket (see Figure), there may be potential for the mineralisation at Duke to increase at depth.

Work completed

A heritage survey was completed just after the end of the Quarter, and targets for nickel, gold (including the Cashel and Duke prospects) and possible kimberlites are now ready for first pass drill testing.

Work proposed

Cullen is planning an initial 3-5 hole RC programme to a vertical depth of about 150m, at both Duke and Cashel.



EXPLORATION ACTIVITIES – Uranium

The Company's exploration portfolio for uranium includes applications and tenure in WA and the NT. The target types include: unconformity-type uranium targets in the Ashburton province of WA (Thundelarra JV); calcrete-type uranium targets in the northern and north-eastern portions of the Yilgarn in WA; and sandstone-hosted, lignite and/or vein-alteration type uranium targets in the Amadeus Basin-Arunta region around Alice Springs in the N.T. Prioritising of target areas is continuing.

WESTERN AUSTRALIA

On the basis of on-going geological review, including remote sensing, and the estimation of fieldwork and logistical costs in the very remote region near **Lake Mackay** in the far east of the state, Cullen has withdrawn its interests in the area.

The **Stirling Project** (E37/851) is centred approximately 13km southeast of the Maitland Palaeochannel Uranium deposit. During the last Quarter a programme of reconnaissance aircore drilling (12 holes for 264m) was completed to test a coherent uranium anomaly extending ~7km x 1km along the trend of the drainage channel. The assay results returned U values of less than 10 ppm, and Th values less than 100 ppm. The maximum Au concentration is 11 ppb.

Following a review of reconnaissance geochemistry results, E51/1170, which was part of Cullen's **Hillview** project, has been surrendered. Cullen's retains ELA51/1249 where anomalous areas will be prioritised for first-pass drill testing when granted.

The Company has an agreement with Element 92 Pty Ltd 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**, in the Ashburton Province. Within the JV area, a "Tempest" airborne electromagnetic survey has defined a conductive and prospective east-west trending shale and sediment sequence, and a north-south trending palaeo-drainage channel that has in places associated radiometric anomalism. Native title negotiations have now been finalised allowing the grant of the tenements and the commencement of ground exploration activities during the 2009 field season.

Reconnaissance work has been completed on the **Rason, and Darlot South** tenement applications in preparation for systematic work upon granting of these tenements. A systematic geochemical sampling programme over the **Cundelea** tenement has been planned.

NORTHERN TERRITORY

In June, the company held a meeting with the Traditional Owners regarding access to ELA 25493 and is awaiting a response from the Central Land Council. It was hoped that a similar meeting to consider access on ELA 25494 would be held in August. (These tenements are in the Amadeus Basin approximately 50km and 100km SSW of Alice Springs and approximately 80km west of the Angela-Pamela uranium deposits). The company has not received any follow-up information on the results from this meeting or plans for a second meeting.

EL 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 - "a structurally-controlled, vein-hosted uraninite-type target". The prospect is marked by scattered, nodular uranium mineralisation (?uraninite), and by anomalous scintillometer readings in outcrop and trenches. Cullen's field investigations have 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 company is seeking a Joint Venture partner for these tenements.

EXPLORATION ACTIVITIES – Nickel

NORTH EASTERN GOLDFIELDS, W.A.

GUNBARREL 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 plans to complete a VTEM survey covering E53/818, 837, 535 and 568 in the current Quarter.

IRWIN BORE - Cullen 100% - E53/1040; and Cullen 90%, Western Australian 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.

Recent air core drilling completed east of **Graf's Find** on E53/1209 encountered mafic-ultramafic rocks that were analysed for PGE and Ni. A unit of ultramafic rock has anomalous Ni (~0.38%) over a 6m interval and Cullen is reviewing this information in the context of aeromagnetic data and the regional geology to determine whether additional work is required.

EXPLORATION ACTIVITIES – Iron

ASHBURTON PROVINCE, W.A.

WYLOO - Iron Ore Rights JV with Fortescue Metals Group Ltd (FMG); Cullen retains 100% of Other Mineral Rights

FMG can earn up to an 80% interest in the iron ore rights on E08/1393 and Es 47/1154, 1649 and 1650. FMG has completed aeromagnetic and radiometric surveys over the northern portion of the tenements, purchased satellite imagery and completed reconnaissance mapping and rock chip sampling.

A Miscellaneous Licence, L47/232, for track access to Wyloo North over competitor tenements, is still in the grant process. This has delayed processing of Programme of Work applications with the DoIR, and heritage surveys, required before an initial drilling programme can commence. A drilling programme has been designed which includes approximately six RC holes.

PARABURDOO - Iron Ore Rights JV with Fortescue Metals Group Ltd (FMG), Cullen retains 100% of Other Mineral Rights

FMG can 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. The tenement includes potential for bedded iron deposits within the Brockman Iron Formations, along strike from the Paraburdoo and Channar Groups of iron deposits.

FMG has compiled historical exploration data, flown helicopter-borne reconnaissance, purchased orthophotography and completed infill geological mapping at 1:10,000 scale. A ten-hole drilling programme has been designed with targets including possible extensions to outcropping iron mineralisation and also buried CID mineralisation. A heritage survey is being organised and drilling will be undertaken in conjunction with other projects of FMG in the Eastern Hamersley.

EXPLORATION ACTIVITIES – Gold

ASHBURTON PROVINCE, W.A.

HARDEY JUNCTION JOINT VENTURE - Intrepid Mines Limited 51%, earning up to 70%

Intrepid Mines, operator of the Paulsens Gold Mine located approximately 15 km north of the Hardey Junction JV ground, has initiated a review of prospectivity for gold and iron deposits within the Joint Venture tenements.

Work completed

Exploration for the Quarter focused on tenements E08/1166 and E08/1189, with geochemical sampling, mapping, detailed structural analysis, and preliminary evaluation of the iron ore potential. Over 600 geochemical samples were taken from these two tenements during the quarter. All samples were assayed for Au, Ag, As, Cu, Pb, Sb and Zn with many assay results pending.

Work at **Paddy's Well** (E08/1166) focused on a historic soil anomaly from where 150 geochemical samples were collected (88 rockchip and float samples, and 62 soil samples). Mapping has also been completed and has defined a subcropping quartz +/-clay-filled vein striking for 440m with an observed width of 1.5m. First pass sampling of this vein yielded up to 2.9 g/t Au with 1190ppm As and minor malachite.

Work at the **Olbers** prospect (E08/1189) consisted of rock and soil sampling (96 rock chips and float, 1 lag and 359 soil samples), and structural analysis. The results again are encouraging with several rock chips returning values between 0.4g/t and 0.8g/t Au, and soil sampling returning several areas of low level anomalies. Three rock chip samples also returned Ag values between 10 g/t and 36 g/t Ag.

Also during the Quarter, a consulting structural geologist initiated an evaluation and mapping programme over all the Intrepid tenements, including the Cullen JV tenements, to assist in delineating target areas.

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

Cullen and Red Hill have a Joint Venture Agreement on tenements E08/1135, 1330, 1341, 1292, 1375 and 1622, 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, except on E08/1622. Red Hill can earn its equity by expending \$1M over a four year period.

A significant area of anomalously high Fe in soil, underlain by a buried CID system in the north east of the JV area within E08/1622 (Rose Bore Channel Iron occurrence) was drilled during the September Quarter. The target is interpreted to be an extension of the **Mesa F CID** currently being explored by Robe River Iron Associates. First pass aircore drilling at 400 metre spacing across strike intersected up to 20 metres of CID mineralisation with zones of up to 6 metres width grading up to 57.5% iron, with a best intersection of 6m grading 56.5% iron. Infill RC drilling will now be required to locate the central axis of the channel and provide an indication of its economic significance.

EXPLORATION ACTIVITIES – Tungsten

CENTRAL LACHLAN N.S.W. - MINTER

The Minter Project (EL's 6748 and 6572 – Cullen 100%) is centred approximately 90km north-west of West Wyalong in the Central Lachlan Fold belt of NSW. The project area (approximately 275km²) covers several historical tungsten prospects, comprising a north trending chain of fractured and quartz-veined zones in hornfelsed Ordovician sediments. These prospects are interpreted to be spatially and genetically related to a large, underlying, granitic intrusive body, with focus points of tungsten mineralisation localised above cupolas of this batholith.

Cullen recently completed a 41-hole programme of close-spaced, shallow aircore/RC drilling at the **Doyenwae** prospect as announced to the ASX on 24 July 2008. This shallow drilling intersected multiple zones of tungsten mineralisation hosted by ferruginous, quartz-veined sandstones with 2m composite samples assaying from 0.05 to 0.87% WO₃. Better intersections included: **24m @ 0.32% WO₃ from 4m - Hole DAC6 and 24m @ 0.16% WO₃ from 4m - Hole DAC7**. The mineralised zones range from 2m to 30m thick downhole and are interpreted to dip moderately to steeply west forming a north-easterly trend at least 550m long, and open in each direction.

Potential exists for the discovery of additional zones of shallow, stockwork tungsten mineralisation along the 10 kilometre Doyenwae trend of anomalies. Subject to a favourable review of the mineralogy and metallurgy of the oxidised mineralisation, this newly-defined tungsten mineralisation may be part of a system of some economic interest.

Work completed

During the Quarter, an orientation soil sampling survey was completed (results pending) and a number of samples were prepared for microprobe analysis, as part of an assessment of the suitability of oxidised mineralised material for extraction of tungsten.

EXPLORATION ACTIVITIES – Iron Oxide Copper Gold (IOCG)

QUEENSLAND - DUCHESS

At Duchess, 80km southwest of Cloncurry (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.

The results of a drilling programme completed in the June Quarter included: 11m @ 0.06% copper from 181m in drill hole 08RCDU001; 24m @ 0.16% copper from 168m in drill hole 08RCDU002; 15m @ 0.13% copper from 14m in drill hole 08RCDU003; 24m @ 0.31% copper from surface in drill hole 08RCDU004; and 7m @ 0.6g/t Au from surface in 08RCDU005.

Work in progress

Cullen is undertaking a review of the prospectivity of the area for **copper, gold, uranium as well as phosphate** - the area lies along strike to the north (~60km) of the Phosphate Hill Mine, owned and operated by Incitec Pivot Limited.

EARLY STAGE EXPLORATION

The Company is undertaking data compilation and early stage exploration on a number of new project areas including: the **Lennard Shelf** in the Kimberley Region of WA (Pb-Zn); at **Bindabu Bore**, an area of approximately 900km² centred 100km W of Coober Pedy in the northern Gawler Craton of South Australia for IOCG deposits; at **Broadmere** in the Northern Territory for uranium and base metals; and in **Scandinavia** (see ASX announcement of 10 April 2008) mainly for Cu-Au and Fe deposits. The company also plans to drill-test two distinctive aeromagnetic features located in the NE Yilgarn of WA which it postulates may be carbonatites – a drill rig is awaited.

A detailed compilation of previous oil and mineral exploration over the Company's Lennard Shelf project tenement applications around the Cadjebut and Blendevalle Pb-Zn deposits and the major Pinnacles Fault has been completed. Seismic data has been particularly useful in defining structures which are interpreted to have controlled mineralising fluid pathways. The Company now has target corridors for Pb-Zn mineralisation both across parts of the Lennard Shelf stratigraphy and along Fitzroy Trough margin fault systems. These corridors will be the focus for first pass reconnaissance exploration including geochemical surveying if a cost-effective access agreement for low-impact exploration can be negotiated with the Traditional Owners.

CORPORATE

The company's Substantial Holders are the **AMCI and FRC Groups** which together hold **17.60%** as per their substantial shareholder notice dated 5th August 2008; and **Aquila Resources Limited** which holds **16.91%**, as per an announcement on 21st August 2008.

The Company held ~\$6.5 million in cash at the end of the Quarter.

For a colour copy of this Report please visit Cullen's website www.cullenresources.com.au or for further information contact:

Dr Chris Ringrose
Managing Director
+61 8 9474 5511

31 October 2008

ATTRIBUTION

Competent Person Statements

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 Mr 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")

30 September 2008

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	(1,043)	(1,043)
(b) development	-	-
(c) production	-	-
(d) administration	(106)	(106)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	163	163
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	(986)	(986)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
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	80	80
Net investing cash flows	80	80
1.13 Total operating and investing cash flows (carried forward)	(906)	(906)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(906)	(906)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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	-	-
	Net increase (decrease) in cash held	(906)	(906)
1.20	Cash at beginning of quarter/year to date	7,426	7,426
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,520	6,520

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	6,520	7,426
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6,520	7,426

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	E51/1170	Surrender	100%	0%
	E08/1763	Hardey Junction JV	100%	49%
	P08/546	Hardey Junction JV	100%	49%
	E08/1166	Hardey Junction JV	100%	49%
	E08/1189	Hardey Junction JV	100%	49%
	E08/1145	Hardey Junction JV	100%	49%
6.2 Interests in mining tenements acquired or increased	P53/1264	Irwin Bore JV	0%	90%
	P53/1265	Irwin Bore JV	0%	90%

+ 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	-	-	-	-
(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	-	<i>Exercise price</i> \$0.1338	<i>Expiry date</i> 30 November 2010
	7,000,000	-	\$0.05	28 February 2010
	7,000,000	-	\$0.08	28 February 2010
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
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: 28/10/08.....
(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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