

31 January 2008

Company Announcements Office
Australian Stock Exchange Limited

Via ASX Online

Dear Sirs,

QUARTERLY REPORT FOR DECEMBER 2007

Please find attached Carnarvon Petroleum Limited's Mining Exploration Entity Quarterly Report for the quarter ended 31 December 2007 incorporating:

- Report on activities for the December 2007 quarter; and
- Appendix 5B.

Yours faithfully,
Carnarvon Petroleum Limited



RA Anderson
Company Secretary

REPORT FOR THE DECEMBER 2007 QUARTER

“Carnarvon has grown in stature during 2007 to become a leading mid-tier Australian oil and gas production company, currently with net crude sales of over 3,200 bopd net (4,000 bopd net well deliverability) and a market capitalisation of around A\$350 million.

Carnarvon is looking forward to an exciting 2008 with double the number of wells to be drilled compared to 2007, further significant growth in production and expected additional certified reserves.”

SUMMARY

- Gross well deliverability at quarter end was in excess of 10,000 bopd (4,000 bopd net to Carnarvon) with ongoing long term well testing.
- Gross oil sales at quarter end were 5,500 bopd (2,200 bopd net to Carnarvon). Subsequent to the quarter end, as a result of additions to infrastructure and oil transport facilities, sales capacity has been increased and is currently approximately 8,500 bopd gross (3,400 bopd net to Carnarvon) with a fleet of 41 tankers transporting oil to the Bangkok refinery. The Phetchabun Basin Joint Venture (“Joint Venture”) is currently selling over 8,000 bopd (3,200 bopd net to Carnarvon).
- Six wells were successfully completed during the quarter with a combined tested rate of around 8,500 bopd well deliverability.
- Over the quarter the Joint Venture production rate has been in excess of the 2,500 bopd which allows for self funding of the ongoing exploration, appraisal and development programme using two drilling rigs and one work-over rig.
- The two exploration/appraisal rigs and one work-over rig have been operating continuously during the quarter with seven wells drilled and completed. Around 28 additional wells are to be drilled in 2008, primarily targeting the highly prospective fractured volcanic reservoirs.
- Carnarvon’s share of the planned March 2008 quarter production, exploration, evaluation and development expenditure is currently estimated at A\$6 million, primarily consisting of ongoing drilling and testing operations in Thailand. Ongoing costs are being funded from oil proceeds.
- Carnarvon and joint venture partner Sun Resources NL were each officially awarded a 50% interest in exploration block L20/50, comprising a 3,947 square kilometre permit onshore Thailand in close proximity to current operations and the large Sirikit oil and gas fields. Carnarvon is the Operator of L20/50.
- Carnarvon’s principal engineer Philip Huizenga was promoted to Chief Operating Officer to assist the CEO Ted Jacobson to grow Carnarvon’s assets in South East Asia and Australia.

EXPLORATION, DEVELOPMENT AND OPERATIONAL ACTIVITIES

Phetchabun Basin Joint Venture – Thailand

(Carnarvon Petroleum 40% / Pan Orient Energy 60% and Operator)

PRODUCTION SUMMARY

Joint Venture results for the last three quarters are shown in the table below:

Operating Data	December 2007 quarter	September 2007 quarter	June 2007 quarter
Average sales per day (100% basis)	3,865 bopd	1,203 bopd	836 bopd
Total sales (100% basis)	355,598 bbls	110,669 bbls	76,047 bbls
Average sale price achieved	US\$73.63/bbl	US\$59.93/bbl	US\$54.73/bbl

Sales for the quarter have continued to increase in line with drilling successes and the ongoing well test programme. In particular, early quarter contributions from NS8-D1 (1,400 bopd) and NS2-D1 (1,900 bopd), and late quarter contribution from L44H-D1 (3,900 bopd), have helped the Joint Venture achieve record sales growth.

Coupled with increasing oil production, Carnarvon remains unhedged on oil price and as such has realised the full benefit of the record prices achieved in late 2007. Carnarvon realises a net discount to known markers such as WTI due in part to the oil composition.

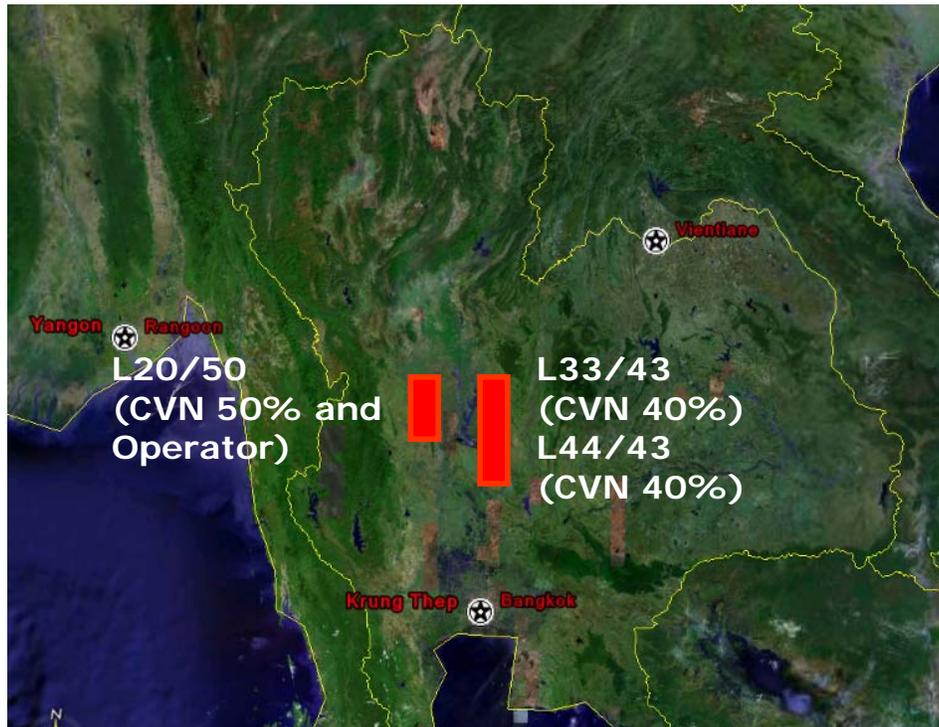


Figure 1: Thailand concessions – location map

Subsequent to the quarter end, gross Joint Venture production was around 8,000 bopd (3,200 bopd net to Carnarvon):

- The remaining original wells (pre-2006) are producing steadily at around 100 bopd.
- The 2006/2007 sandstone wells are producing around 200 bopd.
- The 2006/2007 volcanic wells are contributing around 7,700 bopd.

Production is currently constrained by surface facilities and trucking limitations, as well as an ongoing well testing programme which requires the shutting in of wells for periods for well testing purposes. This has resulted in a variable ongoing production profile.

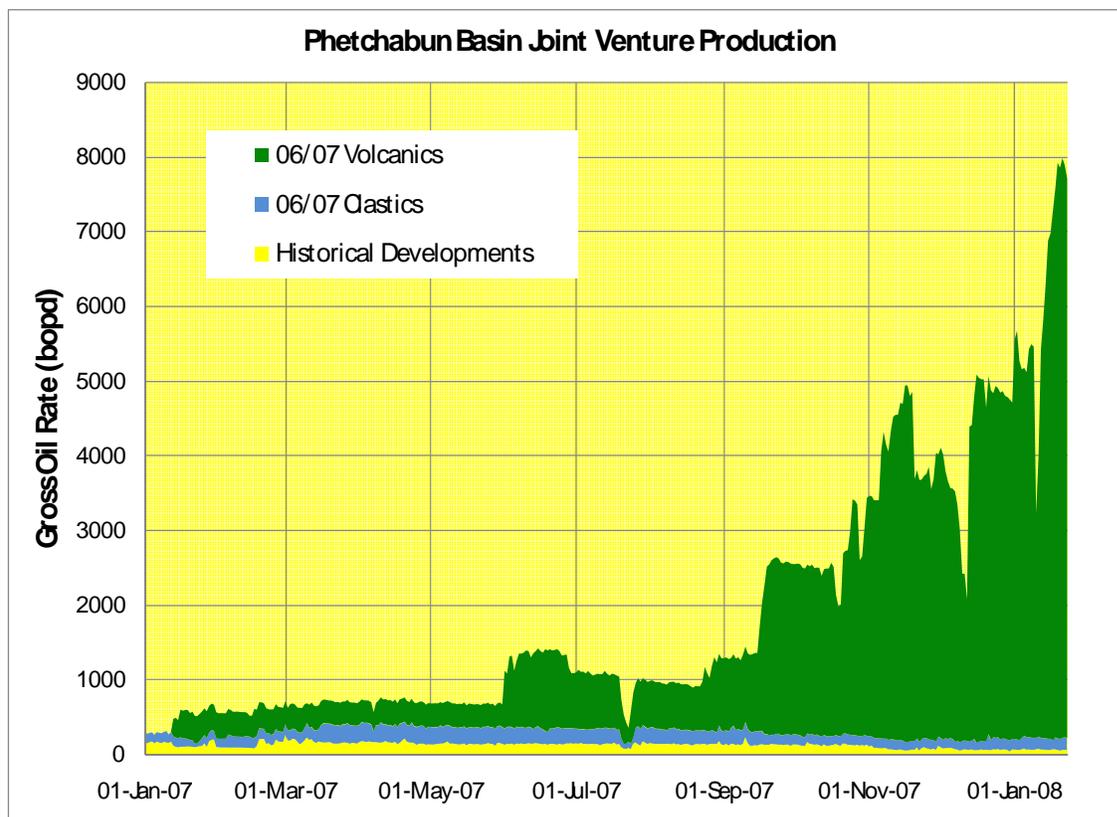


Figure 2: Joint Venture production for 2007

- Gross well deliverability during the quarter increased from around 2,500 bopd to above 10,000 bopd.
- Crude sales capacity has increased from around 4,000 bopd to a facilities constrained rate of around 6,000 bopd at quarter end.
- The highly successful L44-HD1, which tested at a record onshore Thailand rate of 4,000 bopd, has temporarily stretched the production and distribution facilities.
- Subsequent to quarter end, as a result of additions to infrastructure and oil transport facilities, sales capacity has been increased and is currently approximately 8,500 bopd gross (3,400 bopd net to Carnarvon) with a current fleet of 41 tankers transporting oil to the Bangkok refinery.
- Further tankers have been arranged to increase sales from existing wells to the current capacity of approximately 10,000 bopd gross (4,000 bopd net to Carnarvon) by late February to early March.

DEVELOPMENT ACTIVITY

- Drilling and testing results at L44H-D1 confirmed an oil column in the Na Sanun East oilfield (NSE) of a minimum of 150 metres.
- L44H-D1 was a highly deviated well (approximately 51 degrees) at the top of the main volcanic objective and achieved a well test result (facility constrained) of approximately 4,000 bopd.
- Full field development drilling comprising 12 additional development wells is anticipated to commence after the issue of a production licence for NSE expected in first quarter 2008.

DRILLING AND EXPLORATION

(a) Wells drilled and/or completed:

Well	Permit	Status
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During Quarter

L44-G	L44/43	Completed – unsuccessful test
L44G-D1	L44/43	Completed and testing at around 50 bopd
NS8-D1	L44/43	Completed and tested at over 1,400 bopd
NS2-D1	L44/43	Completed and tested at over 1,900 bopd
NS5-D1	L44/43	Completed and tested at over 400 bopd
NS6-D1	L44/43	Completed and tested at over 600 bopd
L44H-D1	L44/43	Completed and tested at over 3,940 bopd

Subsequent to Quarter

WB-1 (Deep)	SW-1A	Completed – unsuccessful test
L44-R	L44/43	Drilling ahead

- L44-G and L44-GD1 are located within the northern fault block of NSE.
- L44-G reached a total depth of around 1,000 metres and significant oil and gas shows were reported throughout the entire well. Lost circulation was encountered while drilling within the primary target volcanic and testing results over three separate intervals indicate an oil and gas charged system. L44-G failed to flow commercial hydrocarbons and is currently shut-in pending further testing.
- L44G-D1 was drilled to a true vertical depth (“TVD”) of around 900 metres and numerous oil and gas shows were observed throughout the well together with lost circulation. The well was completed for flow testing over five intervals and is currently on a long term test at an average rate of approximately 50 bopd of 37 degree API crude oil after initial flush production at higher rates.
- NS8-D1, NS2-D1 and NS6-D1 are located within the southern fault block of NSE

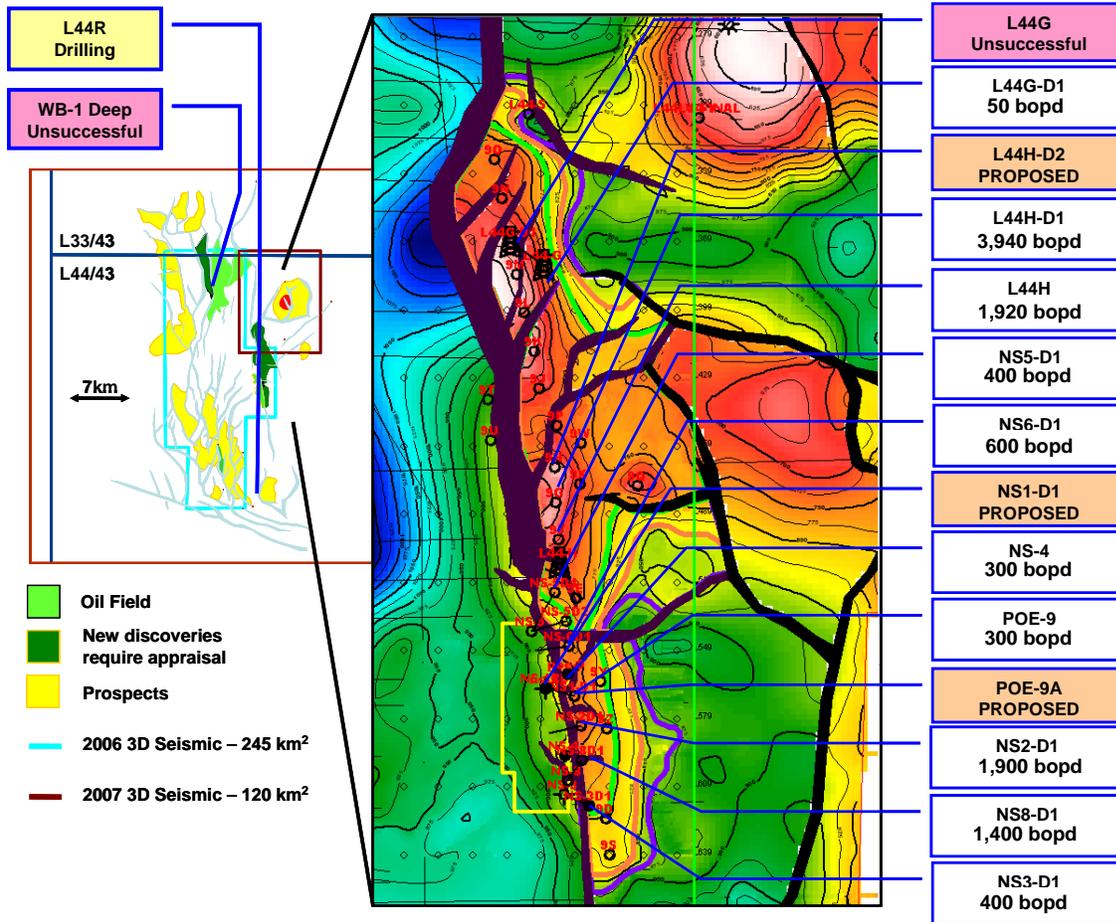


Figure 3: Phetchabun Basin well location map

- NS8-D1 is a deviated development well drilled to a depth of around 900 metres TVD. Approximately 31 metres (measured thickness) of the main target volcanic reservoir was penetrated prior to the termination of drilling due to the severity of drilling mud losses into this extremely fractured and permeable volcanic reservoir. The well is now being tested at rates of around 1,400 bopd of 35 degree API crude oil.
- NS2-D1 is a deviated development well drilled to a depth of around 900 metres. The well has tested at a maximum rate of 1,920 bopd of 35 degree API crude oil.
- NS6-D1A was sidetracked to a subsurface location approximately 70 metres south west of the original target after prematurely crossing the main bounding fault of the southern fault compartment prior to encountering the main volcanic reservoir. The sidetracked well tested 35.5 API oil at a stabilised pre-cleanup free flowing rate of 615 bopd.
- NS5-D1 and L44-HD1 are located within the central fault block of NSE.
- L44H-D1 reached a total depth of around 900 metres TVD and penetrated over 100 metres true vertical thickness of reservoir section. The well was tested at a sustained, stabilised rate of approximately 3,940 barrels per day of 35.5 degree API oil with a minimal water cut. The Thailand Department of Mineral Fuels has commented that this is the highest flow rate ever achieved by any oil well drilled onshore Thailand.
- NS5-D1 was drilled to a depth of around 900 m TVD. The well was completed and tested at up to 450 bopd of 35 degree API crude.
- WB-1 (Deep) is located in the Wichian Buri production licence in concession SW-1A.
- WB-1 (Deep) was drilled from a surface location adjacent to the original Wichian Buri discovery well WB-1. WB-1 (Deep) reached a total depth of around 1,600 metres. A lost circulation zone was tested and flowed approximately 750 bbls per day of water indicating good reservoir section within the volcanics. This will be followed up with an additional well in an updip location to further evaluate the oil potential of this reservoir section. Significant hydrocarbon indications were encountered in WB-2 (Deep) in a second volcanic section but this zone failed to flow under test. The WB-1 (Deep) exploration well will now be completed as a future water disposal well.
- L44-R, which commenced drilling on 22 January 2008, is located in L44/43 approximately 10.5 km south of NSE, as defined on 2D seismic but outside of the 3D seismic coverage. The well is currently drilling and has reached a depth of 235 metres. The well is targeting an approximately 7 square km structural closure with multiple potential volcanic reservoir targets between 800 to 1,300 metres. Drilling is anticipated to be complete by the middle of February 2008.
- Fifteen wells were drilled and completed by the Joint Venture in 2007 resulting in an additional well capacity of around 9,500 bopd.

(b) Status of near term exploration / appraisal programme (for Q1 2008)*

Well	Permit	Well Type	Status
NS1-D1	L44/43	Appraisal / Development well - NSE	Rig on site under maintenance
POE-9A	L44/43	Appraisal / Development well - NSE	Site construction in progress
L44-HD2	L44/43	Appraisal / Development well - NSE	Site construction complete
L44-V	L44/43	Exploration - Bo Rang Area	Site construction in progress
L44-W	L44/43	Exploration - Bo Rang Area	Site construction in progress
L33-1	L33/43	Exploration – Northern Block L33	Site construction complete
L33-2	L33/43	Exploration – Northern Block L33	Site construction complete
L33-3	L33/43	Exploration – Northern Block L33	Site construction to begin
Si Thep-2	L44/43	Exploration / Appraisal Si Thep Area	Site construction to begin

* Final well numbers, locations and order of drilling subject to ongoing joint venture discussion.

- Around 28 wells are planned for 2008 incorporating a mixture of exploration, appraisal and development.
- Two rigs are currently being used full-time, Aztec Rig #7 (also used in 2006) and Aztec Rig #14 (commenced for the Joint Venture in late July 2007). A smaller workover rig is also being utilised.
- To accelerate some drill locations and allow the joint venture to complete the planned 2008 drill programme, the Operator (POE) is contemplating contracting a third drilling rig for some portion of 2008.
- NS1-D1 is a planned appraisal of the southern compartment of NSE and is located between POE-9 (300 bopd) and NS2-D1 (1,900 bopd).
- POE-9A is a planned twin of the currently producing POE-9 well. POE-9A will test other untested potential volcanic zones discovered in POE-9 which is being produced from only one of five potential reservoir sections intersected in the well.
- L44-HD2, which is a further appraisal of the central fault compartment of NSE, will be located approximately 400 metres from L44-HD1 which successfully tested at around 4,000 bopd.
- L44-V and L44-W are exploration wells designed to test the potential of the Bo Rang area. Surface locations for these wells are not yet complete as locations were altered following new information from well penetrations in the vicinity and fine tuning the 3D interpretation.
- L33-1, 2 & 3 are planned exploration wells further north in the 33/43 concession. These wells will target significant 2D seismic anomalies.
- Si-Thep-2 (and others to follow) is a planned appraisal of the producing Si-Thep oil field within the sandstone reservoir. The well will also explore the deeper volcanic potential as a secondary target.

WA 399 P – Australia Offshore NW Shelf

(Carnarvon Petroleum 50% and Operator / Rialto Energy 50%)

WA-399-P was awarded on 7 May 2007. The permit covers an area of 50km² located between the Pyrenees and Macedon oil and gas fields and the Leatherback oil accumulation. The minimum guaranteed work programme (Years 1 -3) comprises Geotechnical Studies and 315km new 2D seismic data.

During the Quarter Carnarvon as operator commenced the reprocessing of all available seismic over the permit (550 km²) with the international contractor Fugro in Perth.

EP 424 / EP 110 - Australia Offshore NW Shelf

(Carnarvon Petroleum 35%, Strike Oil 40% and operator, Pancontinental 25%)

Within EP 424, further detailed seismic amplitude analysis was carried out by the operator over the Baniyas prospect, which is a top Barrow Group prospect situated on the downthrown side of the Flinders Fault. Bright seismic amplitudes on the crest of the structure are similar to those observed on other prospects drilled along the Flinders Fault which encountered a gas cap on an oil leg. A large prospect has been identified at Baniyas with the bright seismic amplitudes covering a considerable area. Discussions with potential farminees took place during the quarter.

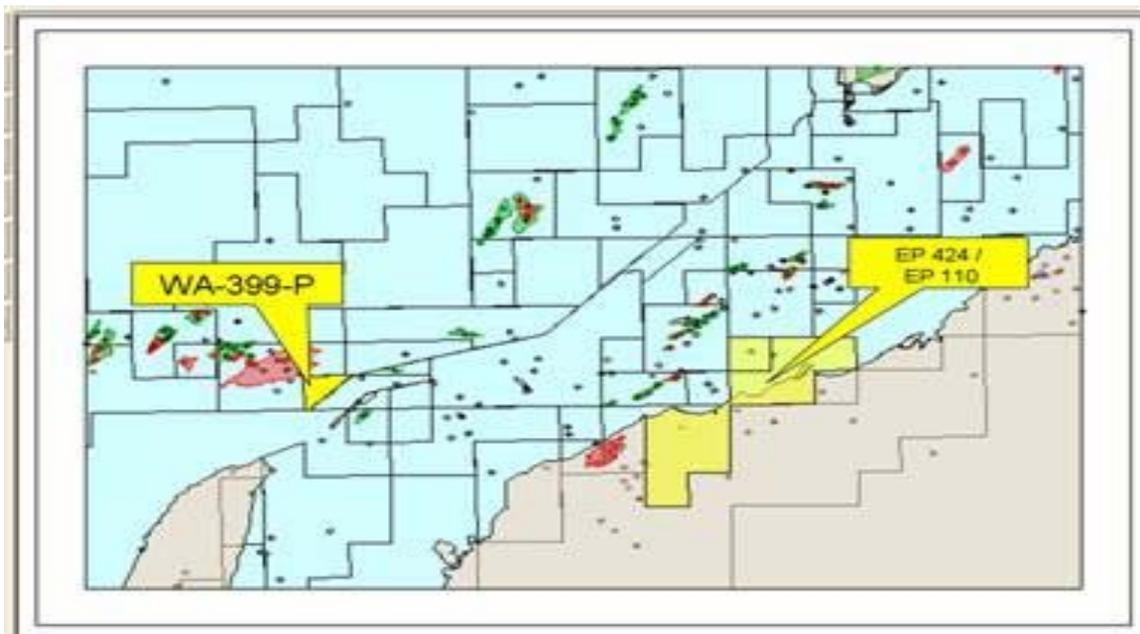


Figure 4: North West Shelf permits – location map

NEW VENTURES

L20/50 Concession Award - Thailand (Carnarvon Petroleum 50% and Operator / Sun Resources 50%)

Subsequent to quarter end, in early January 2008, Carnarvon was officially awarded Petroleum Concession No. 7/2551/98 Onshore Block No. L20/50, as Operator, together with 50% joint venture partner Sun Resources NL ("Sun").

Executives of Carnarvon Petroleum attended an official signing for the L20/50 concession, in the southern Phitsanulok Basin, with the Minister of Energy and Government officials. This was part of an extensive bidding round for oil and gas concessions by the Thailand Government intended to significantly expand the search for oil and gas.

The L20/50 concession is situated approximately 30 kms to the southeast and on trend with the largest onshore oil field in Thailand at Sirikit. Previous work has demonstrated that oil has been generated within the L20/50 concession. One previously drilled well at Nong Bua-1 in 1982 intersected significant oil shows which Carnarvon believes were not fully tested. Over the next 12 months Carnarvon will reprocess all seismic data within the permit and record a high resolution aeromagnetic survey which, together, will provide a 3 dimensional view of the subsurface. This will enable the recording of new seismic in the most prospective part of the concession and the drilling of at least one well within the first three year obligation period.

L52 and L53 Application blocks - Thailand

The Company applied to the Department of Mineral Fuels ("DMF") in Thailand for concession rights in petroleum exploration and production for two areas described as Blocks L52/50 and L53/50 ("the Concessions") onshore Thailand in the Surat-Khiensa Basin.

Pearl Oil (Petroleum) Ltd ("Pearl"), an independent oil and gas company with exploration and production (E&P) activities focused exclusively in South East Asia, submitted the bid as operator on behalf of Pearl and Carnarvon, each company participating at a 50% equity level. No other applicants have applied for these blocks.

The combined area of the two blocks is large, comprising approximately 6,950 km² however both are lightly explored, with only two deep wells and limited seismic data available.

These represent longer term exploration potential complementing the near term potential and oil production from Carnarvon's SW1A, L33/43 and L44/43 concessions in the onshore Phetchabun Basin and the mid term potential of recently awarded block L20/50 in the onshore Phitsanulok Basin.

With minimal exploration over the area, little public knowledge is available about the Surat-Khiensa Basin. However, work completed to date and Carnarvon's regional knowledge suggests this is an area with good potential for hydrocarbon exploration.

Joint study licence - Indonesia

Following the October 2007 award of a Joint Study Licence to the 'NW Natuna Joint Study Group', jointly operated by Carnarvon and Enervation Resources, each with a 32.5% interest, a comprehensive review of the area has taken place. Additional well and seismic data were purchased and regional mapping was completed. This has allowed for high-grading the area and selection of a 5,062km² 'Retention Area' as required by Indonesian petroleum regulatory authority (MIGAS) under the terms of the Study Licence. Approval for the submitted and most prospective Retention Area is currently awaited from MIGAS.

Other

Carnarvon is continuing the evaluation of a number of international growth opportunities with which it can exploit its highly recognised technical strength but which also require minimal upfront expenditure in the initial stages of prospect evaluation.

In particular, Carnarvon is looking at several opportunities where it can grow substantially in Thailand using its knowledge of the area and tax advantages out of production from the Wichian Buri and Na Sanun oil fields.

The Carnarvon Board believes that the Thailand/Australia focus should enable the Company to grow substantially in the near future without the need to significantly expand staff, utilising its extensive knowledge and data base of both areas. Although this will be Carnarvon's main focus, other opportunities are being screened elsewhere in the world where the company can add value as a non operating partner.

CORPORATE ACTIVITIES

Cash balance

The consolidated cash balance at the end of the quarter was \$4.3 million, compared to \$5.0 million at the end of the previous quarter.

Carnarvon's share of the planned March 2008 quarter production, exploration, evaluation and development expenditure is currently estimated at A\$6 million, primarily consisting of ongoing drilling and testing operations in Thailand. Ongoing costs are being funded from oil proceeds.

Top 20 Shareholders

An updated top 20 shareholders list (as at 29 January) is attached

CARNARVON PETROLEUM LIMITED
TOP 20 SHAREHOLDERS
29 JANUARY 2008

		Shares	%
1.	HSBC Custody Nominees (Australia) Limited	34,962,438	5.27
2.	ANZ Nominees Limited <Cash Income A/C>	24,620,309	3.71
3.	Mr Edward Patrick Jacobson	14,817,903	2.24
4.	Macquarie Bank Limited	12,000,000	1.81
5.	Citicorp Nominees Pty Limited	10,891,916	1.64
6.	National Nominees Limited	10,539,221	1.59
7.	Arne Investments Pty Ltd	8,916,906	1.35
8.	HSBC Custody Nominees (Australia) Limited - A/C 3	8,674,941	1.31
9.	Mr Peter James Leonhardt	8,000,000	1.21
10.	RBC Dexia Investor Service Australia Nominees Pty Ltd <BKCUST A/C>	7,906,062	1.19
11.	Arne Investments Pty Ltd	6,710,493	1.01
12.	Athol Steel Pty Ltd	6,500,000	0.98
13.	Pendomer Investments Pty Ltd <Law Settlements Fund A/C>	6,316,186	0.95
14.	Mr Edward Patrick Jacobson	6,000,000	0.91
15.	Mr Gregory John Munyard + Mrs Maria Ann Munyard + Miss Carmen Helene Munyard <Riviera Super Fund A/c>	5,750,000	0.87
16.	Kaymac Nominees Pty Ltd <McMulland Super Fund A/c>	5,585,000	0.84
17.	Mr Brett Steel Williamson + Ms Nicole Deanne Rockliff	5,500,000	0.83
18.	Dalkeith Resources Pty Ltd	5,374,921	0.81
19.	Mr Lawrence Addison Brown + Mrs Jill Brown	4,969,272	0.75
20.	Citicorp Nominees Pty Limited <Cwlth Bank Off Super A/C >	4,771,720	0.72
	Total	198,807,288	29.99

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CARNARVON PETROLEUM LIMITED

ABN

60 002 688 851

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	3,165	4,828
1.2 Payments for		
(a) exploration and evaluation	(444)	(731)
(b) development	(2,315)	(6,473)
(c) production	(1,095)	(1,966)
(d) administration	(456)	(722)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	71	172
1.5 Interest and other costs of finance paid	2	(2)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(1,074)	(4,894)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(90)	(106)
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	-	-
Net investing cash flows	(90)	(106)
1.13 Total operating and investing cash flows (carried forward)	(1,164)	(5,000)

Line 1.1: November and December sales revenues attributable to Carnarvon amounting to A\$9,337,000 were outstanding at quarter end. Sales receipts are normally received within 30 days of month end.

Line 1.2 (a) includes expenditure on new ventures

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,164)	(5,000)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	496	496
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 (provide details if material)	-	-
	Net financing cash flows	496	496
	Net increase (decrease) in cash held	(668)	(4,504)
1.20	Cash at beginning of quarter/year to date	4,983	8,927
1.21	Exchange rate adjustments to item 1.20	33	(75)
1.22	Cash at end of quarter	4,348	4,348

Note: Line 1.22 includes A\$603,000 of restricted cash held as security for bank guarantees

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	166
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

Not applicable

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

Not applicable

+ 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	3,000
4.2 Development	3,000
Total	6,000

Note: Exploration, evaluation and development s costs for the March 08 quarter are expected to be substantially funded from sales receipts.

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	870	371
5.2 Deposits at call	2,875	4,033
5.3 Bank overdraft	-	-
5.4 Other (restricted cash deposits)	603	579
Total: cash at end of quarter (item 1.22)	4,348	4,983

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 <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	662,537,134	662,537,134		
7.4 Changes during quarter (a) Increases through issues	5,000,000	5,000,000	10 cents per share on exercise of options	10 cents per share on exercise of options
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases (b) Decreases				
7.7 Options <i>(description and conversion factor)</i>	9,000,000 11,000,000		<i>Exercise price</i> 7 cents 10 cents	<i>Expiry date</i> 31 March 2008 31 March 2009
7.8 Issued during quarter				
7.9 Exercised during quarter	5,000,000		<i>Exercise price</i> 10 cents	<i>Expiry date</i> 31 March 2009
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 Act 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:



Print name:

Robert A Anderson
COMPANY SECRETARY

Date: 31 January 2008

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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