



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

31 July 2007

Company Announcements Office
Australian Stock Exchange Limited

Via ASX Online

Dear Sirs,

QUARTERLY REPORT FOR JUNE 2007

Please find attached Carnarvon Petroleum Limited's Mining Exploration Entity Quarterly Report for the quarter ended 30 June 2007 incorporating:

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

Yours faithfully,
Carnarvon Petroleum Limited

A handwritten signature in black ink, appearing to read 'RA Anderson', is written over a horizontal line.

RA Anderson
Company Secretary

REPORT FOR THE JUNE 2007 QUARTER

“An ongoing drilling and testing programme in onshore Thailand through 2007 / 2008, aiming towards a substantial development incorporating numerous wells in several fields is helping to build Carnarvon Petroleum into a diversified and sustainable oil and gas company”.

SUMMARY

THAILAND

- The first 3 wells (NS-3, NS-4, and NS-1RD) of the 2007/2008 work programme were drilled with production testing ongoing on two wells.
- NS-4 put on extended production test with flow rates peaking at 950 bopd with less than 0.1% water.
- One exploration/appraisal rig and a work-over rig have been operating continuously during the quarter with a second larger capacity rig having commenced in late July. Over 30 additional wells to be drilled in 2007/2008. These rigs will primarily target the highly prospective fractured volcanic reservoirs.
- At quarter end, the Joint Venture was producing at a gross rate of 1,080 bopd (432 bopd net to Carnarvon). This rate has been choked back from around 1,400 bopd gross earlier in the quarter due to changes in the ongoing well testing programme.
- Carnarvon’s (CVN) Joint Venture partner, Pan Orient Energy, issued an annual reserves update for 2006. Proven and probable reserves (2P reserves) were reduced from the prior year calculation of 5.683 mmbbls net to CVN down to 2.83 mmbbls, while proven reserves increased. This did not take into account the recent recovery of oil at substantial flow rates within the fractured volcanics at POE-9 and NS-4 this year.
- 100 sq kms new 3D seismic survey has commenced and will be completed over the coming quarter.
- CVN’s two-tranche placement of 160 million shares at 7.7 cents per share to raise \$12.32 million to fund the early stages of the Phase 2 programme, evaluation and assessment of new opportunities, and working capital requirements, as noted in the March quarterly report, was approved by shareholders on 30 April and subsequently completed.
- The consolidated cash balance at the end of the quarter was \$8.9 million, compared to \$5.7 million at the end of the previous quarter.

AUSTRALIA

- New permit WA-399-P granted to CVN in Carnarvon Basin.

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

Operating Data	June 2007 quarter	March 2007 quarter	December 2006 quarter
Average sales per day (100% basis)	836 bopd	551 bopd	160 bopd
Total sales (100% basis)	76,047 bbls	49,590 bbls	14,705 bbls
Average sale price achieved	US\$54.73/bbl	US\$45.62/bbl	US\$43.54/bbl

Sales for the quarter increased as a consequence of the Phase 1 and 2 drilling success and the improved performance from the older wells resulting from the workover programme.

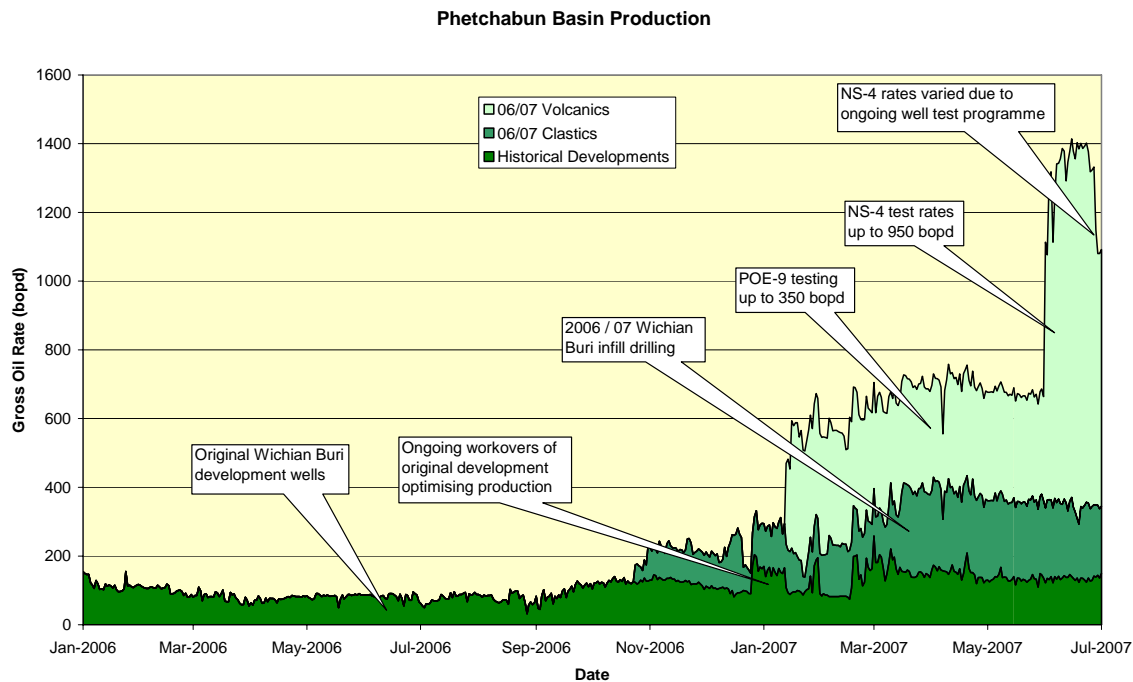
CVN's share of the planned September 2007 quarter exploration, evaluation and development expenditure is currently estimated at A\$4.2 million, primarily consisting of Phase 2 drilling and the remainder of the new 3D seismic survey currently in progress. Ongoing drilling will also be partly funded from oil proceeds from the producing wells and new production to come.

EXPLORATION, DEVELOPMENT AND OPERATIONAL ACTIVITIES

SW1A Concession (Phetchabun Basin Joint Venture) – Thailand (Carnarvon Petroleum 40% / Pan Orient Energy 60%)

PRODUCTION

- Original wells (pre-2006) producing steadily at around 140 bopd.
- 2006/2007 sandstone wells producing around 200 bopd.
- 2006/2007 volcanic wells (POE-9, NS-4) temporarily constrained to around 740 bopd.



DRILLING AND EXPLORATION

Wells drilled since the last quarter:

Well	Permit	Status
Na Sanun-3 (NS-3)	L44/43	Completed - unsuccessful test
Na Sanun-4 (NS-4)	L44/43	Completed – on long term test at up to 950 bopd
Na Sanun-1 Re-drill (NS-1RD)	L44/43	Completed – on long term test at around 10 bopd
L33-D	L33/43	Exploration well completed - preparing to test

- NS-3, the first well in the 2007/2008 extended drilling programme, reached total depth on 23 April. The well intersected a similar volcanic zone at a depth of 961 metres to that of Na Sanun-1, which flowed oil at 1,400 bopd for a short period in 1995. With oil shows reported within the top 20 metres of the volcanic zone, the well was completed for testing. Unfortunately the well failed to produce commercial oil flows, though gas and oil shows during testing were recorded. The well has been suspended to await possible further evaluation later in the programme once a better understanding of the structuring is gained from further drilling. NS-3 is located approximately 1.4km south of NS-1 and in a separate fault block to POE-9 / Na Sanun East.
- NS-4 was drilled between Na Sanun-1 and NS-3. This well intersected the uppermost volcanic interval at 952 metres. Significant lost circulation was encountered whilst drilling through this zone indicating a highly fractured reservoir. The well was put on extended production testing and reached a peak rate of 950 bopd. As part of the continued testing programme the well has been recently stabilised at constrained rates of around 440 bopd and continues to perform well with minimal associated water production of less than 0.1%.
- NS-1RD is located 16 metres away from and is a re-drill of Na Sanun-1 (NS-1). NS-1 was drilled in 1994 and flow tested in 1995 at around 1,400 bopd for a short period before watering out. NS-1RD reached total depth on 25 June 2007. The top 30 metres of a similar volcanic section was intersected in NS-1RD at a depth of 950 metres, with live oil being observed at the surface. The well was flow tested and oil production has been disappointing at less than 10 barrels of oil per day associated with 90 barrels of water per day. Interpretation of these results is ongoing and currently inconclusive, when compared to the results at NS-1, as to whether sustainable production is achievable at this location. This well has been completed in a manner to allow ease of re-entry to drill to deeper targets at a later stage.
- L33-D, the first well to be drilled by the Joint Venture in the northernmost permit L33/43, reached total depth of 1,420 metres on 18 July 2007. Drilling mud losses (lost circulation) of 15 barrels per hour were recorded while drilling through an 11 metre thick volcanic zone at a depth of 812 metres. The well is currently being prepared for flow testing of this interval.

Status of near term exploration / appraisal programme

Well	Permit	Well Type	Status
L44-G	L44/43	Appraisal northern extent Na Sanun East*	Drilling ahead
NS-3 D1	L44/43	Appraisal southern extent Na Sanun East	Preparing to Spud
L44HD-1	L44/43	Appraisal central location Na Sanun East	Site construction underway
NS-5	L44/43	Appraisal central location Na Sanun East	Site construction complete
NS-2	L44/43	Appraisal central location Na Sanun East	Site construction complete
NS-6	L44/43	Appraisal central location Na Sanun East	Site construction underway
NS-8	L44/43	Appraisal central location Na Sanun East	Site construction underway
L44-C	L44/43	Appraisal northern extent Wichian Buri	Finalise location
L44-V	L44/43	Exploration - Bo Rang Area	Site construction to begin
L44-W	L44/43	Exploration - Bo Rang Area	Site construction to begin
L44-R	L44/43	Exploration well - Si Thep Area	Site construction underway
L44-E	L44/43	Exploration well - Si Thep Area	Finalise location

* Na Sanun East was discovered with POE-9 exploration well

- Phase 2 drilling programme by Pan Orient and CVN commenced on 31 March 2007.
- Two rigs currently being utilised full-time, Aztec Rig #7 (used in Phase 1) and Aztec Rig #14 (commenced for the Joint Venture late July).
- In addition to the two main drilling rigs, a third workover rig is also under contract.
- The success of the POE-9 and NS-4 wells has led the Joint Venture to increase the Phase 2 drilling focus towards Na Sanun East appraisal and the targeting of higher flow-rate potential wells. Consequently, the order of wells to be drilled has been and is being changed as drilling results come to hand, with high flow rates, early production and associated cash flow being the priority.
- In addition to the two main drilling rigs, a third work over rig is also under contract.
- A 100 sq km 3D seismic survey is underway to enable optimal placement of those planned wells outside existing 3D seismic coverage on the northern extent of the Na Sanun East Oil Field and over the Bo Rang structure which contains the Bo Rang Gas Field. At quarter end 57% of the planned seismic had been shot.
- 2006 / 2007 volcanic exploration success rate of 2 out of 4 (including POE-9 and wells drilled this quarter) is considerably better than thought at the beginning of this drilling programme (c.f. earlier investor presentations suggesting a possible commercial success of 1 in 4).

DEVELOPMENT

- Continued drilling over the next 6 to 12 months will focus on exploration and appraisal to maximise the production license area to be applied for by the Joint Venture.
- Following long-term production testing, full field development will be undertaken, enabling the Joint Venture to determine the optimum facility size to maximise production rates.
- Dedicated development well drilling into Na Sanun and Na Sanun East is anticipated to commence early 2008, focusing on maximising production and cashflow from production licence areas.

Na Sanun Oil Field

Na Sanun was discovered in 1994 with NS-1 and was appraised with the successful NS-4 and with unsuccessful NS-3 and NS-1RD. The results of these wells show the variability within these fractured volcanic reservoirs.

Considerable work is being done by the Joint Venture to understand the structuring and nature of the fracturing in these reservoirs which will lead to designing optimal well parameters and locations. This is a new reservoir concept for the Phetchabun Basin and as drilling proceeds, more will be understood with subsequent drilling success hopefully improving from the already good results.

Na Sanun East Oil Field

Na Sanun East was discovered in 2006 with the drilling of POE-9, and was confirmed with the successful long term production test. Whereas previous oil production had been from tight sandstone reservoirs, as at the Wichian Buri Field and at Si Thep-1, with low production rates for each well, for the first time in the Phetchabun Basin POE-9 demonstrated that excellent and sustained high flow rates can be attained from fractured volcanic reservoirs.

The POE-9 discovery well intersected 4 zones of lost circulation at depths of 794, 853, 1,007 and 1,142 metres within volcanic rocks, indicating possible zones of intense fracturing. Only one of these zones, at 853 metres, was put on production test. The remaining zones will be evaluated at a future date. The long term production test of POE-9 is still ongoing, with the well continuing to produce in excess of 300 bopd. Although it is too early to calculate reserve potential, the steady production from the well with negligible associated water is very encouraging.

Wichian Buri Oil Field

The Wichian Buri Oil Field has been in production since 1995 and is currently producing around 250 bopd from 8 wells, including both original wells and 2006 POE appraisal wells. These wells all produce from reasonably tight sandstone. Upcoming wells will appraise the northern extent of the Wichian Buri Oil Field as well as the potential for production from the volcanic zone in this area.

Si Thep Oil Field

Si Thep is producing from one well within a single sandstone reservoir at a modest rate of 10-15 bopd. Appraisal of this area will include examination of different reservoirs within the sandstone, as well as potential production from volcanic zones.

Bo Rang Gas Discovery

Bo Rang was discovered in 1990 and was suspended as a gas discovery after successful production testing. Appraisal of this area will confirm the extent of the gas discovery and also examine the possibility of an oil leg. Discussions concerning development options for commercialising the gas discovery are ongoing within the Joint Venture.

Further Volcanic Exploration

Significant volcanic intervals have been intersected in most of the wells drilled in SW1A, however it is the intensely fractured intervals that are capable of containing and flowing substantial quantities of oil. These fractured intervals are recognised during drilling as zones of “lost circulation” where drilling fluids necessary for the drilling of the well are lost into large fractures due to the requirement to keep the pressures in the well slightly higher than formation pressure to prevent drilling difficulties. Frequently there are poor, if any, oil shows whilst drilling through these zones due to the lack of recovery of drilling fluids at the surface, and the zones require production testing to establish their oil potential.

Reserves Status

The 2006 year end reserve results previously announced has not been updated to take into account recent testing at NS-4 and also sustained production from POE-9.

CVN’s Joint Venture partner, Pan Orient Energy, issued an annual reserves update for December 2006 as calculated by the recognised independent industry consultants, Gaffney Cline and Associates Ltd (GCA), and as required by the Toronto Stock Exchange on an annual basis.

The report summarised proven recoverable reserves of 0.853 (0.341 net to CVN) million barrels of oil, an increase of 34% from 0.635 (0.254 net to CVN) million barrels in the prior year. Proven and probable recoverable reserves were calculated as 7.075 (2.83 net to CVN) million barrels of oil, a decrease of approximately 50% from 14.208 (5.683 net to CVN) million barrels in the prior year. Although not addressed in their report, based on previous work by GCA, proven, probable and possible oil reserves are in excess of 30 mmbbls net to CVN.

The majority of the proven and probable reserves calculated by GCA relate to the Wichian Buri Field. Due to the limited duration of the production testing at POE-9 at the time of compilation of the reserves report, the reserve estimates include only a nominal amount of proved and probable reserves for the Na Sanun East Field, this being confined to the area immediately surrounding the well bore of POE-9.

The report did not include any reserves for Na Sanun Oil Field, currently being tested by NS-4, the highest producing well in the area.

The Joint Venture’s view that the GCA report does not adequately address the current state of the reserves is supported by their statement in their report that “given the time limitations and the fact that some of this work is still ongoing, GCA considers the results presented in this report could be viewed as conservative, even at the probable level.”

It is anticipated that an updated independent reserve assessment will be calculated at year end 2007 and a report issued in 2008 that will take into account current drilling and testing activities, and will incorporate the results of POE-9 and NS-4 testing.

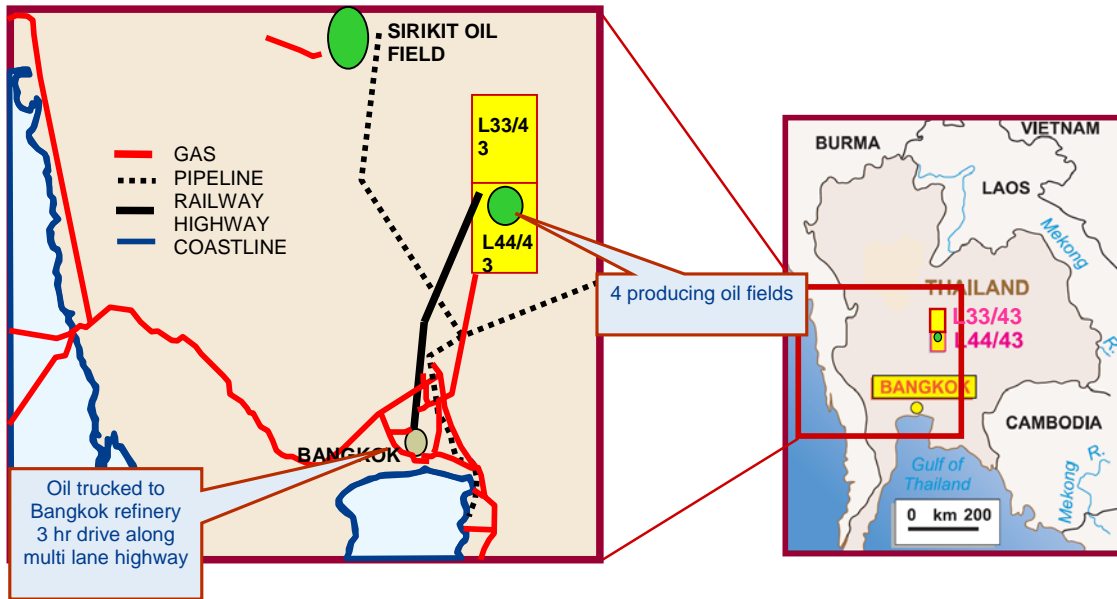


Figure 1: Thailand Permits – Location Map

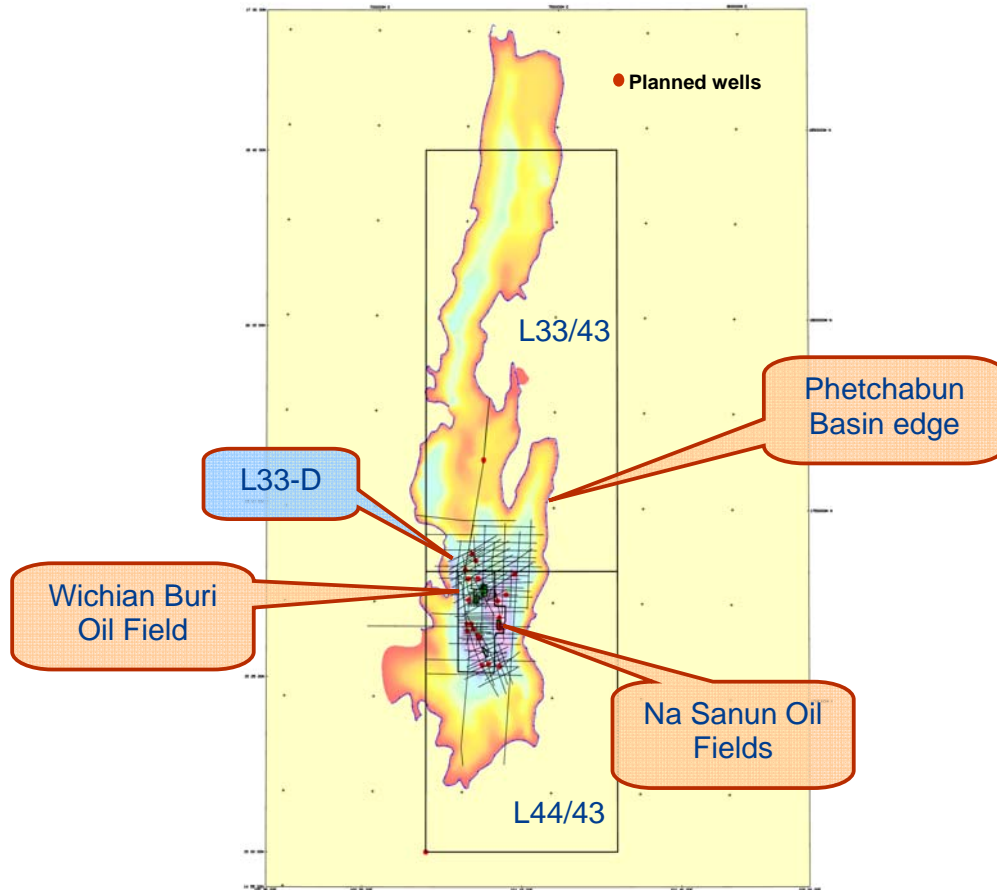


Figure 2: Phetchabun Basin showing location of L33-D exploration well in relation to Na Sanun and Wichian Buri Oil Fields.

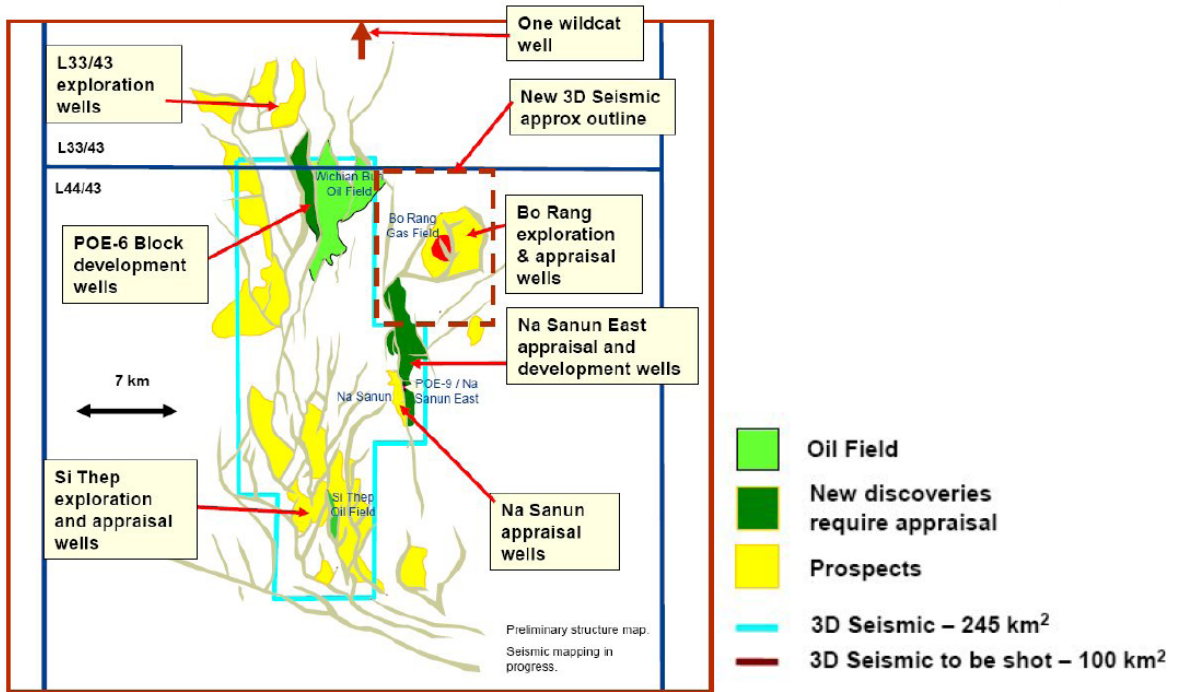


Figure 3: Phase 2 Drilling Programme for 2007/2008

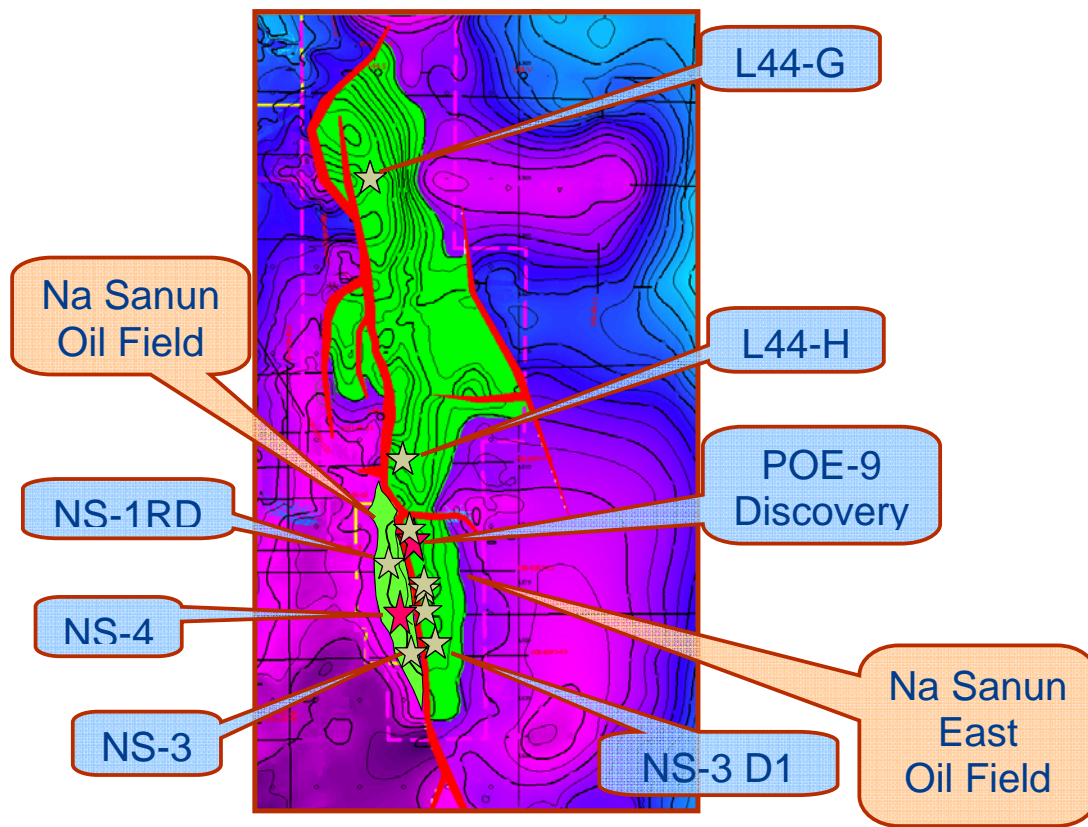


Figure 4: Na Sanun and Na Sanun East appraisal programme.

Carnarvon Basin (Western Australia)
EP 110 and EP 424

(Carnarvon Petroleum 35% / Strike Oil 40% / Pancontinental Oil & Gas 25%)

CVN has a 35% interest in the permits EP 110 and EP 424 in the Carnarvon Basin, offshore northwest of Western Australia. Strike Oil is the operator of both permits.

Within EP 424, a 178 kms seismic survey has been acquired 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. The joint venture is currently processing the seismic data to analyse these amplitudes for possible hydrocarbon indications. A large prospect has been identified at Baniyas, with the bright seismic amplitudes covering a considerable area.

The Baniyas Prospect lies 6 kms to the southeast and updip of the Chevron operated Saladin Oil Field and a success at Baniyas could be rapidly tied into the Chevron-operated infrastructure.

Carnarvon Basin (Western Australia)
WA-399-P

(Carnarvon Petroleum 50% / Rialto Energy Limited 50%)

CVN was awarded 50% and operatorship of a new exploration permit (WA-399-P) in the Carnarvon Basin offshore Western Australia.

The Permit covers an area of 50km² located midway between the Pyrenees and Macedon oil and gas fields, 25 kilometres to the north-west, and the Leatherback oil accumulation, 30 kilometres to the south-east.

On 3 July 2007, BHP Billiton announced approval of the Pyrenees oil and gas project. A discovery within WA-399-P could be readily tied back to this close-by development, thereby enhancing the value of any discovery.

One significant prospect (“Black Tom Prospect”) has been identified by CVN on existing seismic with the potential to contain more than 50 mmbbls of recoverable oil at the prospective upper Barrow level. As operator, CVN has commenced the reprocessing of all available seismic in the Permit to help plan the forward programme.

The joint venture has committed to a minimum work programme in the first 3 years of the Permit of geological and geophysical studies and the acquisition of 315km of 2D seismic. Following interpretation of the seismic data in year 3, the joint venture has indicated it may elect to drill an exploration well in each of years 4 and 5 of the Permit. However, if the current seismic reprocessing is encouraging, it is likely the drilling of a well would be brought forward.

CORPORATE ACTIVITIES

Capital raising

CVN's two-tranche placement of 160 million shares at 7.7 cents per share to raise \$12.32 million to fund the early stages of the Phase 2 programme, as noted in the March quarterly report, was approved by shareholders on 30 April.

Cash balances

The consolidated cash balance at the end of the quarter was \$8.9 million, compared to \$5.7 million at the end of the previous quarter.

Top 20 Shareholders

An updated top 20 shareholders list (as at 30 July) is attached:

Staff

As part of its growth, CVN has steadily attracted several scientists well respected in the industry. The recent recruitment of reservoir engineer Philip Huizenga, previously employed by the successful Tap Oil, will add significantly to the team. Philip will be responsible for looking after the drilling and production operations in Thailand as well as helping to appraise other near term production opportunities currently being considered by the company. CVN intends to remain small and focused with a highly qualified technical team. CVN now has one geologist, one geologist/geophysicist and a reservoir engineer, in addition to the managing director who also adds significantly to the technical focus of the Company.

New Ventures

During the quarter CVN was awarded the new permit WA-399-P in the Carnarvon Basin of offshore Western Australia. Carnarvon is currently evaluating the current acreage gazettals in Australia and Thailand with the view to bidding for several new permits. Carnarvon is also in final negotiations for two other overseas opportunities outside of Australia and Thailand.

Top 20 Holders of ORDINARY FULLY PAID SHARES

*G1 / ORDINARY FULLY PAID SHARES

Rank	Name	Units	% of Issued Capital
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3 GPO BOX 5302 SYDNEY NSW	29,548,050	4.49
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED GPO BOX 5302 SYDNEY NSW	29,285,438	4.45
3	ANZ NOMINEES LIMITED <CASH INCOME A/C> GPO BOX 2842AA MELBOURNE VIC	26,655,157	4.05
4	NATIONAL NOMINEES LIMITED GPO BOX 1406 MELBOURNE VIC	17,534,631	2.67
5	MR EDWARD PATRICK JACOBSON 43 VIKING ROAD DALKEITH WA	14,000,000	2.13
6	MACQUARIE BANK LIMITED C/- METALS & ENERGY CAPITAL DIVISION LEVEL 1 NO 1 MARTIN PLACE SYDNEY NSW	12,000,000	1.82
7	CITICORP NOMINEES PTY LTD <CWEALTH BANK OFF SUPER A/C> GPO BOX 764G MELBOURNE VIC	10,650,000	1.62
8	RBC DEXIA INVESTOR SERVICE AUSTRALIA NOMINEES PTY LTD <BKCUST A/C> GPO BOX 5430 SYDNEY NSW	9,438,520	1.44
9	ARNE INVESTMENTS PTY LTD LEVEL 2 88 COLLINS STREET MELBOURNE VIC	8,916,906	1.36
10	MR PETER JAMES LEONHARDT 24 AGETT ROAD CLAREMONT WA	8,000,000	1.22
11	CITICORP NOMINEES PTY LIMITED GPO BOX 764G MELBOURNE VIC	7,657,822	1.16
12	ARNE INVESTMENTS PTY LTD LEVEL 2 88 COLLINS STREET MELBOURNE VIC	6,710,493	1.02
13	PENDOMER INVESTMENTS PTY LTD <LAW SETTLEMENTS FUND A/C> PO BOX 424 WEST PERTH WA	6,316,186	0.96
14	KAYMAC NOMINEES PTY LTD <MCMULLAN SUPER FUND A/C> PO BOX 6 GERALDTON WA	6,000,000	0.91
15	DALKEITH RESOURCES PTY LTD 19 VICTORIA AVENUE CANTERBURY VIC	5,374,921	0.82
16	MR GREGORY JOHN MUNYARD + MRS MARIA ANN MUNYARD + MISS CARMEN HELENE MUNYARD <RIVIERA SUPER FUND A/C> 9 GIBNEY VISTA WEST LEEDERVILLE WA	5,000,000	0.76
17	MR LAWRENCE ADDISON BROWN + MRS JILL BROWN 4 TIRRIL WAY MARTON CLEVELAND TS7 8PN UNITED KINGDOM	4,938,193	0.75
18	J P MORGAN NOMINEES AUSTRALIA LIMITED LOCKED BAG 7 ROYAL EXCHANGE NSW	4,481,435	0.68

CARNARVON PETROLEUM LTD
ABN 60002688851

Top 20 Holders of ORDINARY FULLY PAID SHARES

*G1 / ORDINARY FULLY PAID SHARES

Rank	Name	Units	% of Issued Capital
19	WICKHAM HOLDINGS SA MEIERHOFSTRASSE 5 FL-9490 VADUZ FURSTENTUM LIECHTENSTEIN	4,333,333	0.66
20	SEAWELL SUPER PTY LTD <SEAWELL S/F A/C> 17 BROOME STREET COTTESLOE WA	4,000,000	0.61
Total		220,841,085	33.58

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")

30 JUNE 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	1,267	2,555
1.2 Payments for		
(a) exploration and evaluation	(30)	(75)
(b) development	(2,657)	(6,088)
(c) production	(900)	(1,889)
(d) administration	(514)	(1,233)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	134	236
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(282)	(923)
Net Operating Cash Flows	(2,982)	(7,418)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(123)	(488)
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	17	77
Net investing cash flows	(106)	(411)
1.13 Total operating and investing cash flows (carried forward)	(3,088)	(7,829)

Line1.2 (d) includes expenditure on new ventures

Line1.7 includes advances to contractors and deposits paid within the Phetchabun Basin Joint Venture in Thailand

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(3,088)	(7,829)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	6,490	15,079
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	6,490	15,079
	Net increase (decrease) in cash held	3,402	7,250
1.20	Cash at beginning of quarter/year to date	5,711	1,898
1.21	Exchange rate adjustments to item 1.20	(186)	(221)
1.22	Cash at end of quarter	8,927	8,927

Note: Line 1.22 includes A\$588,000 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	127
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	3,100
4.2 Development	1,100
Total	4,200

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	2,504	28
5.2 Deposits at call	6,423	5,683
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,927	5,711

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.

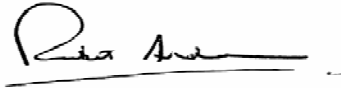
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	657,537,134	657,537,134		
7.4 Changes during quarter (a) Increases through issues	175,750,000	175,750,000		
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 16,000,000		<i>Exercise price</i> 7 cents 10 cents	<i>Expiry date</i> 31 March 2008 31 March 2009
7.8 Issued during quarter	5,000,000		<i>Exercise price</i> 10 cents	<i>Expiry date</i> 31 March 2009
7.9 Exercised during quarter	2,000,000		<i>Exercise price</i> 7 cents	<i>Expiry date</i> 31 March 2008
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 July 2007

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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