



28 April 2006

CULLEN RESOURCES LIMITED

A.C.N. 006 045 790
A.B.N. 46 006 045 790

Level 4,
118 Christie Street
St Leonards NSW 2065
P.O. Box 23, St. Leonards, 1590, Australia
Telephone: (612) 9437 4588
Fax: (612) 9437 4599
Email: info@cullenresources.com.au
Website: www.cullenresources.com.au

QUARTERLY REPORT

FOR PERIOD ENDING 31 MARCH 2006

HIGHLIGHTS

- **NEW PROJECTS** - developing exploration project portfolio with two new areas of interest added :
 - Nickel and Gold prospects in **Forrestania Region, W.A.**;
 - **Rawbelle epithermal gold – silver** prospect in south east Queensland.
- **IRON** - Recognition of significant prospectivity for **Bedded Iron Deposits (~7 strike km)** in tenements of northern and eastern Wyloo Dome, Ashburton Region, W.A.;
- **IRON** - Plans for further drilling of the **Cardo Bore Channel Iron Deposit in the West Pilbara** by the Mt Stuart JV in the coming Quarter;
- **GOLD** - Initiation of substantial gold exploration drilling programme (~25,000m of **RAB/air core**) at Gunbarrel, North Eastern Goldfields, W.A. by JV partner Newmont;
- **GOLD** - 100 hole **RAB/aircore drilling programme to test various gold targets** at Wonganoo, North Eastern Goldfields, W.A. to commence in May;
- **NICKEL** - Planning to test two electromagnetic (EM) conductors for massive nickel sulphides at Gunbarrel;
- **NICKEL** - Drill rig contracted to test two electromagnetic (EM) conductors for massive nickel sulphides at the Wonganoo Prospect, North Eastern Goldfields; and,
- **URANIUM** - exploration portfolio enhanced with six exploration licence applications (100%) in W.A. now in place.

EXPLORATION ACTIVITIES – WESTERN AUSTRALIA

NORTH EASTERN GOLDFIELDS

GUNBARREL NICKEL JOINT VENTURE - BHP Billiton has earned a 75% interest in nickel and base metals rights, Cullen's 25% is free carried to Decision to Mine.

A proposed drilling programme, delayed to date by poor weather and access conditions, has been rescheduled for the current Quarter. Proposed work includes:

- a four hole **RC/diamond drill test of the A5 and A6 electromagnetic/geochemical targets for massive nickel sulphides;**
- interpretation of hydrogeochemical survey data from around the AK47-Mt Eureka area; and,
- further interpretation of the existing RC drilling results; and
- ranking of electromagnetic and geochemical drilling targets.

The **A5** target is located approximately 1.5 km north east of the AK47 nickel sulphide discovery (of November 2004), and the **A6** target is located approximately 1.5km to the north west of AK47. Downhole electromagnetic surveying will also be completed.

GUNBARREL GOLD JOINT VENTURE – with Newmont earning up to 75% of gold rights.

The Joint Venture has recently recommenced gold exploration drilling (in April 2006), with a plan to complete:

- **approximately 25,000m of RAB/air core** over various targets throughout the project area.

The target areas include follow up of anomalies determined by previous programmes and reconnaissance drilling of a large, untested area of greenstone stratigraphy, covered in parts by small perennial lakes, in the northern part of the project area on a grid of 320 x 640m to 80 x 160m.

IRWIN BORE NICKEL JOINT VENTURE - Independence can earn 65% of nickel rights.

Cullen has a 90% interest in the nickel rights for the Irwin Bore Project with Western Australian Resources Limited (formerly CO2 Group Limited) owning the remaining 10% interest. Independence Group NL (Independence) is earning a 65% interest in the nickel rights.

These Joint Venture tenements are situated immediately south of the **AK47** massive sulphide discovery within the Gunbarrel Project. Joint Venture manager, Independence, has been systematically testing the strike extension of the **AK47** ultramafic stratigraphy for nickel sulphides using a combination of soil geochemistry and surface TEM surveys. Interpreted bedrock conductors and coincident soil geochemical anomalies have previously been reported.

Infill and extension EM coverage over an anomaly previously announced is planned prior to drill testing if appropriate. However adverse weather conditions over the last month have delayed the planned work. The field work is now scheduled to commence in late April.

MT TATE NICKEL JOINT VENTURE - Independence can earn 70 % of the nickel rights.

A bedrock conductor has been identified on three 200m spaced lines coincident with interpreted ultramafic stratigraphy. Historic reconnaissance RAB drilling across the ultramafic stratigraphy returned results of up to 0.52% nickel and 0.22% copper strongly supporting the nickel sulphide prospectivity of this target. Infill EM will be completed over the conductor prior to drill testing.

WONGANOO GOLD/NICKEL PROJECT - Cullen 100%, and with Quantum Resources Limited 20% on E53/988.

A 25 line km, ground EM survey tested a 4km long trend of ultramafics within E53/988, where strong nickel (to 6405ppm) and copper (to 3525ppm) anomalies from previous RAB traverses, occur on favourable komatiite contacts. The survey identified **two significant conductors** associated with the interpreted basal contacts of the magnetic ultramafics. These two conductors could represent either conductive sulphide mineralization or fragmented sulphidic (+/- graphitic) metasediments. **A suitable drill rig has been contracted to test these anomalies, and drilling will commence in the near future.**

On-going interpretation of structural settings favourable for gold mineralization has led to a plan to commence a reconnaissance drilling programme of ~100 RAB/aircore holes in May.

WONGANOO/STIRLING URANIUM PROJECT

The company has applied for a new exploration licence (100%) located just to the south-west of its Gold and Nickel Wonganoo Project Area and ~20km to the south east of the Lake Maitland uranium deposit (calcrete-hosted). Cullen's tenement application of ~160km² covers approximately **20 strike km of a Tertiary palaeochannel which includes uranium-anomalous surface samples** (collected by the GSWA during regional regolith sampling programmes.) Cullen's new application is centered on a +20ppm surface U anomaly.

Cullen is compiling available data and will undertake programmes of surface sampling and mapping once the tenement is granted.

EASTERN GOLDFIELDS

KILLALOE GOLD PROJECT

From on-going interpretation and exploration work, Cullen has concluded that the Killaloe-Buldania break/shear zone in this project area is an extension of the Zuleika Shear, which controls the location of the Higginsville gold mineralization located ~30km to the NW.

The Killaloe/Zuleika Shear extends for over 15km of strike within Cullen's Killaloe tenements and includes several gold prospect areas. On-going work includes database review, with plans for further prospecting, mapping, surface geochemistry and RAB traversing of interpreted N to NNE structural corridors.

KILLALOE NICKEL PROJECT - Nickel Australia Ltd can earn 70% of the nickel rights

Nickel Australia commenced exploration on the Killaloe project in November 2005. Work completed to date has comprised: compilation of previous work; review and interpretation of aeromagnetics data; and 34 line km of moving loop EM surveying.

The results of the EM survey have identified a number of conductor responses. Although the majority of these appear to be stratigraphic, **several short strike length features are judged to warrant follow up investigation.**

A programme of grid soil sampling is currently underway.

ASHBURTON PROVINCE

In the Ashburton Region of north western, W.A, the company has:

- a Joint Venture with Australian Premium Iron Pty Ltd (API - a joint venture between Aquila Resources Limited and US coal miner AMCI Holdings Australia Pty Ltd) to explore for **Channel Iron Deposits (CID's)** on a group of Cullen's tenements;
- a Joint Venture with NuStar Mining Corporation Ltd (NuStar) **to explore for gold;**
- **identified significant prospectivity for bedded iron deposits** in the Marra Mamba and Brockman Iron Formations strata, which are strike extensive (~7km) within some of Cullen's tenements. Cullen's targets are along strike from the **Metawandy Group** of iron ore deposits owned by Hamersley Iron Pty Ltd; and,
- a suite of other tenements with prospectivity for gold, base metals and uranium.

WEST PILBARA MT STUART JOINT VENTURE - API 70% (iron ore rights only), Cullen 30%

The **Mt Stuart Iron Ore Joint Venture** comprises Australia Premium Iron (Aquila Resources Limited and AMCI) 70% and Managers, and Cullen Resources Limited, 30% and contributing. The Joint Venture is part of API's substantial tenement interests in the West Pilbara, including a joint venture with Red Hill Iron Limited, which forms a large, contiguous land package with significant iron ore prospectivity for **Channel Iron Deposits (CID's)**.

The results of RC drilling completed to date by the **Mt Stuart JV** on Cullen's tenements have been encouraging, and have included up to **20m @ 57.15% Fe at Cardo Bore** and **16m @ 56.99% Fe at Catho Well**, as reported previously in full to the ASX on 20/3/2006. On-going work by the Joint Venture in the Cardo Bore area, including interpretation of geological data from drillholes and field studies, indicates the main channel diverges from the alignment of the remnant mesa. It is interpreted that the main channel, in part, runs to the south and west of the Cardo Bore mesa and extends to approximately 20m below the current land surface.

- **A program of RC drilling is planned for the coming Quarter to test this interpretation.**

HARDEY JUNCTION JOINT VENTURE - Nustar Mining Corporation Limited earning up to 80%

Nustar operates the Paulsens Gold Mine located approximately 15km north of the Hardey Junction JV ground. To date, Nustar as Manager of the JV has reported the completion of auger soil sampling at eight prospect areas within the Joint Venture tenements.

Auger samples returned a number of anomalous assays in gold, arsenic, lead, antimony and mercury at the Paddy Well Prospect near an interpreted major northwest trending fault. This prospect area will be further tested with RAB and RC drilling.

Auger sampling also returned elevated gold assays from the western end of the Mt Edith prospect area. There are also elevated gold and arsenic values from rock chip sampling in the area, where the Mt McGrath (iron) Formation will be targeted.

TUNNEL CREEK URANIUM PROJECT

The Company has applied for three new exploration licences in an area approximately 100km SE of Paraburdoo in W.A. These applications are considered prospective for unconformity related uranium deposits. The applications lie in the vicinity of known uranium prospects and mapped occurrences of uranium mineralization. Cullen considers that the general area of this unconformity and associated local faulting is prospective for uranium mineralization, similar in style to that of the world-class, Ranger and Jabiluka deposits in the Alligator River Region of the Northern Territory.

Cullen has completed a detailed review and compilation of previous exploration results and will now work to gain ground access for exploration via a Heritage and Access Agreement to be negotiated with the Native Title Holders.

WYLOO DOME IRON ORE PROJECT

Cullen has exploration licence applications on the eastern and northern margins of the Wyloo Dome, ~100km NW of Paraburdoo, that cover mapped occurrences of Marra Mamba and Brockman Iron Formations stratigraphy. These formations host the adjacent Metawandy iron deposits of Hamersley Iron Pty Ltd, and excisions of smaller tenements within Cullen's target areas are held by FMG Ltd. The Metawandy Group of iron deposits has published, JORC-compliant **Inferred Resources of 225 Mt @ 62.1% Fe.**

Cullen is compiling all available data and pursuing the approval of the applications through WA's new exploration licence reversion process.

YANKS BORE JOINT VENTURE

The main project tenement is subject to a reversion EL application. Udu Resources Ltd (49%) has been placed in Administration and the Managers have advertised the assets of Udu for sale. Cullen holds pre-emptive rights. The ground is prospective for gold and base metals.

FORRESTANIA REGION

STORMBREAKER AND NORTH IRONCAP PROJECTS – Hannans Reward 50% and Cullen 50%

Cullen and Hannans Reward Limited (**Hannans**, ASX:HNR) have satisfactorily completed due diligence and finalised the joint acquisition of the **Stormbreaker Nickel Sulphide Project** and the **North Ironcap Gold Project**, located in the Forrestania region of Western Australia .

The **Stormbreaker Project** is interpreted to contain over an 8 km strike length of the same ultramafic units that host Western Areas NL's Flying Fox, New Morning and Daybreak Nickel Deposits, approx. 12 kms to the south. All previous nickel exploration on this Project area is pre-1975 and no modern nickel exploration methods or concepts have been applied. There are also numerous unexplained surface gold anomalies for further investigation.

The **North Ironcap Project** contains a significant trend of gold mineralization in the southern portion of the project area that underwent considerable drilling, metallurgical test work and pit design work in the late 1990's. A review of the existing drillhole database (some 400 holes) suggests that an exploration target with the potential for **120,000 to 140,000 ounces of gold** is considered to exist within the 1.6km of strike drilled to date, and this well-mineralized, gossanous trend is open along strike for 1.5km and at depth.

The Cullen/Hannans Joint Venture is currently:

- completing data compilation of previous exploration results;
- acquiring airborne magnetics covering both the Stormbreaker and North Ironcap Projects; and,
- initiating a ground electromagnetics (EM) geophysics survey covering the Stormbreaker Project - to commence in the last week of April; and,
- seeking approvals to allow the commencement of drilling at the Ironcap Project as soon as practicable.

In addition, Cullen and Hannans have jointly applied for an exploration licence and 7 prospecting licences in a contiguous block which adjoins the Stormbreaker tenements to the west. These tenements will form part of the Joint Venture Project Area.

LAKE MACKAY REGION

FAR OUT URANIUM PROJECT

Cullen has made two EL applications in the **Lake Mackay area of far eastern Western Australia** in a remote and much underexplored terrane. These applications lie close to a large block of tenements and applications of Nova Energy Limited (Nova), ~2332km², pegged to cover “the northern edge of the interpreted western extension of the Ngalia Basin” – as described on the Nova website (www.novaenergy.com.au). Nova also reports the area of their applications: “hosts large untested radiometric anomalies”. Cullen is presently compiling available regional data and will be required to negotiate with the traditional owners and Native Title holders to gain access for exploration in this region.

EXPLORATION ACTIVITIES – NEW SOUTH WALES

CENTRAL LACHLAN GOLD AND TUNGSTEN PROJECTS

The company is gradually reducing its focus on the gold mineralization opportunities in this tenement package, whilst maintaining a focus on the tungsten mineralization possibilities of the Minter project area. During the Quarter, the Company’s option to acquire the Walsh tenements near Yalgogrin lapsed.

EXPLORATION ACTIVITIES – QUEENSLAND

DUCHESS PROJECT AREA - Minotaur Resources Ltd can earn 70%

Activities undertaken were limited to the renegotiation of agreements with Native Title claimants and landowners and planning of infill gravity surveys. The latter is now awaiting a suitable contractor.

CRACOW REGIONAL PROJECT AREA - Rawbelle (EPMA 15480 and 15566),

Cullen has recently generated a new project for epithermal gold-silver exploration in the Lachlan Fold Belt SW of Monto, in SE Queensland. The **Rawbelle Project** comprises two exploration permit applications for minerals (EPMA) of approximately 200 sq km in total, centered approximately 55km NE of Cracow. The geology of the tenement areas comprises Permo-Triassic intrusives and Permo-Carboniferous sediments and volcanic rocks. The Rawbelle

Project covers several old mines and prospects including the **Rossmore Gold and Rossmore Silver Mines** in the south, and the **Rawbelle chalcedonic silica** prospect in the north.

A consultant's report prepared for a prior explorer in the area described the **Rawbelle chalcedonic silica prospect** as: "finely banded opaline to chalcedonic silica, quartz pseudomorphing platy calcite and possible alunite. Some of the banded, opaline silica contained fine limonite after pyrite and other ironstone scree was also recognised". There are reported to be other chalcedonic silica occurrences within 500m of the main prospect and a silver-bearing vein approximately 1km away. The prior explorer's report concluded that the Rawbelle chalcedonic silica prospect **has characteristics which are consistent with a high level epithermal vein system.**

The **Rossmore Silver Mine** was developed on a shallow east dipping vein in gabbro. The material mined consisted of chalcedonic silica-carbonate veins with core zones of quartz containing Cu, Pb and Ag minerals. **Rock chip samples of the quartz-carbonate-chalcedony are reported to range up to 3,900 g/t Ag; 8.1% Cu, 9.6% Pb and 1.92g/t Au.** South Pine Mines Pty Ltd drilled 7 shallow core holes for 189m and Westralian Sands Ltd drilled 3 RC holes for 87m; both drill programmes returned disappointing results, however Cullen believes the system was incorrectly tested. Rock chip samples returned up to 10g/t Au from the Teel's Well prospect, approximately 1km SSW of the Rossmore Silver Mine. Both Rawbelle and the Rossmore Silver Mine area were considered by prior explorers to represent subtle mineral occurrences that warrant investigation as the upper levels of a buried mineralized system.

Having reviewed these data, Cullen considers that the reported association of finely banded chalcedonic-silica, possible alunite and pyrite is significant and the Rawbelle Project area is prospective for high-sulphidation, epithermal gold-silver mineralization.

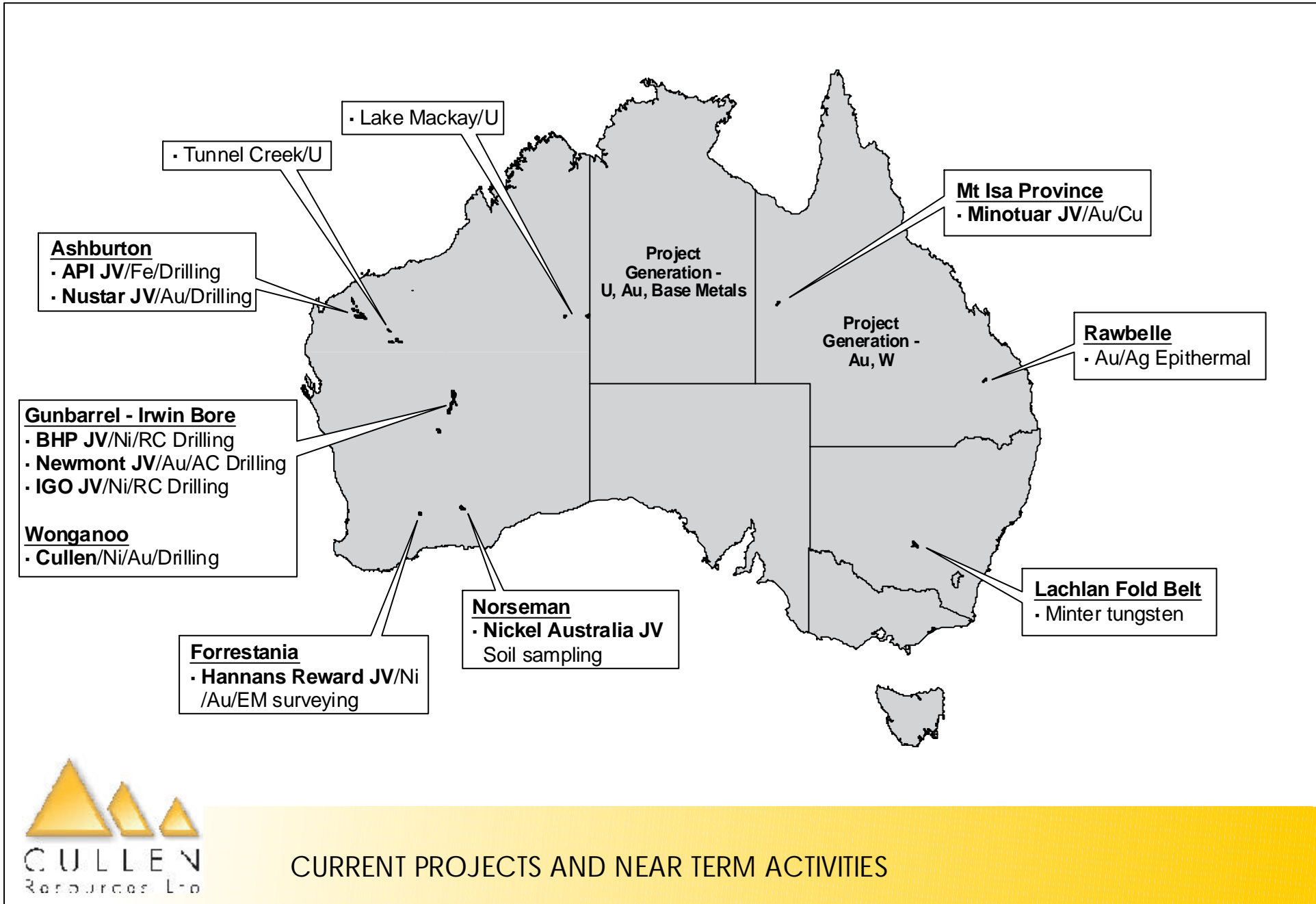
Cullen will compile all available information on the project area and when the tenements are granted will quickly develop one or more of the prospects to identify drill targets by the end of the 2006 field season.

CORPORATE

During the Quarter, the Company placed through Hartleys, 27.5M fully paid ordinary shares at an issue price of 4c/share raising \$1.1M before expenses.

ATTRIBUTION

Technical aspects of this report that relate to exploration results are based on information reviewed by Dr Chris Ringrose, Exploration Director, Cullen Resources Ltd who is a Member of the Australian Institute of Mining and Metallurgy, and Mr Clay Gordon, who is a Member of the Australian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Dr. Ringrose is a full time employee of Cullen Resources Ltd and Mr Gordon is employed by Mining Assets Pty Ltd. Each 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 Gordon consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.



CURRENT PROJECTS AND NEAR TERM ACTIVITIES