

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

KUTh Energy Limited

ABN

33 125 694 920

Quarter ended ("current quarter")

30 September 2007

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter 30 September 2007 \$A'000	Year to date (3 months) 30 September 2007 \$A'000
1.1 Receipts from product sales and related debtors	0	0
1.2 Payments for		
(a) exploration and evaluation	(77)	(77)
(b) development	0	0
(c) production	0	0
(d) administration	(103)	(103)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	23	23
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
Net Operating Cash Flows	(157)	(157)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	0	0
(b) equity investments	0	0
(c) other fixed assets	0	0
1.9 Proceeds from sale of:		
(a) prospects	0	0
(b) equity investments	0	0
(c) other fixed assets	0	0
1.10 Loans to other entities	0	0
1.11 Loans repaid by other entities	0	0
1.12 Other (provide details if material)	8	8
Net investing cash flows	8	8
1.13 Total operating and investing cash flows (carried forward)	(149)	(149)

1.13	Total operating and investing cash flows (brought forward)	(149)	(149)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	5,824	5,824
1.15	Proceeds from sale of forfeited shares	0	0
1.16	Proceeds from borrowings	0	0
1.17	Repayment of borrowings	0	0
1.18	Dividends paid	0	0
1.19	Other – share issue costs	(283)	(283)
	Net financing cash flows	5,541	5,541
	Net increase (decrease) in cash held	5,392	5,392
1.20	Cash at beginning of quarter/year to date	501	501
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	Cash at end of quarter	5,893	5,893

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	0
1.24	Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

1.23 – directors fees and consultancy fees at normal commercial rates

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

Nil

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

N/A

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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	0
Total	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	5,893	501
5.2 Deposits at call	0	0
5.3 Bank overdraft	0	0
5.4 Other – Bank bills, bank term deposits	0	0
Total: cash at end of quarter (item 1.22)	5,893	501

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	No changes		
6.2	Interests in mining tenements acquired or increased	No changes		

6.3 A full list of KUTH Energy Limited tenements is included as an attachment to this 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 (description)	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 +Ordinary securities	53,263,119*	53,263,119	Fully Paid	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	24,296,000**	24,296,000		
7.5 +Convertible debt securities (description)	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7 Options	333,333***	0	<i>Exercise price</i> 30	<i>Expiry date</i> 30.9.2012
7.8 Issued during quarter	333,333	0	30	30.9.2012
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 Debentures (totals only)	Nil			
7.12 Unsecured notes (totals only)	Nil			

* 23,702,763 shares ASX escrowed until 25 September 2009 and 3,663,466 shares ASX escrowed to 31 May 2008.

** 23,296,000 shares issued in company's IPO at \$0.25 each and 1,000,000 shares issued for Nil consideration to company's General Manager in terms of agreement detailed in Section 9.5(A) of the company's Prospectus.

*** 333,333 options ASX escrowed to 25 September 2009 as per section 9.9 of the company's Prospectus.

Schedule of Tenements as at 24 October 2007

Tenement Name	Number	Holder	Expiry	Comment
Tasmania				
	SEL 26/2005	KUTh Exploration Pty Ltd	6 Aug 2012	
	SEL 45/2007	KUTh Exploration Pty Ltd	N/A	Application 26 Jun 2007
Queensland				
	EPG 7	KUTh Exploration Pty Ltd	N/A	Application 5 Apr 2007
	EPG 9	KUTh Exploration Pty Ltd	N/A	Application 5 Apr 2007

SEL = special exploration licence
SELA = special exploration licence application
EPG = geothermal exploration permit