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ASX QUARTERLY EXPLORATION REPORT FOR PERIOD ENDED 30TH SEPTEMBER 2007

HIGHLIGHTS

- **Palaeochannels intersected at Frasers Prospect**
- **All approvals in place for Wynbring and Garford drilling programs**
- **Downhole gamma logger purchased, setup and successfully tested**
- **Option entitlement to shareholders raises additional \$285,000**

Frasers Uranium Project (Fission 100% uranium rights)

The Frasers Project, which adjoins Tasman Resources Parkinson Dam Project, is located approximately 75km west of Port Augusta in South Australia. The area is prospective for both Tertiary palaeochannel and Proterozoic unconformity related uranium mineralisation. A small portion of Tasman Resources' tenements at Parkinson Dam (approximately 15 km²) are excluded from Fission's uranium exploration rights.

Fission has recently identified a number of potential Tertiary palaeochannel uranium targets in the west of the Parkinson Dam Project at the Frasers prospect. The potential source of the uranium is extensive, outcropping relatively uranium-rich Gawler Range Volcanics, and the inferred palaeochannels are part of a larger system recently documented by Primary Industries and Resources SA (PIRSA).

Three of the six holes drilled recently over a large area (30 km²) at Frasers confirmed the presence of thin Tertiary palaeochannel sediments up to 18m thick overlying the Gawler Range Volcanics. The sediments here are totally oxidised and downhole gamma logging did not locate any significant uranium anomalism. It is likely however, that the palaeochannels will be better developed further downstream in the north of Fission's exploration licence and may contain reduced sediments prospective for roll front uranium mineralisation. Further follow up is planned.

Wynbring and Garford Projects (Fission 100% uranium rights)

The Wynbring project is located within EL 3306 on the Gawler Craton approximately 100km northwest of Tarcoola in South Australia and the Garford project comprising ELs 3339 to 3345(incl.), 3343, 3532 and 3712 is located approximately 80 km southwest of Coober Pedy.

Wynbring covers approximately 13km of a Tertiary palaeochannel and 30km of tributaries, all of which have been subjected to very limited previous drill testing for uranium. Most of this drilling has been in the southern end of the project area and several widely spaced holes have intersected anomalous radiometric responses up to 400cps (seven times background).

Garford covers over 80km of Tertiary and older palaeochannels which have never been explored for uranium.

PIRSA has approved the planned drilling programs for both Wynbring and Garford and aboriginal heritage surveys have been successfully completed. Site preparation for the forthcoming Wynbring drilling programme was also completed during the quarter.

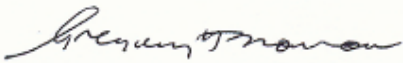
Unfortunately Fission's first major drilling program targeting the Wynbring palaeochannel has been considerably delayed due to problems experienced elsewhere by the drilling contractor. Drilling is now anticipated to commence in December. Efforts to source another suitable drilling rig for an earlier start have so far proved unsuccessful.

Western Australian Projects (Fission 100%)

Applications for all of Fission's Western Australian uranium tenements are still being processed by the Dept. of Industry and Resources.

Corporate

The Company recently completed a 1 for 2 option issue to shareholders raising an additional \$ 285,000.



Greg Solomon
Executive Chairman

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.

The information in this announcement, insofar as it relates to Mineral Exploration activities, is based on information compiled by Michael J. Glasson and Robert N. Smith and, who are members of the Australian Institute of Geoscientists, and who have more than five years experience in the field of activity being reported on. Mr Glasson and Mr Smith are full-time employees of the company. Mr and Mr Smith Glasson have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Glasson and Mr Smith consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.

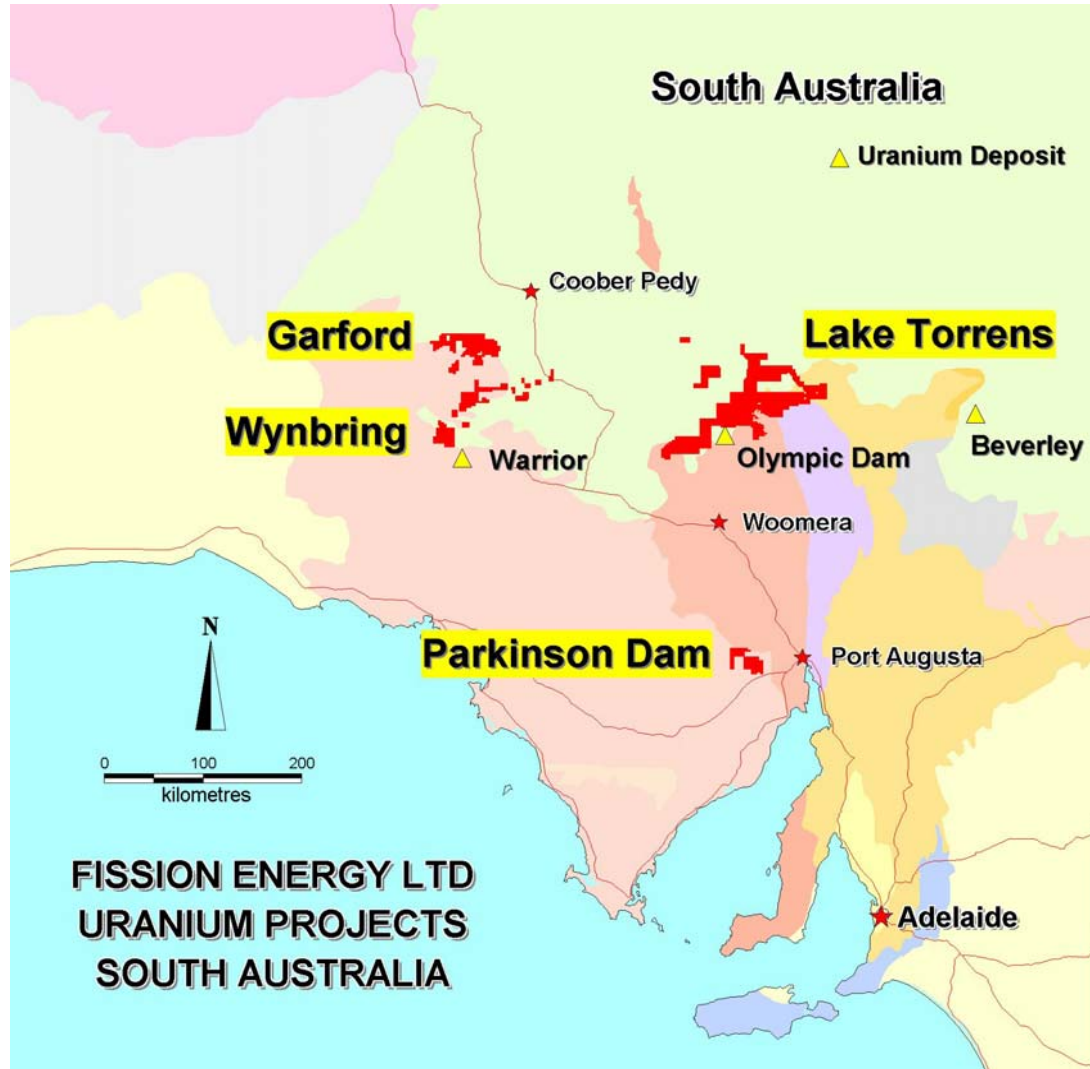


Figure 1: South Australia Project Locations

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

FISSION ENERGY LTD

ABN

49 119 057 457

Quarter ended ("current quarter")

30 SEPTEMBER 2007

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(55)	(55)
	(b) development		
	(c) production		
	(d) administration	(129)	(129)
1.3	Dividends received	0	0
1.4	Interest and other items of a similar nature received	120	120
1.5	Interest and other costs of finance paid	0	0
1.6	Income taxes paid – GST Paid	(25)	(25)
	Income Taxes – GST Refunds Received	36	36
1.7	Other (provide details if material)-		
Net Operating Cash Flows		(53)	(53)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c)other fixed assets	(50)	(50)
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)		
Net investing cash flows		(50)	(50)
1.13	Total operating and investing cash flows (carried forward)	(103)	(103)

1.13	Total operating and investing cash flows (brought forward)	(103)	(103)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	285	285
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) Share Issue Costs	(67)	(67)
	Net financing cash flows	218	218
	Net increase (decrease) in cash held	115	115
1.20	Cash at beginning of quarter/year to date	5,774	5,774
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	Cash at end of quarter	5,889	5,889

**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	106
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

Management Fees, as per agreement, were paid during the quarter to a company of which Mr GH Solomon and Mr DH Solomon are directors.
Legal Fees were paid during the quarter to a firm of which Mr GH Solomon and Mr DH Solomon are partners.
Bona-fide reimbursement of expenses for the period to 30 September 2007
Directors Fees and Superannuation paid during the period.

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

Not applicable

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	
Total	200

Subsequent to end of quarter additional capital has been raised to fund part of this expenditure.

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	1,889	5,774
5.2 Deposits at call	4,000	0
5.3 Bank overdraft	0	0
5.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.22)	5,889	5,774

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			
<p>Outstanding Applications:</p> <p>ELA 28/1744, ELA 29/650, ELA 29/651, ELA 45/3101, ELA 57/692, ELA 57/693, ELA 57/695, ELA 77/1393, ELA 77/1402, ELA 77/1417</p>				
<p>Fission Energy Ltd has the right to explore for uranium within Tasman Resources NL's tenements, except for basement rocks within the area subject to the WCP Joint Venture, and an excluded area at Parkinson Dam Project (approximately 15km²) where Tasman is aggressively testing for high grade epithermal gold-silver.</p>				

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)	NOT APPLICABLE			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	57,000,000	31,000,000		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	*Convertible debt securities (description)	NOT APPLICABLE			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options	1,000,000 41,000,000	NIL 28,500,000	Exercise price 20 cents 20 cents	Expiry date 18 June 2010 28 February 2011
7.8	Issued during quarter	28,500,000	28,500,000	20 cents	28 February 2011
7.9	Exercised during quarter	NIL	NIL		
7.10	Expired during quarter	NIL	NIL		
7.11	Debentures (totals only)	NOT APPLICABLE			
7.12	Unsecured notes (totals only)	NOT APPLICABLE			

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.

RAYMOND FRANCIS BUSCALL
COMPANY SECRETARY
Date: 31 October 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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