



Southern Cross Exploration N.L.

A.C.N. 000 716 012

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PLEASE ADDRESS ALL CORRESPONDENCE TO GPO BOX 4246 SYDNEY NSW 2001

29 January 2010

e-Lodgement

FOR PUBLIC RELEASE

Manager - Company Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Madam

Re Quarterly Reports for the quarter ended 31 December 2009

The Company's Quarterly Activities Report and Appendix 5B - Consolidated Statement of Cash Flows - for the quarter ended 31 December 2009 are attached.

For and on behalf of

Southern Cross Exploration N L

E Goh
Secretary



Southern Cross Exploration N.L.

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Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Madam

QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2009

(ASX code - SXX)

URANIUM - BIGRLYI URANIUM JOINT VENTURE - *NORTHERN TERRITORY, AUSTRALIA*

The Bigrlyi Uranium project is located in the Ngalia Basin, approximately 390 km northwest of Alice Springs, in the Northern Territory. The project is characterised by relatively high uranium grades and excellent metallurgical recoveries. Southern Cross has participated in the Bigrlyi Uranium Joint Venture for many years.

Upon completion of an agreed settlement, the respective interests in the Bigrlyi Uranium Joint Venture will be:

Energy Metals Limited (Operator)	53.35%
Valhalla Uranium Ltd	41.7 %.
Southern Cross Exploration N L	5.0 %

It is noted that as at 18 December 2009, a proportional takeover offer by China Uranium Development Company (CUD) for the Bigrlyi Joint Venture Operator (Energy Metals Limited) had resulted in CUD holding in excess of 65% of EME's issued capital (subject to final confirmation). CUD is a subsidiary of China Guangdong Nuclear Power and that company has announced it will underwrite a proposed \$12 million rights issue by EME.

The Bigrlyi Uranium Joint Venture Project consists of 10 granted exploration retention licenses. The project has been subject to significant exploration activity since discovery in 1983, including over 850 drillholes, metallurgical testwork and mining studies.

Extracts from the 31 December 2009 Quarterly Report of Energy Metals Limited (EME) - the Joint Venture Operator - are reproduced below:

Activities (December 2009 Quarter)

An RC drilling program designed to extend current resource positions at Bigrlyi (with a focus on shallow, potentially open pittable positions) commenced in September 2009 and continued until mid December 2009. Some 44 holes (total 5559 m) were drilled to test potentially mineralised positions west of the A4 deposit and untested zones between A10 and A15.

Downhole calibrated gamma probe (eU3O8) results have been received from all holes drilled as part of this program. Initial drilling highlighted a new mineralised position beneath transported sand cover 2km west of A4, with anomalous intercepts (>150ppm eU3O8) obtained over a strike length of 300m. Geochemical analysis has confirmed the identified anomalous probe intercepts at this prospect with results of **2m @ 0.13% U₃O₈** and **2m @ 0.05% U₃O₈**.*

URANIUM - BIGRLYI URANIUM JOINT VENTURE - NORTHERN TERRITORY, AUSTRALIA

*Initial probing of drillhole B09025 identified significant mineralisation associated with the C/D horizon to the east of Anomaly 11. Confirmatory geochemical analysis from this hole returned **4m @ 0.27% U₃O₈** (including **1m @ 0.74%**) from 164m.*

*The proposed program also included detailed ("grade control") RC drilling at A4 and A15 to obtain further information on grade distribution and continuity of mineralisation. Results from this drilling are currently being interpreted with geochemical results up to **10m @ 0.14% U₃O₈** (including **2m @ 0.52% U₃O₈**) from 77m.*

Diamond drilling (9 holes for 750m) to obtain large diameter core samples for initial heap leach studies was completed mid December 2009, with results of the downhole calibrated gamma probing awaited. These samples have been despatched to ANSTO for this testwork program.

Compilation of the 2009 drill data is in progress with all analytical results and geophysical data expected late January 2010. Resource modeling and independent resource estimation is to be undertaken in the coming quarter.

** Uranium mineralisation grades through this report are annotated with a sub-prefix 'e' because they have been reported as uranium equivalent grades derived from down-hole gamma ray logging results and should be regarded as approximations only.*

Further information on the Bigryli Uranium Joint Venture Project may be obtained from the website of the Operator, Energy Metals Ltd (EME) - www.energymetals.net.

URANIUM - BURKINA FASO, WEST AFRICA

Southern Cross has an interest in two Exploration Permits for uranium, located near the town of Oursi in north-eastern Burkina Faso. The Oursi Project tenements cover an area of 500 sq. kms. and embrace a major unconformity structure considered to be prospective for uranium deposits.

Current interests in the consortium of companies formed to carry out exploration on the permits are: Southern Cross (original applicant) - 45%; Longreach Oil Ltd - 20% and CrossContinental Uranium Limited - 35%. CrossContinental, a Canadian company jointly-owned by ASX-listed Crossland Uranium Mines Limited (CUX) and Toronto-listed Pancontinental Uranium Corp (PUC), may fund exploration to earn an interest of 50%.

CrossContinental (Operator) has advised that no field operations were carried out during this quarter.

GOLD - PHILIPPINES

The Company holds a 20% interest in the old gold mining area known as the Gold Cross Gold Project. This project is located about 100 kms north-east of Manila, on the main island of Luzon. The area is considered to have potential for large gold resources.

Southern Cross can acquire an additional interest in the project by exercising its rights to purchase the balance of 80% in several tranches. The Company understands that the Philippines Department of Energy and Natural Resources has advised on a consolidation of the applications for three Mineral Production Sharing Agreements and that action is being taken to complete the licencing process.

MAGNESITE - IRAN

The company has a 10% interest in two companies based in Iran which hold several exploration tenements with identified outcropping dolomite/magnesite deposits. Access to cheap power, which is available at the gate of one of the tenements, is critical for commercially successful magnesite and magnesium production. This project is being kept under review.

OIL & GAS & ENERGY

Oil and gas exploration opportunities in Australia and overseas are being evaluated on a continuing basis.

The Company retains an indirect interest in oil and gas exploration through its shareholding in Longreach Oil Ltd (LGO), an ASX-listed company. LGO has a direct interest ranging from 9.35% to 50% in prospective oil/gas areas in Queensland and Western Australia. It indirectly holds a substantial shareholding in unlisted Brisbane Petroleum Ltd which has two Petroleum Leases with some oil production in the Surat Basin and also has a substantial interest in ASX-listed AusTex Oil Ltd (AOK), which has oil and gas producing leases in Oklahoma and Kansas, USA.

GENERAL

Southern Cross continues to seek prospective exploration and/or mining projects in Australia and overseas, and proposes to participate in promoting a new oil and gas investment company.

EXPENDITURE

Expenditure for the quarter amounted to \$65,000.

For and on behalf of

Southern Cross Exploration N L

E Goh
Secretary

-ks/956.108.1

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

SOUTHERN CROSS EXPLORATION NL

ABN

70 000716 012

Quarter ended ("current quarter")

31 December 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 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 (b) development (c) production (d) administration	(65)	(259)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid	(35)	(97)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(100)	(356)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(5)	(78)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	23	129
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Bigryli Uranium Joint Venture Project	(39)	(146)
Net investing cash flows	(21)	(95)
1.13 Total operating and investing cash flows (carried forward)	(121)	(451)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(121)	(451)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	134	531
1.17	Repayment of borrowings	(5)	(76)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	129	455
	Net increase (decrease) in cash held	8	4
1.20	Cash at beginning of quarter/year to date	5	9
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	13	13

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	44
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions	
	Included payments of prior period accruals	

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

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- 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

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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 – Bank Overdraft	1,000	997
3.2 Credit standby arrangements		
3.3 Value of Investments in listed companies available for sale in excess of	500	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	10
4.2 Development	
Total	10

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	13	5
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	13	5

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.

Appendix 5B
Mining exploration entity quarterly 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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary FP securities PP	56,000,000 60,000,000	56,000,000 60,000,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>				
7.8 Issued during quarter				
7.9 Exercised during quarter				
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 ~~/does not*~~ (delete one) give a true and fair view of the matters disclosed.

Sign here: Date: 29 January 2010
(~~Director~~/Company secretary)

Print name: E Goh

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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+ See chapter 19 for defined terms.