Altera Resources Ltd

31 July 2009

The Manager
Australian Stock Exchange Limited
10th Floor
10 Bond Street
SYDNEY NSW 2000

Dear Sir,

QUARTERLY REPORT FOR THE 3 MONTHS ENDED 30 June 2009

Estimated Exploration Target of 405 to 540Million tonnes from a large Inventory Coal base.

Highlights

Altera Resources Ltd ("Altera") is pleased to announce the latest results of its data review and geological compilation completed on 10 Exploration Permits for Coal Applications (EPCAs) in the Clarence-Moreton Basin in South East Queensland covering an area of 5,539 km^2.

This review has highlighted that:

- **Altera's EPCAs cover a strategic area with potential for large tonnages of thermal coal.**
- **A large Inventory coal tonnage has been established, from which several Exploration Targets have been estimated, totalling some 405 to 540 Million tonnes.**
- **Whilst these Exploration Targets are conceptual in nature, there is potential for both open cut and underground mining in each area.**
- **Expected product coals range from domestic to export thermal and perhaps a semi-soft coking coal.**

A number of Exploration Target areas have been identified. These will be the subject of follow up exploration drilling programs with the aim of converting the Exploration Targets into coal resources suitable for reporting to the JORC - Standard.

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Data review and compilation of Altera's other EPCAs covering an area of over 80km^2 in the Bowen Basin is underway. These EPCAs also have the potential for the discovery of new coal deposits.

Future Direction

In the short term Altera plans to add value to its coal holdings by completing a review of its Bowen Basin EPCA's and to undertake exploration drilling programs to delineate a JORC - Standard coal resources on its South East Queensland EPCA's.

The Company is reviewing new coal opportunities to complement its existing EPCAs in Queensland.

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Review of EPCA's

Within the Clarence-Moreton Basin, Altera Resources Ltd's (Altera) holdings of EPCAs form significant actual and potential coal occurrences, which await appropriate exploration work in order to be converted to JORC – Standard Coal Resources. The coal occurrences have a range of maturity in relation to Coal Resource estimation, but together cover a strategic area which has potential for the Company to exploit large coal tonnages beyond the foreseeable future.

The company also has EPCAs within the Bowen Basin.

South East Queensland

Altera's ten EPC applications within South East Queensland are around the Inglewood, Toowoomba, Mintovale and Warwick areas. These applications were lodged on areas underlain by the Walloon Coal Measures and the Marburg Sub-Group formations.

A data review of these EPCA's so as to ascertain Inventory coal tonnages was completed by Moultrie Database & Modelling (MDM) during the June quarter. Some of these areas will fulfil the JORC requirement in that there are reasonable prospects for eventual economic extraction. Most require further exploration programs to provide more detailed data.

The Stage 1 review of these areas consisted of downloading Open File QLD government historical data. The quality of the data thus reported was variable, but consisted of all information from previous fieldwork, boreholes (including some electronic LAS data) and any seismic data collected. Some of the reports included resource estimates and coal quality models. From this borehole data, the main focus was in acquiring the LAS geophysical data to identify coal seams within the strata.

Borehole collars and seam picks unearthed or interpreted by MDM were collated to an Access Database and later transferred to the Gemcom – Minex mine planning system to enable seam correlation. Some minimum criteria (e.g. seams > 0.3m in thickness, not intruded, <60% ash) were set for the coal seams being investigated, and subsequently thickness contours and volumes calculated, some by using first principles and some using the above-mentioned mine planning software.

From these calculations a large inventory coal tonnage was identified however this figure is **not suitable** for reporting to the JORC standard. Subsequent calculations highlighted several Exploration Targets, totalling between, 405 to 540 Million tonnes occurring within the Altera's EPCAs (refer to Table 1). In general individual coal seams vary in thickness between 0.3 to 3m. In the Toowoomba area the seams are slightly thicker. The coal tonnages at Leyburn, Warwick, Mintovale and Inglewood areas would all be classed as having shallow and moderately deep open-cut potential, whereas the coal at Toowoomba would be an underground coal prospect. The expected product coals could range from domestic thermal to export thermal and perhaps for the Evergreen Formation, a semi-soft coking coal.

It should be noted that the tonnages quoted in Table 1 are conceptual in nature, that there has been insufficient exploration to define a Coal Resource and that it is uncertain if further exploration will result in the determination of a Coal Resource.

Table 1: Altera Resources Ltd SE Queensland EPC Applications Exploration Target Estimates

Area	EPCAs	Formation	Exploration Target (Mt)	Net Coal
Warwick	1648	Marburg Formation	5-10	3.5
Toowoomba	1664 1665	Marburg Formation Evergreen Formation Ipswich Coal Measures	300-400	14.5
Mt Edward	1662	Walloon Coal Measures Marburg Formation Evergreen Formation	40-50	8.0
Inglewood	1650 1651	Walloon Coal Measures	20-30	5.5
Yearbon	1649	Walloon Coal Measures	40-50	6.5
Total			**405-540**	

In conclusion, several comments can be made about the current phases of the geological evaluation being conducted by MDM for Altera:

- The Exploration Target tonnages estimate is based on coal thicknesses from previous drilling and the estimated strike extent of the coal measures based on petroleum wells and limited seismic data. A geological basin model is currently being developed by Altera and its independent consultants. Altera are seeking areas where inferred coal resources can be estimated in accordance with the JORC code. The company is confident that some of these areas will have sufficient data to support Inferred coal resources from further investigations and evaluations.

- Currently there is insufficient data in EPC's 1648, 1649, 1651, and 1652 to calculate JORC - Standard coal resources and new exploration programs are being formulated in the above EPCA's to obtain new drill and geophysical data.

- Previous explorers were originally deterred by the basalt and alluvial cover in some of Altera EPCAs and these areas now represent windows of opportunity for the discovery of new coal deposits for the Company.

- There has been insufficient drilling at depth below the Walloon Coal Measures and deeper drilling is expected to define new coal tonnages.

For the remaining EPCA's interpretation of available open-file data will form Stage 2 of the review and is ongoing, with priority on generating inferred masks, calculating tonnages and defining new target areas. A priority for exploration drilling programs (being planned) is additional Points of Observation up-dip and down-dip to provide two dimensions to the existing drilling arrays.

Gascoyne Base Metal Project

The Gascoyne Base Metal Project (GBMP) is located approximately 250 km to the east of Carnarvon in the Gascoyne region of Western Australia (Figure 3). GBMP is a joint venture between Altera and ABM Resources NL, whereby Altera is earning a 65% interest in GBMP.

RC drilling completed during 2008 at the project by Altera has resulted in a potential new base metal discovery with significant results of up to 2.3% Pb and 0.9% Cu. Lead sulphide (galena) and copper sulphides (chalcopyrite) were identified in drill chips.

An Induced Polarisation (IP) survey completed to follow up the very significant RC drill results has outlined a deeper and larger chargeable zone (Figure 3). A review of the IP survey data and preliminary two-dimensional modelling suggests that this zone lies below 100 m depth. IP surveys over a wider area, to outline significant bodies of sulphide mineralisation were recommended by the consulting geophysicist.

An Information Memorandum was prepared during the quarter and the Company is actively seeking JV partners for this project to build on the discovery results of up to 2.3% Pb and 0.9% Cu.

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New Projects

The company undertook detailed assessments and reviews of several significant projects during the quarter.

Godfrey Rule
Chairman

For further information please contact us on (08) 9481 5866

The information in this report that relates to Coal Resources or Coal Reserves is based on information compiled by Mark Biggs who is a member of the AusIMM. Mark Biggs is a full-time employee of Moultrie Database and Modelling Pty. Ltd.

Mark Biggs is a consultant geologist with over 20 years of experience in exploring for and evaluating coal deposits. He has 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 a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting Mineral Resources and Ore Reserves"

Mark Biggs consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this Report that relates to the GBMP exploration results is based on information compiled by Harjinder Kehal who is a member of the Australasian Institute of Mining and Metallurgy. Harjinder Kehal is a Consultant Geologist with over 20 years experience as a geologist.

Harjinder Kehal has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves. Harjinder Kehal consents to the inclusion in the report of the matters based on his information in the form and context in which it is used.

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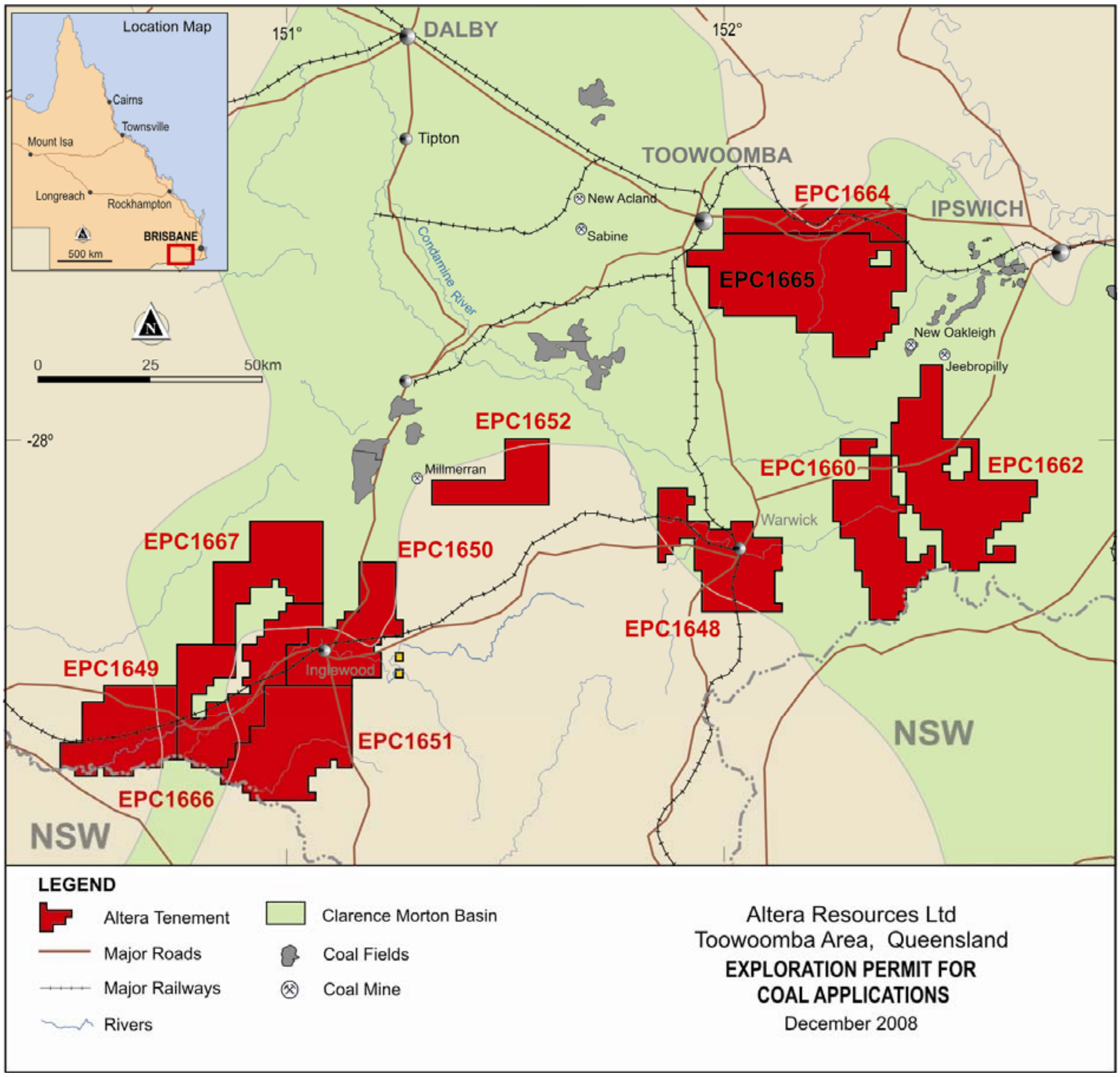

Figure 1: Exploration Permit for Coal applications – Toowoomba area, Clarence Morton Basin, Queensland

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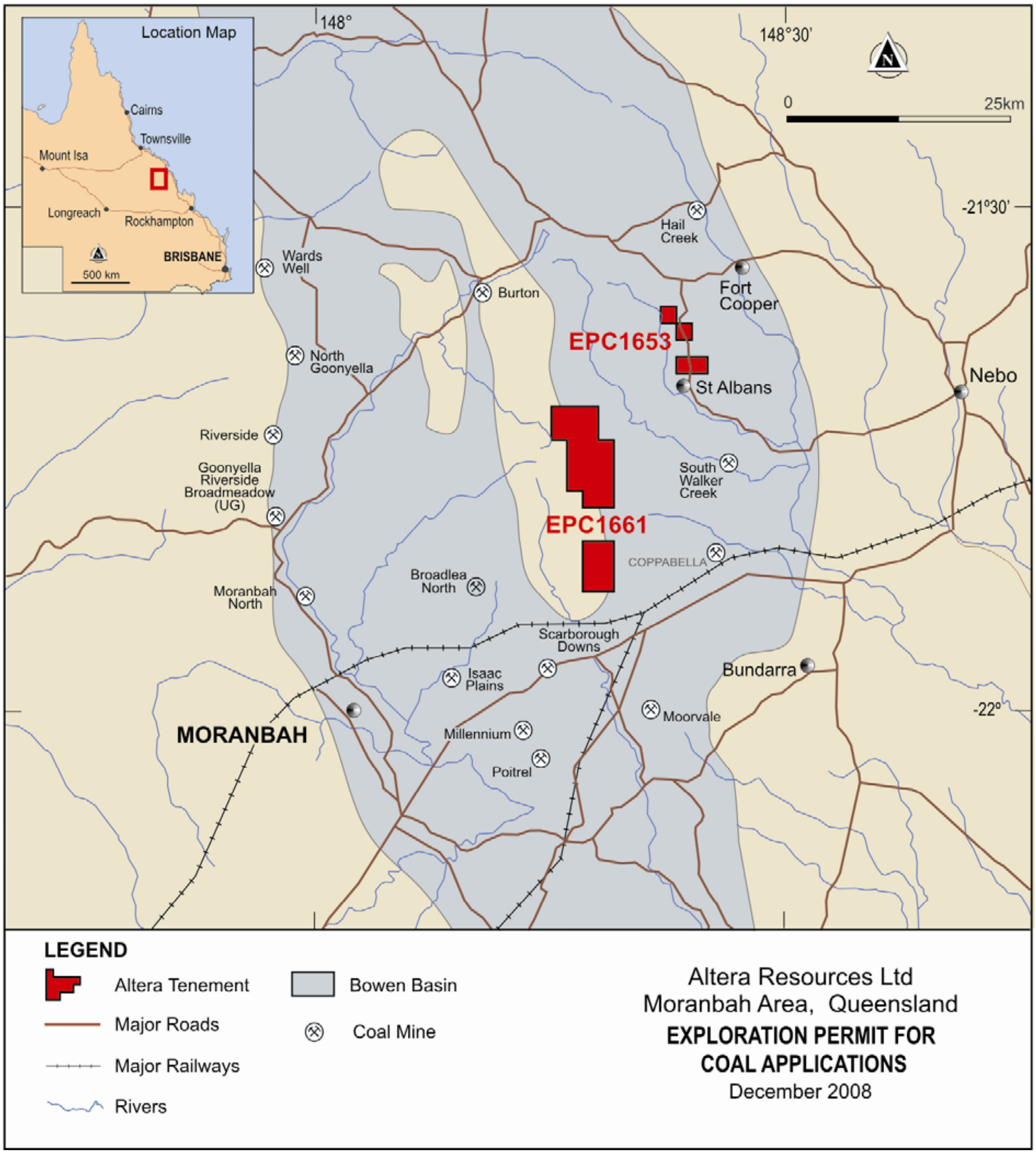

Figure 2: Exploration Permit for Coal applications – Moranbah area, North Bowen Basin, Queensland

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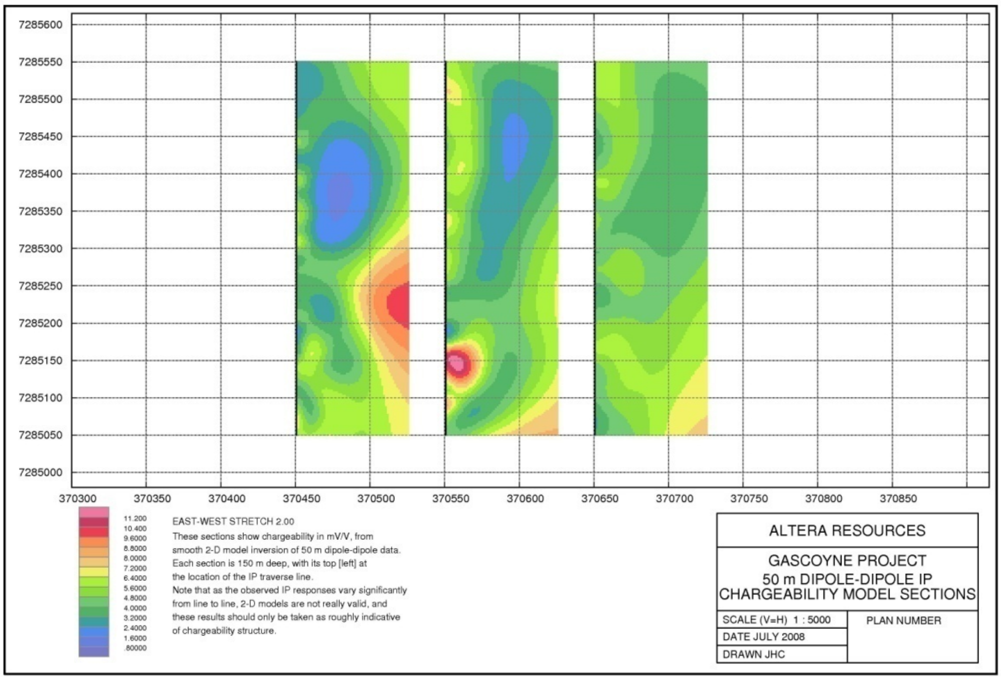

Figure 3: Chargeable zones identified from Dipole-dipole IP survey

Rule 5.3

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

ALTERA RESOURCES LTD

ABN	Quarter ended ("current quarter")
082 541 437	30 JUNE 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	(10)	(205)
	(b) development		
	(c) production		
	(d) administration	(107)	(555)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	8	69
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)	10	42
	Net Operating Cash Flows	(99)	(649)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c) other fixed assets		
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		
1.13	Total operating and investing cash flows (carried forward)	(99)	(649)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(99)	(649)
	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		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows		
	Net increase (decrease) in cash held		
1.20	Cash at beginning of quarter/year to date	1126	1676
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	1027	1027

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	54
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

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

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	100
4.2	Development	
	Total	

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	15	71
5.2	Deposits at call	1012	1055
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	1027	1126

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				

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)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	20,453,363			
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	4,000,000 2,100,000		*Exercise price* *0.20* *0.10*	*Expiry date* *31/12/2012* *08/08/2011*
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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: ....
(Director/Company secretary)

Print name: ....

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.