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AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

27th July 2009

EXPLORATION UPDATE: NICKEL SULPHIDE DRILLING AT MT THIRSTY

Background

The Mt Thirsty Joint Venture partners Fission Energy Limited ("Fission") and Barra Resources Limited ("Barra") provide the market with the following update on exploration drilling at The Mt Thirsty nickel sulphide project.

The discovery of primary nickel sulphide mineralisation in the first diamond hole (MTDD008) was announced on 1 July 2009. This hole was designed to test a substantial electromagnetic (EM) anomaly adjacent to the joint venturers' Mt Thirsty cobalt-nickel-manganese oxide deposit. Mt Thirsty is located 20 kilometres north-northwest of Norseman, Western Australia.

As previously reported, diamond hole MTDD008 intersected several zones of sulphide mineralisation, including a 16 metre thick hanging wall zone of stringer and heavily disseminated nickel sulphides (refer photos Figure 2) at a down hole depth of 308 metres, coincident with the EM conductor's modelled depth of 320 metres. The drill hole, collared at 372355E and 6447255N (AGD84 Zone 51) was initially orientated at 75° to the west, and based on the current geological interpretation the down hole intercepts are believed to be close to true width. Spot readings, using a Niton hand held XRF device on selected pieces of core from 2 to 5 centimetre thick stringer veins of massive sulphide returned readings of approximately 1% nickel.

New Results

MTDD008 has just been completed at the depth capacity of the drill rig at 1070 metres. Between the zones of nickel sulphide mineralisation previously reported (to about 320 metres) and the final depth, a very thick sequence of originally olivine-rich, cumulate textured ultramafics was intersected. These rocks contain variable amounts of disseminated, vein and stringer-style sulphide mineralisation, which is becoming stronger towards the end of the hole. Again, spot readings with a Niton device have confirmed the presence of nickel sulphides, with readings up to 3.4% Ni, but generally around 1% Ni as shown on the attached cross section (see Figure 1). However, representative, laboratory assays from the entire hole are still awaited, and expected within about a week.

The joint venturers have drilled the hole to this depth due to the continuing presence of sulphides, including nickel sulphides, with the aim of intersecting the footwall contact where the best concentration of nickel might be expected (eg. as at Kambalda). In addition, in excess of 700 metres of the interpreted basal ultramafic unit has so far been intersected down the hole (Figure 1), however the footwall contact has yet to be intersected due to likely thickening of the unit. This interpreted thickening is also considered highly encouraging (eg. at Mt Keith the host ultramafic unit is up to 650 metres thick).

Figure 1 shows that despite the target in MTDD008 being below 1000m, there is obviously strong potential for any mineralised zone to extend upwards to much shallower depths. This possibility will be tested by a follow up EM survey and possible drilling.

It is worth noting that the highest Niton reading (3.4% Ni) is associated with visible nickel sulphides near the base of a later, Proterozoic dyke (see photo Figure 2). These sulphides may have been remobilised upwards from a more significant sulphide accumulation on the basal contact some distance below.

Follow Up Program

A down hole electromagnetic (EM) survey is currently in progress. This survey will determine if there are any strongly conductive bodies (eg. large nickel sulphide accumulations) close to or beneath the drill hole. If a positive response is obtained consideration will be given to deepening the hole with a higher capacity drill rig.

Surface EM is also planned to test the up-dip extension of the interpreted footwall zone of interest. Any near-surface conductors would be immediately tested with shallow drilling.

The joint venture partners also plan to drill test the highest priority EM target at the Woodcutters prospect approximately 6km to the WNW which is associated with a surface gossan which has returned nickel assays up to 0.4%. Drilling of a diamond hole to about 250m to test the target would commence next week.

**Note: The nickel grade estimates for diamond hole MTDD008 quoted in this release have been estimated using a Niton XLT 592 portable XRF analyser. These spot estimates are indicative only and have been provided to demonstrate that some highly anomalous nickel values are present throughout the hole. Niton XRF analysis is not considered a substitute for conventional analytical methods.*



Guy Le Page
Director

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 Michael J. Glasson and Robert N Smith, who are members of the Australian Institute of Geoscientists, both of whom have more than five years experience in the field of activity being reported on. Mr Glasson and Mr Smith are consultants. Mr Glasson and Mr Smith 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.

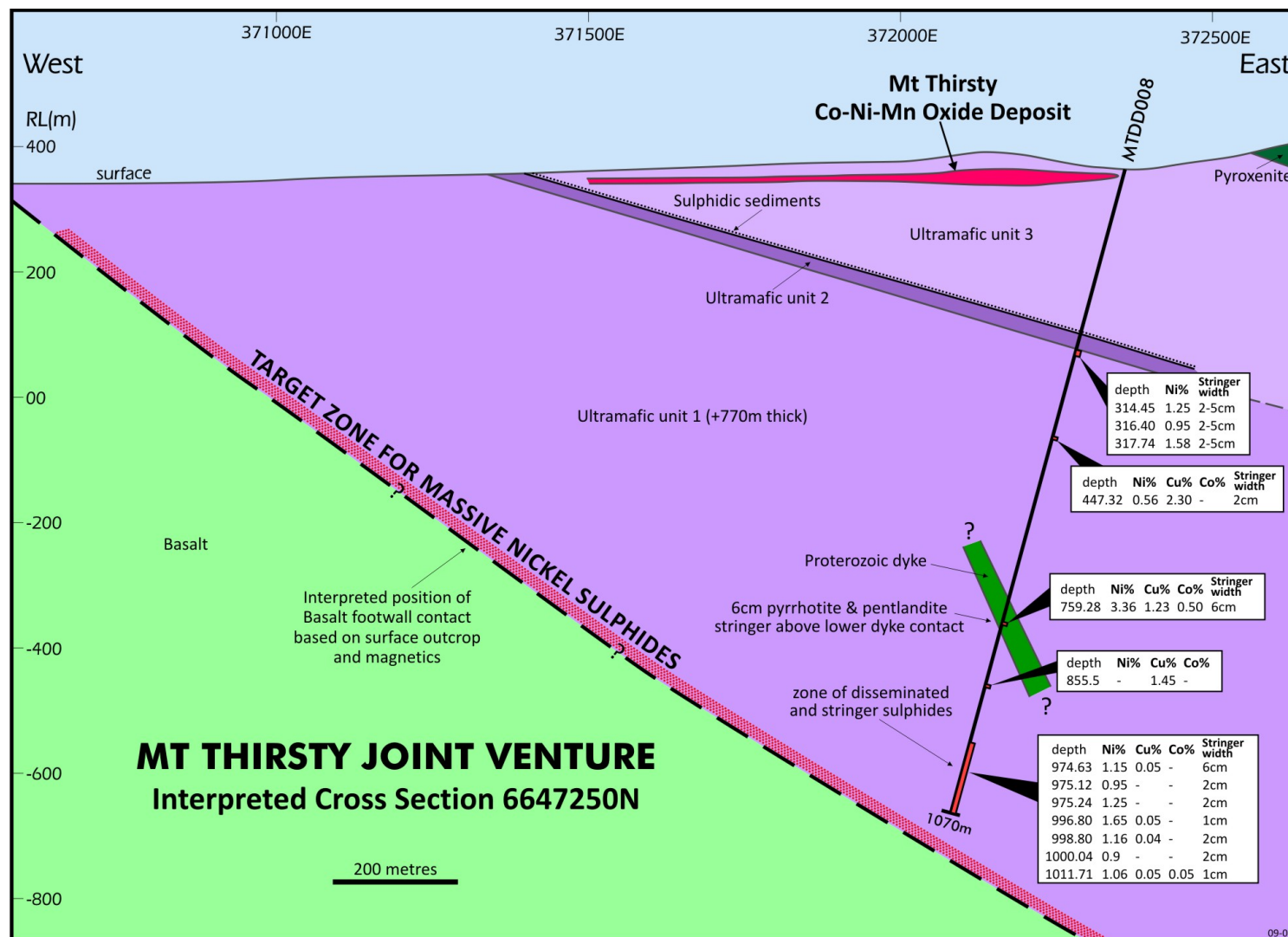
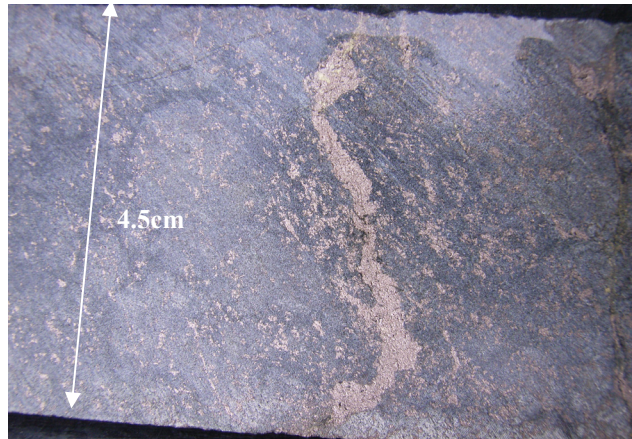
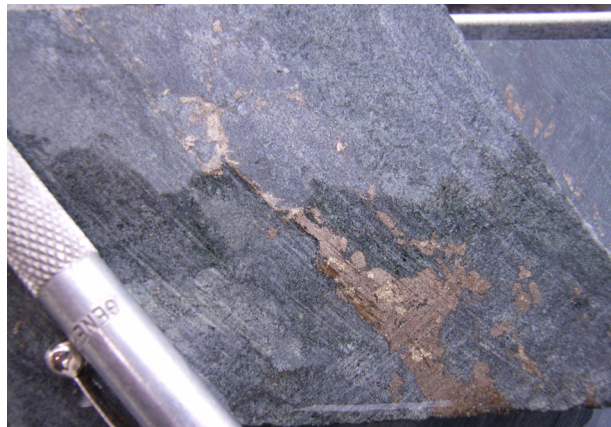


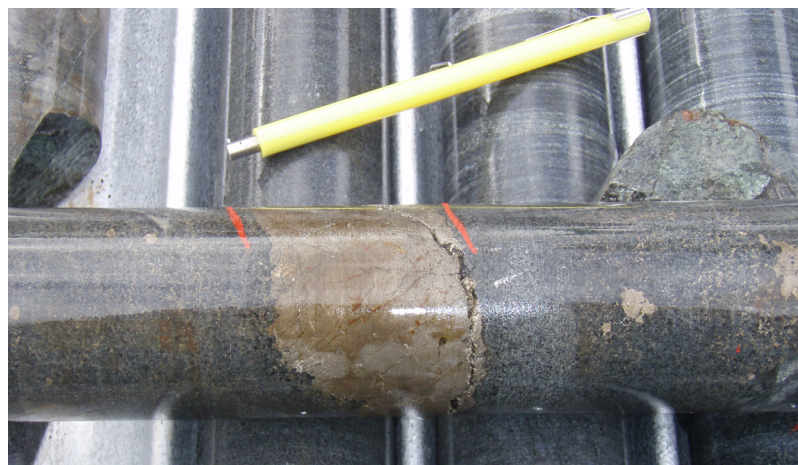
Figure 1: Interpreted east-west geological cross section through drill hole MTDD008, showing spot Niton readings of stringer sulphide veins and interpreted basal footwall target zone.



MTDD008 Disseminated and stringer sulphide mineralisation in half NQ core, 318m depth.



MTDD008 Stringer sulphide mineralisation showing lighter coloured pentlandite? grains within pyrrhotite in half NQ core.



MTDD008 6cm wide massive sulphide stringer (pyrrhotite and pentlandite) near lower contact in Proterozoic dyke (NQ Core), 759m depth.

Figure 2: MTDD008 core photos showing sulphide mineralisation.