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ASX ANNOUNCEMENT

ACTIVITIES UPDATE – ASHBURTON GOLD PROJECTS

The Directors are pleased to provide an update on the Company's gold exploration activities in the Ashburton Gold Province of WA. This follows yesterday's announcement of a new initiative by Cullen and Aquila Steel Pty Ltd to explore for iron ore via a farm-in by Aquila on a group of Cullen's Ashburton tenements. Cullen holds a strategic position in the NW sector of the Ashburton Gold Province, including a number of projects areas along the Paraburdoo Hinge Zone – a 300km long set of regional structures which host a number of gold deposits and prospects (see Figure).

1. Farm-In by Nustar Mining Corporation Limited

NuStar Mining Corporation Ltd (NuStar) and Cullen Exploration Pty Ltd (Cullen) have agreed to a joint venture over Cullen's Hardey Junction tenements, E08/1145, 1166 and 1189, which cover an area of 175 sq km.

Under the terms of the agreement, NuStar can earn a 70% interest on the tenements with an expenditure of \$800,000 over 4 years or a 51% interest by spending \$500,000 over 3 years. The minimum expenditure commitment is \$75,000. If NuStar earns a 51% interest, Cullen can contribute pro rata or revert to a 30% carried interest to a Decision to Mine. The carried interest will be repayable to NuStar from 50% of free cash flow attributable to Cullen. If NuStar proceeds to earn a 70% interest, Cullen can contribute pro rata or revert to a 25% carried interest to a Decision to Mine.

Nustar is currently developing the Paulsens gold deposit as an underground mine, (Reserve of 1.2 Mt @ 10.7 g/t Au – Nustar ASX announcement of 24/8/2004) and has indicated that it intends to produce its first gold from Paulsens in May 2005. Nustar became the subject of a takeover bid by Sedimentary Holdings Limited on the 18th of November 2004. In light of these new developments, Cullen believes its extensive ground position in the Wyloo Dome region is of significant strategic interest. The Hardey Junction tenements are centred approximately 15km south of the Paulsens Mine.

2. Recent drilling at the Yanks Bore and Lizzie Prospects

The Company has now received the results of a first pass, reconnaissance RC drilling programme which targeted the **Yanks Bore Au – As** soil anomaly in the far NW portion of the Paraburdoo Hinge Zone, and a coincident Au, As and Sb soil anomaly, the **Lizzie Prospect**, on the south east margin of the Wyloo Dome also in the Ashburton Region (see Figure). **The assay results (see Table) included a best intersection of 10m @ 1.92 g/t Au in RHRC001 (from 5 -15m depth, 5m composites), from the northern portion of the Red Hill West tenement (E08/1135).**

Yanks Bore Trend

Target areas along the Paraburdoo Hinge Zone (PHZ) at the Yanks Bore Project (see Figure) were drill tested towards the end of October using a "light weight" RC drill rig. A programme of 10 holes for 590m was completed – eight of these were within E08/1022, a Joint Venture with Udu Resources Pty Ltd (49%); and 2 holes were within Cullen's 100% owned E08/1135. Previous scout RAB drilling targeting spot highs along the anomalous gold trend, has recorded a best intersection of 3m @ 2.4 g/t Au (Aberfoyle Knoll Prospect – E08/1022).

The RC programme, which is the first along this extensive anomalous trend, has provided information below the oxidation level at key, structurally-favourable sites, and has confirmed the interpreted orientation of the mineralized quartz vein and dolomite horizons.

A significant assay intersection of **10m @ 1.92 g/t Au was obtained in RHRC001 (from 5 - 15m depth, 5m composites)**, from the northern portion of the Red Hill West tenement (E08/1135). RHRC001 and a second hole were drilled at -60° into a prominent quartz vein ridge marked by rock chip and nearby soil anomalies. The second hole, located ~40m along strike from RHRC001, did not intersect any significant gold values. **However, the intersection in RHRC001 is important and indicates that the Yanks Bore Fault - Au/As anomalous trend, which has a strike extent of ~ 8 km within E08/1135, is prospective and will be the focus of further exploration.**

The other drill holes included a number of low grade intersections from along the trend between Aberfoyle Knoll and Red Hill West (up to 10m @ 0.55 g/t Au in 5m composites).

Lizzie Prospect

Drilling at the Lizzie prospect tested a gold-arsenic soil anomaly in a Paulsens type geological setting. Numerous quartz-pyrite veins were intersected but gold values were generally low (up to 0.2 g/t Au). Cullen has delineated other rock chip and soil sampling anomalies (see Figure) to the south of Lizzie along a series of regional faults and shears (Highway Shear Zone). These anomalies may be the subject of reconnaissance drilling in the coming field season.

TABLE – Anomalous drill intersections (>0.5 g/t Au) from Yanks Bore Trend

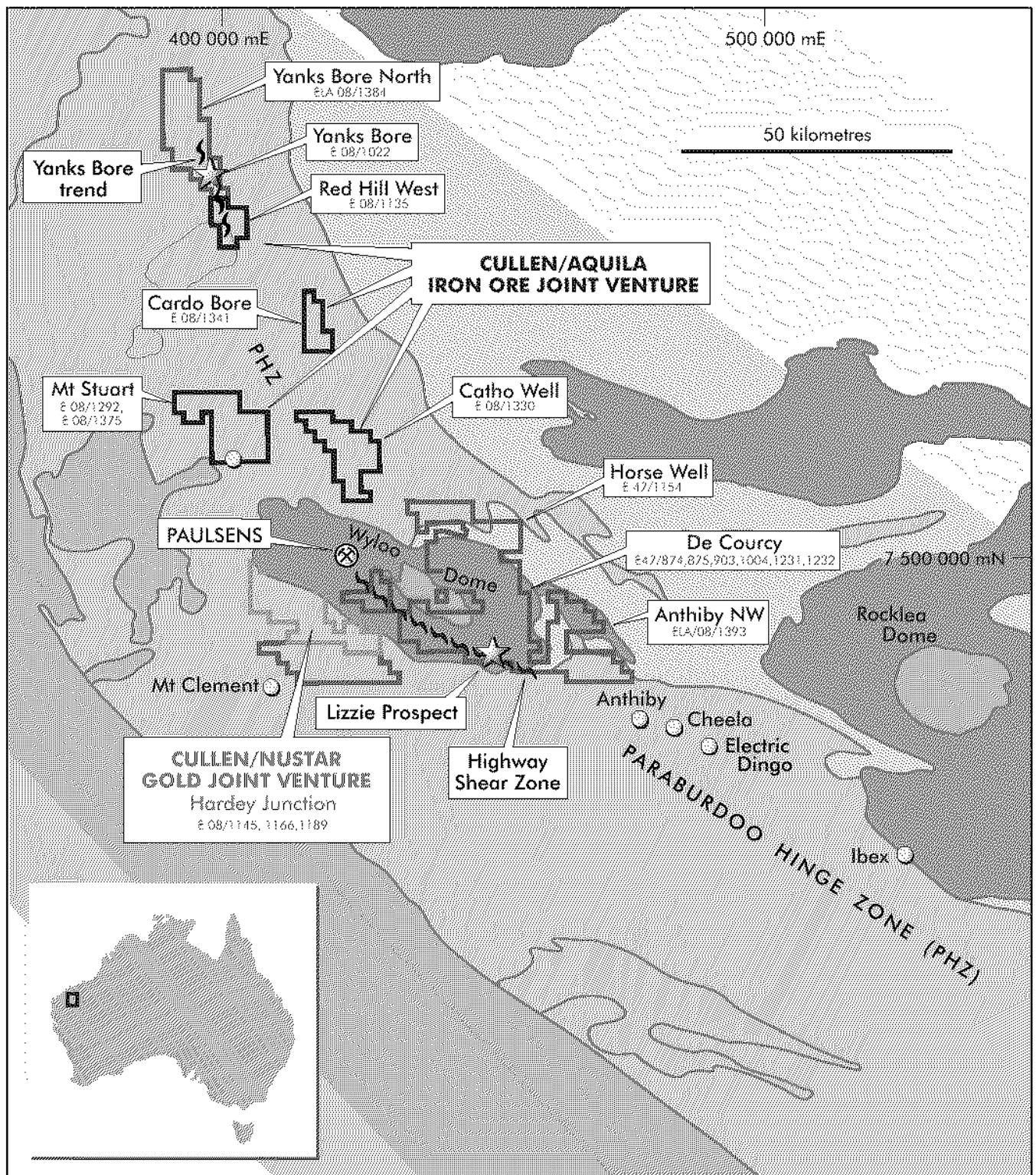
Hole ID	EASTING	NORTHING	From(m)	To(m)	Intercept
YBRC6	399186	7566920	15	25	10m @ 0.55 g/t Au
RHRC1	399851	7564277	5	15	10m @ 1.92 g/t Au

*5m composites, aqua regia digest AAS to 1ppb. Datum GDA 84

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ATTRIBUTION

Information in this report which relates to mineralization is based on information compiled by Grahame Hamilton, a full time employee of Cullen Resources Limited who is a Member of the Australian Institute of Geoscientists and has relevant experience as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves in relation to mineralization being reported on.



PROTEROZOIC

- Mount Minnie Group
- Boolaloo Granodiorite
- Wylloo Group - Ashburton Basin

ARCHAEOAN

- Hamersley Basin
- Fortescue Group
- Granite/greenstone

- Gold mine
- Gold prospect
- Cullen's recently completed drilling
- Cullen Tenement
- Cullen/Aquila Steel Pty Ltd JV
- Cullen/Nustar Mining Corporation Limited JV

ASHBURTON PROJECT
Joint Venture Areas & Recent Drilling Location Plan

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