

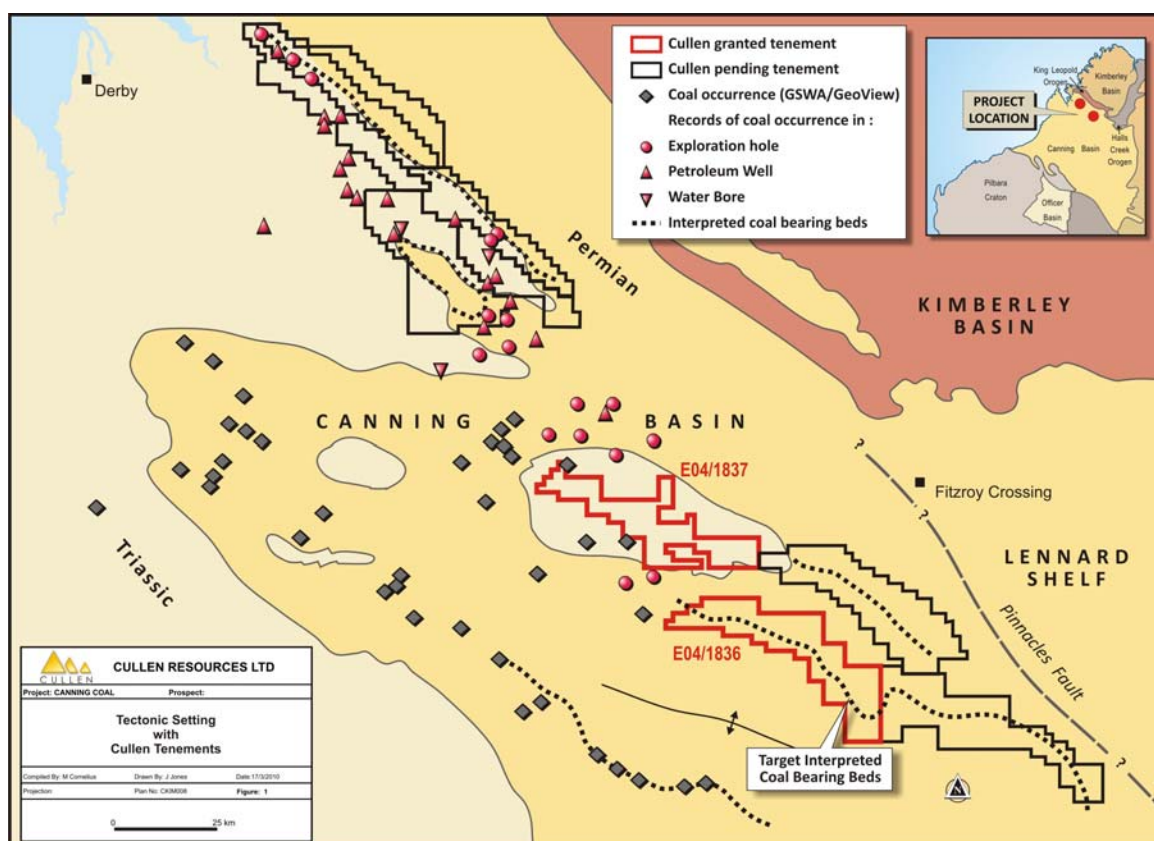
ASX ANNOUNCEMENT

EXPLORATION UPDATE – CANNING BASIN COAL PROJECT

- Seismic data interpretation supports model for occurrence of target coal stratigraphy within Cullen's tenement E04/1836; and,
- 15 hole drill test planned along ~20km of target stratigraphy.

Cullen Resources Limited (**Cullen**) has eight tenement applications and two granted tenements for coal in the Canning Basin of north Western Australia where exploration is on-going. The company has recently completed an assessment of its target areas on E04/1836 where it intends to initiate its drilling campaign as soon as heritage surveying has been completed and a drill rig has been sourced – estimated drill start date July 2010.

Cullen has also applied for a grant of \$100,000 from the Western Australia Government to support its drilling programme, through the Co-funded Government – Industry Drilling Programme under the Royalties for Regions, Exploration Incentive Scheme.



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Background

The Canning Basin is regarded by Cullen as an important exploration frontier for coal with substantial resource potential. A reconnaissance field assessment of Cullen's tenement areas in the Canning Basin was completed in late September 2009 and the company is working towards commencing on-ground exploration in the coming 2010 season (April onwards).

Cullen engaged the CSA Global consulting group to undertake geological and geophysical compilation and interpretation work (including seismic data) in order to prioritise areas within its Canning Basin project tenements where initial exploration drilling for coal will be focused. Exploratory drilling will commence on E04/1836 to test interpreted coal-bearing stratigraphy and determine potential coal characteristics as follows.

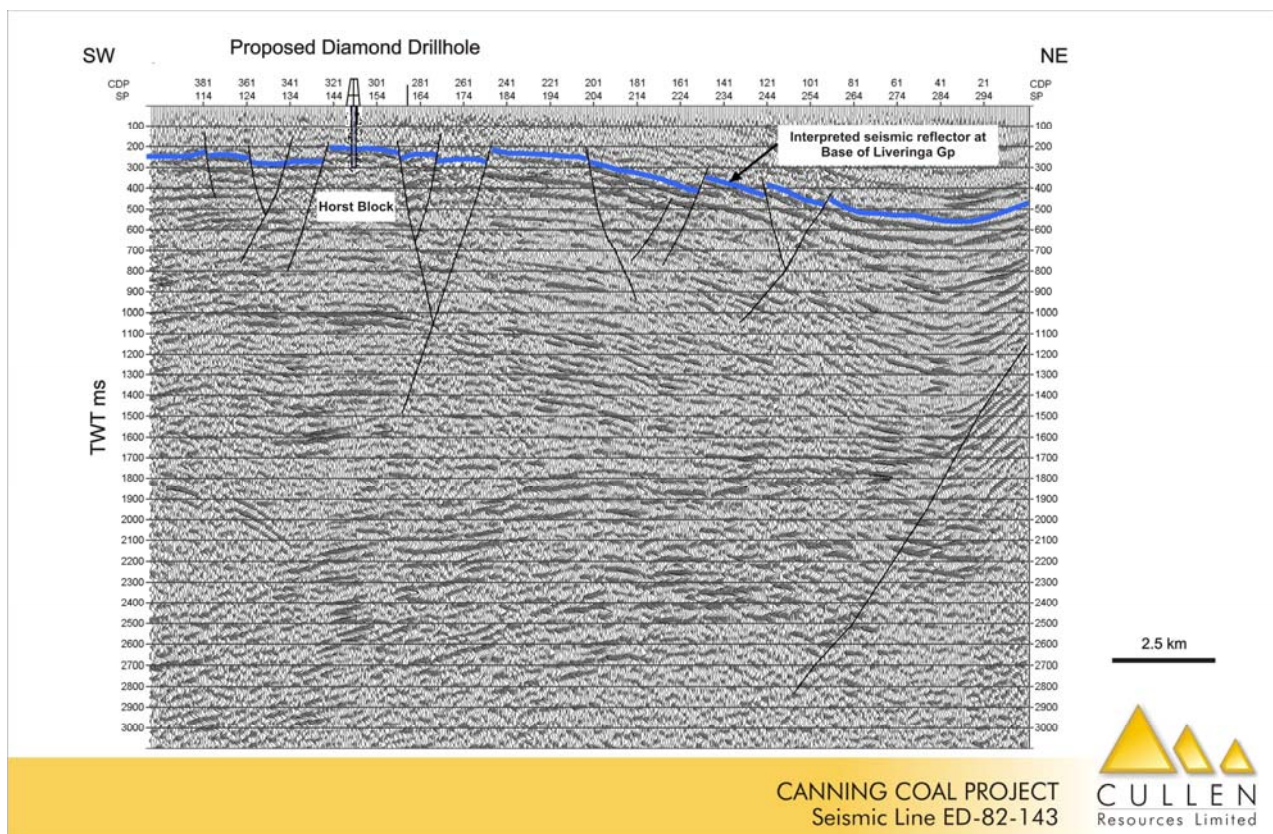
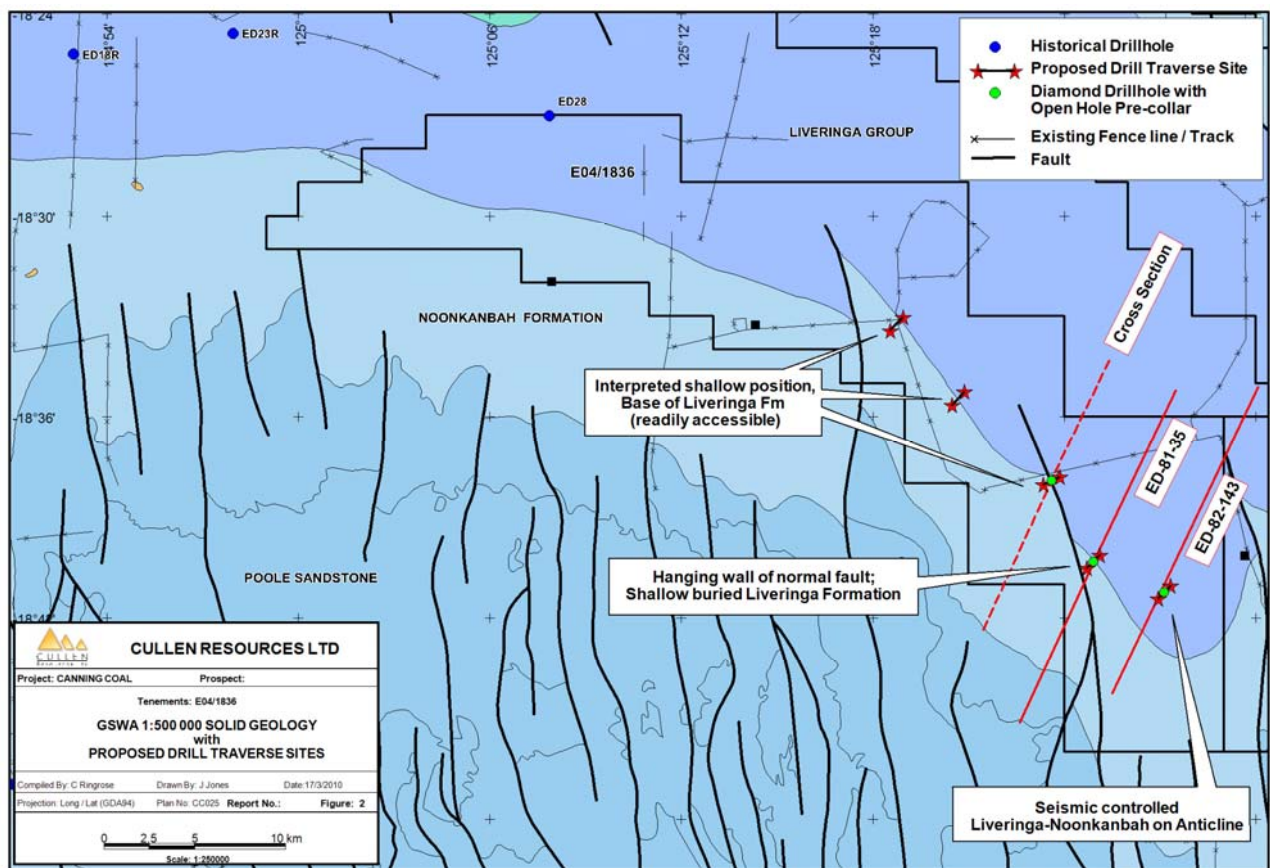
Cullen's drill programme is proposed to comprise 15 holes along five traverses. Three of the 15 holes will be cored with an open hole pre-collar; the remaining 12 holes will be open with a possible diamond tail, if coal is intersected. The programme is designed to establish the stratigraphy in this part of the basin, correlate the bedrock geology with the seismic data and test for the occurrence of coal in the target horizon. The position of northeast trending folds and north-northwest trending faults projected to traverse the tenement have been taken into account in planning the drilling on E04/1836 as these may define original depositional sub-basins when coal was being formed.

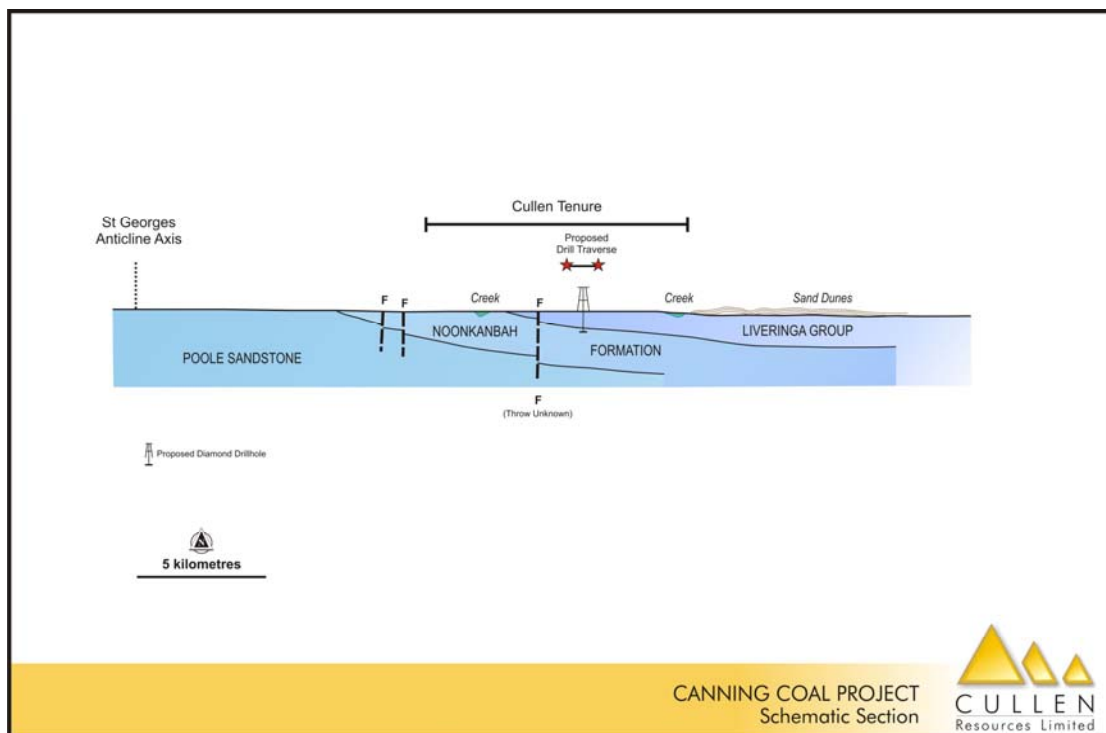
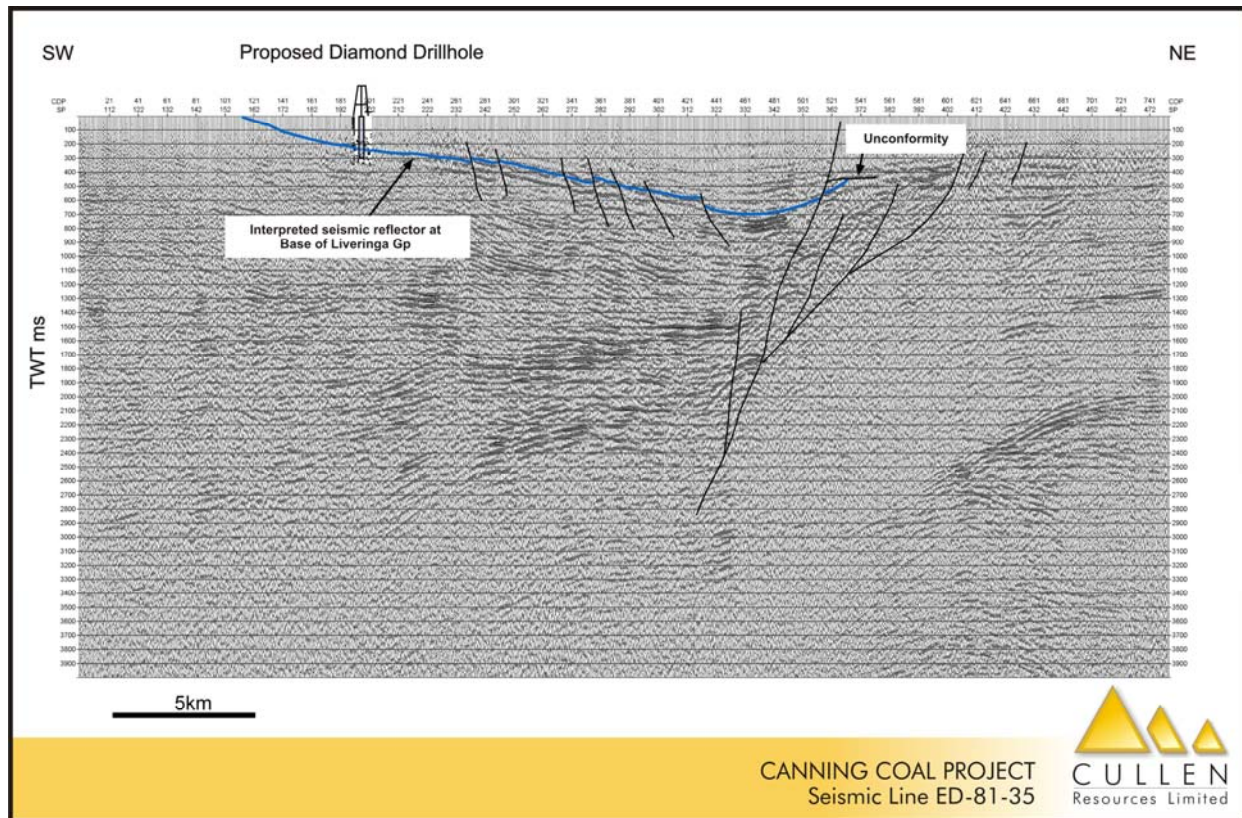
Cullen considers that E04/1836 covers some 50 strike-km of the Lightjack Formation along the northern limb of the St George Ranges Anticline (Figure 2). There is no previous drilling on this tenement, nor is there any outcrop mapped on the Noonkanbah 1:250,000 geological map sheet, but the Lightjack trend can be interpreted from the structural setting of the Liveringa Group in the area.

The GSWA geological interpretation as shown on its 1:500,000 geological map (GeoView) was used for modelling the trend of the coal-bearing component of the Lightjack Formation and a comprehensive review of the structural setting of the target area was compiled by CSA Consultants, Perth, using seismic data.

The seismic profiles across E04/1836 trace the geological units forming the stratigraphy northeastwards from the flank of the St Georges Anticline through E04/1836. The base of the Liveringa Group is interpreted as a distinct seismic reflector that can be traced across the tenement. The target unit for coal, the Lightjack Formation, is expected to be present above this horizon. Along the seismic profiles are "horst-like" structures (Figure 3) where the interpreted seismic reflector at the base of the Liveringa Group, i.e. the likely position of the Lightjack Formation, is relatively shallow (<300m). The up-dip projection of the interpreted base of the Liveringa (from seismic data) will also be drill tested - this area presents one of the most suitable targets for testing by RC/diamond core drilling (Figure 4).

Further to the northwest, Cullen has proposed drilling to test the base of the Liveringa Group, based only on its interpretation of the mapped (underlying) Noonkanbah Formation, due to lack of seismic data in this area (Figure 5).





Conclusion

The potential of the proposed drilling to advance exploration in this part of the Canning Basin is considered significant. The Canning Basin in general is largely un- or underexplored not only for coal but also for other commodities such as lead-zinc, manganese and uranium, and potentially shale gas. Historically, coal exploration in the Canning Basin was focused on areas that show surface or near surface indications of coal in, for example, creek beds road cuttings and shallow drilling.

The geological model of more widespread occurrence of coal in the eastern Canning Basin can only be tested by drilling. No outcrop of the coal-bearing sequence is recorded on E04/1836 from published geological maps, and with no drilling information, its distribution can only be modeled from regional synthesis.

The drilling now proposed by Cullen in E04/1836, the eastern part of the Fitzroy Trough, has the potential to provide the first evidence of the presence of coal in the eastern part of the basin and could thereby significantly increase its mineral potential, and the value of Cullen's coal portfolio in the Canning Basin generally.

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ATTRIBUTION - Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Chris Ringrose, Managing Director, Cullen Resources Ltd who is a Member of the Australian Institute of Mining and Metallurgy. Dr. Ringrose is a full time employee of Cullen Resources Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr. Ringrose consents to the report being issued in the form and context in which it appears.