

ASX RELEASE

Tellus Resources Ltd is an Australian-based oil, gas and mineral exploration company with licences in Utah, Madagascar, South Australia, Queensland and New South Wales.

Directors:

Robert Kennedy (*Chairman*)
Carl Dorsch (*Managing Director*)
Neil Young (*Non-Executive Director*)

Issued Shares:

747,121,110 ordinary shares

Tellus Resources Ltd

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QLD MINERAL TENEMENTS UPDATE

Tellus Resources Ltd ("TLU" or "the Company") is pleased to announce that it has sold part of its hard rock tenement portfolio in Chillagoe, Queensland.

As provided for in the Wandoo Sale Agreement executed recently, Premier Mining Pty Ltd (a fully owned subsidiary of the Company) has sold its 100% interests in Mining Licences 5130 (Mt Wandoo), 20381 (Wandoo Extended) and 20234 (Golden Girl) to a private Brisbane based company, Wandoo Tenements Pty Ltd. The sale is subject to Ministerial approval under the Qld Mining Act.

The consideration for the sale is \$200,000 with a further \$50,000 subject to the impending renewal of the Golden Girl tenement.

The Managing Director of TLU, Mr Carl Dorsch said, *"The sale is a further demonstration of the value of our hard rock portfolio. We retain the Empire ML as well as a substantial exploration acreage position (see attached map). We hope the buyer can continue the appraisal work on Wandoo commenced by Premier and demonstrate its significant potential. Any success in the area will only add value to the balance of the asset retained by TLU."*

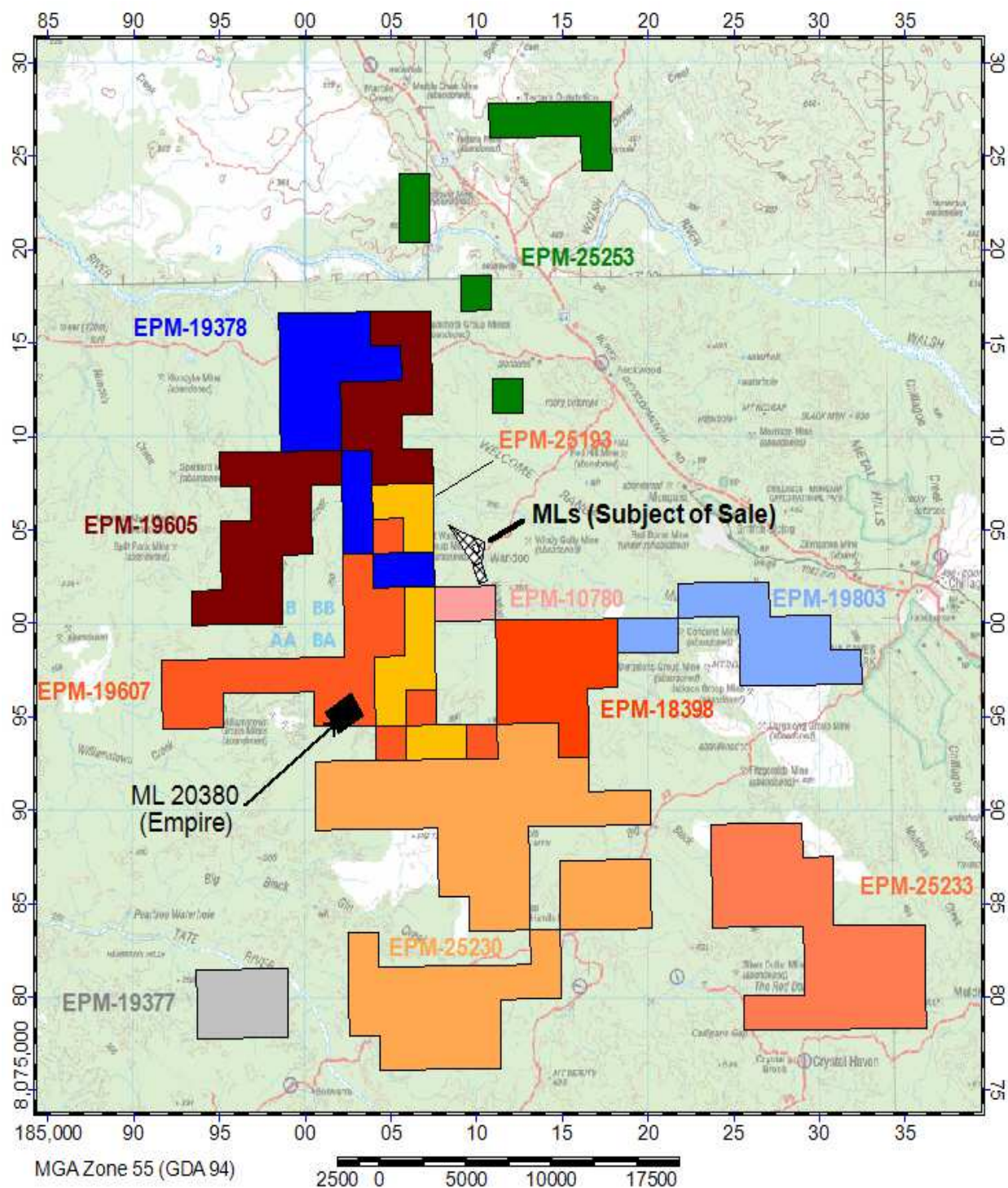


Figure 1 : Chillagoe Tenements – Tellus Resources Limited