



# ASX ANNOUNCEMENT

6th July 2010

## **Successful start to drilling at Hughenden Coal Project**

### HIGHLIGHTS

- **JV partner Guildford Coal Limited commences drilling at Hughenden Coal Project, northern Galilee Basin, Qld (Carpentaria 20% interest)**
- **First hole intersects coal interpreted as Betts Creek Beds seams of the Galilee Basin**
- **Coal-bearing units shallower than previously interpreted**
- **Eight tenements granted, spanning an estimated 6,333 sq km of potential export thermal coal in Galilee and Eromanga Basins**
- **Phase 1 drilling program also targeting potentially shallower coal-bearing units to the north and north east**

#### ABOUT CARPENTARIA:

Carpentaria is an exploration company focused on discovering base, precious metals and bulk commodities in eastern Australia. The company currently has interests in iron ore, tin, gold, copper and coal exploration projects

#### CARPENTARIA'S AIM:

With a strong geo-scientific team discover and build a strong cash flow generating mining operation.

#### DISCOVERIES TO DATE:

Hawsons Iron Project - NSW  
Euriowie Tin Project - NSW

#### Capital Structure:

Ordinary Shares 72,641,301  
Total Options 20,856,114

#### Major Shareholders:

Conglin Yue 14.43%  
Giralia Resources 9.34%

#### Financial

Cash and deposits on hand  
A\$13.8 million

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Carpentaria Exploration (ASX:CAP) announced today a positive start to drilling at the Hughenden Export Thermal Coal Project (Carpentaria interest: 20%), with the first drill hole intersecting coal interpreted as being from the Betts Creek Beds of the Galilee Basin at shallower depths than previously interpreted.

Drilling was conducted on EPC1394, which is located in the northern Galilee Basin of Queensland, by FTB (Qld Pty Ltd). Carpentaria holds a 20% stake in FTB with the remaining equity held by Guildford Coal Limited.

Under an agreement announced on February 22, 2010, Guildford Coal is providing the initial phase of exploration funding for FTB.

Carpentaria's Executive Chairman, Nick Sheard, said the Company was encouraged by the initial results in one of the world's top basins for thermal coal.

"The Galilee Basin has been the focus for a number of major coal export deals, and we are excited by the prospects for a thermal coal deposit favourably located near infrastructure," Mr Sheard said.

"Guildford Coal has assembled a strong team with considerable expertise and experience in coal exploration, development and operations. These initial results have boosted confidence in Hughenden's potential."

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*Figure 1: Drilling Rig at EPC1394 Hughenden Coal Project, July 2*

## **Model supported**

Guildford's stratigraphic and structural model for the northern end of the Galilee Basin suggested that the coal-bearing Betts Creek Beds were relatively deep in this central location.

The initial hole located in the centre of the Hughenden Project (See Figure 2) was designed to confirm Guildford's stratigraphic and structural model, with a total depth of 500m.

The drilling has intersected coal that is believed to be from the Betts Creek Beds at an estimated depth of 300m, some 100m shallower than the previously interpreted.

This proof of concept suggests a shallow dip of the coal beds down from the north to the south.

The recent granting of adjacent tenements to the north and north east of EPC1394, will allow the drilling pattern to progress in a north-easterly direction towards the basin edge, targeting shallower intersections.

Mr Sheard said the project partners now had eight granted tenements spanning an estimated 6,333 square kilometres, targeting export thermal coal contained within the Galilee and Eromanga Basins:

- EPC1394; EPC1477; EPC1300; EPC1576; EPC1574; EPC2046; EPC2048; EPC 2049

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“Hughenden has given Carpentaria exposure to potentially attractive export coal projects at minimal cost to shareholders, but with maximum upside,” Mr Sheard said.

“Carpentaria has now assembled an attractive range of projects, diversified both geographically and by commodity type across eastern Australia, including the exciting Hawsons magnetite iron and Euriowie tin discoveries near Broken Hill, NSW. Boosted by an aggressive exploration program and the efforts of our project partners, we are in an excellent position to achieve our goal of building strong cash flow-generating mining operations.”

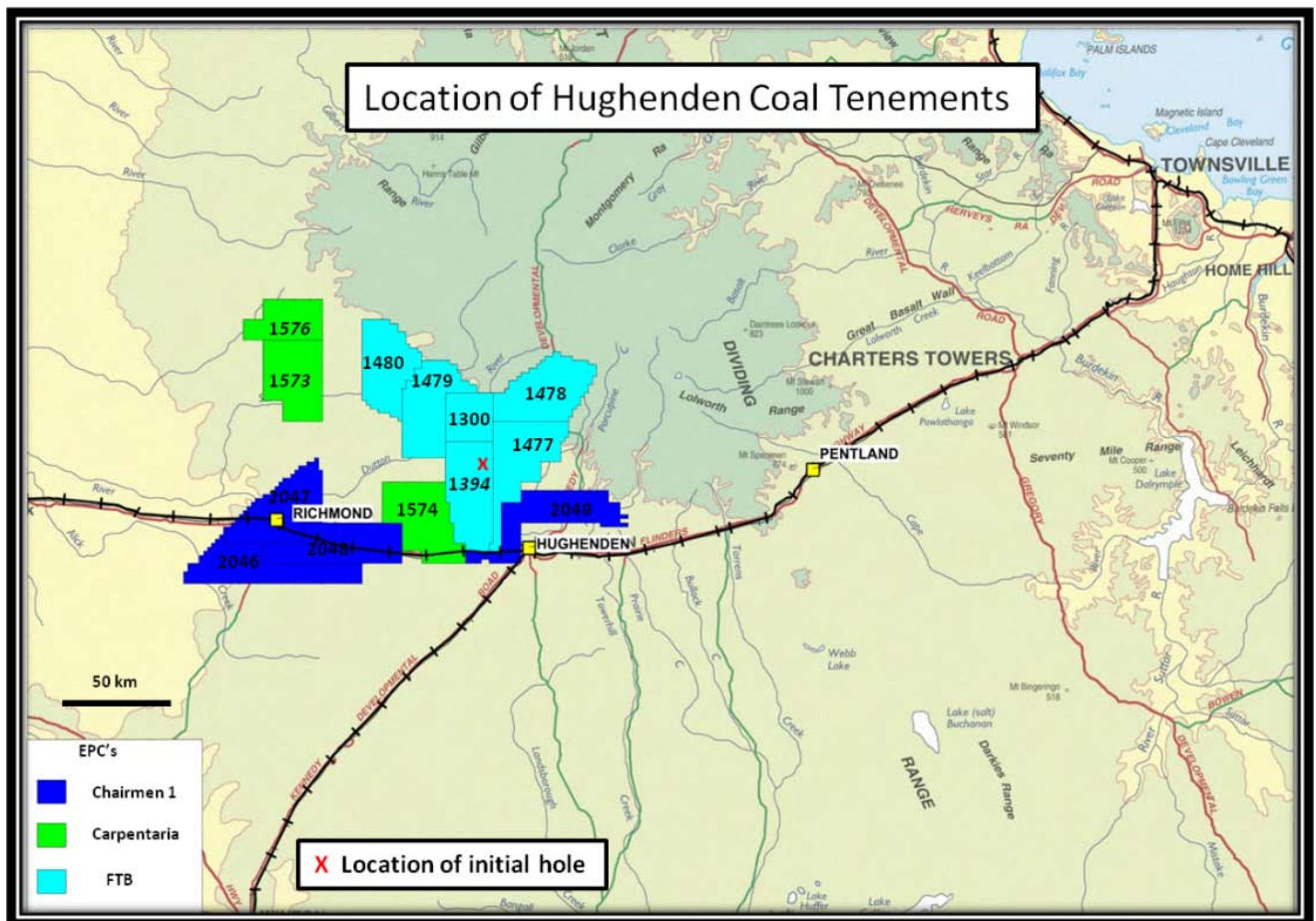


Figure 2: Map of FTB Tenements in Hughenden Project

The information in this announcement that relates to Exploration Results is based on information compiled by S.N.Sheard, who is a Fellow of the Australian Institute of Geoscientists and has had sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity 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'. S.N.Sheard is an employee of Carpentaria and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.