



ASX ANNOUNCEMENT

Carpentaria - Drilling Update Hawsons/ Euriowie/ Panama Hat;

*We find it. We prove it.
We make it possible*

6 September 2010

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 93,821,301

Major Shareholders:

Conglin In't Invest' Group	11.17%
Giralda Resources	9.13%
Mr. Conglin Yue	3.91%

Financial

Cash and deposits on hand
A\$19.5 million

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Executive Chairman
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Highlights

- 43 drill holes (8,100m) completed at Hawsons Iron Project, Broken Hill including the initial drilling of a number of Prospects previously untested
- All holes intersected magnetite siltstone
- Scoping Study in progress; assay and DTR (Davis Tube Recovery) results pending
- Resource drilling and Pre Feasibility Studies will commence in late September
- Drilling at Euriowie Tin Project completed with assays awaited
- Drilling commencing at Panama Hat gold project

Hawsons Iron Project

Carpentaria Exploration Limited (ASX:CAP) announces that Phase 1 exploration drilling at the Hawsons Iron Project, NSW, is nearing completion, with all 43 drill holes (for 8,100 metres) encountering magnetite siltstone. Importantly, 26 holes were drilled into 5 prospects identified from airborne magnetics previously undrilled. The Phase 1 drilling aimed to test the grade, thickness, depth of weathering and metallurgical properties of ironstone from all of the Project's major magnetic anomalies (Figure 1).

Located just 60 kilometres south of Broken Hill, the Hawsons Iron Project covers the entire known NSW portion of the Braemar Iron Formation, which is highly prospective for bulk magnetite iron deposits. Carpentaria has identified a large magnetite exploration target¹ comprising **3.5 - 5.8 billion tonnes** at 18% magnetite DTR with a concentrate grade of 69-71% Fe, to a depth of **250 metres** over a prospective strike length of 34-51 kilometres. (ASX release 28th October 2009)

Carpentaria's Executive Chairman, Nick Sheard said "While unseasonal rains and delays in assays and analyses have extended the program by approximately three to four weeks, the Company was pleased by the drilling results obtained to date.

"A combination of reverse circulation and diamond drilling on the targeted magnetic anomalies has encountered magnetite siltstone in every hole" Mr Sheard said.

"Carpentaria is now awaiting the return of the important DTR results, which are expected within the next two months, with a view to rapidly progressing this project through the current Scoping Study stage to the Pre Feasibility Study phase."

All holes drilled to date in Phase 1 are shown in Figure 1. The vertical depth of weathering ranges between 40m to 130m as highlighted in Figure 1.

¹ The term "Target" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.

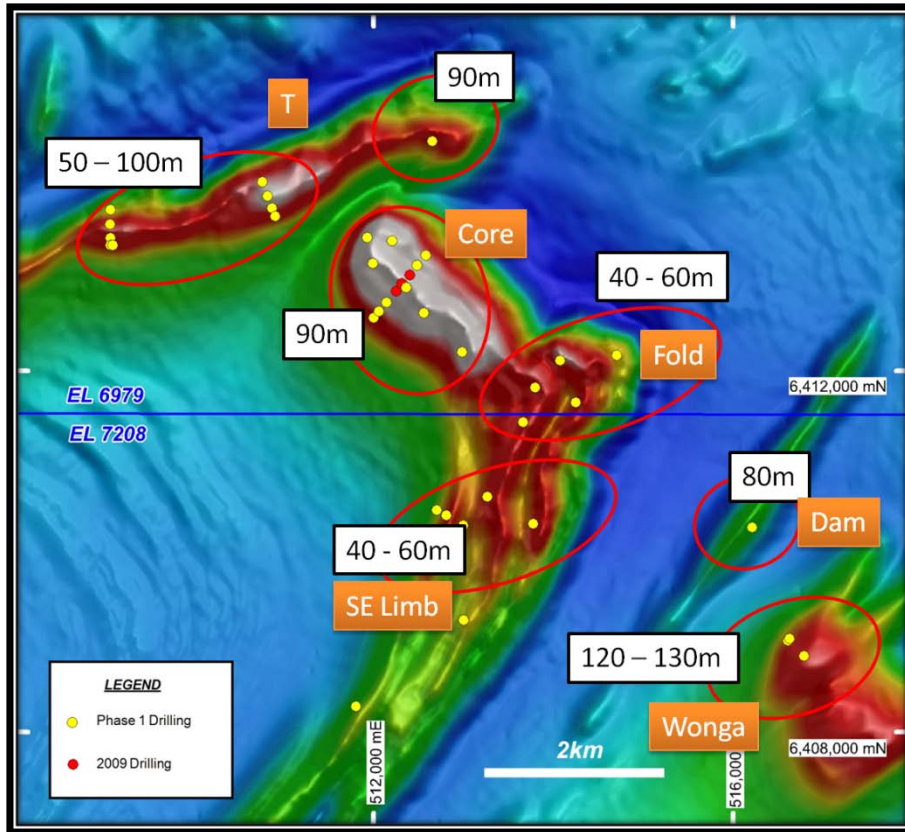


Figure 1: Hawsons Iron Project area with Prospect names . Phase 1 holes in yellow. Vertical depth to fresh magnetite siltstone shown. Image- Colour RTP Aeromagnetic Image with Tilt derivative enhancement

It is very encouraging that all of the magnetic anomalies tested have intersected magnetite siltstone, and also that in the Fold area there is only around 40m to 60m metres of weathering. It is also very encouraging that deeper drilling confirmed that magnetite siltstone extended well beyond 300 metres vertical depth which confirmed our magnetic modelling that indicated the magnetite mineralization potentially extends down dip to over a kilometre.

Carpentaria places great emphasis on the DTR results as this assists in determining the value of any magnetite project. The DTR result provides the quantity and quality of the iron concentrate expected to be recovered together with percentage of deleterious material. In each hole DTR data is collected for the entire mineralized intersection at sample lengths of about 10m down hole. This allows estimate of the economic thicknesses of the ironstone units. This style of analysis is complex, time consuming and essential for project evaluation.

Carpentaria is well advanced on a Scoping Study, using independent consultants that will help define a cut-off DTR grade, a preliminary mine plan, a processing flow sheet, transport options and a high level financial model, while an environmental study has also been commenced. Upon receipt of all the data and Scoping Study, Carpentaria expects to commence the resource drilling program and Pre-Feasibility Study with the aim of defining up to 1 billion tonnes of Inferred Resource. This is anticipated to commence in late September,

Meanwhile, Carpentaria continues to progress its aggressive 2010/11 \$10 million exploration drilling program across its projects in eastern Australia.



ABN 63 095 117 981 ASX Code: CAP

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Euriowie Tin Project

Exploratory drilling on the Euriowie tin discovery (Carpentaria 100%), located 60km north of Broken Hill, has been completed. Assays are awaited from 13 drill holes, 7 of which intersected tin-bearing pegmatite dyke.

Panama Hat Gold Project

The Company will commence drilling this week at the Panama Hat JV gold project located 30km south of Broken Hill, with the aim of testing the depth extensions of the high grade gold rock chips collected at surface at the Panama Hat and Williams East prospects.

Glen Isla Gold Project

Drilling at the Glen Isla gold project (located in the Lachlan fold belt 60 km south of Dubbo) has been delayed owing to the recent heavy rainfall on the project area.

“Carpentaria is encouraged by recent results and the potential for the development of a new magnetite iron province near Broken Hill, with potential production of 20 million tonnes per annum of concentrate in an area close to infrastructure and other resources,” Mr Sheard said.

“The Company is continuing to pursue a targeted exploration program across its tenements, as it delivers on the vision of becoming a leading midsize mining house with an expanding project pipeline.”

Nick Sheard
Executive Chairman

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The information in this announcement that relates to Exploration Results and Resources 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.