



ASX ANNOUNCEMENT

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

22 February 2011

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 94,171,301

Major Shareholders:

Conglin In't Invest' Group	11.17%
Giralia Resources	9.13%
Mr. Conglin Yue	3.91%
Management, Including	
Unlisted Options	6.63%

Financial

Cash and deposits on hand
A\$12.9M
No Debt

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Executive Chairman

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Carpentaria to fund pro rata share of Hughenden Coal Project / Exploration Update

Carpentaria Exploration Limited (ASX:CAP) announced today its decision to fund pro-rata exploration costs for its joint venture partner in the Hughenden Coal Project, Queensland.

An update is also provided on the company's extensive project portfolio and activities for the next three months for the following projects:

- Hawsons – Iron ore
- McDougalls – Iron ore
- Euriowie - Tin
- Koonenberry - Nickel
- Glen Isla - Gold
- Temora - Gold

Hughenden – Coal

Carpentaria Exploration Limited ("Carpentaria") through its 20% holding of FTB (QLD) Pty Ltd ("FTB"), has elected to contribute to exploration funding pro rata with Guildford Coal Limited (ASX:GUF) for the FTB owned portion of the Hughenden Coal Project. Guildford Coal holds 80% of FTB and Carpentaria hold the remaining 20%.

The Hughenden Coal Project is located in the northern Galilee Basin, Queensland, which is host to over 20 billion tonnes of Inferred Coal Resources including Hancock Resources Kevin's Corner Project and Waratah Coal's China First Project. The exploration is targeting export thermal coal resources with open cut and underground potential.

The project is being explored aggressively, and two drilling rigs are operating on the project. A QLD government drill hole, GSQ Hughenden 6 (GSQ 6) is located 9km east of the project and recorded coal intersections of approximately 7 metres net across four separate seams of the Betts Creek Beds in the Galilee Basin at a vertical depth of 200 to 300 metres, see Figure 1. Importantly two of these seams are of sufficient thickness to enable high volume underground extraction once the lateral extent is confirmed. Exploration is currently focussed in this area and an exploration target is being finalised, which is expected to confirm the substantial project resource potential.

The Hughenden Coal Project totals approximately 16,500 sq km around the northern margin of the Galilee Basin, and FTB holds an interest in 11,000 sq km of granted tenure shown in Figure 1.

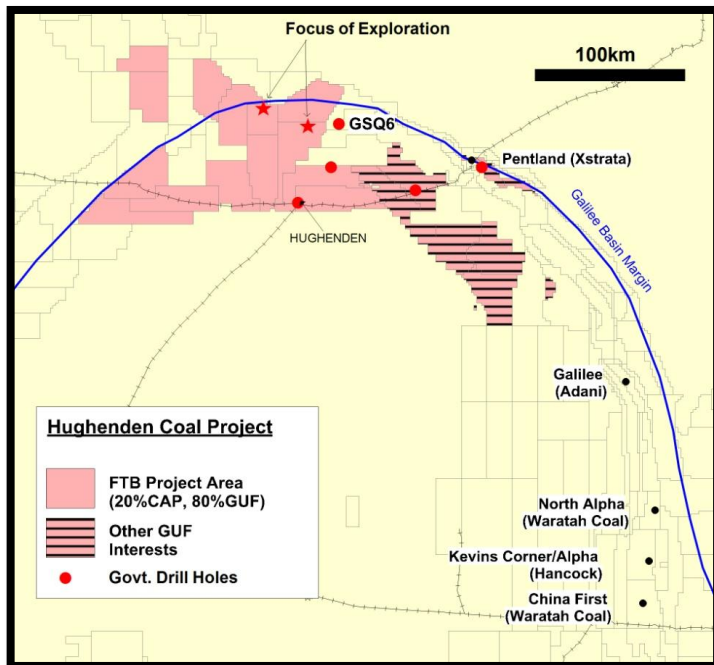


Figure 1 - Hughenden Coal Project Location Plan

Commenting on the decision, Carpentaria Executive Chairman Nick Sheard said “The enormous potential of the Galilee Basin is evident in the significant mineral resources already defined in the basin to date. The Hughenden Project is at an exciting stage with a high level of activity and expectation. In partnership with Guildford Coal, Carpentaria, with its strong cash position, is well placed to continue involvement and realise the potential of its investment in the project in the very near future. We look forward to the upcoming drill results.”

Under the terms of the agreement with Guildford, by which that company acquired its interest in FTB, Guildford spent the first \$2.0m on exploration, after which Carpentaria must contribute pro rata to maintain its 20% interest in FTB. Carpentaria is maintaining its interest.

Hawsons Iron Project

At the Hawsons Iron Project a Prefeasibility Study is in progress to assess the potential development of a mining operation producing 6 million tonnes per annum (mtpa) of high grade magnetite concentrate (69.9% Fe) using existing infrastructure including power and rail with a later ramp up to 20 mtpa. Discussions regarding transport and shipping are underway and an Environmental Study is continuing. The Prefeasibility Study should be completed in April 2011.

McDougalls – Iron Ore

Carpentaria is gearing up to commence exploration in the Broken Hill district. An exploration team has been assembled to start exploring its 100% owned McDougalls Iron Project north of Broken Hill which is prospective for direct shipping ore (hematite) and possibly magnetite in similar geology as Carpentaria’s flagship Hawsons Iron project. This work will include reconnaissance mapping, sampling to target drilling.

Euriowie – Tin

At Euriowie and the Apollyon lease, another team will resume work on the tin potential which will increase when the Yanco Glen tin/tungsten project acquisition is completed (awaiting Exploration Licence (EL) grant). Sampling is expected to commence in March 2011 and follow up drilling will begin when targets are defined.

Koonenberry – Nickel

Carpentaria has applied for 6 exploration licences (EL) north east of Broken Hill (Koonenberry) which contain nickel intercepts in drilling from previous explorers (Inco/Vale Ltd). Existing numerous targets will be drilled when the EL’s are granted and access is approved which is anticipated towards early - mid 2011.

Glen Isla – Gold

It is expected that access will soon allow drilling to take place in central NSW on Carpentaria's joint venture with Ramelius Resources (ASX: RMS) to test for gold at the Glen Isla project. Adverse weather conditions have previously delayed this drilling programme.

Temora – Gold

At the Temora Project, drill targets have been delineated and access is being awaited prior to drilling.

Outlook

"Carpentaria is gearing up for another large exploration program this year, which will include both extensive field work and drilling on its own projects in NSW, and also through its joint venture partners in NSW, Queensland and South Australia" Mr Sheard said.

"Our drilling program covers a range of projects in eastern Australia, spanning iron, tin, tantalum, gold, copper, nickel and coal. By aggressively exploring, continuously generating new projects and benefiting from joint venture agreements such as Hughenden, we are in an excellent position to grow shareholder value."

"The delivery of the maiden Inferred Resource for the Hawsons Iron Project last December, following its initial discovery just a year earlier, shows the potential of an active exploration program and we are determined to build on our successes in the year ahead."



Nick Sheard
Executive Chairman

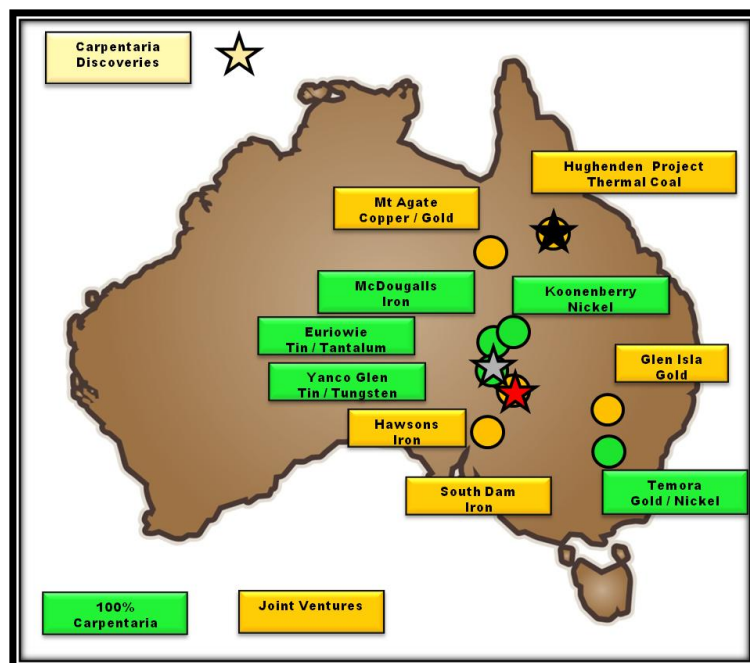


Figure 2 - Carpentaria Exploration Project Areas

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Competent Person Statement The information in this report that relates to Exploration Results is based on information compiled by Mr Nick Sheard, who is a Fellow of the Australian Institute of Geoscientists and is a Registered Professional Geoscientist - Mineral Exploration and Geophysics. Mr Sheard is a full time employee of Carpentaria Exploration Limited and Mr Sheard has sufficient expertise 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'. Mr Sheard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.