Carpentaria Exploration Limited
ABN 63 095 117 981 ASX Code CAP

ASX ANNOUNCEMENT

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

14 September 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 98,741,301

Major Shareholders:

Conglin In't Invest' Group	10.61%
Atlas Iron Limited	8.68%
Mr. Conglin Yue	3.71%
Management, Including Unlisted Options	12.61%

Financial

Cash and deposits on hand
as at 14 Sept 2011
A$8,863,409

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Carpentaria gains $4.0m, plus potential $100m in royalties from FTB sale

HIGHLIGHTS

- **Carpentaria realizes value in FTB by selling its 20% stake to majority owner Guildford Coal Limited (ASX: GUF). FTB owns a part of the Hughenden Coal Project, Galilee Basin, Queensland.**
- **Consideration $1.5 million cash, $2.5m GUF shares equivalent and production royalty with potential value of up to $100 million.**
- **Cash will boost Carpentaria's NSW iron, gold and base metal exploration budget and development of $2.8 billion Hawsons Iron Project, Broken Hill.**

Boosting liquid funds for exploration and development of the Hawsons Project, Carpentaria Exploration Limited (ASX:CAP) today announced the sale of its minority 20 per cent stake in FTB (Qld) Pty Ltd to majority owner Guildford Coal Limited. FTB owns part of the Hughenden Coal Project in Queensland's Galilee Basin.

Total consideration comprises $1.5 million cash, $2.5 million equivalent of fully paid ordinary Guildford (ASX:GUF) shares and retention of a $0.50 per tonne royalty on coal production from the tenements, capped at 10 million tonnes per year for 20 years with a potential value of up to $100 million.

Commenting on the sale, Carpentaria's Executive Chairman, Nick Sheard, said, "This is an excellent deal for Carpentaria shareholders as it not only immediately boosts funding for exploration and development for our projects, it also delivers an interest in Guildford, which has a quality coal project portfolio both in Australia and overseas.
"In addition, should the coal discovered on the FTB tenements be mined, Carpentaria will also directly benefit through the production royalty at no cost to shareholders."

He said the sale allowed Carpentaria to focus on its core activity of iron, gold and base metal exploration in NSW and the development of the multi-billion dollar Hawsons Iron Project near Broken Hill, where more than 1.4 billion tonnes (Bt) of iron ore was delineated in 2010[1] and a positive pre-feasibility study announced on the project in May 2012.
"This deal represents a significant return on the Company's original investment in FTB, due to the value added by Guildford's successful exploration program," Mr Sheard said.

Located in the northern Galilee Basin, the Hughenden Coal Project covers approximately 16,500 square kilometres of exploration permit applications for coal of which an estimated 11,500 square kilometres is owned by FTB. The project is targeting export thermal coal with open cut and underground mining potential, located in close proximity to infrastructure.

On 30 August 2011, Guildford announced an exploration target for Hughenden of 0.58Bt to 5.72Bt[2]. The company is progressing to Resource status on multiple projects including Hughenden and in Mongolia, with other coal exploration projects located in the Bowen and Maryborough Basins of Queensland.
Mr Sheard added, “This latest agreement allows the Company to continue its focus on key exploration projects, while maintaining an interest in a promising coal portfolio.”

Nick Sheard
Executive Chairman

[1]*CAP ASX Announcement 17 December, 2010 – Maiden1.4 billion tonne Resource for the Hawsons Iron Project*
[2]*GUF ASX Announcement 8 August, 2011 – Hughenden Project Exploration Target*

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.

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