

ASX ANNOUNCEMENT

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DRAGON ENERGY ESTIMATE AN EXPLORATION TARGET FOR IRON ORE FOR THE ROCKLEA PROJECT

Dragon Energy Limited ("Dragon", **ASX: DLE**) is pleased to announce that Dragon has estimated a further iron ore Exploration Target* of 6–9Mt at a grade of 54–59% Fe (59–65% calcined Fe) at previously unexplored sites within its Rocklea Project area in the Pilbara region of Western Australia.

- Recent field mapping and rock chip sampling of unexplored topographic rises, referred to as NW and NE Targets, on E47/1153 identified significant CID capping these plateaus and mesas.
- Representative rock chip sampling of the outcropping CID of 2m to 35m thickness returned anomalous assay results, a total of x19 samples were taken from the NW and NE targets, with results ranging up to 60.01% Fe (63.68% caFe).
- A new Exploration Target* of 6–9Mt at a grade of 54–59% Fe (59–65% calcined Fe) has been identified from this sampling with the results tabulated below along with associated location maps.

The Rocklea Project is part of Dragon's flagship Pilbara Iron Project and comprises 4 tenements; E47/952, E47/1024, E47/1153 and P47/1429 ("Tenements"), with a joint venture agreement of iron ore rights with Joytell Pty Ltd for E47/1153.

An Inferred and Indicated Mineral Resource of 182.6Mt @ 52.7% Fe (59.5% caFe) using a 50% Fe cut-off grade of pisolitic iron ore (Channel Iron Deposit- "CID") has previously been defined in paleo-drainages.

Dragon believes the Rocklea Project ideally placed to be one of the Pilbara region's next producing iron ore mines and management is actively pursuing funding to complete the next phase of feasibility studies.

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*Exploration Target is reported according to the 2004 JORC Code. This means that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Table 1: Rock Chip Assay Results:

Sample	Northing	Easting	RL	Fe_%	caFe*	SiO2_%	Al2O3_%	P_%	S_%	LOI_%	Comments
ASAM01	7,485,860	546,051	544	53.71	59.81	5.55	6.63	0.04	0.137	10.20	NE1 area- 4-6m CID
ASAM02	7,485,666	545,889	543	53.64	59.67	5.37	7.04	0.04	0.088	10.10	NE1 area- 6-10m CID
ASAM03	7,485,621	545,995	548	54.06	59.94	5.27	6.92	0.04	0.098	9.81	NE1 area- lateritised CID
ASAM04	7,485,468	546,295	544	55.46	60.80	4.99	6.03	0.05	0.076	8.78	NE1 area- 4-8m CID
ASAM05	7,485,559	546,450	542	59.10	63.88	3.80	3.63	0.03	0.077	7.48	NE1 area- 6m CID
ASAM06	7,485,637	546,299	544	59.38	64.35	4.80	2.17	0.03	0.067	7.73	NE1 area- CID
ASAM07	7,485,680	546,153	546	50.64	57.94	6.63	7.77	0.03	0.082	12.60	NE1 area- 4m lateritised CID
RR01	7,480,753	526,422	410	58.54	66.22	3.76	0.67	0.03	0.039	11.60	NW area- 30-35m thick CID
RR02	7,480,894	526,559	441	56.65	64.23	3.13	3.75	0.03	0.084	11.80	NW area- CID
RR03	7,481,077	526,652	441	59.17	65.23	3.32	2.02	0.04	0.062	9.29	NW area- CID
RR04	7,481,214	526,734	439	57.63	64.39	3.35	3.16	0.03	0.123	10.50	NW area- 25m thick CID
RR05	7,481,048	526,768	446	56.86	64.61	3.26	2.97	0.03	0.037	12.00	NW area- CID
RR07	7,485,380	547,850	536	59.38	63.54	1.89	4.36	0.04	0.076	6.55	NE2 area- 1-2m CID
RR08	7,485,428	547,755	540	47.21	53.10	2.44	16.60	0.04	0.118	11.10	NE2 area- 2-3m CID
RR09	7,485,311	547,782	532	57.84	62.40	2.79	6.16	0.04	0.104	7.31	NE2 area- CID
RR10	7,485,328	547,900	535	60.01	63.68	1.52	5.23	0.03	0.125	5.77	NE2 area- 2m CID
RR11	7,485,168	547,860	531	56.51	62.86	4.33	4.36	0.03	0.083	10.10	NE2 area- 2m CID
RR12	7,485,184	547,765	533	54.97	62.47	3.64	5.24	0.03	0.166	12.00	NE2 area- 2m CID
RR13	7,485,213	547,675	535	57.77	64.48	2.96	3.55	0.03	0.075	10.40	NE2 area- 2-3m CID

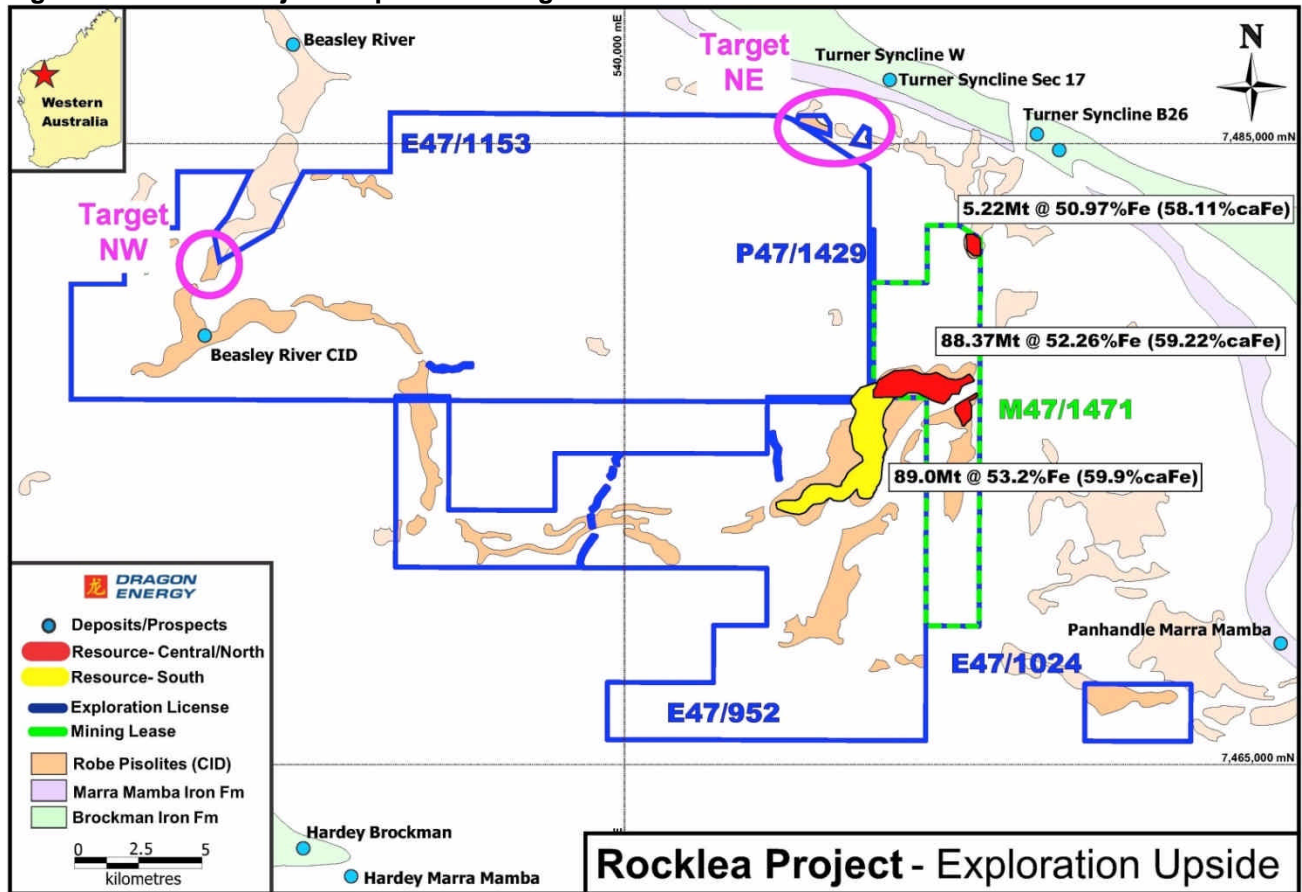
Figure 1: Rocklea Project- Exploration Target Locations:


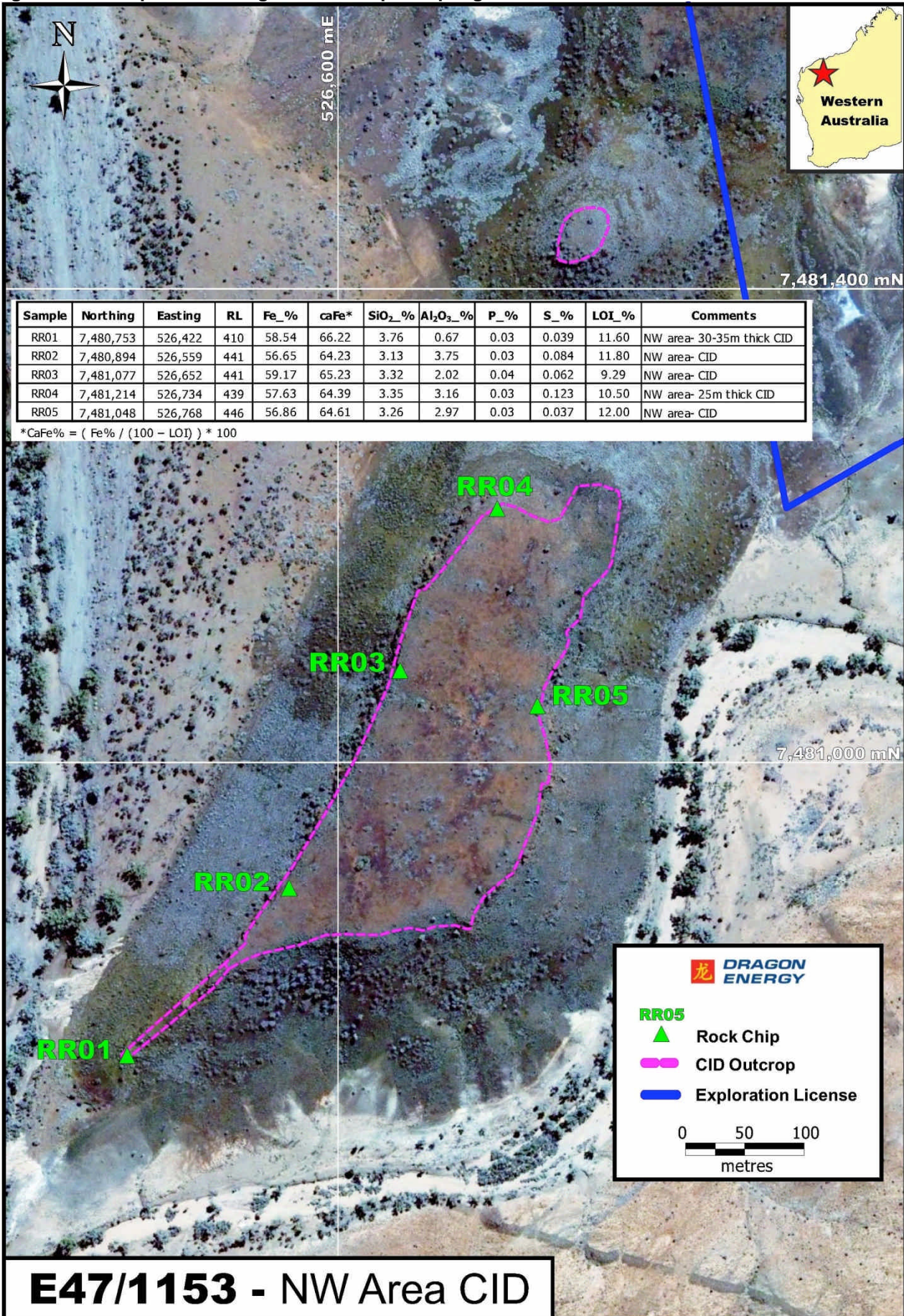
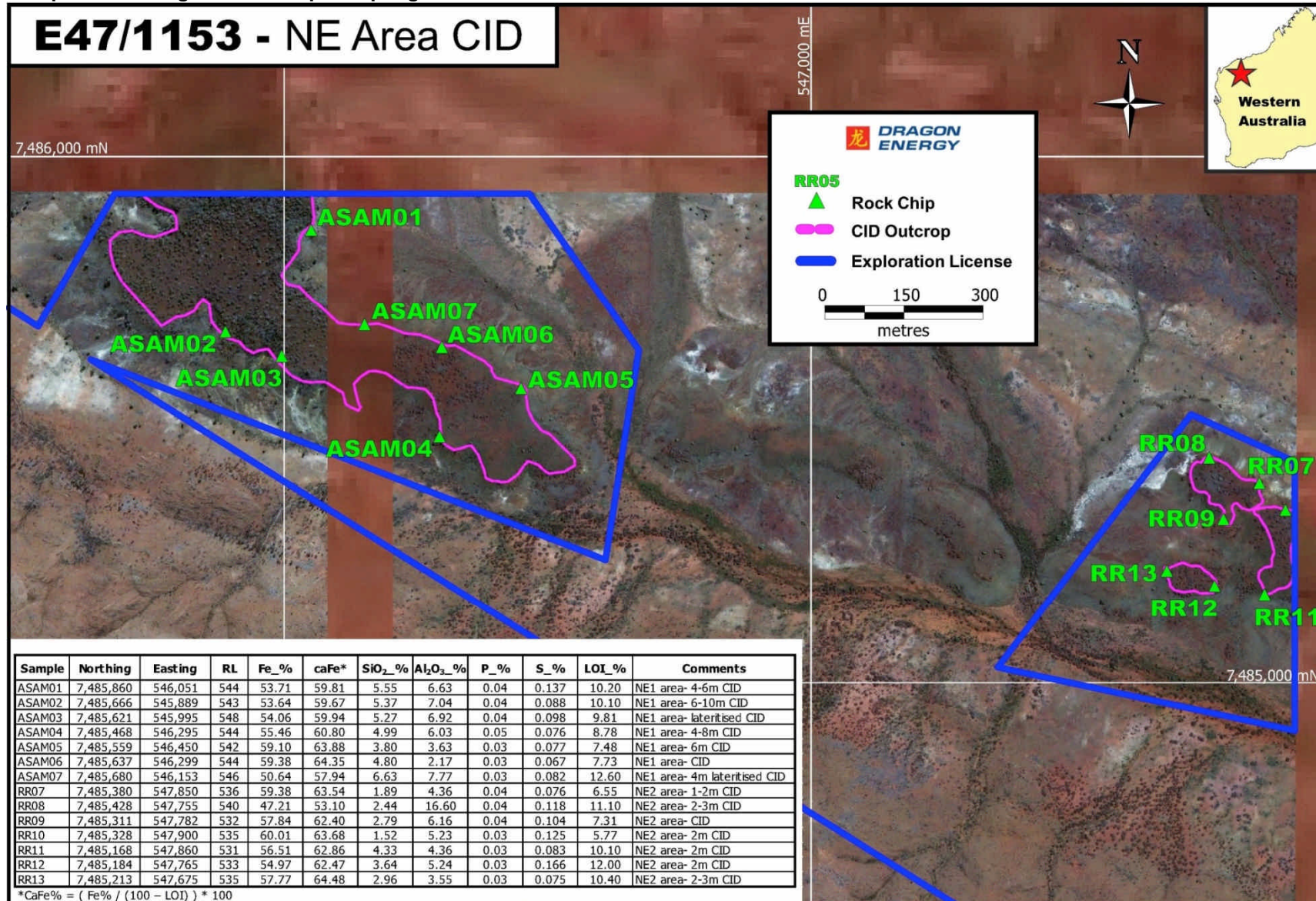
Figure 2: NW Exploration Target- Rock Chip Sampling


Figure 3: NE Exploration Target- Rock Chip Sampling



About Dragon

Dragon Energy Limited (**Dragon**) listed on the Australian Securities Exchange (ASX) in February 2009 (**ASX: DLE**).

Dragon's flagship project is the Pilbara Iron Project- comprising the Rocklea and Nameless deposits. Dragon Energy's portfolio of tenements has numerous multi-commodity targets, including Fe, Mn, Au and U in Western Australia.

Competent Person's Statement

The information in the report to which this statement is attached that relates to Exploration Results is based on information compiled by Mr Mark Hafer, who is a Member of The Australian Institute of Geoscientists. Mr Hafer is a full-time employee of the company.

The information that relates to the Rocklea (Main & North) Mineral Resource Estimate is based on information compiled by Mr Stephen Godfrey who is a Member of the Australasian Institute of Mining and Metallurgy and The Australian Institute of Geoscientists and an employee of Golder Associates Pty Ltd. The information that relates to the Rocklea (South) Mineral Resource Estimate has been compiled by Daniel Guibal who is a Fellow of the Australasian Institute of Mining and Metallurgy and an employee of SRK Consulting.

Messrs Hafer, Godfrey and Guibal have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Messrs Hafer, Godfrey and Guibal consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.