

POSITIVE TEM RESULTS AT ATTUNGA

Peel Exploration (ASX: PEX) is pleased to report further positive exploration results from its 100%-owned Attunga project located in the New England region of NSW. TEM (transient electromagnetics) geophysical results suggest that there is a moderate, shallow conductor, centred approximately 200m north of the historic **Attunga Copper Mine** workings. The TEM response occurs in close proximity to a reputed historic IP anomaly.

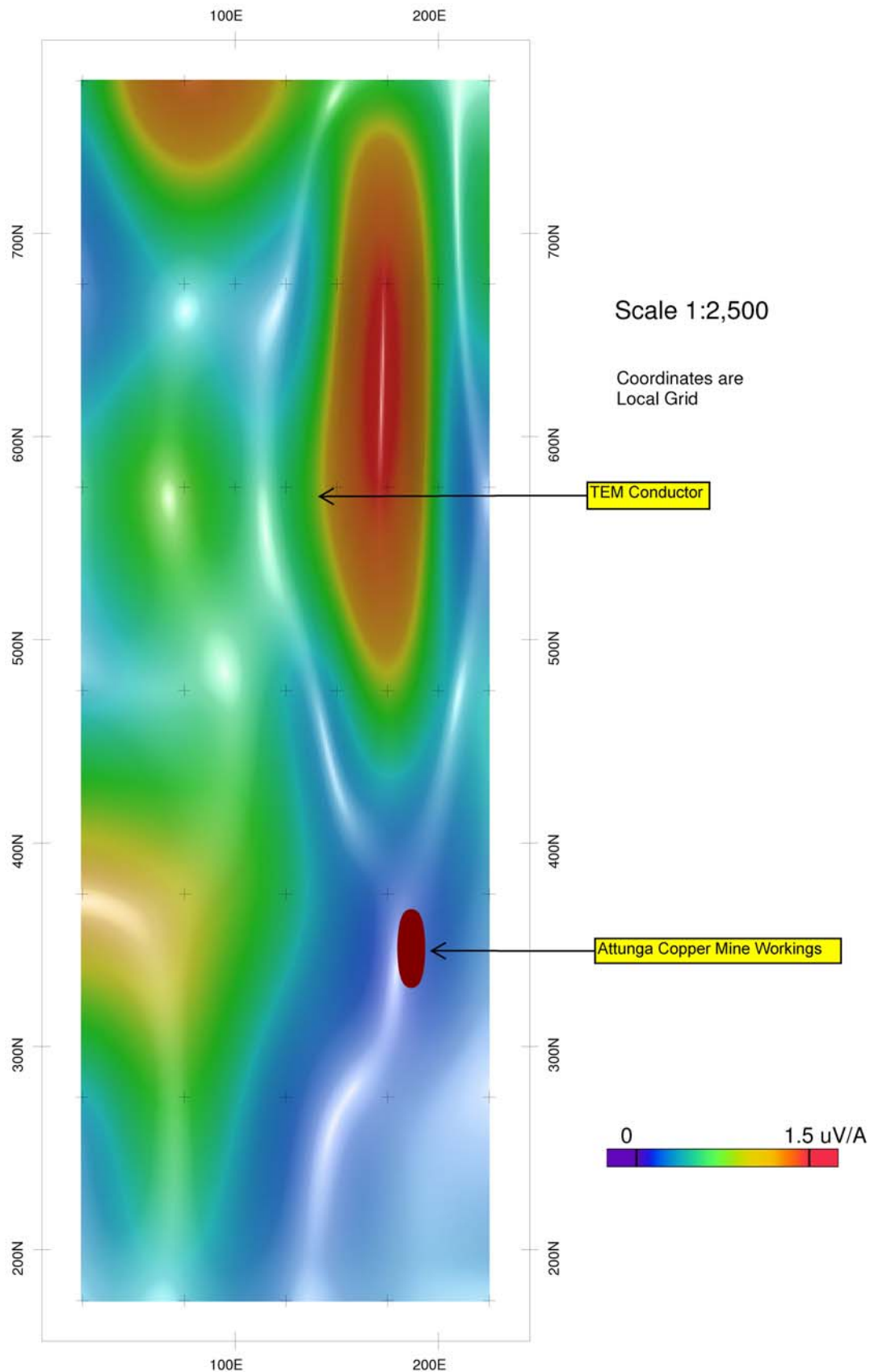
The Attunga Copper Mine, discovered in 1902 and worked over various periods up until World War 2, has total recorded production of about 1,600t ore grading ~6% copper, ~8 g/t gold and ~150 g/t silver. Workings comprised pits, shafts and levels and extended to about 80m below surface with sulphide mineralisation including chalcopryrite and chalcocite reported to occur in the deeper levels.

The anomalous TEM conductor, with an actual peak decay constant in excess of four milliseconds, occurs as a linear double peaked response beginning about 100m north of historic workings and continuing north for a further 200m. The double peaked response is considered most likely due to a steeply easterly dipping conductor. The sharpness of the response indicates a source from less than 100m depth. Results also suggest that there are significant EM negative effects, probably from an IP response running further north of the anomalous conductor.

Peel is encouraged by the TEM results and plans to drill test the peak anomalous zones in the upcoming drill campaign.

For further information, please contact Rob Tyson on 0420 234 020.

The information in this report that relates to Exploration Results is based on information compiled by Mr Robert Tyson, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tyson has sufficient experience which is relevant to the style of mineralisation 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 Tyson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



Attunga 50m Coincident Loop EM Survey [Delay time = 5.10ms]