

## NEW SHALLOW GOLD MINERALISATION AT KENSINGTON

Peel Exploration Ltd (ASX: **PEX**) is pleased to announce that recent shallow RAB drilling at the Kensington prospect within the Company's Attunga project has yielded encouraging new gold mineralisation. The Attunga project lies within EL6884, approximately 20 kilometres north of Tamworth, and is 100%-owned by Peel Exploration.

Better results from recent drilling at **Kensington** include the following intercepts:

- **24.5m at 0.74 g/t Au from 1.5m including 13m at 1.02 g/t Au from 13m\*** in KRAB006;
- **12m at 0.61 g/t Au from 13m** in KRAB014; and
- **14m at 1.78 g/t Au from 17m\* including 4m at 2.94 g/t Au from 21m** in KRAB019.

It should be noted that mineralisation remained present at the end of the holes in drillholes KRAB006 and KRAB019. Peel designed the shallow RAB drilling programme at Kensington to target tungsten and gold mineralisation. Historic data reported the presence of a large, shallow, low grade tungsten occurrence. While the drilling completed to date has returned only low order tungsten mineralisation, Peel is encouraged by the intersection of new shallow gold mineralisation.

The results from this RAB drilling provide further evidence of substantial gold mineralisation at Kensington and have highlighted the potential of the system to yield a shallow gold resource target. Previous drilling at Kensington included an RC programme by Peel in 2008 and a diamond drilling programme completed in 1987. Both of these programmes intercepted wide zones of low grade gold mineralisation including several areas of higher grade.

A follow-up RAB drill programme to better define possible shallow mineralised extensions at Kensington is now underway, incorporating a limited RAB programme at the Kensington NW gold prospect, some 2km to the northwest. Rock chip sampling at Kensington NW has previously returned anomalous gold values up to 1 g/t gold associated with an outcropping breccia system.

Gold mineralisation at Kensington occurs within a package of structurally deformed sediments and remains open along strike to the northwest and southeast, and down dip.

**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.*

**Table 1: Summary June/July 2008 Kensington RC Drill Results**

| Hole No.  | Easting | Northing | Dip | Final Depth (m) | From (m)    | To (m)     | Interval (m) | Au (g/t)    | Comment             |
|-----------|---------|----------|-----|-----------------|-------------|------------|--------------|-------------|---------------------|
| KRAB001   | 300974  | 6582614  | -90 | 27.5            | -           | -          | -            | -           | N.S.A.              |
| KRAB002   | 301055  | 6582560  | -90 | 23.5            | -           | -          | -            | -           | N.S.A.              |
| KRAB003   | 301159  | 6582519  | -90 | 22.0            | -           | -          | -            | -           | N.S.A.              |
| KRAB004   | 301237  | 6582468  | -90 | 12.0            | -           | -          | -            | -           | N.S.A.              |
| KRAB005   | 301175  | 6582396  | -90 | 14.5            | -           | -          | -            | -           | N.S.A.              |
| KRAB006   | 301122  | 6582382  | -90 | 26.0            | <b>1.5</b>  | <b>26*</b> | <b>24.5</b>  | <b>0.74</b> | Bulk intersection.  |
| including |         |          |     |                 | <b>13.0</b> | <b>26*</b> | <b>13</b>    | <b>1.02</b> | >0.5 g/t Au cutoff. |
| KRAB007   | 301140  | 6582426  | -90 | 30.0            | 1.5         | 17         | 15.5         | 0.33        | Bulk intersection.  |
| KRAB008   | 301172  | 6582423  | -90 | 30.0            | -           | -          | -            | -           | N.S.A.              |
| KRAB009   | 300893  | 6582692  | -90 | 31.5            | 1.5         | 13         | 11.5         | 0.36        | Bulk intersection.  |
| KRAB010   | 300792  | 6582706  | -90 | 27.0            | 13          | 27*        | 14           | 0.24        | Bulk intersection.  |
| KRAB011   | 300724  | 6582757  | -90 | 23.0            | 17          | 23*        | 6            | 0.17        | Bulk intersection.  |
| KRAB012   | 300571  | 6582714  | -90 | 20.0            | 5           | 20*        | 15           | 0.18        | Bulk intersection.  |
| KRAB013   | 300449  | 6582678  | -90 | 31.0            | -           | -          | -            | -           | N.S.A.              |
| KRAB014   | 300755  | 6582508  | -90 | 31.0            | 13          | 25         | 12           | 0.61        | Bulk intersection.  |
| KRAB015   | 300707  | 6582529  | -90 | 30.0            | 9           | 17         | 8            | 0.18        | Bulk intersection.  |
| KRAB016   | 300624  | 6582580  | -90 | 27.0            | 9           | 27         | 18           | 0.29        | Bulk intersection.  |
| KRAB017   | 300533  | 6582624  | -90 | 23.0            | 9           | 21         | 12           | 0.19        | Bulk intersection.  |
| KRAB018   | 300868  | 6582445  | -90 | 31.0            | -           | -          | -            | -           | N.S.A.              |
| KRAB019   | 300848  | 6582574  | -90 | 31.0            | <b>17</b>   | <b>31</b>  | <b>14</b>    | <b>1.78</b> | >1 g/t Au cutoff.   |
| including |         |          |     |                 | <b>21</b>   | <b>25</b>  | <b>4</b>     | <b>2.94</b> | >2 g/t Au cutoff.   |
| KRAB020   | 300745  | 6582619  | -90 | 31.0            | 9           | 13         | 4            | 0.35        | Bulk intersection.  |
| and       |         |          |     |                 | 21          | 29         | 8            | 0.25        | Bulk intersection.  |
| KRAB021   | 300657  | 6582669  | -90 | 28.0            | -           | -          | -            | -           | N.S.A.              |

Notes:

\* denotes mineralisation present at end of hole.

1. Drillholes were drilled using open hole RAB technique.
2. Collar locations were determined using a Garmin GPS 72 (GDA Zone 56).
3. Samples were speared from commonly 4m composite samples.
4. Samples were analysed by ALS Chemex (Orange) utilising method Au-AA25 (30g fire assay) for gold.
5. Bulk intersections had a 0.1 g/t Au lower cutoff grade applied.
6. No estimate of true width has been made.

Figure 1 – Kensington Drillhole Location

