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MARKET RELEASE
MARLBOROUGH NICKEL PROJECT

The Company opened the Marlborough Nickel Project Data Room today following requests for expressions of interest to participate in the project. Response has been very positive and the following press release will be made today.

Adrian Griffin
Managing Director

PRESTON RESOURCES LIMITED
MEDIA RELEASE

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STRONG GLOBAL INTEREST IN MARLBOROUGH NICKEL PROJECT

Within hours of opening the doors of its comprehensive data room on the Marlborough Nickel Project, located 78 km northwest of Rockhampton in Queensland, Preston Resources has received very strong interest from 15 parties, several of them global metals players.

Preston managing director Adrian Griffin said today major names in the nickel and base metals industry had registered their interest in the Marlborough resource.

"The process of calling for expressions of interest is clearly going to produce a number of alternatives," he said. "The data room located in Perth will be open until 17 December and we aim to have an outcome as soon as possible after the review process is complete."

Mr Griffin said Preston and its advisers were not surprised at the level of interest given that the Marlborough is one of Australia's largest unmined nickel laterite resources with 210 million tonnes of ore grading 1.02% nickel and 0.06% cobalt. Largely on freehold land it has power, water, transport links and other essential inputs, plus is very close to major ports and industrial services.

"What makes it more attractive than other projects is that it has already been through a rigorous feasibility study, an environmental impact study has been finalised, and all critical project permits have been secured," he said.

Preston did not proceed with Marlborough because in early 1999 its Bulong Nickel Project at Kalgoorlie ran into major difficulties while being ramped up to full production. Lower than anticipated production from Bulong placed Preston under considerable financial strain, which ultimately resulted in the shares being voluntarily suspended on the ASX.

Under the terms of the Bulong arrangements, Preston retains 100 per cent ownership of Marlborough, but with Barclays Bank PLC holding a security over the Marlborough assets. Barclays is also a partner with Preston and others in Bulong and put in place the original finance package to build Marlborough.

Mr Griffin said Preston was working simultaneously on Marlborough, completing corporate arrangements for re-quotation on the ASX and progressing its offshore gold interests.

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