PELICAN RESOURCES LIMITED

ABN 12 063 388 821

Registered Office: Level 1, 284 Oxford Street, Leederville, Western Australia 6007
Telephone: (08) 9242 1166
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18 June 2007

Ben Donovan
Advisor, Issuers (Perth)
Australian Stock Exchange
2 The Esplanade
PERTH WA 6000

Transmission by facsimile: 9221 2020

Dear Ben

RE: PRICE QUERY

We acknowledge receipt of your letter dated 18 June 2007 with respect to the change in price for the company's securities and respond as follows:

1. The Company is not aware of any information concerning it that has not been announced which if known could be an explanation for the recent trading in the securities of the company.

2. Not applicable.

3. The Company is not aware of any other explanation for the price change and increase in price in the securities of the Company, other than the information released in the Company's Third Quarter Activities Report on the 19 April 2007, the highlights of which were as follows:

Romblon Nickel Project

On the Binaya-An SSMP, an estimate of the inferred mineral resource, based on 34 drill holes with 482 assay results and with an average drill spacing of 50m x 50 m, was completed. Using the block modeling method, the total mineral resource is estimated as 1,283,781 dry metric tonnes (DMT) with an average grade of 1.00% Ni, 0.03% Co and 13.51% Fe. Contained within this envelope is a high grade core of 122,882 DMT at an average grade of 1.56% Ni, 0.05% Co and 21.50% Fe.

The combined inferred mineral resource on the Binya-An and Taclobo SSMP now stands as 2,937,452 dry metric tonnes at an average grade of 0.98% Ni and 16.87% Fe.

The granting of the main MPSA is still imminent and the documentation has been forwarded by the Bureau of Mines to the Department of Environment and Natural Resources who are responsible for issuing the MPSA.

Cockatoo Island Iron Ore Project

Portman Iron Ore Limited, as representative for the Cockatoo Island Project, reported that for the Quarter ended 31 March 2007 295,000 wet metric tonnes of iron ore were produced and 275,000 wet metric tonnes of iron ore shipped. Pelican receives royalties of $0.50 per metric tonne shipped.

Donald Well Project

The tenement is located to the northeast and along strike from the De Grey Mining Ltd tenements where significant base metal results have been reported.

A conventional ground inloop TEM survey was carried out to confirm and characterize the three VTEM anomalies defined by a helicopter-borne survey in November 2006. The ground survey was carried out to allow planning of drill holes to effectively test the targets. Two of the three anomalies are clearly discrete, moderate to strong bedrock conductors that are coincident with the Tabba Tabba Greenstone Belt. Modeling of the data indicates that the associated sources are situated at reasonably shallow depths of about 20 to 30 metres in the case of TRC 1 and 40 to 50 metres on TRC 3. The central anomaly TRC 2 can be characterized as a broad deep (150 to 200 metres) weak to moderate bedrock conductor that is again broadly coincident with the Tabba Tabba Greenstone Belt This conductive source would only be of interest if it were situated in a prospective geological setting.

Further geological mapping and ground verification will be completed prior to drill testing.

4. The company confirms that it is in compliance with the Listing Rules and in particular Listing Rule 3.1.

Should you require any additional information please do not hesitate to contact the company.

Yours faithfully

JOHN PALERMO
Company Secretary

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18 June 2007

Mr John Palermo
Company Secretary
Pelican Resources Limited
Level 1
284 Oxford Street
Leederville WA 6007

By Facsimile: (08) 9443 2859

Dear John,

Pelican Resources Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities (PELOA) from $0.086 on Friday 15 June 2007 to $0.18 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

   Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile on **facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 2.30pm WST today, 18 June 2007**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

Ben Donovan
Adviser, Issuers (Perth)

Direct Line: (08) 9224 0025