



16th May 2007

ASX ANNOUNCEMENT

Initial Resource Estimate for Catho Well Channel Iron Deposit of 68Mt @ 55.38% Fe

The West Pilbara - Mt Stuart Joint Venture (Australian Premium Iron Joint Venture (API), 70% and Managers, and Cullen Resources Limited, 30%) is pleased to announce an initial Resource Estimate for its Catho Well Channel Iron Deposit (CID) of **68Mt @ 55.38% Fe** – see Table . The Catho Well CID is one of five separate iron resources in the West Pilbara Region, centred approximately 50 kilometres southwest of Pannawonica, in which API has an interest (see Figure). Aquila Resources Limited (50% owner of API) has today reported that these five CIDs, collectively comprise: **203Mt @ 57.44% Fe**. The Catho Well CID is therefore 33.4 % of the CID resources estimated to date in API's West Pilbara Iron Ore Project area, and **Cullen's attributable share of the Catho Well deposit is 20.4 Mt @ 55.38% Fe**.

API's various West Pilbara CID Project interests have been the major focus of exploration programs since 2005. An extensive reverse circulation drilling program completed in 2006 has led to the resource estimates. (Golder Associates Pty Ltd was commissioned to complete the in-situ, JORC compliant resource estimate).

Table: Catho Well CID – Cullen 30% (cut-off grade >54% Fe, no Al₂O₃ cut-off applied)

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Indicated	47.7	55.45	6.68	3.02	0.038	0.016	0.079	0.170	10.26
Inferred	20.3	55.23	7.15	3.24	0.037	0.016	0.071	0.161	9.83
Total	68.0	55.38	6.82	3.09	0.038	0.016	0.077	0.167	10.13

The Catho Well resource has similar iron grades to the pisolitic ores mined at Robe River and Yandicoogina (~57% Fe). The average alumina (Al₂O₃) grade within the Catho Well Resource is the second lowest of the five resources in the project area, and there may be the opportunity to beneficiate and also to blend this resource with other resources in the area in order to manage potential product specifications. The average phosphorous levels at Catho Well (0.038%) are the lowest of the five resources, and the average LOI, at 10.13%, the highest of the five resources. These are favourable characteristics of this potential ore material.

API has initiated a Pre-Feasibility Study for its West Pilbara Iron Ore Project and during the last Quarter, received a number of reports relating to: the Port Options Study; Transport corridors; and Process plant basis for design and operating criteria. API also commenced planning to utilize a continuous surface miner to dig a bulk sample. Studies are on-going.

Dr. Chris Ringrose,
Managing Director.

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The information in this announcement that relates to Mineral Resources is based on information compiled by Mr Stuart H Tuckey, Dr Sia Khosrowshahi and Mr Jani Kalla who are members of the Australian Institute of Mining and Metallurgy. Mr Tuckey is a full-time employee of Australian Premium Iron. Dr Khosrowshahi and Mr Kalla are employees of Golder Associates Pty Ltd. Messrs Tuckey, Khosrowshahi and Kalla 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tuckey, Dr Khosrowshahi and Mr Kalla consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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