ABN 46 006 045 790

QUARTERLY REPORT for the period ended 31 December 2010

www.cullenresources.com.au ASX Symbol: CUL 31st January 2011

HIGHLIGHTS

Cullen's **West Pilbara iron ore JV projects** are its major assets, with a number of other interests (carried or non-contributing) in Joint Ventures providing further exposure to discovery opportunities in coal, uranium, Rare Earth Elements (REE), gold and nickel

- CATHO WELL, IRON ORE JV, WEST PILBARA :

JV Manager, API Management Pty Ltd (API) provided an updated Mineral Resource Estimate for the Catho Well Channel Iron Deposit of 98Mt @ 55.0% Fe which led to a Maiden JORC Ore Reserve Estimate of 70 Mt @ 54.8% Fe (Cullen 30%) of Proved and Probable Reserves. Subject to the completion of a "mine gate" agreement with the Australian Premium Iron Joint Venture (APIJV), this material will contribute to the main, blended product stream maintaining an average 57.1% Fe throughout the proposed 15 year mine life of the West Pilbara Iron Ore Project - Stage 1 mining operations. Cullen's ownership in this scenario equates to production of ~1.4 Mt of iron ore per annum for a period of 15 years

- WYLOO IRON ORE JV, WEST PILBARA :

JV Manager Fortescue Metals Group Ltd, has completed an RC drilling programme to test a Bedded Iron Deposit target at the Wyloo South prospect, and plans further drilling prior to an estimation of resources. Better drill results included: 36m @ 62.2% Fe from 48m; 33m @ 61.6% Fe from 21m; and 32m @ 61.2% Fe from 1m

- YAMBLA URANIUM AND REE JV, NT:

JV Manager, Uranium Exploration Australia Limited, has reported it considers the Yambla Prospect area (Cullen 25%), is highly prospective for rare earth elements as well as uranium and, in particular, the much sought after Heavy REE

- CANNING BASIN COAL JV, WA:

Heritage agreements have been signed and drilling programme plans have been drawn up by joint venture manager Advaita Canning Resources Pty Limited, to target coal in the Canning Basin, W.A. in the coming 2011 field season

- KILLALOE GOLD AND NICKEL JV, WA:

Matsa Resources Limited (Matsa) has farmed into Cullen's Killaloe Project

- CAPITAL RAISING

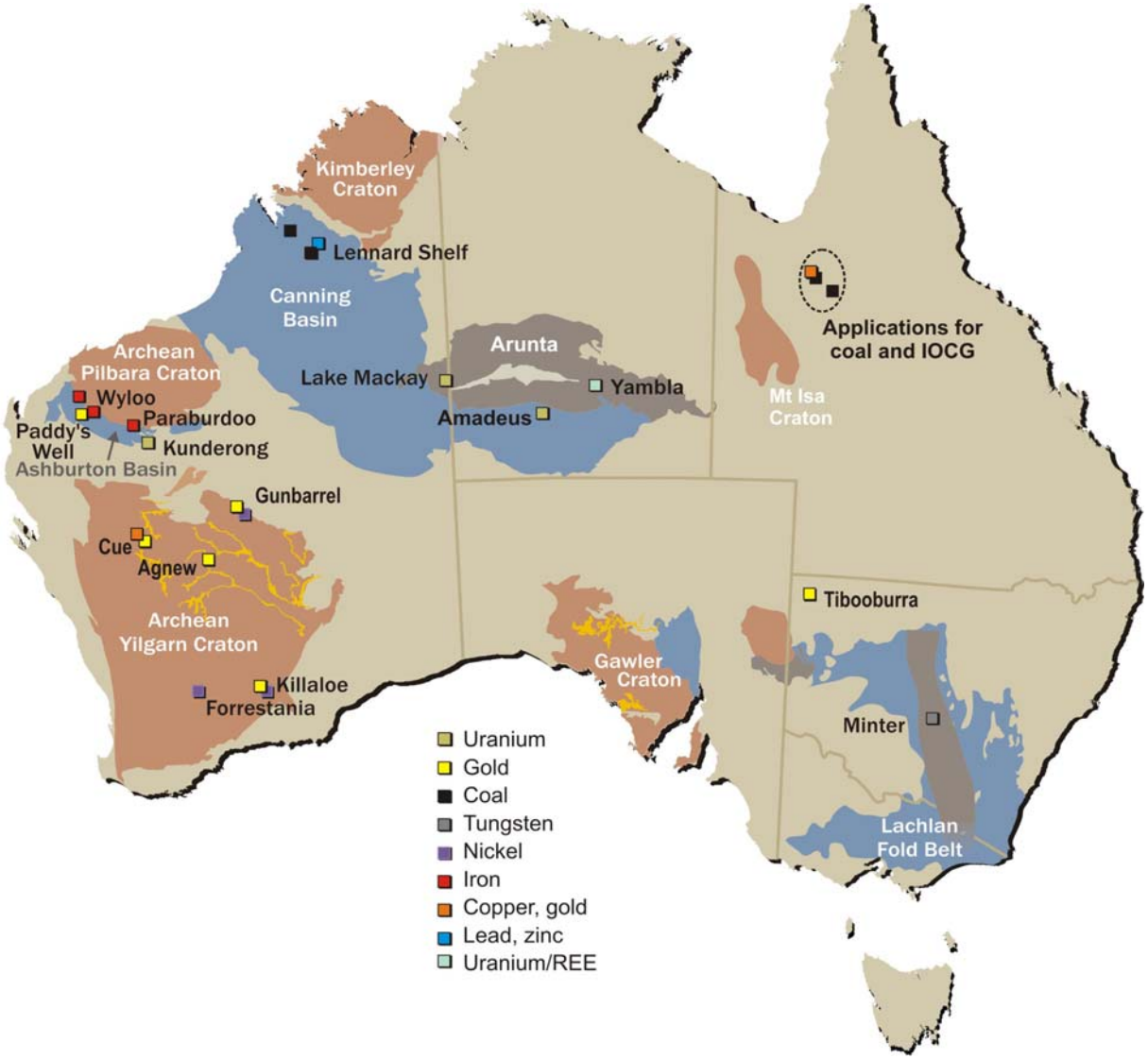
Cullen raised $1.9M through a well-supported Shareholder Share Purchase Plan in October 2010

- NEW PROJECTS - NAMIBIA, COPPER AND REEs :

  A field reconnaissance programme was completed over some of the project application areas to assess targets identified by interpretation of aeromagnetics data – awaiting tenement approvals

- NEW COMPANY SPIN OUT

  Cullen is considering plans to spin out its gold and base metal interests in an Initial Public Offer (IPO).



REGISTERED OFFICE: Unit 4, 7 Hardy Street, South Perth WA 6151. Telephone: +61 8 9474 5511Facsimile :+61 8 9474 5588

MINING FEASIBILITY STUDY – Iron

WEST PILBARA, W.A.

MT STUART IRON ORE JOINT VENTURE - EL08/1135, 1292, 1330, 1341, API JV 70%, Cullen 30% - iron ore rights.

The Mt Stuart Iron Ore Joint Venture (MSIOJV) is between Cullen - 30%, and the unincorporated joint venture known as the Australian Premium Iron Joint Venture (APIJV) - 70%. The APIJV comprises Aquila Steel Pty Ltd (a subsidiary of Aquila Resources Limited ("Aquila" ASX: AQA)) 50%, and AMCI (IO) Pty Ltd 50%. In July 2010, Aquila reported the results of a Feasibility Study (FS) for the 30Mtpa West Pilbara Iron Ore Project - Stage 1 indicating technical viability. However, the completion of the Mining Feasibility Study for the Catho Well deposit (MFS), a subset of the FS mentioned above, has been delayed in order to incorporate the updated Resource Statement for the Catho Well deposit completed by Golder Associates Pty Ltd in October 2010 as follows.

Updated Mineral Resource estimate for the Catho Well Channel Iron Deposit: (Cullen 30%)

Joint Venture	JORC Classification	Mt	Fe %	P %	SiO_2 %	Al_2O_3 %	S %	Mn %	MgO %	LOI %
Mt Stuart JV	Measured	2.00	55.1	0.041	6.61	3.64	0.020	0.058	0.208	9.99
	Indicated	73.00	55.1	0.037	6.91	3.16	0.016	0.079	0.178	10.26
	Inferred	23.00	54.6	0.037	7.53	3.10	0.015	0.102	0.209	10.40
	TOTAL	**98.00**	**55.0**	**0.037**	**7.05**	**3.15**	**0.016**	**0.084**	**0.186**	**10.29**

The Catho Well Mineral Resource estimate is reported at a 53% Fe cut-off. The resource estimate has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

Revised mine planning and schedules will be run using the updated Catho Well Resource Statement prior to completion of financial modelling. This will form the basis of the financial evaluation to be included in the MFS (Catho Well). The updated resource modelling will also be incorporated into the broader West Pilbara Iron Ore Project mine plan and mining schedule of which the Catho Well deposit is a component. The MFS for Catho Well will include a scenario which assumes the ownership of Cullen's run of mine ore will be transferred, after loading to trains, at the "mine gate". Cullen has been advised that a sales agreement for the acquisition of Cullen's Catho Well ore by the APIJV is now drafted and ready for review. It is anticipated that, based on the MFS, the MSIOJV Participants will require the JV Manager to submit a Development Proposal to the MSIOJV Participants and that this, in turn, will lead to consideration of a Decision to Mine by the MSIOJV Participants.

In December 2010, Cullen reported the maiden JORC Ore Reserve Estimate for the Catho Well Channel Iron Deposit based on the Resources Estimate (Table 1 and Appendix 1).Ore derived from the MSJV contributes to the main, blended product stream maintaining an average 57.1% Fe throughout the proposed 15 year mine life of the WPIOP - Stage 1 mining operations.

Table 1 –Mt Stuart Joint Venture (MSJV) Ore Reserve Estimate (Cullen 30%)

Product	Category	Tonnes Mt	Fe %	Al2O3 %	SiO2 %	P %	LOI %
Product 1	Proved	1	55.28	3.33	6.57	0.043	10.03
	Probable	69	54.80	3.23	7.23	0.037	10.31
	Total	**70**	**54.81**	**3.23**	**7.22**	**0.037**	**10.30**
TOTAL	Proved	1	55.28	3.33	6.57	0.043	10.03
	Probable	69	54.80	3.23	7.23	0.037	10.31
	Total	**70**	**54.81**	**3.23**	**7.22**	**0.037**	**10.30**

JV EXPLORATION ACTIVITIES – Iron

WEST PILBARA, W.A.

WYLOO – Iron Ore Rights JV with Fortescue Metals Group Ltd (Fortescue); Cullen retains 100% of Other Mineral Rights - EL08/1393, El47/1154.1649,1650.

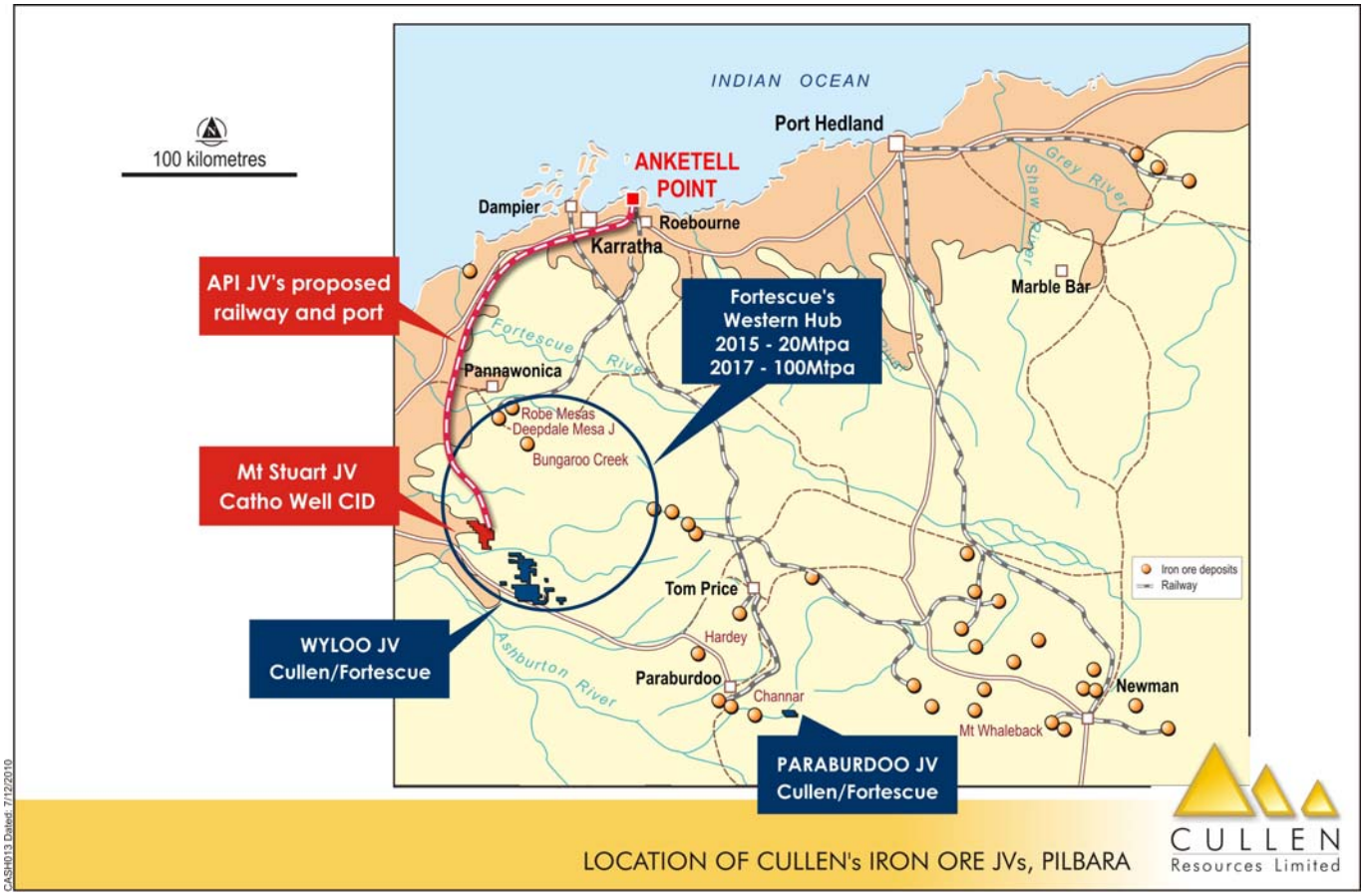
The Wyloo Project lies within Fortescue's proposed "Western Hub" mining centre, and just south of Cullen's, 30%-owned Catho Well Channel Iron Deposit which is part of the West Pilbara Iron Ore Project – Stage 1 (see Figures).

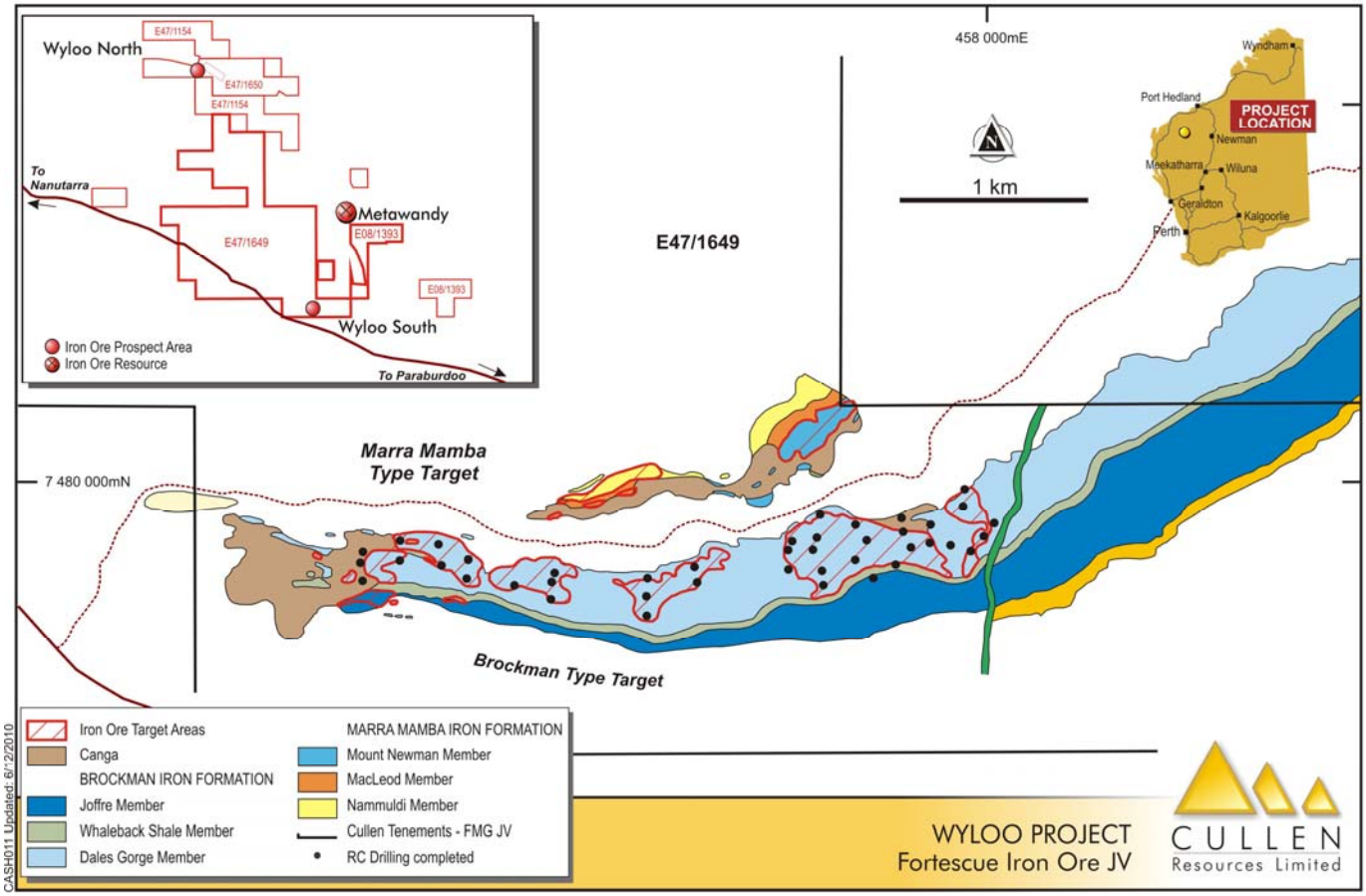
Fortescue can earn up to an 80% interest in the iron ore rights on E08/1393 and Es 47/1154, 1649 and 1650. An initial RC drilling program has been completed at the Wyloo South Prospect (E47/1649, E08/1393) encompassing 42 holes (see Figure) drilled on a ~ 200 x 100m grid spacing, for a total of 3,942m. The drillholes tested the lateral and vertical extents of previously mapped surface iron mineralisation occurring within the Brockman Iron Formation.

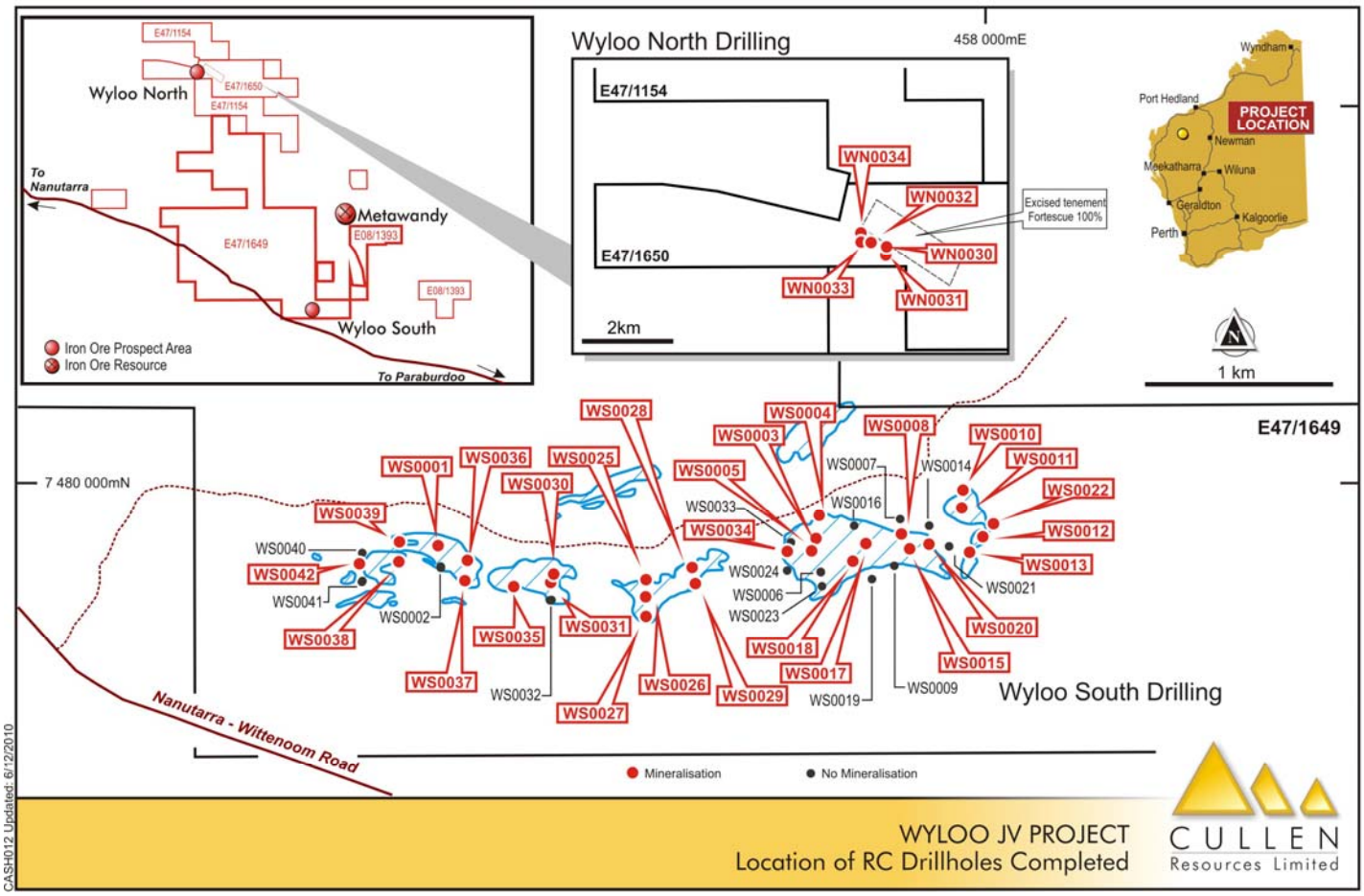
Results received (Table 2) include: 36m @ 62.2% Fe from 48m; 33m @ 61.6% Fe from 21m; and,32m @ 61.2% Fe from 1m. Six RC holes were completed at Wyloo North prospect as part of a larger programme completed by Fortescue along a target trend which transects some of their 100% held tenements.

Fortescue has previously indicated it expected that the Wyloo South drilling will have outlined an Exploration Target of at least 30Mt of mineralization, however further drilling is required prior to resource modeling and estimation of an initial JORC resource for the prospect.

EXPLORATION TARGETS
The term Exploration Target where used herein is conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. the JORC Code (2004). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.




Wyloo North
E47/1154
E47/1650
E47/1154
To Nanutarra
Metawandy
E08/1393
E47/1649
E08/1393
Wyloo South
Iron Ore Prospect Area
Iron Ore Resource
To Paraburdoo
458 000mE
1 km
E47/1649
Wyndham
Port Hedland
PROJECT LOCATION
Newman
Meekatharra
Wiluna
Geraldton
Kalgoorlie
Perth
7 480 000mN
Marra Mamba Type Target
Brockman Type Target
Iron Ore Target Areas
Canga
BROCKMAN IRON FORMATION
Joffre Member
Whaleback Shale Member
Dales Gorge Member
MARRA MAMBA IRON FORMATION
Mount Newman Member
MacLeod Member
Nammuldi Member
Cullen Tenements - FMG JV
RC Drilling completed
CASH011 Updated: 6/12/2010
WYLOO PROJECT
Fortescue Iron Ore JV
CULLEN
Resources Limited


Wyloo North
E47/1154
E47/1650
E47/1154
To Nanutarra
Metawandy
E08/1393
E47/1649
E08/1393
Wyloo South
Iron Ore Prospect Area
Iron Ore Resource
To Paraburdoo
Wyloo North Drilling
458 000mE
E47/1154
E47/1650
WN0034
WN0032
WN0030
WN0033
WN0031
Excised tenement Fortescue 100%
2km
Wyndham
Port Hedland
PROJECT LOCATION
Newman
Meekatharra
Wiluna
Geraldton
Kalgoorlie
Perth
1 km
E47/1649
7 480 000mN
WS0028
WS0004
WS0003
WS0008
WS0010
WS0011
WS0022
WS0012
WS0013
WS0021
WS0020
WS0015
WS0009
WS0019
WS0017
WS0018
WS0029
WS0026
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WS0031
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WS0037
WS0038
WS0042
WS0039
WS0001
WS0036
WS0025
WS0030
WS0005
WS0034
WS0007
WS0014
WS0016
WS0033
WS0024
WS0006
WS0023
WS0040
WS0041
WS0002
Wyloo South Drilling
Nanutarra - Wittenoom Road
Mineralisation
No Mineralisation
CASH012 Updated: 6/12/2010
WYLOO JV PROJECT
Location of RC Drillholes Completed
CULLEN
Resources Limited

TABLE 2 – Results of RC drilling at Wyloo Project

Wyloo South Prospect

Drillhole ID	Easting	Northing	From	To	Mineralisation Thickness (m)	Internal Waste (m)	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %	Comments
WS0001	455100	7479650	0	20	**10**	10	56.6	7.04	2.17	0.073	6.34	
and			42	54	**10**	2	62.9	2.85	2.30	0.147	3.98	
WS0002	455120	7479540	0	0	**0**	0	NA	NA	NA	NA	NA	No Mineralisation
WS0003	457110	7479800	8	43	**26**	9	58.5	7.11	2.36	0.193	6.11	
and			56	67	**8**	3	57.9	6.63	2.26	0.293	7.23	
WS0004	457097	7479687	14	35	**21**	0	62.3	3.52	2.14	0.107	4.51	
WS0005	457074	7479618	5	7	**2**	0	58.5	6.32	2.56	0.087	6.84	
WS0006	457122	7479508	0	0	**0**	0	NA	NA	NA	NA	NA	No Mineralisation
WS0007	457543	7479784	0	0	**0**	0	NA	NA	NA	NA	NA	No Mineralisation
WS0008	457547	7479715	8	13	**5**	0	58.8	3.66	2.24	0.142	9.42	
WS0009	457508	7479538	0	0	**0**		NA	NA	NA	NA	NA	No Mineralisation
WS0010	457875	7479939	4	20	**16**	0	58.2	4.58	2.88	0.102	8.81	
WS0011	457871	7479847	18	24	**6**	0	56.3	6.61	2.81	0.114	9.47	
WS0012	457975	7479686	11	24	**9**	4	61.2	5.05	1.57	0.087	5.36	
WS0013	457906	7479608	21	58	**33**	4	61.6	4.76	1.64	0.057	5.11	
WS0014	457692	7479752	0	0	**0**	0	NA	NA	NA	NA	NA	No Mineralisation
WS0015	457590	7479630	25	30	**5**	0	62.0	5.06	3.58	0.015	2.33	
WS0016	457295	7479750	0	0	**0**	0	NA	NA	NA	NA	NA	No Mineralisation
WS0017	457355	7479680	23	29	**6**	0	56.1	5.35	7.47	0.079	6.43	
			33	37	**4**	0	56.5	5.40	6.41	0.164	6.79	
			38	42	**4**	0	58.9	5.70	5.27	0.155	4.20	
			48	84	**36**	0	62.2	3.71	3.08	0.107	3.88	
WS0018	457295	7479565	12	31	**13**	6	61.6	2.63	3.79	0.102	4.74	
and			78	98	**9**	11	58.4	8.09	1.37	0.230	6.11	
WS0019	457395	7479470	0	0	**0**	0	NA	NA	NA	NA	NA	No Mineralisation
WS0020	457690	7479658	6	20	**9**	5	58.7	7.92	2.10	0.095	5.49	
WS0021	457800	7479640	0	0	**0**	0	NA	NA	NA	NA	NA	No Mineralisation
WS0022	458030	7479763	4	6	**2**	0	58.0	6.76	2.70	0.128	6.80	
WS0023	457130	7479436	0	0	**0**	0	NA	NA	NA	NA	NA	No Mineralisation
WS0024	456945	7479520	0	0	**0**	0	NA	NA	NA	NA	NA	No Mineralisation
WS0025	456200	7479470	4	24	**20**	0	61.6	4.42	1.32	0.078	5.68	
WS0026	456195	7479375	8	21	**13**	0	59.7	7.13	1.23	0.084	5.73	
WS0027	456200	7479279	6	18	**12**	0	61.2	5.44	2.51	0.085	4.02	
			40	43	**3**	0	58.5	5.76	2.26	0.158	7.83	
WS0028	456450	7479530	3	12	**9**	0	58.3	7.72	1.86	0.115	6.52	
WS0029	456460	7479449	12	15	**3**	0	59.9	6.61	1.46	0.119	5.75	
			17	22	**5**	0	60.7	5.38	1.10	0.106	6.34	
WS0030	455713	7479496	18	27	**9**	0	60.2	5.29	2.47	0.089	5.06	
WS0031	455700	7479458	3	26	**15**	8	59.0	5.28	2.10	0.182	7.30	
WS0032	455692	7479358	0	0	**0**	0	NA	NA	NA	NA	NA	No Mineralisation

Drillhole ID	Easting	Northing	From	To	Mineralisation Thickness (m)	Internal Waste (m)	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI	Comments
WS0034	456945	7479621	10	17	**6**	1	56.4	7.21	2.87	0.107	8.68	
WS0035	455501	7479435	5	17	**12**	0	60.2	6.59	3.69	0.069	3.01	
WS0036	455257	7479565	2	5	**3**	0	58.2	6.33	2.89	0.149	6.82	
			10	27	**17**	0	60.8	4.15	2.99	0.089	5.21	
WS0037	455250	7479470	4	12	**8**	0	61.7	6.99	2.34	0.019	2.15	
WS0038	454900	7479564	19	20	**1**	0	59.8	7.61	2.96	0.031	2.76	
WS0039	454903	7479668	22	37	**14**	1	61.8	3.33	2.02	0.091	4.96	
WS0040	454706	7479607	0	0	**0**	0	NA	NA	NA	NA	NA	No Mineralisation
WS0041	454705	7479460	0	0	**0**	0	NA	NA	NA	NA	NA	No Mineralisation
WS0042	454692	7479558	1	51	**32**	18	61.2	3.42	1.97	0.120	6.33	

Wyloo North Prospect

Drillhole ID	Easting	Northing	From	To	Mineralistion Thickness (m)	Internal Waste (m)	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI	Comments
WN0001	443113	7502557	0	0	**0**	NA	NA	NA	NA	NA	NA	**WATER BORE: All Dolerite**
WN0030	446490	7502950	0	0	**0**	NA	NA	NA	NA	NA	NA	No Mineralisation
WN0031	446467	7502858	1	11	**8**	2	53.7	7.41	3.57	0.072	10.27	
WN0032	446093	7503041	0	0	**0**	NA	NA	NA	NA	NA	NA	No Mineralisation
WN0033	445897	7503162	0	46	**37**	9	58.9	5.42	2.58	0.062	7.13	
WN0034	445891	7503204	15	45	**24**	6	60.8	4.14	1.95	0.072	6.58	

Notes: Mineralisation type = Bedded Iron Deposit; Cut off - 55% Fe, except WN31 - 52%Fe

PARABURDOO – Iron Ore Rights JV with Fortescue Metals Group Ltd (Fortescue), Cullen retains 100% of Other Mineral Rights - EL52/1667.

Fortescue can earn up to an 80% interest in the iron ore rights on Cullen's E52/1667, located ~ 25km south east of Paraburdoo in the Pilbara Region of Western Australia. The tenement includes potential for bedded iron deposits within the Brockman Iron Formations, along strike from the Paraburdoo and Channar Groups of iron deposits.. A ten-hole drilling programme has been designed with targets including possible extensions to outcropping iron mineralisation and also buried CID mineralisation. A heritage survey has been completed and drilling will be undertaken in conjunction with other projects of Fortescue in the Eastern Hamersley.

JV EXPLORATION ACTIVITIES – Uranium

HARTS RANGE, N.T.

YAMBLA – EL26142, Uranium Exploration Australia Limited can earn 75%.

A regional drainage geochemical sampling program covering 3 of the 4 Harts Range tenements was completed in late November. A total of 235 -80# stream sediment samples were collected and submitted to AMDEL for assay. Initial results were received in mid-January 2011 and are currently being evaluated.

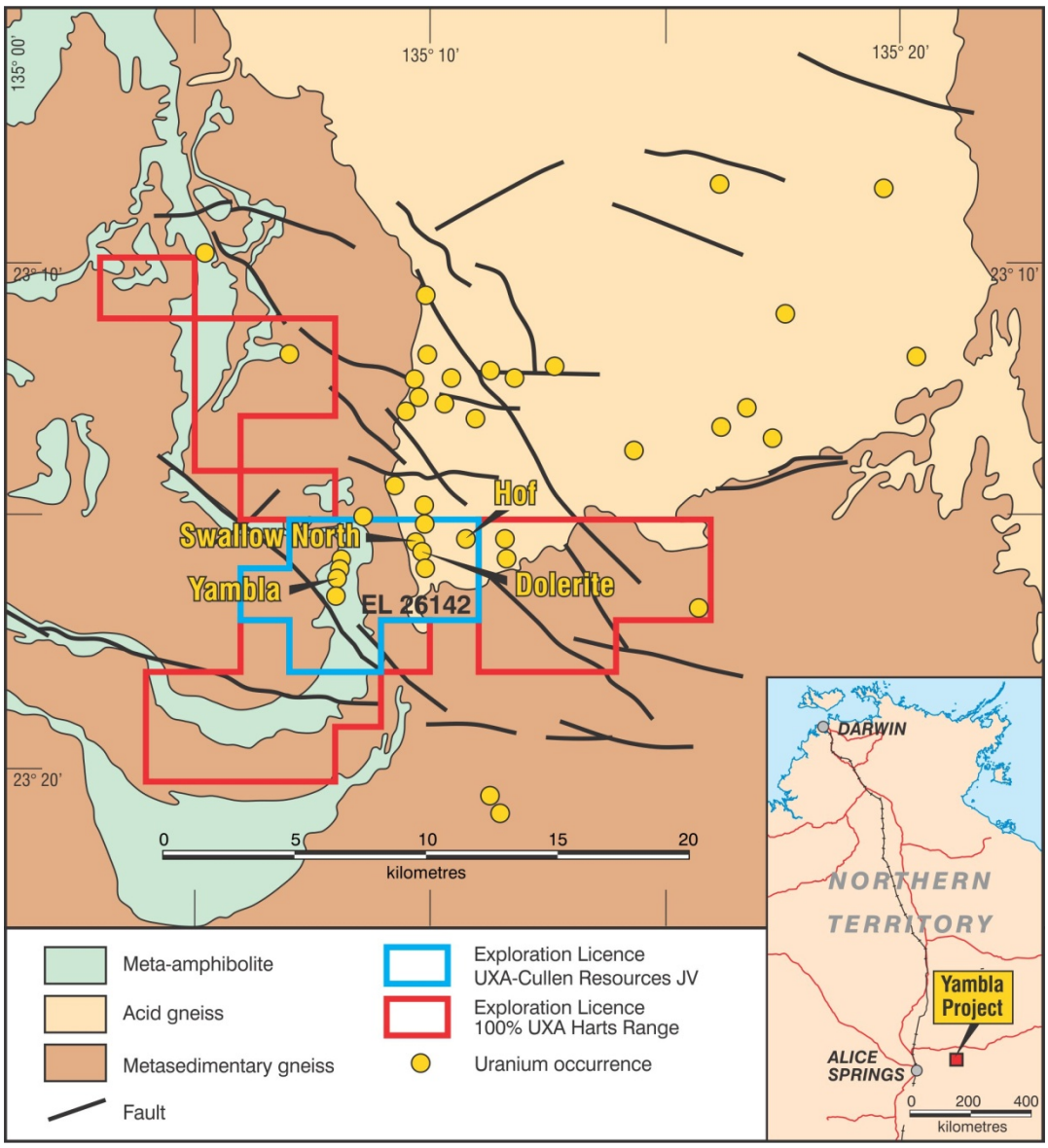


Figure . Location of UXA's Yambla Project near Alice Springs NT.

The Yambla/Harts Range project lies in the Harts Range, 140km East of Alice Springs, Northern Territory. At Yambla (EL 26142), UXA has rights to acquire a 75% interest in the project from Cullen Exploration (ASX announcement 14 April 2010). The three Harts Range EL's 27850, 27852 and 27874 are 100% held by UXA and cover a total area of 111km^2 located within the Entia Pegmatite Field, considered to be highly prospective for rare earth elements as well as uranium and in particular much sought after HREE such as europium, terbium and dysprosium used in the manufacturing of permanent magnets and power generators.

Uranium anomalism is also known from outcrops of pegmatite dykes where the presence of heavy rare earth elements (HREE) has been previously documented. At the Swallow-Hof prospect, UXA has traced an outcropping zone of pegmatite dykes over a distance of 1.7km containing anomalous uranium and HREE. One sample from the pegmatite also returned 305 ppm Tantalum and 375 ppm Niobium which is considered highly anomalous. Anomalous assay results from rock chip sampling returning up to 13.8% U3O8, 35ppm Tb, 270ppm Dy, and 2900ppm Y from isolated samples (see September 2010 Quarterly Report for details).

JV EXPLORATION PROJECTS – Coal

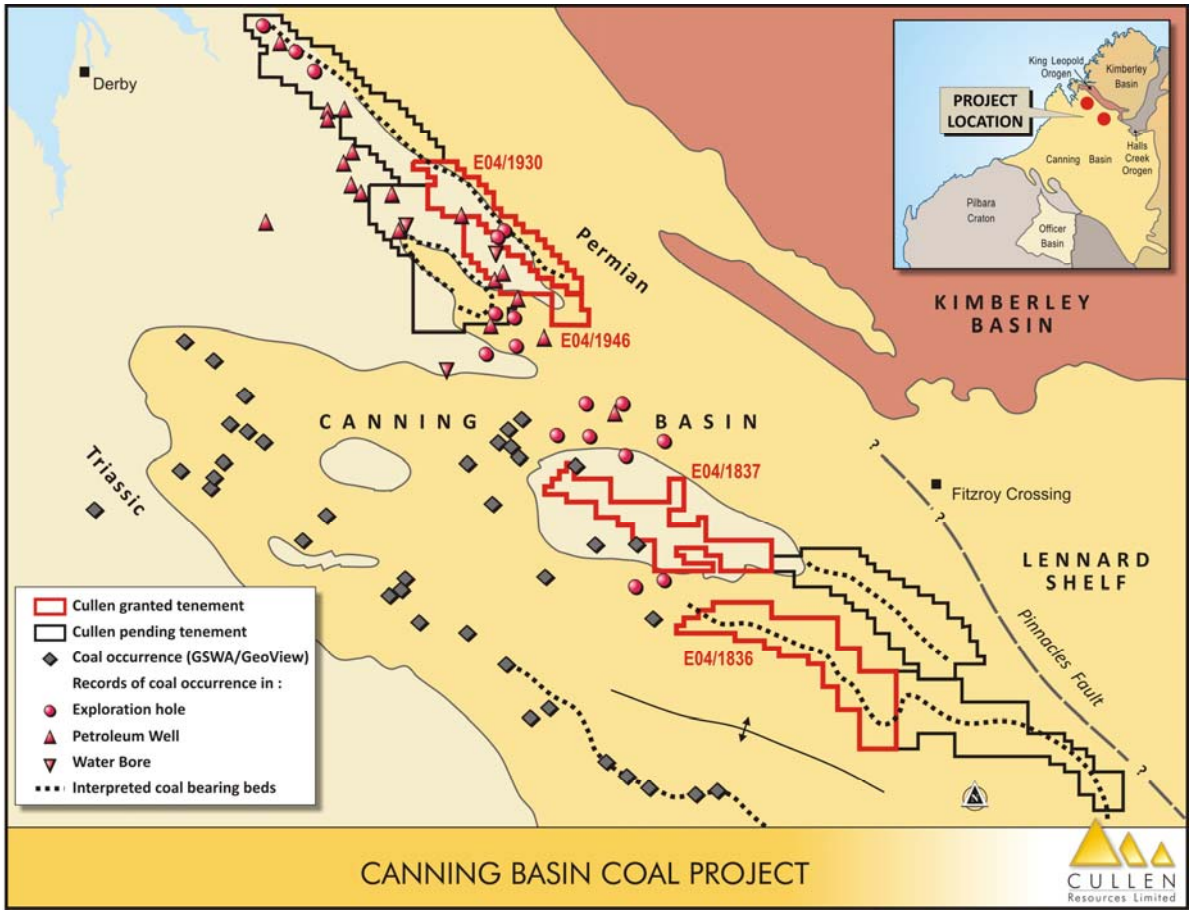
KIMBERLEY, W.A.

CANNING BASIN – ELs 04/1836, 1837, 1932, 1946 and 1930; ELAs 04/1838, 1933, and 1945.

Cullen has signed a Heads of Agreement (HOA) with Advaita Canning Resources Pty Ltd, a subsidiary of a private, Singapore-based, energy-focused, investment company Advaita Power Resources Pte Ltd. (Advaita). Under the HOA, which relates to coal rights only, with Cullen retaining all other mineral rights, Advaita is required to spend $1.5M before 31 October 2012 to earn 75%, including minimum $500,000 before 31 October 2011. Thereafter, Advaita will then sole fund a further $2.0M on exploration and maintaining tenements in good standing. Cullen can contribute at 25%, or take a 20% Free Carried Interest to Decision to Mine based on a Bankable Feasibility Study.

Advaita was founded by Mr. Hari Kiran Vadlamani, who was earlier the co-founder of a successful power development company in India. Advaita is aiming to become a preferred fuel supply partner for Indian power producers and has mandates for coal supply from several power companies setting up over 10 GW of imported coal-based power capacity in India. Advaita holds various equity and exploration interests for coal in Indonesia, Australia and South Africa and a 15% strategic investment in Churchill Mining Plc, an AIM-listed company with a 2.73 billion tonnes JORC coal resource in East Kalimantan.

Cullen has planned a first pass drilling programme for EL04/1836 which covers some 50 strike-km of the Lightjack Formation along the northern limb of the St George Ranges Anticline. Implementation of this programme, to now be managed by Advaita, is subject to finalization of heritage agreements and subsequent heritage surveying of drill sites. This is now complete, and drilling will be undertaken in the coming 2011 field season.



JV EXPLORATION ACTIVITIES – Uranium

ASHBURTON, W.A.

KUNDERONG/TUNNEL CREEK – ELs 52/1890-1982, Thundelarra can earn 70%.

The Company has a Joint Venture agreement with Element 92 Pty Ltd, a wholly-owned subsidiary of Thundelarra Exploration Ltd (Thundelarra), over its three tenements (EL's 52/1890-1892) at Tunnel Creek/Kunderong, in the Ashburton Province. Thundelarra can earn a 70% interest. Native title negotiations have now been finalised and the tenements have been granted. There has been no exploration activity during the Quarter.

JV EXPLORATION ACTIVITIES – Gold

ASHBURTON, W.A.

HARDEY JUNCTION JOINT VENTURE – EL 08/1166, 1189, 1763, Northern Star Limited 80%, Cullen 20%.

Intrepid Mines Limited (ASX:IAU), operator of the Paulsens Gold Mine located approximately 15km north of the Hardey Junction JV ground, has sold Paulsens to Northern Star Limited (ASX:NST) in a deal which included sale of their beneficial interest in the Hardey Junction JV. Northern Star and Intrepid and Cullen have agreed that Cullen henceforth will take a 20% Free Carried Interest to decision to mine based on a Bankable Feasibility study in this Joint Venture.

JV EXPLORATION ACTIVITIES – Gold / Nickel

FORRESTANIA, W.A.

STORMBREAKER AND NORTH IRONCAP – Hannans Reward Limited 80% and Cullen 20%, free carried to a Decision to Mine.

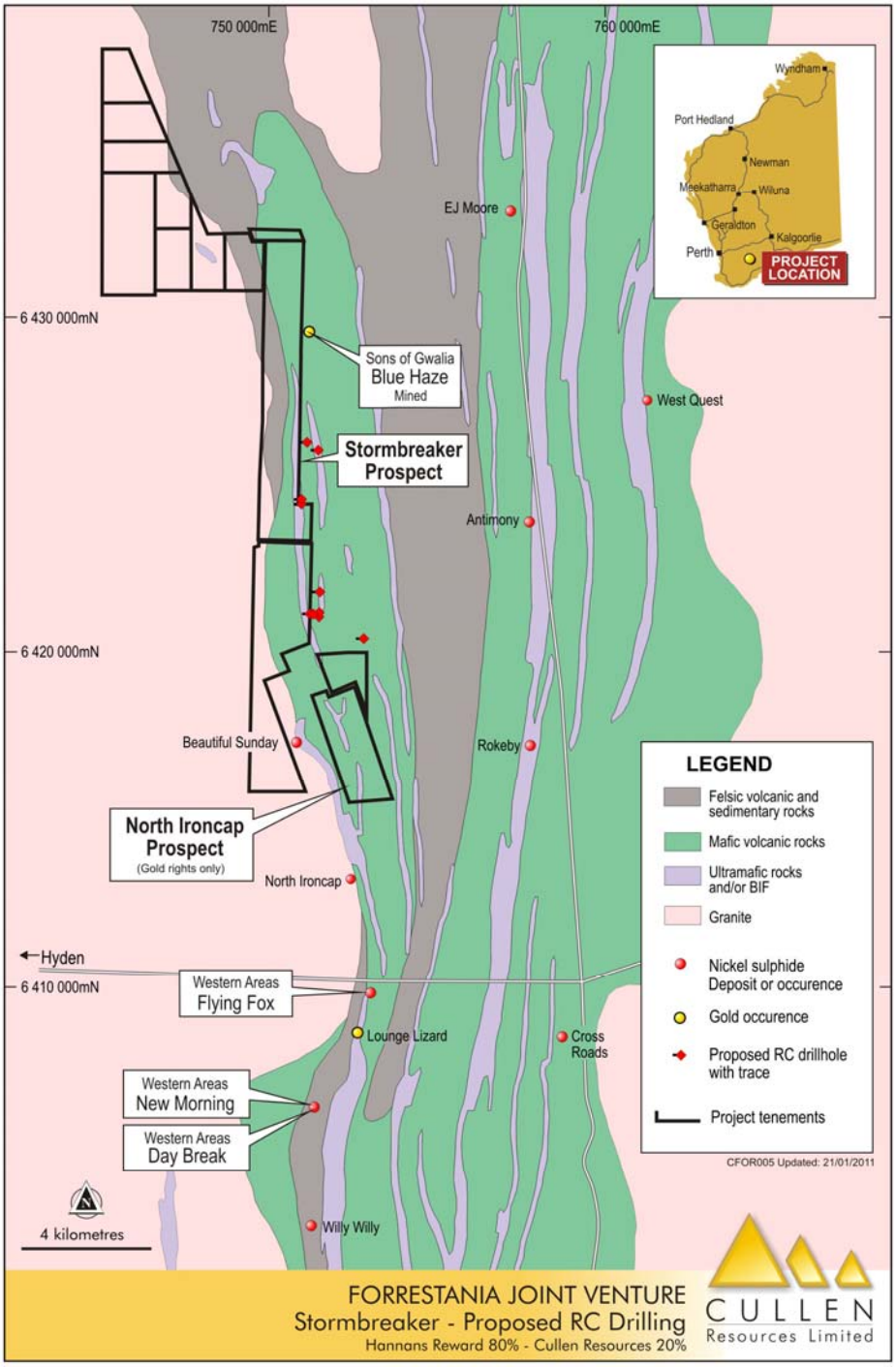
Cullen holds a 20% Free Carried Interest in the western portion of Hannans' Stormbreaker Prospect, centred ~12km north of the Flying Fox Nickel Mine in the Forrestania Greenstone Belt. Hannans plans to initiate a programme of RC drilling on its broader Stormbreaker project in early February, and 4 of these planned RC holes will be within the Cullen-Hannans JV ground (see Figure).

JV EXPLORATION ACTIVITIES – Gold / Nickel

NORSEMAN, W.A.

KILLALOE – Matsa Resources Limited can earn 70%

Cullen and Matsa Resources Limited ("Matsa") have signed an agreement to allow Matsa to farm-in to Cullen's Killaloe Project near Norseman in W.A. (E63/1018, E63/1199 and PLs 63/1331-1333 and 1672). Matsa can earn a 70% interest in the Killaloe Project by agreeing to sole-fund exploration expenditure of $500,000 within 3 years of satisfaction of the conditions precedent. Matsa can terminate the agreement at any time after incurring a minimum $100,000 of exploration expenditure. The Matsa JV agreement is conditional upon due diligence being completed on the tenement comprising the Killaloe Project to the sole satisfaction of Matsa, and the assignment of existing heritage agreements and royalty obligations (relating to a 7.5% net profits interest royalty) insofar as it relates to the interest being acquired by Matsa and effective from the date the farm-in interest is earned. The conditions must be satisfied within 2 months of execution of the agreement. Thereafter Matsa will issue Cullen $100,000 worth of Matsa shares.



Cullen Investments

During the Quarter, Macphersons Reward Limited (ASX: MRP), successfully listed on the ASX. Cullen holds 1,000,000 shares in Macpherson's Reward Limited (escrowed for 12 months) by virtue of the sale of its Coolgardie tenements to MRP for its IPO. As per 31 Dec2010, the value of this investment is ~$410,000.

MURCHISON W.A. – Gold and Base Metals

NORTH TUCKABIANNA, near CUE – EL 20/714, ELA 20/755,771 Cullen 100%.

The company has three exploration licences (two are applications) located approximately 30-50km east of Cue, covering the northern part of the Tuckabianna – Webbs Patch greenstone sequence, the eastern granite-greenstone contact, and possible greenstone enclaves within mapped granite. The principal exploration targets are gold and VMS-style base metal mineralisation in this underexplored northern section of the greenstone sequence, which is largely covered by colluvium and sandplain.

Regional geochemical sampling in early 2010 showed a large Au anomaly in ferruginous gravel (11-29ppb Au), approximately 3.5km x 0.75km, lying along the Tuckabianna Gold Trend. Follow-up, systematic geochemical sampling using plants showed two regional copper-thallium-silver (Cu-Tl-Ag) anomalies located in unexplored, sand-covered terrain, approx. 2km east of the mapped Tuckabianna greenstone sequence and 2-13km north of a mapped sedimentary inlier within the granite domain . The base metal anomalies lie approximately 45km southwest of the Quinns-Austin Cu-Pb-Zn deposit and 13km northeast of a Cu-Pb-Zn prospect on the eastern side of the Tuckabianna sequence (see Figure).

It is conceivable that east of the Tuckabianna trend and under sand cover, clastic and/or volcaniclastic sediments and greenstone remnants host the geochemical anomalies Cullen has generated. Cullen considers that the association of the anomalous elements is consistent with a geochemical signature expected from volcanic-hosted massive sulphide mineralization. Air core drilling will test the anomalies as soon as possible, following fulfillment of all statutory requirements.

NORTH EASTERN GOLDFIELDS W.A.– Gold and Base Metals

GUNBARREL – E53/1299, 1300, Cullen 100%; and, IRWIN BORE – E53/1209 and PLs 53/1251,1264,1265, Cullen 90% and Western Australian Resources Ltd 10%.

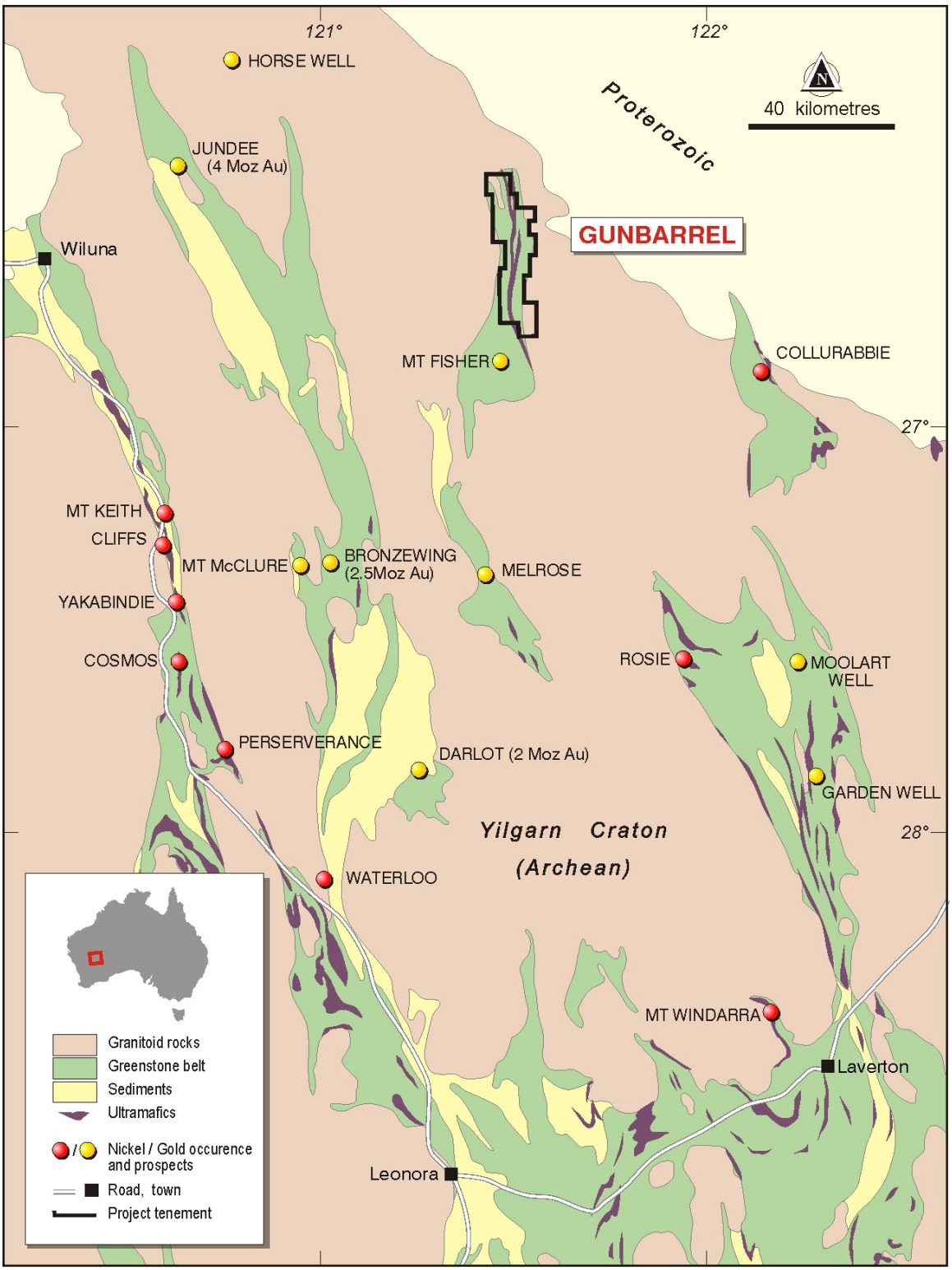
Cullen has been progressively reviewing the extensive database, and undertaken field assessments of the nickel and gold prospectivity of the belt. Regional data and models for new minerals discoveries, such as “Rosie” – nickel, and “Garden Well” - gold, in the Duketon greenstone belt, have been taking into consideration when identifying priority target areas for drilling at Gunbarrel as follows:

- The northern and southern extensions of the Eureka North West mineralization, where previous intersections of gold in conglomerate include: 8m @ 2.92 g/t Au. The conglomerate/greenstone contact is interpreted to continue for some 10km to the north under lake cover and has not been tested by systematic drilling to date;

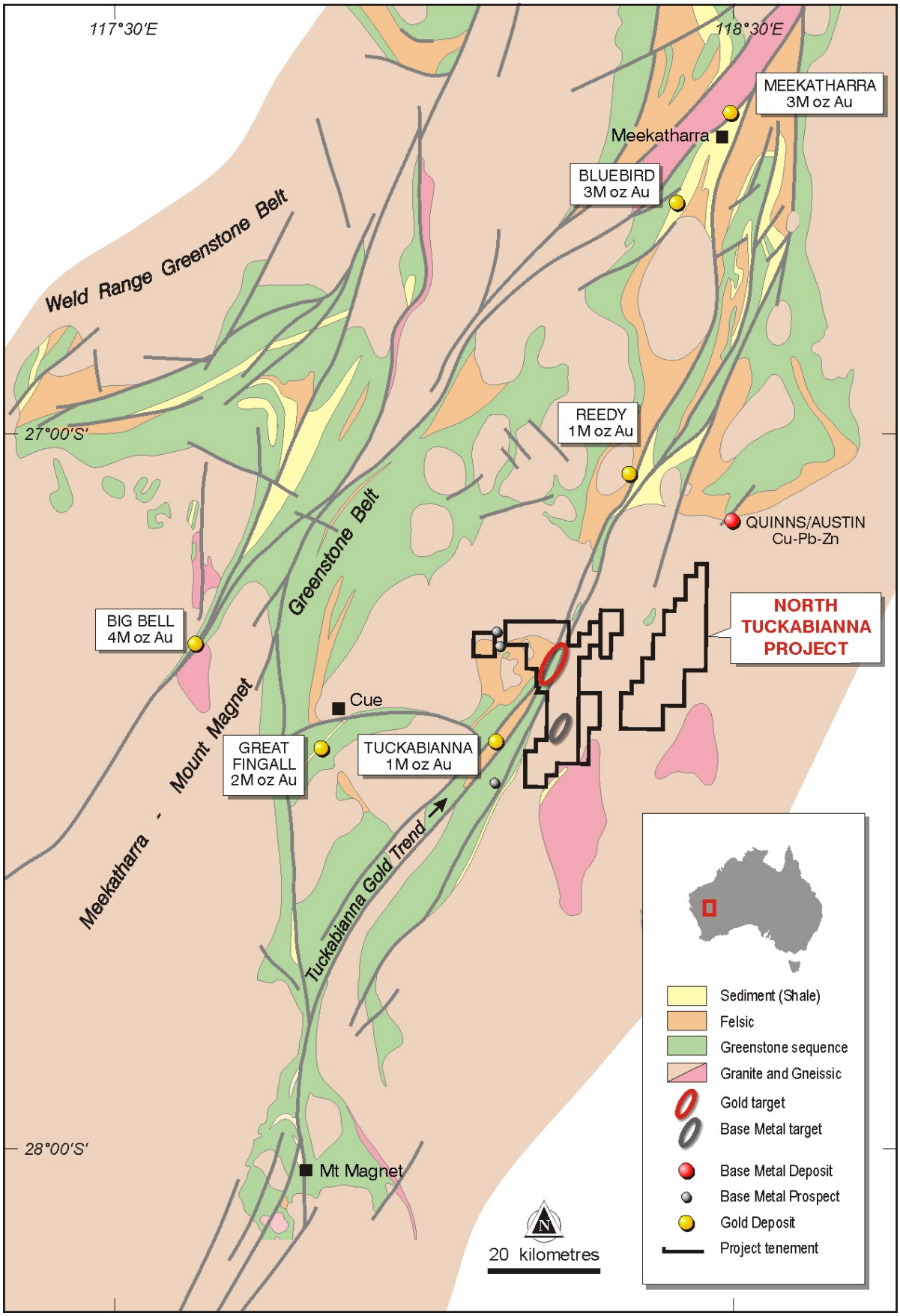
- The northern and southern extension of the Taipan shear zone - the Taipan target area has a best drill intercept of 22m @ 2.1 g/t Au, including 6m @ 5.0 g/t Au. It is a robust mineralised system of quartz veining, pyrite and carbonate alteration hosted by sheared mafic schists over a strike length of 700m and up to 100m wide (91m @ 0.3 g/t Au in "DDH1" from 133m) and open to the north and south; and

- The Southern – Jake-Rattle shear zone under cover (see figures)

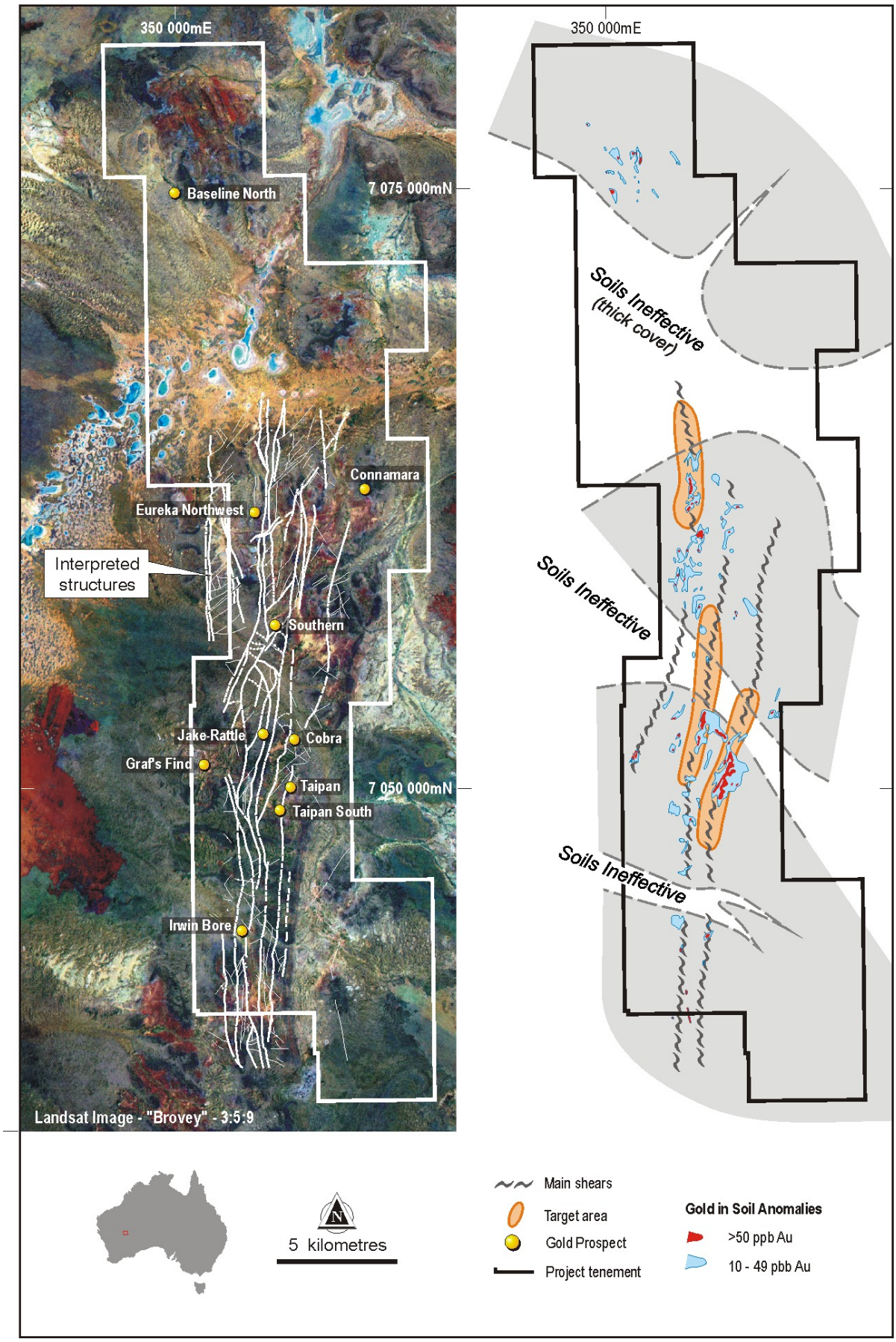
Nickel targets include “AK47” (0.2m @ 1.93% Ni from 140m) – where further EM and drilling is required; the eastern RAB anomaly (11m @ 0.86 % Ni), where ground EM is planned; and several VTEM and ground EM anomalies near “GBD 15” (0.5m @ 0.95% Ni) where further RC drilling is required



Geological setting of the Gunbarrel Project



Geological setting of the North Tuckabianna Project



Gunbarrel Project : Targeting shear zone-soil anomaly trends and their extensions under cover.

KEY EXPLORATION INITIATIVE – Copper and REEs

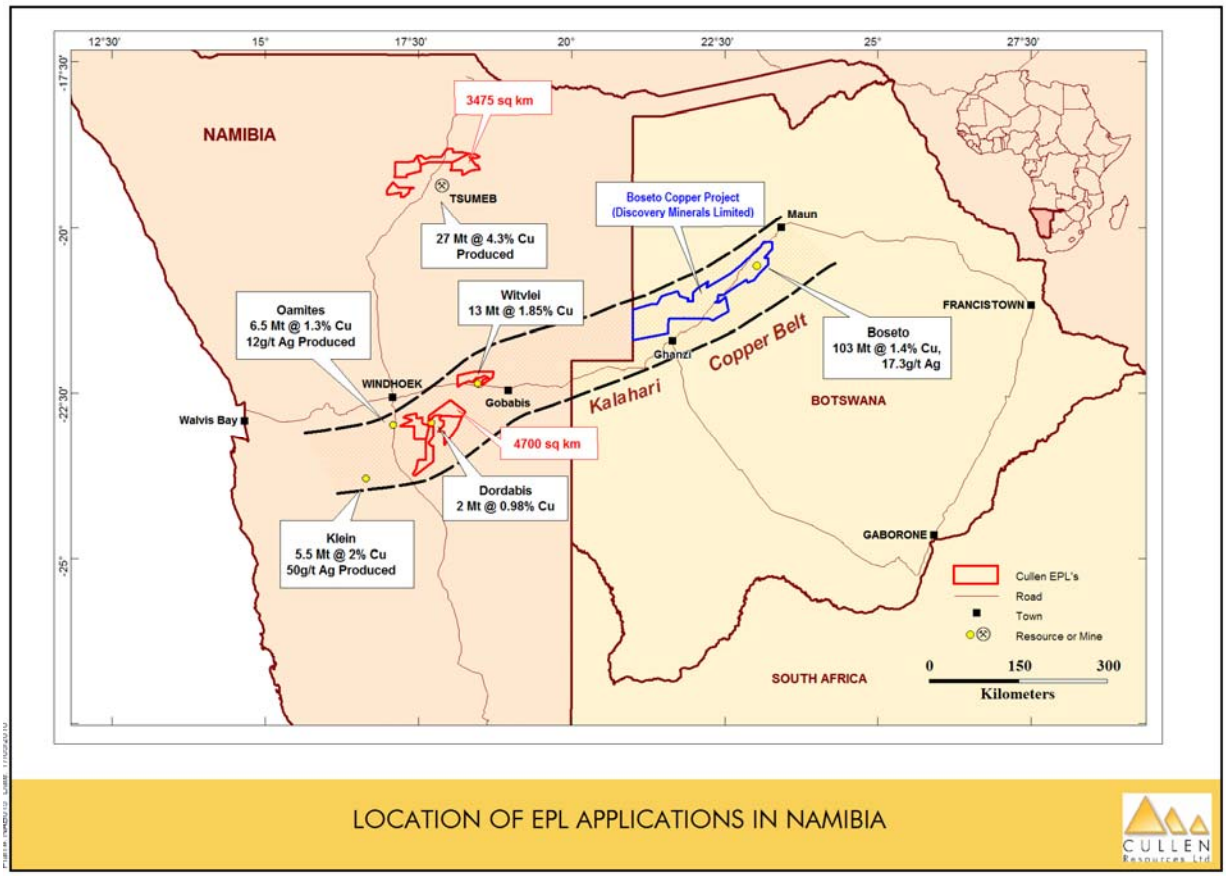
NAMIBIA, SOUTH-WEST AFRICA

Cullen Resources Namibia (Pty) Ltd (**Cullen Namibia**) has initiated an exploration presence in Namibia, South-West Africa. Cullen Namibia has to date: lodged applications for ~ 8,000 sq km of prospective ground in Namibia; targeting large, sediment-hosted, African copper belt-type deposits; Tsumeb-type base metal deposits; and Rare Earth Elements (REEs) in carbonatites.

Cullen Namibia's exploration applications are in two groups in two prospective terranes: one for copper and silver, and the other for copper, and rare earth elements in carbonatites. The first group of applications is within the **Kalahari Copper Belt (KCB)**; the second lies near the town of Tsumeb and the well known **Tsumeb** base metal deposit of the same name (see Figure):

The EPL applications are now being processed and reviewed by Namibian government departments with a decision on the grant of titles expected in the next six months.

Cullen has purchased aeromagnetics data and has commenced stratigraphic and structural interpretation. A field review has been completed and rapid assessment by geochemistry and drilling will commence as soon as the tenements are granted.



LOCATION OF EPL APPLICATIONS IN NAMIBIA

KEY EXPLORATION INITIATIVE – Coal

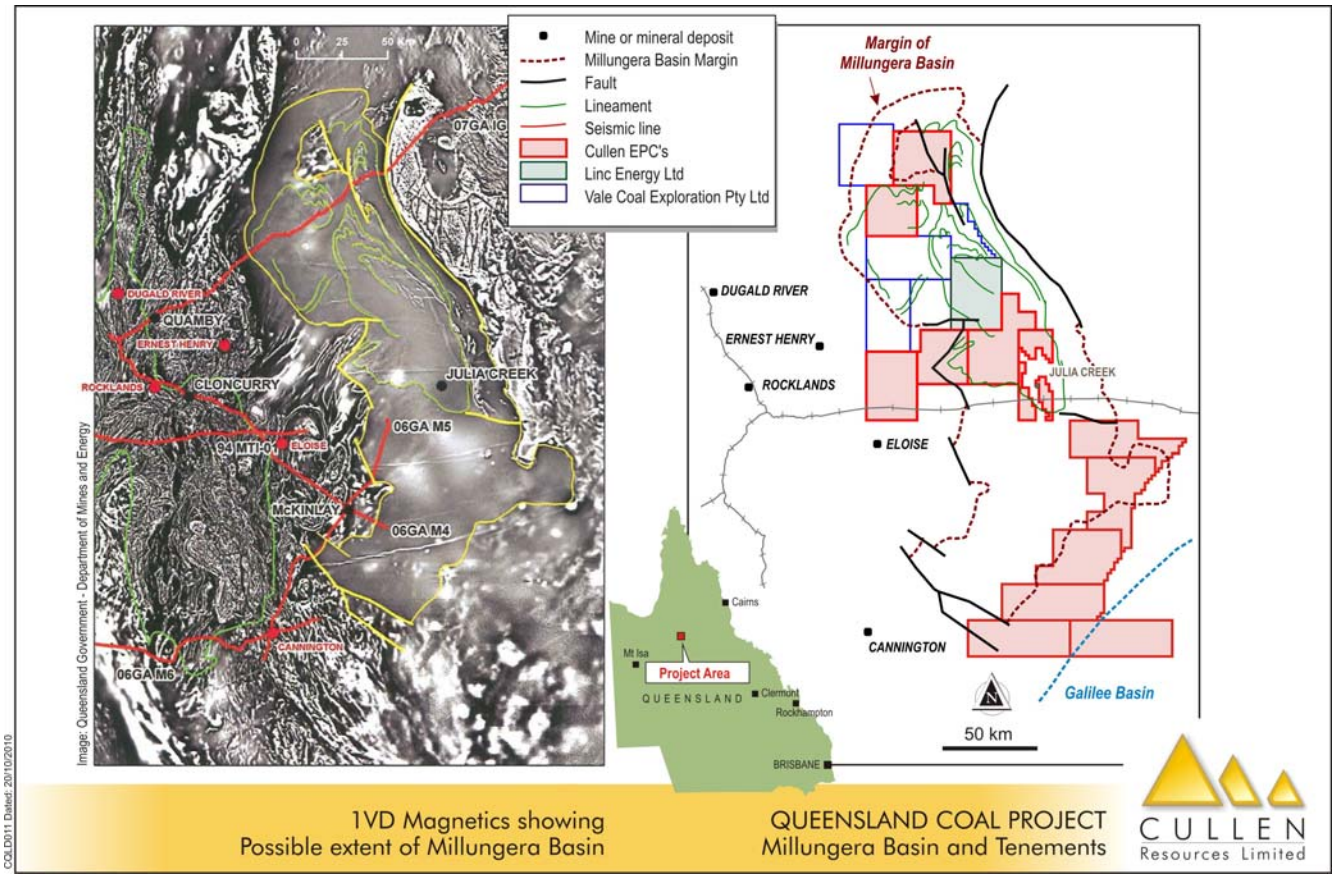
MILLUNGERA – EROMANGA – GALILEE BASINS, QLD

Cullen subsidiary , Montrose Resources Pty Limited, has applied for twelve Exploration Licences for coal (EPCs) covering ~ 10,400 sq km of ground in the Millungera Basin and along its margins; and two Cullen applications for coal (EPCs) along the northern margin of the Galliee Basin, north of Hughenden over ~ 1200 sq km (see Figures). The Millungera sedimentary basin occurs in the Julia Creek area, east of Cloncurry, North Queensland, and was only discovered in 2006/2007 following completion of a deep seismic reflection survey across the covered terrains to the east of the Mt Isa Inlier. The age of the rocks of the Millungera Basin is not known but adjacent sedimentary basins which may correlate include the Devonian to Carboniferous Drummond Basin, the Neoproterozoic to Ordovician Georgina Basin, and the Carboniferous to Triassic Galilee Basin (Hutton et al, 2009). The northern and northwestern margins of the Galilee Basin are covered by sediments of the Eromanga Basin which in themselves contain Jurassic coal beds (in the Blantyre Beds of the Injune Creek Group).

The potential of the Millungera Basin for hydrocarbons, geothermal energy, coal and/or minerals is also generally unknown, although it is interesting to note that it has been recognized that strong reflectors in the seismic sections across the Millungera Basin may be coal beds (Hutton et al, 2009), and applications by Vale Coal Exploration Pty Limited and Linc Energy Ltd are present in the area of Cullen's applications in the northern part of this unexplored basin (see Figures).

Exploration will proceed by compilation and interpretation of existing geophysical data and previous mineral, petroleum and water exploration drillholes in the first instance.

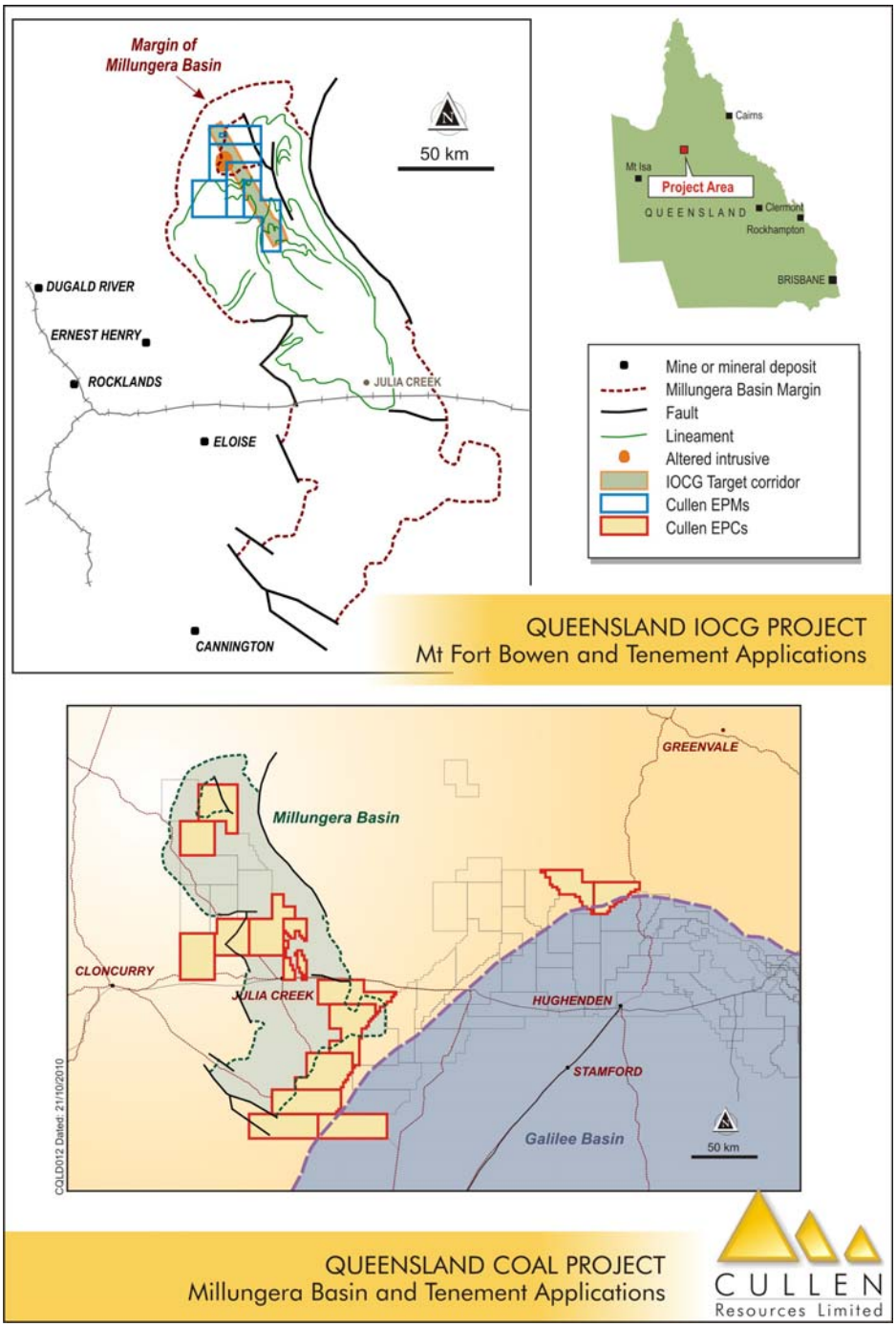
Reference: Hutton, L., Withnall, I., and Nelson,K., Geological Survey of Queensland, "The Millungera Basin – New Geoscience Supporting Exploration", in, PESA News, October/November 2009, p54.



KEY EXPLORATION INITIATIVE – Iron Oxide Copper Gold

MILLUNGERA BASIN, QLD

Cullen has also applied for five Exploration Permits for Minerals (EPMs) in the same general area as its coal applications in the northern part of the Millungera Basin, overlying a target area for Iron Oxide Copper Gold mineralization (IOCG) and sediment-hosted uranium mineralization. These applications are centered on a large altered, granite body which occurs at Mt Fort Bowen, clearly visible on the aeromagnetics data (see previous figure). The Queensland Mines Department has mapped a target corridor for IOCG deposits which crosses the eastern margin of the Mt Fort Bowen intrusive body (see Figure).



Together these applications for coal and IOCG/uranium, in the name of Cullen's wholly-owned subsidiary Montrose Resources Pty Limited, comprise a potential new exploration frontier for Cullen.

CORPORATE

Company held its Annual General Meeting on November 25, 2010 at which all Resolutions were passed by shareholders. Cullen raised $1.9M through a Shareholder Share Purchase Plan in October 2010 which was well supported. On 17th September, 2010, Aquila Resources Limited lodged a change in Substantial Shareholder Notice showing a holding of 18.07%. Substantial Shareholder Notices previously lodged with Cullen show the AMCI and FRC Groups together hold 17.60%.

Dr Chris Ringrose
Managing Director
+61 8 9474 5511

January 31st 2011

ATTRIBUTION: ***Competent Person Statements***

The information in this report that relates to Exploration Results is based on information compiled by Dr Chris Ringrose, Managing Director, Cullen Resources Ltd who is a Member of the Australian Institute of Mining and Metallurgy. Dr. Ringrose is a full time employee of Cullen Resources Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr. Ringrose consents to the report being issued in the form and context in which it appears.

The information in this report that relates to Exploration Results for uranium is based on information compiled by Dr Chris Ringrose, Managing Director of Cullen Resources Ltd and reviewed by Mr Grahame Hamilton, Director, Cullen Resources Ltd , both of whom are Members of the Australian Institute of Mining and Metallurgy. Mr Hamilton is also a geological consultant to Cullen Resources Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr. Ringrose and Mr Hamilton consent to the report being issued in the form and context in which it appears.

The information in this report that relates to Exploration Results for the Wyloo JV is based on information compiled by Paul L'Herpiniere who is a Member of the Australian Institute of Mining and Metallurgy. Mr L'Herpiniere is a full time employee of the Fortescue Metals Group Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr L'Herpiniere consents to the report being issued in the form and context in which it appears.

The information in this announcement, insofar as it relates to iron ore exploration activities for the Mt Stuart JV, is based on information compiled by Mr Stuart H Tuckey who is a member of the Australian Institute of Mining and Metallurgy, and who has more than five years experience in the field of activity being reported on. Mr Tuckey is a full-time employee of API Management Pty Ltd. Mr. Tuckey 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tuckey consents to the inclusion in the report of the above matters, based on their information in the form and context in which it appears.

The information in this report that relates to the Catho Well Mineral Resource was prepared under the supervision of Mr Stuart Tuckey and Mr Richard Gaze who are members of the Australasian Institute of Mining and Metallurgy. Mr Tuckey is full-time employee of the API Management Pty Ltd. Mr Gaze is a full-time employee of Golder Associates Pty Ltd. Mr Tuckey and Mr Gaze 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'.

The information in this release that relates to Ore Reserves (Catho Well) is based on information compiled by Mr Steve Craig, Managing Director of OREogy (Mining Consultants). Mr Craig is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity 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 Craig consents to the inclusion of the matters based on his information in the form and context in which it appears in this release.

ABOUT CULLEN: Cullen is a Perth-based minerals explorer with a multi-commodity portfolio including projects managed through a number of JVs with key partners (FMG, APIJV (Aquila-AMCI), Advaita, UXA, Hannans Reward, Intrepid, and Thundelarra), and a number of projects in its own right. The Company's strategy is to identify and build targets based on: data compilation, field reconnaissance and early-stage exploration (particularly geochemistry). Projects are sought for most commodities mainly in Australia but with selected consideration of overseas opportunities, with a recent entry into Namibia.

REGISTERED OFFICE: Unit 4, 7 Hardy Street, South Perth WA 6151. Telephone: +61 8 9474 5511 Facsimile :+61 8 9474 5588

CONTACT: Dr Chris Ringrose, Managing Director. E-mail: cullen@cullenresources.com.au

APPENDIX 1

Reserve Estimation – Mt Stuart Joint Venture and the West Pilbara Iron Ore Project - Stage 1 Development

ORElogy, an independent mine planning consultancy, has completed a Reserve estimate for the Mt Stuart Joint Venture based on the eight Channel Iron Deposits within the WPIOP – Stage 1 development area. The MSJV Ore Reserve estimate is based on the Catho Well CID and is a subset of the total WPIOP – Stage 1 Ore Reserve.

The Ore Reserve has been prepared in accordance with the Australasian JORC 2004 (Joint Ore Reserves Committee) code. The Ore Reserve has been classified as Proven and Probable based on the Measured and Indicated Mineral Resource classifications respectively. Inferred Mineral Resources have not been included in the Ore Reserve estimation.

The Ore Reserve estimate attributable to the MSJV is detailed in Table 1 (page 3)

As previously stated the Ore Reserve has been estimated by incorporating all deposits within the WPIOP – Stage 1 development area in order to achieve the targeted blended product grade specifications. The attributable MSJV Ore Reserve represents 16% of the total WPIOP – Stage 1 Proven and Probable Reserve totaling 445 Mt. The MSJV Ore Reserve has been derived from the Catho Well CID.

The WPIOP – Stage 1 Ore Reserve is reported as two products;

- Product 1 - representing the main production stream maintaining an average 57.1% Fe throughout the life of the WPIOP - Stage 1 mining operations, and;
- Product 2 - a lower grade product stockpiled throughout the mining operation and shipped following the completion of Product 1 Ore sales based on an annual average product grade of 55% Fe.

Ore derived from the MSJV contributes to the main product stream (Product 1). No material has been scheduled for the lower grade Product 2 from the Catho Well deposit. A two product stream has been modelled for the broader WPIOP – Stage 1 in order to maximise the Ore Reserve.

The MSJV Ore Reserve has been reported as the Ore produced and contributing to the production of the WPIOP – Stage 1 blended products. Variation between the MSJV Ore Reserve grades reported above and the Product 1 specification has resulted from the separation of Ore contributed by the Red Hill (Jewel, Cochrane, Cardo Bore North, Cardo Bore East, Upper Cane, Kens Bore (partial), Catho Well (partial) and Trinity Bore CID) and API Joint Venture's (Kens Bore East CID).

Ore Reserve Parameters

The Ore Reserve estimate in Table 1 has taken into account the following parameters:

- Updated resource block models for all deposits within the WPIOP – Stage 1 development area. These resource models utilise the most up-to-date information provided by API to ORElogy;
- Mining Study version 5 information, which includes current mining methods, costs, recovery and geotechnical information;
- A review of all pit optimisations using the above information;
- Re-designed ultimate pits for each resource;
- Mineable reserves using only measured and indicated resources; and
- A life-of-mine schedule that meets the product specification requirements in a practical and achievable manner, throughout the life of the operation.

Pit Optimisation, Mine Design and Scheduling

The Ore Reserve reported is within pit designs based on shell selection from Whittle 4X pit optimisations carried out on Measured and Indicated Mineral Resources only. The resource models used for the pit optimisations were prepared by Golder Associates and reported in October 2010 (ASX release 29 October 2010). The regularised block size used for all models was 25m x 25m x 4m reflecting the scale of mining to be

used. Mining models were created using MineSight software. The mining models were exported to Whittle 4X for pit optimisation and subsequent pit shell selection.

The pit design and optimisation criteria used are detailed in Tables 2 and 3 (below) and are based on appropriate studies completed in preparation of a WPIOP feasibility study. The revenues and costs may differ as between the different participants in the joint ventures that make-up the WPIOP.

Table 2 – Pit Design Criteria

Pit Design Criteria		
Design Item	**Unit**	**Value**
Batter Angle	deg	65
Batter Height	m	16
Berm Width	m	4
Max Inter-ramp Distance	m	No Limit
Overall Slope Angle	deg	54.4
Ramp / Haulroad Width	m	37
Ramp / Haulroad Driving Surface	m	27
Ramp / Haulroad Gradient	ratio	1 in 10
Minimum distance pit edge – lease boundary	m	30

Table 3 – Pit Optimisation Input Parameters

Optimisation Parameter	**Unit**	**Value**
Revenue Product 1	A$/t product	84.24
Revenue Product 2	A$/t product	60.47
Mining costs	A$/t mined	2.78
Processing & Logistics costs	A$/t product	11.88
Overall Slope Angle	Deg	55
Mining Losses	%	9.5
Dilution	%	0
Metallurgical Recovery	%	100
Discount Rate	%	10
Resource Class	#	1 and 2

The pit optimisation incorporated an ore loss factor of 9.5%. This approach centres on maintaining product quality and the preference to account for higher ore loss rather than suffer dilution that would negatively impact product quality.

The optimal shells generated were used as the base for pit and stage design. Mine scheduling was undertaken using evORElution scheduling software, with the aim to confirm the ability to produce 30Mtpa of primary product from the pit designs. The scheduling is based on annual reporting periods and the following scheduling philosophy:

- The WPIOP – Stage 1 is split into 3 distinct mining areas that is, north (Cochrane and Jewel), central (Kens Bore, Cardo Bore North, Cardo Bore East and Upper Cane) and south (Trinity Bore and Catho Well);

- Ore is mined from each of the northern and southern areas at the average grade of the combined resources in each region. Ore from the central area is mined at such a rate and from the appropriate locations to ensure a consistent overall grade is maintained during the course of each year and over the life of the mine;
- Once mining in all areas is concluded, the rehandle of stockpiled second product will commence;
- All stockpiled ores will be transported to the Central Processing Facility.

The updated resource estimates used in determining the Ore Reserve has resulted in a low waste to ore ratio. The final pit designs, for all deposits, produced a waste to ore strip ration of 1.13:1 for the WPIOP – Stage 1 mine development

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Cullen Resources Limited

ABN

46 006 045 790

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(447)	(976)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(218)	(317)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	44	63
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(621)	(1,230)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	100	100
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Security deposit	-	-
	Net investing cash flows	100	100
1.13	Total operating and investing cash flows (carried forward)	(521)	(1,130)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(521)	(1,130)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options,(net)	1,923	2,885
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	1,923	2,885
	Net increase (decrease) in cash held	1,402	1,755
1.20	Cash at beginning of quarter/year to date	2,420	2,067
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	3,822	3,822

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	123
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

-

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Cullen also received 1,000,000 shares in McPhersons Reward in respect to the sale of tenements which are in escrow.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	600
4.2	Development	-
4.3	Production	-
4.4	Administration	120
	Total	720

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	3,822	2,420
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	3,822	2,420

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	E36/656 E36/697 E38/2277		100% 100% 100%	0% 0% 0%

+ See chapter 19 for defined terms.

6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	623,089,431	623,089,431	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	42,749,668	42,749,668	$0.045	-
7.5	**+Convertible debt securities** (*description*)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	3,000,000 3,000,000 16,000,000	- - -	*Exercise price* $0.05 $0.08 $0.075	*Expiry date* 1 February 2011 1 February 2011 30 November 2013
7.8	Issued during quarter	16,000,000	-	$0.075	30 November 2013
7.9	Exercised during quarter				
7.10	Expired during quarter	8,000,000	-	$0.1338	30 November 2010
7.11	**Debentures** *(totals only)*				

+ See chapter 19 for defined terms.

7.12	**Unsecured notes** *(totals only)*		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .....Date:28/01/2011.
(Director/Company secretary)

Print name: Wayne Kernaghan

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.