



ABN 46 006 045 790

QUARTERLY REPORT for the period ended 30 June 2012

www.cullenresources.com.au

ASX Symbol: CUL

31 July 2012

HIGHLIGHTS

➤ JOINT VENTURE PROJECT for IRON ORE – WEST PILBARA, W.A.

- **MT STUART:** JV Manager APIJV, has delivered a “Feasibility Study” (Study) for the Catho Well Deposit (98Mt @ 55.0% Fe Resource – Cullen 30%) however Cullen does not accept the Study meets the requirements of the Joint Venture Agreement for it to be considered a Feasibility Study (See ASX Announcement of 7th June 2012, by Cullen).

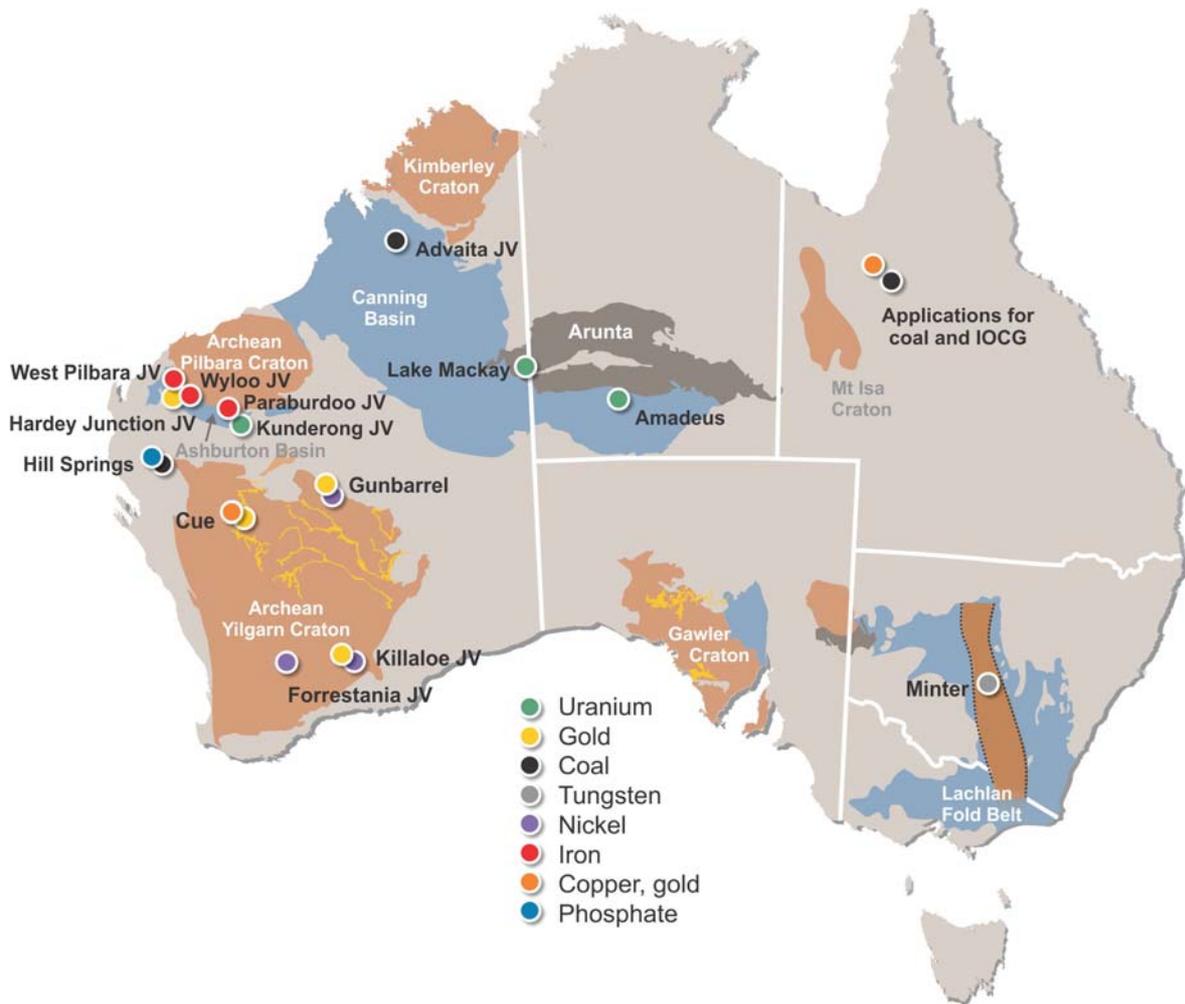
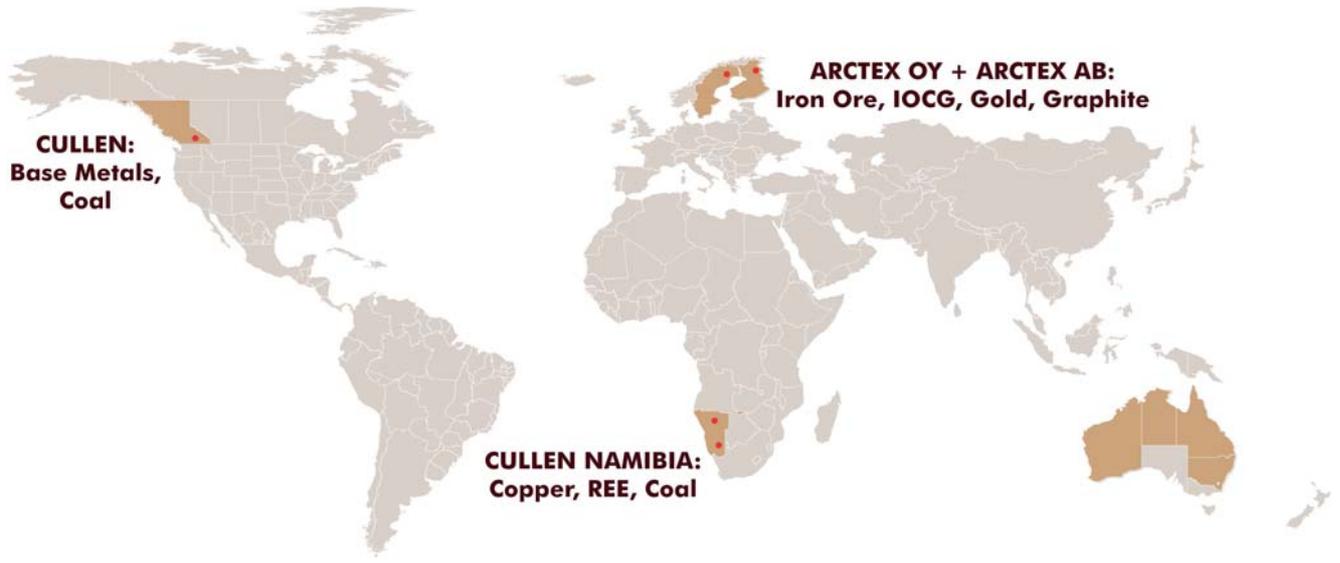
➤ PRIORITY PROJECTS (CULLEN 100%)

- **NORTH TUCKABIANNA PROJECT, MURCHISON, W. A. :** Downhole EM surveying has been completed on scout RC drill holes which targeted three strong VTEM conductors identified by Cullen's helicopter-borne geophysical survey over the Eelya Felsic Complex. Although the RC drilling did not return any significant assays, the VTEM conductors have been redefined and downhole EM anomaly plates are ready for further drill testing.
- **MINTER TUNGSTEN, N.S.W. :** Completed two diamond and one RC drillhole and using an ultraviolet lamp, diamond core from drillhole CMDD001 detected widespread scheelite mineralisation occurring both within quartz veins and as disseminations/aggregates in silica-altered sandstone units; particularly in the interval from 130m to the end of the hole at 258m – assay data is pending.
- **TL PROPERTY, BRITISH COLUMBIA :** Field reconnaissance was completed in preparation for an initial diamond drilling programme planned for September to test EM and magnetic anomalies coincident with massive sulphides and sulphide-bearing gossan exposed in Cullen trenches with channel samples up to 3m @ 9% zinc. Graphite prospectivity has also been recognized in the Project area.
- **PEACE RIVER COALFIELD, BRITISH COLUMBIA :** Cullen, through its wholly-owned, BC-registered subsidiary company, has applied for two coal licences (~ 100 sq. km) in north-eastern British Columbia which cover mapped occurrences of the Gething Formation (Cretaceous) - the host for coal deposits in the Peace River Coalfield to the southeast from where companies, such as Anglo American plc ; Xstrata; and Walter Energy Inc. are producing metallurgical coal.
- **FINLAND :** Cullen has applied for ground over six known graphite prospects a number of which include airborne EM anomalies and some very significant reported historical drill intersections, such as: 7.6m @ 34.8% C and 99.55m @ 12.1% C for further investigation.
- **FINLAND :** Biogeochemical and rock chip sampling completed at Kuusamo project area targeting gold.

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- Uranium
- Gold
- Coal
- Tungsten
- Nickel
- Iron
- Copper, gold
- Phosphate

IRON ORE PORTFOLIO

WEST PILBARA, W.A. – Iron

MT STUART IRON ORE JOINT VENTURE (MSIOJV) – ELs 08/1135, 1292, 1330, 1341, API JV 70%, Cullen 30%. Cullen retains 100% of Other Mineral Rights

Background

The **MSIOJV** is between Cullen - 30%, and API - 70%. The shareholders of API are the parties to the unincorporated joint venture known as the Australian Premium Iron Joint Venture (**APIJV**). The **APIJV** comprises Aquila Steel Pty Ltd (a subsidiary of Aquila Resources Limited, ASX: AQA) 50%, and AMCI (IO) Pty Ltd 50%.

The **MSIOJV** owns the Catho Well Channel Iron Deposit, one of four starter pits for the proposed West Pilbara Iron Ore Project – Stage 1 (**WPIOP**). API has advised Cullen that it is currently undertaking a feasibility study for the **WPIOP** (**WPIOP Feasibility Study**), a proposed 30Mtpa iron ore operation incorporating rail and port infrastructure and based upon the combined iron Resources of the **APIJV**, the Red Hill Iron Ore Joint Venture and the **MSIOJV**.

Subject to successful execution of several commercial agreements, it is anticipated that ore derived from the Catho Well Channel Iron Deposit will contribute to the main, blended product stream throughout the proposed mine life of the **WPIOP**. Cullen's attributable share of the proposed production from the **MSIOJV** is approximately 1.5 million tonnes of iron ore per year, totalling 21mt over the 14 year mine life.

Table 1 - Mineral Resource estimate for the Catho Well Channel Iron Deposit

JORC Classification	Mt	Fe %	P %	SiO ₂ %	Al ₂ O ₃ %	S %	Mn %	MgO %	LOI %
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 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).

In December 2010, Cullen reported the maiden JORC Ore Reserve Estimate for the Catho Well Channel Iron Deposit based on the Resource Estimate (Table 2).

Table 2 – Mt Stuart Iron Ore Joint Venture Ore Reserve Estimate

Category	Tonnes Mt	Fe %	Al ₂ O ₃ %	SiO ₂ %	P %	LOI %
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

A Mining Lease Application for the proposed mining area at Catho Well has been lodged.

Quarterly Activities - The Manager (API) provided the following Report:

“DEVELOPMENT HIGHLIGHTS

- There were no LTIs during the June quarter.
- The Feasibility Study for the Mount Stuart Iron Ore Joint Venture was issued (as reported previously);
- Continued heritage surveys across the Catho Well resource area;
- Negotiations continued towards concluding Native Title mining agreements in respect of the Mining Lease Applications lodged in October 2011.
- Progress was achieved in relation to a number of secondary environmental approvals;
- The Manager commenced preparation of a “Development Proposal”.

DEVELOPMENT

Stage 1

The Feasibility Study (FS) for the Mount Stuart Iron Ore Joint Venture (MSIOJV) was issued. The FS confirms the technical and economic viability of the MSIOJV Project at an average around 5 million tonnes per annum of iron ore over a mine life of approximately 14 years.

A Miscellaneous Licence (L08/68) for the mine-site airstrip and accommodation village has been granted for an initial period of 21 years. This will service mining operations under the MSIOJV.

A Works Approval for the life of project landfill facility was approved in June by the Department of Environment and Conservation (DEC) under Part V of the Environmental Protection Act 1986 (W5172/2012/1). Compliance activity continued in relation to flora and fauna management plans associated with Commonwealth and State environmental approvals.

Heritage surveys were continued across the Catho Well resource area and native title matters were progressed with the PKKP and KM groups.

Short range drilling data sourced from the Catho Well exploration programme and from the test pit 5x5 metre drilling programme has been utilised to commence a study into the implications of ore loss / dilution from various bench and sampling heights and drilling densities. This information will be used for comparison of conditional simulation and 'real' drilling data for simulating blast blocking test work.

Planning commenced in relation to preparing a Development Proposal as required by the MSIOJV joint venture agreement towards the next step in reaching a decision to mine for the project.

EXPLORATION

No exploration work undertaken.” – end of Manager’s Report.

Study

As mentioned above, API has prepared and provided to Cullen a document entitled “Mount Stuart Iron Ore Project Feasibility Study” (**Study**) - see Cullen’s ASX Announcement of 7th June 2012. The Study contains extensive detailed information on technical and financial matters, and confirms, under the assumptions of the Study, the technical and economic viability of the Mount Stuart Iron Ore Project at an average 5 million tonnes per annum iron for 14 years.

Based on delivery of a Feasibility Study for mining of the Catho Well deposit, the MSIOJV Participants may require the JV Manager to submit a Development Proposal to the MSIOJV Participants and this, in turn, will lead to consideration of a Decision to Mine by the MSIOJV Participants.

Cullen does not accept that the Study is a "Feasibility Study" as defined in the Mt Stuart Iron Ore Joint Venture Agreement (JVA). This is because in Cullen's view it is not a study, as required by the JVA, that would be acceptable to a "reputable lending institution" for the purposes of raising finance sufficient to establish and bring into production an economically viable commercial mining operation, given the number and nature of the conditions to which the conclusions of the Study are subject.

The Study identifies key sensitivities as including the mine gate sale prices. API has advised Cullen that the APIJV is prepared to negotiate to purchase Run of Mine ore from the MSIOJV on the basis of a "net-back" model and a draft contract based on this model and the assumptions in the Study has now been received by Cullen. Negotiation of this Draft Mine Gates Sales Agreement for ore produced by the MSIOJV may now begin.

Cullen is continuing to review all aspects of the Study, with the assistance of external advisors, and has held preliminary discussions on some results of its review with API, and discussions are on-going.

Corporate Advisors

Cullen has appointed RFC Ambrian Ltd as corporate advisors to assist in matters relating to funding and/or value realisation alternatives in relation to its interest in the Mt Stuart Iron Ore Joint Venture (MSIOJV) – see Cullen's ASX announcement of 26 July, 2012.

WEST PILBARA, W.A. – Iron

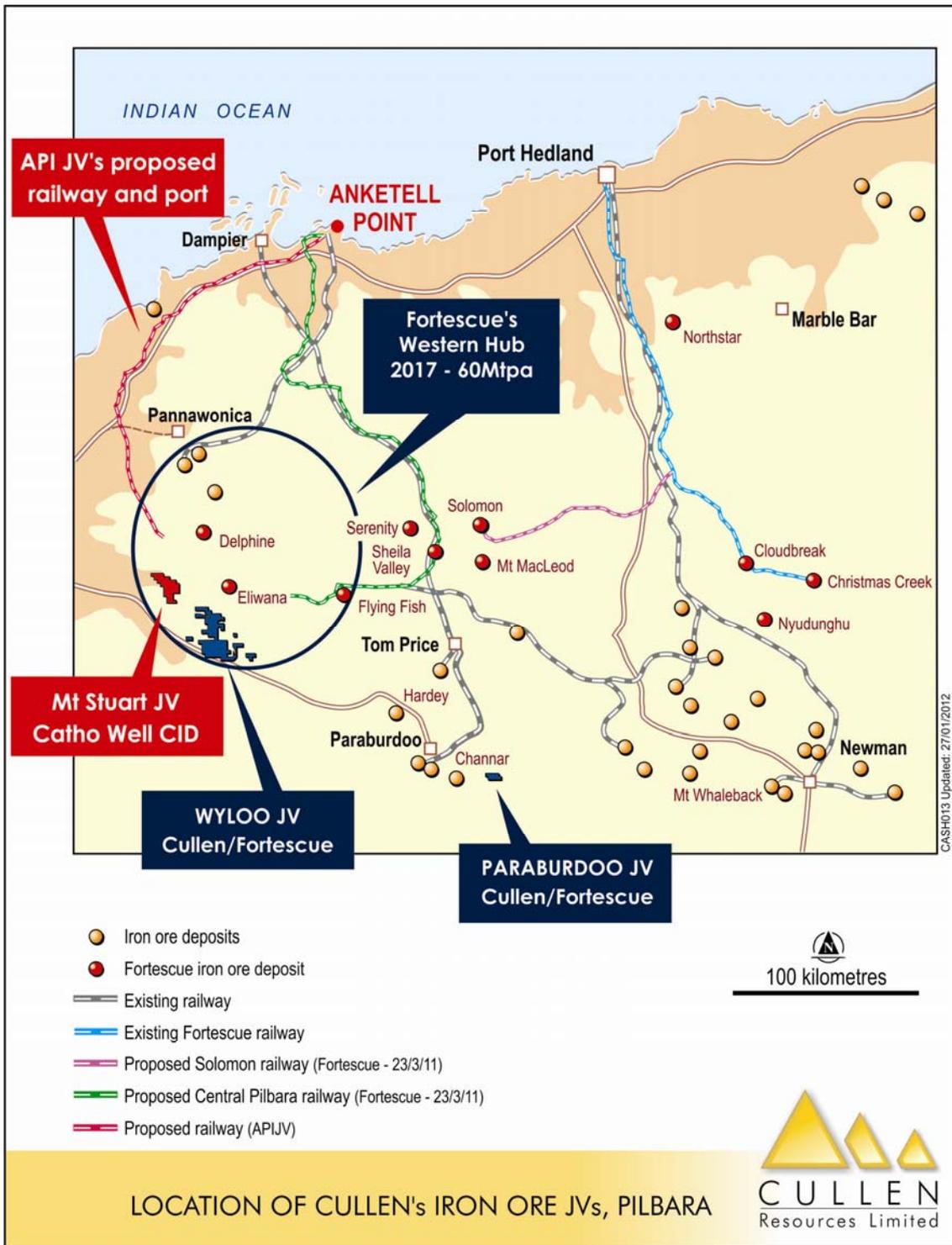
WYLOO JV – Iron Ore Rights JV with Fortescue Metals Group Ltd (Fortescue) - Fortescue has earned 51% and may earn 80%, Cullen 20%. Cullen retains 100% of Other Mineral Rights - EL08/1393, ELs 47/1154,1649, 1650.

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 (see Figure). Fortescue has provided a Maiden Resource Estimate for the Wyloo South Bedded Iron deposit, classified as Inferred, as follows.

Ore Type (Inferred)	Tonnes Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	LOI %	P %
Dales	16.9	57.11	7.91	3.55	6.12	0.102

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 (Snowy Mountain), located ~ 25km south east of Paraburadoo in the Pilbara Region of Western Australia. The tenement includes potential for bedded iron deposits within the Brockman Iron Formation, along strike from the Paraburadoo and Channar Groups of iron deposits. Fortescue has completed a programme of 26 RC holes for a total of 2150m. Although Channel Iron and Bedded Iron deposits were intersected and logged in numerous holes, only 4 of these had grades which would be deemed economic. The best hole, "SY0007", had 5m of Bedded Iron Deposit at 55.36% Fe, 5.23 % Si, 3.32% Al & 0.14% P. Further work is planned to follow up this drilling over the next 2 years.



BASE METALS AND GOLD PORTFOLIO

MURCHISON, W.A. – Gold and Base Metals

NORTH TUCKABIANNA, near CUE – ELs 20/714, 755, and ELAs 771,774 Cullen 100%.

The company has completed a 7-hole, ~1000m RC scout drilling programme at its North Tuckabianna copper/gold project which targeted three conductors identified by a helicopter-borne EM survey (VTEM – 100-200m line spacing). The VTEM survey was flown across the Eelya Complex and the northern section of the Tuckabianna greenstone belt in Cullen's North Tuckabianna Project Area in March of this year.

The felsic Eelya Complex hosts the high-grade Hollandaire copper discovery of Silver Lake Resources Ltd (ASX: SLR – 10 November 2011) as well as several other EM conductor targets, currently being explored by Silver Lake Resources Ltd, including the Colonel and Mt Eelya prospects (see Figure).

Cullen's drilling intersected disseminated sulphide (mainly pyrite and pyrrhotite, 1-20% visually identified over intervals of 1-20m downhole) in mafic and felsic rocks at or near the modelled conductor plates from the VTEM survey in all holes drilled. However, downhole surveys completed at each VTEM anomaly have now redefined the position of the conductor plates and show that the conductive targets have been narrowly missed by the most recent drilling (see figures) and therefore have not been adequately tested.

The drill samples assays include a best result of 0.19% Cu and 0.21% Zn from 62-64m depth in drill hole TNRC14 at the target NT3. The best gold result is 0.12g/t from 66-68m in drill hole TNRC11 at target NT2.

The redefined conductor plates remain to be drill tested and several low-order VTEM anomalies also remain to be investigated and tested, initially using A/C and/or RAB drilling (see Figures). RC drilling is scheduled for the 3rd Quarter, pending all statutory approvals.

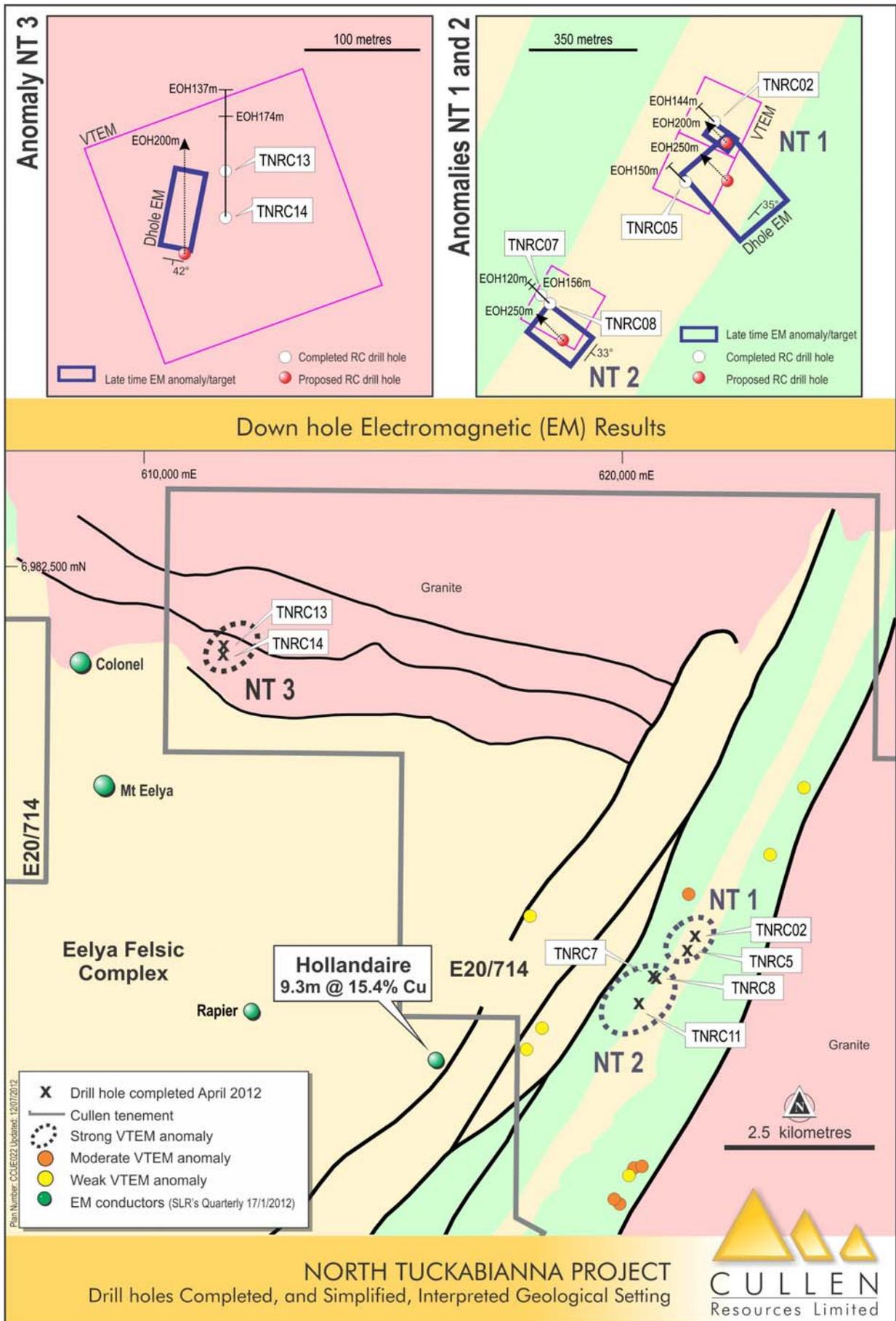
Table: Parameters of re-modelled conductor plates based on downhole geophysical surveys

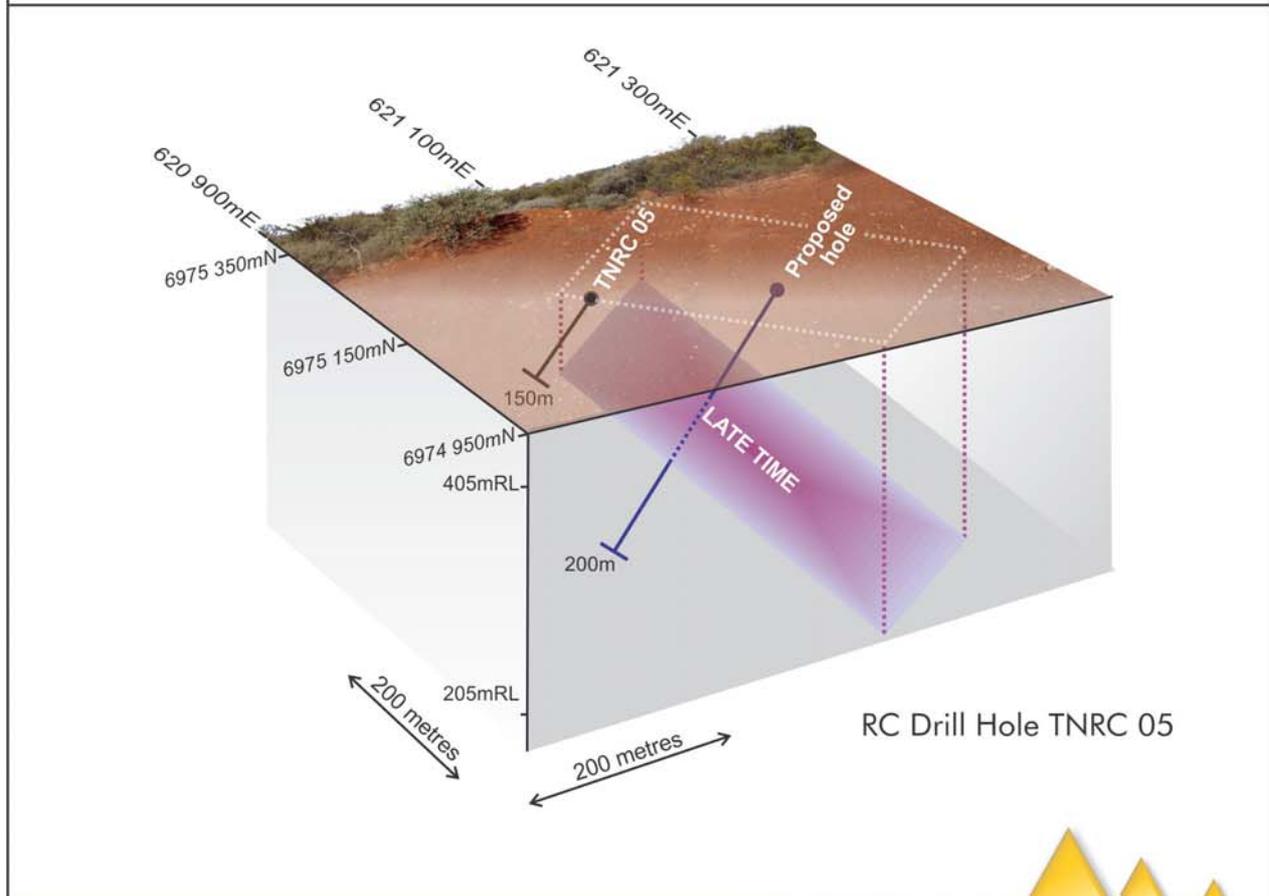
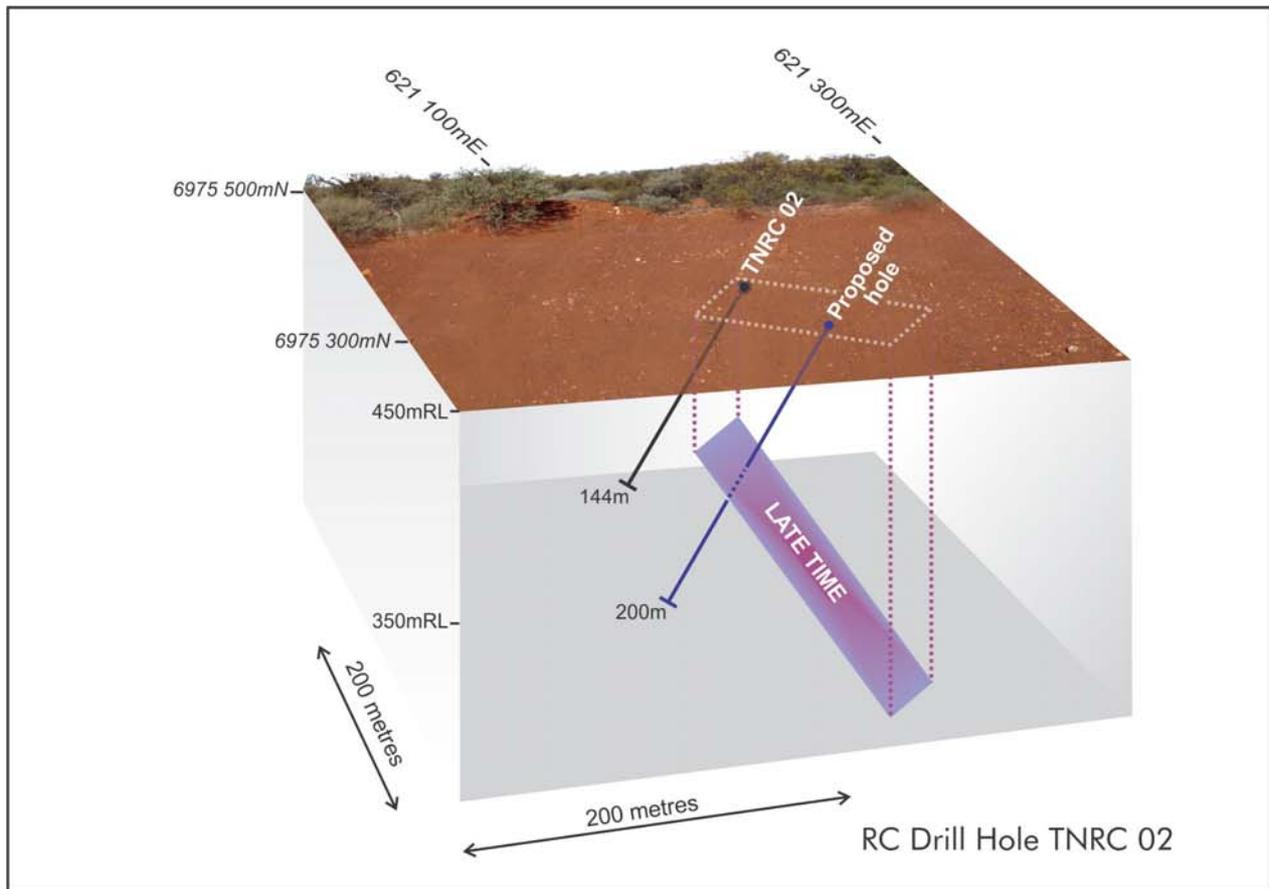
EM Anomaly	Down hole Plate	Down dip Extent (m)	Dip (degrees)	Strike length (m)	Azimuth (degrees)
NT1	One	146	51	49	126
	Two	350	35	200	139
NT2	One	214	33	115	128
NT3	One	42	42	22	194

Description of VTEM and downhole EM anomalies

The results of Cullen's VTEM survey show three **strong** anomalies defined by 100m spaced infill lines: A **central** area comprising **two** anomalies (labelled "NT1" and "NT2"), and a **north-western anomaly** (labelled "NT3"), close to the known base metal prospects/EM anomalies at "Colonel" and "Mt Eelya".

The following figure shows the relative position of these VTEM and downhole conductor plates, and the Table above summarizes the parameters of the conductor plates which remain to be drill tested.





North Tuckabianna Project
Downhole EM Anomalies-RC Drill Holes TNRC02 & TNRC05



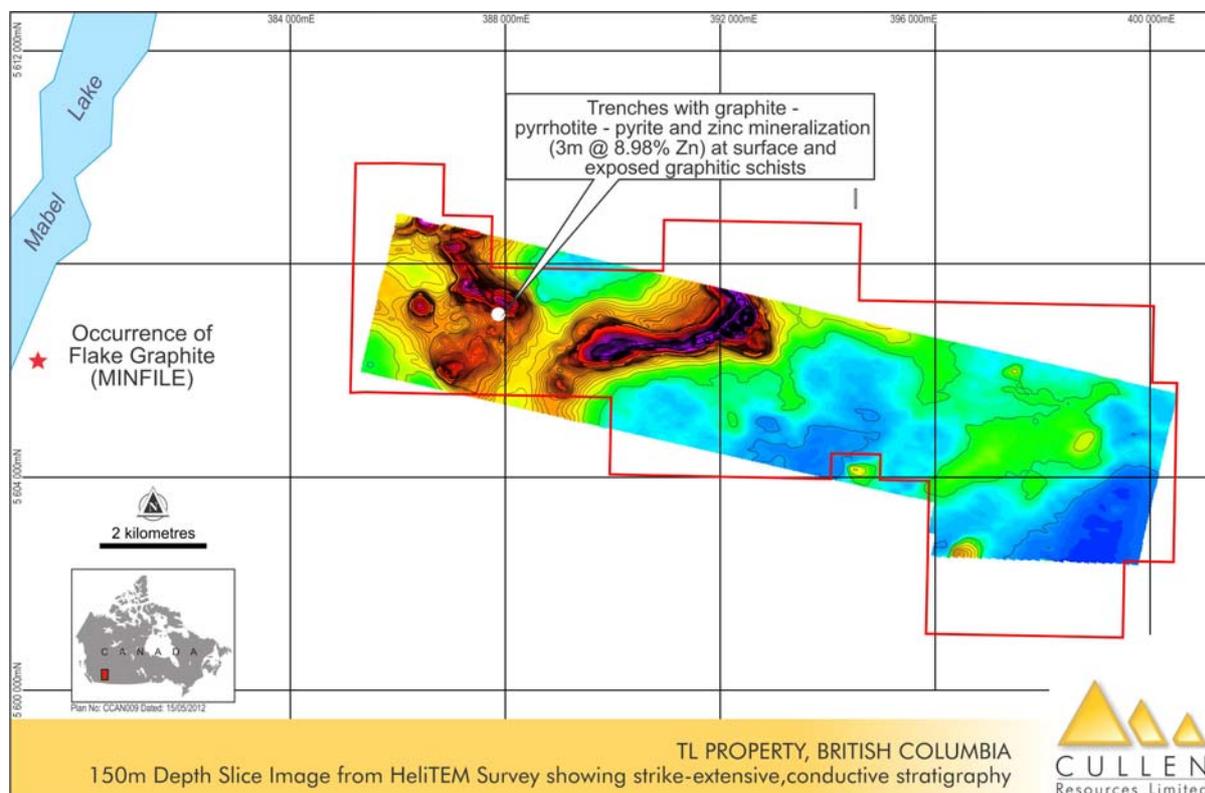
CANADA, TL Property – Base Metals and Graphite

Early in 2011, Cullen signed an agreement with a Vancouver-based private prospecting syndicate whereby Cullen may earn an 80% interest in the TL Property located in south-east British Columbia (see announcement to ASX of 8th March, 2011). Cullen has subsequently explored the property primarily for base metals with considerable early success.

In May and June 2011, Cullen dug three trenches to test geochemical anomalies which returned a best result of **3m @ 8.98% Zn** from channel samples, with highly anomalous molybdenum (maximum 1339 ppm) and rhenium (maximum 580 ppb), copper, bismuth, nickel, tin, and tungsten. The trenches exposed an assemblage of calcsilicate-marble, quartzite, biotite-garnet-schist and paragneiss. During October 2011, Cullen flew a **heliTEM** (helicopter borne EM) survey across the entire TL project area in order to characterize the known "Trench" mineralization and prioritise targets. The survey identified a very strong, ~6000m long conductor trending east-west beyond the trench site – see Figure.

During a field visit in June 2012, ~100 organic soil samples were taken from an area immediately south of the TL gossan-trench site. Zinc, molybdenum and mercury geochemical anomalies show a prominent southeasterly trend coincident with magnetic and EM anomalies over approximately 400m and open to the northwest. A diamond drilling programme in the trenched area is scheduled for September.

Cullen's trenches also exposed graphite-bearing schists and graphitic-sulphidic masses (see photos) including coarse-grained "flake" graphite. Furthermore, a showing of "crystalline flake graphite" is recorded near Mabel Lake ~ 5km west of the TL property boundary (see Figure) in the "MINFILE" database of the BC Geological Survey. The host lithology to this occurrence near Mabel Lake is interpreted by Cullen to be part of the same stratigraphy that occurs within the TL property.



Graphite is well-known to be highly conductive and commonly the source of airborne EM anomalies. It is possible therefore, that the large EM conductor (~6km in length) within the TL property indicates a mixed sulphide/graphite-bearing rock unit. Sulphide/graphite development may be concentrated in favourable structural positions within this unit. Further fieldwork and sampling is planned for this field season.

FINLAND – Gold

In late 2010, Cullen initiated exploration in the Kuusamo greenstone belt of far north eastern Finland adjacent to the Juomasuo deposit (1.95Mt @ 4.9 g/t Au) of Dragon Mining Limited. Dragon has announced total resources in its Kuusamo project area of 3.4 Mt @ 4.2 g/t Au (460,700 oz), with historical, bonanza grade drill intersections at Juomasuo including: 57.3m @ 62.56 g/t Au and 5.30m @ 206.85 g/t Au (www.dragon-mining.com.au).

During 2011, Cullen reviewed geological databases for the Proterozoic greenstone belts of northern Finland to identify other opportunities for effective application of the biogeochemical approach, in which Cullen is building its expertise. Cullen, through its wholly-owned Finnish registered subsidiary, has now applied for ~750 sq km of prospective ground in the greenstone belts that host the Kittila gold deposit (Agnico – Eagle, 5 Moz of Reserves, www.agnico-eagle.com); and the Rompas prospect (Mawson Resources Ltd – Rompas is a discovery with bonanza gold grades in surface channel samples including: 0.3m @ 1,866 g/t Au and 8.0% U, and 0.26m @ 1,510 g/t Au and 3.95 % U (www.mawsonresources.com) - see Figure. Cullen plans biogeochemical surveying across these new project areas and ground follow-up of any anomalies in 2012/2013.

During the June Quarter, Cullen completed a detailed biogeochemical survey (275 samples) on its Exploration Licence application directly north of Dragon's Kuusamo/Juomasuo gold project. In addition, rock chip samples of strongly sulphide-mineralized felsic and mafic boulders (which may have a source inside Cullen's application area) were collected (see photos below). All samples have been submitted for assays with results expected in August/September.



Strongly oxidized boulder of sulphidic felsic rock



Strongly oxidized Fe-sulphides in siliceous matrix



Quartz veins in sedimentary rock



Altered mafic-ultramafic rock with minor sulphide

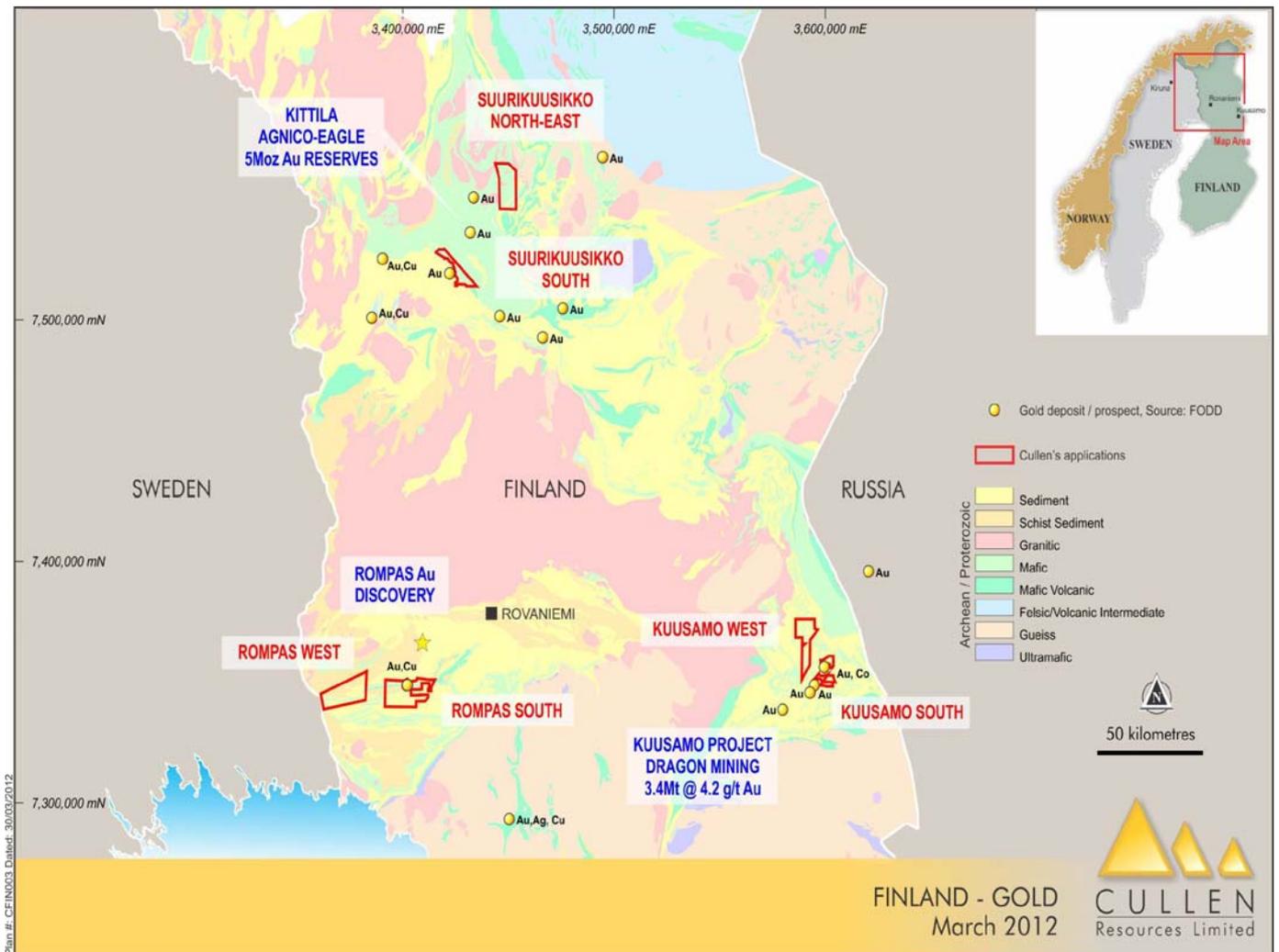


Ex sulphide in microcrystalline felsic rock



Oxidized felsic rock with ex sulphide

Above: Photographs of various rock types from Cullen's Kuusamo north project area



FINLAND – Graphite

In early 2012, Cullen Resources Limited (Cullen) commenced a review of graphite opportunities in Finland following the release of information by Talga Gold Limited (ASX:TLG) concerning the Nunasvaara graphite deposit in northern Sweden, which currently contains a JORC - compliant inferred Mineral Resource of 3.6 Mt @ 23% C (see TLG's ASX release, 28 Feb 2012).

Cullen has now lodged three Ore Prospecting Licence applications (Exploration Licence equivalents) and four Claim Reservation applications over six graphite prospects in the name of its wholly-owned, Finnish-registered subsidiary company. These prospects have previously been explored for graphite and/or base metals by the Geological Survey of Finland (Geologian tutkimuskeskus or GTK) and companies, mostly in the period 1970-2000. The historic work done by GTK was aimed at the potential of graphite as a fuel source. Graphite's metallurgical characteristics for other industrial uses were not, or only partly, investigated. Existing databases for these graphite prospects include aerial and ground geophysical surveys, geological maps and diamond drill cores stored at the Geological Survey of Finland.

The major strategic advantages of Cullen's Finnish graphite portfolio are:

- Location in a first world country with very good infrastructure and a well-educated and trained workforce;
- Existing, accessible data and drill core material that will allow rapid evaluation and determination of potential;
- Proximity to potential graphite markets in Europe; and,
- Advanced prospects with indications of potential multi-million tonne Exploration Targets¹ of fine to flake-size graphite from work completed to date.

Cullen may begin work on these prospects now, during the application stage of the licences and the life of the claim reservations (two years), by examining the drill cores in Finland, re-sampling and analysing parts of the core, and re-assessing the drill and geophysical databases. This work will commence as soon as possible and will lead to a rapid prioritization of the portfolio.

Cullen will also work to find an off-take partner for the graphite at an early stage and would then prioritize further activities, including drilling for resource estimation, accordingly.

¹EXPLORATION 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

Table: Summary of graphite prospect areas applied for by Cullen in Finland (see Figure)

PROJECT AREA	APPLICATION TYPE	SIZE (km ²)	HISTORIC DRILL HOLES	COMMENTS
Kolari	Claim Reservation	13.8	8 diamond drill holes (1918-1985) Rautaruukki Oy, Kiiruna AB, GTK	
	Ore Prospecting Licence	5.5		
Tunturi	Claim Reservation	99.12	32 diamond drill holes (1996-1997) GTK	Flaky graphite reported * ₁
Polvela	Ore Prospecting Licence	9.2	4 diamond drill holes (1983) GTK	Hole R303 – 29m @ 18% C from 13m depth (estimated from cross section) * ₂
Viistola/Hyypiä	Ore Prospecting Licence	1.36	13 diamond drill holes (1972-1983) GTK	Hole R430 – 14.6m @ 31.8% C from 48.5m * ₃
Aitoo	Claim Reservation	187.11	15 diamond drill holes (1983-1992) GTK, Outokumpu Oy	Hole R336 – 7.6m @ 34.8% C from 7.4m; Hole R331 – 99.55m @ 12.1% C from 5m * ₄
Misi	Claim Reservation	170.56	75 diamond drill holes (1955-2006) GTK, Rautaruukki Oy, Lapin Malmi Oy)	Competing application



GTK = The Geological Survey of Finland (Geologian tutkimuskeskus)

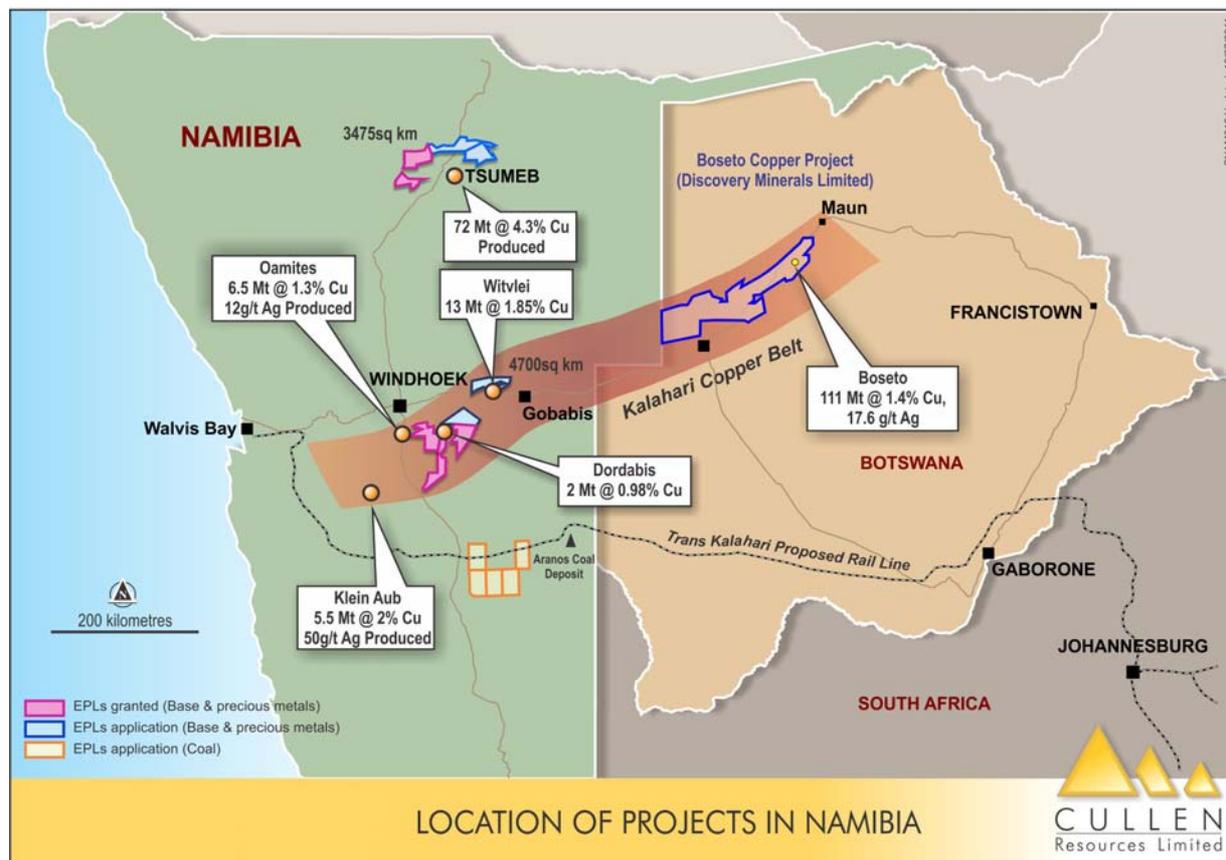
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- *2 TUTKIMUSTYÖSELOSTUS JUUAN KUNNASSA VALTAUSALUEELLA POLVELA 1, KAIV. REK. N: O 3388/1 SUORITETUISTA GRAFIITTITUTKIMUKSISTA. by O. Sarapää, 1987.
- *3 TUTKIMUSTYÖSELOSTUS KIIHTELYSVAARAN KUNNASSA VALTAUSALUEELLA HYYPIÄ 1, KAIV.REK. N:O 3393/1 SUORITETUISTA GRAFIITTITUTKUMKSISTA, by O.Sarapaa; 1987.
- *4 TUTKIMUSTYÖSELOSTUS LUOPIOISTEN KUNNASSA, VALTAUSALUEELLA NIINIMETSÄ 1, KAIV.REK. N:O 4701/1, SUORITETUISTA TUTKIMUKSISTA, by R.Alviola and P. Nurmela; 1994.

NAMIBIA – Copper and REEs

Cullen Resources Namibia (Pty) Ltd has 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. Five EPL applications: 2 near Tsumeb and 3 east of Windhoek, prospective for copper, have now been granted.

In prioritizing targets, in the Kalahari Copperbelt (KCB), Cullen has focused on structurally complex areas of the Tsumis Group strata that include the thick (up to 4000m), red-bed clastic, **Doornpoort Formation**. Known copper mineralization in the Tsumis Group rocks includes the deposits at **Klein Aub**, **Kojeka** and **Witvlei** area, which appear to be generally similar to the copper occurrences in the Botswanan section of the KCB.



MINTER, N.S.W – Tungsten

MINTER – E6572 (Cullen 100%)

A combined RC percussion-diamond drilling programme totalling 536.8 metres in three holes was undertaken on the Minter project to test selected geological/geochemical targets at the Doyenwae and Orr Trig prospects. Holes were designed to test beneath zones of anomalous tungsten ± tin geochemistry outlined by earlier soil sampling and shallow percussion/aircore/RAB drilling.

At the **Doyenwae Prospect**, RC percussion hole MRC005 averaged 447ppm tungsten over the full 111 metre length of the hole with localised two-metre zones of quartz-scheelite veining assaying up to 0.35% tungsten. Diamond drill hole CMDD001, drilled to 258.0 metres at the Doyenwae prospect, intersected significant quartz ± sulphide veining throughout much of the hole. Examination of the core with an ultraviolet lamp detected widespread scheelite mineralisation occurring both within quartz veins and as disseminations/aggregates in silica-altered sandstone units; particularly in the interval from 130 metres to the end of the hole. The true width of potential mineralisation in both MRC005 and CMDD001 is uncertain as preliminary observations of vein orientations in the CMDD001 drill core indicate that the holes may be drilling at a low angle to some of the mineralised quartz veins.

At the **Orr Trig Prospect**, diamond core hole CMDD002; drilled to 267.8 metres, intersected scattered zones of narrow quartz veining and localised silicification over much of the hole with scheelite being observed as disseminations in sandstone and within quartz veins in the interval between 100m and 250m. Although it would appear that hole CMDD002 has been drilled in an appropriate direction with respect to the orientation of the quartz veins, the amount of observable scheelite mineralisation is less than that noted in CMDD001.

Geological logging of the diamond core holes is in progress prior to sampling for assay.

Hole ID	Prospect	Drilling Method	Easting (MGA)	Northing (MGA)	Azimuth (MGA)	Azimuth (Magnetic)	Collar Dip	Final Depth (m)
MRC005	Doyenwae	RCP	455919	6311235	102°	90°	-55	111
CMDD001	Doyenwae	Diamond	455598	6311188	102°	90°	-55	258.0
CMDD002	Orr Trig	Diamond	456112	6316919	95°	83°	-50	267.8



Photographs of core sections from CMDD001 @ 188.15m under normal and UV light – showing scheelite in clast

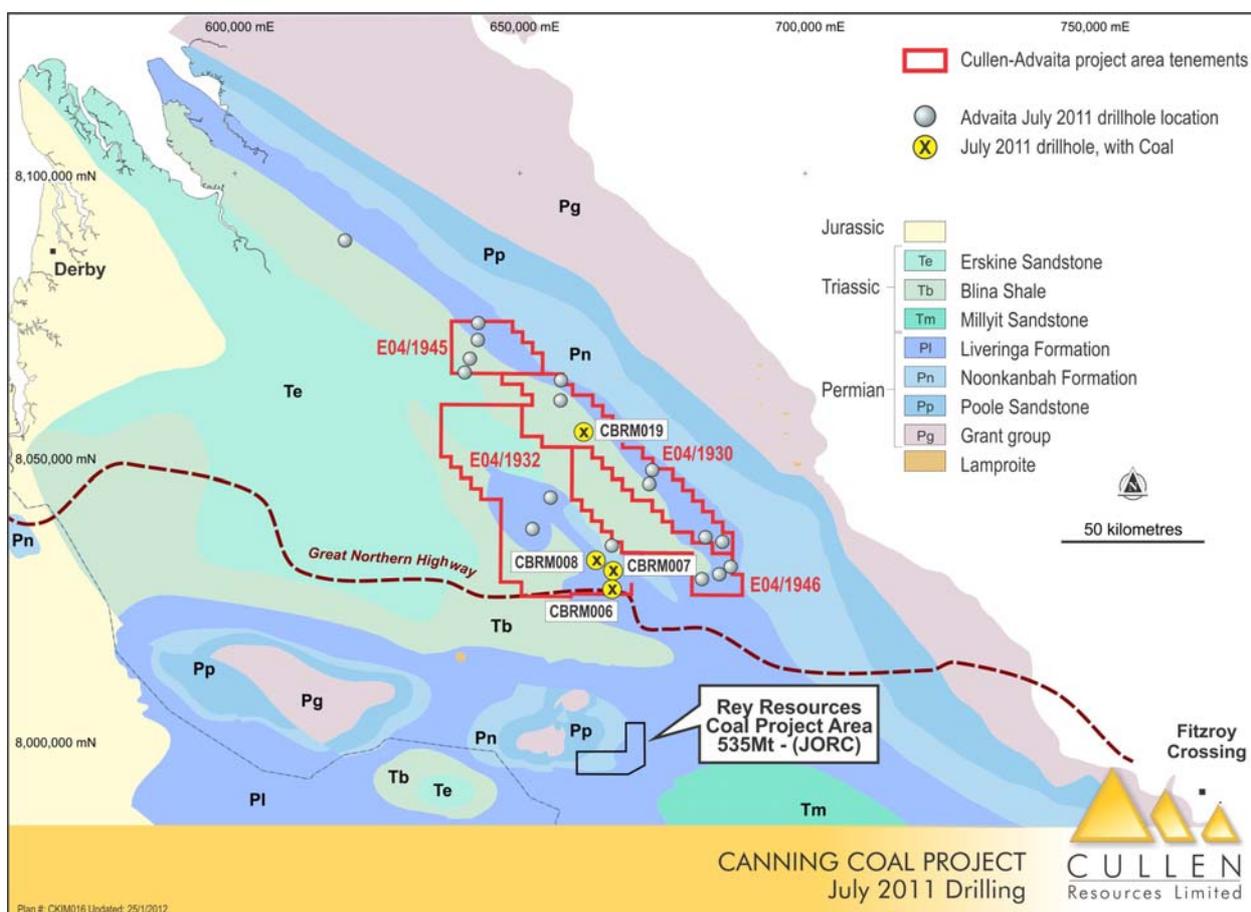
COAL PORTFOLIO

KIMBERLEY, W.A. – Coal

CANNING BASIN JV – ELs 04/1932, 1946, 1945, and 1930, Advaita Power Resources Pte Ltd can earn 75% of the coal rights

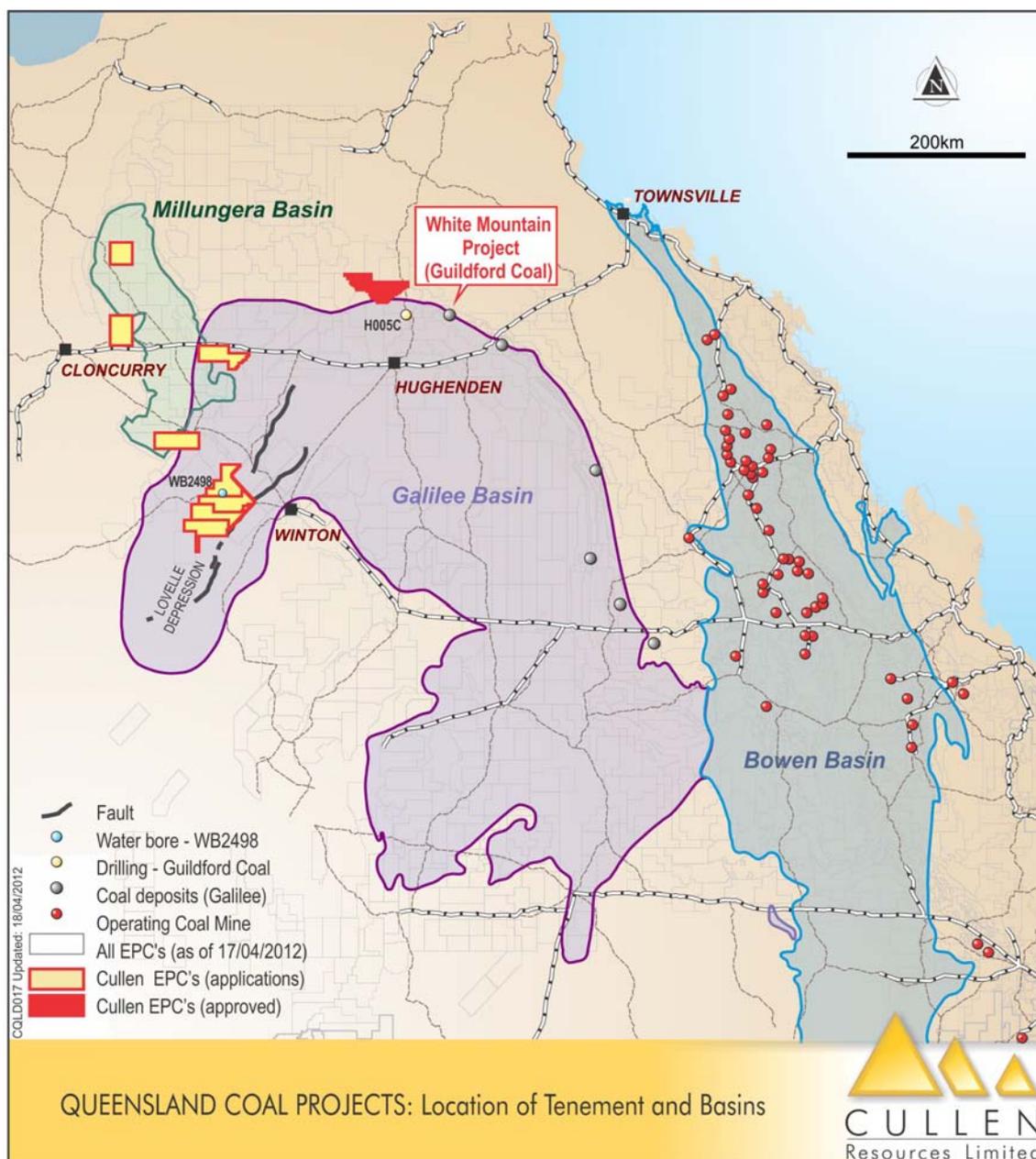
In 2011, Advaita completed reconnaissance drilling of 23 holes for 4,246 m, comprising six RC holes for 778 m and 17 rotary mud holes for 3,468 m. This drilling resulted in the discovery of coal with coal seam intercepts ranging from 0.19 to 0.55m thick at relatively shallow depths ranging from 40 -190 m in four of 23 holes drilled.

Cullen understands Advaita may postpone a follow-up drilling programme focused on these coal intersections planned for the current field season (May-October).



EROMANGA, MILLUNGERA, AND GALILEE BASINS, NW QLD - Coal

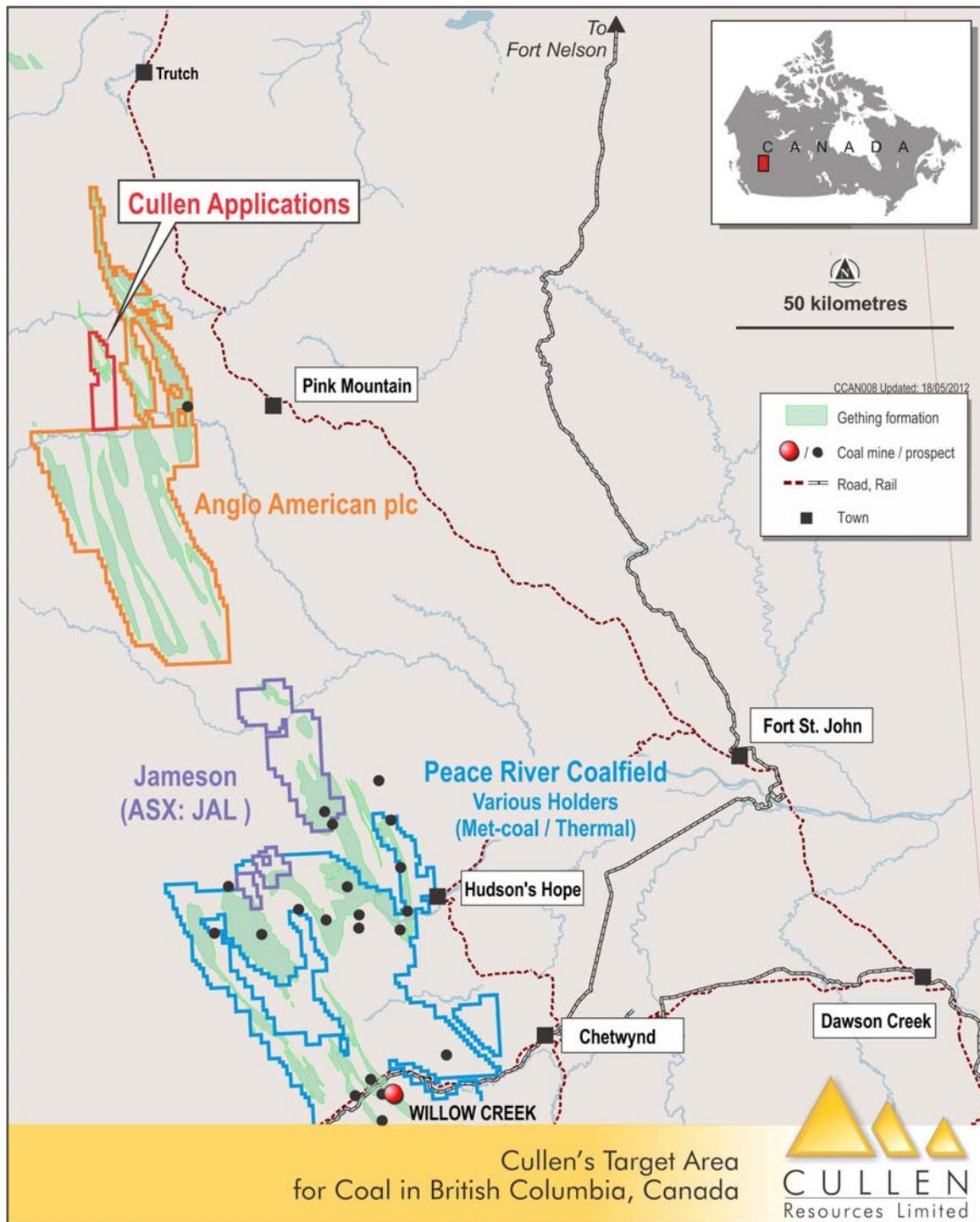
Montrose Resources Pty Limited, a wholly-owned subsidiary, holds applications for coal in the Millungera Basin (EPCA's 2229, 2244, 2222, and 2227), Eromanga/Galilee Basin - Winton area (EPCAs 2628, 2629, 2630, and 2632) and in the Galilee Basin. Montrose's two tenements near Hughenden (EPCAs 2226 and 2236) are now granted. In this latter area, three targets for coal have been interpreted from aeromagnetic data for further exploration upon grant of the applications. Following initial field activities completed in the Quarter, Montrose is seeking to farm-out its Hughenden tenure.



An area of interest west of Winton has been developed where a water bore, "WB2498", intersected 193.5m (from 112.8m to 306.3 EoH) of "shale and coal" that is interpreted to be Cretaceous Winton Formation. Petroleum wells in the same region include "McQueen #1", that intersected 4m of shale and coal (164 -168m) and "Cork #1", that intersected 5m of shale and coal (380-385m; 80% coal) within a broader carbonaceous (trace, to 20% coal) sediment sequence from 60-420m down hole. Cullen has applied for four EPCAs (see figure) covering "WB2498" and extensions north and south towards the McQueen and Cork drill collars (now under applications by another company).

PEACE RIVER COALFIELD, BRITISH COLOUMBIA - Coal

In early 2012, Cullen initiated a review of the Peace River Coalfield of north-east British Columbia. This is a prime metallurgical coalfield with a number of producing mines and major mining companies involved in exploration and acquisition of assets (see Figures). As a result, Cullen, through its wholly-owned Canadian subsidiary, has applied for ~100 sq. km of tenements over an under explored trend of Gething Formation west of Pink Mountain (see Figure). The area adjoins a large Anglo application (January 2012) to the south and east. Anglo mines coal in the Peace River Coalfield at Trend near Tumbler Ridge. This is an exciting exploration initiative where Cullen can apply first pass mapping and geochemical techniques in a fairly accessible environment in the summer months (May – October), possibly this year if the applications are approved.



Description of Peace River Coalfield (modified from: www.empr.gov.bc.ca)

This coalfield extends for 400 kilometres through the northeast part of the province. Coal was discovered in the area in 1793 but lack of infrastructure restricted mining to small operations serving local needs and prior to 1980 less than 100,000 tonnes were mined. Coal occurs in the Lower Cretaceous Gething and Gates Formations. In the northern part of the field, high-volatile bituminous to semi-anthracite coal seams are better developed in the Gething Formation. A number of deposits were explored from 1975 to 1985. Pine Valley Coal Corporation is now mining the Willow Creek deposit. Other properties in the Gething Formation include the Sukunka and Burnt River deposits. The coal-bearing formations are folded and contain thrust faults. The intensity of deformation is variable. The rank of coal in the Gething Formation varies although the coal generally washes easily to a low, clean ash content. Coal in the Gates Formation is mostly medium-volatile bituminous, though some of the deposits in the south contain high-volatile bituminous coal. Coal from both formations is low in sulphur and phosphorus

NAMIBIA – Coal

Cullen Resources Namibia Pty Limited, has applied for five Exclusive Prospecting Licences for coal in the Aranos Basin of southern Namibia. This basin hosts the Aranos Coal deposit, but little regional exploration appears to have been undertaken on the western margin of the basin. Cullen has generated these projects on the basis of the known coal prospectivity of the Karoo Basin. The applications are expected to be processed in the second half of 2012.

OTHER PROJECTS

ASHBURTON, W.A. - Gold

HARDEY JUNCTION JV – ELs 08/1166, 1189, 1763, Northern Star Resources Limited 80%, Cullen 20%.

Cullen holds a 20% Free Carried Interest to decision to mine based on a Bankable Feasibility study in this Joint Venture. Northern Star has completed a 50m line spacing aeromagnetic/radiometric survey and a target ranking exercise will be used to determine the priority of future exploration.

FORRESTANIA, W.A. – Gold / Nickel / Iron

STORMBREAKER AND NORTH IRONCAP JV – Hannans Reward Limited 80% and Cullen 20%

Cullen holds a 20% Free Carried Interest in the western portion of Hannans' Stormbreaker Prospect, ~12km north of the Flying Fox Nickel Mine in the Forrestania Greenstone Belt. Hannans completed an RC drilling programme (9 holes for 2096m) in August, 2011, targeting a surface TEM anomaly, and ultramafics. However there were no intersections of nickel sulphides recorded. Hannans has also plans of RC drilling to test a BIF with iron-rich rock chip sample assays and an intersection in drillhole "FSRC035" (35m @ 47.5% Fe), as previously reported.

EASTERN GOLDFIELDS, W.A. – Gold / Nickel

KILLALOE JV– 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 sole-funding exploration expenditure of \$500,000 within 3 years.

ASHBURTON, W.A. – Gold and Uranium

SALTWATER POOL JV: ELs 52/1890, 1892, Thundelarra and U3O8 - name changed to Avocet : ASX: AYE 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 two tenements at Tunnel Creek/Kunderong, in the Ashburton Province. U3O8 Limited (U3O8) and Thundelarra has agreed for U3O8 to farm-in and take over management of ELs (E52/1890 and E52/1892). U3O8 and Thundelarra can together earn 70%, with Cullen to retain 30%. U3O8 has previously announced high-grade gold and silver rock chip assays from the Monster Prospect on E52/1892. in the Saltwater Pool JV area has returned up to 8.8g/t gold (Au), 1590g/t silver (Ag) and 1.1% antimony (Sb) from a complex, brecciated quartz vein system. Further exploration, including drilling, is planned for 2012.

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

GUNBARREL – E53/1299,1300, and ELAs 1630,1635 Cullen 100%; and, IRWIN BORE – E53/1209,1637 and PLs,1264,1265, Cullen 90% and Western Australian Resources Ltd 10%.

Based on historic data and recent field assessments, Cullen has identified several target areas for further gold and nickel exploration. Assessment and prioritization of targets is on-going.

CORPORATE

The issued capital of the company is as follows:

693,089,431 fully paid shares
16,000,000 unlisted options exercisable at 7.5 cents expiring on 30 November 2013
6,000,000 unlisted options exercisable at 6.0 cents expiring on 13 March 2014

The substantial shareholders following the placement are:

- Aquila Resources Limited – 14.76%
- Wythenshawe Pty Ltd and associates – 12.84%
- Brisbane Investments I and II, Mende and Kundrun – 7.34%

Dr Chris Ringrose, Managing Director

31 July, 2012

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, Hannans Reward, Northern Star, Matsa 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 current activities in Namibia, Canada and Scandinavia. A number of Cullen's 100%-owned projects have now reached the target drill-testing stage.

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

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 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 announcement that relates to Mineral Resources for the Mt Stuart JV has been supervised by 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 Australian Premium Iron. Mr Gaze is a full-time employee of Golder Associates Pty Ltd. Messrs Tuckey and 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". Mr Tuckey and Mr Gaze consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this release that relates to Ore Reserves for the Mt Stuart JV is based on information compiled by Mr Steve Craig, Managing Director of ORElogy (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.