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DRILLING CONFIRMS MAJOR REGIONAL GOLD TARGET AT GUNBARREL PROJECT

Cullen Resources Limited ("Cullen") announces that a 2099m drilling program completed in May 2001 at the Gunbarrel Project, 125 km east of Wiluna, WA has produced significant results.

The large Gunbarrel Project encompasses a 46 km long portion of the prospective Mount Eureka Greenstone Belt. This Greenstone Belt is located east of the highly productive Yandal Greenstone Belt, which hosts the major Bronzewing gold deposit.

The drilling program was designed as a preliminary test of various targets arising from Cullen's exploration efforts over the past two years. It has succeeded in locating three areas of gold mineralisation in the Eureka North Zone, confirming it as a major regional gold target. It also located new zones of gold mineralisation at the Taipan Prospect.

BACKGROUND

Since 1999 Cullen has progressively developed the Gunbarrel Project as a large gold and nickel exploration project through extensive exploration other than expensive deep drilling.

In November 2000 Cullen completed base of hardpan (BoH) geochemical drilling over priority targets. A total of 1042 shallow holes (average 2.1m) mostly at 200 x 50m spacings covered a 10.5 km² target area. The BoH technique involves sampling a fossil soil horizon where anomalous gold, if present, is concentrated in the base of the hardpan layer. Cullen's BoH geochemical approach is inventive and has proved more effective than methods used in this region by earlier explorers.

As a result of its exploration efforts, Cullen succeeded in attracting WMC Limited to the project's nickel prospectivity. On 16 May 2001 Cullen announced to the Australian Stock Exchange that it had entered into a Heads of Agreement with WMC that gives WMC exclusive right to form a joint venture for nickel exploration. Cullen, however, retains all rights to gold and silver.

RESULTS OF RECENT DRILLING PROGRAM

Drilling partially tested several gold targets comprising;

- (a) Eureka North Zone (13 RAB holes, 561m)
- (b) The Taipan Prospect (6 Aircore holes, 582m 8 RAB holes, 682m)
- (c) The Mount Eureka Prospect (6 RAB holes, 269m)

(a) Eureka North Zone

The Eureka North Zone (Figure 1) is defined by a strong laterally continuous BoH gold anomaly spatially associated with a distinct magnetic gradient. It is interpreted to be a shear zone along the western edge of the Mount Eureka Greenstone Belt. Prior to Cullen's work, very few indications of gold mineralisation in this Zone existed because of extensive surficial cover.

Cullen's drilling was directed at various BoH anomalies and mineralisation recorded in previous RC hole YRC 7. This hole drilled in 1997 by previous explorer Pegasus Gold Australia Pty Ltd intersected 40m @ 0.6 g/t Au, but was not followed up as Pegasus withdrew from exploration because of corporate difficulties. The hole intersected pyritic quartz - sericite schist which Cullen interprets as representing a distinct lode structure.

YRC 7 Target

Cullen's RAB holes YRB 157 and 159 (Table 1, Figure 1), 60m north and south respectively of YRC 7, detected YRC 7 style mineralised lode despite being too shallow to provide a satisfactory test. YRB157 bottomed prematurely at 27m in hard quartz vein or silicified material, the last 7m of the hole averaging 0.29 g/t Au. Hole YRB 159 also terminated prematurely at 36m and returned 10m @ 0.26 g/t Au. **Results are interpreted to confirm discovery of a mineralised zone at least 100m long and open along trend, which represents a high priority target for deep RC drill testing.** If mineralisation in another Pegasus hole, YRC 4 (24m @ 0.2 g/t Au, Figure 1) located 400m north-north-east of YRC 7, represents the same mineralised structure, the lode could be at least 500m long.

BoH Geochemical Targets

Ten RAB holes sparsely distributed along 1.8 km of the Eureka North Zone partially tested several BoH anomalies. They produced two very significant intersections. **Hole YRB 151, located 1000m north of YRC 7 (Figure 1), produced exciting results. It was drilled beneath a 281 ppb BoH gold anomaly and returned 8m @ 1.08 g/t Au from 55m.** The hole was strongly gold anomalous over 21m from 45m to the bottom of the hole at 66m. **YRB151 represents an exciting virgin gold discovery.** It demands detailed RC drilling follow-up.

Hole 166A, located 800m south of YRC 7 (Figure 1) returned 20m @ 0.15 g/t Au from surface. As shown in Figure 1, this anomalous result occurs within a BoH anomaly extending over more than 1km. Only three holes have been drilled in the vicinity of this large anomaly. The hole 166A result is, therefore, significant and enhances the prospectivity of this major geochemical anomaly.

The Eureka North Zone is a major structural target that has been under explored for gold to date. **The recent very sparse, but nevertheless successful, drilling has upgraded the Zone to the status of a major regional target. It is a target of sufficient scale to attract even the largest of explorers.** Only 3 km of the Eureka North Zone has been partially explored to date although magnetic interpretation suggests the Zone might extend northwards for about 20km within Cullen's ground.

(b) Taipan Prospect

Five aircore holes tested various targets within a 500m long zone at the Taipan Prospect. Several substantial intersections (Table 2) were obtained, the best being 20m @ 1.39 g/t Au including 4m @ 3.41 g/t Au. Considerable check assaying remains to be done and the results are, therefore, to some extent preliminary. The results are yet to be fully interpreted together with earlier drilling results but it appears that several zones of mineralisation warrant further testing.

One further aircore hole, MEAC05 (Table 2), 1,000m north of the 500m zone, returned an interesting intersection of 2m @ 2.4 g/t Au indicating the presence of a discrete lode structure. This also warrants further drill testing.

Eight RAB holes tested various targets west of the main Taipan mineralised trend without success. However, five of the drill holes were ineffective tests, as they failed to reach target depth because of an inability to penetrate quartz zones.

(c) Mount Eureka Prospect

This prospect, defined by old workings associated with BoH anomalies (Figure 1), lies about 400 m east of the Eureka North Zone. Six RAB holes returned a best intersection of 1m @ 0.42 g/t Au. No further immediate follow-up drilling is planned.

CONCLUSION

The results of the May 2001 drilling program focus attention on the Eureka North Zone.

Cullen's Managing Director, John Horsburgh, in summing up the results said:

" I consider the results of our first drilling program to be very encouraging. The Eureka North Zone has all the features of a major regional gold target. As a small explorer we are fortunate to have such an attractive large target.

The Zone is well mineralised and we are keen to fully test its potential. We intend to recommence drilling shortly, although because of the large scale of the target, we may consider taking on a major explorer as a partner to enable us to accelerate comprehensive drill testing of the Eureka North Zone "

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ATTRIBUTION

Information in this report which relates to mineralisation is based on information compiled by Grahame Hamilton, a full time employee of Cullen Resources Limited who is a Member of the Australian Institute of Geoscientists and has relevant experience as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves in relation to mineralisation being reported on.

Table 1: Significant RAB Drilling Results – Eureka North Zone

Hole	Co-Ordinates		Intersection From (m) – To (m)	Interval (m)	Gold (g/t)	Comment
	E	N				
YRB 151	353386	7061387	45-50	5	0.22	*5m composites
			55-63	8	1.08	
			<i>incl 57-61</i>	4	1.39	
YRB 153	353834	7060643	9-10	1	0.42	
YRB 157	353054	7060454	20-27	7	0.29	*5m composites
YRB 159	353014	7060354	15-25	10	0.26	*5m composites
YRB 162	353933	7060015	19-21	2	0.12	
YRB 165	353044	7060195	22-23	1	0.16	
YRB 166A	352973	7059611	0-20	20	0.15	*5m composites
YRB 166	352998	7059611	19-20	1	0.29	

Table 2: Aircore Drilling Results – Taipan Prospect

Hole	Co-Ordinates		Intersection From (m) – To (m)	Interval (m)	Gold (g/t)	Comment
	E	N				
MEAC 01	354793	7049674	77-100	23	0.22	60° inclination
			<i>incl 89-90</i>	1	0.94	*5m composites 79-89m,95-100m
MEAC 02	354891	7049812	20-33	13	0.94	*5m composites 20-30m
			<i>incl 20-25</i>	5	1.35	
			50-55	5	1.06	*5m composites 50-55m
			65-92	27	0.17	*5m composites 32-42m
MEAC 03	354912	7049971	32-52	20	1.39	
			<i>Incl 37-42</i>	5	2.05	
			<i>Incl 42-45</i>	4	3.41	
MEAC 04	354952	7050127	30-35	5	0.29	60° inclination *5m composite
			83-84	1	0.49	
MEAC 05	354964	7051824	62-64	2	2.43	60° inclination
MEAC 06	354873	7049879	35-39	4	0.70	
			<i>Incl 37-38</i>	1	1.79	
			74-100	26	0.61	*5m composite 74- 79m,92-97m
			<i>Incl 74-79</i>	5	1.31	
			82-83	1	1.41	

NOTES:

All RAB holes are drilled at 60° inclination, 270° azimuth. All aircore holes, vertical except where indicated.. Aircore holes angled at 60° are drilled to 270° azimuth. Samples are assayed by graphite furnace AAS after Aqua Regia digest (1ppb Au detection limit). All samples assayed on 1m intervals except where indicated as 5m composites.