



CULLEN RESOURCES LIMITED

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ASX ANNOUNCEMENT

NEWMONT COMMENCES MAJOR DRILLING PROGRAMME FOR GOLD DEPOSITS AT THE GUNBARREL PROJECT, NORTHEASTERN GOLDFIELDS, WESTERN AUSTRALIA

The Directors of Cullen Resources Limited are pleased to announce that a major RAB/air core drilling programme commenced at the company's Gunbarrel Project today. Newmont Exploration Pty Ltd (Newmont), as Managers of the Gunbarrel Gold Joint Venture with Cullen, have identified a large number of gold targets from a combination of database analysis, newly acquired gravity data and regional geology studies. The programme initiated today will comprise some 500 RAB/air core holes for ~25,000m of drilling, and is Newmont's first stage of project evaluation

This exploration work is being carried out under the auspices of a co-operation agreement between Newmont Exploration Pty Ltd (Newmont), BHP Billiton Ltd (BHP Billiton) and Cullen Exploration Pty Ltd (Cullen) which enables the coexistence of a Gunbarrel Gold Joint Venture between Newmont and Cullen and the Gunbarrel Nickel Joint Venture between BHP Billiton (75%) and Cullen (25%) over tenements E53/535, E53/568, E53/837 and E53/818.

Under the terms of the Gunbarrel Gold Joint Venture, Newmont can earn, at Cullen's election, either a 70% or 75% interest in the gold rights of the tenements for an expenditure of \$3.5 million over four years, of which \$400,000 is a first year, minimum commitment.

Once Newmont has earned its interest, Cullen can elect to either:

- contribute pro-rata at 30% or revert to a 30% carried interest which would be underwritten by Newmont to a Decision to Mine based on a Bankable Feasibility Study. The carried interest is capped at \$15 million and is repayable from 80% of Cullen's share of mine cash flow; or,
- contribute pro-rata at 25% or revert to a 25% free-carried interest up to a Decision to Mine based on a Bankable Feasibility Study. The carry expenditure is not a debt to Cullen in this case.

After a Decision to Mine, Cullen may independently fund its share of mine development or Newmont, if requested by Cullen, will undertake to raise such funds to carry Cullen through to production in return for an additional 5% equity in the project.

Newmont Mining Corporation is the world's largest gold mining company, with a strong presence and recognised expertise in the Northeastern Goldfields of Western Australia. It operates the Jundee gold mine in the Yandal Belt, located approximately 100km west of the Gunbarrel Project tenements.

Cullen commenced gold exploration at Gunbarrel in 1997 resulting in the discovery of significant gold mineralisation at the Southern Prospect in 2002, which although sub-economic to the extent of Cullen's testing, is an indicator of the greenstone belt's potential. Newmont has carried out analysis of Cullen's database for Southern using 3D geological visualisation and modelling. As a result, Newmont is also planning a programme of deeper drilling at the Southern Prospect.

Cullen's Exploration Director Dr Chris Ringrose commented: "All parties have worked hard to conclude the Deed of Cooperation to permit gold exploration by Newmont and separately, nickel exploration by BHP Billiton on Cullen's Gunbarrel Project tenements. There are significant known prospects for both commodities in the project area, and the participation of two highly skilled and well resourced majors on Cullen's ground will see wide ranging and thorough exploration programmes, thus enhancing Cullen's chance of participating in a significant discovery."

**For further information contact either Grahame Hamilton or John Horsburgh on
(02) 94374588 or fax (02) 9437 4599.**

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.