



CULLEN RESOURCES LIMITED

A.C.N. 006 045 790
A.B.N. 46 006 045 790

Level 4,
118 Christie Street
St Leonards NSW 2065
P.O. Box 23, St. Leonards, 1590, Australia
Telephone: (612) 9437 4588
Fax: (612) 9437 4599
Email: info@cullenresources.com.au
Website: www.cullenresources.com.au

7 July 2006

ASX ANNOUNCEMENT

FORTESCUE METALS GROUP JOINS CULLEN RESOURCES TO EXPLORE FOR MARRA MAMBA AND BROCKMAN FORMATION BEDDED IRON ORE IN THE WEST PILBARA

Cullen Resources Ltd (Cullen) is pleased to announce that it has signed a Memorandum of Understanding with Fortescue Metals Group Ltd (FMG) for FMG to earn up to an 80% interest in the iron ore rights on a group of Cullen's tenements in the West Pilbara Region, incorporating a total tenement area of ~ 460 sq km.

The tenements, E08/1393, E47/1154 and ELA's 47/1649 and 1650, include significant extents of the Marra Mamba and Brockman Iron Formations which are the prime targets for iron ore. These formations host the adjacent Metawandy deposits of Hamersley Iron Pty Ltd (see Figure), for which an Inferred Resource of 225Mt @ 62.1% Fe has been reported.

Principal terms of the MOU are:

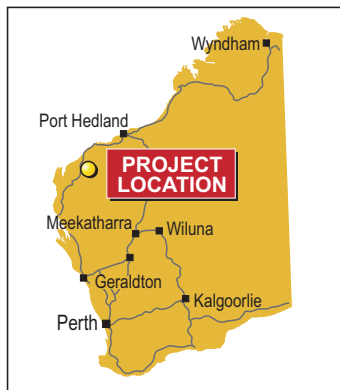
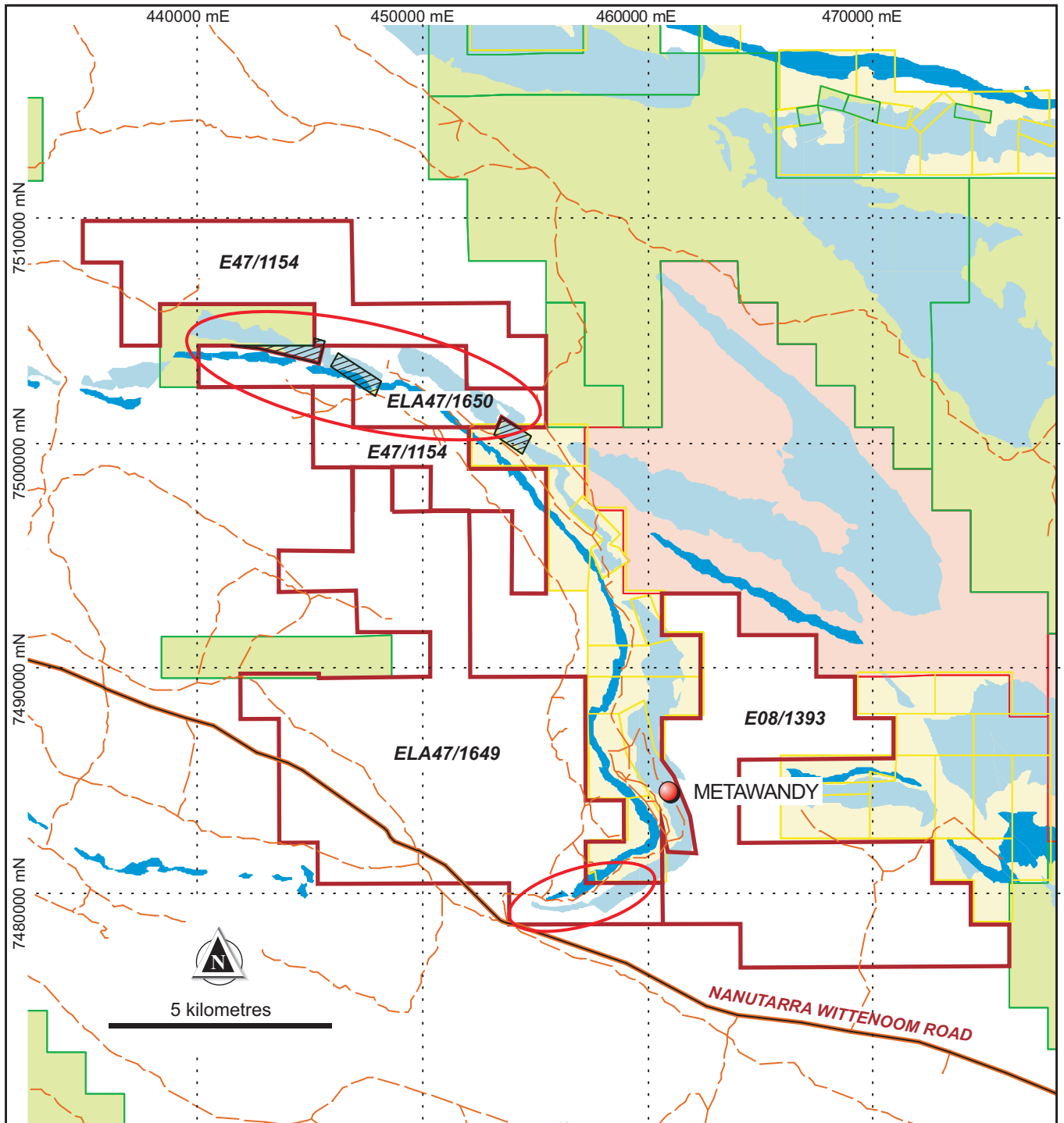
- FMG commits to spend a minimum of \$150,000;
- FMG may earn 51% interest in the iron ore rights by sole funding total expenditure of \$1M within three years of the grant date of the last EL application;
- FMG may earn a further 29% interest in the iron ore rights if it sole funds an additional \$1M and pays Cullen a Resource Payment. This Resource Payment shall be the greater of \$500,000 and an amount calculated as 3 cents per tonne of any JORC-compliant resource with a minimum grade of 62%, delineated by FMG. The Resource Payment is capped at \$1,050,000;
- Cullen's residual interest(49% or 20%) shall be free carried to Decision to Mine (DTM); and,
- At DTM, FMG shall negotiate in good faith a financing package to facilitate Cullen's participation in the mining development. If Cullen does not participate it shall receive a 1.5% FOB Royalty on the first to 15M tonnes of ore.

Cullen's Exploration Director, Dr Chris Ringrose, commented that both Cullen and FMG hold tenements over the target formations and a joint venture with FMG, which is developing a major iron ore resource base in the region, would allow the most cost effective and efficient exploration of the iron formations in the area.

**For further information contact Dr Chris Ringrose on
(08) 9474 5511 or fax (08)9474 5588.**



ATTRIBUTION

Information in this report which relates to mineralisation is based on information reviewed by Dr Chris Ringrose, 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.



-  Metawandy Iron Deposit (225Mt @ 62.1% Fe - Hamersley Iron Pty Ltd)
-  Hamersley Iron Pty Ltd
-  Rio Tinto Exploration Pty Ltd
-  FMG
-  Cullen Resources Ltd and FMG excisions
-  Target Areas for Iron Ore

STRATIGRAPHY

-  Brockman Iron Formation
-  Marra Mamba Iron Formation

METAWANDY PROJECT

