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ASX ANNOUNCEMENT

Cullen Approves 2010 budget for continuation of the Definitive Feasibility Study into the mining of the Catho Well Channel Iron Deposit

Cullen Resources Limited (Cullen) is pleased to announce that it has approved a 2009/2010 Financial Year budget of \$2.223M (Cullen's share ~\$0.7M) for the Mt Stuart Joint Venture (MSJV). This Joint Venture is between the Australian Premium Iron Joint Venture (APIJV) - 70%, which comprises Aquila Resources Limited 50% and AMCI Holdings 50%, and Cullen - 30%.

The budget will provide for completion of a Definitive Feasibility Study (DFS) for the mining of the Catho Well Channel Iron Deposit (CID), one of several CID's which comprise the broader West Pilbara Iron Ore Project (WPIOP) in which APIJV has an interest.

The MSJV budget also provides for drilling of an Exploration Target¹, with potential for a further 20-40Mt of CID ore, at the southern extension of the Catho Well Deposit (79.5 Mt @ 55.34% Fe). Catho Well-type CID mineralisation is relatively low in alumina compared to the broader WPIOP deposits, and additional resources from Catho Well may add to the mine schedule and have a positive impact on product alumina grade.

The approved budget is integrated with on-going development and mining schedule studies for the broader WPIOP, and builds upon the DFS work completed in 2008-2009 financial year. The approved budget addresses: Engineering, Mining, Environmental and Land Access Approval aspects for a DFS for production of Catho Well ore and delivery to trains at the "mine gate".

The Managing Director of Cullen remarked: "This is a very positive development for Cullen as a partner in a potential major project. The DFS is being efficiently driven by a team with excellent technical credentials, and Aquila Resources Limited, a partner in the APIJV, has announced an important Strategic Co-operation agreement with Baosteel, a potential iron ore end user and project financier. We look forward to the finalisation of the WPIOP DFS and the possibility of mining and selling ore from the Mt Stuart JV as part of the WPIOP."

Dr Chris Ringrose, Managing Director, +61 8 9474 5511

ATTRIBUTION - Competent Person Statement

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.

¹*Exploration Target should not be misinterpreted as an estimate of Mineral Resources or Ore Reserve. The potential quality and grade is conceptual in nature since drilling is too widely spaced to define a JORC-compliant Mineral Resource. It is unknown if further drilling will result in a determination of a Mineral Resource.*