



ABN 46 006 045 790

Dear Fellow Shareholder

14 September 2010

### ***Invitation to Participate in the Cullen Resources Shareholder Share Purchase Plan***

The Board of Directors of Cullen Resources Limited ("Cullen" or "Company") is pleased to extend an invitation to Cullen shareholders to participate in its **Shareholder Share Purchase Plan** ("SSPP"). The SSPP will enable existing shareholders, irrespective of the size of their shareholding, to purchase up to \$14,985 worth of shares in the Company, free of all brokerage, commissions and stamp duty.

This letter, together with the enclosed documents "*Shareholder Share Purchase Plan*" and "*Application Form*", sets out the terms and conditions of the offer to shareholders on this occasion ("Offer") and how to apply for shares should you wish to participate. By accepting the Offer and applying for shares, you agree to be bound by these terms and conditions.

The terms and conditions of the SSPP are also set out on our website - [www.Cullenresources.com.au](http://www.Cullenresources.com.au).

#### **Company Update**

The Company's key focus is the Mt Stuart Joint Venture where technical studies for the Mining Feasibility Study (MFS) for the Catho Well Channel Iron Deposit are nearing completion, with issue of the MFS expected in the September Quarter.

Further information regarding the Company's activities is contained in the Company's 2009 annual report which was distributed to shareholders in October 2009 and in the various Quarterly Reports throughout 2010, including the latest of 29 July 2010, copies of all of which can be found on our website.

The shareholder share purchase plan is being done at the same price as the placement of 22.5 million shares that was completed and announced on 9 September 2010.

#### **Participation by Shareholders**

The right to participate in this Offer under the Cullen Resources SSPP is available exclusively to persons who are registered as holders of fully paid ordinary shares in the Company at 7:00pm (EST) on the record date of 10 September 2010 and whose registered address is in Australia or New Zealand. However, the Offer does not extend to shareholders who hold shares in the Company on behalf of another person who resides outside Australia or New Zealand.

Eligible shareholders are entitled to apply for a *minimum* of \$1,125 worth of shares and a *maximum* of \$14,985 worth of shares under the SSPP, or for a specified quantity of shares between the minimum and maximum numbers. If you wish to participate in the SSPP, you may apply for shares in the amount of \$1,125, \$2,250, \$5,175, \$10,035 or \$14,985.

***The offer to acquire shares under the SSPP will close at 5:00pm (EST) on 1 October 2010 ("Closing Date").***

The SSPP will also enable shareholders who do not hold a marketable parcel of at least \$500 worth of shares in the Company to increase their shareholding to greater than a marketable parcel, again without brokerage and other charges.

#### **Purchase Price of Shares to be Issued Under the SSPP**

The purchase price of the new shares to be offered under the SSPP to shareholders has been set at 4.5 cents each.

The SSPP provides shareholders with an exclusive opportunity to top up their shareholding at current market prices without brokerage or other costs.

The number of securities that may be issued by Cullen Resources under the SSPP cannot exceed 30% of the number of fully paid ordinary shares already on issue. For the purposes of this initial offer under the SSPP, the Board has decided to limit the number of shares that may be issued on this occasion to a total of 34 million shares (being approximately 6% of the number of fully paid shares on issue).

However, the Board reserves its discretion to accept applications which result in excess of 34 million shares being issued under the SSPP, depending on market conditions and the general level of investor interest in the Company during the term of the SSPP. Additionally the Board may scale back applications received under the SSPP. Should this happen, you may be allocated Shares to a value which is less than the parcel you have applied for and the difference will be refunded to you.

***The Board intends to treat Applications under the SSPP on a first come - first served basis up to the maximum amount permissible.***

#### **Risk Factors**

Whilst my fellow directors and I have confidence in the future of the Company and the attractiveness of the shares being offered under the SSPP, I would be remiss if I did not also draw your attention to the fact that owning shares in a company like Cullen Resources, is considered a speculative form of investment and that the future price of the Company's shares can rise or fall depending on a number of variables and fluctuations on the stock market generally. We encourage you to seek your own professional advice regarding your participation in the SSPP.

Finally, shareholders should note that the Offer is not made under a Prospectus or other disclosure document and does not require the type of disclosure usually required under the Corporations Act 2001. Accordingly, shareholders should read all information in relation to the SSPP carefully, including any previous disclosures made by the Company on the ASX before deciding whether to participate in the SSPP. The Company is not providing investment advice or making any recommendation in relation to the SSPP. Any decision to participate in the SSPP should be made after considering your own objectives, financial circumstances and needs. If you are in any doubt as to the action you should take, you should consult your professional adviser when deciding whether or not to accept the Offer and participate in the SSPP.

The market price of the Shares on the ASX may rise and fall between the Closing Date (when the issue price will be determined) and the date when Cullen allots the Shares to you under the SSPP.

In the last 30 days the highest share price has been 6.3 cents and the lowest share price has been 4.3 cents. The share price at the close of market on 10 September 2010 was 5.1 cents.

#### **Additional Information**

If you would like to participate in the SSPP, please return your completed Application Form together with a cheque for the amount of shares you wish to acquire to our share registry **on or before the Closing Date, being 5:00pm (EST) on 1 October 2010**. If you would like to pay electronically, please follow the BPAY instructions on the SSPP Application Form.

Please note that participation is entirely at your option and the offer is non-renounceable which means it cannot be transferred to anyone else.

Shares allotted under the SSPP will be issued on or about 10 business days after the Closing Date.

***If you have any questions on the proposed SSPP, please call the Company's registered office on (08) 9474 5511 or the Company's share registry, Computershare Investor Services Pty Ltd, on 1300 608 619 or (03) 9415 4059 during normal business hours.***

Yours sincerely

Denis Clarke  
**Chairman**

# Cullen Resources Limited

ABN 46 006 045 790

SHAREHOLDER SHARE PURCHASE PLAN ("SSPP")

SEPTEMBER 2010

## TERMS & CONDITIONS

### Eligible Shareholders

You are eligible to participate in the SSPP ("Eligible Shareholder") if you were the registered holder of one or more fully paid ordinary shares in Cullen Resources Limited ("Shares") at 7:00pm (EST time) on 10 September 2010 with an address as recorded in Cullen's register of ordinary shareholders in Australia or New Zealand, unless you hold the Shares on behalf of another person who resides outside Australia or New Zealand.

Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder.

### The SSPP

The SSPP enables Eligible Shareholders to purchase up to \$14,985 of ordinary shares in Cullen Resources Limited ("Cullen" or "Company"), without being required to pay brokerage fees or incurring additional transaction costs.

### Participation in the SSPP

Participation in the SSPP is optional. However, the offer under the SSPP is non-renounceable. This means that you cannot transfer your right to purchase Shares under the SSPP to another person or entity.

### Key Dates

Record date to determine entitlements	10 September 2010
Announcement of SSPP	13 September 2010
SSPP opens	14 September 2010
Closing date for application for shares (5.00pm EST)	1 October 2010
Date of allotment and despatch of uncertified statements to shareholders	Within 10 business days of the closing of the SSPP

### Issue Price of Shares

The issue price for each Share has been set at 4.5 cents each.

### Variation in Market Price of the Shares on the ASX

The market price of the Shares on the ASX may rise and fall between the opening date, the closing date of the SSPP offer and the date when Cullen allots the Shares to you under the SSPP ("Allotment Date"). This means that the price you pay under the SSPP offer may exceed the price at which Shares are trading on the ASX at the time the Shares are allotted to you under the SSPP. Accordingly, you should seek your own financial advice in relation to this SSPP offer and your participation in the SSPP.

The Company recommends you monitor its announcements and share prices, which can be found on the Company's website at [www.Cullenresources.com.au](http://www.Cullenresources.com.au) and on the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX code: CUL). The share price can also be found in the financial pages of major Australian metropolitan newspapers.

### Opening & Closing of the SSPP Offer

The SSPP offer opens on 14 September 2010 ("Opening Date") and closes at 5:00pm (EST time) on 1 October 2010 the Closing Date, unless it is extended by Cullen. Cullen reserves the right to change at any time the Closing Date or the proposed Allotment Date, by making an announcement to the ASX. Cullen also reserves the right to terminate the SSPP at any time prior to the issue of Shares under the SSPP. If Cullen terminates the SSPP, it will refund any money paid by eligible Shareholders under the SSPP. Interest will not be paid on any money refunded under this clause.

### **Amount of Shares Eligible Shareholders can Apply for Under the SSPP**

You apply for a dollar amount of Shares under the SSPP, not a number of Shares. You may apply for Shares in the amount of \$1,125, \$2,250, \$5,175, \$10,035 or \$14,985. The Company will divide the dollar amount you have applied for by the Issue Price then round up the result to the nearest whole number, in order to determine the number of Shares you have applied for.

The Company reserves the right to scale back allocations under the SSPP in its sole discretion. Any necessary refund will be paid by the Company to Eligible Shareholders shortly after the Closing Date of the SSPP offer or the date to which it may be extended. No interest will be paid on any money refunded.

If you are an Eligible Shareholder and have received more than one offer under the SSPP (for example because you are the joint holder of shares or hold more than one shareholding under separate share accounts), you may not apply for Shares with an aggregate value exceeding \$14,985 under the SSPP. Cullen reserves the right (exercisable at its sole discretion) to reject any application for Shares where it believes this requirement has not been met. Any necessary refund will be paid by Cullen to Eligible Shareholders shortly after the Closing Date or the date upon which the Closing Date is extended. Interest will not be paid on any money refunded under this clause.

If a trustee or nominee is expressly noted on the Share Register as holding Shares on behalf of another person ("the Beneficiary"), the Beneficiary is taken to be the registered holder of the Shares for the purpose of the SSPP and any application by the trustee or nominee is taken to be an application and certification by the Beneficiary (although a Beneficiary who is resident outside Australia or New Zealand is not eligible to participate in the SSPP).

### **Acceptance & Payment**

If you wish to apply for Shares under the SSPP, please complete the Application Form and return it with the appropriate payment to the address set out in the Application Form.

Applications together with the appropriate payment must be received by Cullen's Share Registry by the Closing Date, currently 5:00pm (EST time) on 1 October 2010. Applications received after the Closing Date will not be accepted.

If the payment received is not for the exact amount required to buy the number of Shares, the Eligible Shareholder elected to purchase under the SSPP, Cullen reserves the right not to accept payment. In these

circumstances, Cullen will return the Eligible Shareholder's Application form and cheque or refund any other payment. If Cullen does that, those Shares will not be issued to the Eligible Shareholder. No interest will be paid on any refunded money.

Furthermore, if your Application Form is incomplete, contains errors or is otherwise invalid or defective, the Company may, in its sole discretion, accept, reject, correct or amend your application, issue such number of Shares to you as it considers appropriate, refund your application money, or take any combination of these actions. Any necessary refund will be paid to you shortly after the Closing Date. No interest will be paid on any refund.

Should you pay for any Shares by cheque and your cheque does not clear, your application will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred.

You will not be able to withdraw or revoke your Application Form once you have sent it in.

### **Allotment Date**

It is anticipated that the Shares will be allotted under the SSPP on or around 10 business days after the Closing Date of the SSPP and application for quotation of your Shares on the ASX will be made at the same time. You should receive your allotment statement, or confirmation advice, shortly after this date.

### **What Rights Attach to the Shares?**

Shares issued under the SSPP will rank equally with existing fully paid ordinary shares in Cullen and will carry the same voting rights, dividend rights and other entitlements as at the date of allotment.

### **Modification, Waiver, Suspension and Termination of the SSPP**

The directors of Cullen may resolve to change the terms and conditions of this SSPP from time to time. The Company reserves the right to issue fewer Shares than an Eligible Shareholder applied for under the SSPP (or none at all) if it believes that the allotment of the Shares would contravene any law or rules of any stock exchange on which Cullen's Shares are listed.

In addition, the Company reserves the right to waive compliance with any provision of the terms and conditions of the SSPP and suspend, withdraw or terminate the SSPP at any time.

Any amendment, variation, suspension, withdrawal or termination of the SSPP will be binding on all Eligible Shareholders even where the Company does not notify the Eligible Shareholders of that event.

The Company is not liable for any exercise of its discretions under the terms and conditions of the SSPP. Any refund made to you is dispatched at your own risk.

If and to the extent to which the total applications for Shares under the SPP exceeds 34,000,000 the Company reserves its right to scale back applications. If this occurs, you may be allocated Shares to the value which is less than you applied for. Any determination by the Board in respect of any scaling back will be final. If a scale-back occurs the Company will refund your excess application money to you (without interest).

#### **Dispute Resolution**

Cullen may settle in any manner it thinks fit, any disputes or anomalies which may rise in connection with or by reason of the operation of the SSPP, whether generally or in relation to any applicant or application for shares. The decision of Cullen will be conclusive and binding on all Eligible Shareholders and any other persons to whom the decision relates. Cullen reserves the right to waive compliance with any provision of the SSPP terms and conditions, subject to compliance with the Corporations Act, the ASX Listing Rules and ASIC Class Order CO02/831.

#### **Further Information**

If you have any questions in relation to the Terms and Conditions of the SSPP or how to make an application, you may phone Cullen Resources on +61 8 9474 5511. Cullen will not provide financial, investment or taxation advice.

#### **Independent Financial or Investment Advice Recommended**

We recommend that you contact your stockbroker, accountant or professional adviser before investing in Cullen's Shares under the SSPP.

#### **Declaration & Acknowledgement**

By forwarding and completing an application for shares under the SSPP and by making payment, each shareholder:

- (a) acknowledges that he/she has read, understands and agrees to be bound by the terms and conditions of the SSPP;
- (b) certifies that (except where shares are held as trustee or nominee on account of a beneficiary which is expressly noted on the Company's register of members) the aggregate of the application price for:

- (i) the shares or interests the subject of the application; and

- (ii) any other shares or interests in the class applied for by or on behalf of the shareholder under the SSPP or any similar plan operated by the Company in the 12 months prior to the application,

does not exceed \$14,985;

- (c) certifies that (where shares are held as trustee or nominee on account of a beneficiary which is expressly noted on the Company's register of members ("Beneficiary") the aggregate of the application price for:

- (i) the shares or interest the subject of the application; and

- (ii) any other shares or interest in the class applied for by, or on behalf of, the Beneficiary under the SSPP or any similar plan in the 12 months prior to the application,

does not exceed A\$14,985.

#### **Governing Law**

The terms and conditions of the SSPP are governed by the laws in place in New South Wales.