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ASX Symbol: CUL

ASX ANNOUNCEMENT 10 October 2012

UPDATE - GRAPHITE PROSPECTS IN FINLAND

- Cullen has applied for ground over **seven known graphite prospects in Finland**, some of which have airborne EM anomalies and very significant historical drill intersections with **coarse (flake) graphite**.

In early 2012, Cullen Resources Limited (Cullen) commenced a review of graphite opportunities in Finland following the release of information by Talga Gold Limited (ASX:TLG) concerning the Nunasvaara graphite deposit in northern Sweden, which currently contains a JORC - compliant inferred Mineral Resource of 3.6 Mt @ 23% C (see TLG's ASX release, 28 Feb 2012).

Cullen has lodged four Ore Prospecting Licence applications (Exploration Licence equivalents) and four Claim Reservation applications over seven graphite prospects in the name of its wholly-owned, Finnish-registered subsidiary company. These prospects have previously been explored for graphite and/or base metals by the Geological Survey of Finland (Geologian tutkimuskeskus or GTK) and companies, mostly in the period 1970-2000. Graphite's metallurgical characteristics for other industrial uses were not, or only partly, investigated. Existing databases for these graphite prospects include aerial and ground geophysical surveys, geological maps and diamond drill cores stored at the Geological Survey of Finland.

On October the 1st and 2nd, a Finnish consultant geologist reviewed certain diamond cores stored by the GTK's at Loppi in southern Finland for Cullen, and photographed and sampled the core for further tests. Cores from the **Polvela, Viistola, Aitoo and Tunturi** prospects were examined with flake graphite observed in the latter three. The consultant's photographs include some from drillhole "R430" which has a reported intersection of **14.6m @ 31.8% C from 48.5m** (Reference*³). One or two samples from each section of core examined have been collected for further analysis and testing.

Cullen considers these new data are very encouraging and will continue to investigate the prospect areas it has identified and arrange access in key positions.

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Viistola prospect: Drill hole: M52-4241-83-430 (R430) from the interval 50.5 – 63.m

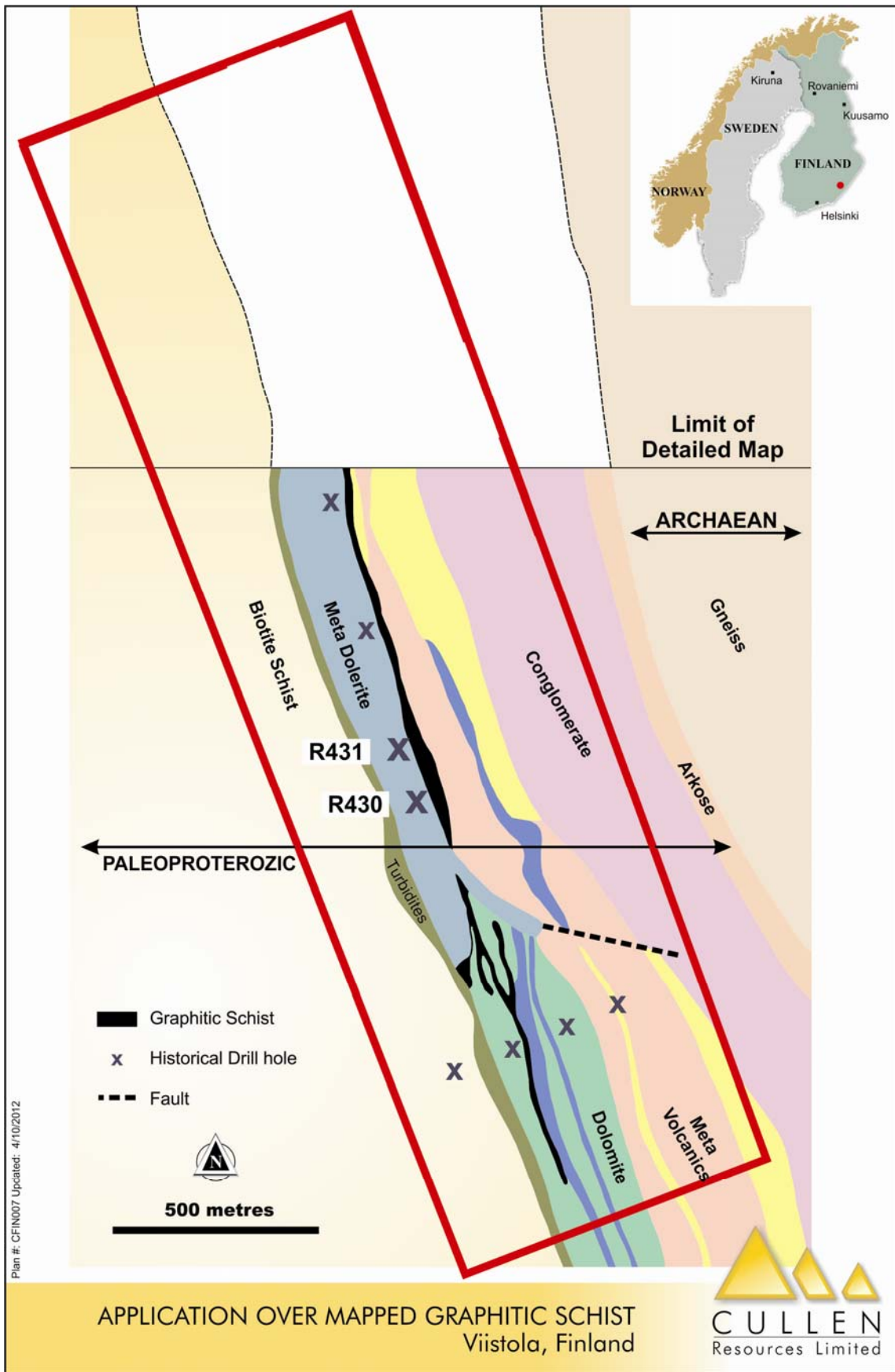


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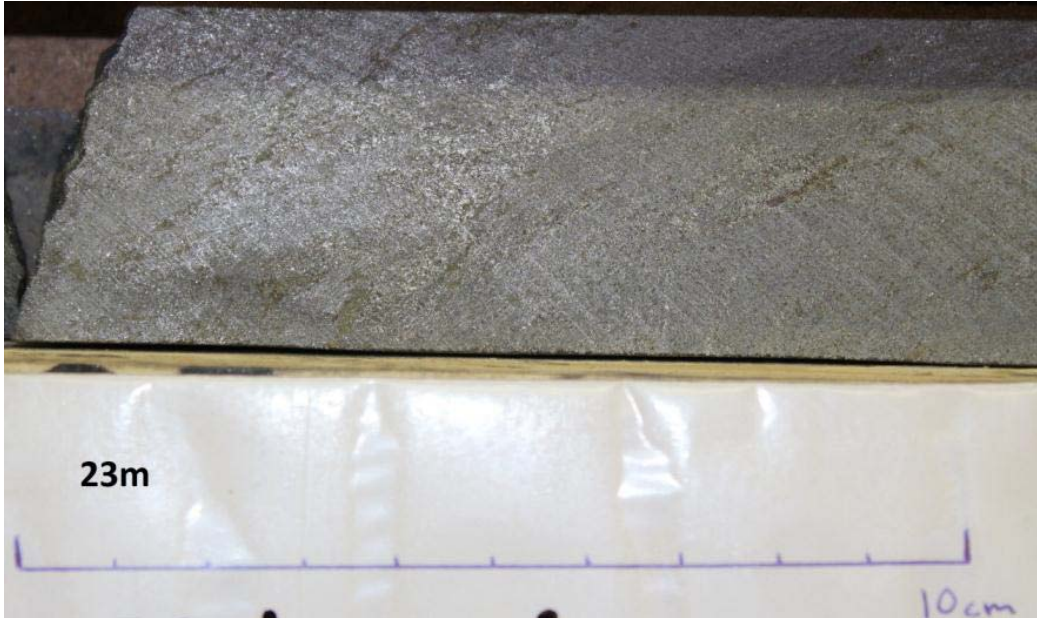
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Cullen has compiled a geological map of the Viistola prospect area from various GTK reports (see following Figure).



Aitoo prospect: Drill hole “M52-2132-91-331” from the interval 5-104m

Biotite-graphite schist with a few quartz-feldspar intrusive dykes and layers of tuffs. Disseminated and blebs of pyrrhotite and pyrite



Tunturi prospect: Drill hole “M52-3632-96-305” from the interval 19.8 - 21m

Biotite-graphite schist with pyrrhotite.

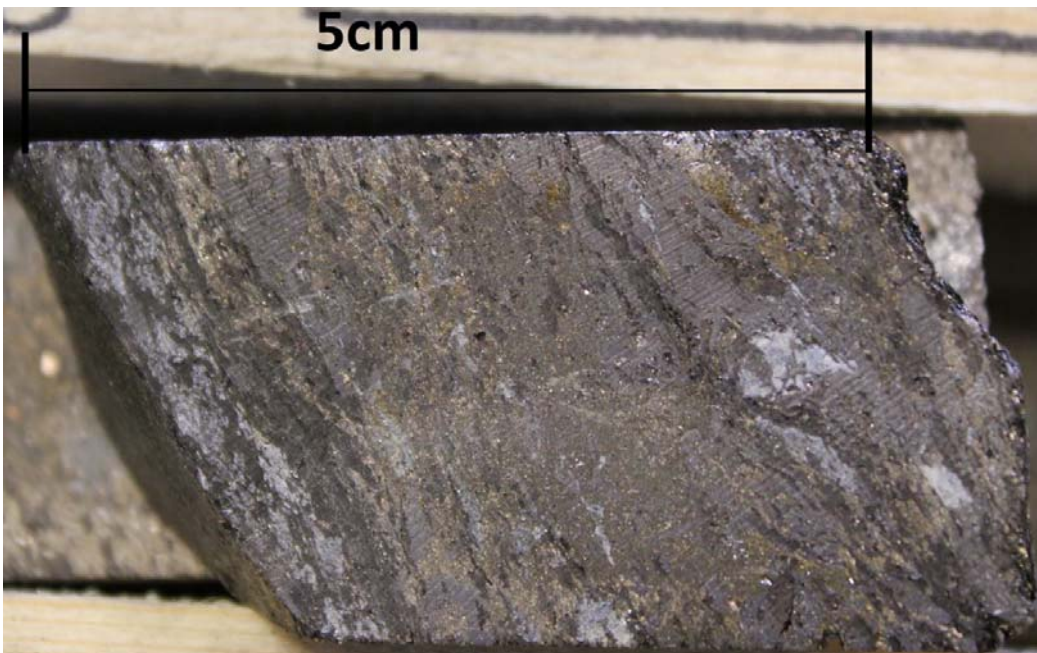


Table: Summary of graphite prospect areas applied for by Cullen in Finland (see Figure)

PROJECT AREA	APPLICATION TYPE	SIZE (km ²)	HISTORIC DRILL HOLES	COMMENTS
Kolari	Claim Reservation	13.8	8 diamond drill holes nearby (1918-1985) Rautaruukki Oy, Kiiruna AB, GTK	graphite-bearing schists over significant strike lengths, ~100 km east of Talga's Nunasvaara deposit
	Ore Prospecting Licence	5.5		
Tunturi	Claim Reservation	99.12	32 diamond drill holes (1996-1997) GTK	Flaky graphite reported ^{*1}
Polvela	Ore Prospecting Licence	9.2	4 diamond drill holes (1983) GTK	<u>Hole R303</u> – 29m @ 18% C from 13m depth (estimated from cross section) ^{*2}
Viistola/Hyypiä	Ore Prospecting Licence	2.4	13 diamond drill holes (1972-1983) GTK	<u>Hole R430</u> – 14.6m @ 31.8% C from 48.5m ^{*3}
Aitoo	Claim Reservation	187.11	15 diamond drill holes (1983-1992) GTK, Outokumpu Oy	<u>Hole R336</u> – 7.6m @ 34.8% C from 7.4m; <u>Hole R331</u> – 99.55m @ 12.1% C from 5m ^{*4}
Misi	Claim Reservation	170.56	75 diamond drill holes (1955-2006) GTK, Rautaruukki Oy, Lapin Malmi Oy)	Competing application
Merivaara	Ore Prospecting Licence	9.075	none	Coarse (flake) graphite reported

GTK = The Geological Survey of Finland (Geologian tutkimuskeskus)

REFERENCES

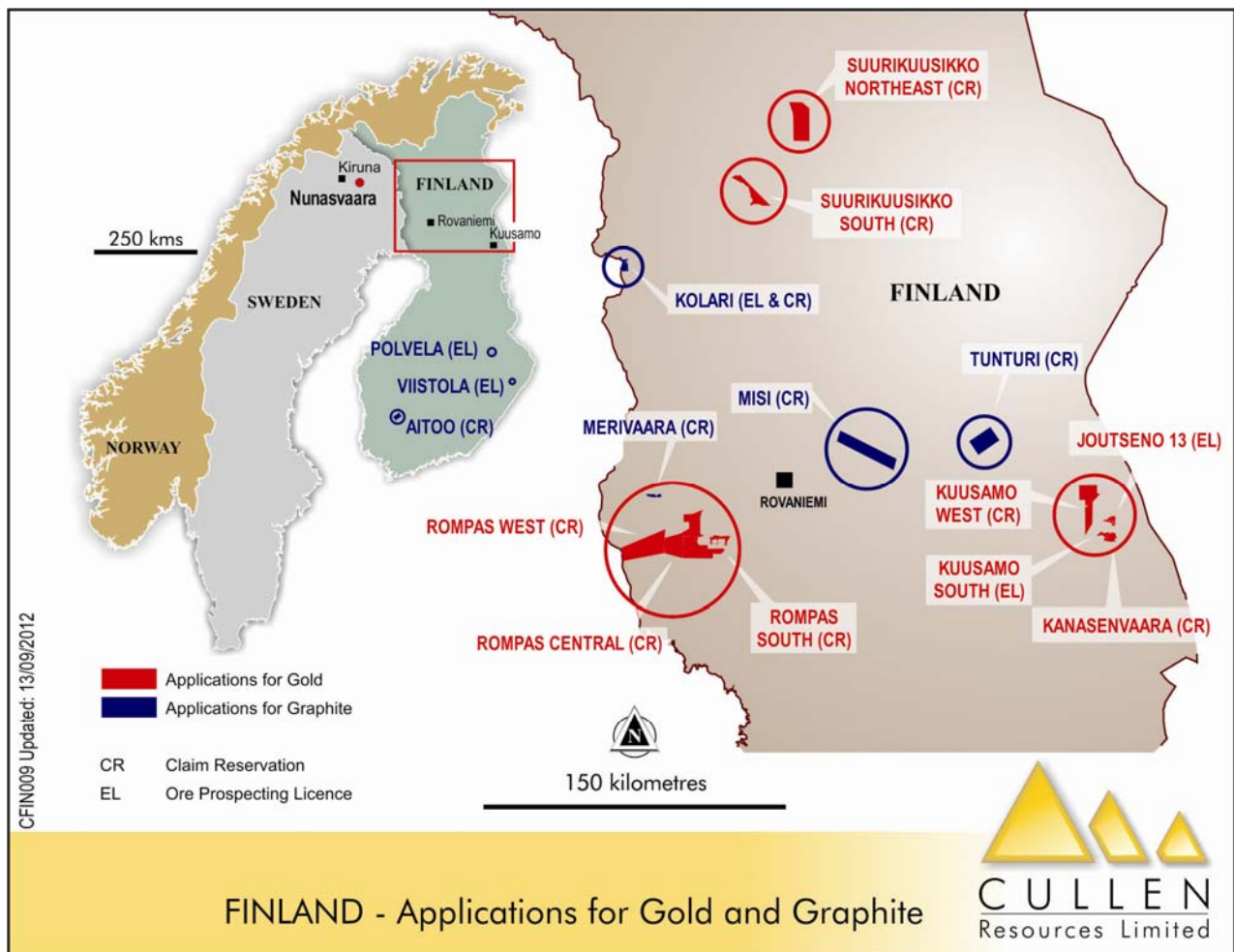
- *1 TUTKIMUSTYÖSELOSTUS KEMIJÄRVEN KUNNASSA VALTAUSALUEILLA KUUSIVAARA 1 KAIV.REK.N:O 6157/1 JA AAPALAMPI 1 - 2 KAIV.REK. N:O 6158/1 - 2 SUORITETUISTA MALMITUTKIMUKSISTA, by H. Pankka, 1999.
- *2 TUTKIMUSTYÖSELOSTUS JUUAN KUNNASSA VALTAUSALUEELLA POLVELA 1, KAIV. REK. N: O 3388/1 SUORITETUISTA GRAFIITTITUTKIMUKSISTA. by O. Sarapää, 1987.
- *3 TUTKIMUSTYÖSELOSTUS KIIHTELYSVAARAN KUNNASSA VALTAUSALUEELLA HYYPIÄ 1, KAIV.REK. N:O 3393/1 SUORITETUISTA GRAFIITTITUTKIMUKSISTA, by O.Sarapaa, 1987.
- *4 TUTKIMUSTYÖSELOSTUS LUOPIOISTEN KUNNASSA, VALTAUSALUEELLA NIINIMETSÄ 1, KAIV.REK. N:O 4701/1, SUORITETUISTA TUTKIMUKSISTA, by R.Alviola and P. Nurmela, 1994.

The major strategic advantages of Cullen's Finnish graphite portfolio are:

- Location in a first world country with very good infrastructure and a well-educated and trained workforce;
- Existing, accessible data and drill core material that will allow rapid evaluation and determination of potential;
- Proximity to potential graphite markets in Europe; and,
- Advanced prospects with indications of potential multi-million tonne Exploration Targets¹ of fine to flake-size graphite from work completed to date.

Cullen may begin work on these prospects now, during the application stage of the licences and the life of the claim reservations (two years), by examining the drill cores in Finland, re-sampling and analyzing parts of the core, re-assessing the drill and geophysical databases, and liaising with landowners in regards to access to ground where exclusions occur. This work is now underway and will lead to a rapid prioritization of the portfolio.

Cullen will also work to find an off-take partner for the graphite at an early stage and would then prioritize further activities, including drilling for resource estimation, accordingly.



ABOUT CULLEN: Cullen is a Perth-based minerals explorer with a multi-commodity portfolio including projects managed through a number of JVs with key partners (FMG, APIJV (Aquila-AMCI), Advaita, Hannans Reward, Northern Star, Matsa and Thundelarra), and a number of projects in its own right. The Company's strategy is to identify and build targets based on: data compilation, field reconnaissance and early-stage exploration (particularly geochemistry). Projects are sought for most commodities mainly in Australia but with selected consideration of overseas opportunities, with current activities in Namibia, Canada and Scandinavia. A number of Cullen's 100%-owned projects have now reached the target drill-testing stage.

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 Limited who is a Member of the Australian Institute of Mining and Metallurgy. Dr. Ringrose is a full time employee of Cullen Resources Limited. 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 TARGETS

The term Exploration Target where used herein is conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code (2004). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.