

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Peel Exploration Limited

ABN

42 119 343 734

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | PEX – Fully paid ordinary shares  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | PEX – 10,308,917  |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | PEX – Pro rata non-renounceable entitlement issue of one (1) new Share for every three (3) Shares held by Shareholders at an issue price of 10 cents per share. |

+ See chapter 19 for defined terms.

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<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>YES</p>						
<p>5 Issue price or consideration</p>	<table border="1"> <thead> <tr> <th>Shares</th> <th>Issue Price</th> <th>Consideration</th> </tr> </thead> <tbody> <tr> <td>10,308,917</td> <td>10 cents per share</td> <td>\$1,030,892</td> </tr> </tbody> </table>	Shares	Issue Price	Consideration	10,308,917	10 cents per share	\$1,030,892
Shares	Issue Price	Consideration					
10,308,917	10 cents per share	\$1,030,892					
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>As detailed in the Prospectus released to ASX (\$850,000 will be used to continue exploration projects and the balance for working capital and expenses of the issue).</p>						
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>2 October 2009</p>						
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td>41,235,667</td> <td>PEX – Fully paid ordinary shares</td> </tr> <tr> <td>22,473,250</td> <td>PEXO – Options expiring at \$0.20 on or before 30 November 2010</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	41,235,667	PEX – Fully paid ordinary shares	22,473,250	PEXO – Options expiring at \$0.20 on or before 30 November 2010
Number	<sup>+</sup> Class						
41,235,667	PEX – Fully paid ordinary shares						
22,473,250	PEXO – Options expiring at \$0.20 on or before 30 November 2010						

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	Number	+Class						
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; text-align: center;">1,000,000</td> <td>PEXAI – Options expiring at \$0.30 on or before 30 April 2011.</td> </tr> <tr> <td style="text-align: center;">7,500,000</td> <td>PEXAQ – Options expiring at \$0.30 on or before 30 Nov 2010.</td> </tr> <tr> <td style="text-align: center;">600,000</td> <td>PEXAS – Options expiring at \$0.25 on or before 30 Nov 2010.</td> </tr> </table>	1,000,000	PEXAI – Options expiring at \$0.30 on or before 30 April 2011.	7,500,000	PEXAQ – Options expiring at \$0.30 on or before 30 Nov 2010.	600,000	PEXAS – Options expiring at \$0.25 on or before 30 Nov 2010.
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600,000	PEXAS – Options expiring at \$0.25 on or before 30 Nov 2010.							

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	New shares have an equal entitlement to any future dividends - no dividend is expected to be paid in 2009/10..
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**Part 2 - Bonus issue or pro rata issue**

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	The non-renounceable rights issue is for one (1) new share for every three (3) shares held on the record date.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	1 September 2009
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Fractions will be rounded up

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<p>18 Names of countries in which the entity has <sup>+</sup>security holders who will not be sent new issue documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	<p>United States of America – see section 4.8 of the Prospectus dated 21 August 2009</p>
<p>19 Closing date for receipt of acceptances or renunciations</p>	<p>25 September 2009</p>
<p>20 Names of any underwriters</p>	<p>N/A</p>
<p>21 Amount of any underwriting fee or commission</p>	<p>N/A</p>
<p>22 Names of any brokers to the issue</p>	<p>Applications received and accepted which bear the stamp of a member firm of ASX will be entitled to receive a 5% handling fee payable by the Company. Additionally, a completed Shortfall Application Form applying for a portion of any Shortfall, which has been accepted and which bears an ASX member’s stamp, will result in a 5% handling fee payable by the Company.</p>
<p>23 Fee or commission payable to the broker to the issue</p>	<p>Refer 22 above</p>
<p>24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup>security holders</p>	<p>Refer 22 above</p>
<p>25 If the issue is contingent on <sup>+</sup>security holders’ approval, the date of the meeting</p>	<p>N/A</p>
<p>26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled</p>	<p>7 September 2009</p>

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27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	<sup>+</sup> Despatch date	2 October 2009

**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(*tick one*)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

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- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
 1 - 1,000  
 1,001 - 5,000  
 5,001 - 10,000  
 10,001 - 100,000  
 100,001 and over
- 37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

- |   |     |
|---|-----|
| 38 Number of securities for which +quotation is sought  | N/A |
| 39 Class of +securities for which quotation is sought   | N/A |
| <p>40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | N/A |
| <p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>   | N/A |

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	N/A	

**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.


- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....  
(Company secretary)

Date: 21 August 2009

Print name: David Hocking

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