



Exploring forgotten mineral fields

ASX and Media Release

10 September 2008

Extensive gold mineralisation at Kensington

Peel Exploration is pleased to announce that recent RC drilling completed at the Kensington Gold-Tungsten Prospect has encountered widespread gold mineralisation. Kensington is in the Attunga Project area and is 100%-owned by Peel Exploration. Encouragingly, gold mineralisation was intersected in all drillholes.

A full summary of drilling results is listed below:

Table 1: Summary June/July 2008 Kensington RC Drill Results

Hole No.	Northing	Easting	Azimuth (mag)	Dip	Final Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)	Comment
KENRC-8*	6582528	300849	40	-60	198	3	174	171	0.32	Bulk intersection
incl.						29	44	15	0.93	>0.5 g/t Au cut
incl.						58	60	2	0.77	>0.5 g/t Au cut
incl.						81	83	2	0.91	>0.5 g/t Au cut
KENRC-9	6582395	301143	220	-50	131	15	24	9	1.40	>0.5 g/t Au cut
and						60	65	5	2.76	>0.5 g/t Au cut
and						80	81	1	1.87	>1.0 g/t Au cut
and						83	84	1	1.87	>1.0 g/t Au cut
and						117	121	4	1.79	>0.5 g/t Au cut
KENRC-11*	6582711	300917	220	-50	77	24	38	14	0.78	Bulk intersection
KENRC-12*	6582719	300348	40	-50	137	72	108	36	0.31	Bulk intersection
incl.						90	98	8	0.71	>0.25 g/t Au cut
incl.						107	108	1	1.78	>1.0 g/t Au cut
KENRC-14	6582189	301142	220	-50	126	9	11	2	0.6	>0.5 g/t Au cut
KENRC-15*	6582733	300951	220	-50	143	94	143	49	0.32	Bulk intersection
KENRC-16*	6582693	300928	220	-50	113	43	45	2	1.06	>0.5 g/t Au cut
KENRC-17	6582736	300908	220	-50	107	35	39	4	0.87	>0.5 g/t Au cut
and						49	62	13	1.07	Bulk intersection
and						74	77	3	0.59	>0.25 g/t Au cut
KENRC-18	6582735	300848	220	-50	96	1	6	5	1.58	>0.5 g/t Au cut
						56	79	23	0.71	>0.25 g/t Au cut
KENRC-19	6582793	300829				4	8	4	0.87	>0.5 g/t Au cut

Notes:

* Previously reported (July 2008 quarterly activity report).

1. Drillholes KENRC-10 & KENRC-13 were not drilled due to rugged terrain.
2. Samples were from split RC drill chips.
3. Samples were analysed at ALS Chemex utilising methods Au-AA25 (30g fire assay) for gold.
4. Bulk intersections had no lower cutoff grade applied.
5. No estimate of true width has been made.

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Kensington is located about 5km north-northwest of the Attunga Tungsten Deposit, and represents a high-priority target for Peel. Exploration at Kensington in the 1980s reported substantial gold and tungsten mineralisation at Kensington, including the delineation of an historic tungsten resource.

In July 2008, Peel completed an RC drilling programme comprising 10 holes for 1,229m. The only other drilling completed at Kensington occurred in 1987 and comprised 7 diamond drillholes for 822m. Results received by Peel continue to confirm that Kensington represents a significant gold-tungsten system.

The drilling has highlighted several areas requiring follow-up with a particular focus on the near-surface gold potential near KENRC-9, and about historic drillholes KENDDH-6 & -7. Drilling to date has been relatively shallow and Peel believes that good potential exists for the discovery of an economic gold system. In addition to the above gold results, significant tungsten mineralisation in the form of scheelite was also identified via Niton XRF analyser and UV inspection. Some tungsten anomalous samples were sent for analysis at ALS Chemex with certain individual metre intervals returning up to 0.21% WO₃.

Geologically, the area at Kensington is complex, and more regionally, similarities between the Inlet Monzonite and the Cadia Hill Monzonite have been observed. Peel is encouraged by results received to date and plans to complete a full review of the data generated in effort to better focus future investigation.

A handwritten signature in black ink, appearing to read "Rob Tyson".

Rob Tyson - Executive Director.

For further information, please contact Rob Tyson on 0420 234 020.

The information in this report that relates to Exploration Results is based on information compiled by Mr Robert Tyson, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tyson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Tyson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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About Peel Exploration Ltd

Peel Exploration is a specialty, precious and base metals explorer with six 100%-owned tenements covering about 950 km² in the New England Fold Belt region of northern New South Wales.

Peel Exploration believes the New England Fold Belt, particularly the portion located in northern NSW, represents a unique opportunity for exploration. The area has a rich mining history with numerous mineral discoveries including Mount Morgan, Gympie, Mount Rawdon, Cracow, Hillgrove, Timbarra and Twin Hills. Yet despite this rich mineral endowment, the Belt remains poorly explored with minimal modern exploration.

The Company's portfolio of 100% owned exploration licences comprises:

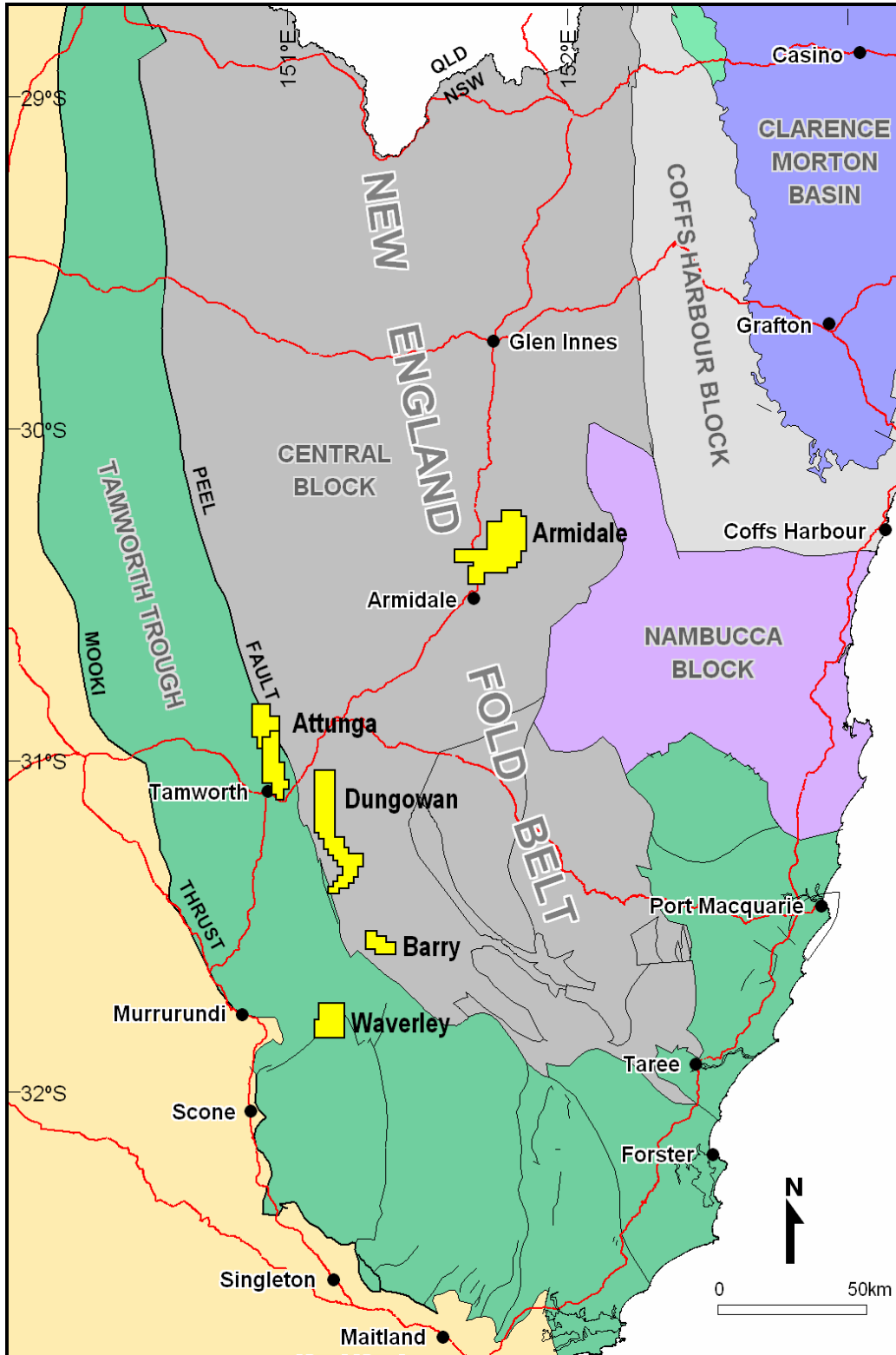
1. The Attunga Project (EL6883 & EL6884), containing numerous historic gold, tungsten and molybdenum prospects including the Attunga Tungsten Deposit and the Kensington Gold-Tungsten Prospect. The Attunga Project exhibits the hallmarks of an Intrusive-Related Gold System.
2. The Dungowan Project (EL6613), containing five historic copper mines and workings. High grade copper mineralisation was reported from the Fishers copper mine with 2,643 tonnes of ore extracted at an average grade of 13.4% copper.
3. The Barry Project (EL6614), centred on a cluster of copper and molybdenum workings. Exploration in the 1970's returned numerous copper values averaging some 1.7% and no follow-up work has ever been completed.
4. The Waverley Project (EL6719), centred on the historic Waverley silver-lead-zinc workings. Prospecting in the mid 1990's returned anomalous values of up to 739 ppm silver, 14.6% zinc and 9.4% lead.
5. The Armidale Project (EL6722), containing several historic silver mines along with numerous gold, antimony, tungsten and molybdenum workings.

The Company believes the prospects offer excellent potential for the discovery of economic tungsten, gold, molybdenum, copper, zinc, lead and silver, with most prospects being polymetallic in nature.



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Peel Exploration's Project Location Map



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