

EXPLORATION AT ATTUNGA UNDERWAY

Peel Exploration (ASX: PEX) is pleased to announce that it has commenced field activities in preparation of further drilling at the Company's 100%-owned Attunga Project. Commencing today, Peel's initial activities will include an Induced Polarisation (IP) survey at the Kensington gold-tungsten prospect and a Transient Electro-Magnetic (TEM) survey at the historic Attunga Copper Mine. This work will provide additional target definition for a 2,000m RC and diamond drill program scheduled to commence in 4-5 weeks time.

The **Attunga Tungsten Deposit** will account for the bulk of the proposed drilling programme comprising a mix of infill and extensional drilling. The Attunga Tungsten Deposit is a high-grade tungsten-molybdenum skarn deposit that has had minimal modern exploration and remains open in several directions.

In July 2008 Peel drilled two holes, encountering extremely high-grade tungsten-molybdenum mineralisation including an interval of 2m at 24.21% WO₃ and 1.71% Mo from 22m in drillhole ATP1-D. Peel anticipates that the results of the drilling will enable an updated resource estimation based on wireframe modelling techniques.

Peel will also target several drillholes at the nearby **Attunga Copper Mine**, located about 800m north of the Attunga Tungsten Deposit. The Attunga Copper Mine, discovered in 1902 and worked over various periods up until World War 2, had been held under licence since 1968 but has recently reverted back to Peel's tenure.

Total recorded production was about 1,600t ore grading ~6% copper, ~8 g/t gold and ~150 g/t silver. Other significant metals present include bismuth, molybdenum and tungsten. Workings comprised pits, shafts and levels and extended to about 80m below surface with sulphide mineralisation including chalcopyrite and chalcocite reported to occur in the deeper levels.

Mineralisation at the Attunga Copper Mine occurs in a garnet skarn similar to that at the Attunga Tungsten Deposit indicating that the deposits are genetically-related. Modern exploration has been very limited, however an IP survey completed in the mid-1980s defined multiple anomalies, all of which remain untested. Only very shallow airtrac drilling (deepest hole = 14m) has ever been completed.

Peel is also completing an IP (100m dipole – dipole) survey at the **Kensington gold-tungsten prospect**. Extensive low-grade gold mineralisation related to stockwork and sheeted quartz veining is indicative of a possible buried porphyry target and this work is to help provide deep (up to 400m) penetration in an effort to identify possible intrusive bodies and/or disseminated sulphide mineralisation.

Peel Managing Director Rob Tyson said that the upcoming exploration programme was an exciting undertaking for the Company.

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“The Attunga Project area has had minimal modern exploration yet hosts a range of promising targets across multiple commodities” Tyson said.

“The historically high grade nature of copper-gold-silver mineralisation at the Attunga Copper Mine offers further strong encouragement when coupled with the adjacent Attunga Tungsten Deposit” Tyson remarked.

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.