

27 July 2010

ABOUT CARPENTARIA:

Carpentaria is an exploration company focused on discovering base, precious metals and bulk commodities in eastern Australia. The company currently has interests in iron ore, tin, gold, copper and coal exploration projects

CARPENTARIA'S AIM:

With a strong geo-scientific team discover and build a strong cash flow generating mining operation.

DISCOVERIES TO DATE:

Hawsons Iron Project - NSW  
Euriowie Tin Project - NSW

Capital Structure:

Ordinary Shares 93,821,301

Major Shareholders:

Conglin In't Invest' Group	11.17%
Giralia Resources	9.13%
Mr. Conglin Yue	3.91%

Financial

Cash and deposits on hand  
A\$19.4 million

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For further information contact:  
Nick Sheard  
Executive Chairman  
Phone: 07 3161 3801

## Additional coal intersected at Hughenden Coal Project, Queensland (CAP 20%)

Carpentaria Exploration (ASX:CAP) announced today more positive drilling results from the Hughenden Coal Project in Queensland's northern Galilee Basin, with the first three drill holes intersecting coal interpreted as from the Basin's Betts Creek Beds as per the attached ASX announcement dated 26 July 2010 by partner Guildford Coal (ASX:GUF).

Carpentaria holds a 20% interest in this project located in central Queensland, where Guildford is spending \$2 million on exploration through to the definition of an Inferred Resource. The project partners currently have eight granted tenements spanning 6,333 square kilometres across the Galilee and Eromanga Basins, targeting export quality thermal coal and in a favourable location for infrastructure.

Carpentaria's Executive Chairman, Nick Sheard, said Guildford was anticipating the completion of a JORC-defined Inferred Resource before the end of 2010, which if achieved, would add significant value to Carpentaria's project portfolio.

A second drill rig is planned to commence in September, pending granting of the EPC1478 tenement.

"Carpentaria is highly encouraged by the initial drilling results at Hughenden, with the potential for the development of a thermal coal deposit targeting export markets. This adds to our current attractive range of projects across eastern Australia, including the Hawsons iron and Euriowie tin discoveries near Broken Hill," Mr Sheard said.

"Boosted by an aggressive \$10 million exploration program this calendar year and the support of our joint venture partners, Carpentaria is moving quickly to make the transition from explorer to mining house in an environment of rising commodity prices."



**GUILDFORD  
COAL**

## EXPLORATION UPDATE

26<sup>th</sup> July 2010

ASX: GUF

### SHARE INFORMATION

Issued Shares: 360.0m  
Listed Options: N/A  
Unlisted Options: N/A

### BOARD OF DIRECTORS

Chairman: C. Ransley  
MD: M. Avery  
Non-Exec: M. Chester

### WEBSITE

[guildfordcoal.com.au](http://guildfordcoal.com.au)

### REGISTERED OFFICE

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### KEY PROJECTS

#### HUGHENDEN (80%)

Location:  
Galilee Basin, QLD

#### SIERRA (100%)

Location:  
Bowen Basin, QLD

#### MARYBOROUGH (100%)

Location:  
Maryborough Basin, QLD

## COAL INTERSECTED AT HUGHENDEN PROJECT

### HIGHLIGHTS

- Commencement of drilling on Hughenden Project in Galilee Basin on Guildford's 18,000km<sup>2</sup> of tenements under its control
- Three holes completed to date with interpreted Betts Creek Beds coal intersected in every hole
- Coal intersections prove continuity and significant lateral extent of target Galilee coal seams confirming exploration target
- Significant Galilee Basin Potential – large export thermal coal potential with Guildford's tenements located in close proximity to infrastructure
- A second drill rig is planned to commence in September targeting open pit coal potential on EPC1478 once granted
- Target JORC Inferred Resource before end of 2010

# HUGHENDEN PROJECT

## PROJECT OVERVIEW

- Located in the northern end of the coal bearing Galilee Basin in Queensland, Australia
- Estimated 18,000 square kilometres of exploration permit applications for coal with an estimated 6,000 square kilometres granted
- Target large export thermal coal resource with open cut and underground mining potential
- Located in close proximity to infrastructure with the Mt Isa to Townsville rail line running across the project area

## HUGHENDEN PROJECT – DRILLING UPDATE

To date, **Guildford Coal has completed 3 mud rotary holes in the region** on the first granted tenement (EPC1394), having intersected the interpreted Betts Creek Beds. These initial holes were located in the centre of the Hughenden Project and were designed to confirm Guildford's stratigraphic and structural model for the northern end of the Galilee Basin which was targeting the Betts Creek Beds which are relatively deep in this central location.

The drilling has intersected coal that is believed to be from the Betts Creek Beds at an estimated depth of 300 metres, some **100 metres shallower than the previously interpreted**. This proof of concept suggests a shallow dip of the coal beds down from the north to the south.

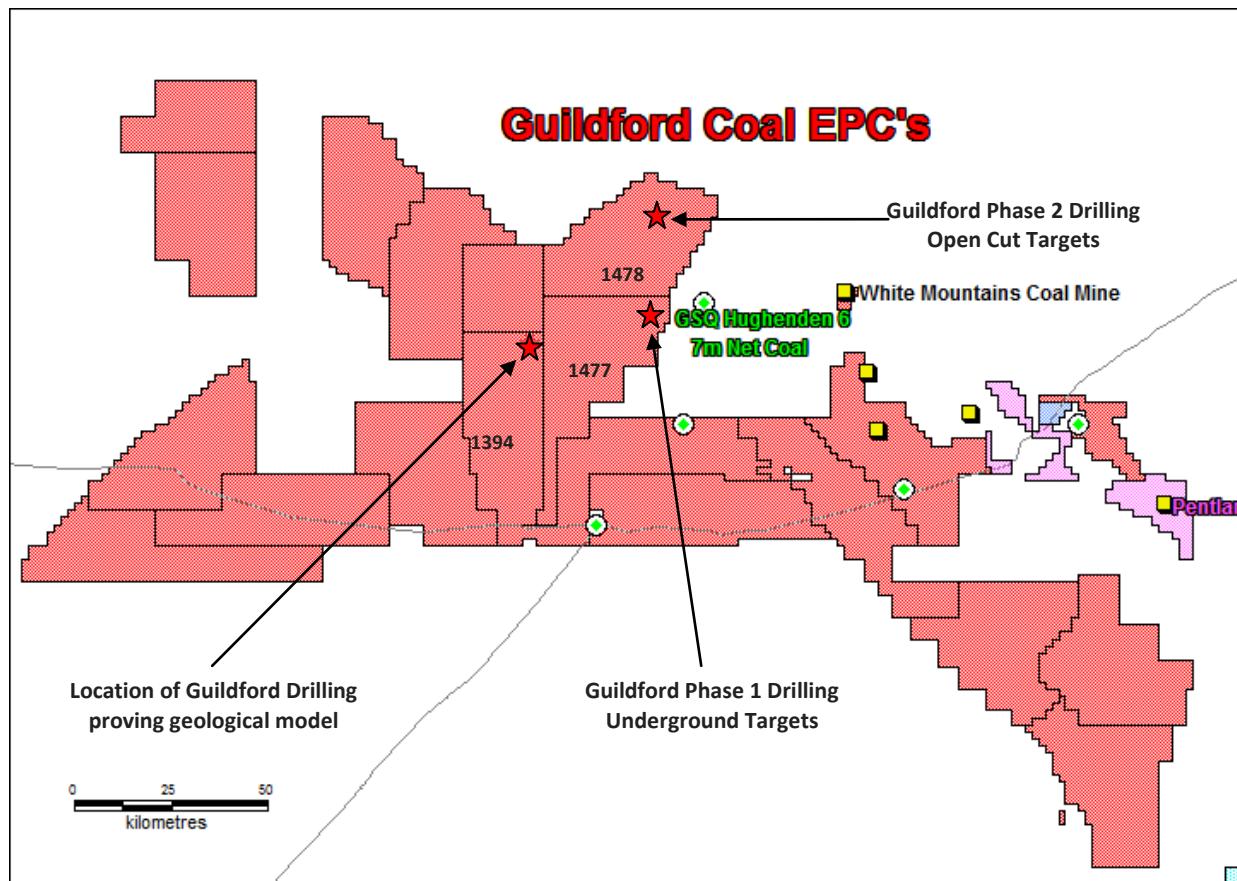
Phase 1 of the drilling program has now commenced on EPC1477 and is targeting underground resources in the Betts Creek Beds coal seams.

Phase 2 of the drilling program should commence in September with a second drill targeting open cut resources in the Betts Creek Beds coal seams located on EPC1478. Granting of this tenement is anticipated in August.

## ABOUT GUILDFORD COAL HUGHENDEN PROJECT

The Hughenden Project has in the order of **220km** of cumulative interpreted strike sequence stratigraphic extensions and in the order of 18,000km<sup>2</sup> of tenement area under direct control. This compares favourably with the combined total of **250km** of strike across the other major Galilee Projects (Hancock Coal – Kevin's Corner, Waratah – North Alpha, Bandanna – South Galilee, Linc Energy – Galilee) which contain a reported 22 billion tonnes of inferred resource. (See Section titled **About Galilee Basin** on page 4 of this report for more details). The Hughenden Project strike interpretation is based on scattered outcrop mapping completed by Government agencies as well as company data compilation and stratigraphic drilling. Previous dedicated coal exploration activity in the area has been limited.

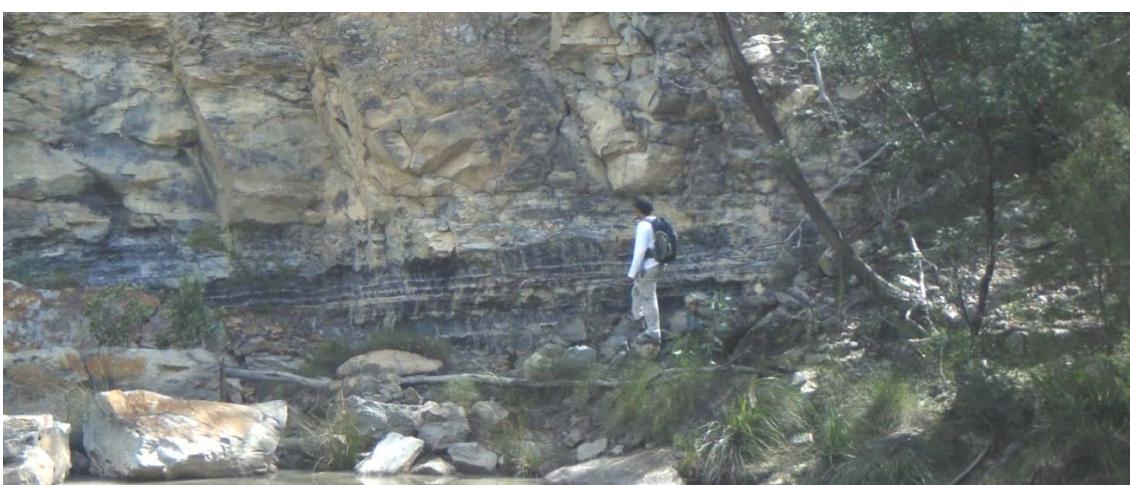
Guildford Coal's titles under management are shown as follows:



The recent granting of adjacent tenements to the north and north-east of EPC1394, will allow the drilling pattern to progress in a north-easterly direction onto EPC1477 and further towards the basin edge, targeting shallower and thicker intersections.

The Queensland Geological Survey cored drill hole, GSQ Hughenden 6 is located adjacent to EPC1477 and some 50km north-east of the initial drilling on EPC1394 and recorded coal intersections of **approximately 7 metres net across four separate seams** of the Betts Creek Beds in the Galilee Basin at a vertical depth of 200 metre – 300 metre.

The Hughenden Project - Oxley Creek (EPC1250) located at the old White Mountains Coal Mine is a further 40km east of GSQ Hughenden 6 on the north eastern edge of the Galilee Basin and contained up to 5 metres of coal from the Betts Creek Beds at or near the surface. The following photo shows one of the outcropping coal seams on EPC1250:





## GUILDFORD EXPLORATION STRATEGY

Guildford Coal seeks to add significant value to the Hughenden Project via a systematic and extensive exploration program which will consist of conventional drill testing, targeting where appropriate the areas with the interpreted shallowest depth to top of seam in combination with appropriate infrastructure in close proximity. There are multiple open cut and underground targets located on the Hughenden Project as shown below:

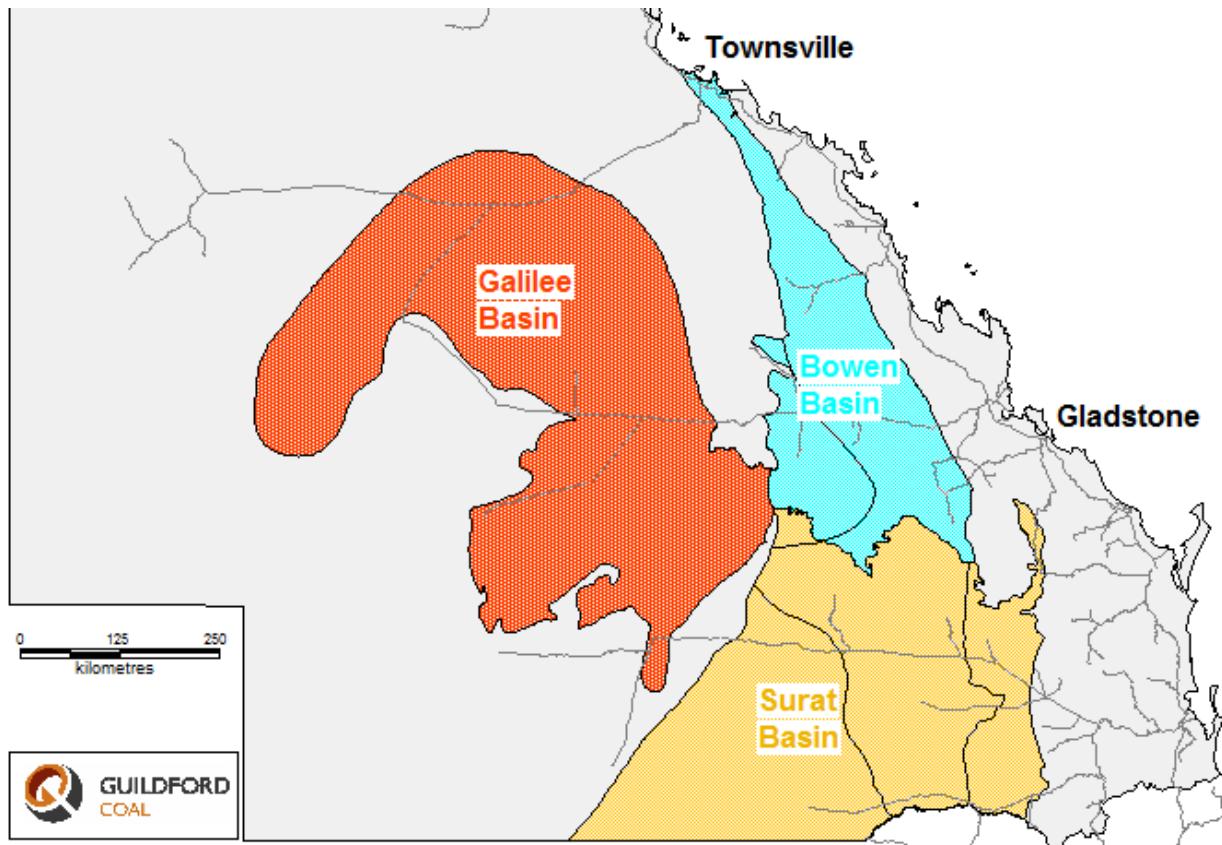
Target Formation	Basin	Age	Potential Depth Range (m)	Potential Mining Method	Potential Coal Product Type	Beneficiation	EPC's
Blantyre / Injune Creek	Eromanga	Jurassic	0 - 100	Open Cut	Domestic Thermal	No	Hughenden East Tenements
Blantyre / Injune Creek	Eromanga	Jurassic	0 - 100	Open Cut	Export Thermal	Yes	Hughenden East Tenements
Betts Creek Beds	Galilee	Permian	0 - 150	Open Cut	Domestic Thermal	No	1250, 1641, 1478, 1479, 1480, 1726, 1727, 1728
Betts Creek Beds	Galilee	Permian	0 - 150	Open Cut	Export Thermal	Yes	1250, 1641, 1478, 1479, 1480, 1726, 1727, 1728
Betts Creek Beds	Galilee	Permian	150 - 500	Underground	Export Thermal	Yes	All
Betts Creek Beds	Galilee	Permian	300 - 600	In-situ Gasification	SynGas	N/A	All

## ABOUT THE GALILEE BASIN

The Galilee Basin in central western Queensland is host to world class resources of export quality thermal coal. The Galilee Basin represents the future of large modern mechanised high productivity export thermal coal operations. This basin is defined by the vast lateral continuity of the coal measures and the benign structural environment. Both factors are integral in defining substantial resources and reserves for export markets and achieving high productivity mining operations. An outline of the Galilee Basin in relation to the Bowen and Surat Basins is shown below.



## GUILDFORD COAL



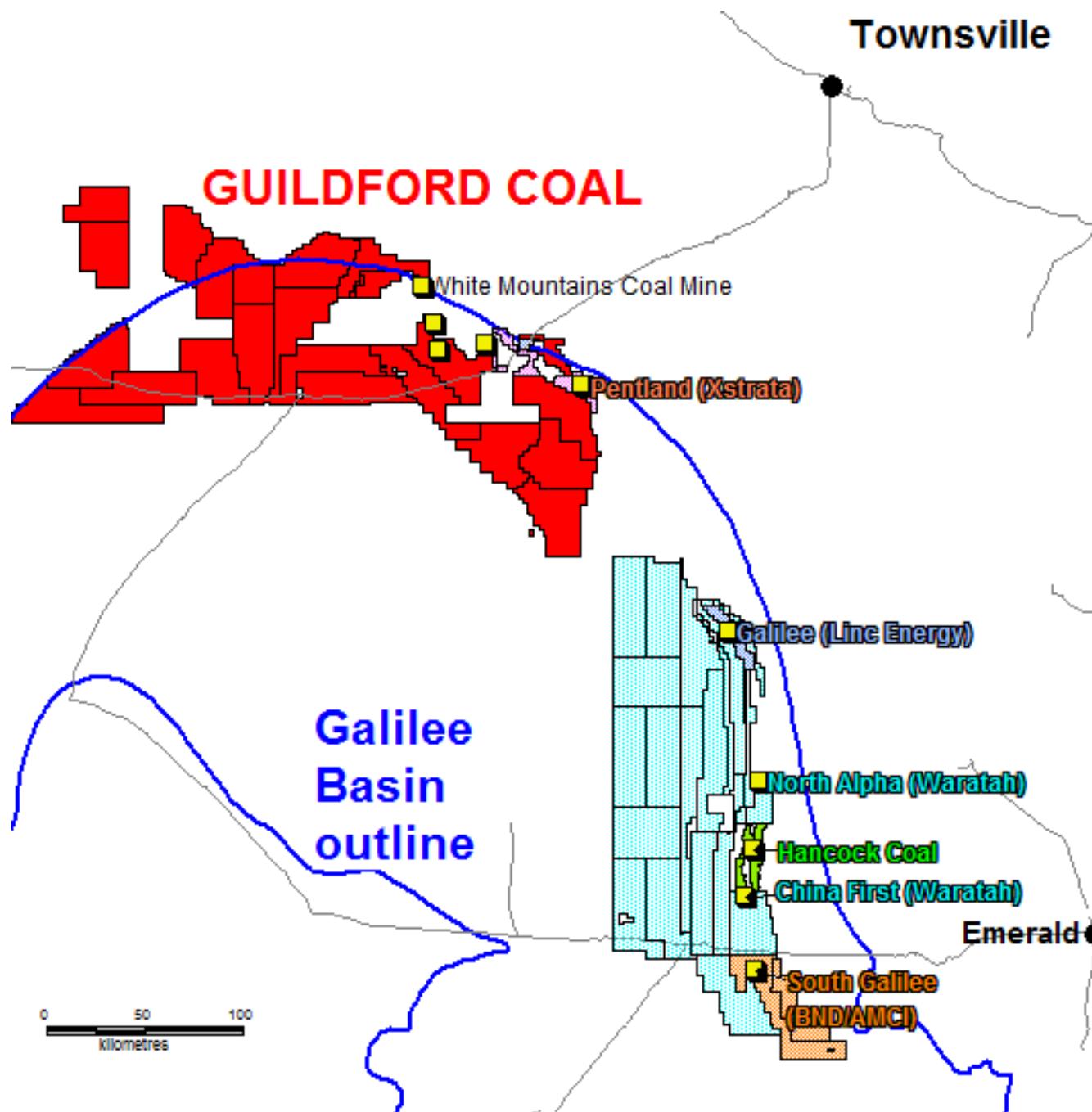
Published information to date suggests that current defined coal resources in the Galilee Basin is over 22 billion tonnes as shown below.

Project	Operator / Manager	JORC Inferred Tonnes (Billions)	Reference
Keivins Corner / Alpha	Hancock Coal	6.1	As reported in <a href="http://hancockcoal.com.au">hancockcoal.com.au</a>
China First / North Alpha	Waratah Coal	7.4	As reported in <a href="http://waratahcoal.com/galilee">waratahcoal.com/galilee</a>
South Galilee Project	Bandanna / AMCI	1.0	As reported in <a href="http://southgalilee.com.au">southgalilee.com.au</a>
Galilee	Linc Energy	7.8	As reported in <a href="http://lincenergy.com.au">lincenergy.com.au</a>
<b>TOTAL COAL RESOURCES</b>		<b>22.3 Bt</b>	

Importantly, these resources are identified in only four areas which represent a total strike extent of the Permian Bandanna Formation and Betts Creek Beds in the order of **250 km**. Galilee coal seam thickness's are typically 2 metres to 8 metres but can vary up to several tens of metres in regions where multiple seams coalesce. The location of these existing resources in relation to the Hughenden Project is shown on the following plan:



**GUILDFORD**  
COAL



## ABOUT GUILDFORD COAL

Guildford Coal has established a portfolio of coal exploration tenement areas in Queensland, Australia. Guildford Coal's tenements cover an estimated area of in excess of 21,000 square kilometres and are defined within project areas as follows:

- Hughenden Project (Galilee / Eromanga Basins);
  - FTB (Qld) Pty Ltd (Guildford 80%)
  - Orion Mining Pty Ltd (Guildford 80%)
  - Old White Mountains Coal Mine – EPC1250 (Guildford 100%)



## GUILDFORD COAL

- Sierra Project (Bowen Basin);
- Comet Project (Bowen Basin);
- Sunrise Project (Surat/Bowen Basin);
- Monto Project (Nagoorin Graben); and
- Maryborough Project (Maryborough Basin).

Guildford Coal's key objective is to create shareholder value through the identification, securing and exploration and potential development of coal deposits, with a focus on the prime coal regions of Queensland. In order to achieve this objective, Guildford Coal intends to:

- Drill and assess its existing exploration permit's coal (EPC's) with the aim of establishing JORC compliant resources;
- Complement and diversify Guildford Coal's existing portfolio through potential application for, and acquisition of additional coal assets;
- Undertake project development for high priority targets where economic coal deposits are proven; and
- Ultimately produce and sell a variety of coal products into export markets if successful in exploration objectives.

### **MICK AVERY**

*Managing Director*  
T: +61(2) 4914 5910

### *Competent Person Statement*

*The information in this report is based on information compiled by Mr Cameron Switzer, who is a Member of the Australasian Institute of Mining and Metallurgy (112798) and the AIG (3384) and has had sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activities which are being undertaken 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 Switzer is the Exploration Manager for Guildford Coal Limited and consents to the inclusion of the matters based on his information in the form and context in which it appears. Mr Switzer is an exploration geologist with in excess of 23 years experience spanning numerous commodities including coal, copper and gold.*