



15th July 2010

ASX ANNOUNCEMENT

Energy Investment Company “Advaita” Farms into Canning Basin Coal Project, Western Australia

Cullen Resources Limited (ASX Code: CUL) (**Cullen**), via its subsidiary Cullen Exploration Pty Limited, has signed a Heads of Agreement (**HOA**) with **Advaita Canning Resources Pty Ltd** a subsidiary of a private, Singapore-based, coal exploration and development company Advaita Power Resources Pte Ltd. (**Advaita**).

Terms of Agreement

Cullen will receive a \$100,000 cash payment from Advaita within thirty days, with other key terms of the HOA being as follows:

- The agreement relates to **coal rights only**, with Cullen retaining all other mineral rights;
- Advaita to commit to complete ~3000m planned drilling on E04/1836 in FY 2010-2011, for which Cullen is entitled to receive a grant of \$95,000 from the Western Australian Government;
- Advaita to spend **\$1.5M before October 31st 2012 to earn 75%, including minimum \$500,000 before October 31st 2011**;
- Advaita to then **sole fund a further \$2.0M** on exploration and maintaining tenements in good standing;
- Thereafter, Cullen can **contribute at 25%, or take a 20% Free Carried Interest** to Decision to Mine based on a Bankable Feasibility Study.

Summary of Canning Coal Project

The Canning Basin of north Western Australia is regarded by Cullen as an important exploration frontier for coal with substantial resource potential. Cullen has four tenement applications and four granted tenements for coal in the Canning Basin all of which are the subject of the HOA with Advaita. Cullen has recently completed an assessment of its target areas on E04/1836 and is entitled to receive a grant of \$95,000 from the Western Australia Government to support its drilling programme, through the Co-funded Government – Industry Drilling Programme under the Royalties for Regions, Exploration Incentive Scheme (see Figure).

About Advaita

Advaita was founded by Mr. Hari Kiran Vadlamani, who was earlier the co-founder of a successful power development company in India.

Advaita is aiming to become a preferred fuel supply partner for Indian power producers and has mandates for coal supply from several power companies setting up over 10 GW of imported coal-based power capacity in India.

Advaita's strategy is to acquire and develop coal assets, either in its own right or in partnership with overseas mining companies or Indian Power Developers. Advaita believes that blending low rank coal from Indonesia with coal from Australia/Mozambique would be an ideal solution for Indian power projects.

Advaita holds various equity and exploration interests for coal in Indonesia, Australia and South Africa and a 15% strategic investment in Churchill Mining Plc , an AIM-listed company with a 2.73 billion tonnes JORC coal resource in East Kalimantan.

Dr Chris Ringrose, Managing Director of Cullen commented:

“Cullen welcomes this partnership with Advaita and looks forward to the initiation of Advaita's exploration programmes to help unlock the coal potential of the vast Canning Basin. Our association with Advaita, a company with strategic investment links to coal exploration opportunities, coal resources and end user power stations in India will maximize Cullen's chances of economic benefits from any coal discovery in the Canning. This has been another good example of Cullen's on-going project generation attracting high quality partners.”

Dr Chris Ringrose, Managing Director, +61 8 9474 5511

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

