

NEW SHALLOW GOLD MINERALISATION AT KENSINGTON

Peel Exploration Ltd (ASX: **PEX**) is pleased to announce that recent shallow RAB drilling at the Kensington prospect within the Company's Attunga project has yielded encouraging new gold mineralisation. The Attunga project lies within EL6884, approximately 20 kilometres north of Tamworth, and is 100%-owned by Peel Exploration.

Better results from recent drilling at **Kensington** include the following intercepts:

- **24.5m at 0.74 g/t Au from 1.5m including 13m at 1.02 g/t Au from 13m*** in KRAB006;
- **12m at 0.61 g/t Au from 13m** in KRAB014; and
- **14m at 1.78 g/t Au from 17m* including 4m at 2.94 g/t Au from 21m** in KRAB019.

It should be noted that mineralisation remained present at the end of the holes in drillholes KRAB006 and KRAB019. Peel designed the shallow RAB drilling programme at Kensington to target tungsten and gold mineralisation. Historic data reported the presence of a large, shallow, low grade tungsten occurrence. While the drilling completed to date has returned only low order tungsten mineralisation, Peel is encouraged by the intersection of new shallow gold mineralisation.

The results from this RAB drilling provide further evidence of substantial gold mineralisation at Kensington and have highlighted the potential of the system to yield a shallow gold resource target. Previous drilling at Kensington included an RC programme by Peel in 2008 and a diamond drilling programme completed in 1987. Both of these programmes intercepted wide zones of low grade gold mineralisation including several areas of higher grade.

A follow-up RAB drill programme to better define possible shallow mineralised extensions at Kensington is now underway, incorporating a limited RAB programme at the Kensington NW gold prospect, some 2km to the northwest. Rock chip sampling at Kensington NW has previously returned anomalous gold values up to 1 g/t gold associated with an outcropping breccia system.

Gold mineralisation at Kensington occurs within a package of structurally deformed sediments and remains open along strike to the northwest and southeast, and down dip.

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.

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

Hole No.	Easting	Northing	Dip	Final Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)	Comment
KRAB001	300974	6582614	-90	27.5	-	-	-	-	N.S.A.
KRAB002	301055	6582560	-90	23.5	-	-	-	-	N.S.A.
KRAB003	301159	6582519	-90	22.0	-	-	-	-	N.S.A.
KRAB004	301237	6582468	-90	12.0	-	-	-	-	N.S.A.
KRAB005	301175	6582396	-90	14.5	-	-	-	-	N.S.A.
KRAB006	301122	6582382	-90	26.0	1.5	26*	24.5	0.74	Bulk intersection.
including					13.0	26*	13	1.02	>0.5 g/t Au cutoff.
KRAB007	301140	6582426	-90	30.0	1.5	17	15.5	0.33	Bulk intersection.
KRAB008	301172	6582423	-90	30.0	-	-	-	-	N.S.A.
KRAB009	300893	6582692	-90	31.5	1.5	13	11.5	0.36	Bulk intersection.
KRAB010	300792	6582706	-90	27.0	13	27*	14	0.24	Bulk intersection.
KRAB011	300724	6582757	-90	23.0	17	23*	6	0.17	Bulk intersection.
KRAB012	300571	6582714	-90	20.0	5	20*	15	0.18	Bulk intersection.
KRAB013	300449	6582678	-90	31.0	-	-	-	-	N.S.A.
KRAB014	300755	6582508	-90	31.0	13	25	12	0.61	Bulk intersection.
KRAB015	300707	6582529	-90	30.0	9	17	8	0.18	Bulk intersection.
KRAB016	300624	6582580	-90	27.0	9	27	18	0.29	Bulk intersection.
KRAB017	300533	6582624	-90	23.0	9	21	12	0.19	Bulk intersection.
KRAB018	300868	6582445	-90	31.0	-	-	-	-	N.S.A.
KRAB019	300848	6582574	-90	31.0	17	31	14	1.78	>1 g/t Au cutoff.
including					21	25	4	2.94	>2 g/t Au cutoff.
KRAB020	300745	6582619	-90	31.0	9	13	4	0.35	Bulk intersection.
and					21	29	8	0.25	Bulk intersection.
KRAB021	300657	6582669	-90	28.0	-	-	-	-	N.S.A.

Notes:

* denotes mineralisation present at end of hole.

1. Drillholes were drilled using open hole RAB technique.
2. Collar locations were determined using a Garmin GPS 72 (GDA Zone 56).
3. Samples were speared from commonly 4m composite samples.
4. Samples were analysed by ALS Chemex (Orange) utilising method Au-AA25 (30g fire assay) for gold.
5. Bulk intersections had a 0.1 g/t Au lower cutoff grade applied.
6. No estimate of true width has been made.

Figure 1 – Kensington Drillhole Location

