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FOR IMMEDIATE RELEASE

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General Manager
The Company Announcements Office
Australian Stock Exchange

Dear Sir

**APPOINTMENT OF SINCLAIR KNIGHT MERTZ TO UNDERTAKE ENGINEERING PRE-
FEASIBILITY OF PORT OPTIONS AND ENVIRONMENT & PERMITTING STUDIES FOR THE
WILGERUP FEASIBILITY STUDY**

The Board of Directors of Centrex Metals Limited is pleased to announce that it has appointed Sinclair Knight Mertz to undertake an Engineering Pre-Feasibility Study with respect to the alternatives available to Centrex in direct shipping of hematite from the Company's Wilgerup iron ore deposit. Included in the scope of the study will be a comparison of the capital and operating costs and benefits associated with the exporting of hematite from port facilities available at either Port Lincoln or Proper Bay. In addition, Environmental and Permitting Studies required to take the Wilgerup mine development into operation will also be completed.

Sinclair Knight Mertz brings demonstrated project capabilities and significant local experience to the project. They have assembled an experienced team across a broad range of disciplines. Importantly, Sinclair Knight Mertz provide Centrex Metals Limited with a 'one-stop shop' capable of providing all services associated with the environmental approvals process including capability to provide support in related areas including community consultation, survey, environmental management and sustainable engineering design.

For further information please contact:

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About the Wilgerup Project

The Wilgerup hematite deposit is situated 30 kms south east of Lock in Central Eyre Peninsula, South Australia. Since September 2006, over 12,000 metres of close spaced reverse circulation drilling (80m x 20m with selected 40m x 20m spaced drilling) has been completed.

The Company expects to proceed into a full feasibility study into the establishment of a 2Mtpa mining and exporting operation from Port Lincoln.

Centrex recently announced it had signed binding Heads of Agreements with Shenyang Orient Iron & Steel Co., Ltd and Baotou Iron & Steel Co., for the sale of 1 million tonnes of hematite to each company per year for a period of 5 years. Centrex has also previously announced a Heads of Agreement with Genesee & Wyoming Australia Limited, the owner-operator of the Port Lincoln to Lock rail system, to rail up to 2Mtpa of hematite from near Murdinga Siding to Port Lincoln.

Centrex believes that the proximity of the Wilgerup hematite deposit to the existing railway provides the Company with a significant comparative advantage that will translate into low capital and operating costs for the project.

About Sinclair Knight Mertz

Sinclair Knight Merz (SKM) is pleased to be associated with the Wilgerup project. SKM is one of Australia's leading engineering and project delivery firms, employing 6,000 staff in 36 offices around the world, offering services in Resources, Infrastructure, Power and Industry, Water and Environment, and Buildings and Property. Formed in 1964, SKM is an employee-owned company, with almost 500 shareholders.

Recently, SKM has expanded its Adelaide office to include Resources capabilities to undertake work for the rapidly growing commodities market in South Australia. SKM has extensive experience in iron ore, via projects in the Pilbara region of Western Australia, where the company has been involved for over a decade. The company has global capabilities in commodities such as coal, copper, mineral sands and base metals and offers whole of mine life services from pre-feasibility to implementation, decommissioning and mine closure, including Engineering, Procurement and Construction Management (EPCM) capabilities.