

**FOR IMMEDIATE RELEASE**

26<sup>th</sup> November 2007

General Manager  
The Company Announcements Office  
Australian Stock Exchange

Dear Sir

**WILGERUP SOUTH POD DRILLING RECORDS STRONG HEMATITE MINERALISATION**

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**HIGHLIGHTS**

- **The first two holes completed on the Wilgerup South Hematite Pod each recorded hematite mineralisation over 30-40 metres down-hole including 20 metre thick intercepts of massive hematite**
  - **Review of the gravity and magnetic data suggests a possible South Pod strike length of 1 kilometre**
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Centrex Metals Limited is pleased to announce significant positive developments in relation to the South Hematite Pod at Centrex's Wilgerup hematite project, located in central Eyre Peninsula, South Australia.

Drilling by Centrex from September 2006 to February 2007 resulted in a combined Indicated and Inferred massive hematite resource of 9.1 million tonnes grading 59.8% Fe for the North Hematite Pod only. *No resource estimate was completed for the South Hematite Pod.*

Drilling of the South Hematite Pod area in 2006 was inconclusive with follow-up studies indicating that the previous drilling did not adequately outline areas of potential mineralisation. The South Hematite Pod was previously estimated to have an Inferred Resource of 1.77Mt of low phosphorous (0.05% P) hematite @ 61% Fe (CXM Prospectus pp 24-26).

Two new drill holes have recently been completed on the South Hematite Pod on section 6263940N with both, based on visual estimates, recording down-hole intercepts of 30-40m of hematite mineralisation. The mineralised intercepts consist of some 10m of hematite carbonate overlying approximately 20m of massive hematite before passing vertically into low grade banded iron formation, jaspilite and quartzite.

Further testing along this section will be undertaken to enable close off the structure across strike (mineralisation dips at approximately 40 degrees to east) before testing the strike extension to the north and south. Detailed geophysical surveys (close spaced ground gravity and aeromagnetics) suggest that the mineralisation could have a strike length of up to 1km.

The current drilling program will be undertaken in 2 phases. Phase 1 consisting of 2,000m of drilling will target the South Hematite Pod. Phase 2 drilling will consist of around 3,000m and will be directed at the North Hematite Pod which remains open to the east and to the north at depth. The North Hematite Pod infill drilling at 40m by 20m is designed to support a JORC Indicated and Measured Resource which will be used as a basis for the project's feasibility study.

On completion of the Wilgerup drilling in early 2008, the Company will commence a regional exploration program including drilling of promising hematite targets at Stony Hill in the Western Middleback Ranges.

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*The information in this report relating to Exploration Results is based on information compiled by Mr Alastair Watts who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Watts is the Exploration Manager of Centrex Metals Limited. Mr Watts has sufficient experience, which is relevant to the style of mineralization 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 Watts consents to the inclusion in the report of the matters based on his information in the form and context in which it appear.*

**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 16,000 metres of close spaced reverse circulation drilling (80m x 20m with selected 40m x 20m spaced drilling) has been completed.

The Company has commenced an engineering pre-feasibility study looking at port options and commenced a mine feasibility study into the establishment of a 2Mtpa mining and exporting operation.

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.

**About the Bungalow Project**

On 22<sup>nd</sup> September 2007, Centrex announced that it had signed a binding Heads of Agreement with Baotou Iron & Steel Co., Ltd for a staged joint venture on the Bungalow magnetite deposit. The Bungalow Magnetite Joint Venture requires Baotou to make up to A\$40 million on staged payments to cover the costs of all activities required to complete exploration and resource definition drilling and a Bankable Feasibility Study covering the development of the magnetite deposit. By contributing A\$40 million, Baotou will earn a 50% interest in the Joint Venture and have the rights to take 50% of the expected 3 million tonnes of magnetite concentrate produced per year over a potential mine life exceeding 30 years. The Joint Venture is subject to Baotou receiving consents from the Chinese Government. The first payment of A\$8 million is expected in January 2008.