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FOR IMMEDIATE RELEASE

1st August 2008

General Manager
The Company Announcements Office
Australian Securities Exchange

Dear Sir/Madam,

AGREEMENT REACHED FOR PURCHASE OF LAND FOR NEW PORT SITE

- **Centrex Metals Limited (“the Company”) has outlined a long-term, two port strategy for iron ore shipments from the Eyre Peninsula of SA.**
 - **Centrex has reached agreement on terms for the purchase of approximately 260 acres of land on the coast in the Tumby Bay district.**
 - **The land is a key long-term strategic purchase for the Company, which will look to establishing a port facility to service not only its Southern and Central Eyre Peninsula iron deposits but also to provide an export facility to other companies.**
 - **This purchase in no way diminishes the Company’s focus on exporting Wilgerup iron ore from Port Lincoln.**
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Land Acquisition

Centrex Metals Limited is pleased to advise it has resolved to move forward with a long-term, two port strategy aimed at maximising the value of its Wilgerup hematite project and its significant Southern and South Central magnetite resources.

Centrex has agreed to the terms of purchase for approximately 260 acres of land in the Tumby Bay district. Settlement is expected to take place by the end of September and is subject to a number of confidential conditions being met.

This acquisition is a strategic purchase for the Company with the land having the potential to support a deep water (full Cape sized vessels) multi-user port facility, servicing the export of product from the Company’s magnetite projects in the region as well as external product from central and southern Eyre Peninsula. A detailed bathymetric survey has shown 18m deep water at low tide within 450 metres of the shoreline.



Graeme Sterling, Mayor of the District Council of Tumby Bay stated that “the Council is pleased that Centrex has selected the Tumby Bay region for its expansion plans and welcomes the benefits that the proposed facility like this large deep water port could contribute to the region. The Council looks forward to further discussions with the company during the design and approvals process and assisting wherever possible.”

While the Company sees great long term benefits resulting from the purchase of this land, it wishes to reaffirm its continuing focus on progressing the development application for the export of iron ore (from its Wilgerup project) from Port Lincoln in the short-term.

Port Lincoln Shipments

Centrex is optimistic about an alternative proposal presented to the Port Lincoln City Council (PLCC) and believes it eliminates most if not all of the community’s and Fishing Industry’s concerns raised over the proposal to export from Proper Bay. The Company believes the plan to use Brennen Jetty in the short-term will generate positive support from the wider community.

The Brennen Jetty proposal would see Centrex rail all product into Port Lincoln, refurbishment of an existing rail unloader and storage facility (or a new storage shed constructed), a new enclosed conveyor structure installed along the jetty and refurbishment of one of the existing ship loaders.

Flinders Ports Pty Ltd and Genessee & Wyoming Australia are fully supportive of the proposal.

A detailed feasibility report will be prepared and submitted to Development Application Committee (“DAC”) for approval to export from Brennen Jetty in Port Lincoln. Although the PLCC are not the key decision makers in the process as a result of Brennen Jetty being outside of the town boundary, Centrex intends to work closely with them to ensure any development brings meaningful, long-term benefits to the wider community. The development application for Proper Bay will be continued to completion to ensure that, should DAC not approve the request for access to Brennen Jetty, a fallback position will still exist at Proper Bay.

For further information:

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