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FOR IMMEDIATE RELEASE

28 September 2006

General Manager
The Company Announcements Office
Australian Stock Exchange

Dear Sir

CENTREX METALS LIMITED WILGERUP HEMATITE DEPOSIT

INITIAL DRILL RESULTS

Highlights

- **Hematite defined over the known strike of 500 metres on the North Hematite Pod – drilling in progress. Gravity surveys indicate a potential strike of 950 metres**
- **The drilling has demonstrated the effectiveness of gravity/magnetic modelling to detect hematite mineralization beneath sand cover**
- **A newly completed detailed gravity survey has identified a strong gravity anomaly 800 metres south of the North Hematite Pod. The 2,000 metre long anomaly has never been drilled and will be a priority target within the next fortnight**
- **Follow up drilling to concentrate on significant extension to known hematite resource**

Extension Drilling of Wilgerup North Hematite Pod

Twenty two (22) RC holes for 1,940 drill metres were completed between 6 - 26th September 2006 at the Wilgerup hematite deposit. The drilling targeted delineation and extension of the North Hematite Pod and is a small part of a wider 14,000m program designed to test two known hematite occurrences, the North and South Pods, and several gravity/magnetic targets that may reflect the presence of hematite.

The deposit occurs within Hutchison Group iron formation and was discovered in the 1990s by WMC whilst exploring for base metals. The area has some 20 metres of Tertiary sand cover and was assessed by CSIRO on behalf of Hamersley Iron Pty Ltd as having an Inferred hematite resource of 7.9 million tonnes grading 59.8% Fe (Centrex Metals Limited Prospectus pp22 &24).

Drilling commenced on the North Hematite Pod which had only limited previous drill coverage. Infill and strike extension drilling was completed on 5 lines providing a maximum 160m x 40m coverage.

Hematite has been intersected from immediately below the sand cover to down hole depths of at least 132 metres. Holes WP06RC001 to WP06RC007 were drilled at -60 degrees on a bearing of

270 degrees. Holes from WP06RC008 have been drilled at the vertical to reduce issues with stability caused primarily by mixed clay and hematite binding.

Significant intersections include;

WP06RC004	22m @ 61.6% Fe; 3.32% SiO_2; 1.63% Al_2O_3; 3.17% LOI; 0.51% P from 30m
WP06RC006	46m @ 57.5% Fe; 4.45% SiO_2; 2.97% Al_2O_3; 4.03% LOI; 0.67% P from 86m
including	20m @ 60.1% Fe; 3.09% SiO_2; 1.81% Al_2O_3; 3.04% LOI; 0.67% P from 86m
and	12m @ 56.8% Fe; 4.45% SiO_2; 3.19% Al_2O_3; 4.55% LOI; 0.73% P from 120m
WP06RC007	10m @ 57.5% Fe; 4.35% SiO_2; 1.26% Al_2O_3; 6.00% LOI; 0.88% P from 36m
and	16m @ 60.1% Fe; 1.40% SiO_2; 1.60% Al_2O_3; 2.56% LOI; 1.27% P from 48m
WP06RC008*	8m @ 60.6% Fe; 3.58% SiO_2; 1.69% Al_2O_3; 5.13% LOI; 0.08% P from 52-60 metres

- Assays pending for drill hole WP06RC005 and for drill hole WP06RC008 from 60 metres.

Samples will be collected for mineralogical assessment and possible bench scale beneficiation test work.

Results of New Gravity Survey

In conjunction with the drilling program, a close spaced gravity survey was completed over 16km^2 of the Exploration Licence. The existing aeromagnetic surveys combined with the gravity surveys provide the ability to "see through" the sand cover and predict where hematite mineralisation might occur. The capability of the geophysical modelling is evidenced by the North Hematite Pod where the hematite gives a coherent 1.5 milliGal anomaly with a indicated strike extent of 950 m.

Priority Drilling Targets

A stronger (1.5-2.5 milliGal) north trending gravity anomaly occurs 800 metres south of the North Hematite Pod and extends from 6266000N to 6264000N, a distance of 2kms. This larger un-drilled anomaly will be targeted as soon as the remaining 11 North Pod drill holes are completed.

Fences of drilling will also be conducted on several of the largest gravity anomalies especially around the South Hematite Pod which is known to carry high grade, low impurity hematite.

Drilling will then test the strike extension of the previously discovered low phosphorus South Pod hematite. Previous drill hole SJPC128 included an intercept of 6 m at 64.8% Fe and 0.028 % P. The same hole terminated at 96 m depth in high grade hematite grading 66.5% Fe and 0.079% P.

The 14,000m drill program is expected to be completed in December 2006. Drill results will be progressively released.

The Company believes that the Wilgerup area is under-explored and that significant potential exists to increase the hematite resource.

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Mr Gerard Anderson is a professional geologist of over 32 years standing. This information is not being released in conjunction with a Competent Person's Statement. As soon as membership to a professional institute is renewed, the information will be re-released with a valid Competent Person's Statement.

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