



FOR IMMEDIATE RELEASE

Thursday 18th December 2008

General Manager
The Company Announcements Office
Australian Securities Exchange
Electronic Lodgement System

Dear Sir/Madam

**LANDMARK JOINT VENTURE WITH MAJOR CHINESE STEEL PRODUCER OVER
CENTREX'S SOUTHERN AND SOUTH CENTRAL EYRE PENINSULA MAGNETITE
DEPOSITS**

Highlights

- **Execution of binding Heads of Agreement (subject to government approvals) between Wuhan Iron & Steel (Group) Co (WISCO) from China and Centrex Metals Limited ("Centrex").**
 - **The Heads of Agreement contains an Acquisition Agreement whereby WISCO agrees to purchase a 50% interest in Centrex's Southern and South Central Eyre Peninsula magnetite deposits (defined below) for A\$0.18/t of Inferred Resource (WISCO to pay for a maximum of 1,000 million tonnes equating to A\$180,000,000 in staged payments).**
 - **The Heads of Agreement also includes a Subscription Agreement whereby WISCO has agreed to subscribe for approximately 39 million ordinary shares in Centrex at A\$0.25 per share, providing Centrex with an additional A\$9,700,000 (approx) in funds. The exact number of shares to be issued will depend on the number of Centrex 2008 A Class Options exercised prior to 31 December 2008. Subscription is conditional on completion of the Joint Venture Agreement.**
 - **Both Companies intend to undertake exploration and resource definition drilling and to complete mine feasibility studies aimed at early development of iron ore operations.**
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The Board of Centrex Metals Limited is pleased to announce the signing of a Heads of Agreement with WISCO for the establishment of a Joint Venture covering the Company's Southern and South Central magnetite deposits which are located on Exploration Licences: 3611; 3421; 3269; 3731; and, 3877 ("Tenements"). The Joint Venture will give WISCO a 50% participating interest in the iron ore contained therein.

The Heads of Agreement contain key terms of reference for the establishment of both the Acquisition Agreement and Subscription Agreement referred to above. These documents are conditional on gaining approvals from the governments in China and Australia and are expected to be completed by 17th March 2009.

The Board considers these Heads of Agreement to be a major milestone in the history of the Company. Centrex Chairman, Mr David Lindh said:

“Centrex is delighted to have WISCO as a strategic business partner. WISCO brings enormous technical and financial capability to the joint venture and is committed to rapid development of the magnetite deposits.”

“This deal, when completed, goes a long way to providing Centrex with the financial capacity to fund its exploration and mine development expenditures over the next few years.”

Key Payment Details of the Acquisition Agreement

WISCO has agreed to pay Centrex A\$0.18/t for Inferred Magnetite Resources for up to 1,000 million tonnes or a maximum of A\$180,000,000 in staged payments for the acquisition of a 50% participating interest in the iron ore contained in the Tenements. WISCO will remit a A\$500,000 non-refundable deposit to Centrex payable on or before 31st December 2008.

The staged payments are as follows:

1. A\$59,500,000 payable within 7 days of the execution of the formal agreements;
2. A further payment of A\$30,000,000 on the first anniversary of the formal agreements (at which time WISCO will be deemed to have acquired a 50% participating interest in the Joint Venture);

In addition WISCO will make the following further payments once Inferred Resource milestones are met.

3. A\$22,500,000 when the total Inferred Resource for magnetite banded iron formation within the Tenements reaches 1,250 million tonnes (WISCO share 625 million tonnes);
4. A\$22,500,000 when the total Inferred Resource for magnetite banded iron formation within the Tenements reaches 1,500 million tonnes (WISCO share 750 million tonnes);
5. A\$22,500,000 when the total Inferred Resource for magnetite banded iron formation within the Tenements reaches 1,750 million tonnes (WISCO share 875 million tonnes); and
6. A\$22,500,000 when the total Inferred Resource for magnetite banded iron formation within the Tenements reaches 2,000 million tonnes (WISCO share 1,000 million tonnes).

WISCO is not required to make further payment should the total Inferred Resource for magnetite banded iron formation exceed 2,000 million tonnes. WISCO is also not required to make any payment for its interest in any hematite deposits discovered on the Tenements.

Centrex and WISCO will establish an unincorporated joint venture company to manage the joint venture. Centrex and WISCO will work together to complete the Joint Venture Transaction Documents in time to coincide with receiving the necessary government consents and permits expected in March 2009.

Key Details of the Subscription Agreement

On completion of the Joint Venture Agreement WISCO agrees to subscribe for approximately 39 million ordinary shares (nominally 15% of Centrex's issued capital) at AUD \$0.25 per share, subject to all necessary consents. This placement will be made under Listing Rule 7.1. The share subscription will provide Centrex with additional capital of approximately \$9.75 million of additional capital.

Under the terms of the Subscription Agreement, WISCO will have the right to nominate a suitable candidate to the Centrex Board.

Deep Water Port

WISCO has also agreed to work with Centrex to jointly develop a deep water Cape capable port at Sheep Hill, 20kms north of Tumby Bay on the south east coast of Eyre Peninsula. It is proposed that the port would be built in conjunction with other mine and processing infrastructure needed to export iron ore products produced by the Joint Venture.

Information about WISCO

Wuhan Iron & Steel (Group) Co (WISCO) is ranked third in its sector in China, with a current annual capacity of 30 million tonnes of steel. WISCO's operations are predominately located in Wuhan in the Hubei province of central China. WISCO operates an integrated supply chain comprising mining, coking, sintering, pelletising, iron making, steel making and rolling operations. WISCO's assets were valued at 118 billion RMB (A\$26 billion) in 2007. WISCO has a 48.3% interest in Kunming Iron and Steel Corporation which is located in Yunnan province. WISCO also has an 80% interest in the Guangxi Iron and Steel Group which currently has approval to construct a new 10 million tonne steel plant in the Guangxi port of Fangchenggang, with further plans to expand the facility to 50 million tonnes per annum by 2011.

Information about the Southern and South Central Deposits

The Southern and South Central iron ore deposits are covered by 5 Exploration Licences (ELs 3611; 3421; 3269; 3731; and, 3877). The Tenements host a number of magnetite deposits including Carrow, Dutton Bay, Mount Hill, Bald Hill, Charleton Gully, Koppio, Brennand, Oolanta, Greenpatch and Iron Mount. The deposits stretch from near Port Lincoln in the south to Port Neill in the north.

Centrex announced the Exploration Targets for the Southern and South Central Tenements to the market on 17 April 2008.

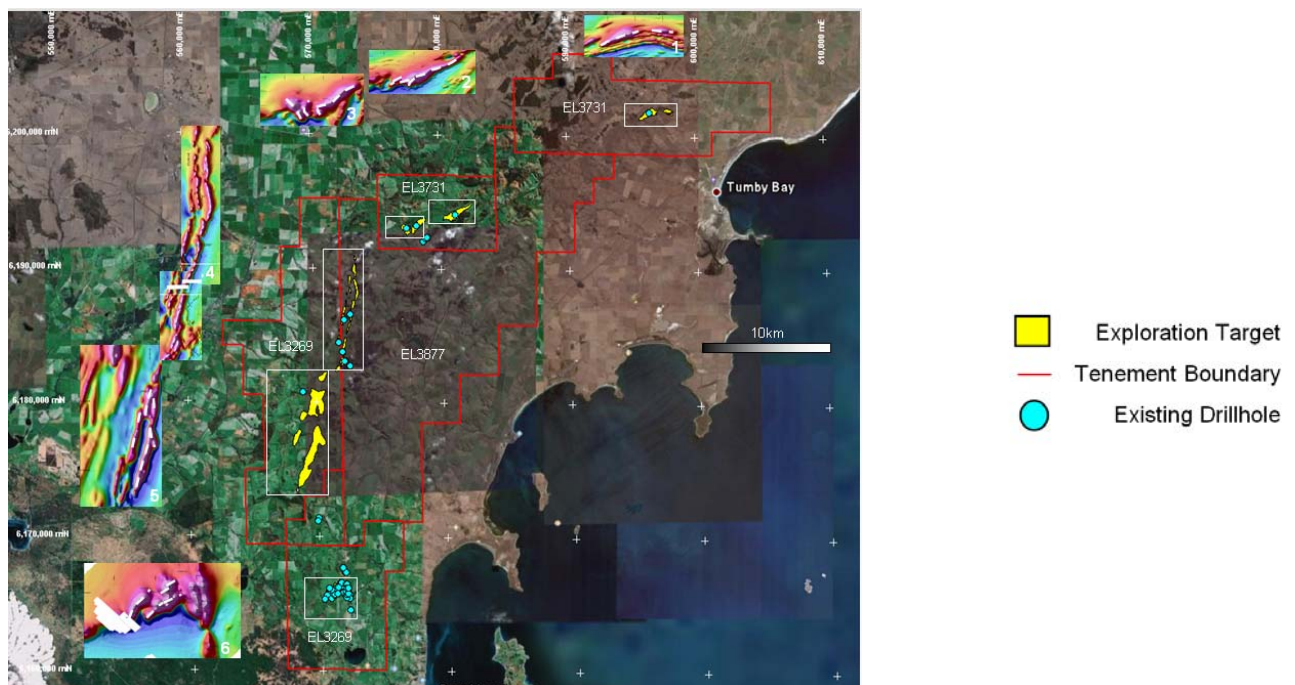


Figure 1 – South Central Tenement Position

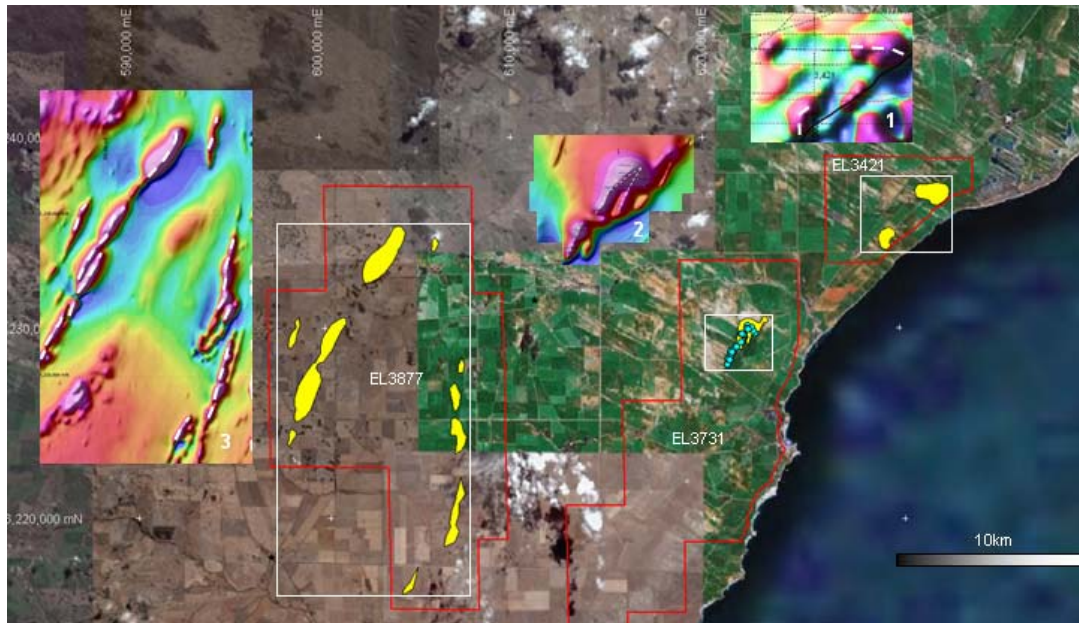


Figure 2 – Southern Tenement Position

SOUTHERN AND SOUTH CENTRAL TENEMENTS EXPLORATION TARGETS			
TENEMENT	Weighted Average Fe% Conc.*	RANGE (Mt)	
Iron Mount	63.52	26	39
Brennand	69.39	40	176
Koppio	66.53	57	74
Bald Hill	66.42	257	325
Charlton Gully	N/A	244	290
Greenpatch	68.98	78	163
Dutton Bay	N/A	32	57
Carrow	69.12	86	110
Mount Hill	N/A	266	1,048
Total		1,086*	2,282*

* Results based on historical drilling records

* The exploration targets quantities and grades presented are conceptual in nature, as there has been insufficient exploration to define an overall Mineral Resource and it is uncertain if further exploration will result in the determination of additional Mineral Resources other than those stated in the company prospectus. The totals do not include estimates for White Flat or Oolanta and are restricted in depth to 200 metres below surface level.

Centrex's tenements are located both close to the coast and in close proximity to the proposed deep water port facility at Sheep Hill.

For further information please contact:

Mr Gerard Anderson
Managing Director
Centrex Metals Limited
Ph (08) 8232 0400

or

Mr Duncan Gordon
Investor Relations
Adelaide Equity Partners
Ph. 0404 006 444

Competent Person's Statement

The information in this report relating to Exploration Results is based on information compiled by Mr Gerard Anderson who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Anderson is the Managing Director of Centrex Metals Limited. Mr Anderson 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 Anderson consents to the inclusion in the report of the matters based on his information in the form and context in which it appear.