

ASX ANNOUNCEMENT

20th July 2009



CARPENTARIA INTERSECTS SIGNIFICANT THICKNESS OF MAGNETITE BEARING IRON FORMATION

HIGHLIGHTS

- ✓ **First ever drilling completed at Hawson's Iron Prospect located 60km SW of Broken Hill intersects significant thickness of magnetite bearing iron formation**
- ✓ **Total thickness of 140 metres of magnetite bearing iron formation**
- ✓ **Drilling results confirm results from initial surface sampling and geophysical survey**
- ✓ **Laboratory analyses expected in mid-August**

The Directors of Carpentaria Exploration Limited (ASX: CAP) are pleased to announce that drilling has been completed at the Hawson's Iron Prospect. Significant thicknesses of magnetite bearing iron formation have been intersected. Drilling confirmed the presence of a 140m down-hole thickness of magnetite concentrations within a 185m down-hole section of iron-formation.

Executive Chairman Nick Sheard stated "the initial observations are encouraging and have exceeded Carpentaria's expectations of the potential thickness of the magnetite body from geophysical interpretation and surface sampling results. It also provides scope for significant tonnage potential.

"However, it should be noted that the economic significance will not be understood until the assays are returned in a few weeks", Mr Sheard added.

The Hawson's Iron Prospect is located 60km south west of Broken Hill and is hosted by the Neo-Proterozoic Braemer Iron Formation. Carpentaria has identified over 16km of prospective strike length at the prospect from magnetics and outcropping iron formation. The recent drilling aimed to test the centre of a zone known as the core anomaly (Figure 1). The core anomaly is an interpreted 2.5km strike length of iron formation concealed by thin post mineral cover.

A total of 606m of Reverse Circulation drilling was carried out in three drill holes across the core anomaly. Table 1 shows details of the drilling.

Drill Hole	MGAE *	MGAN *	RL (AHD)	Azimuth (MGA)	Inclination	Total Depth
RC09BRP01	512254	6412888	190	040	-55	202m
RC09BRP02	512315	6412972	191	040	-55	214m
RC09BRP03	512402	6413064	192	040	-55	190m

*Table 1: Drill hole collar information * MGA Zone 54, Based on hand held GPS*

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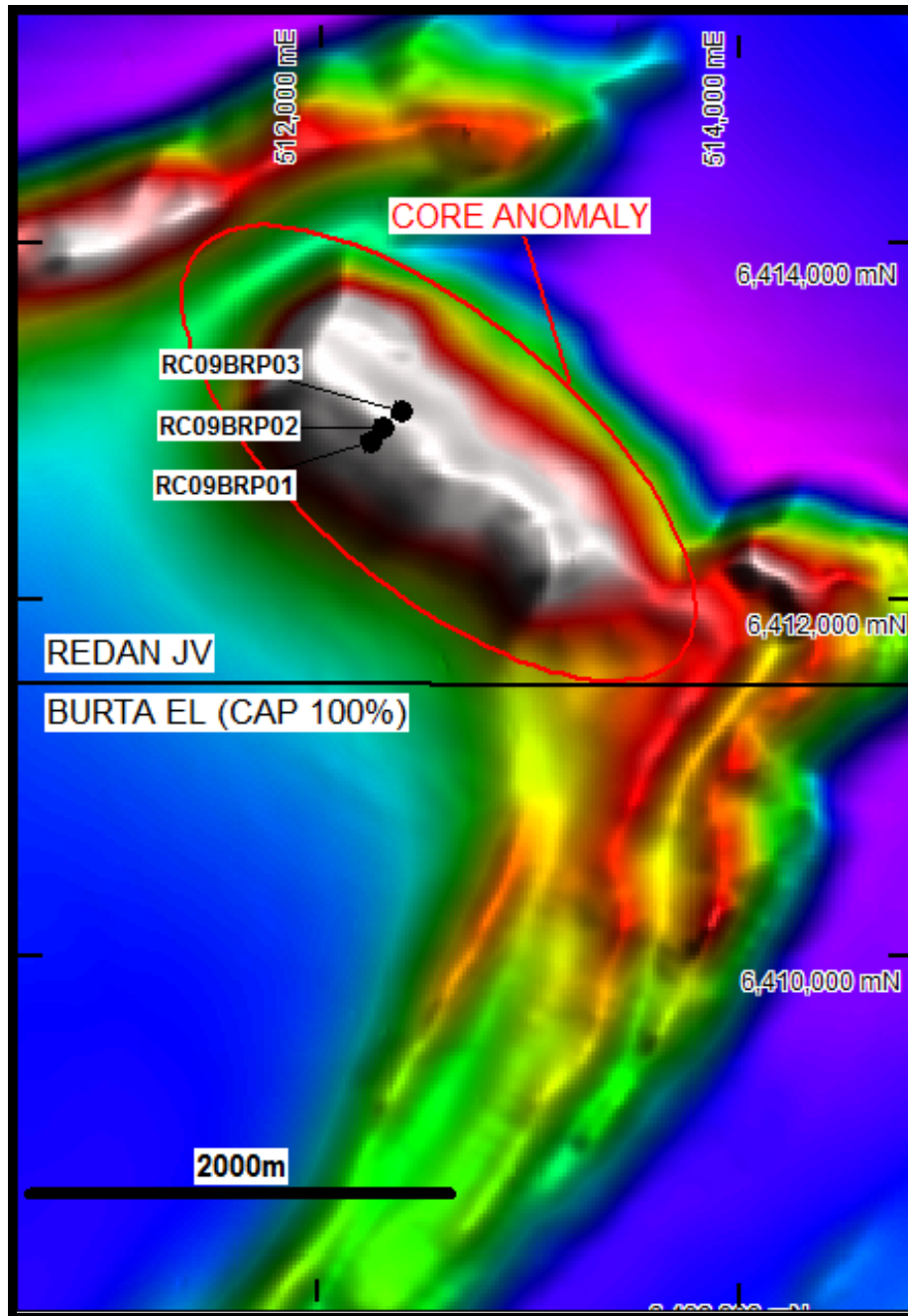


Figure 1 Hawson's Iron Prospect drill hole location over total magnetic intensity image (GDA94 Zone 54)

Drilling encountered several thick magnetite bearing iron formation units dipping approximately 45 degrees to the southwest in all holes. In a 185m geological section of iron rich rocks, the thickest individual unit of 60m (down-hole) was intersected in RC09BRP02 (see Figure 2).

The identification of iron units was based on field observations of magnetite grains, colour and semi quantitative measurements of magnetic susceptibility (attraction to a magnet). More detailed information will be available after completion of laboratory analyses expected in mid-August.

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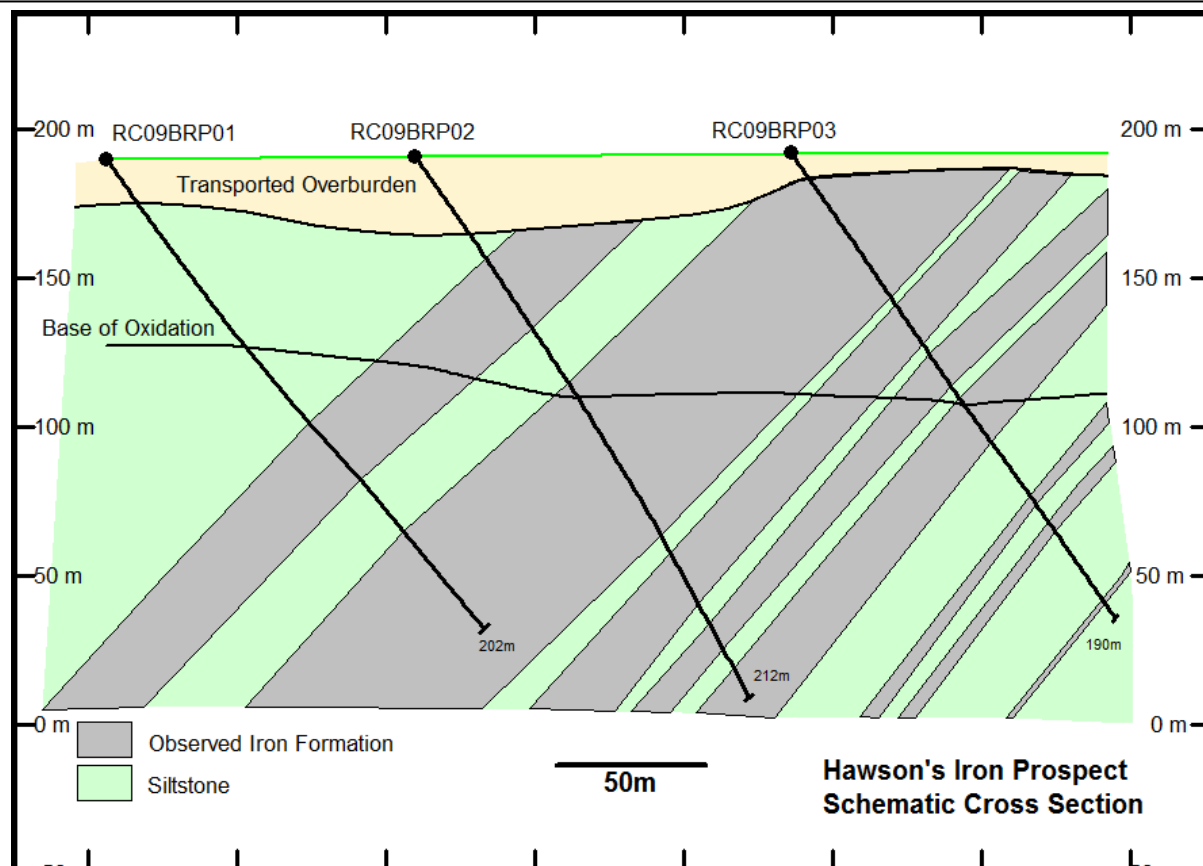


Figure 2 Hawson's Iron Prospect Schematic Cross Section (no vertical exaggeration)

The project area is located close to infrastructure, 60km SW of Broken Hill and is covered by two exploration tenements. To the south, Burta (EL 7208) is 100%-owned by Carpentaria. The Redan tenement (EL 6979) to the north is a joint venture (JV) with Perilya Broken Hill Limited (ASX: PEM) where Carpentaria can earn a 51% interest initially with the expenditure of \$825,000 (refer to December 2008 ASX Quarterly Report for detail).

Assay results and Davis Tube Tests are now awaited in order to evaluate the full economic potential of the prospect.

For further information, please contact:

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The information in this report that relates to Exploration Results is based on information compiled by S.N.Sheard, who is a Member of the Australian Institute of Geoscientists and is also a Registered Professional Geoscientist - Mineral Exploration and Geophysics and has had 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'. S.N.Sheard is an employee of Carpentaria and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.