

**DISCOVERY OF A POTENTIALLY LARGE MINERALISED
SULPHIDIC SYSTEM 250M SOUTH OF CENTRAL LAS MINERALE**

**MORE HIGH GRADE COPPER RESULTS FROM NW END AND
CENTRAL LAS MINERALE**

**DRILL HOLE LMRC 201 INTERSECTED 133M @ 6.13% Cu
INCLUDING 118M @ 6.84% Cu**

- Drill hole DODH 008 intersected a potentially large mineralised sulphidic system during deep diamond core targeting to the south of Central Las Minerale. The hole was drilled to test for mineralisation under Drill Hole 007 which intersected visible sulphides at over 344m vertical depth under Central Las Minerale. Diamond core drill hole DODH 008 was drilled 100m to the south to test below DODH007 and expected to intersect the mineralised zone at Central Las Minerale under DODH 007 at approx 450m. Unexpectedly the hole intersected a previously undrilled sulphidic zone with over 112m of visible sulphides fm 165 – 277m which may be a potentially new large mineralised system. In addition to chalcopyrite (Cu mineral) the core contained visible silver-grey cobalt sulphides,. The target depth for the Copper mineralisation in DODH 008 was 450-500m.

- **COPPER (Cu)**

High grade copper mineralisation was intersected during infill drilling at Las Minerale:

Drill Hole LMRC 201

**Intersected 133m @ 6.13% Cu fm 3m - 136m
Including 118m @ 6.84% Cu fm 18m - 136m
And 28m @ 15.31% Cu fm 34m - 62m**

Drill Hole LMRC 202

Intersected 26m @ 4.37% Cu and 0.56g/t Au fm 70m – 96m
 Including 11m @ 9.17% Cu and 1.17g/t Au fm 78m – 89m

Drill Hole LMRC 205

Intersected 71m @ 3.85% Cu fm 70m - 141m
 Including 28m @ 5.36% Cu fm 70m - 98m
 And 11m @ 4.47% Cu fm 104m - 115m
 And 19m @ 3.68% Cu fm 117m - 136m

- **COBALT (Co)**

Massive intersections of cobalt in addition to the high grade Cu above Drill Hole LMRC 201, 202, 203, 204 and 205. Drill Hole LMRC 201 had the widest high grade intersection of cobalt drilled at Las Minerale.

Drill Hole LMRC 201

Intersected 133m @ 1057ppm Co fm 3m – 136m
 Including 63m @ 1325ppm Co fm 63m – 136m
 And 31m @ 1352ppm Co fm 80m – 111m

Drill Hole LMRC 202

Intersected 88m @ 929ppm Co fm 3m – 91m
 Including 23m @ 1318ppm Co fm 30m – 53m
 And 24m @ 1205ppm Co fm 58m – 82m

Drill Hole LMRC 203

Intersected 78m @ 789ppm Co fm 42m – 120m
 Including 12m @ 1031ppm Co fm 50m – 62m

Drill Hole LMRC 204

Intersected 40m @ 691ppm Co fm 89m – 129m
 Including 15m @ 1155ppm Co fm 114m – 129m
 And 8m @ 1754ppm Co fm 121m – 129m

Drill Hole LMRC 205

Intersected 132m @ 682ppm Co fm 4m – 136m
 Including 45m @ 1050ppm Co fm 60m – 105m

High grade copper, cobalt and gold mineralisation from NW end of Las Minerale

Drilling at the North West end of Las Minerale is providing excellent results, with high grade intersections still being encountered.

Drill Hole DORC 533

Intersected 24m @ 5.31% Cu and 688 ppm Co fm 45 – 70m
Including 8m @ 15.14% Cu and 1742 ppm Co fm 45 – 53m

Numerous assay results are awaited for this North-West area of Las Minerale.

See Hole Location Plan (Fig 7)...

Discovery of potentially large mineralised sulphidic system in Diamond Core drill hole DODH 008, which is currently still drilling.

DODH 008 has intersected highly sulphidic, brecciated and silicified country rock sediments over intervals of several hundred metres. This sulphidic system appears to be a new zone of mineralisation, 250m to the south of the main structure at Las Minerale Central.

See Hole Location Plan (Fig 7)...

Initially designed to intersect the Main Las Minerale ore body at over 500m true vertical depth, DODH 008 was drilled 100m behind drill hole DODH 007 which intersected significant mineralisation in several zones down to 360m true vertical depth, assays for which are still awaited.



Fig 01 - Diamond Drill Core DODH007



Fig 02 - Diamond Drill Core DODH007

Drilling of DODH 008 is currently underway, to date it has encountered some 200m of visible sulphides in two main zones. The first zone was intersected unexpectedly from 165m to 277m, and the second from 318m to the current depth of 400m. The hole is currently still in sulphides.

The hole has intersected strongly pyritic, hydrothermally brecciated and silicified banded siliceous calc silicate and strongly silicified siltstone. In the interval 165m to 277m, there is generally 5%-10% pyrite throughout with visible chalcopyrite. In the lower zone (318m to current depth 400m) a crackle breccia is developed in silicified siltstone with fracture filling and infill sulphides with pyrite, chalcopyrite and pyrrhotite prominent. Some zones of visible disseminated silver grey probable cobalt sulphides have been noted.

The significance and extent of this zone will be investigated with further deep drilling from the south of Las Minerale Central.



Fig 03 - Diamond Drill Core DODH008



Fig 04 - Part of Native Copper Nugget caught in RC drill bit...

In order to be consistent with previous reporting at Las Minerale, the drill intersections reported above have been calculated on the basis of a copper cutoff grade of 0.2% with an allowance of up to 4m of internal waste. Calculated Co grades and Au grades are also reported for relevant intersections. All analyses were carried out at internationally recognized, independent, assay laboratories. Samples containing high contents of native copper were first screened for coarse nuggets and then analysed by combined gravimetric and large charge AAS method developed by SGS Laboratories Townsville. Quality assurance for the analyses is provided by continual analysis of known standards, blanks and duplicate samples.

Aggressive infill drilling strategy over a total of 1500m of strike length.

Infill drilling is now underway over a combined 1500m of strike length, with 1000m strike length at Central and NW Las Minerale and 500m strike length at Rocklands South, with the view to delivering a resource for use in completing the DFS.

New opportunities dictate new strategies.

It has been determined that drilling out of the entire combined strike length of the mineralised zones already discovered at Rocklands could take many years, in spite of a planned increase in drill rigs active on site. Ongoing discoveries of new and significant zones of mineralisation are continually adding to the number of potential targets to be tested. Examples are the two recent discoveries; the first of which runs parallel to and sits approximately 150m to the north of Las Minerale and the second of which appears to be a major new mineralised sulphidic system discovered approximately 250m to the south of Las Minerale.

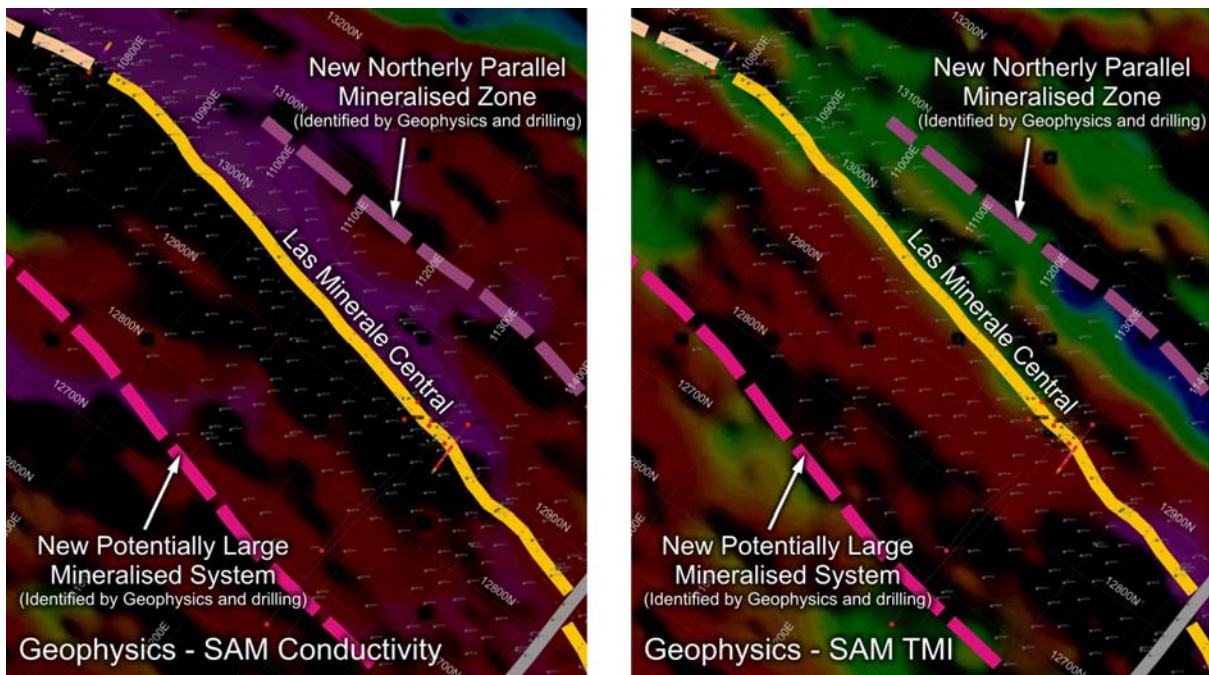


Fig 05 - New mineralised areas shown over SAM Conductivity and SAM TMI (Total Magnetic Intensity)

Further, recent events across global financial markets provide your directors with the firm belief there will be a major recovery in base metals given the multiples of closures and wide-spread scaling back of base metals operations across the globe.

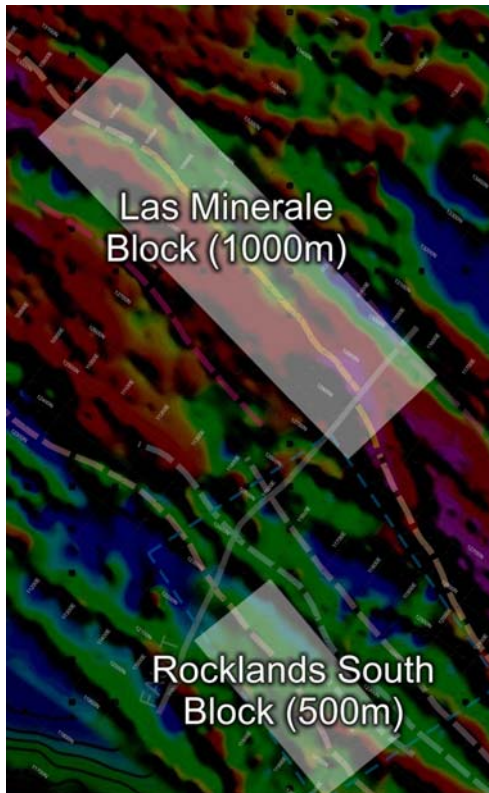


Fig 06 - High grade Bonanza zones

With this in mind, rather than continue to drill out to a measured and indicated category the cumulative 10klms of target zones already defined, the company has decided to bring forward the timeline for the planned drilling out of the high grade bonanza zones within the project. These zones carry very high grade Cu/Co, with some areas of high grade Au mineralisation, within a supergene zone that commences near surface and can continue down to depths of 170m, below which the mineralisation converts to primary sulphides.

The Company's new objective is to implement a concentrated drilling programme within these high-grade zones, with the view to completing the DFS on the two separate blocks of mineralisation as shown to the left in Fig 6.

This new programme will utilise 4 RC Rigs and 2 Diamond Rigs and will include some of the infill drilling previously planned by Terra Search, CuDeco's geological consultants, as part of their original deeper infill gap filling programme.

CuDeco wants to be ready to exploit the very high grade mineralisation from surface to 250m zones at a time when we believe the base metals prices will be on a steep upward trend with all of the global scale-backs and closures.

Timing in the Mining Industry is everything and Director's feel that CuDeco is well placed to take advantage of the new opportunities. As examples, there are numerous Mining and Processing plant and equipment opportunities that have become available to the Company, often at prices as little as 10% of their usual costs. These significant developments, in combination with a short-term drop in base metals prices and corresponding drop in contract construction costs, have provided your company with a significant once-off opportunity.

What is sadly bad news for some, is fortunately good news for CuDeco and we intend to seize on the many opportunities currently available on the back of the crisis.

Expanded deep drilling programme below 375m vertical

In addition to drilling out the 1500m of strike length in the blocks mentioned earlier, a concurrent programme will utilise 3 diamond core drill rigs to continue to define the deeper zones of Las Minerale, as recently intersected below 375m vertical depth. This deeper drilling programme will also evaluate the newly discovered large sulphidic zone to the south, as the deeper holes will pass through the zone in their shallower sections.

Native Title Agreement

Native Title RTN Agreement with the Mitakoodi Peoples finalised.

A giant step forward towards the granting of a Mining Lease for the Rocklands Group Copper Project was achieved with the signing ceremony between indigenous land claimants the Mitakoodi Peoples and CuDeco.

The formal signing ceremony follows the signing of the Cultural Heritage Management Plan (CHMP) earlier in the year for the clearance of the Rocklands site with both the Mitakoodi and the Kalkadoon Peoples.

The company hopes to complete the Kalkadoon compensation claim early in the first quarter of 2009.

The Rocklands EPM encompasses both Mitakoodi and Kalkadoon claimed areas. To date all significant mineralisation discovered at Rocklands has been on Mitakoodi declared land, with no exploitable minerals discovered on Kalkadoon claimed land.

The company expects the Mining Lease to be granted by the end of June 2009 by the Department of Mines and Energy in Queensland. The company would like to thank the Mitakoodi Peoples and the Kalkadoon Peoples for their co-operation in relation to the CHMP and to the Mitakoodi for their co-operation in relation to the RTN agreement and the contribution from our Native Title consultants in achieving this milestone.

New Website

The company would like to advise shareholders that a new website has been completed and operating on www.cudeco.com.au .

Yours faithfully,



Wayne McCrae
Chairman

The information in this report that relates to Exploration Drill Results is based on information compiled by Dr. Simon D. Beams, a full time employee of Terra Search Pty Ltd, geological consultants employed by CuDeco Limited to carry out this data validation. Dr. Beams has BSc Honours and Ph.D degrees in geology, he is a Member of Australasian Institute of Mining and Metallurgy (Member #107121) and a Member of the Australian Institute of Geoscientists (Member # 2689). Dr. Beams has sufficient experience which is relevant to the style of mineralisation and type of deposits 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 Ores Reserves". Dr. Beams consents to the inclusion in this report of the geological observations and validated drilling intercepts based on assay information in the form and context in which they appear.

