

MONTROSE RESOURCES PTY LTD

A.C.N. 123 331 304

REPORT ON ANALYSIS OF TWO SMALL SAMPLES OF COAL BEARING MATERIAL FROM DRILL CHIPS HELD IN THE EXPLORATION DATA CENTRE, ZILLMERE FROM:

McQueen #1 – 164-168m and Cork #1 – 380-395m

Montrose Resources Pty Ltd

Grahame Hamilton
October 2011

INTRODUCTION.

Montrose Resources Pty Ltd (Montrose), a wholly owned subsidiary of ASX listed Cullen Resources Ltd, is the holder of four applications for Exploration permits for coal (EPCs) west of Winton (see figure below).

Montrose's EPCs cover stratigraphic units belonging to the Cretaceous Winton Formation and the Permian Aramac Coal Measures. Previous drilling of petroleum wells, water bores and exploratory open holes by GSQ has identified the potential of the Winton Formation to host coal bearing units that may be economic.

Montrose has viewed drill cuttings from two petroleum wells held in storage at the Data Centre at Zillmere and has taken two small samples for analysis.

The samples were taken from McQueen #1 – 164-168m and Cork #1 – 380-395m and analysed by Preplab Testing Services Pty Ltd, Rockhampton.

RESULTS.

The results of the analysis of the drill cuttings are contained in the table below. Unfortunately the sample from McQueen #1 was insufficient to do any additional analyses other than moisture and ash. The sample from the Cork#1 hole resulted in sufficient data to indicate a sub-bituminous coal with low to medium ash and elevated inherent moisture levels.

The samples are considered to originate from a similar stratigraphic position within the Winton Formation. Although there are no drill holes within Montrose's tenements that can be unequivocally correlated to the same interval in the Winton Formation as the Cork #1 sample, the driller's log from waterbore #2498 describes an interval from 112m to 306m comprising shale and coal. There is no record of the lithology from surface to 112m.

Attention: Grahame Hamilton

Client: Cullen Resources Limited

Report Date: 19 July 2011

Report No: PSG0106

Sample: McQueen#1; 164-168m

Inherent Moisture: 12.5 % (ad)

Ash: 21.1 % (ad)

Sample: Cork#1; 380-385m

Relative Density		Fractional		Cumulative	
Sinks	Floats	Mass %	Ash %	Mass %	Ash %
	F1.80	47.9	11.7	47.9	11.7
S1.80		52.1	89.5	100.0	52.2
	Total	100.0	52.2		

F1.80 Analysis:

Proximate Analysis:

Inherent Moisture: 9.4 % (ad)

Ash: 11.7 % (ad)

Volatile Matter: 38.1 % (ad)

Fixed Carbon: 40.8 % (ad)

Other Analysis:

Calorific Value: 19.56 MJ/kg (ad)

CSN: 0

There was insufficient coal material to do maceral analysis (Rank Indication) on each sample, but some basic analysis was undertaken to assess coal quality.

Both samples appear to be of sub-bituminous origin, having low to medium ash content with elevated inherent moisture levels.

The coal product in the Cork No 1 sample has a reasonable calorific value given the ash content is quite low at 11.7%.

The testwork and analyses reported in this report where applicable have been performed according to the following Australian Standards

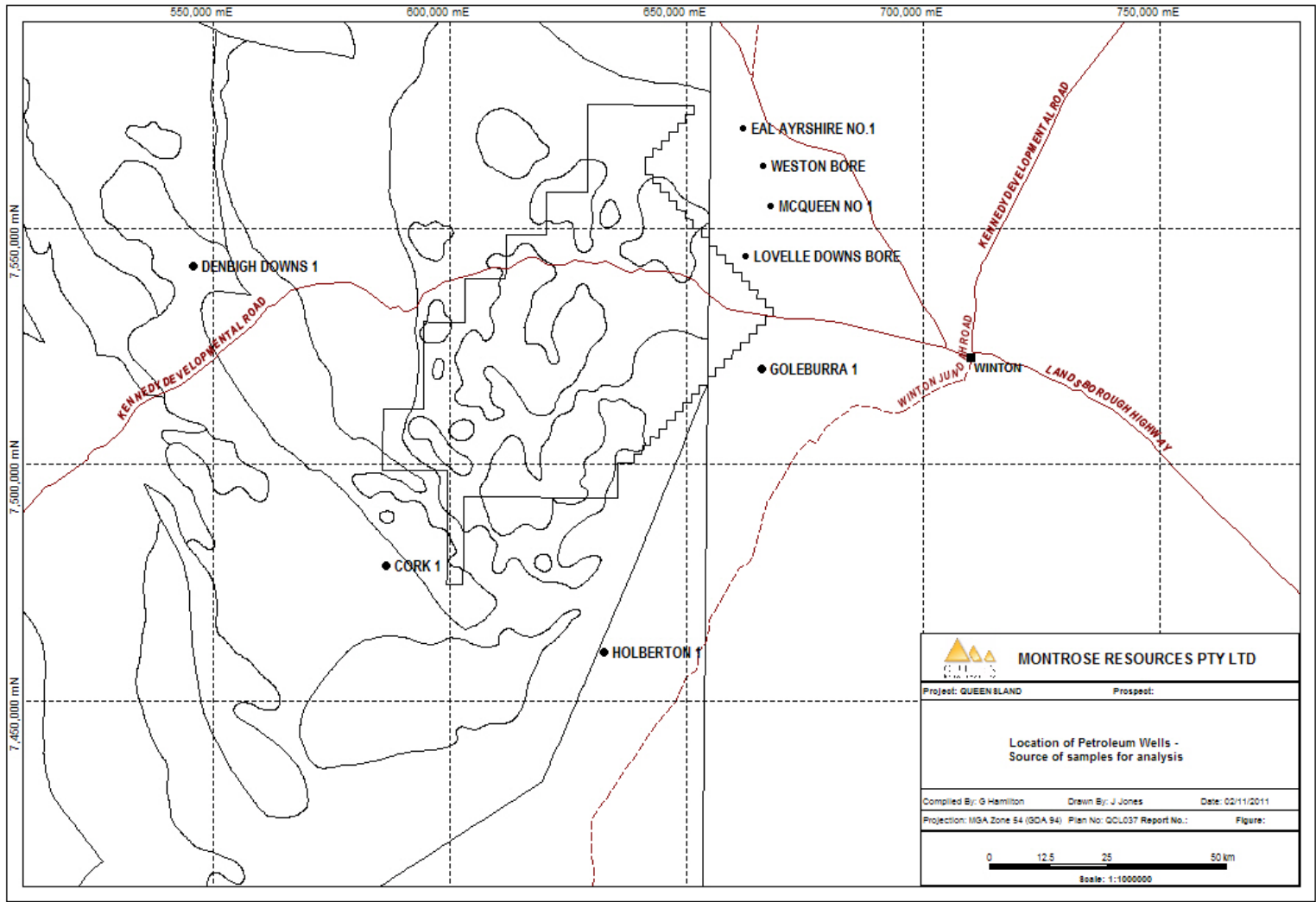
TEST NAME	STANDARD REFERENCE
Size Analysis	AS3881
Float-Sink Testing Froth Flotation Testing	AS4156.1 AS4156.2
Sample Preparation	AS4264.1
Pretreatment of Borecores	AS4156.1 and 8
Total Moisture	AS1038.1
Proximate Analysis	AS1038.3
Gross Calorific Value	AS1038.5
Total Sulfur	AS1038.6.3.3
Ultimate Analysis (CHN)	AS1038.6
Chlorine	AS1038.8
Forms of Sulfur	AS1038.11
Crucible Swelling Number	AS1038.12.1
Dilatometer	AS1038.12.3
Gieseler	AS1038.12.4
Ash Analysis	AS1038.14
Ash Fusibility	AS1038.15
Moisture Holding Capacity	AS1038.17
Hardgrove Grindability Index	AS1038.20
Relative Density	AS1038.21
Maceral Analysis	AS2856.2
Vitrinite Reflectance	AS2856.3


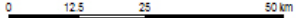
Reporting of results is in accordance with AS1038.16

All analyses reported to an “air dried” basis unless otherwise stated.

REFERENCES:

- Ingham, L. (1983). Well Completion report, Cork-1. CR11879
- Rincon Aust Pty Ltd, (2000). Well Completion Report, McQueen #1. CR36931
- Koppe WB & Tottle JS, (1975). Reconnaissance Coal Exploration – Winton Area. GSQ Rec 1975/39.
- GSQ, (2011). North West Queensland Mineral and energy Province Report



 MONTROSE RESOURCES PTY LTD		
Project: QUEENSLAND		Prospect:
Location of Petroleum Wells - Source of samples for analysis		
Compiled By: G Hamilton	Drawn By: J Jones	Date: 02/11/2011
Projection: MGA Zone 54 (GDA 94) Plan No: QCL037 Report No.:		Figure:
		
Scale: 1:1000000		