ASX ANNOUNCEMENT

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We make it possible

28 October 2010

ABOUT CARPENTARIA:

Carpentaria is an exploration company focused on discovering base, precious metals and bulk commodities in eastern Australia. The company currently has interests in iron ore, tin, gold, copper and coal exploration projects

CARPENTARIA'S AIM:

With a strong geo-scientific team discover and build a strong cash flow generating mining operation.

DISCOVERIES TO DATE:

Hawsons Iron Project - NSW
Euriowie Tin Project - NSW

Capital Structure:

Ordinary Shares 94,071,301

Major Shareholders:

Conglin In't Invest' Group	11.17%
Giralia Resources	9.13%
Mr. Conglin Yue	3.91%

Financial

Cash and deposits on hand
A$18,433,481 million

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Executive Chairman
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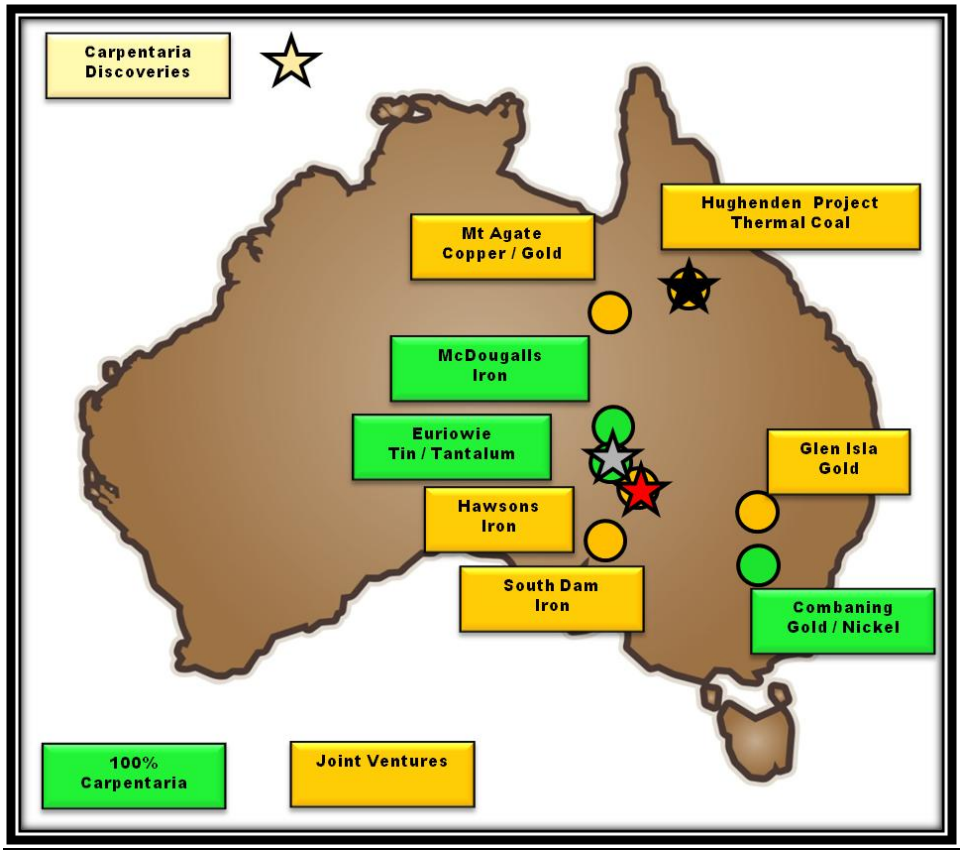
QUARTERLY REPORT

FOR THE 3 MONTHS ENDED 30TH SEPTEMBER 2010

HIGHLIGHTS

- **HAWSONS IRON PROJECT:**
  - **Phase 1 drilling to be completed in early October, with results to date confirming all magnetic anomalies have similar characteristics to the 'Core' anomaly.**
  - **Drilling confirms that ironstone units are very thick, (up to 150 metres). Combined with the softness of the ironstone, this indicates that low cost mining techniques and grinding and beneficiation processes are anticipated.**
  - **Scoping Study nearing completion with outcomes expected to be announced in next Quarter,**
- **EURIOWIE TIN:**
  - **Thirteen holes drilled – tin mineralisation intersected at depth, with a best intersection of 4 metres @ 0.38% tin from 15 metres.**
  - **Identification of a further 11 pegmatite dykes, which will now be mapped and sampled.**
- **MT AGATE COPPER/GOLD:**
  - **5km long copper / cobalt geochemical anomaly delineated.**
  - **4 holes drilled in October – assays awaited.**
- **HUGHENDEN COAL:**
  - **Drilling commencement delayed due to continual heavy rainfall.**

Project Location Map



EXPLORATION - SUMMARY

Phase 1 drilling of the **Hawsons** Magnetite Project was nearing completion in the September Quarter. The drilling was aimed at testing grade, thickness, depth of weathering and the metallurgical properties of all magnetic anomalies in the project area. The results showed that all magnetic sources were magnetite siltstone with depth of weathering ranging from 40 to 130m. A scoping study to establish mining and processing parameters has commenced.

Drilling was undertaken on the **Euriowie** tin project, where 13 reverse circulation (RC) drill holes were targeted to test the tin bearing pegmatite dyke. Seven of these holes hit the target and assay results confirm that tin mineralisation extends at depth.

A drilling program at the **Panama Hat** gold JV and the Glen Isla gold project was delayed due to unseasonal heavy rainfall. The Panama Hat drill program was eventually completed during October with 5 holes drilled and assays awaited.

A surface geochemical sampling program by farm-in partners Activex Ltd highlighted a strong 5 km long copper/cobalt soil anomaly in the south of the **Mt Agate** Project area.

The exploration drill program at the **Hughenden** Coal Project in the Galilee Basin in Queensland has been adversely hampered by ongoing heavy rainfall.

PLANNED DECEMBER QUARTER EXPLORATION ACTIVITIES

Hawsons Iron Project
Phase 2 drilling is expected to be completed by December 2010. This phase is designed to delineate a 1 billion tonne Inferred Resource. The pre-feasibility study is expected to commence, with results in early 2011.

Panama Hat JV
A 5 hole, 750m RC drilling program to test gossanous-quartz veins with high-grade surface gold geochemistry at Panama Hat and Williams East Prospects was completed in October. Assay results from this drilling will define the direction of the project.

Euriowie
Given the confidence that tin occurs at depth in the Mt Euriowie pegmatite gained from the recent drilling, existing tracks have been rehabilitated to allow mapping and sampling of 11 tin bearing pegmatites in the tenement. These will be ranked and further sampling, drilling and possibly bulk sampling will be undertaken.

Hughenden
Drilling will re-commence to test the extent and continuity of recent encouraging intersections of thermal coal.

Glen Isla
A 3 hole, 600m RC drilling program to test two buried three-dimensional Induced Polarisation (3D IP) anomalies should be undertaken in the December Quarter, weather permitting.

Mt Agate
In October, Joint Venture partner ActivEX drilled four holes totalling 550 metres on the the Saddle Ridge target, a geochemical anomaly at least 5 kilometres long which has only had limited previous drilling. ActivEX has the right to earn up to a 75% interest in the Project.

EXPLORATION

Hawsons Iron Project

General

The Hawsons Iron Project, located 60km south west of Broken Hill, (refer figure2) covers the entire known outcrop in NSW of the Neoproterozoic Braemar Iron Formation. This formation is highly prospective for bulk magnetite iron mineralisation and contains the Hawsons Iron Prospect discovered in 2009 by Carpentaria. An exploration target[1] of 3.5 to 5.8 billion tonnes at 18% magnetite DTR with a concentrate grade of 69 - 71% Fe with a low level of impurities has been estimated for the Hawsons Project. This calculation is to a depth of 250m over a prospective strike length of 34 to 51km, which rates as one of the largest magnetite exploration targets in Australia. Given the depth extent of the ironstone (at least 1,000m vertical depth from magnetic modelling), this exploration target is considered to be conservative.

The project covers three ELs: EL 6979, EL 7208 and EL 7504. In September, Joint Venture partner Perilya Broken Hill Ltd, which held EL 6979, elected not to contribute to future expenditure on the tenement as per the JV agreement and has withdrawn from the JV and reduced to a 1.5% NSR with no further equity. When the tenement is transferred to Carpentaria, it will become part of the BMG JV with all costs expended to date to be reimbursed to Carpentaria.

[1] *The potential quantity and grade of the exploration targets is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.*

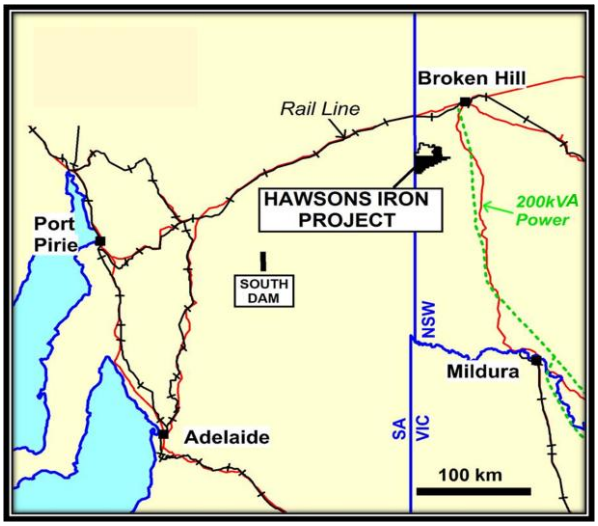


Figure 2. Location of Hawsons Iron Project

Phase 1 drilling continued in the September quarter to test the thickness, grade, and depth of oxidation of all magnetic anomalies within the Hawson ELs. Access was somewhat restricted to accommodate the landowners' requirements but all anomalies identified to date were tested. Some indicative results are shown in Figure 3, and these confirm the substantial thickness of magnetite and high grade of the concentrate from Davis Tube Recovery testwork (DTRs).

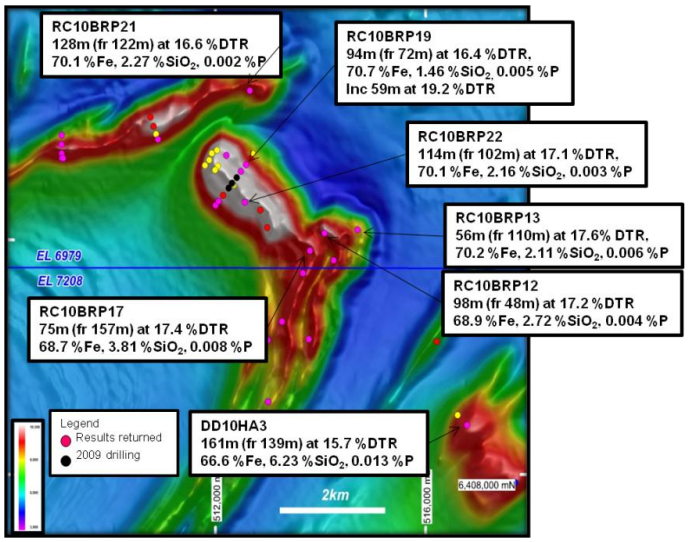


Figure 3: Location of current drill program holes over a magnetic image.

The results of this drilling program consistently show that all magnetic anomalies are sourced by similar magnetite siltstones and returned high grade concentrate with very low deleterious elements (see Table 1). The ironstone units are very thick, and this combined with the softness of the ironstone indicates that low cost mining techniques can be expected and that low cost grinding and beneficiation processes are anticipated.

These results also continue to confirm that Hawsons is a substantial project that has the potential to have a very long mine life producing a premium quality product. The Hawsons Scoping Study is nearing completion and is highlighting the low cost mining and processing nature of the Project and also indicates that deep open pit (450m) mining operations could be feasible.

Hole ID	From (m)	Thickness (m)	DTR % 38um	DTRG Fe%	DTRG SiO2%
RC10BRP022	102	114	17.1	70.1	2.16
INCL.	131	69	17.6	70.1	1.99
RC10BRP025	137	69	15.2	69.4	2.81
INCL.	173	33	17.8	68.9	3.23
RC10BRP017	157	75	17.4	68.7	3.81
INCL.	177	36	18.3	68.3	4.17
RC10BRP019	72	94	16.4	70.7	1.46
INCL	92	59	19.2	70.8	1.37
RC10BRP012	48	98	17.2	68.9	2.72
INCL.	97	49	20	69.4	2.28
INCL.	97	14	22.9	69.4	2.12
DD10HA003	138.7	160.95	15.7	66.6	6.23
INCL.	138.7	33.65	18.7	66.9	5.99
INCL.	138.7	20.3	21.6	66.5	6.48
AND	228.1	71.9	17.8	65.9	7.01
RC10BRP013	110	56	17.6	70.2	2.11
INCL.	138	28	19.1	70.5	1.64
INCL.	155	11	24.2	70.9	1.19
RC10BRP021	122	128	16.6	70.1	2.27
INCL.	128	81	17.2	70.1	2.37
INCL.	128	64	17.8	70.1	2.38
INCL.	163	29	19.2	70.5	2.04

Table 1 Results from Phase 1 drilling. Note - DTRG - Davis Tube Recovered Grade

Euriowie Tin Project (100% CAP)

The Euriowie tin and rare metal project lies 60km north of Broken Hill, NSW.

Encouraging tin grades have previously been returned from surface sampling, and a drill program was designed to test the continuity of tin in the pegmatite dyke to a vertical depth of around 50 metres. Thirteen RC holes were drilled, and 7 intersected the dyke. As it is very difficult to predict the orientation of the dyke, the drilling results are considered promising.

A nugget effect is evident owing to the coarse nature of the tin mineralisation. These results also confirm that the tin is not just a surface event and extends to depth. Three of the holes intersected tin mineralisation at shallow depths - see figure 5.

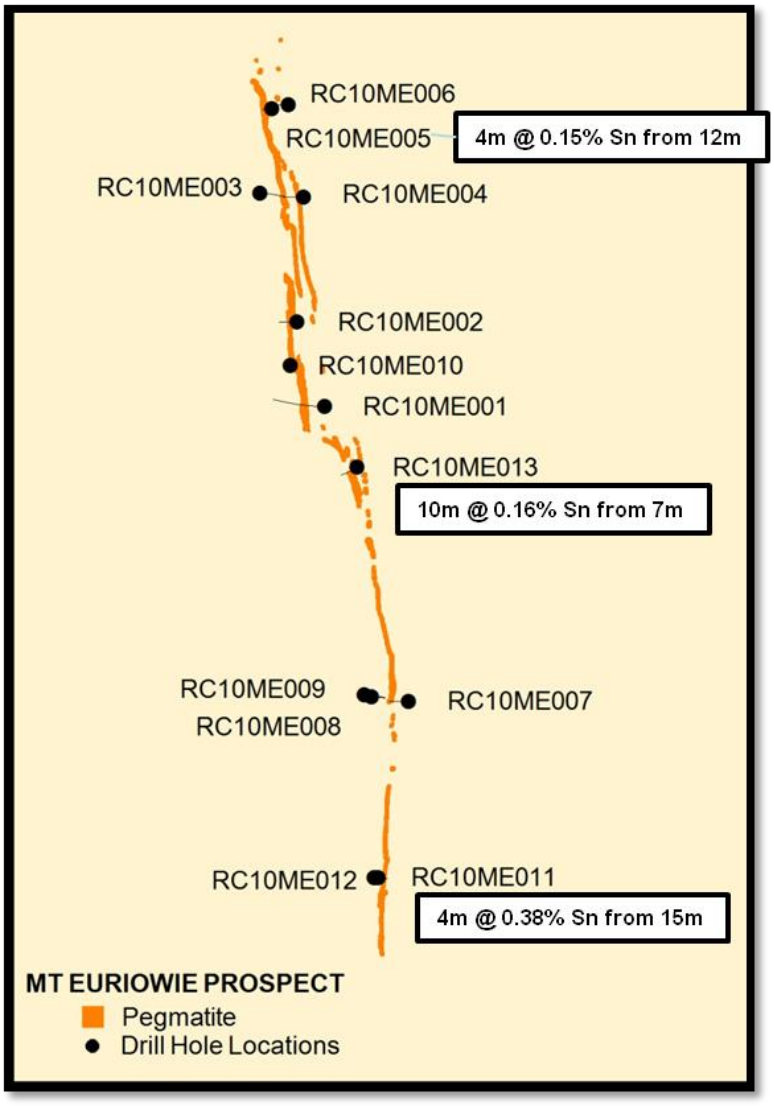


Figure 5: Location of drill holes and drill results from Mt Euriowie

These results were proof of concept but did show that the nugget effect of the tin caused sampling difficulties and under-reporting of tin assays.

Reconnaissance mapping by Carpentaria and previous workers has highlighted **a further 11 dykes that appear to be tin bearing**. It was concluded that rather than carry out further drilling on the Mt Euriowie pegmatite dyke, mapping and sampling of all other dykes will be performed in order to rank and prioritise ongoing exploration of the tenement. It is anticipated the follow up work will be by either bulk sampling or better suited drilling techniques (see figure 6).

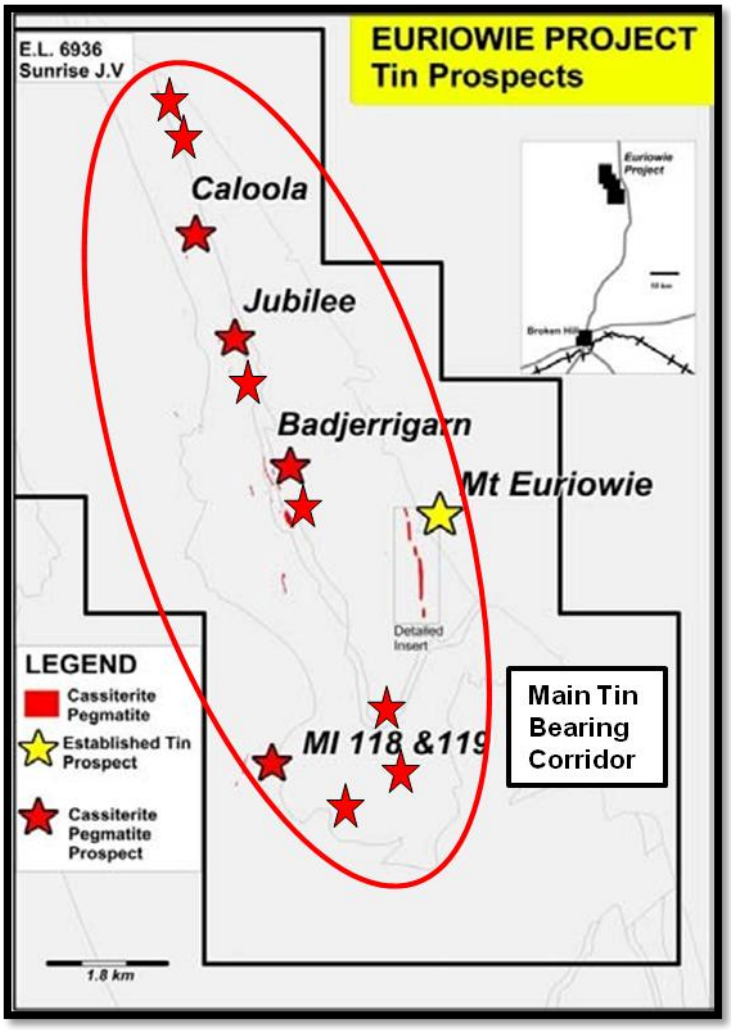


Figure 6: Location of Euriowie Tenement (top right) and tin prospects

Glen Isla Gold Project (100% CAP with RMS earning an initial 51%)

Carpentaria is currently managing exploration at the Glen Isla epithermal gold prospect (EL 6246) under the terms of a farm-out agreement with Ramelius Resources Limited (RMS), whereby RMS funds all exploration work for the Project.

A three hole RC drill program of approximately 660m has been designed to test large induced polarisation anomalies. The source of these anomalies is considered to be pyrite associated with gold. These holes were scheduled for completion in the September Quarter but continual rains have caused a considerable delay and drilling is anticipated in the December Quarter.

Panama Hat Gold Project (CAP earning in)

Drilling at the Panama Hat Project 30km south of Broken Hill in NSW has been delayed due to rain. A program of at least 6 - 7 holes was planned to test for gold beneath high grade surface samples as shown in Figure 4.

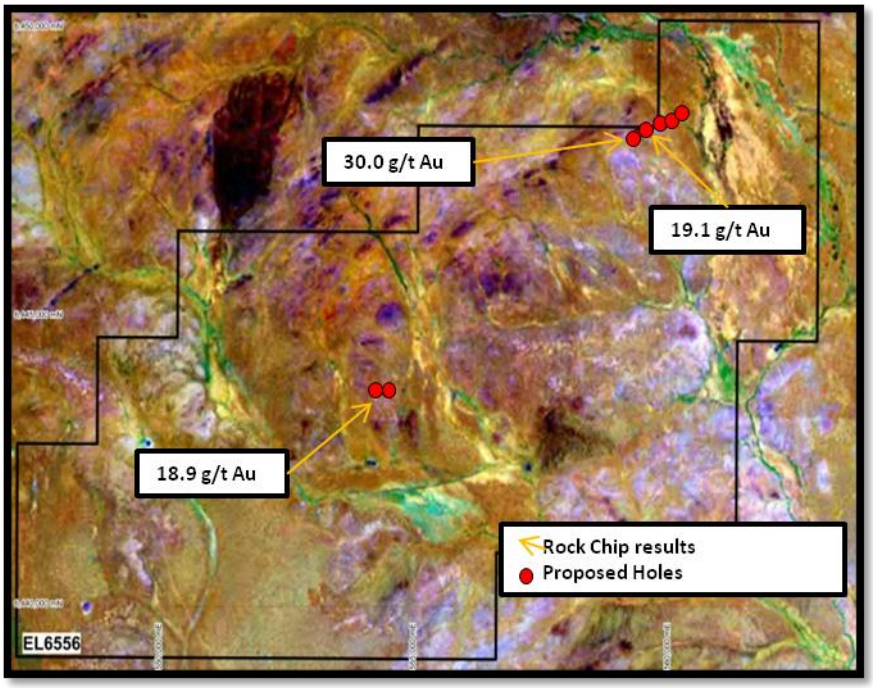


Figure 4. Surface image showing proposed drilling

Hughenden Coal Project (CAP 20%, Guildford Coal 80%)

Guildford Coal Ltd (Guildford) is providing the initial exploration funding for this project to a total of $2.0m, targeting export thermal coal contained within the Galilee and Eromanga Basins. Guildford also contributed additional properties into the Project as shown in Figure 6. The Project now has eight granted tenements spanning an estimated 6,333 square kilometres, EPC1394; EPC1477; EPC1300; EPC1576; EPC1574; EPC2046; EPC2048; and EPC 2049.

Drilling for the quarter was delayed due to unseasonably heavy rainfall and the program is expected to commence in the December Quarter with the aim of delineating an Inferred Resource.

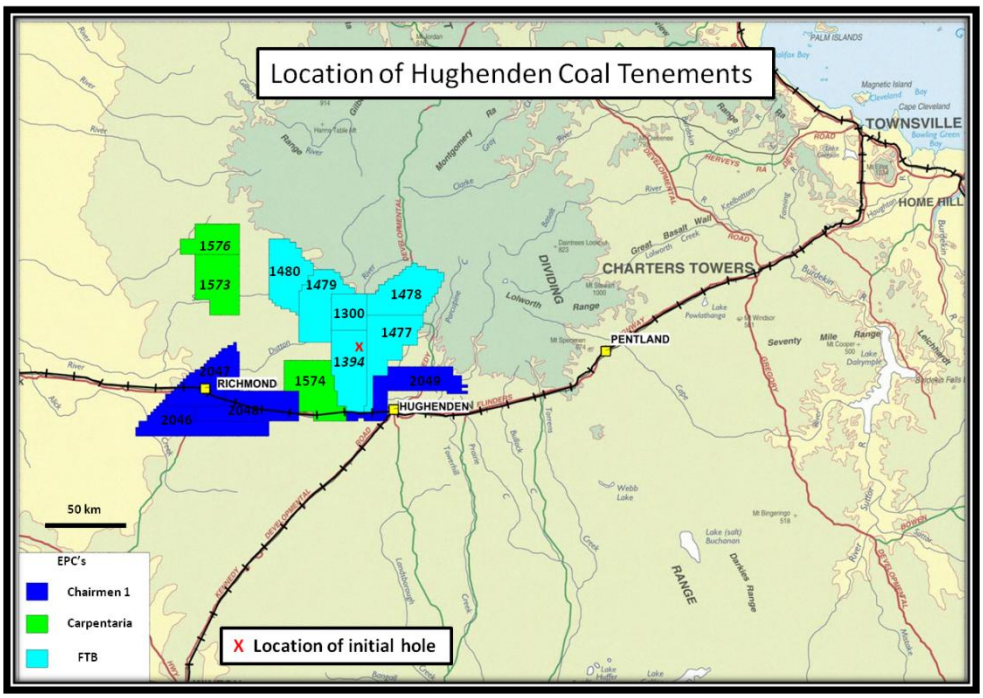


Figure 7: Map of tenements in the Hughenden Project.

South Dam Iron Project (100% CAP with BMG earning an initial 49%)

This tenement is located over the Braemar Iron formation in South Australia and has a 6km airborne magnetic anomaly that is interpreted to represent similar magnetite bearing rocks to those encountered in the Hawsons Project. BMG has designed a detailed airborne magnetic survey that was commenced at the end of the September Quarter. Results are awaited.

Mt Agate (ActivEX Ltd. earning 75%)

This tenement situated 60km south of Cloncurry was farmed out to ActivEX in the June quarter .

Recent soil sampling and analyses by ActivEX have extended a previously known copper geochemical anomaly. The anomaly has a five kilometre strike length and remains open to the north. Previous drilling by the MIM Group intersected a wide zone of significant copper, gold and cobalt mineralization, which is untested to the north.

The successful hole at the Saddle Ridge prospect - MA002- intersected:

- 40m @ 0.32% copper, 0.08g/t gold and 195g/t cobalt
- including 3.1m @ 2.63% copper, 0.18g/t gold (redrill – no cobalt assays)

Several holes are proposed to step out from the successful hole and to test the anomaly at Saddle Ridge North, located 2km to the north of the Saddle Ridge prospect.

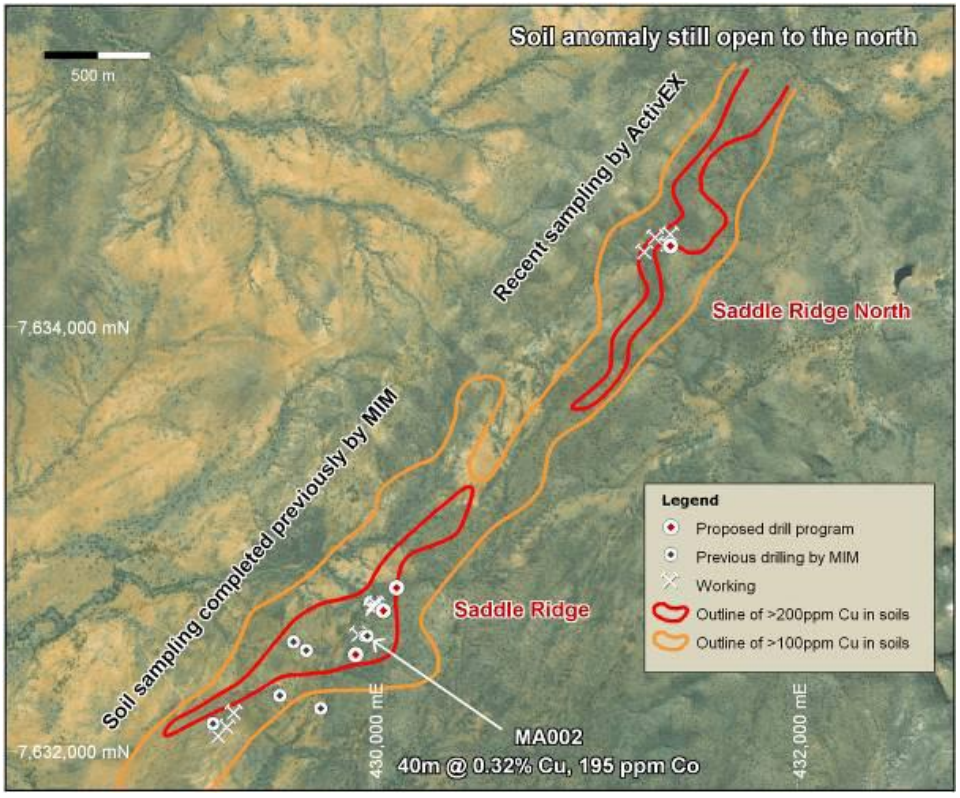


Figure 8: Saddle Ridge Prospect showing the copper geochemical anomaly, historic workings and proposed drill holes

CORPORATE:

Cash reserves were A$18,433,481 million as at 30 September 2010.

Competent Person Statement The information in this report that relates to Exploration Results is based on information compiled by Mr Nick Sheard , who is a Fellow of the Australian Institute of Geoscientists and is a Registered Professional Geoscientist -Mineral Exploration and Geophysics. Mr Sheard is a full time employee of Carpentaria Exploration Limited and Mr Sheard has sufficient expertise which is relevant to the style of mineralisation 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 Sheard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Nick Sheard
Executive Chairman

We find it. We prove it. We make it possible.

The information in this announcement that relates to Exploration Results and Resources is based on information compiled by S.N.Sheard, who is a Fellow of the Australian Institute of Geoscientists 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.