

17 May 2011

2011 BAUXITE DRILLING CAMPAIGN UNDERWAY

- **Drilling programmes have commenced**
- **QBL has planned for almost continuous drilling - targeting in excess of 25,000 metres of aircore drilling**
- **High priority targets close to key infrastructure to be targeted at both the North and South Queensland Project areas**

Queensland Bauxite Limited ("QBL" or "the Company") is pleased to report that the Company's bauxite drilling campaign is now underway. QBL has embarked on what is anticipated to be an almost continuous drilling programme targeting in excess of 25,000 metres of aircore drilling. The drilling programme will involve a staged approach which will work towards a grid based drill programme aimed at defining JORC compliant bauxite resources.

Drilling has commenced at the Kingaroy Project (See Figure 1 below) where an extensive bauxite drilling programme is now underway to cover many of the main target areas to assess the bauxite mineralisation and distribution. The current drill programmes are using aircore drilling (see photo from the current programme in Figure 2 below), which are intended to have no impact for landowners.

Following the completion of the initial drilling in the Kingaroy region, the drill rig will move to the South Johnstone Project in North Queensland to further evaluate the extent of bauxite mineralisation with an aim to define a JORC compliant resource. Following the initial drilling on these core projects, it is anticipated that closer spaced drilling programmes will be operated by a number of rigs operating simultaneously.

QBL is looking forward to the results of these programmes, and will release the results as and when they become available.

About Queensland Bauxite Limited

Queensland Bauxite Limited holds in excess of 7,180 km² of bauxite prospective terrain in Queensland, Australia. The Company is focused on defining significant bauxite resources with a view to commencing direct shipping ore (DSO) bauxite mining and export operations in the near-term.

QBL believes the East Australian Bauxite Province (stretching from Far North Queensland to New South Wales) has been considerably under-explored and has the potential to become a world-class bauxite province.

QBL is one of the few companies offering exposure to the bauxite industry, currently characterised by rapidly growing international demand. QBL is targeting long-life DSO operations, and believes it has positioned itself before the predicted rise in bauxite prices.

Level 34, 50 Bridge St
Sydney NSW 2000
Ph 61 2 8216 0777
Fax 61 2 8216 0788
Email info@queenslandbauxite.com.au
ABN 18 124 873 507

For further information please visit the company's website at www.queenslandbauxite.com.au or contact:

Sholom Feldman
Executive Director
Level 34, 50 Bridge Street
Sydney, NSW 2000
Phone +61 (2) 8216 0777
E: sfeldman@queenslandbauxite.com.au
Web: www.queenslandbauxite.com.au

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Robert Coenraads (BA Hons, MSc, PhD) and Mr Mark Derriman (BAppSC Hons, MAppSc, MBA). Dr Coenraads is a fellow of the Australasian Institute of Mining and Metallurgy and Mr Derriman is a member of the Australian Institute of Geoscientists. Dr Coenraads contracts services to QBL. Mr Mark Derriman is a full time employee of QBL. Dr Coenraads and Mr Mark Derriman have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking and to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources or Ore Reserves".

Dr Coenraads and Mr Mark Derriman consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

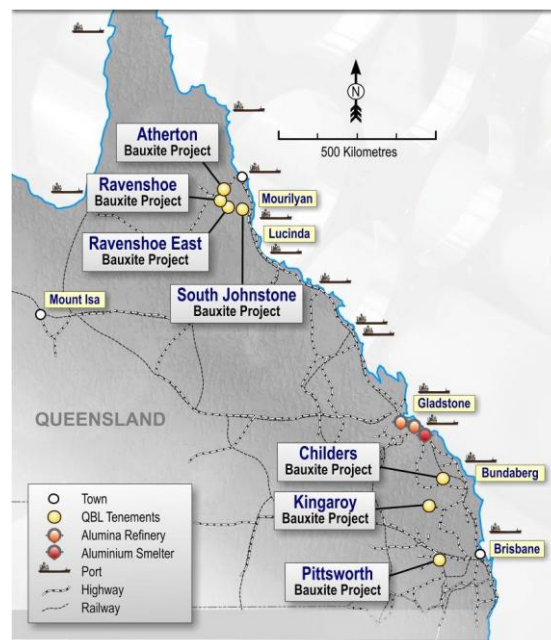




Figure 2: Kingaroy Project Monday 16th May 2011 – Aircore Drilling Rig at work



