

ASX RELEASE

Tellus Resources Ltd is an Australian-based oil, gas and mineral exploration company.

Tellus holds a 100% interest in PEL 105 of the Cooper Basin as well as ATP 904 in the Surat Basin, Qld (subject to Ministerial approval). It also holds the Chillagoe Gold Project which includes Exploration Permits covering a combined area of ~28,878 hectares plus Mining Leases covering a combined area of approx. 480 hectares, including the Wandoo & Empire prospects.

In addition Tellus has a large tenement package in regional New South Wales prospective for Intrusive Related Gold Deposits (IRG).

Directors/Officers:

Anthony Wehby
 Carl Dorsch
 Stephen Woodham
 Richard Willson
 Ben Salmon
 Anne Adaley

Issued Shares:

112,988,922 shares

Tellus Resources Ltd

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PEL 105 FARMOUT TO SENEX ENERGY

Tellus Resources Ltd (the "Company" or "TLU") and its wholly owned subsidiary PNC AUST Pty Ltd ("PNC") are pleased to announce that they have agreed to a farmout arrangement with Senex Energy Limited ("Senex") in its PEL 105 tenement in the Cooper Basin, South Australia. The terms of the deal are summarised as:

1. Upon signing of the legally binding HOA, PNC transfers a 50% interest in PEL 105 to Senex. The transfer is subject to Ministerial approval as well as both parties completing all the terms of the HOA summarised below.
2. PNC continues with preparations to commence the drilling of Pirie 1. PNC cash calls Senex for \$3.5M to contribute to the costs of drilling Pirie in two equal tranches as follows:
 Tranche 1 : \$1.75M prior to spudding Pirie 1 (expected in 5 days)
 Tranche 2 : \$1.75M 25 days after spud.
3. Following the rig release on Pirie 1 well operated by PNC, PNC will transfer operatorship of the Permit to Senex.
4. Upon assuming operatorship, Senex will sole fund a further well in the Permit on or before June 30, 2014. Following this, PNC will transfer a further 20% interest in the block to Senex. Interests at this stage will be:

% Working Interest

TLU	30.0
SXY	70.0

The Pirie 1 well is targeting Birkhead, Toolachee, Patchawarra and Tirrawarra oil and wet gas prospects. Recoverable oil in the Tirrawarra could be as high as 3 million barrels.

Commenting on the transaction, managing director Carl Dorsch said "It is with a great deal of satisfaction that we have managed to attract a company of the calibre of Senex Energy in to this prospect and we look forward to a mutually beneficial result with the wells and indeed into the future together".

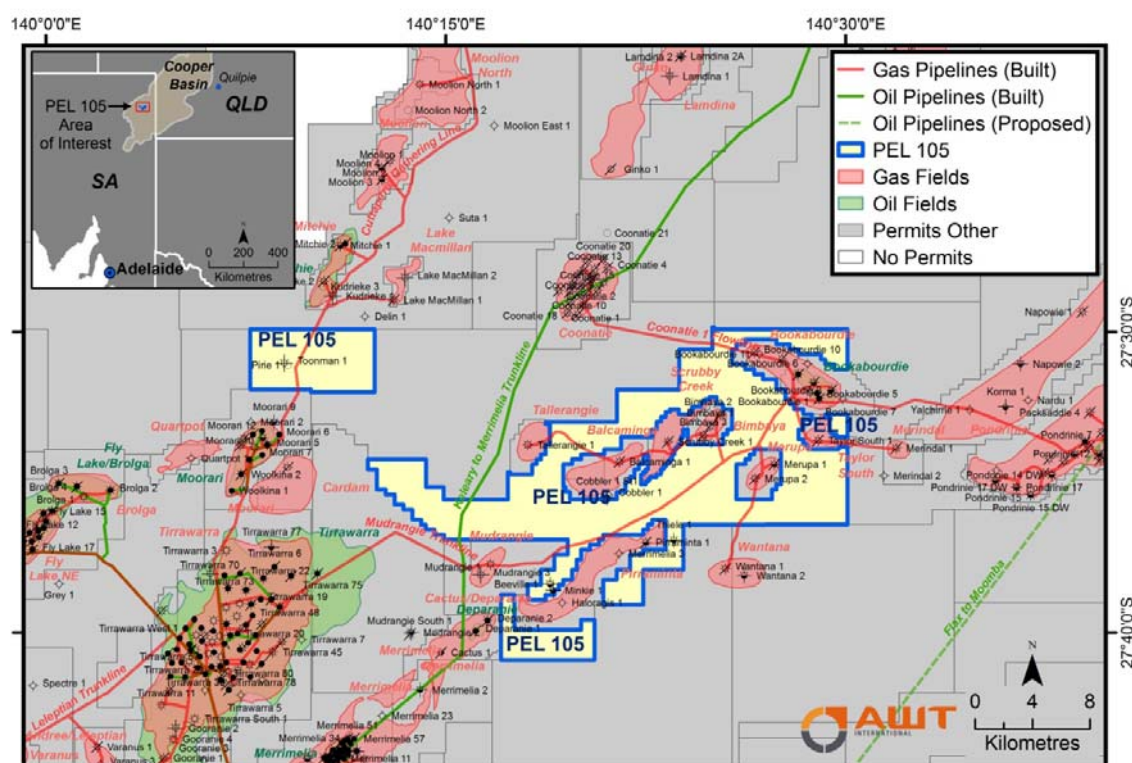


Figure 1 : PEL 105 Tenement

For further information on this announcement or Tellus Resources please contact:

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Competent Persons Statement

The information in this statement that relates to Hydrocarbon Resources is based on information compiled by the Managing Director of the Company, Mr Carl Dorsch who is leading the Company's operations efforts with the help of various professional consultants who are experts in their fields.

Mr Dorsch has been a member of the Society of Petroleum Engineers since 1981. He holds Bachelor of Science and Bachelor of Chemical Engineering degrees from the University of Adelaide, South Australia and is a Chartered Engineer as well as a Fellow of the Institute of Chemical Engineers.

Mr Dorsch has over 35 years experience in the oil and gas exploration and production business both in Australia and on the international stage. Although specialising in drilling and completion operations, his career has included reservoir and production operations.

Mr Dorsch has sufficient expertise in the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results. Mr Dorsch hereby consents to the inclusion of the information in this release and the form and context in which it appears.