



Australian Securities Exchange Announcement

19 October 2007

Company Announcements Office
Australian Stock Exchange Limited
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Australia Square NSW 2000

EARLY SUCCESS IN WATER SEARCH AT TRIPITAKA

An important milestone for the potential development of Tripitaka has been achieved in recent drilling with the successful location of a likely underground water supply within an acceptable distance of the zircon resource.

With the objective of locating a suitable source of underground water for a Tripitaka mine development, the Colona Joint Venture (Iluka Resources 51%; Adelaide Resources 49%) has completed the first phase of a water exploration drilling program.

Initial results from this work are encouraging with saline groundwater intersected on all three traverses drilled (see plan). Good indicative flows were encountered as close as 15km to Tripitaka in coarse gravelly sands at acceptable depths near the base of palaeochannels. All three traverses fall outside the Yellabinna Regional Reserve.

Saline groundwater is quite suitable for a water supply in the gravity separation process used for extraction of heavy mineral concentrates from mineral sand deposits.

Additional drilling is planned in the December quarter to more quantitatively define the water supply.

Keith Yates
Executive Chairman.

