

**ASX Release**

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15 August, 2008

**CORNELL CAPITAL PARTNERS, LP****LOAN REPAYMENT**

The Board has elected to make the scheduled August repayment of principal under the Series A Convertible Loan in shares as per the attached Appendix 3B.

The prices for the shares are set at the lowest daily VWAP (Volume Weighted Average Price) in the relevant pricing period.

**For further information contact:**

Neil Guest (Company Secretary)

Telephone: ++ 61 (02) 9417 3588

Facsimile: ++ 61 (02) 9417 8750



Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

COMPASS RESOURCES LIMITED

ABN

51 010 536 820

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | Ordinary Fully Paid Shares  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 1,573,693   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | i) 1,573,693 shares issued at a price of \$.9628 being loan repayment instalments pursuant to a Convertible Loan Agreement previously announced to the ASX. |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>	
<p>5 Issue price or consideration</p>	<p>As per item 3</p>	
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>As per item 3</p>	
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>15 August, 2008</p>	
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<p>Number</p>	<p>+Class</p>
	<p>132,683,212</p>	<p>OFP shares</p>

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+ See chapter 19 for defined terms.

	Number	+Class	
9			
	Number and +class of all	70,000	Options (\$1.69 expiring 31/12/2008)
	+securities not quoted on	100,000	Options (\$3.26 expiring 30/6/2008)
	ASX (including the	118,000	Options (\$3.14 expiring 31/12/2009)
	securities in clause 2 if	1,500,000	Options (\$2.20 expiring 31/12/2010)
	applicable)	300,000	Options (\$3.40 expiring 31/12/2009)
		500,000	Options (\$4.00 expiring 31/12/2009)
		200,000	Options (\$3.69 expiring 31/12/2011)
		3,460,000	Options (\$4.5805 expiring 14/12/2010)
		240,000	Options (\$2.32 expiring 31/12/2011)
	1,540,000	Options (\$3.4953 expiring 14/12/2010)	
	2,700,000	Options (\$5.04 expiring 31/12/2012)	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividends payable in current financial period	

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents	N/A
	Note: Security holders must be told how their entitlements are to be dealt with.	
	Cross reference: rule 7.7.	

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale	N/A

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+ See chapter 19 for defined terms.

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through a broker)?	<input type="text"/>
33 +Despatch date	<input type="text" value="N/A"/>

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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**Entities that have ticked box 34(b)**

38 Number of securities for which  
 +quotation is sought

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39 Class of +securities for which  
 quotation is sought

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40 Do the +securities rank equally in all  
 respects from the date of allotment  
 with an existing +class of quoted  
 +securities?

If the additional securities do not  
 rank equally, please state:

- the date from which they do
- the extent to which they  
 participate for the next dividend,  
 (in the case of a trust,  
 distribution) or interest payment
- the extent to which they do not  
 rank equally, other than in  
 relation to the next dividend,  
 distribution or interest payment

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41 Reason for request for quotation  
 now

Example: In the case of restricted securities, end of  
 restriction period

(if issued upon conversion of  
 another security, clearly identify that  
 other security)

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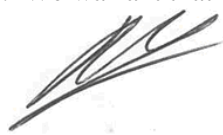
	Number	+Class
42 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)		

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+ See chapter 19 for defined terms.

**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  
  - There is no reason why those +securities should not be granted +quotation.
  
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
  
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
  
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:  
.....Date: 15 August 2008  
(Company secretary)

Print name: Neil Guest  
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15 August 2008

Company Announcement Office,  
Australian Stock Exchange Limited,  
PO Box H224,  
Australia Square  
**SYDNEY NSW 2000**

Dear Sirs,

**Notice under Section 708A of the Corporations Act**

This notice is given under Section 708A(5)(e) of the Corporations Act in respect to the issue of 1,573,693 ordinary fully paid shares by the Company on 15 August, 2008 without disclosure to investors under part 6 D.2 of the Act.

As at this date the Company has complied with:

- (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
- (b) Section 674 of the Act.

As at this date there is no information to be disclosed that is excluded information defined by Section 708A(7) of the Act, as required by Section 708A(8) of the Act.

Yours sincerely

**COMPASS RESOURCES LIMITED**



**NEIL GUEST**  
Company Secretary

