

Tellus Resources Ltd is an Australian-based oil & gas and mineral exploration company with licences in South Australia, Queensland and New South Wales. The Company has oil interests in Utah, USA as well.

Directors:

Robert Kennedy - **Chairman**

Carl Dorsch - **Managing Director**

Neil Young - **Non-Executive Director**

Issued Shares:

172,348,295 ordinary shares

Tellus Resources Ltd**ASX Code: TLU**

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CMP Update

Tellus Resources Limited (TLU or the Company) provides the following market update in relation to the Covenant Mondo Project ("the CMP") located in Utah in the USA.

The blasting work for the drilling pad for the CMP's first well is now complete and the location should be gravelled and ready to accept a drilling unit in 2 – 3 weeks. The Operator has advised that the regulatory authority to drill will now be lodged and approval from the Utah regulator is expected some 30 days later.

Given these developments, the Operator has advised spud is now expected in late third quarter.

The Company has agreed with the Operator to reduce its participating interest in the CMP from 41.67% to 25% - which means it is now required to pay 30% rather than 50% of the cost of the two well farmin to the Project. Tellus' share of estimated costs have been advanced to the Operator for the first well and construction of the second well pad.

Commenting on the developments, the Company's Managing Director Carl Dorsch said, *"Tellus has now advanced to the Operator all the funds required to enter the CMP and fund the estimated costs of the first well. The level of participation we now have in the Project is in line with that originally proposed when farmout negotiations commenced. Our focus is now on working with the Operator over operational matters and we look forward to the imminent start of a successful campaign."*