15 September 2014

Dear Option holder

Cullen Resources Limited (**Company**) has announced a non-renounceable rights issue of up to approximately 148,353,263 new fully paid ordinary shares (**Rights Issue**) under which its shareholders in Australia and New Zealand (**Eligible Shareholders**) will be offered one (1) fully paid ordinary share in the Company (**New Shares**) for every seven (7) fully paid ordinary shares held at 7.00pm (Melbourne time) on 19 September 2014 (**Record Date**) at an issue price of $0.012 per New Share, with any fractional entitlements being rounded down.

The New Shares will rank equally with all other fully paid ordinary shares of the Company, including in respect of dividends, from the date of allotment.

The Rights Issue will raise up to $1,780,239 before costs. The funds will primarily be used to maintain the Company's participating interest in the Mt Stuart Iron Ore Joint Venture, to advance exploration for nickel and gold at Mt Eureka, and for working capital.

Under the terms and conditions of the options that you currently hold, there is no entitlement to participate in the Rights Issue.

In order to participate in the Rights Issue in relation to any options that you hold, you must exercise those options that have vested in accordance with the terms of your options, prior to the Record Date. Please note that it is not compulsory to exercise your options. If you do wish to exercise your options, you may do so by completing all of the steps required by the terms and conditions of those options, including payment of the relevant exercise price.

To the extent that the options held by you have not vested and are not exercisable prior to the Record Date, the Rights Issue does not apply to those options.

Please consult your professional adviser if you are in any doubt as to the action you should take in respect of the Rights Issue.

If you have any questions, please contact Chris Ringrose, on 089 474 5511.

Yours sincerely

Chris Ringrose
Managing Director

_____

Unit 4, 7 Hardy Street
South Perth | Western Australia 6151
Telephone: +61 8 9474 5511 | Facsimile: +61 8 9474 5588
E-mail: cullen@cullenresources.com.au
Website: www.cullenresources.com.au