

ASX ANNOUNCEMENT

17 December 2008

Operations Update – Browns Oxide Project

Copper

Compass Resources (ASX code: CMR) is pleased to confirm the completion of our first shipment of copper cathode from the Browns Oxide Project with payment for the first 250 tonnes having been received

The next 250 tonnes is expected to be shipped in the first week of January.

Cobalt/Nickel

Commissioning of the circuit has taken longer than expected, however we expect production of cobalt/nickel concentrate to commence in the next week.

Costs

The current weakness in commodity markets is likely to have a positive impact on production costs with input costs likely to fall from previously anticipated levels. We are actively renegotiating all supply contracts.

For further information regarding this announcement contact:

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or go to our website at www.compassresources.com.au

Disclaimer

This announcement may or may not contain certain "forward-looking statements". All statements, other than statements of historical fact, that address activities, events or developments that Compass believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could", or "might" occur or be achieved and other similar expressions.

These forward-looking statements reflect the current internal projections, expectations or beliefs of Compass based on information currently available to Compass. Forward-looking statements are subject to a number of risks and uncertainties, including those detailed from time to time in filings made by Compass with securities regulatory authorities, that may cause the actual results of Compass to differ materially from those discussed in the forward-looking statements, and even if such actual results are realised or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on Compass. Compass expressly disclaims any obligation to update or revise any such forward-looking statements.

ABOUT COMPASS

Compass Resources Limited is an Australian resources company listed on the Australian Stock Exchange.

Compass Resources seeks to build shareholder value through exploration, development & production from its potential world class base, precious metal and uranium interests in Australia's Northern Territory.

ASX Code: CMR

ASX Listed: 15 August 1991

Shares on issue: 145 million

Unlisted options: 11 million

Market Cap (at 15-12-08): A\$26 million

Top 20: 40.2%

Major Shareholder:

Hunan Nonferrous Corporation 4.2%

Harbinger Capital Partners 10.4%

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