



Cluff Resources Pacific NL

ABN 72 002 261 565

Friday, 2 July 2010

LISTED OPTIONS EXPIRING 31 JULY 2010 (ASX CODE: CFRO)

Dear Optionholder,

As a holder of CFRO listed options which expire on 31 July 2010, the company is supplying you with this information as required by Listing Rule 6.24 and Paragraph 6.1 of Appendix 6A ('Timetables') of the ASX Listing Rules.

I appreciate that the current price of our fully paid shares is about \$0.003. It remains a matter for each optionholder to determine if they wish to exercise their options. Any investment in Cluff is an investment in a speculative stock. A personalised conversion form is provided on the rear of this letter for this purpose.

I confirm that the company is in the process of substantial change whilst continuing to focus on its major project of Bingara diamonds. The company has commenced the processing of the material extracted from our latest RC drilling program at Bingara. The final results from this processing and the analysis of the program are some way away. A further bulk sampling pit is still under consideration. The company has recently retained expert consultants to assist in the further development of our exploration program and processing. The company has appointed new external accountants and it is undertaking a full review of all operations and the costs of the company.

The board remains committed and excited about the prospects of your company.

I suggest that you remain interested in the company and monitor its share price right through to the date of the exercise of your options to ensure that you do not lose any possible opportunities. There is still potential for some further increase in the price in the immediate future.

The Company further advises that:

1. The number of 31 July 2010 Options outstanding is 335,337,590.
2. The exercise price is 0.6 cents (\$0.006).
3. The due date for exercise is 31 July 2010.
4. Any Options which are not exercised will lapse and have no value.
5. The Options will cease to be quoted after the close of trading on **Friday the 23rd of July 2010**.
6. The latest market price of the Company's ordinary shares was 0.3 cents as at 29th June 2010.
7. During the 3 months prior to 29 June 2010 the highest market price of ordinary shares was 0.5 cents on Wednesday 19th May 2010 and the lowest market price was 0.3 cents on Thursday 3rd June 2010.
8. There is currently no underwriting agreement covering the exercise of these Options.

For further information contact:

Scott Enderby on Phone (02) 9247 2277

Email: Cluff@bigpond.com

Yours faithfully,

Scott Enderby, Company Secretary / Executive Director

Registered Office:
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ASX Code: CFR

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TERMS OF OPTIONS

Cluff Resources Pacific NL

(Holder address and number of CFRO held)

The following is a summary of the more significant rights attaching to Options. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

Each Option entitles the holder to acquire one ordinary fully paid share in the Company ("Share") on the following terms and conditions:

- a) The Options shall expire at 5.00pm on 31 July 2010 ("Expiry Date");
- b) The Options have an exercise price of \$0.006 each;
- c) The Options are freely transferable;
- d) If the Option holder holds more than one Option, all or any of the Options may be exercised from time to time by notice given in writing to the Company received prior to the Expiry Date together with the exercise price paid in full by cheque, or such other means of payment acceptable to the Directors;
- e) The Options can be exercised wholly or in part by notice in writing to the Company, however allotment of Shares will occur on the last day of any month up to and including the expiry date, unless Directors approve otherwise;
- f) Any notice of exercise of Options received by the Company prior to any of these dates will be deemed to be a notice of the exercise of the Options as at such of those dates as next succeeds the date of receipt of the notice;
- g) There is no inherent right in the Options to participate in any new issue of securities which may be offered to shareholders of the Company from time to time prior to exercise of the Options. The Company will ensure that during the exercise period, for the purpose of determining entitlements to any such new issue, the books closing date will be at least 10 Business Days after such new issue is announced and that the holder will be given written notice on the day of such announcement. This will give the holder an opportunity to exercise the Options prior to the books closing date of any such new issues;
- h) In the event of any reorganisation of the capital of the Company, the number of Options or the exercise price of the Options or both shall be reorganised (as appropriate) in accordance with the Listing Rules;
- i) Upon exercise of the Options the shares issued will rank pari passu with existing ordinary fully paid shares;
- j) The Options are quoted on ASX;
- k) If there is a pro rata issue (except a bonus issue) to holders of Shares, the exercise price of an Option may be reduced in accordance with the formula set out in Listing Rule 6.22.2; and
- l) If there is a bonus issue to holders of Shares, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

NOTICE OF EXERCISE OF OPTION

To: Cluff Resources Pacific NL Limited C/- Advanced Share Registry Limited, PO Box 1156, Nedlands, Western Australia 6909

I / We.....
Name of Option holder/s (Please use block letters)

.....
Registered address of Option holder/s (Please use block letters)

hereby exercise my options to apply for
(number in words) *(in figures)*

fully paid ordinary shares in the capital of Cluff Resources Pacific NI Limited and I/we enclose my/our cheque for \$..... in payment of such shares at \$0.006 per Option subscription. I/we request that you allot me/us on the share register the number of shares to which I am/we are entitled and I/we agree to accept such shares subject to the Company's Memorandum and Articles of Association

PLEASE SIGN HERE:

Shareholder 1 (Individual) <div style="border: 1px solid black; height: 20px; margin: 5px 0;"></div> Sole Director & Sole Company Secretary	Joint Shareholder 2 (Individual) <div style="border: 1px solid black; height: 20px; margin: 5px 0;"></div> Director	Joint Shareholder 3 (Individual) <div style="border: 1px solid black; height: 20px; margin: 5px 0;"></div> Director / Company Secretary
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Business Telephone No. () Date