



ROODEPOORT
(XCD earning 70%)
EXPLORATION DRILLING COMMENCED

The Company advises that a diamond drilling programme on the Roodepoort thermal coal project has commenced. A total of 20 HQ diamond holes, with an average depth of 35m for each hole, for a total of 700m are planned to be completed during February and March.

All holes will be subjected to wire line geophysical logging and selected holes will be subjected to geotechnical testwork. The core samples will be delivered to Noko Laboratories in Witbank for washability testwork. It is anticipated that the results of this testwork will be received by Gemecs, the Company's geological consultants, by the second half of next month and that Gemecs will be able to complete resource modeling by the end of March or early April.

The objective of the drilling programme is to test the extent of coal mineralization on the Roodepoort and adjacent Diepspruit properties. These properties, totaling an area of 1,120 hectares, are situated approximately 120kms to the east of Johannesburg and 60kms east of the Company's Moabsvelden project. The project is located within twenty kilometers of Eskom's Kriel and Matla coal fired power stations and is approximately ten kilometers from Exxaro's New Clydesdale Colliery.

Due diligence drilling carried out by the Company on the properties during the December 2011 Quarter demonstrated good correlation with historical drilling and confirmed the presence of near surface coal measures containing potential export quality, as well as domestic quality coal.

Historical drilling indicates that half of the property (approximately 500ha) is underlain with elements of the 1, 2 and 4 seams. This first phase programme is intended to enable an estimation of the in-situ resource to an Indicated and Inferred status to be made.

For and on behalf of the board of
Xceed Resources Limited

Ian Culbert
Managing Director

For further information regarding the Company, please contact the Company on +61 8 9226 0329 or refer to www.xceedresources.com.au

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<i>Xceed Resources Limited is an Australian based public company engaged in the acquisition of mineral projects in South Africa. The company's primary focus is the development of coal projects located within South Africa's premier coal fields, which are supported by established infrastructure and are readily capable of reaching their markets.</i> <i>The company's most advanced project is the Moabsvelden thermal coal project situated in the Witbank coal field. Moabsvelden is expected to have a mine life in excess of 14 years with the potential to produce export quality coal from an open-cast, low strip mine. The company has two other projects in the same coalfields which are in the process of being developed through exploration drilling.</i>

Information in this announcement that relates to exploration results and mineral resources in respect of the Roodepoort thermal coal project is based on information compiled by Mr Kobus Dippenaar, Pr.Sci.Nat, B.Sc Hons (Geology), GSSA, who is a senior coal geologist at Gemecs (Pty) Ltd who have consulted to the Company. Mr Dippenaar is a member in good standing of the South African Council for Natural Scientific Professions (SACNASP No. 4090079/94) as well as a member of the Geological Society of South Africa. Both organisations are Recognised Overseas Professional Organisations. Mr Dippenaar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration, Mineral Resources and Ore Reserves'. Mr Dippenaar consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.