

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

MARKET RELEASE

25 October 2010

Palace Resources Limited**TRADING HALT**

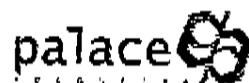
The securities of Palace Resources Limited (the "Company") will be placed in pre-open at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in pre-open until the earlier of the commencement of normal trading on Wednesday, 27 October 2010 or when the announcement is released to the market.

Security Code: PXR
 PXRO
 PXROA

Kerrie Papamihail

Assistant Manager, Issuers (Perth)

61 08 94861011



Suite 2, 16 Ord Street
West Perth WA 6005
PO Box 1770 West Perth
Western Australia 6872

adh: 74 106 240 475
tel: +61 8 9466 1123
fax: +61 8 9466 1011
palaceresources.com.au

22 October 2010

Attention:

Ms Tonia Oliveira

ASX Limited
2 the Esplanade
Perth WA 6000

By Facsimile: (08) 9221 2020

Dear Ms Oliveira

Request for Trading Halt

In accordance with Listing Rule 17.1, the Company requests an immediate trading halt in respect of its shares.

The trading halt is requested pending an announcement concerning a corporate transaction by the Company.

The Company requests the trading halt remain in place until the earlier of commencement of trading on the Wednesday 27th October 2010, or such time as the Company is able to make an announcement regarding the transaction.

The Company is not aware of any reason why the halt should not be granted.

Yours Sincerely

Roland Berzins
Company Secretary

22 October 2010

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