

CANBELEGO JV REGIONAL DRILLING UPDATE

SUMMARY

- 8 hole (1,320m) regional drilling program identifies broad copper anomalism at the Caballero Prospect (2km SE of Canbelego Prospect), returning 72m @ >0.1% Cu from surface in CLRC007, one of only two holes within the 1.4km long +50ppm Cu in soils anomalous zone.
- Drilling 4km north of Canbelego Prospect (Hawk and Mullen Prospects) has intersected altered mafic-ultramafic intrusives and sulphide-rich altered sediments, key factors for the development of VMS/Tritton Style systems.
- These positive results, together with those from companies with adjoining and nearby tenements (incl. YTC, Mincor, and Straits), confirm prospectivity and significant potential of the Cobar-Girilambone district and re-affirm our commitment to exploration in Central NSW to increase our existing Inferred Resource base of 1.5Mt @ 1.2% Cu*.

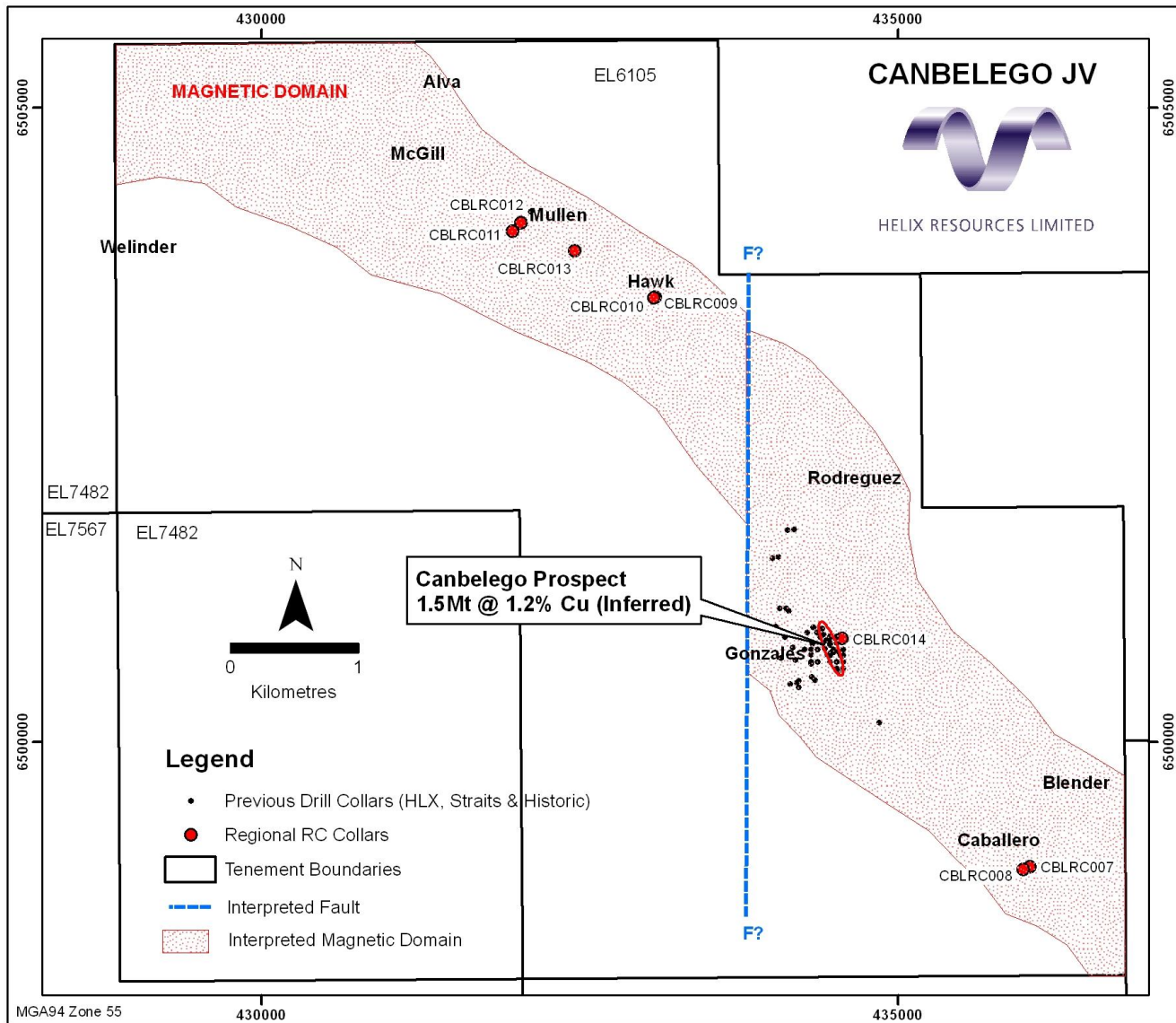


Figure 1: Regional drill hole location map



Introduction

Helix Resources Limited (ASX:HLX) is pleased to announce initial 4m composite sample assays from drilling at the Canbelego JV Project in Central NSW have been received. Geological logging and 4m assay composite results have confirmed the presence of additional mineralised systems along a northwest trend exceeding 7 Kilometres and host of the Canbelego Copper deposit (1.5Mt @ 1.2% Cu inferred*).

A program of 1,320m of regional first-pass drilling was conducted during October 2010 to test a series of geochemical and geophysical targets identified by Helix earlier in 2010. The results from this drilling provide valuable geological information and encouragement that additional mineral deposits may be present nearby to the Canbelego resource.

Helix owns 51% of the project and is well on the way to earning 70% of the project from Straits Resources.

Table 1: Regional RC Drill Hole Summary

Hole ID	East (MGA94)	North (MGA94)	Dip	Azimuth	Depth (m)	Prospect	COMMENTS
CBLRC007	436033	6499019	-60	55	114	Caballero	72m @ >0.1% Cu from 0m (composites >100ppm Cu)
CBLRC008	435979	6498997	-60	55	144	Caballero	8m elevated Cu to 412ppm
CBLRC009	433090	6503510	-65	50	120	Hawk	Magnetite altered Ultramafic
CBLRC010	433078	6503506	-65	226	186	Hawk	Magnetite altered Mafic/Ultramafic returning 12m at >300ppm Molybdenum on contact with sediments
CBLRC011	431970	6504030	-65	50	180	Mullen	Pyrrhotite in altered sediments from 86-92m and 172-176m associated with anomalous Antimony
CBLRC012	432035	6504095	-65	40	156	Mullen	Pyrrhotite veins in altered sediments from 108-110m, 122-124m and 134-156m associated with silicification
CBLRC013	432460	6503875	-65	40	150	Mullen	Arsenic Trend – elevated Cu >200ppm above iron redox interface.
CBLRC014	434554	6500819	-65	250	270	Canbelego East	Graphitic Seds in shear (Down hole EM survey planned, PVC placed to 270m)
					Total	1320	

(All results reported from 4m composite spear samples, 4 Acid Digest- ICP finish)

Caballero Prospect

A broad zone of copper mineralisation at the Caballero Prospect, approximately 2km south of the Canbelego Resource, was intersected in CBLRC007. Results from 4m composite sampling returned an interval of 72m at >0.1% Cu from surface down-hole. This drill hole was the first hole into a 1.4km long by 250m wide +50ppm copper in soils anomaly with a peak value of 366ppm Cu. The initial soil grid was conducted at 100m sample spacing on 200m spaced lines. Selected lines have been in-filled to 25m or 50m sample spacing on 100m spaced lines, however further infill of the broader copper anomaly will be conducted to better define the system and assist in the planning of additional drilling. Electrical geophysics will be considered to identify zones of sulphide accumulation within the system.



Hawk Prospect

The Hawk Prospect is defined by a discrete "bullseye" magnetic feature associated with a linear gravity high. Drilling at this prospect intersected a magnetite rich zone within a differentiated mafic-ultramafic intrusive. The drilling has confirmed the intrusive as the source of the magnetic and gravity response. The presence of such intrusive bodies, which appear younger than the surrounding sediments are typically associated with some of the nearby mineralised systems (including Canbelego). A zone of 12m returning 313ppm molybdenum in 4m composite assays was intersected in CBLRC010. This result coincides with the hanging-wall contact of the mafic-ultramafic intrusive with the surrounding Girilambone sediments. The context of significant molybdenum is being investigated with respect to the known gold and copper mineralisation in the region.

Mullen Prospect

Two drill holes were carried out to assess and provide additional context to results from a single vertical drill hole completed by Straits in 2007. This hole ended in altered sediment with anomalous arsenic and gold over 20m to the end of hole. Two angled holes were drilled toward the NE toward the original hole and intersected similarly altered sediments along with a transition from pyrite to pyrrhotite sulphide mineralogy that is suggestive of a significant hydrothermal system being active proximal to the zone tested. Regional soils and aeromagnetic anomalism covering this zone suggest a large system is present and work will now concentrate on infill geochemistry and interpretation of the magnetics to define additional drill targets for testing.

EM Drill hole

A single hole to the east of the Canbelego Copper Prospect was drilled to a depth of 270m with two proposed aims. The first was to test a SIROTEM anomaly running parallel to the Canbelego Copper Prospect trend and the second to provide a suitable deep drill hole to carry out a down hole EM survey to test for additional high grade copper mineralisation at depth and down plunge on the main Canbelego trend.

The drill hole intersected a sheared graphitic sediment near the contact of a mafic intrusive body which would project to the approximate depth of the SIROTEM anomaly and suggests a downgrading of the SIROTEM target as a copper target, however the hole was cased with PVC to full depth and a geophysical contractor has recently completed the down hole EM survey targeting the down dip and plunge/strike of the main Canbelego trend. Once results have been received and modeled, Helix will look to drill test any conductors that are identified.

The Helix Board and technical team are very pleased with the progress at Canbelego, with a maiden resource and additional mineralised prospects identified during the first year of exploration activities.

Expected progress over the coming months is to advance several of these prospects for additional drilling in parallel to advancing new target areas on the Company's 100% owned tenements and the nearby Restdown JV Gold Project where drilling was recently completed and results are pending.

Competent Persons Statements

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr M Wilson who is a full time employee of Helix Resources Limited and a Member of The Australasian Institute of Mining and Metallurgy. Mr M Wilson 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 Results, Mineral Resources and Ore Reserves'. Mr M Wilson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

*Details of the assumptions underlying the above estimations are contained in previous ASX releases or at www.helix.net.au

