

CuDECO Limited
ACN 000 317 251

20th July 2006

The Manager
Company Announcements Office
Australian Stock Exchange Ltd
4th Floor, 20 Bridge Street
SYDNEY, NSW 2000

Dear Sir

DRILLING UPDATE

New Drill Results

- **New drilling results extend the strike length of the Las Minerale zone 50m to the northwest.**
- **Cobalt intersections of up to 0.64 % Co reported.**
- **DORC-103 intersected (down-hole) 60m @ 1.67 % Cu from 146-206m, including 19m @ 3.92% Cu and 2,250 ppm Co from 151-170m.**
- **DORC-102 intersected (down-hole) 46m @ 0.57% Cu from 29-75m.**

The Company is pleased to announce the latest drilling results.

Drill hole DORC-103 intersected (down-hole) 60m @1.67% Cu from 146-206m including 19m @ 3.92 % Cu and 2,250.5ppm Co (0.23% Co) from 151 - 170m associated with quartz-carbonate-pyrite and magnetite altered zones. The Company is awaiting assays for gold which usually take up to seven days. The drill hole also returned the highest cobalt assays to date with 9m @ 3,888.9ppm Co (0.39% Co) from 158-167m (See Assay Table).

DORC-102 intersected (down-hole) 46m of oxide and sulphide mineralization @ 0.57% Cu from 29-75m. DORC-102 was drilled 40m in front of DORC-103 along the same grid line.

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Possible Extension of Las Minerale Strike Length to the South East – (Figure 1)

The 4,000m bedrock geochemical drilling programme carried out by the Company in February 2006 delineated anomalous copper responses (> 500ppm Cu) along the inferred strike projection of the Las Minerale zone (Figure 1). Drill hole DORC-02 intersected high-grade copper oxide mineralisation in a second sub parallel zone as reported in the 6 May 2006 announcement to the ASX.

Table 1: Drill Hole Locations of DORC 102 and 103

Las Minerale Prospect										
RC Drill Holes DORC-102 and 103										
<i>Hole ID</i>	<i>Easting (mE)</i>	<i>Northing (mN)</i>	<i>Azimuth (° mag)</i>	<i>Dip (°)</i>	<i>Depth (m)</i>	<i>RL (m)</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Approx. True Width (m)</i>	<i>% Cu</i>
DORC-102	433468	7714005	210	-55	160	216	29	75	28.8	0.57
DORC-103	433491	7713040	210	-55	208	217	146	206	31.8	1.67
• Drill hole collars located by GPS and not yet surveyed • Drilling undertaken by RC method using face sampling hammer (5¼') • Drill holes surveyed by down-hole camera • Drill samples collected at 1m interval via three tier splitter producing 87.5%/12.5% split with 12.5 % sub-sample forwarded for assay • 3 acid digest, AAS finish assay method used					• 0.20% Cu cut-off applied to quoted intersections • Quoted intersections include up to 4m internal dilution • No cut of high values applied					

Yours faithfully,

Wayne McCrae,
Chairman.

The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Chris Dredge, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Dredge has sufficient experience, which is relevant to the style of mineralization 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 Dredge consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

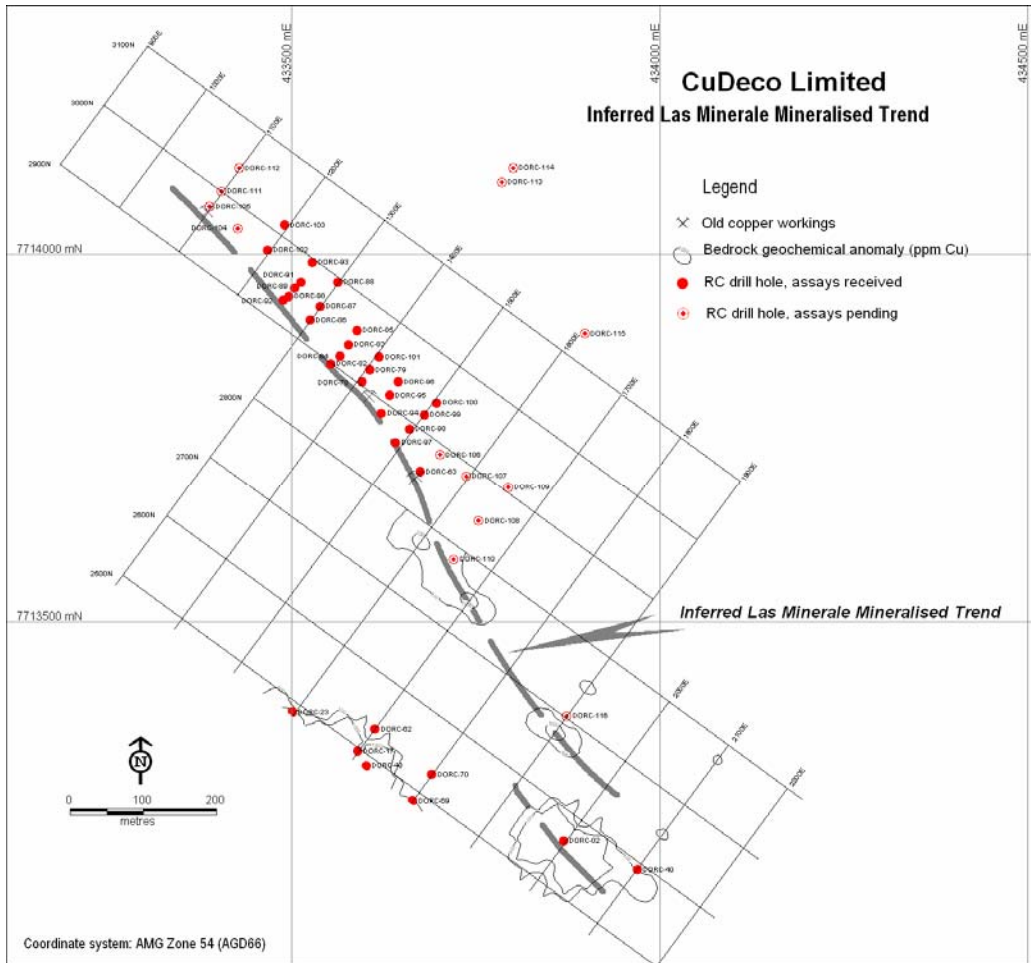


Figure 1: Inferred Las Minerale Mineralised Trend

ASSAY RESULTS

Hole No	Intersection(m)	% Cu	ppm Co
DORC 102	22-23	0.15	1030
	23-24	0.19	1260
	24-25	0.21	1740
	25-26	0.32	1410
	26-27	0.67	1390
	27-28	0.11	930
	28-29	0.18	1220
	29-30	0.23	1230
	30-31	1.14	750
	31-32	1.16	540
	32-33	1.17	550
	33-34	0.26	390
	34-35	0.21	270
	35-36	0.31	260
	36-37	0.14	260
	37-38	0.18	200
	38-39	0.14	230
	39-40	0.26	580
	40-41	0.23	750
	41-42	0.22	620
	42-43	0.20	610
	43-44	0.23	640
	44-45	0.31	770
	45-46	0.31	1210
	46-47	1.91	770
	47-48	2.19	720
	48-49	1.92	840
	49-50	0.23	1220
	50-51	0.19	1150
	51-52	0.24	1000
	52-53	0.48	810
	53-54	1.00	590
	54-55	1.57	1170
	55-56	1.39	890
	56-57	2.43	520
	57-58	1.10	670
	58-59	0.82	700
	59-60	0.72	860
	60-61	0.41	1060
	61-62	0.21	1120
	62-63	0.14	780
	63-64	0.21	1020

Hole No	Intersection(m)	% Cu	ppm Co
DORC 102	64-65	0.16	870
	65-66	0.27	650
	66-67	0.21	720
	67-68	0.15	610
	68-69	0.13	400
	69-70	0.18	350
	70-71	0.22	350
	71-72	0.27	290
	72-73	0.29	360
	73-74	0.37	370
	74-75	0.32	360
	75-76	0.19	390
	76-77	0.18	400
	77-78	0.19	490
	78-79	0.17	420
	79-80	0.13	450
	80-81	0.13	340
	81-82	0.18	230
	82-83	0.14	240
	83-84	0.18	220
	84-85	0.11	210
	85-86	0.15	190
	86-87	0.35	150
	87-88	0.27	150

Hole No	Intersection (m)	% Cu	ppm Co
DORC 103	146-147	0.34	340
	147-148	0.26	310
	148-149	0.26	360
	149-150	0.62	450
	150-151	0.72	640
	151-152	1.25	440
	152-153	LNR	LNR
	153-154	1.01	430
	154-155	1.08	400
	155-156	2.96	430
	156-157	4.60	450
	157-158	2.91	1170
	158-159	5.62	6110
	159-160	6.97	6360
	160-161	1.61	1440
	161-162	2.05	2700
	162-163	1.50	2400
	163-164	1.83	3590
	164-165	2.44	3690
	165-166	4.13	4830
	166-167	5.26	3880
	167-168	8.09	1670
	168-169	14.50	1660
	169-170	6.64	1110
	170-171	0.98	440
	171-172	0.82	590
	172-173	0.47	190
	173-174	0.16	100
	174-175	0.10	50
	175-176	0.22	20
	176-177	0.15	20
	177-178	0.31	40
	178-179	0.80	60
	179-180	0.14	30
	180-181	0.40	40
	181-182	0.32	50
	182-183	0.35	230
	183-184	0.36	290
	184-185	0.46	770
	185-186	1.10	900
	186-187	0.77	490
	187-188	0.94	340
	188-189	0.93	220

Hole No	Intersection (m)	% Cu	ppm Co
DORC 103	189-190	0.86	230
	190-191	0.68	270
	191-192	0.43	200
	192-193	0.49	70
	193-194	0.74	180
	194-195	0.66	210
	195-196	0.70	190
	196-197	0.86	410
	197-198	0.42	130
	198-199	0.60	80
	199-200	1.28	270
	200-201	1.38	350
	201-202	0.67	90
	202-203	1.14	220
	203-204	0.75	100
	204-205	0.97	90
	206-207	0.85	250