

24 October 2006

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

ROCKLANDS GROUP COPPER PROJECT (CDU 100%)

***Diamond Drill scheduled to arrive Friday 27th October
Las Minerale target strike extended to 1900m & being tested
Geophysics continues to prove excellent exploration tool
Orientation geochemistry program completed
Collection of drill cuttings for metallurgical testing***

Directors are pleased to announce a diamond drill is scheduled to arrive on site this week and to commence deep core drilling on its Las Minerale Project at Rocklands, near Cloncurry, NW Queensland.

A second diamond drill is scheduled to commence in early November.

Diamond core holes will be drilled to test the known mineralised zones at vertical depths not less than 300m with the aim to extend this to greater than 500m. This information is required for the resource estimates being compiled by the Company's external consultants.

The SAM and magnetic geophysical surveys have proven to be excellent exploration tools having, as previously reported, demonstrated close spatial correlation of geophysical anomalies and known zones of mineralisation and numerous new targets. The Company's geological consultants have been using this data to assist in locating new RC drill sites within Las Minerale strike and on adjacent anomalies and in interpreting controls on the mineralised system.

With the aid of geophysics, RC drilling has continued on the Las Minerale target strike. Sulphides have been observed in all drill holes and the Company is awaiting the assay results. The drilling and geophysics has extended the target strike for Las Minerale to 1.9km and the project width up to 800m, see attached figures.

In addition a number of locator holes have been drilled on geophysical targets, adjacent to Las Minerale and Double Oxide.

Delays have occurred in the laboratories processing of Cudeco's drill samples. The Company expects, results from this drilling will be announced in the September quarterly report.

The Company has also completed an MMI Orientation Geochemical survey to test the suitability of this technique as an exploration tool. Should MMI be shown to be suitable for this area an extensive program on the EPM will be undertaken. The geochemical results will aid the accuracy of targeting geophysical anomalies. On commencement of the deep diamond drilling on Las Minerale the RC rig will be available to test these targets.

The Company is collecting RC drill samples of the mineralised zones for storage in its site exploration yard. These samples will be used in conjunction with Diamond Drill Core for detailed metallurgical and engineering test work.

In closing, Directors wish to thank the group of private investors who made the arduous journey to site on Monday 23rd October.

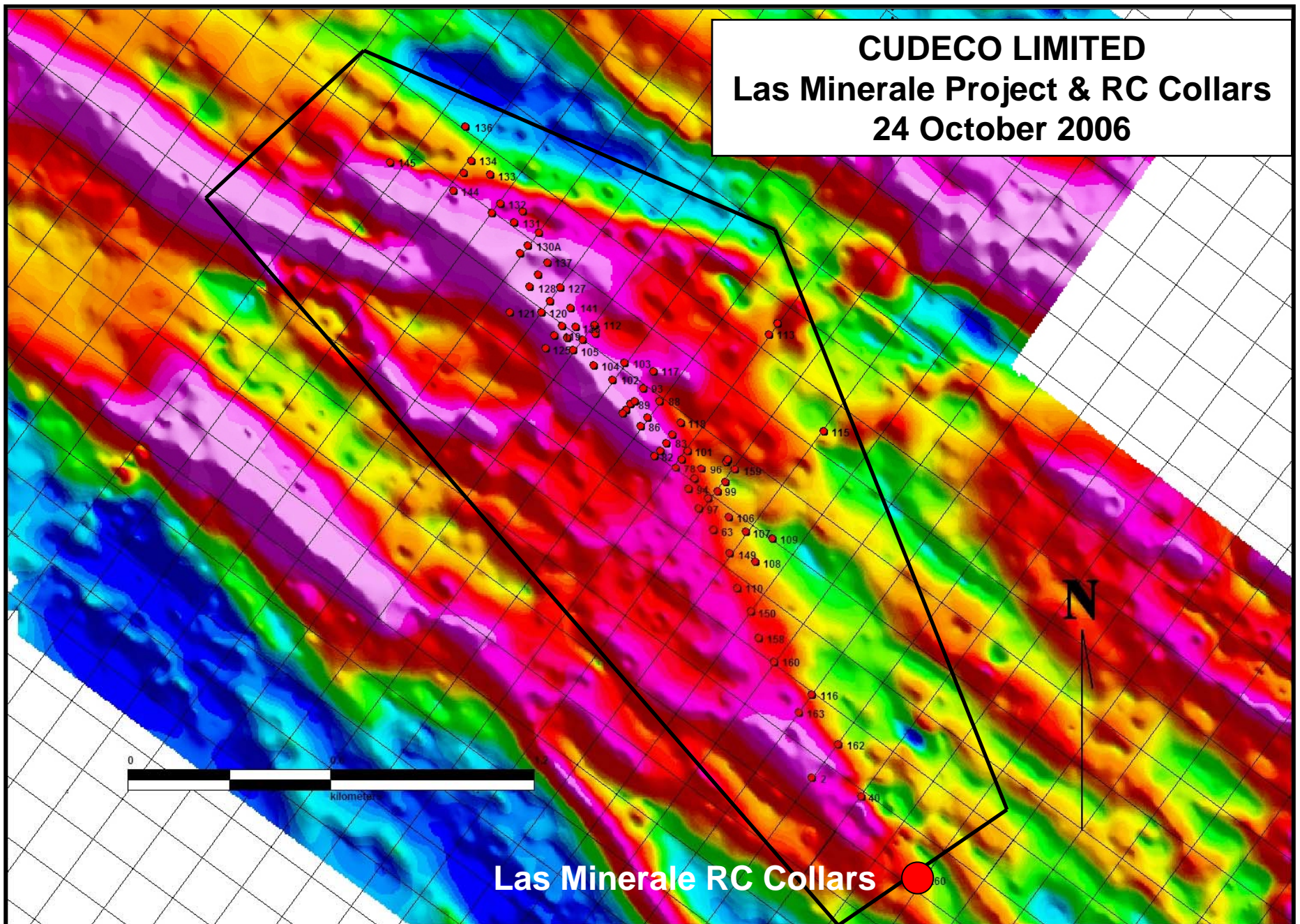
(See Website www.cudeco.com.au for coloured figure attached).

Yours faithfully

Wayne McCrae
Chairman

The information in this report that relates to exploration results is based on information compiled by Mr Malcolm Carson , who is a Member of the Australian Institute of Mining and Metallurgy, Mr Carson is employed by Mineral Resource Consultants Pty Ltd. Mr Carson 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 Carson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

CUDECO LIMITED
Las Minerale Project & RC Collars
24 October 2006



CUDECO LIMITED
Las Minerale Project & RC Collars
24 October 2006

