

ASX and Media Release

19 February 2008

80% upgrade of Mount Oxide Resource to 203,000 tonnes of contained copper

Perilya Limited (ASX: PEM) is pleased to announce an 80% increase in the Mount Oxide mineral resource estimate.

Perilya's CEO, Len Jubber, said that the significant increase to 203,000 tonnes of contained copper, together with the majority Indicated status of the resource, strengthens the project's potential for development in the current strong copper market.

"Planning for an aggressive drilling program to infill and further increase the resource is well underway with drilling expected to recommence in April 2008."

"The Mount Oxide feasibility study announced on 21 December 2007 will also consider the benefit of the 8,300 tonnes of cobalt and 4.2 million ounces of silver within the resource."

"This is a significant project milestone, which coupled with the successful Stage 1 Beltana open pit development at the Flinders Project in 2007, continues the organic growth envisaged from Perilya's three core assets," concluded Mr Jubber.

For further information:

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Background

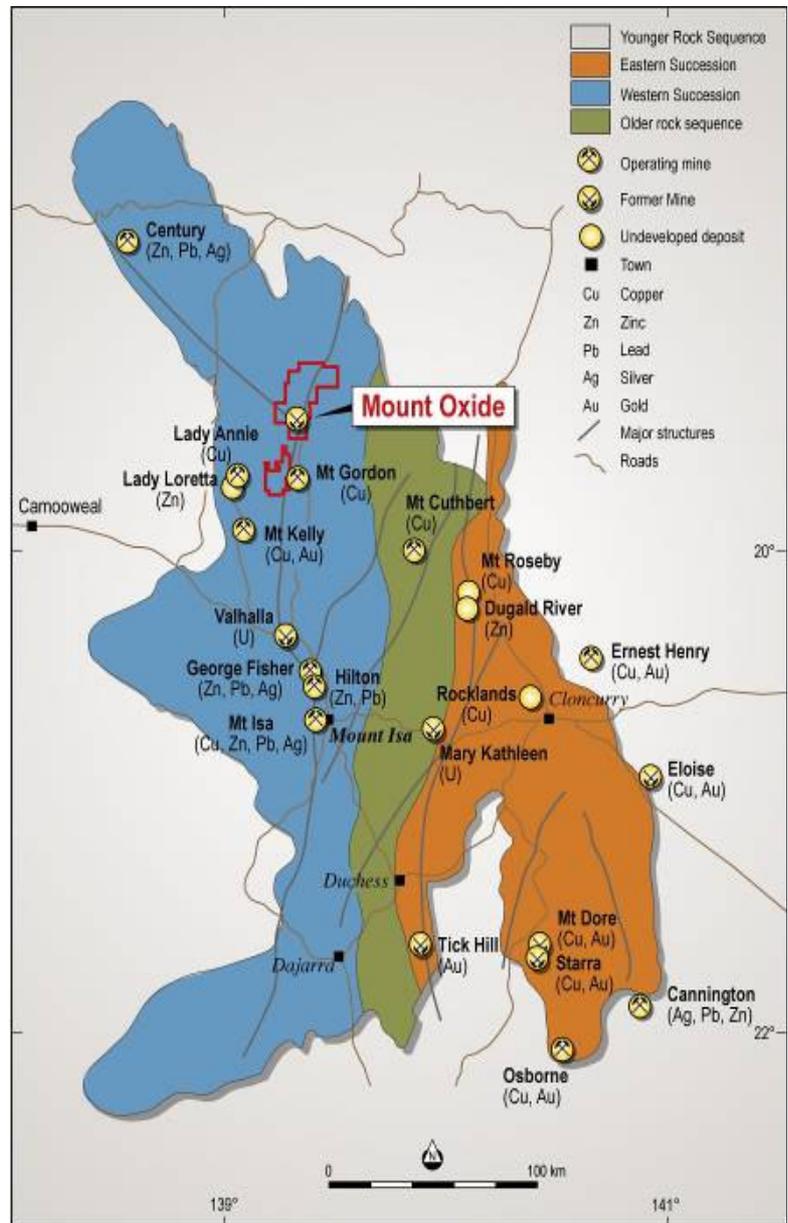
The project is wholly owned by Perilya Limited.

The Mount Oxide project comprises 800 km² of tenements and is located in the Mount Isa region Western Succession that includes several major sediment hosted breccia copper deposits. The deposit was intermittently mined between 1920 and 1971 by way of a small open pit and underground operation. The project lies 25 kilometres north of the existing Mount Gordon mine operated by Aditya Birla Limited.

The deposit is a chalcocite dominated system associated with strong silica-hematite alteration and copper mineralisation developed on the margins of the hematite core. The mineralisation is hosted in a sedimentary package associated with a strong structural control along the northeast trending Mount Oxide fault and associated cross cutting faults.

Mineral Resource Estimate

A program of 45 diamond drill holes was completed during the 2007 field season targeting potentially open pittable mineralisation to the south and north of the historical Mount Oxide open pit. Excellent results, including 171 m at 1.0 % copper, were reported from the program with significant advances in the understanding of the deposit leading to an updated resource model.



The Mount Oxide mineral resource estimate (refer Table 1) has increased to 203,000 tonnes of contained copper (up by 80%) after incorporating the results of the 14,200m of diamond drilling completed in 2007. The drilling has also significantly increased the confidence of the resource with 60% of the resource classified as Indicated. A combined structural and stratigraphically controlled model has been created reflecting the previous mining and the geological information collected during the program.

The resource is reported at a 0.2% copper cut off, considered a natural geological boundary and potentially economic in an open pit (Table 1). Preliminary scoping study work is underway to define the optimum development scenario for the resource.

The resource estimate includes 8,300 tonnes of contained cobalt at a significant average grade of 0.05%. Higher grade cobalt zones are evident in the northern portion of the deposit. High grade silver zones develop at depth within the high grade chalcocite zones. A scoping study including more detailed metallurgical test work is underway to understand the potential cobalt recoveries, either with the copper or separately.

The upper portion of the resource contains a transitional component to the mineralisation with chalcocite and malachite present and accounts for 15% of the resource tonnes. The primary sulphide mineralisation is chalcocite and bornite with a lower grade combined chalcopyrite/chalcocite zone developed predominantly to the north.

The resource was estimated using Ordinary Kriging grade interpolation, constrained within wireframes based on a nominal 0.2% Cu cut-off grade and geological and structural contacts. Bulk density values were assigned based on host lithology's and mineralisation style. Values were determined from extensive bulk density measurements taken from drill core. QAQC samples comprising standards, blanks and duplicates have routinely been submitted with samples, no material bias is observed.

Table 1: Mount Oxide Mineral Resource Estimate at 0.2 % Cu cut off

Classification	M Tonnes	Cu %	Co %	Ag g/t	Contained Copper (t)	Contained Cobalt (t)	Contained Silver (Ounces)
Indicated	9.8	1.6	0.05	12	154,000	5,200	3,430,000
Inferred	5.7	0.9	0.05	4	47,000	3,100	770,000
Stockpiles	0.3	0.7	-	-	2,000	-	-
Total	15.5	1.3	0.05	9	203,000	8,300	4,200,000

Note: Totals may not sum correctly due to rounding.

2008 Infill / extensional drilling program

A drilling program is scheduled to commence in April 2008 to confirm the scale and grade of the shallow resource to at least Indicated status for conversion to reserves. Drilling will also test for extensions of the known mineralisation that is still open in all directions and nearby high priority geochemical targets to increase the open pit resource. A number of deeper holes will also test for potential underground extensions. A regional exploration program will rank and test a number of old workings and potential targets identified during the past year. To support the substantial drilling program construction of an exploration camp is underway.

2009 Feasibility Study

A feasibility study is planned to commence in the January quarter of 2009 following the completion of the infill and extensional drilling campaign.

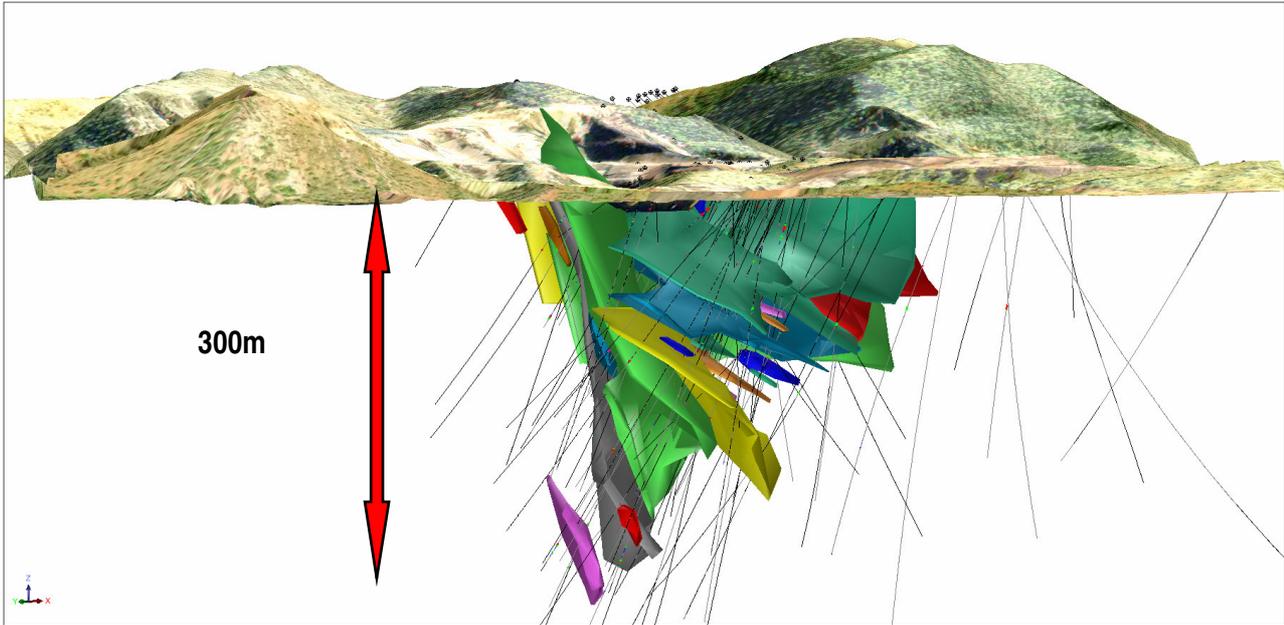


Figure 1. Mount Oxide Resource model looking North in 3d, demonstrating the relationship of vertical structures and low angle stratigraphic mineralised lenses.

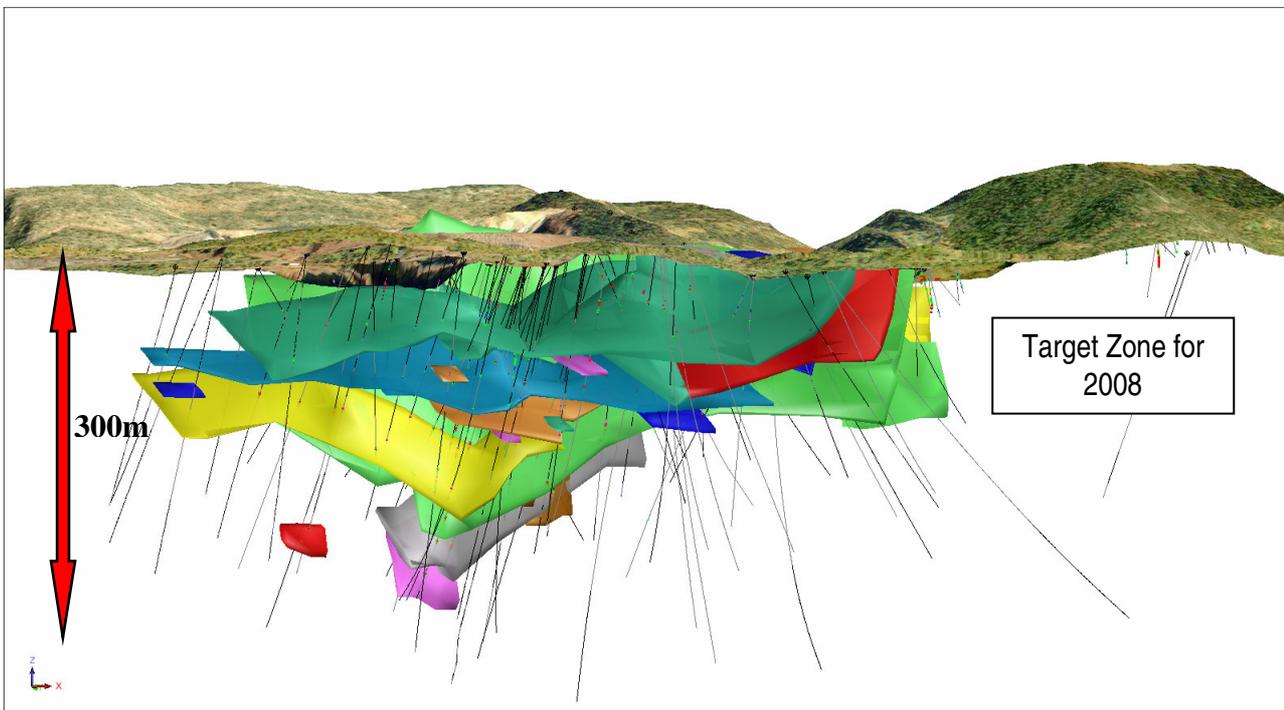


Figure 2. Mount Oxide Resource model looking West in 3d, demonstrating the potential to the North in a sparsely drilled area

Background to Perilya

Perilya Limited is an ASX 200 Australian base metals mining and exploration company. Perilya is investing substantially in the development of its three major projects located in the Broken Hill, Mt Isa and Flinders regions as well as exploration in the surrounding tenements.

The company is expanding its operations at the iconic Broken Hill mine through the development of an exploration decline at Potosi, re-developing the North Mine via a development decline, conducting an open pit feasibility study into the Flying Doctor deposit and conducting exploration within a ten kilometre radius of the concentrator.

Since 2007 Perilya has successfully mined, stockpiled and is now exporting approximately 100,000 tonnes of contained zinc in the form of high grade zinc silicate (oxide) ore at the Beltana deposit located in the Flinders project in South Australia. It is currently conducting a feasibility study into a similar project at the adjacent Reliance deposit. The high grade nature of the ore obviates the need for metallurgical processing enabling direct shipment to smelters.

The Company is also targeting early development of its 203,000 tonne Mount Oxide copper project in the Mt Isa region in Queensland.

Perilya has a strong balance sheet with low debt levels and is actively seeking growth opportunities.

For more details, visit www.perilya.com.au

Note:

The information in this report that relates to mineral resources is based on information compiled by Mr. David Price who is a full-time employee of Perilya Ltd and is a member of the Australian Institute of Mining and Metallurgy. Mr. Price 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. David Price consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
