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ASX and Media Release

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Further Encouraging Copper and Cobalt Intercepts at Mount Oxide

Perilya Limited (ASX: PEM) is pleased to announce continued exploration success from drilling at the Mount Oxide copper and cobalt project in the Mt Isa region in Queensland.

Another recent drill hole MOXD125 drilled south of the MOXD104 and MOXD105 intercepts and immediately to the west of MOXD106 has intersected a number of copper zones, outside of the current resource. With these latest drill results the strike extension of mineralisation has been successfully extended by up to 150 meters between MOXD104 and MOXD125. Notably, intercepts at depth are still open along strike indicating excellent potential to continue to add additional resources with further drilling. The results from this latest drill hole MOXD125 include:

- 3.6m at 4.6 % copper, 41 g/t of silver and 0.12 % cobalt from 222m,
- 5.1m at 1.3 % copper from 240m
- 3.6m at 1.1% copper from 249.4m
- 9.0m at 1.7 % copper from 318m
- 14.0m at 1.0 % copper from 360m
- 15.0m at 1.9 % copper from 378m
- 26.7m at 1.0 % copper from 395.5m
- 5.0m at 0.9 % copper from 425m

Perilya's Executive Chairman, Patrick O'Connor, confirmed these additional results are below and outside the current resource and provide significant encouragement for the continuity of higher grades of copper and silver at depth, plus the infill program has been successful in confirming the geological model and expected position and grade of mineralisation.

"The latest results, together with those completed during the recent drilling program, support Perilya's view that the current resource will be upgraded in the December quarter. The Project's potential has grown significantly." Mr O'Connor said.

"Perilya continues to maintain the view that the Mount Oxide project is a robust and stand-alone asset worthy of development to increase shareholder value.

Despite the uncertainty in capital markets, our level of confidence in the prospectivity of the Mount Oxide copper and cobalt project continues to grow," he added.

With the imminent wet season the current drilling program will be drawn to a close. It is then intended to complete a resource update, incorporating outcomes of this drilling program. We are confident that that this will show an increase in the resource size.

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Mount Oxide Copper and Cobalt Project - Drill Program and Results

The diamond drilling program commenced in April 2008 with two rigs targeting extensional mineralisation to the north and below the current Mount Oxide Resource of 203,000 tonnes of contained copper. The drilling campaign has now been completed with significant success not only confirming the position and grades of the copper mineralisation, but demonstrating excellent potential at depth and outside of the current resource model. Recent drill results continue to outline encouraging high grade copper and silver intercepts that extend at depth below the current resource indicating further resource growth. As released on 18th August 2008, these included:

High grade intercepts returned from drill hole MOXD104 (Figure 1) including:

- 17m at 4.2 % copper from 248m,
- 32m at 4.5 % copper from 287m,
- 12m at 15.3 % copper and 161 g/t of silver from 345m.

MOXD104 was drilled approximately 30 metres south of drill hole MOXD089, which previously reported (5th June 2008) drill intercepts including 31m at 6.2% copper from 346m and 23m at 8.9% copper from 395m.

The high grade intercepts, which occur in MOXD104 between 258m and 418m downhole, have substantially increased the development potential of the Mount Oxide copper project. The results are particularly encouraging for either defining a high grade underground Resource or deepening the planned open pit.

Further follow-up holes at depth have also intersected additional high grade zones and continue to confirm the geological model for the deeper mineralisation. The results from drill hole MOXD105 (Figure 2) as released on 19th August 2008 included:

- 8m at 0.9 % copper and 0.12 % cobalt from 256m,
- 13m at 3.2 % copper from 280m,
- 13m at 3.8 % copper from 297m,
- 16m at 5.4 % copper and 49 g/t of silver from 329m.

MOXD105 was drilled approximately 90 metres south of drill hole MOXD089 and 50 metres south of MOXD104, which included, 23m at 8.9% copper from 395m and 12m at 15.3% copper respectively, as announced previously. The intercepts are interpreted to be oblique to the mineralisation and interpreted to be at least 60% of true thickness.

Another recent drill hole MOXD125 drilled south of the MOXD104 and MOXD105 intercepts and immediately to the west of MOXD106 has intersected a number of copper zones (Figure 3), also outside of the resource. Currently the strike extension of mineralisation has been successfully extended by up to 150 meters between MOXD104 and MOXD125. Notably, intercepts at depth are still open along strike indicating excellent potential to continue to add additional resources with further drilling. The infill program in 2008 has also been very successful in confirming the geological model and extent of copper mineralisation with all holes drilled in the 2008 program as shown in Figure 4.

Resource Update

The current Mount Oxide Resource includes 15.5 million tonnes at 1.3% copper, 0.05% cobalt and 9g/t silver for 203,000 tonnes of contained copper, which last updated in February 2008.

With the end of the drilling program due for completion in October and on the basis of the significant exploration results reported during the year at Mount Oxide, all of which support a high level of confidence in the potential of the Mount Oxide copper and cobalt project as a stand-alone operation. Currently an updated resource model utilising all drilling completed in 2008 is in progress for completion in the December Quarter. Perilya is confident that that 2008 drill program results will show an increase in the resource size.

Figure 1. Mt Oxide Drill Section 70800mN, looking north with resource model and MOXD104 drill hole.

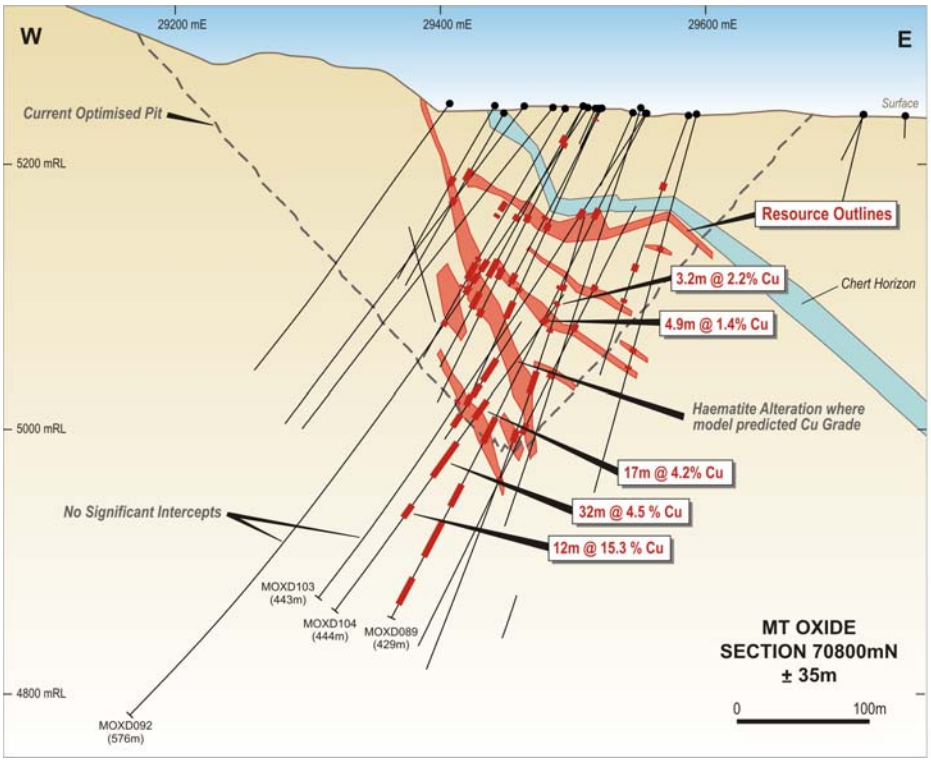


Figure 2. Mt Oxide Drill Section 70700mN, looking north with resource model and MOXD105 drill hole.

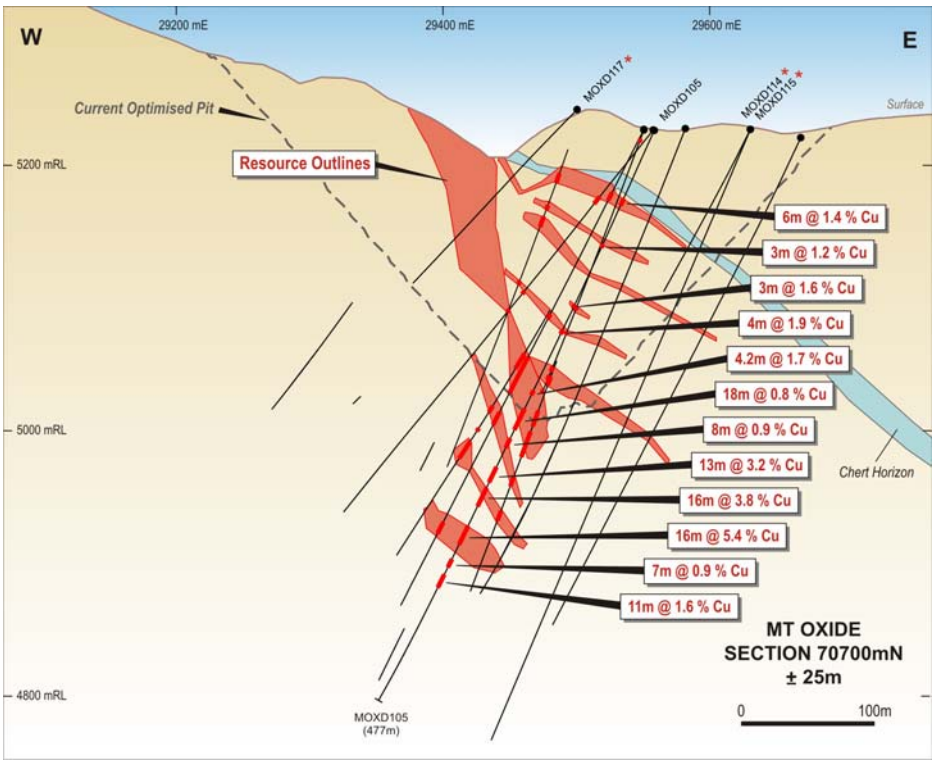


Figure 3. Mt Oxide Drill Section 70650mN, looking north with resource model and MOXD125 drill hole

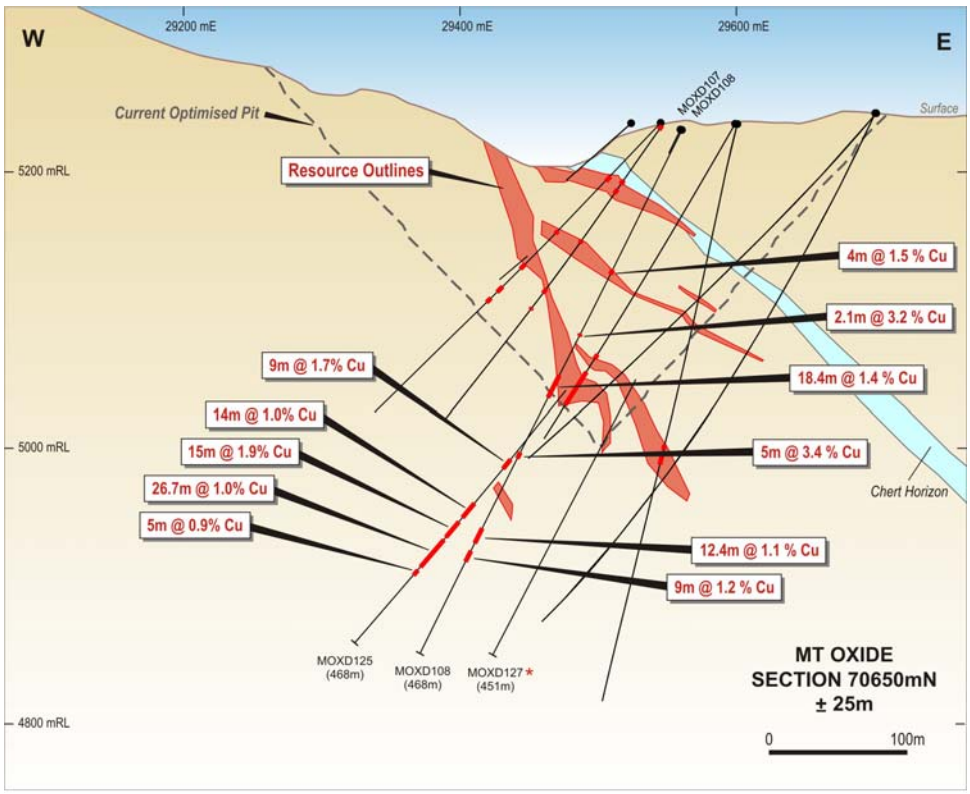
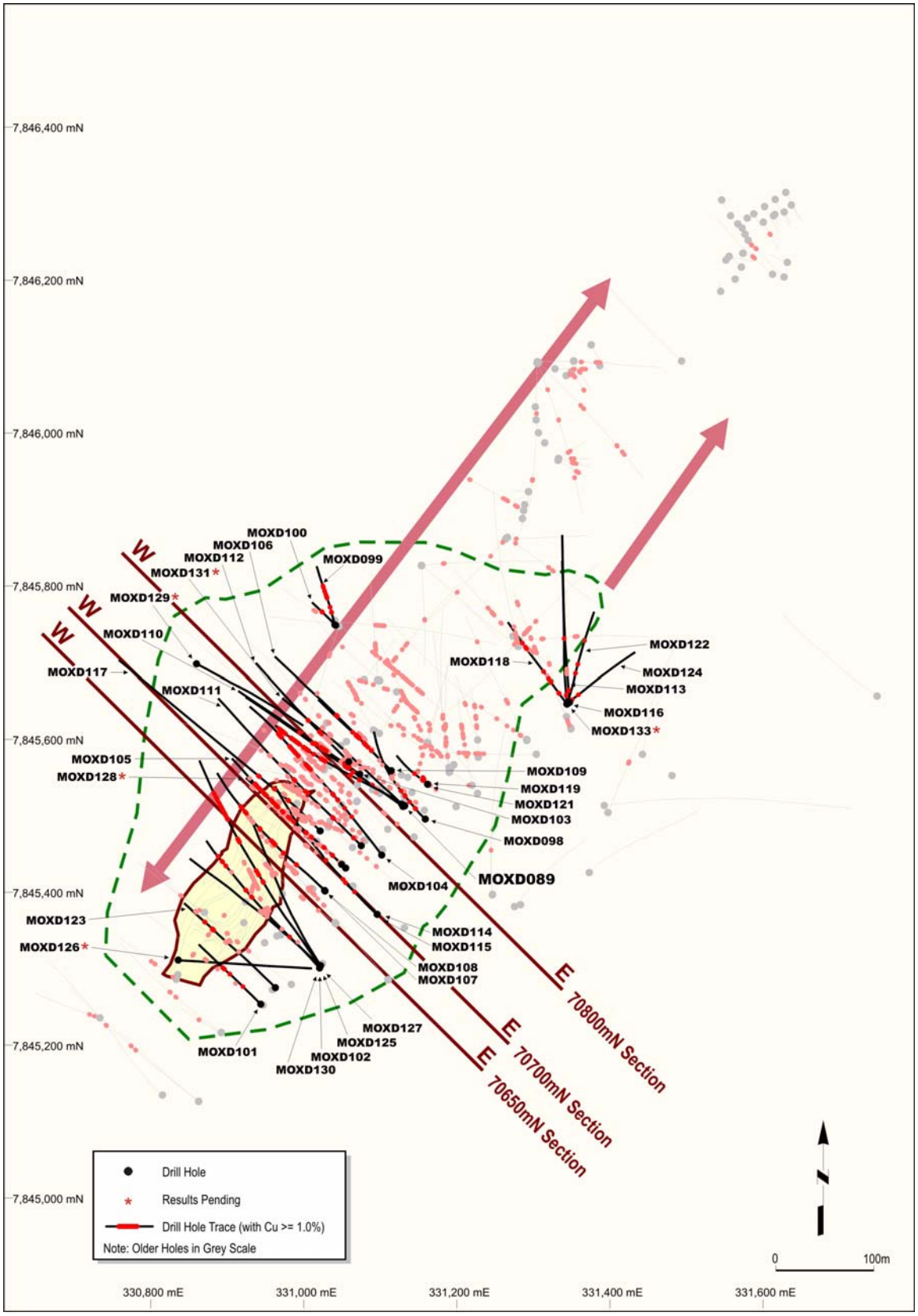


Figure 4. Location Plan of drill holes completed at Mt Oxide deposit in 2008 to date.



MOUNT OXIDE

Table 1. Mount Oxide Drill Results, 0.5 % Copper ("Cu") cut off, Maximum Internal Dilution 2m, >3 m%

0.5% Cu, Max Internal Dilution 2m, Min Width 0m, >3m%

Hole ID	Northing	Easting	Azi	Dip	From (m)	To (m)	Interval (m)	Cu (%)	Ag (ppm)	Co (ppm)
MOXD098	70835	29595	270	-75	54	60	6	1.2	5	132
					119	125	6	2.0	9	178
					146.8	150	3.2	2.0	8	435
MOXD099	70920	29330	297	-61	33	37	4	1.0	1	963
					48	53	5	0.8	1	207
					75	83	8	1.4	3	415
					86	96	10	0.8	3	782
					104	110	6	0.7	4	925
MOXD100	70920	29330	268	-73	80	87.9	7.9	0.8	6	3014
MOXD101	70500	29607	267	-70	177.5	178.8	1.3	4.3	22	162
					183.9	188	4.1	1.8	9	143
MOXD102	70596	29625	267	-70	220	223	3	1.7	15	210
					240.4	244	3.6	2.3	21	238
					308	309	1	3.1	19	120
					319	322	3	2.6	23	33
MOXD103	70820	29552	195	-57	87	95	8	0.7	2	138
					259.7	262	2.3	10.3	88	73
MOXD104	70759	29579	265	-55	156.8	160	3.2	2.2	12	96
					171	175.9	4.9	1.4	15	572
					248	265	17	4.2	49	469
					287	319	32	4.5	44	174
					345	357	12	15.3	161	166
MOXD105	70714	29558	263	-66	56	62	6	1.4	5	108
					94	97	3	1.2	7	60
					144	147	3	1.6	11	140
					165	169	4	1.9	20	211
					215.8	220	4.2	1.7	19	945
					231	249	18	0.8	9	746
					256	264	8	0.9	10	1154
					280	293	13	3.2	35	127
					297	313	16	3.8	38	58
					329	345	16	5.4	49	126
					357	364	7	0.9	13	121
					370	381	11	1.6	17	180
MOXD106	70846	29511	267	-60	73	77	4	0.9	3	135
					116	130	14	1.3	6	110
					196	205	9	12.3	87	108
MOXD108	70674	29560	311	-65	113	117	4	1.5	31	1753
					165	167.1	2.1	3.2	49	378
					198.6	217	18.4	1.4	13	468
					261	266	5	3.4	46	61
					322.6	335	12.4	1.1	10	175
					341	350	9	1.2	12	852
MOXD109	70846	29510	74	-55	74	93	19	0.9	2	145
					103	107.6	4.6	0.9	5	142
					110	115	5	1.0	4	164
					120	124	4	0.8	5	115
MOXD110	70814	29484	261	-52	31.5	33.5	2	1.5	2	1345
					35.5	38.5	3	2.2	2	1132
					83.7	98.6	14.9	1.8	7	136
					108.7	113	4.3	6.5	34	108
MOXD111	70749	29552	269	-50	20	24	4	0.8	2	65
					77	82	5	1.2	4	152
					148	157	9	1.4	24	469
					184	189	5	8.4	91	416
MOXD112	70816	29463	10	-54	85	86.4	1.4	2.5	13	190
					126	129	3	1.1	11	80
MOXD113	71074	29613	310	-46	70	74	4	0.8	8	2032
MOXD114	70695	29630	270	-64	124	129.4	5.4	0.8	5	189
MOXD116	71065	29612	311	-65	25	30	5	0.9	2	140

Table 1. Mount Oxide Drill Results, 0.5 % Copper ("Cu") cut off, Maximum Internal Dilution 2m, >3 m% (Continued)

0.5% Cu, Max Internal Dilution 2m, Min Width 0m, >3m%

Hole ID	Northing	Easting	Azi	Dip	From (m)	To (m)	Interval (m)	Cu (%)	Ag (ppm)	Co (ppm)
MOXD117	70720	29500	265	-48	82.4	88	5.6	3.6	19	332
					117	120	3	1.5	28	559
					155	158.2	3.2	1.9	18	128
MOXD118	71065	29612	278	-50	26	33	7	1.0	3	62
					52	55	3	1.2	8	877
					138	142	4	1.0	9	40
MOXD119	70863	29557	280	-80	47	57	10	0.9	2	232
					59.9	65	5.1	1.4	6	415
MOXD121	71074	29523	264	-82	47	55	8	1.1	3	265
					136.8	140	3.2	1.8	14	326
MOXD122	78878	21869	329	-54	88	90	2	1.5	3	1005
MOXD123	70534	29603	266	-52	174	181	7	2.8	24	141
					200	202	2	3.3	25	65
MOXD124	71065	29612	7	-56	9	11	2	4.9	20	335
MOXD125	70595	29624	279	-55	222	225.6	3.6	4.6	41	1256
					240	245.1	5.1	1.3	15	138
					249.4	253	3.6	1.1	14	278
					318	327	9	1.7	19	155
					360	374	14	1.0	9	917
					378	393	15	1.9	15	361
					395.3	422	26.7	1.0	4	921
					425	430	5	0.9	7	824
MOXD127	70596	29625	282	-63	163	167	4	0.9	24	528
					237	240.2	3.2	2.3	20	117
					264	268	4	9.2	79	134
					275.5	281.1	5.6	8.9	70	258
MOXD130	70596	29625	261	-47	173	179	6	1.2	10	218
					206	208.6	2.6	4.3	43	375
MOXD131	70820	29551	265	-65	75	82	7	0.6	2	135
					177	180.7	3.7	3.9	30	92