



FOR IMMEDIATE RELEASE

Monday 29th December 2008

General Manager
The Company Announcements Office
Australian Securities Exchange
Electronic Lodgement System

Dear Sir/Madam

A\$500,000 NON REFUNDABLE DEPOSIT RECEIVED FROM WUHAN IRON AND STEEL (GROUP) COMPANY AS FIRST PAYMENT IN A\$180,000,000 JOINT VENTURE OVER CENTREX'S SOUTHERN AND SOUTH CENTRAL EYRE PENINSULA MAGNETITE DEPOSITS

Centrex Metals Limited (Centrex") is pleased to announce receipt of a A\$500,000 non refundable deposit from Wuhan Iron & Steel (Group) Co ("WISCO") required under the Heads of Agreement announced on 18th December 2008. Early receipt of the first payment is seen as a clear indication of WISCO's intent to meet the conditions of the Heads of Agreement within the agreed timeframe.

The Heads of Agreement with WISCO covers the establishment of a Joint Venture over Centrex's magnetite deposits located on Exploration Licences: 3611; 3421; 3269; 3731 and 3877.

To recap the Joint Venture contains the following elements:

1. Acquisition Agreement

The Acquisition Agreement enables WISCO to purchase a 50% participating interest in the iron ore rights within the five tenements and requires WISCO to make the following staged payments:

- a. A\$59,500,000 payable within 7 days of the execution of the formal agreements;
- b. A further unconditional payment of A\$30,000,000 on the first anniversary of the formal agreements;
- c. Four equal payments of A\$22,500,000 when the total Inferred Resource for magnetite banded iron formation within the Tenements reaches 1,250 million tonnes; 1,500 million tonnes; 1,750 million tonnes and 2,000 million tonnes.

2. Subscription Agreement

On completion of the Joint Venture Agreement and on payment of the A\$59,500,000 to Centrex, WISCO will subscribe for approximately 39 million ordinary shares (15% of Centrex's issued capital) at A\$0.25 per share, providing Centrex with additional capital of approximately \$9.75 million.

3. Joint Venture

Centrex and WISCO will establish an unincorporated joint venture company to manage the joint venture. Centrex and WISCO will work together to complete the Joint Venture Transaction Documents in time to coincide with receiving the necessary government consents and permits expected in March 2009.

4. Deep Water Port

WISCO has also agreed to work with Centrex to jointly develop a deep water Cape capable port at Sheep Hill, 20kms north of Tumby Bay on the south east coast of Eyre Peninsula. It is proposed that the port would be built in conjunction with other mine and processing infrastructure needed to export iron ore products produced by the Joint Venture.

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