

ASX Release
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NEW NICKEL SULPHIDE ZONE (6.3% Ni) AT BINTI SOUTH

Diamond drilling has been completed at the Emu Lake Joint Venture north-east of Kalgoorlie (Xstrata Nickel earning 66²/₃% by spending \$3.25M by September 2010 and Emu Nickel NL earning 33¹/₃%). Three diamond drill holes; ELD041A, ELD042A and ELD044 were completed during October 2009. Assay results have been returned for ELD042A confirming the presence of a new nickel sulphide occurrence at Binti South, about 1 km south of the Binti Gossan as shown in Figure 1. ELD042A intersected 0.21 metres of massive nickel sulphides in a basal contact position at 282.28 metres down-hole, and a sulphide stringer in felsic volcanic rocks at 393.43 metres down-hole as shown in the cross section in Figure 2.

This new intersection lies about 400 metres south of drill hole ELD023 where a high grade nickel intersection was recently reported (EMU ASX release 21 October 2009), south of the Binti Gossan. Previous drilling in the vicinity of ELD 042A has mostly been limited to shallow RAB drilling.

Significant intervals for ELD042A are listed below (see Table 1 for details);

- **ELD042A – 0.21 metres @ 6.32% Ni from 282.28 metres and 1.57 metres @ 1.14% Ni from 393.43 metres (including 0.45 metres @ 2.67% Ni from 393.43 metres).**

Table 1
Drilling Summary and Results

Hole Number	AMG East	AMG North	Azimuth	Dip	From (m)	To (m)	Interval (m)	Ni %	Cu %
<i>Previous Results</i>									
ELD023	399843.0	6647980.0	267	-60	292.79	293.07	0.28	5.35	0.39
ELD033	397223.2	6649871.5	0	-75				NSA	NSA
ELD034	399702.7	6648218.7	229	-60				NSA	NSA
ELD035	399597.4	6648667.0	229	-60	528.97	529.19	0.22	1.84	0.74
ELD036	399564.5	6648402.0	229	-60	320.56	322.14	1.58	3.70	1.33
Including					320.73	321.71	0.98	5.40	1.44
ELD039	399702.5	6647302.0	49	-60				NSA	NSA
ELD040	397178.7	6649841.6	0	-75				NSA	NSA
<i>New Results</i>									
ELD041A	399796.8	6648307.5	226	-62				Pending	Pending
ELD042A	400097.3	6647704.5	229	-55	282.28	282.49	0.21	6.32	0.39
					and	393.43	395.00	1.57	1.14
					including	393.43	393.98	0.45	0.11
ELD044	401998.0	6645780.0	229	-60				Pending	Pending

Pt and Pd assays pending NSA- no significant assays
ELD043 will not be completed during this drilling programme.

ELD041A was drilled at the Binti Gossan and ELD044 was drilled about 3.5km south of the Binti Gossan (Figure 1), assay results for these two holes are pending. Down-hole geophysics (TEM) has been completed on all three holes; there were no significant anomalies detected in ELD041A and ELD044. The survey results in ELD042A show a small in-hole anomaly at 280 metres down-hole and a moderate anomaly at 390 metres down-hole with an off-hole component to the south of the hole.

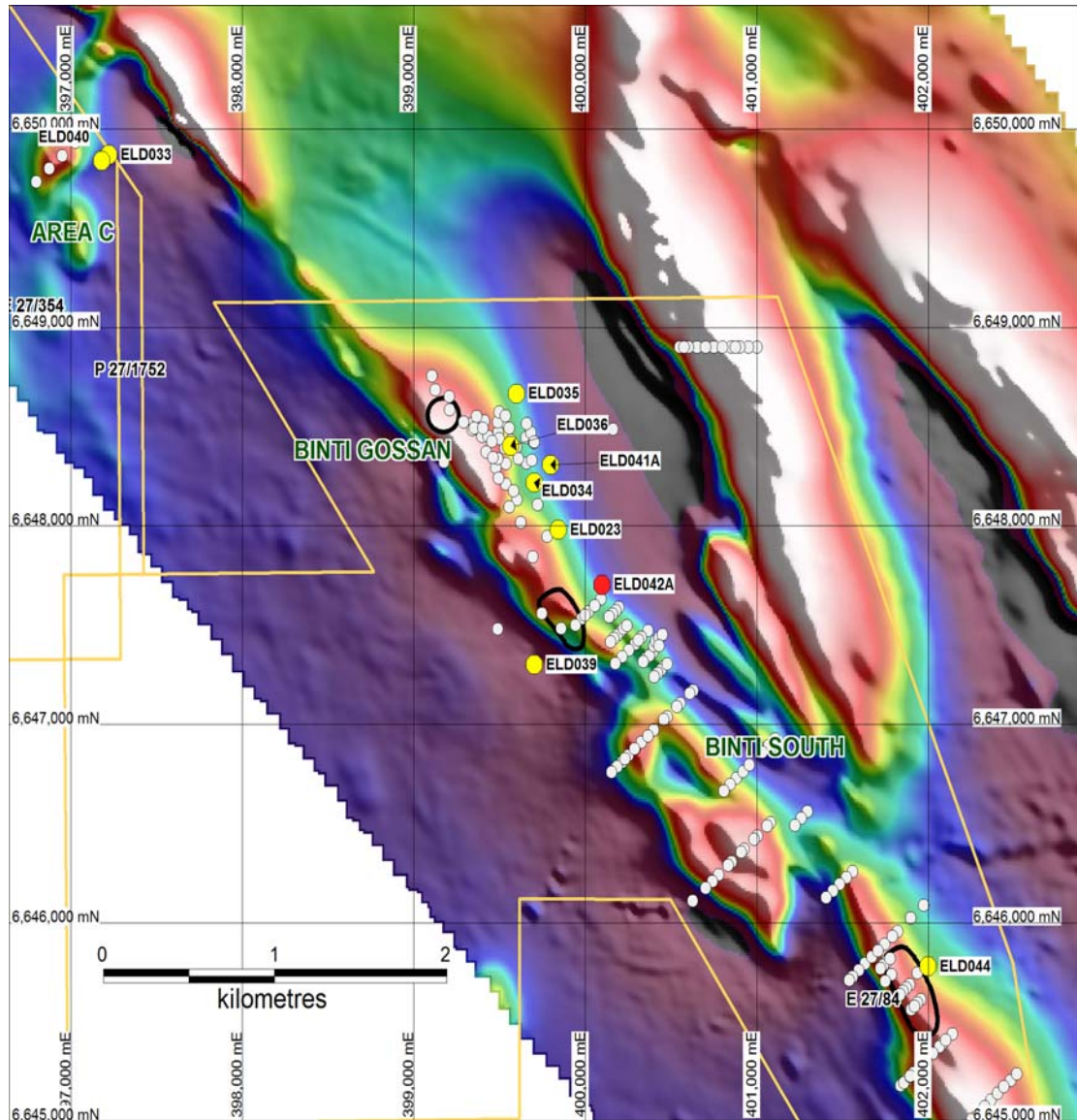


Figure 1

Drill Collar Locations Showing Magnetic Image (TMI) and FLEM Anomalies (black)

Emu Nickel is most encouraged by this latest result which highlights potentially significant extensions or repetitions of the Binti Gossan mineralisation to the south. Further drilling by the joint venture is anticipated, to test the extent of the previously unrecognised nickel sulphide positions intersected in drill holes ELD023 and ELD042A.

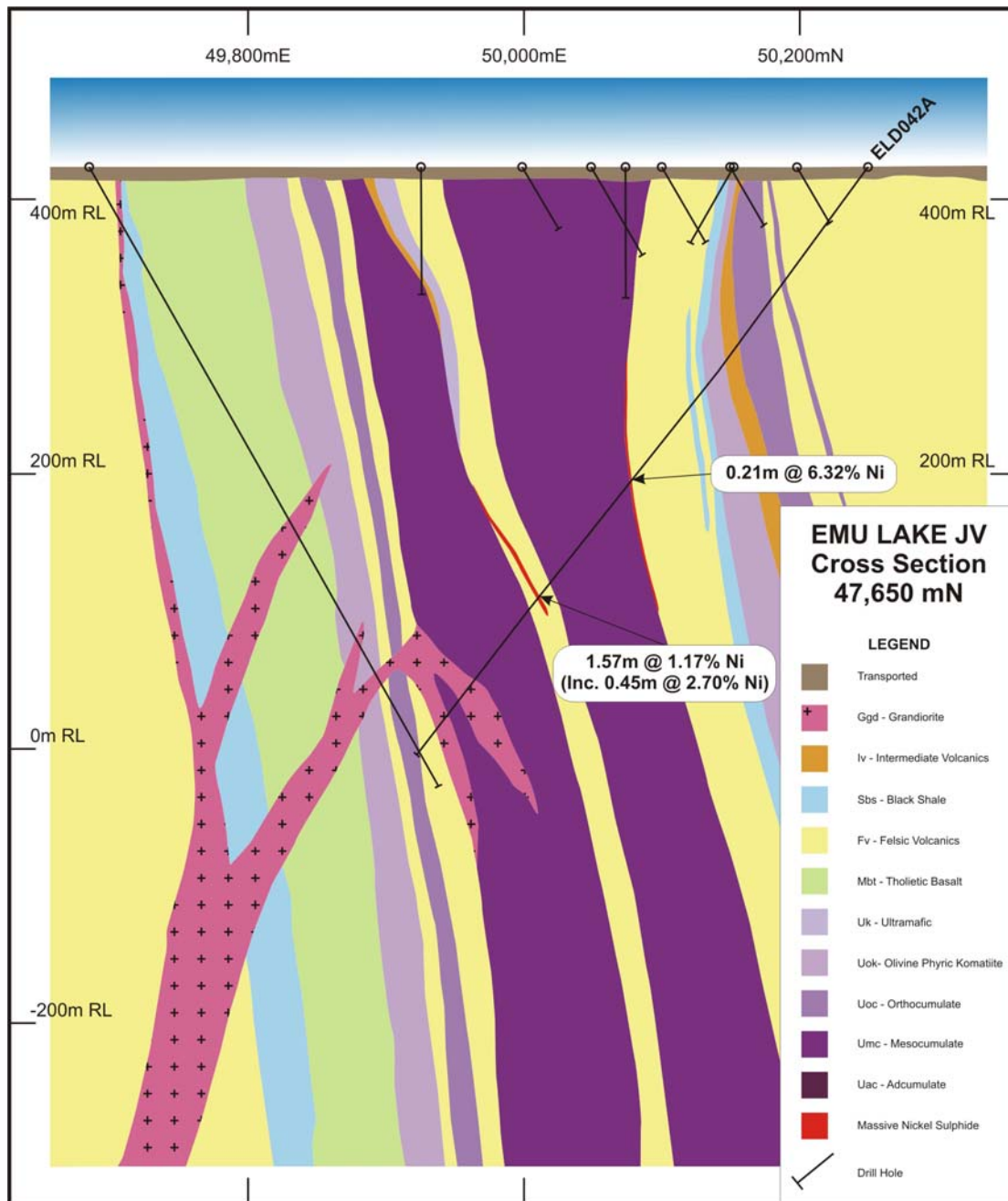


Figure 2
Cross-section Showing ELD042A

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The information in this report that relates to exploration results is based on information compiled or reviewed by Roger Thomson BSc, ARSM, MAusIMM, who is a Member of the Australian Institute of Geoscientists. Roger Thomson is a director of Emu Nickel NL. Roger Thomson 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Roger Thomson consents to the inclusion of this information in the form and context in which it appears in this report.