



ASX and Media Release

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ATLAS IRON JOINS WARWICK AS CORNERSTONE SHAREHOLDER

Emerging iron ore explorer Warwick Resources Limited (ASX:WRK) today announced that it has entered into a strategic alliance with Atlas Iron Ltd (Atlas) (ASX:AGO) for the exploration and development of its iron ore projects near Newman in the Pilbara region of Western Australia.

Under the terms of the agreement, Atlas will acquire a 19.9% stake in Warwick Resources through a share placement and the acquisition of existing shares at a price of 23 cents per share.

Approximately 75% of the placement shares will be issued immediately under the Company's 15% placement capacity, with the balance subject to shareholder approval.

On completion, the Company will have cash reserves in excess of \$10 million, which will be used to drive exploration and development of its iron ore projects in the Newman region and for working capital purposes.

Warwick and Atlas have agreed an area of influence to work together to consolidate and grow a significant iron ore resource position. Warwick has also agreed to offer Atlas a first right of refusal to participate in all future capital raisings by the Company and first right of refusal in relation to the divestment of any of its iron ore projects whilst it remains a holder of not less than 10% of the issued share capital of Warwick.

In addition, at the Company's invitation, Tony Walsh will join the Board of Warwick as a non-executive director representing Atlas. Tony Walsh is a chartered accountant with over 20 years experience in the financial services and resource industries. Mr Walsh is company secretary of Atlas Iron and two other ASX listed resource companies and a director of an AIM listed resource company. Mr Walsh previously worked at the Australian Stock Exchange in Perth for 14 years and Ernst & Young in Perth and Dublin for five years.

Commenting on the transaction, Warwick's Chairman Will Burbury said,

"The Company welcomes Atlas as a cornerstone investor. Atlas has proven expertise in fast tracking the development of iron ore projects in Western Australia. The transaction underlines the potential of Warwick's iron projects in the Newman area, and the Company's management team. It is the joint intention that the strategic alliance will deliver a significant iron ore resource in the region for the benefit of the shareholders in both companies."

Atlas's Managing Director, David Flanagan said,

"This strategic investment in Warwick provides Atlas shareholders great leverage to a land position in the Pilbara that is highly prospective for iron ore and Atlas intends to maintain its strategic shareholding at the 19.9% level for the foreseeable future."

About Warwick Resources Limited

Warwick Resources (ASX:WRK) is an emerging iron ore explorer with a diverse asset portfolio near Newman in the Pilbara region of Western Australia which is host to world class iron ore mines. The Company's projects have a combined area of 1,700km². The Company has rapidly identified significant iron ore targets on its existing tenure since listing on ASX in February 2007. In addition, the Company has recently acquired further iron ore prospective ground. Through its relationship with Peak Drilling, the company has access to drill rigs to aggressively explore its projects.

Warwick's iron ore projects near Newman are:

Caramulla South - extensive surficial iron enrichment is evident within an east-west striking strip of Marra Mamba Formation, up to 120m wide and 4km long, near the northern margin of the exploration licence. An initial drill traverse returned significant intersections, including: **21m @ 56.3% Fe** from 15m depth and **11m @ 59.2% Fe** from 9m depth, with low phosphorous levels (average 0.041%).

Jimblebar Range - an area of iron enrichment approximately 1.8km long and from 50m to 200m wide, developed over a steeply dipping sequence of banded iron formation. Ten out of a total of 19 rock chip sample traverses returned values greater than **60% Fe** with a maximum value of **64% Fe**. The levels of contaminants from rock chips are low to moderate, indicating potential for direct shipping ore. Warwick is awaiting the results of recent first pass drilling at the project.

Jimblebar CID - a 3km long mesa from 75m to 150m wide capped by pisolitic iron mineralisation. An initial drill traverse completed across the CID demonstrated that the channel contains up to 7m of iron-rich pisolite grading to **57% Fe**. Phosphorous levels are very low, ranging from 0.020% to 0.025%.

Grassroots Iron Targets – Extensive areas of surficial iron enrichment, developed over banded iron formation, have been mapped on the Company's Woggagina and Nickel Hills projects. Multiple targets for channel iron mineralisation have been identified on the Company's tenements.

Atlas Iron Limited

Atlas is targeting initial production and export of 1 million tonnes of direct shipping grade (DSO) iron ore from its Pardoo Project (75km east of Port Hedland) during the first 12 months of operations with production growing to 3 million tonnes per annum by 2010. Environmental approvals remain on track for commencing production of DSO iron ore from its Pardoo Project by August 2008. Together with the development of the Abydos DSO Project (120km south of Port Hedland) in late 2009, Atlas is targeting production of 6Mtpa of DSO by 2010.

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