



ASX / MEDIA RELEASE

3 FEBRUARY 2009

Stirling secures \$2.6 million and forges DCM partnership

West Australian resources developer, Stirling Resources Limited (ASX : SRE), is pleased to advise the company has today raised \$2.6 million through a convertible note to global resource company DCM DECOMetal GmbH (DCM), and will partner with DCM to develop Australian resources opportunities.

Stirling Resources has this week issued the note to DCM for 65 million shares, with an issue price of \$0.04 cents and a total subscription of \$2.6 million. *(Full terms of the note are attached).*

Stirling Resources Managing Director Michael Kiernan said the agreement provided a strong platform for DCM and Stirling Resources, and continued a long and successful history between himself and global resources company.

Headquartered in Austria, DCM has a global resources reach across 50 countries, and is an international leader in the trade of ores, alloys and metals, with interests in manganese, chromite, zircon and iron ore assets.

"I am pleased to partner with an organization such as DCM, with a shared view of establishing a diversified Australian resources group. Now is a great time to acquire projects cost effectively, in preparation for a rebound in markets and a return to strength in commodities over the coming years," Mr Kiernan said.

Stirling Resources is continuing to assess Australian resource development opportunities, with a specific interest in commodities including zircon, copper, gold and coking coal.

Mr Kiernan said not-with-standing the current downturn in global commodity prices, long term consumer trends in China and India would continue to support demand for products such as copper, gold and zircon.

"With the continued urbanization of China it is projected that 300 million people will move from rural areas to the city during a ten year period, driving demand for products such as copper and products containing zircon like ceramics, tiles and porcelain," Mr Kiernan said.

"Zircon and gold are two of the few metals that have held their own in terms of prices during the recent commodity cycles. We believe that with increasing disposable income in the middle classes of China and India, that gold could reach as high as AUD \$2000 an ounce by the end of 2009," Mr Kiernan said.

Mr Kiernan said he expected opportunities for coking coal in the Indian market, where demand was being driven by the growth in the Indian steel production over the next decade. He said last year, India imported approximately 22m tonnes of coking coal, and this is expected to double over the next few years.

For more information:

Michael Kiernan
Managing Director
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Warrick Hazeldine
Purple Communications
Tel: 08 9485 1254 / 0417 944 616



About Stirling Resources

Stirling Resources Limited is a West Australian resources developer focusing on investment and development of copper, zircon, coking coal, gold and iron ore projects. The Company consists of highly experienced resource development and mining personnel executive with track records of creating shareholder value.

Previously the group took control of a financially distressed manganese producer and developed it into a diverse mineral commodity producer to become included in the ASX 200 and was ultimately taken over by an international conglomerate for \$1.25b. The Company grew from being a small unreliable manganese producer to ultimately supplying 10% of the world's high grade manganese to global customers and developed significant projects in chromite, nickel, copper, zinc and iron ore.

The Company's strategy for creating shareholder value is to identify projects that comprise either commodities that are considered to have a strong future and demand or geological characteristics that have potential and yet for various reasons have achieved their possibilities. The focus is on brown fields projects close to development or production.

Driven by the underlying fundamentals of the Chinese economy and the continued massive urbanisation process commodities such as copper, zircon, gold and iron ore will continue to be in strong future demand. The Chinese growth is augmented by the Indian economic growth particularly in the steel industry leading to increasing demands of coking coal.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

STIRLING RESOURCES LIMITED

ABN

94 009 659 054

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Convertible Notes |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 65,000,000 convertible notes at \$0.04 each, which are convertible to 1 ordinary share per note on conversion |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Principle terms of the Notes are as follows: <ul style="list-style-type: none">• Issue price: AUD\$0.04 per note• No. of Notes Issued: 65,000,000 notes• Total subscription: AUD\$2,600,000• Interest rate: The interest rate is 7.5% per annum, payable quarterly in arrears• Maturity: The term is 36 months from issue• Subscription date: 30 January 2009 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>N/A</p>						
<p>5 Issue price or consideration</p>	<p>\$0.04 per note</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Funds raised from the convertible notes are for working capital purposes</p>						
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>30 January 2009</p> <p>Any ordinary shares issued on conversion of the notes will be issued in accordance with the Terms and Conditions of the Notes</p>						
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">⁺Class</th> </tr> </thead> <tbody> <tr> <td>442,757,500</td> <td>Ordinary Shares</td> </tr> <tr> <td>76,292,508</td> <td>Options (\$0.04; 30/6/12)</td> </tr> </tbody> </table>	Number	⁺ Class	442,757,500	Ordinary Shares	76,292,508	Options (\$0.04; 30/6/12)
Number	⁺ Class						
442,757,500	Ordinary Shares						
76,292,508	Options (\$0.04; 30/6/12)						

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	75,000,000	Options (\$0.10; 30/6/10)
	75,000,000	Options (\$0.20; 30/6/12)
	65,000,000	Convertible Note
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	N/A
12 Is the issue renounceable or non-renounceable?	N/A
13 Ratio in which the +securities will be offered	N/A
14 +Class of +securities to which the offer relates	N/A
15 +Record date to determine entitlements	N/A
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17 Policy for deciding entitlements in relation to fractions	N/A
18 Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19 Closing date for receipt of acceptances or renunciations	N/A

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 ⁺Despatch date N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 3 February 2009
(~~Director~~/Company secretary)

Print name: Shannon Caporn

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+ See chapter 19 for defined terms.