

SHAW RIVER COMMENCES EXPLORATION

- Focus on Farrel Well Gold Project in Pilbara region.
- RC Drilling to follow up previous intersections.
- Expected program completion in mid-Feb 07, results expected early Mar 07.

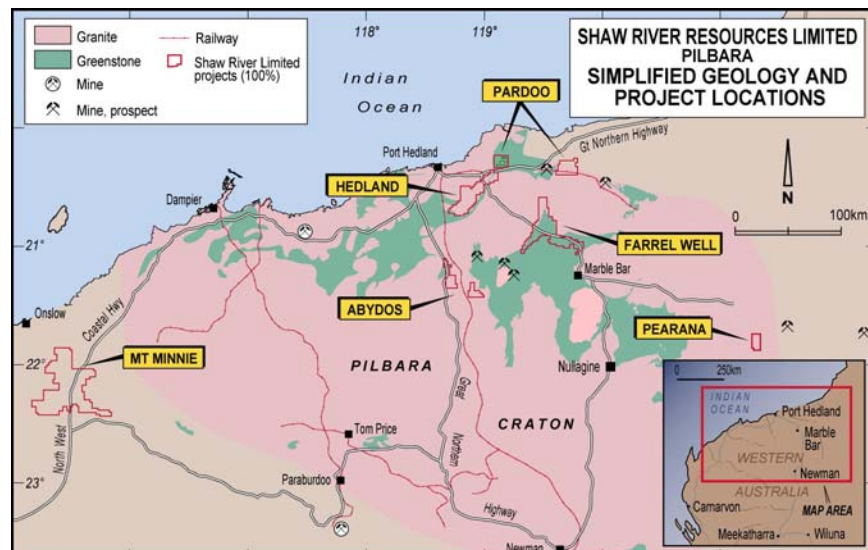
Shaw River Resources Limited, recently listed on ASX (Code: SRR) has already established an exploration team, is setting up the base camp and conducting preparatory work for drilling at its flagship Farrel Well project area near Port Hedland in WA.

Drilling will target extensions to previous intercepts at ;

- **Graeme, 4m@5.94g/t Gold from 26m including 3m@7.61g/t Gold from 27m**
- **NE Zone, 1m at 7.44 g/t Gold from 4m**
- **Morgan, 1m at 14.4g/t Gold, 48m at 0.14% Nickel and 44m at 0.13% Nickel**

The Farrel Well Project geology is considered to be prospective for VHMS base metal deposits similar to those at Sulphur Springs (CBH Resources Limited) and Whundo (Fox Resources Limited). Exploration and drilling will also target the 600m long copper/lead anomaly at the Edsel prospect. Geophysical surveys such as VTEM surveys are planned for the Farrel Well area in the coming months.

The field program is scheduled to commence on the 22nd of January 2007 and will run for approximately four weeks. Results from the drilling program are expected in early March 2007. This is to be the first of many drilling campaigns in 2007 and the company is optimistic of the endowment of its primary assets and the possibility of early success.

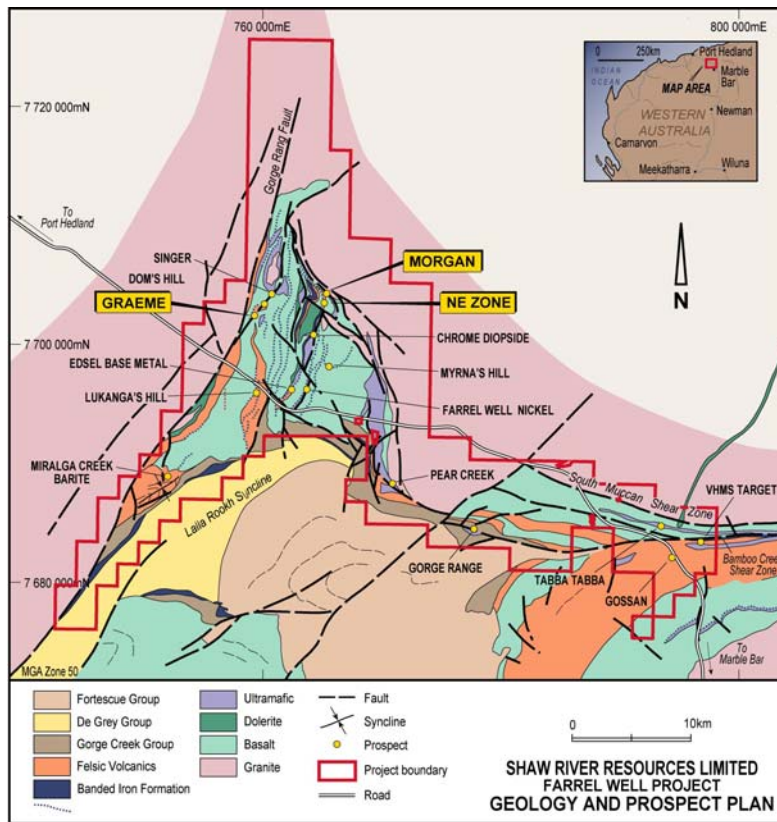


Background on Shaw River

Shaw River listed on ASX on 22 December 2006 and has \$5.0m cash available for exploration activities. Shaw River plans to systematically explore its portfolio of tenements in the Pilbara which are prospective for gold and base metal and uranium targets. Exploration will have a major drilling component in an effort to fast track exploration success and potential mine development.

Shaw River holds tenements and mineral rights in tenements which together total some 4975 square kilometres in the Pilbara. The land package is prospective for nickel, zinc, copper and gold and uranium. The Consulting Geologist in Shaw River's Prospectus highlighted potential for shear zone hosted gold and ultramafic hosted nickel sulphides, base metal VHMS (Volcanogenic Hosted Massive Sulphide) Zn-Pb-Ag-Au, as well as sandstone hosted roll front hosted Uranium and IOCG (Iron Oxide Copper Gold). The understanding of these styles of mineralisation is responsible for a renewed wave of exploration success and mine developments across the Pilbara.

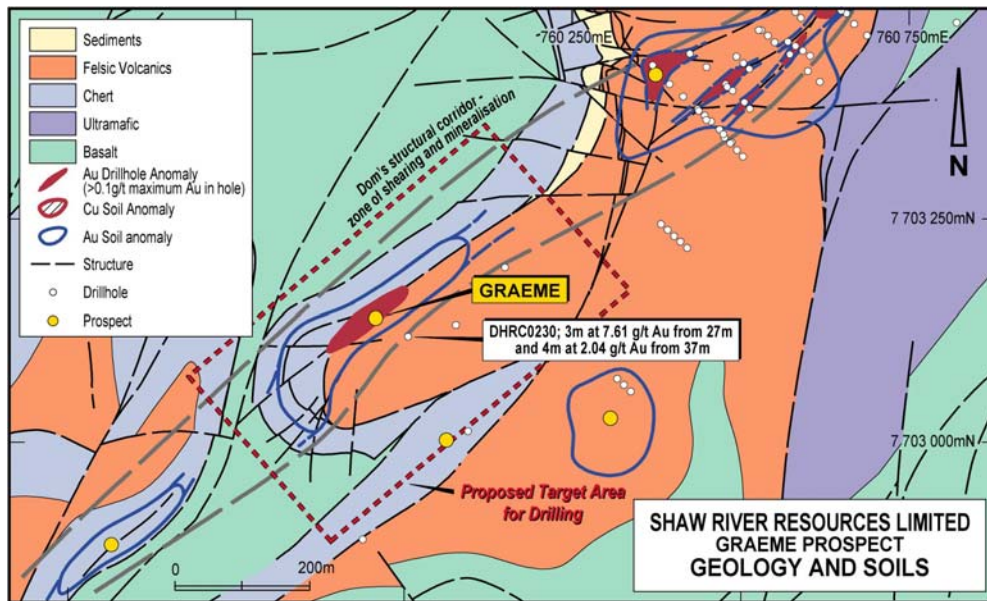
Detailed Prospect Information – Farrel Well

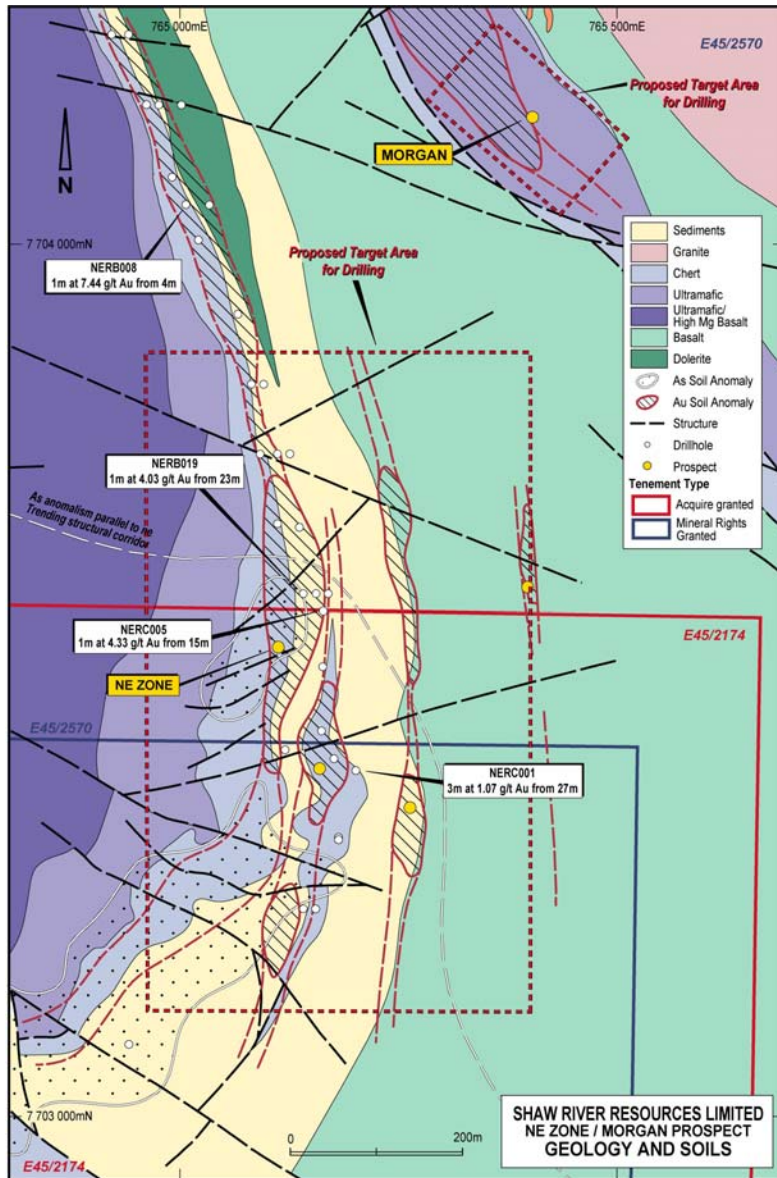


Graeme Prospect

The Graeme prospect lies south of the Dom's Hill prospect at Farrel Well which yielded over 25 separate >1g/t gold intersections from previous drilling. Both prospects were drilled by Atlas in 2005. At Graeme, a restricted Two hole program yielded 4m@5.94g/t Au from 26m including 3m@7.61g/t Au from 27m in DHRC0230. The prospect lies in a known structural corridor of shearing and mineralisation. The Graeme prospect is also well defined on surface by a 300m long by 120m wide gold in soil anomaly.

The positive drilling results and distinctive soil anomaly are the focus of the early drilling program. Drilling has been designed to confirm structural plunge controls on the higher grade mineralisation known to be present throughout the Graeme, Dom's Hill corridor.





NE Zone Gold Prospect

The NE Zone gold anomaly lies to the east of Dom's Hill and Graeme. Previous explorers have identified a 2km long gold in soil anomaly with values exceeding 100ppb Au. Atlas drilled 18 RAB and 9 RC drillholes at NE Zone during 2005. Eleven intersections exceeding 1g/t were drilled, with a best intersection of 1m@7.44g/t from 4m in NERB008. A continuous zone of anomalous gold mineralisation open at depth with indications of strong structural controls on higher grades can be modelled over 900m of strike.

This endowment trend of anomalous to high gold grades has been initially drilled at wide spacing. Closer spaced drilling is planned and Shaw River's early drilling in this program will focus on achieving a better understanding of the controls on the higher grades in this mineralised corridor.

Morgan Nickel/Gold Prospect

The Morgan prospect, east of and parallel to the NE Zone area, is a coherent Ni-Cu soil anomaly, co-incident with a prominent magnetic anomaly. In addition to anomalous nickel intersections in two drillholes (48m@0.14% Nickel from 12m in MORC002 and 44m@0.13% Nickel in MORC001) A gold intersection of 14.4 g/t from 4m was intercepted in drillhole NERB002. Some surface mapping and rock chip sampling will take place as well as follow up drillholes to confirm the orientation and potential of this gold intersection.

Edsel Base Metal Prospect (Zn-Pb-Cu-Ag)

The Edsel base metal prospect at Farrel Well is located over a 600m long lead soil anomaly (>20ppb Pb) with a 250m long higher level core lead anomaly (>40ppb Pb). A highest value of 246ppm Pb and 126ppm Cu were located during the 2005 Atlas soil sampling program.

Lead soil anomalies associated with sequences of felsic volcanic rocks, tuffs and cherts are often good exploration markers for base metal mineralisation contained in VHMS systems such as Sulphur Springs, 60km to the South West of the Farrel Well project area. The January field program will seek to validate the exploration model with mapping and rock chip sampling.

For further details, contact Mr Vincent Algar, Managing Director, on (08) 9226 4455

The information in this report to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Vincent Algar who is a Member of the Australasian Institute of Mining and Metallurgy. Vincent Algar is a full-time employees of the Company. Vincent Algar has sufficient experience which is relevant to the style of mineralisation 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 for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Vincent Algar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.