



DIATREME RESOURCES LIMITED

ABN 33 061 267 061

Level 2, 87 Wickham Terrace, Spring Hill, Qld, 4000
PO Box 10288
Brisbane Adelaide Street
Queensland 4000

Telephone : 61 7 3832 5666
Facsimile : 61 7 3832 5300
Email : manager@diatreme.com.au
Website : www.diatreme.com.au

ASX Code: DRX

Company Announcement Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

18 February 2008

EXPLORATION UPDATE

MINERAL SANDS

Flinders Island Project

Drilling commenced on 30 January searching for ancient beach systems on the eastern plains of Flinders Island (Tasmania). A number of beaches were intercepted during this drilling campaign but unfortunately mineralisation is not well developed. After nine days of drilling over the whole of the two tenements (EL's 6/2007 and 7/2007) the programme was terminated due to disappointing results. It is expected that these two licences will be surrendered and the funds previously budgeted directed towards three new licence areas on King Island.

King Island Project

Three exploration licences (EL's 7/2008, 8/2008 and 9/2008) have been applied for on King Island (Tasmania) covering a total land area of 554 sq km. The island is prospective for both heavy mineral sands (with a number of known occurrences on the island) and scheelite (tungsten). DRX plans to conduct exploration for both.

COPPER-GOLD

Clermont Project

Fieldwork, commenced in January preparing drill sites and ground checking geophysical targets, has been suspended due to heavy (flooding) rainfall in Central Queensland. Drilling is now expected to commence in late April.

An internal review of the Peak Downs Copper Mine database and mineral resources (historically determined by Straits Resources Limited) is currently underway. This review forms part of the assessment process in planning future exploration over the old mine area.

Dooloo Creek Project

Approximately half of the Phase 1 drilling program planned over the Dooloo Creek Prospect was completed in December 2007 when 6 reverse circulation (RC) holes totalling 1,104m were drilled. Assay results from this drilling are consistent with the exploration model proposed for this prospect whereby near-surface mineralisation represents the upper halo of a gold-copper orebody. Over 60% of the 552 assays from drilling contain detectable gold with the best interval being 12m @ 1.38 g/t Au from 125m in drillhole DCRC04. Individual copper assays recorded up to 0.14% Cu over 2m. Due to rain delays, a further 600m of RC drilling and 800m of diamond drilling are now planned commencing in March 2008.

Dated 18 February 2008



Anthony J Fawdon
Executive Chairman/CEO

Company contact details:

Tel : +61 7 3832 5666

Fax : +61 7 3832 5300

Email : manager@diatreme.com.au

The information in this report, insofar as it relates to Exploration Results from the Company's mineral sands projects, is based on information compiled by Mr David Jelley, of David Jelley Pty Ltd, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Jelley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken 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'. Mr Jelley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report, insofar as it relates to Exploration Results from the Company's copper and base metal projects, is based on information compiled by Diatreme Resources Ltd staff and reviewed by Mr Henning Coetzee, a fulltime employee of the Company, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Coetzee has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken 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'. Mr Coetzee consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.