

ASX Announcement & Media Release

20th October 2010



chesser
resources limited

ASX Code: CHZ

Company Information

| | |
|--------------------|-----------|
| Capital Structure | Sept 2010 |
| Shares on Issue | 108.3 M |
| Options (unlisted) | 10.1 M |
| Fully Diluted | 118.4 M |
| Market Cap. | \$106M |
| Cash | \$7 M |
| Debt | Nil |
| Enterprise Value | \$99 M |

Company Directors & Management

| | |
|------------------|---------------------|
| Stephen Evans | Chairman |
| Rick Valenta | Managing Director |
| Simon O'Loughlin | Non-Exec Director |
| Simon Taylor | Non-Exec Director |
| Creagh O'Connor | Non-Exec Director |
| Kerry Angel | Company Secretary |
| Cem Yuceer | Exploration Manager |

Top Shareholders

Management
Gryphon Partners
Geologic Resource Partners
Baker Steel
Top 40 ≈ 52%

Company Highlights

Chesser is an Australian-based exploration company, exploring for gold and base metals in Turkey. The Kestanelik epithermal gold project, 10 km from the Dardanelles in NW Turkey, has high-grade gold mineralisation. Karaayi is being explored for a porphyry-style gold-copper mineralisation. Sisorta in NE Turkey has 303Koz Au resource (91Koz Indicated & 212K oz Inferred).



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K3 Vein Returns 51.6 g/t Gold from Drilling at Kestanelik Gold Project, Turkey

Diamond drill hole KED-14 intersects three separate intervals from K3 vein returning:

- **9.0 metres at 3.2 g/t gold** from 1.5 metres
 - **10.5 metres at 8.3 g/t gold** from 68 metres including **3.8 metres at 20.9 g/t gold** –includes **1.1 metres at 51.6 g/t gold**
 - **3.3 metres at 21.3 g/t gold** from 114 metres including **2.0 metres at 34.3 g/t gold**
- Drilling from **K1 vein** returns **4.3 metres at 4.0 g/t gold** including **2.3 metres at 7.1 g/t gold**.
- **New target discovered** from scout drilling at gold-in-soil geochemical target returns **4.0 metres at 4.9 g/t gold** including **1 metre at 18.4 g/t gold**.
- **Karakovan vein** continues to provide encouragement with drilling returning **6.7 metres at 3.3 g/t gold** from shallow depth of 11.3metres downhole.
- Results now received from a further 10 diamond holes and 10 reverse circulation drill holes.
- 47 holes now complete for approximately 4,900 metres of drilling (2,830m RC and 2,070m Diamond) with results now received from 40 holes.

Chesser Resources Limited (**ASX:CHZ**) (**Chesser**) is pleased to announce the receipt of further positive assay results from its Phase 3 drill program (10,000 metre) at the Kestanelik Project, in NW Turkey.

The Company has now received results from a further 10 diamond holes and 10 reverse circulation (“RC”) holes. Diamond drilling has further tested the K1, Karakovan and K3 veins whilst the RC drilling rig has further tested early stage scout targets comprising both geophysical and gold-in-soil geochemical targets.

The standout results from the current batch of assays received have been multiple high-grade gold zones intersected at the K3 vein and a new discovery by the RC rig at a recently tested gold-in-soil geochemical target.

“We are very pleased to announce excellent results from the K3 vein where drilling has intersected three separate veins; all carrying significant gold grades. What is most important about these results is not only the high grade nature of the veins but that we are getting good intersections at depth in the primary or sulphide zone and the grade appears to be increasing at depth.” said Rick Valenta, Managing Director of Chesser. “We have drilled a further two holes to the NE of this current intersection and we look forward to receiving further assays within the next few weeks.”

Exploration Drilling Program

Diamond drilling has further tested the K1, Karakovan and K3 veins whilst the RC drilling rig has further tested early stage scout targets comprising both geophysical and gold-in-soil geochemical targets.

K3 Vein

On the K3 vein, drilling is in progress to build up a series of pierce points along the vein, which will enable a resource to be estimated. KED-14 is the first diamond drillhole reported from the K3 vein drilling program, and has returned strong results in three separate intervals at downhole depths up to 114 metres. As previously observed in the K2 vein, the better results are spatially associated with polyphase sulphide-bearing silica-matrix breccias. These breccias are very similar in texture to the iron-oxide bearing vein breccias that carry the highest grades in outcropping veins on the property, but the intersections in KED-14 are in sulphide and therefore likely to be representative of primary mineralisation. An additional 11 holes are planned on the K3 vein as part of the current program, two of which have been drilled to the north east (KED-15 & 17) - assays are pending.

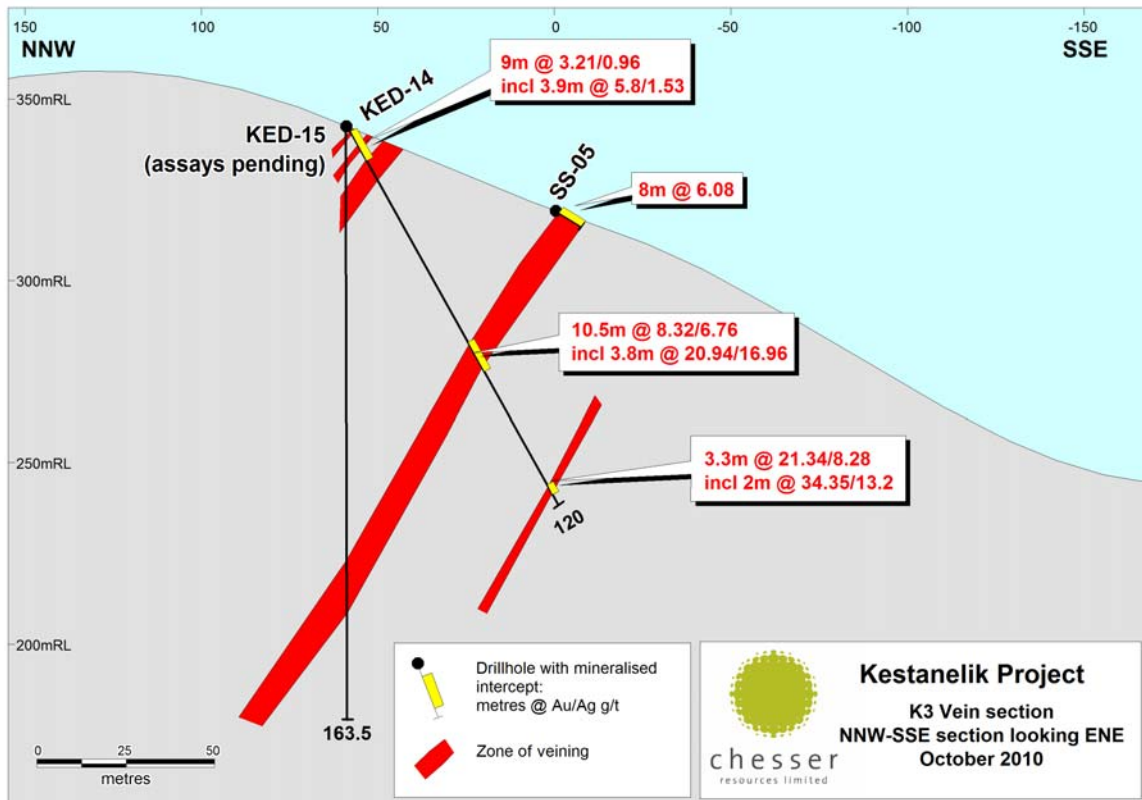


Figure 1. N-S Cross section through K3 vein. See Figure 3 for section location

Karakovan Vein

Drilling on the Karakovan vein continues to provide encouragement with intersections reported from shallow depths including **6.7 metres at 3.28g/t gold** from 11.3metres, **9.4 metres at 1.40g/t gold** from 7.5 metres and **2.4 metres at 2.03 g/t gold** from 3 metres.

Scout RC Drilling

The intersection in KERC-38 of **4 metres at 4.93 g/t gold including 1 metre at 18.45 g/t gold** was from a hole designed to test the Meydan North zone where there are strong soil anomalies and subsequent sampling has returned abundant vein float with gold grades greater than 10g/t.

Significant results for the drillholes using a lower cut off of weighted average 1g/t gold are shown in Table 1 below:

| Drillhole | from | to | width | Au | Ag | Max_Au | m-g | Location Ref Fig 2 | Vein |
|----------------|------|-------|-------|--------------|-------|--------------|-------|--------------------|-----------------|
| KED-06 | 25 | 29.3 | 4.3 | 4.05 | 2.28 | 8.55 | 17.42 | C-3 | K1 |
| including | 27 | 29.3 | 2.3 | 7.07 | 5.00 | 8.55 | 16.26 | C-3 | |
| KED-07 | 11.3 | 18 | 6.7 | 3.28 | 2.46 | 6.57 | 21.99 | B-1 | KARAKOVAN |
| KED-09 | 7.5 | 16.9 | 9.4 | 1.40 | 1.57 | 2.24 | 13.12 | B-1 | |
| KED-10 | 37.2 | 37.8 | 0.6 | 3.57 | 3.20 | 3.57 | 2.14 | B-2 | SCOUT |
| KED-11 | 3 | 5.4 | 2.4 | 2.03 | 2.76 | 2.12 | 4.88 | A-1 | KARAKOVAN |
| AND | 23.2 | 24 | 0.8 | 1.05 | 1.80 | 1.05 | 0.84 | A-1 | |
| KED-13 | 69.5 | 73.9 | 4.4 | 1.68 | 1.55 | 2.95 | 7.37 | D-4 | KESTANELIK SIRT |
| AND | 80 | 80.8 | 0.8 | 1.95 | 5.30 | 1.95 | 1.56 | D-4 | |
| KED-14 | 1.5 | 10.5 | 9 | 3.21 | 0.96 | 8.93 | 28.93 | C-4 | K3 Vein |
| including | 6.6 | 10.5 | 3.9 | 5.80 | 1.53 | 8.93 | 22.62 | C-4 | |
| AND | 15.8 | 17.3 | 1.5 | 1.02 | <0,2 | 1.02 | 1.53 | C-4 | |
| AND | 68 | 78.5 | 10.5 | 8.32 | 6.76 | 51.60 | 87.36 | C-4 | |
| including | 73.5 | 77.3 | 3.8 | 20.94 | 16.96 | 51.60 | 79.57 | C-4 | |
| AND | 76.2 | 77.3 | 1.1 | 51.60 | 41.10 | 51.60 | 56.76 | C-4 | |
| AND | 114 | 117.3 | 3.3 | 21.34 | 8.28 | 36.60 | 70.42 | C-4 | |
| including | 114 | 116 | 2 | 34.35 | 13.20 | 36.60 | 68.70 | C-4 | |
| KERC-38 | 23 | 27 | 4.00 | 4.93 | 2.25 | 18.45 | 19.72 | F-4 | Scout |
| AND | 33 | 34 | 1.00 | 1.35 | 5.40 | 1.35 | 1.35 | F-4 | |

Table 1. Significant drilling results from the current release for the 2010 Kestanelik drill program. Location reference refers to grid location on Figure 3. Estimated true widths are approximately 90% of the drilled interval.

As of 18th October 47 holes have now been completed for approximately 4,900 metres of drilling (2,830m RC and 2,070m Diamond) with results now received from 30 holes. The locations of drillholes completed to date are shown in Figure 3.

About Chesser Resources Limited

Chesser is an Australian-based ASX-listed exploration company (ASX: CHZ), exploring for gold and base metals in Turkey. The Company is currently conducting an aggressive, but focused, exploration program on its Kestanelik epithermal gold project. The Kestanelik property is situated in western Turkey, some 10 kilometres southeast of the Dardanelles, and enjoys good access together with excellent infrastructure. It hosts low sulphidation epithermal quartz veining with identified high-grade gold mineralisation and bonanza grades. The Company is also pursuing exploration programs at the Karaayi property on a porphyry-style stockwork system prospective for gold-copper mineralisation and has declared a 303,000 oz gold resource (91,000 oz Indicated and 212,000 oz Inferred) on its Sisorta project in north-eastern Turkey. The Board and management of Chesser, backed by the Company's major shareholders, are committed to unlocking value from this highly prospective portfolio of projects and the Company is committed to advancing its existing portfolio while continuing to seek new advanced opportunities.

Further information is available at: www.chesserresources.com.au

The exploration data and results contained in this report are based on information reviewed by Dr Rick Valenta, a Fellow of the Australian Institute of Mining and Metallurgy. He is Managing Director of the Company and has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Valenta has consented to the inclusion in this release of the matters based on his information in the form and context in which it appears. It should be noted that the abovementioned exploration results are preliminary. ,

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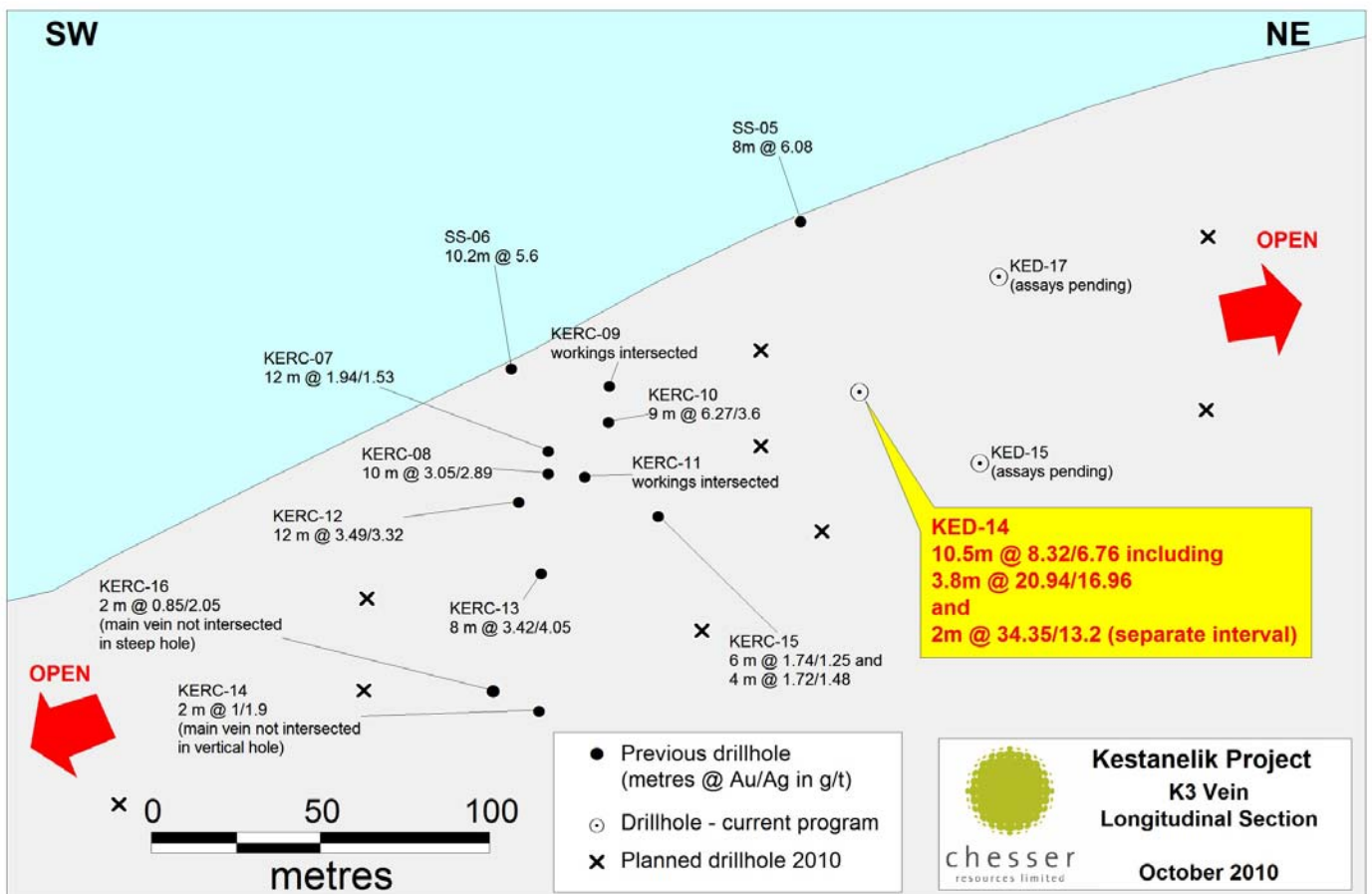


Figure 2. Vertical longitudinal projection along the K3 vein. See Figure 3 for section location.

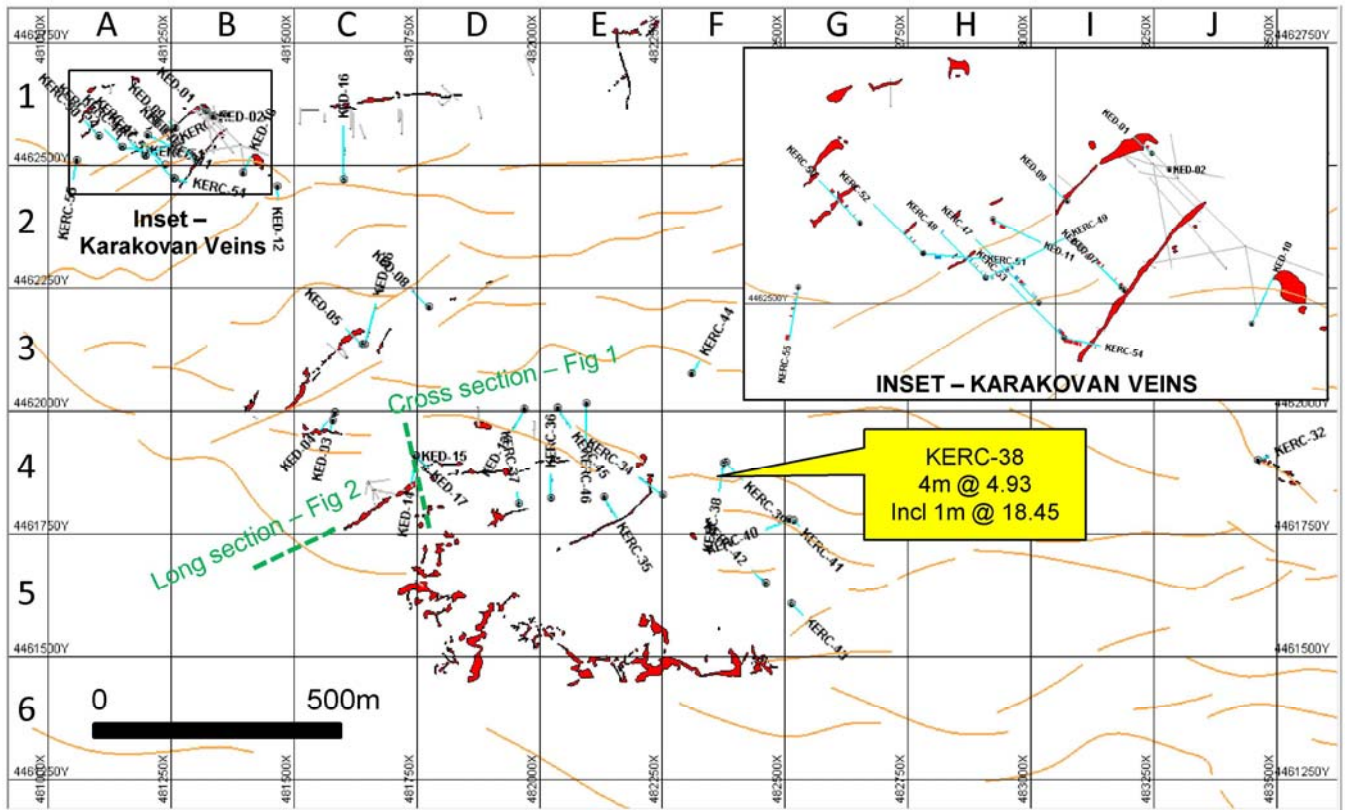


Figure 3. Location map for completed drillholes. Figure also shows locations of sections in figures 1 and 2.

| DRILL_HOLE | EAST | NORTH | RL | AZIMUTH | DIP | Depth |
|------------|--------|---------|-----|---------|-----|-------|
| KED-06 | 481644 | 4462135 | 308 | 15 | -45 | 126.5 |
| KED-07 | 481301 | 4462509 | 318 | 315 | -70 | 72.5 |
| KED-07a | 481299 | 4462511 | 315 | 315 | -70 | 82.5 |
| KED-08 | 481775 | 4462212 | 319 | 315 | -60 | 98.0 |
| KED-09 | 481259 | 4462576 | 330 | 315 | -70 | 56.0 |
| KED-10 | 481397 | 4462485 | 295 | 25 | -60 | 78.0 |
| KED-11 | 481203 | 4462563 | 307 | 116 | -55 | 70.6 |
| KED-12 | 481466 | 4462457 | 297 | 178 | -67 | 73.5 |
| KED-13 | 481968 | 4462002 | 387 | 210 | -60 | 100.0 |
| KED-14 | 481749 | 4461908 | 343 | 190 | -60 | 120.0 |
| KERC-36 | 482023 | 4461821 | 315 | 360 | -60 | 100.0 |
| KERC-37 | 481958 | 4461809 | 321 | 350 | -65 | 64.0 |
| KERC-38 | 482375 | 4461892 | 384 | 190 | -60 | 115.0 |
| KERC-39 | 482380 | 4461893 | 381 | 135 | -60 | 96.0 |
| KERC-40 | 482509 | 4461777 | 383 | 250 | -60 | 108.0 |
| KERC-41 | 482518 | 4461775 | 383 | 135 | -60 | 33.0 |
| KERC-42 | 482460 | 4461648 | 380 | 315 | -60 | 88.0 |
| KERC-43 | 482513 | 4461606 | 382 | 135 | -60 | 66.0 |
| KERC-44 | 482310 | 4462074 | 397 | 30 | -60 | 68.0 |
| KERC-45 | 482036 | 4462006 | 394 | 145 | -60 | 103.0 |

Table 2. Drill location data for drillholes reported in this announcement.