3 May 2010 **News Release 0910-08**

ASX ANNOUNCEMENT

Geophysical Survey significantly increases the size potential of Kestanelik Follow-up drilling complete on High-grade Epithermal Gold project

Chesser Resources is pleased to announce that a recently completed geophysical survey, on its exciting Kestanelik high-grade epithermal gold project, in western Turkey, has significantly upgraded the size potential of the property. A follow-up drilling program is under way.

- The recently completed **gradient array resistivity survey has identified an additional 18.5 kilometres of potential veins under cover** on the property, bringing the total of outcropping veins and covered vein targets to approximately 21 kilometres.
- The Kestanelik property consists of a series of epithermal quartz vein zones of up to 28 metres true thickness, the **outcropping** veins have an aggregate strike length of more than 2.5 kilometres.
- Outcropping veins have a very distinctive resistivity signature, adding confidence to the interpretation and mapping of the covered veins in the area. Preliminary field follow-up and drilling has already confirmed the presence of additional, previously unmapped veins on the property associated with resistivity anomalies.
- Preliminary pole-dipole resistivity data show that veins continue to the southwest of the high-grade K1 to K3 veins, under 40 to 100 metres of cover.
- Drilling recommenced at Kestanelik on April 22, 2010 and fifteen holes have been completed for a total of 1192.5 metres. Drilling is targeting stepouts from previously announced high-grade intersections and also new targets delineated from high-grade gold surface results and geophysics.
- Samples from all drillholes have been sent to the lab, and results are expected by the end of May.

"The geophysics has shown very clearly that the network of potentially gold-mineralised veins is very extensive under cover and, even where the veins are outcropping, the geophysics shows in many cases that they have further untested extensions." explained Dr Rick Valenta, Managing Director of Chesser; "Even if we assume that only 10 percent of the total vein system is mineralised down to a depth of 200 metres you can see that we have the potential to discover a company-making goldfield. We look forward to the results from this current drill program, and now have all the information necessary to plan a larger drill program aimed to start in the middle of the year to really start to prove-up this unfolding gold project".

Kestanelik Project

The Kestanelik property consists of a series of epithermal quartz vein zones of up to 28 metres true thickness, outcropping over a total strike length of approximately 2.5 kilometres, a large proportion of them remaining untested by drilling. The host sequence is partially covered by a post-mineral sequence of sediments, volcanics and alluvium. Mineralisation on the property is typical of low sulphidation epithermal vein systems, examples of which include Vera Nancy in Queensland (North Queensland Metals) and the Eureka project in Argentina (Andean Resources).

Geophysical Surveying

A program of Gradient Array IP Resistivity surveying was completed in mid April on the Kestanelik property. The aim of this survey was to assist in defining the position of covered extensions of the interpreted vein system. The survey covered an area of 4.1 square kilometers surrounding the area of outcropping veins and continuing to the southwest and to the east. Survey data were collected on 50 metre-spaced north-south lines with a station spacing of 25 metres.

Interpretation of the Gradient Array Resistivity data has resulted in the identification of approximately 18.5 kilometres of potentially mineralised vein targets (Figure 1). The majority of the new targets occur in covered areas, but some also occur in areas of outcrop where the veins do not appear to be exposed at surface. The company will use the interpreted distribution of vein targets, along with known exposed veins, to formulate a larger drill program of up to 10,000 metres to begin in the middle of 2010.

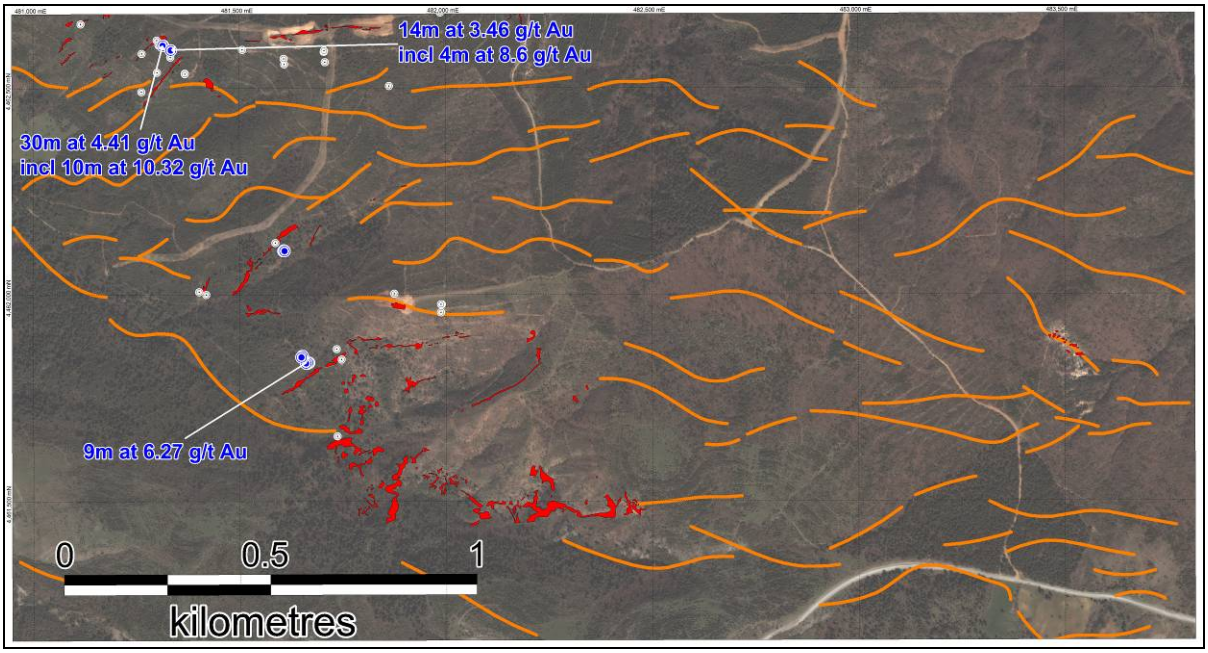

Figure 1: Satellite image of the Kestanelik area with mapped veins shown in red and vein targets interpreted from the gradient array resistivity data shown in orange. Chesser February drillholes with selected intervals shown in blue; previous holes in white.

Comparison of the resistivity results with the known positions of outcropping veins, and particularly larger zones of veining and silicification, show a strong correlation with linear zones of high resistivity. Examples of this include the K3 vein, the zone of veining and silicification at Meydan Zone, and the isolated outcrop of veining and silicification at the eastern end of the area (E) (Figure

2). Preliminary field followup and drilling has already confirmed the presence of additional, previously unmapped veins.

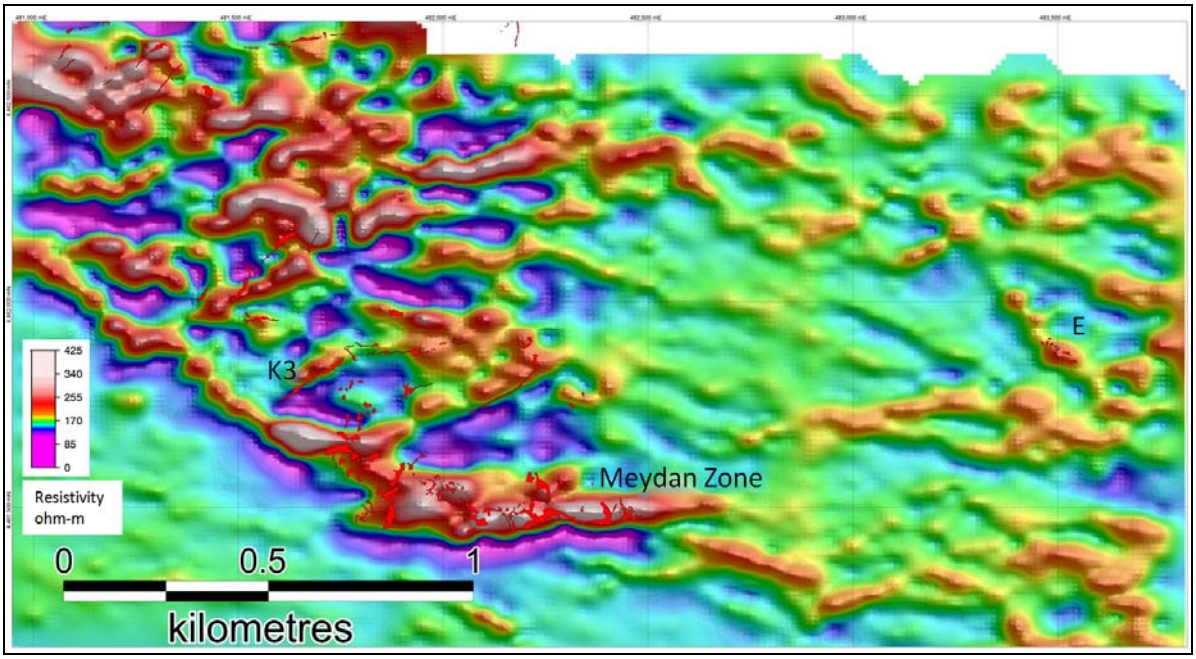

Figure 2: Residual gradient array resistivity, with positions of outcropping veins shown in red. The positions of the K3 vein, Meydan Tepe, the eastern zone of veining (E) are shown on the diagram and referred to in the text.

Current Drill Program

Drilling recommenced at Kestanelik on April 22, 2010 and the program of fifteen holes was completed on the 29th of April for a total of 1192.5 metres Drilling is targeting stepouts from previously announced high-grade intersections and also new targets delineated from high-grade gold surface results and geophysics. Samples from all fifteen drillholes have now been sent to the lab, and results are expected by the end of May.

Chesser Resources Ltd is an ASX-listed Exploration company with a focus on the acquisition and exploration of discovery-stage gold projects. The company is committed to advancing its existing portfolio while continuing to seek new advanced opportunities.

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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.