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ASX ANNOUNCEMENT

Follow-up Drilling Successfully Extends Gold Mineralisation at Kestanelik
First geophysical target tested, successfully returns quartz veining and gold mineralisation from under cover

Chesser Resources is pleased to announce that follow-up drilling on its exciting Kestanelik high-grade epithermal gold project, in western Turkey, has successfully extended the gold mineralisation encountered in the February 2010 Drill Program. The Kestanelik project consists of a series of epithermal quartz vein zones of up to 28 metres true thickness, outcropping over an aggregate strike length of approximately 2550 metres and with an additional 18.5 km of veins, shown by geophysics, to be extending under cover.

- Significant new intersections include:
  - **23 metres at 2.30 g/t gold** from 12m in hole KERC-17, including **5 metres at 3.29 g/t gold** from 22m, and a maximum assay of **8.65 g/t gold** over 1metre.
  - **29 metres at 1.30 g/t gold** from 10m in hole KERC-18, with a maximum assay of **6.85 g/t gold** over 1 metre
  - **7 metres at 1.46 g/t gold** from 7m in hole KERC-19, including a maximum assay of **3.48 g/t gold** over 1 metre
- 15 Reverse Circulation holes were drilled for a total of 1194 metres
- Drilling in April 2010 was carried out:
  - To extend mineralisation intersected in KERC-01 and KERC-02 and to test under KERC-03; and
  - To test for deep extensions of the Karakovan vein systems and to infill between existing wide, low grade intersections at Karakovan East and to test a geophysical vein target.
- Road permits for access to additional permitted drill sites are now expected in early June. An additional drilling program will start once those permits are received.
- Planning continues for a larger 8-10,000 metre program starting in July aimed at attaining a JORC resource by the end of 2010

"This drill program, which was confined to stepout and infill drilling on a very small part of the Kestanelik area, confirmed the tenor of the mineralisation intersected in the February 2010 Drill Program" explained Dr Rick Valenta, Managing Director of Chesser; "Our drilling on the Karakovan vein system has now identified three closely-spaced well-mineralised vein systems occurring in a zone 100 metres wide and at least 50 metres deep. The outcrop and geophysics show that this vein system continues for at least 300 metres in a southwesterly direction. We are very pleased that this first area, in which we have carried out more detailed drilling, has resulted in the identification of a significant body of high-grade near-surface gold mineralisation that appears likely to be open-pittable. The fact that there are some 33 other untested veins of greater than 250m length on the property provides great encouragement that we can get similar exploration success on other veins."

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 2550 metres, and with an additional 18.5 km of veins shown by geophysics to be extending under cover and an as-yet undefined additional number of veins interpreted to extend under a deeper layer of cover rocks to the south-west. A large proportion of these veins remain totally untested by drilling (Figure 1). 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).

April 2010 Drill Program

Drilling in April was focused on stepouts from existing intersections from the February 2010 Drill Program (Figure 2). The strong intersections in holes KERC-01 to KERC-03 were open laterally and at depth, and drill holes testing these targets were accessible from existing permitted drill sites. The first six holes of the program were drilled as step-out holes from holes KERC-01 and KERC-03. Of these holes, the first three (KERC-17, 18 and 19) were drilled downdip from drillholes KERC-01 and 02 (Figures 3 & 4), and successfully intersected wide zones of gold mineralisation in quartz veining and stockwork, albeit at slightly lower grades than those seen in the February drillholes. Three southwest-directed holes were also drilled, and they intersected extensive stockwork but no thick veins, and the current interpretation suggests that they were drilled parallel to the current dip of the main veins and therefore did not intersect them. Two holes were also drilled to the test the downdip extension of the Karakovan vein system at depth. These holes returned lower gold grades and narrower vein intervals, with similar gold-silver ratios, in line with previous results at depth on the Karakovan veins.

Drilling to date has been focused on the northeastern end of the Karakovan vein system, and future drilling will be carried out to test the 300 metres of additional southwest strike extent which has not yet been drilled on this vein system.

During the drill program, an additional hole was sited to test non-outcropping vein zones interpreted from the recently completed gradient array resistivity survey. KERC-26 was drilled southward and intersected a 32 metre-wide zone with multiple wide veins in the area targeted in the geophysics. The best intercept from the zone was 3 metres at 1.35g/t gold, though this intercept is open along the structure in every direction.

In addition, there were a number of other permitted locations from which drilling was able be carried out on the Kara Tepe vein (Figure 5) to the east and at higher elevation than the Karakovan Veins, where examination of the vein characteristics suggests that the target zone is deeper than existing anomalous drilling in the area. Sites were not available to test the deeper target in this area, so five holes were drilled as infill between the 100 metres-spaced drill centres in this area. The drilling intersected broad zones of veining, with generally low grades of gold and silver. The preferred but deeper target zone remains untested and will be drilled once the necessary drill sites are permitted and it remains a priority in this area.

February 2010 Drilling Results

The company drilled 16 holes in February 2010 as part of a first phase program, focusing on areas where historical surface chip channel sampling and shallow drilling have returned high gold grades

over significant intervals. Highlights from the February 2010 Drill Program were released on 23 March 2010 and include:

Hole No.	Intercept Length (m)	From (m)	Grade (g/t Au)	Grade (g/t Ag)
KERC-01	30	3	4.41	4.30
incl.	6	21	15.44	12.32
and also incl.	10	20	10.32	8.66
KERC-02	22	7	3.47	4.88
incl.	4	23	8.37	11.65
and also incl.	7	22	5.58	7.69
KERC-03	14	14	3.46	2.79
incl.	4	24	8.6	6.48
and also incl.	2	26	14.79	10.3
KERC-08	10	33	3.05	2.89
incl.	4	37	6.1	5.38
KERC-10	9	27	6.27	3.6
incl.	3	32	9.81	4.73
KERC-12	12	38	3.49	3.32
incl.	3	43	8.23	5.70
KERC-13	8	65	3.42	4.05
incl.	4	67	5.94	6.38

Forward Plans

The company has a number of permitted drill sites which will be accessed once road permits are available. It appears likely that these permits will become available in late May, allowing a short (approximately 1000m) drill program to be carried out in June testing additional sites on the K1, K2 and K3 veins, including:

- The K3 vein, which is exposed over a strike length of 520 metres, where additional drilling is planned to test for extensions under an existing chip channel samples of **6 metres at 8.56 g/t gold** and an existing historical drill intersection of **8 metres at 6.08 g/t gold**;
- The K2 vein, which is exposed over a strike length of 100 metres, where drilling is planned to test for extensions under a chip channel sample of **7.7 metres at 23.4 g/t gold**; and
- The K1 vein, which is exposed over a strike length of 235 metres, where drilling is planned to test for extensions under a chip channel sample of **8 metres at 10.75 g/t gold**, and an existing drill intersection of **8.5 metres at 3.47 g/t gold** including **3 metres at 6.64g/t Au**.

Planning is also advancing for a larger program of 8-10,000 metres of diamond and reverse circulation drilling aimed at stepping out from existing zones of drilled and outcropping mineralization in order to attain a resource for the property, and testing the numerous additional zones of veining identified in geophysical surveys and confirmed by field reconnaissance and geochemistry. It is anticipated that this program will continue into the fourth quarter of 2010, and culminate in a JORC resource by the end of the year.

About Chesser

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.

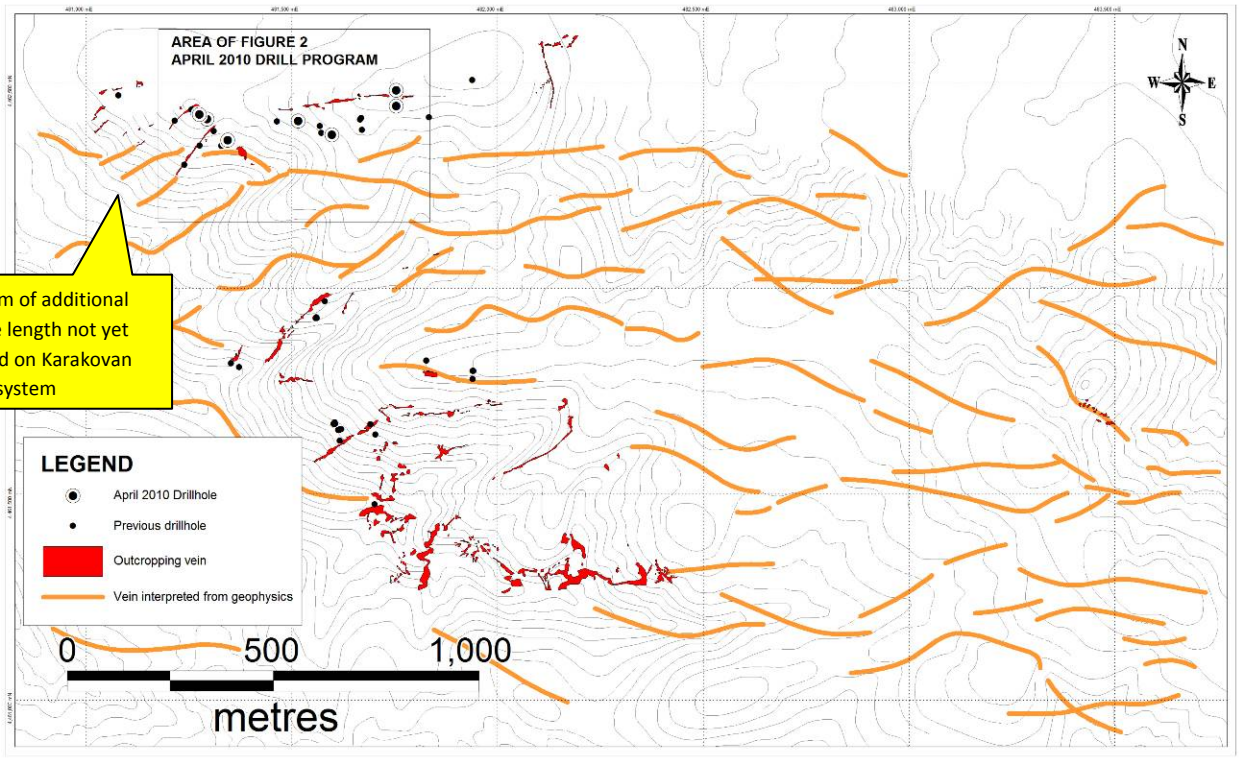

Figure 1. Map of Kestanelik area showing overall vein distribution and area of April 2010 Drill Program

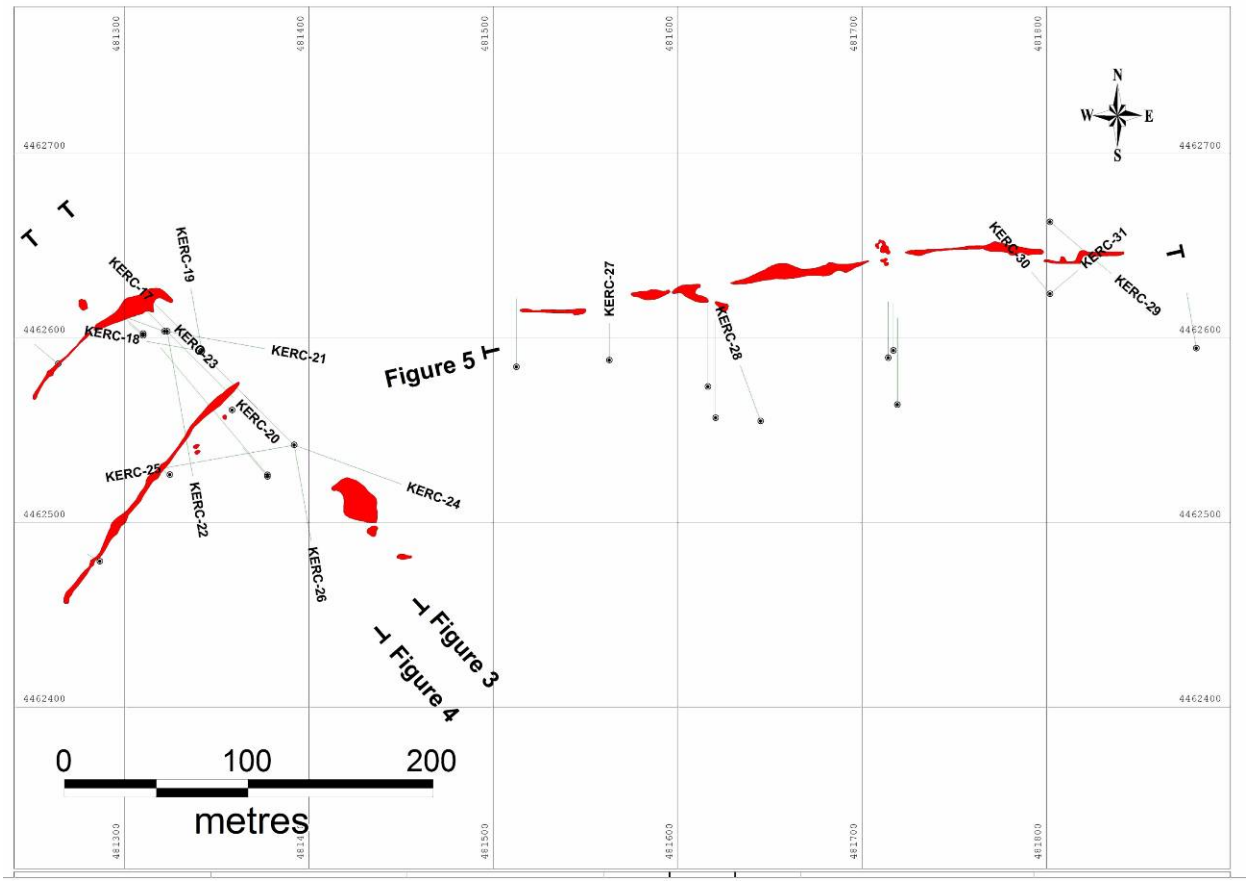

Figure 2. Locations of drillholes from the April 2010 Drill Program

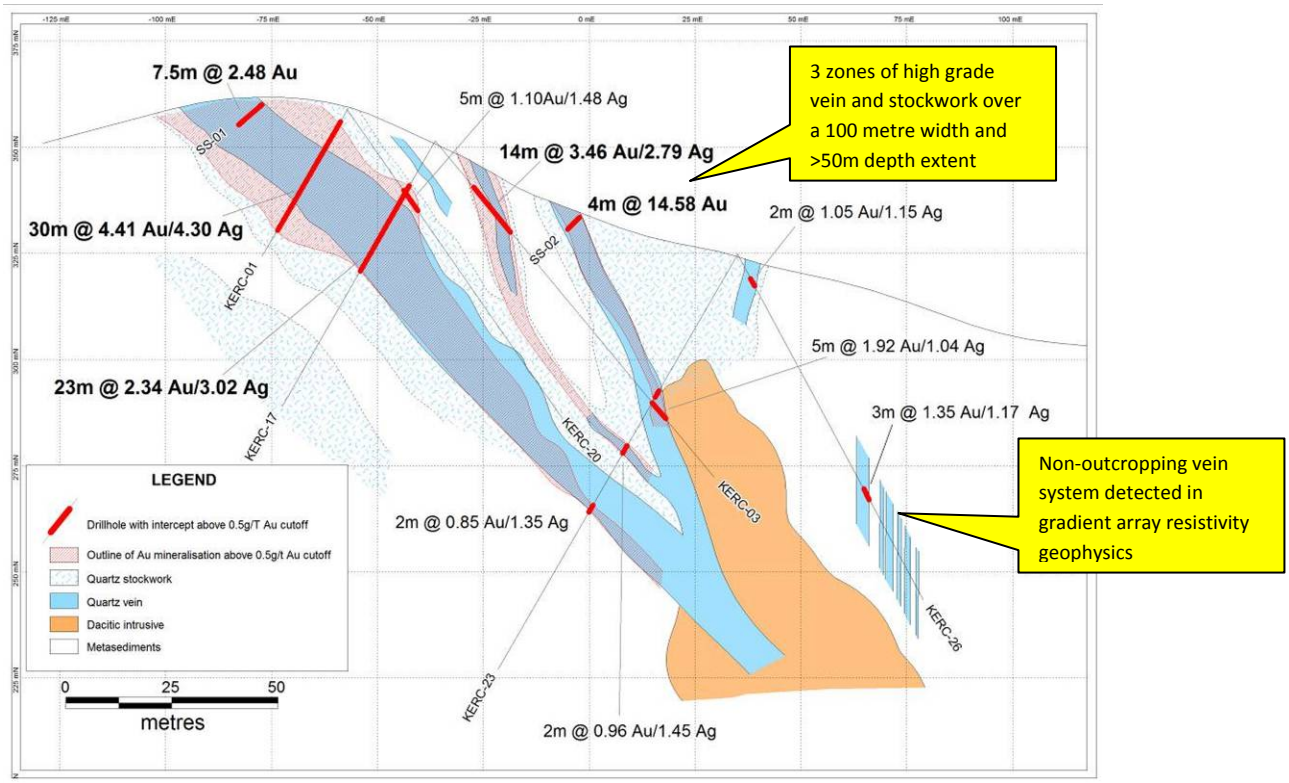

Figure 3. NW-SE cross section from the Karakovan vein. See figure 2 for location

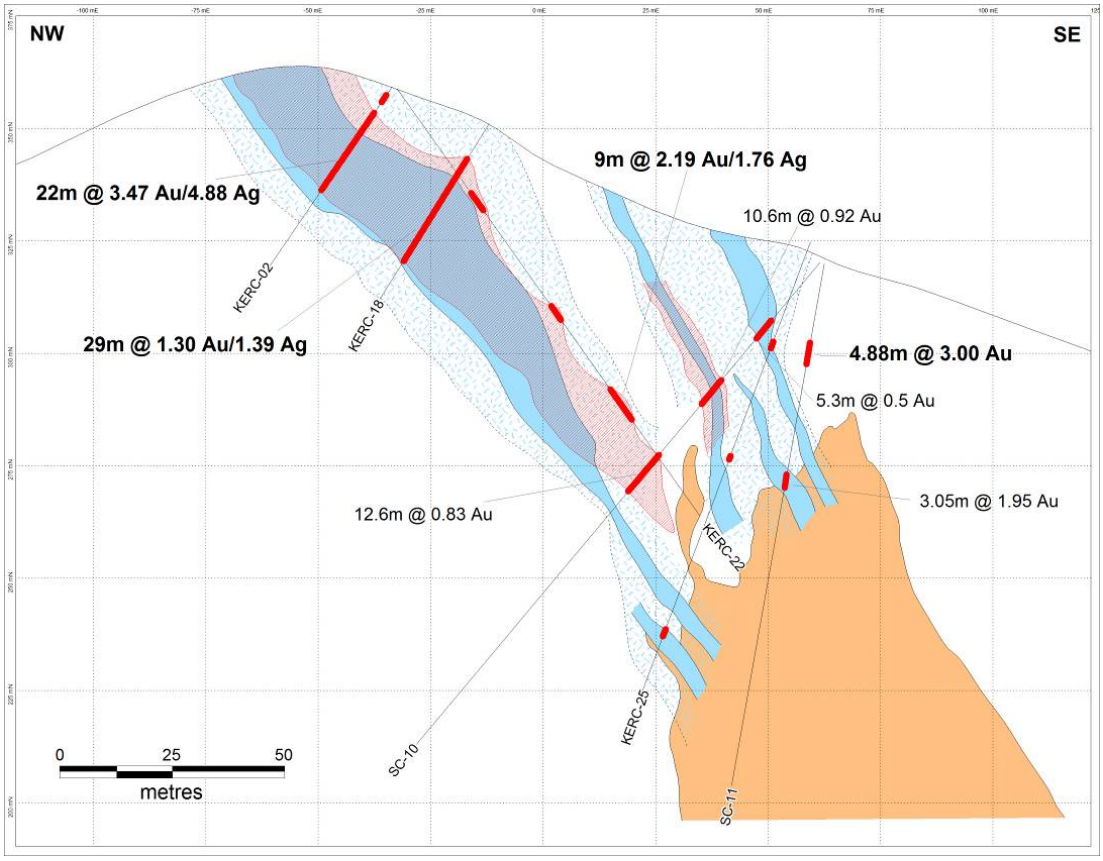

Figure 4. NW-SE cross section from the Karakovan vein. See figure 2 for location

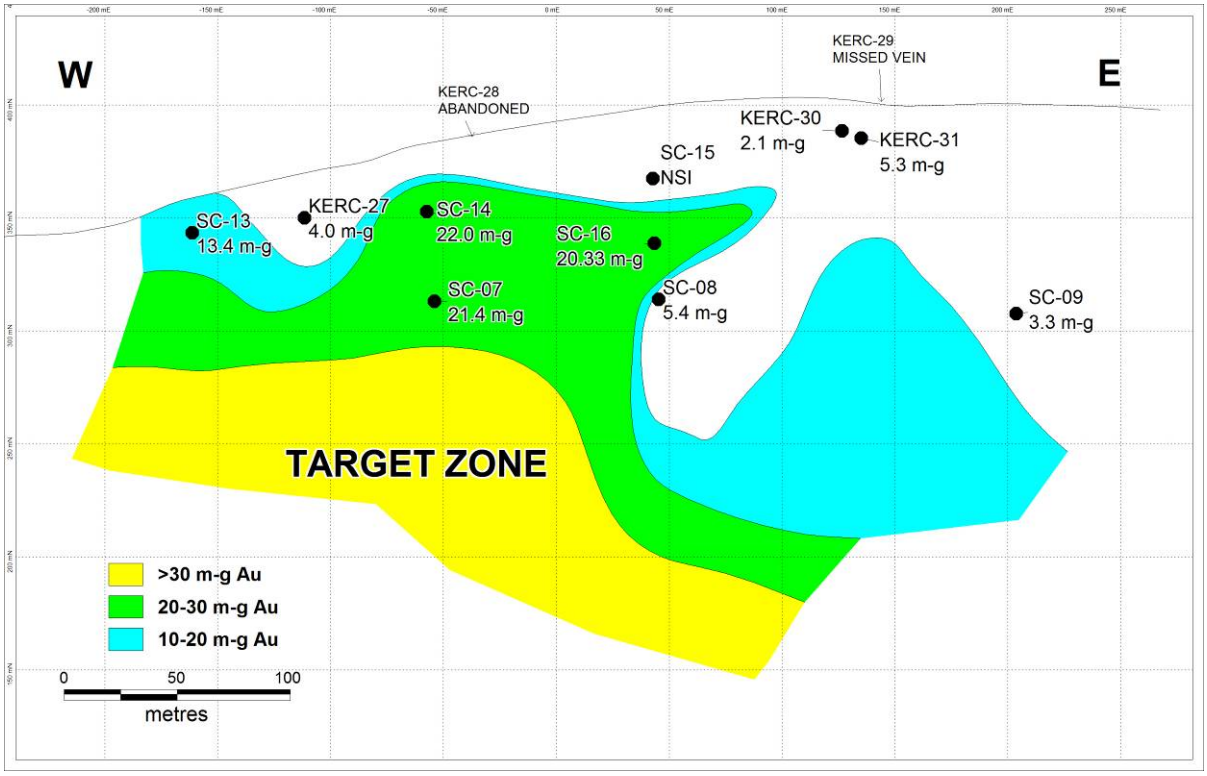

Figure 5. E-W Longitudinal section from Kara Tepe area. See figure 2 for location.

Drillhole	Northing	Easting	RL	AZ	Dip	Depth
KERC-17	4462593	481342	342.2996	315	-60	72
KERC-18	4462593	481342	342.0165	280	-52	50
KERC-19	4462593	481342	342.8066	350	-52	56
KERC-20	4462604	481323	343.4996	135	-55	88.5
KERC-21	4462604	481323	343.1675	100	-50	84
KERC-22	4462604	481323	343.9057	170	-50	124
KERC-23	4462542	481392	321.72	315	-60	113
KERC-24	4462542	481392	321.806	110	-55	108
KERC-25	4462542	481392	321.2479	260	-55	122
KERC-26	4462542	481392	322.2069	170	-57	97
KERC-27	4462588	481563	363.3802	360	-70	59
KERC-28	4462555	481645	372.1682	340	-52	52
KERC-29	4462663	481802	404.2291	130	-52	71
KERC-30	4462624	481802	401.5267	320	-60	31
KERC-31	4462624	481802	401.5207	50	-60	40

Table 1. April 2010 Drill Program hole locations

Hole No	Intercept Length (m)	From (m)	Grade (g/t Au)	Grade (g/t Ag)
KERC 17	23	12	2.34	3.02
INCLUDING	3	15	5.93	5.27
INCLUDING	5	22	3.29	4.80
INCLUDING	6	29	2.19	2.77
KERC 18	29	10	1.30	1.36
INCLUDING	4	18	1.66	2.20
INCLUDING	3	24	3.86	2.93
INCLUDING	4	34	1.76	1.63
KERC 19	7	7	1.46	3.13
INCLUDING	2	7	2.04	7.40
KERC 20	5	24	1.10	1.10
INCLUDING	1	24	2.27	1.60
INCLUDING	2	27	1.28	1.25
KERC 21	1	3	2.42	5.40
AND	2	15	1.29	2.25
KERC 22	5	30	1.20	1.42
INCLUDING	2	33	1.87	2.50
AND	4	63	1.16	0.45
INCLUDING	2	63	1.47	0.35
AND	9	87	2.19	1.76
INCLUDING	4	92	3.46	2.60
KERC 23	2	37	1.18	1.30
AND	2	52	0.96	1.45
AND	2	68	0.85	1.35
KERC 24	no significant intercepts			
KERC 25	2	27	1.11	2.40
AND	1	58	1.64	1.30
AND	2	105	0.93	3.10
KERC 26	2	7	1.05	1.15
AND	3	66	1.35	1.17
KERC 27	2	11	0.90	0.90
AND	3	25	0.72	0.93
KERC 28	2	29	0.83	1.65
KERC 29	no significant intercepts			
KERC 30	4	8	0.53	0.95
KERC 31	4	13	1.33	1.43

Table 2. April 2010 Drill Program significant intercepts