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ASX ANNOUNCEMENT

Gravity Programme generates several drill targets at Nabberu

Vector Resources ("Vector") is pleased to announce the completion of the gravity survey on the Ivan Well E69/2062 and Hawkins Knob E69/2063 tenements. The survey targeted areas of structural complexity within the Frere Iron Formation, with surface iron assays exceeding 60%, and has been successful in locating zones of potential supergene enrichment.



There are a number of clear targets for drill testing and it is envisaged by the Company that a 2-3,000m RC drill program will commence in August 2008. Independent consultants are currently modelling the data to assist in finalising target definition.

Background

Reconnaissance geological mapping and grab sampling in the first few months of 2008 verified the vast potential extent of iron mineralisation in the Nabberu. Past exploration by Amax and BHP however, demonstrated that shallow drilling of these surface accumulations was not an effective exploration technique; some form of geophysics was needed to look past surface enrichment. While the value of carrying out detailed airmagnetics was being considered, an opportunity arose in May to test the gravity technique on the Nabberu style of mineralisation. Gravity surveys have been shown elsewhere in the Pilbara, such as the FerrAus Ltd prospects at Robertson Range and Davidson Creek, to have a high success rate in delineating accumulations of high grade iron mineralization.

Two areas of coincident surface mineralization and structural complexity were chosen from many to test the technique, in both reconnaissance and detailed formats. Preliminary results suggest that large accumulations of iron mineralization are present; however drilling is required to quantify the grade. Further modelling and interpretation is under way to design hole depths and orientations. Results of the gravity work suggest that the historical drilling was probably too shallow.

Ivan Well E69/2062

Surface grab samples assaying more than 60% iron were obtained over a 20km strike length of Frere Formation within the tenement (Table 1)

Sample #	Northing	Easting	Fe %	SiO2 %	Al2O3 %	P %	LOI %
2S00228	7200735	297230	65.96	2.27	1.26	0.012	1.44
2S00021	7203116	289015	64.26	3.04	1.72	0.038	2.50
2S00047	7191738	307093	63.65	4.69	1.46	0.032	2.15
2S00049	7191618	307210	62.98	3.75	2.21	0.098	3.54
2S00066	7203251	288893	62.38	5.54	1.76	0.060	2.46
2S00051	7194369	305604	62.17	4.42	2.75	0.056	3.22
2S00015	7203148	289075	62.07	5.61	2.03	0.017	2.55
2S00010	7196019	304639	61.90	4.75	3.57	0.030	2.85
2S00069	7203115	288849	61.72	5.61	2.24	0.030	3.18
2S00037	7197153	302919	61.52	4.90	3.77	0.018	2.76
2S00006	7197940	301201	61.05	5.71	3.42	0.040	3.25
2S00064	7203271	288720	60.96	5.55	2.99	0.020	3.08
2S00227	7200654	297372	60.28	7.32	2.38	0.037	3.05

Table 1. IVAN WELL – E69/2062 Recent surface grab sample results.

The trial gravity survey commenced on at the western end of the tenement in an area of structural complexity. It was subsequently extended on a broader spacing to cover the majority of the tenement.

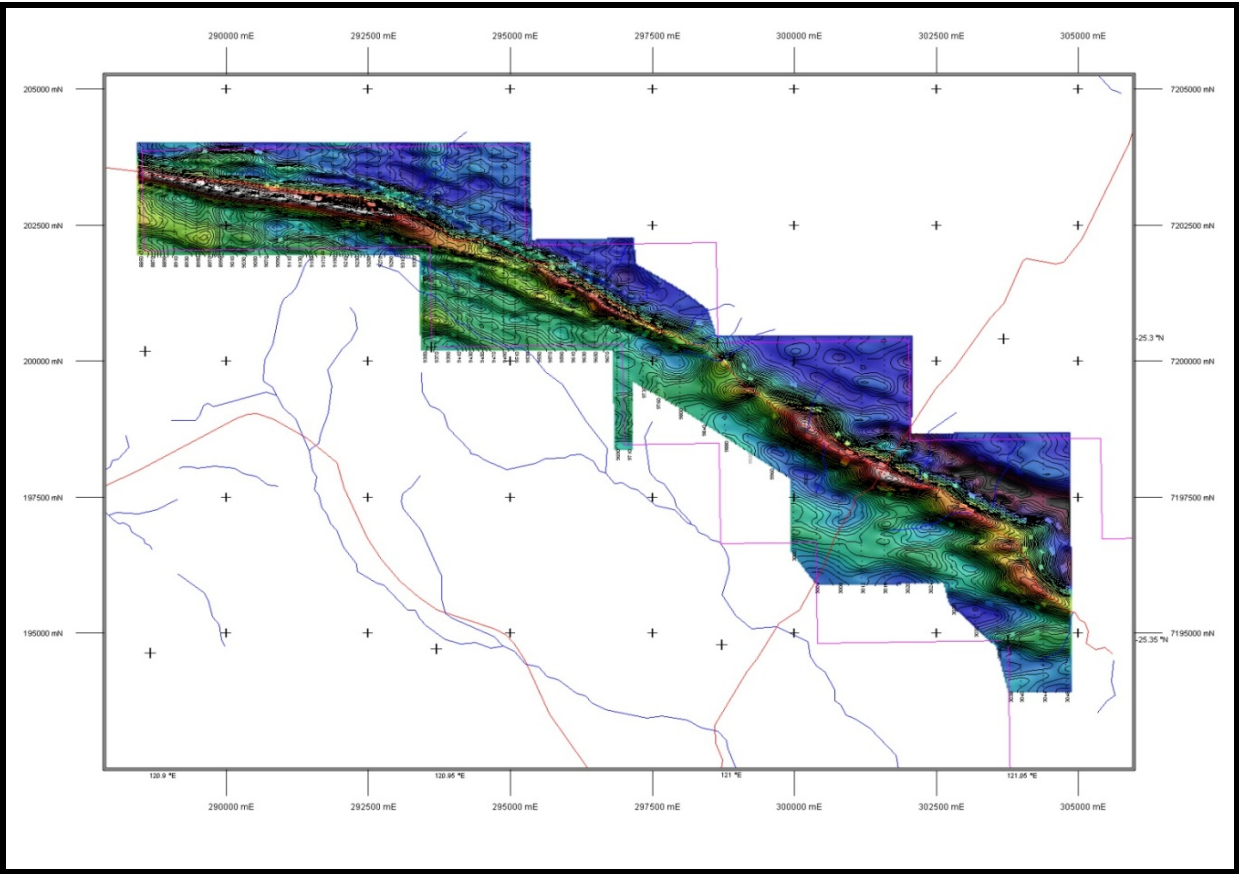


Figure 2. Ivan Well E69/2062 – Residual Bouguer Gravity

At the northwestern end, a high order gravity anomaly up to 4km in length coincides with a zone of intense folding and thrust repetition the Frere Iron Formation and presents a high priority drill target. Historical data indicates that only one previous shallow drill hole is known in this area.

Several other targets, both along strike and parallel to the Frere stratigraphy, justify drill testing.

Hawkins Knob; E69/2063

Outcrop is sparse at the western end of this tenement but one outcrop near Hawkins Knob frequently assays greater than 60% iron. This first-pass gravity survey at the western end of E69/2063 was designed to investigate this occurrence and to assist with interpretation of the complex geology at the tight fold closure of the Frere Iron Formation. The broad line-spacing indicated several areas of immediate interest, which were followed up with infill traverses.

As a result, there are several prime targets that warrant drilling but further modelling of the results is awaited to assist with target definition.

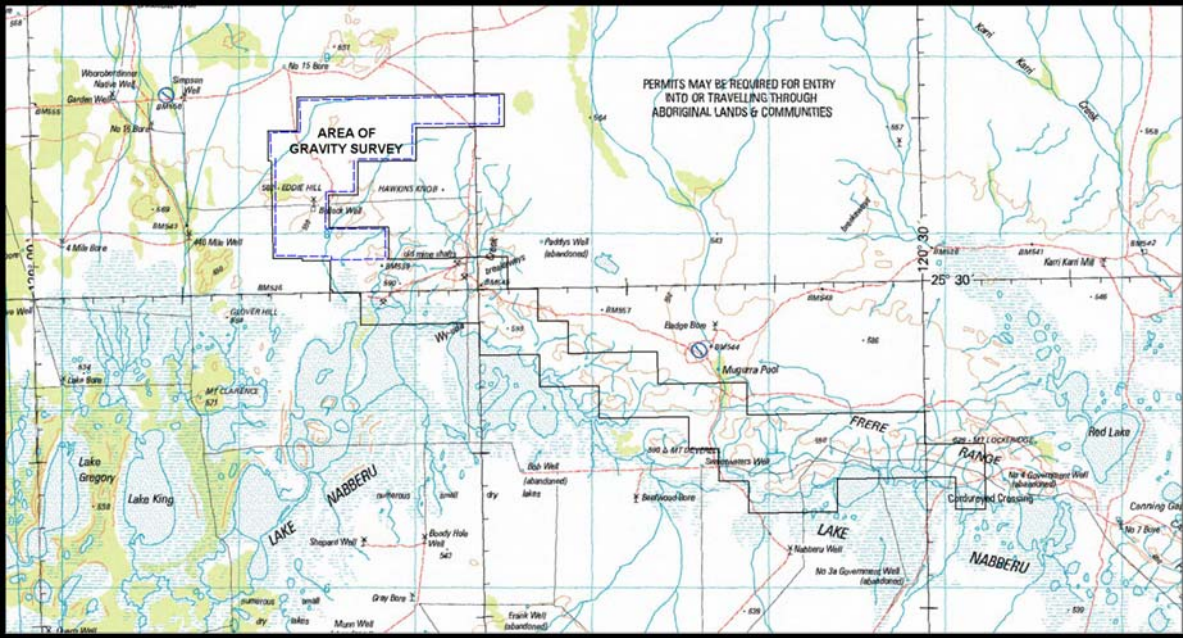


Figure 3. Hawkins Knob E69/2063 straddling Lake Nabberu – Location of Gravity Survey

Concurrent with the revision of the data, the Company is progressing with the initiation of the drilling approval process and the completion of negotiations with contractors and affected parties.

A fully equipped 20-person accommodation facility has been established at Granite Peak Station to serve as a base for the mobile teams operating on the respective prospects.

For further information please contact;

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The information in this report that relates to exploration results is based on information compiled by Mr Nick Revell who is a member of the Australasian Institute of Mining and Metallurgy. Mr Revell has sufficient experience which is relevant to the style of mineralisation and type of deposit that is under consideration and to the activity that 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”. Mr Revell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.