



2 July 2008

**SALE OF SECOND TRANCHE OF GIRALIA'S SHAREHOLDING
IN RED HILL IRON LIMITED**

The Directors of Giralia Resources NL ("Giralia") are pleased to announce that the Company has exercised its One-off Put Option on 1 July 2008 to sell its remaining 2,643,333 shares in Red Hill Iron Limited (the Option Shares) at \$7.00 per share on the terms set out in the "Sale of Red Hill Iron Shares" letter agreements dated 20 March 2008 between Giralia and both AMCI Investments Pty Ltd ("AMCI") and Australian Coal Inter Holdings (NL) IA B.V. ("ACIH").

The proceeds of the sale of the second tranche of Red Hill Iron Limited Shares will be approximately \$18.5 million.

Giralia has previously sold the first tranche of 4 million RHI shares to AMCI and ACIH at \$7.00 per share.

Following the completion of these transactions, Giralia will have approximately \$77 million in cash. The funds raised will be used principally to accelerate exploration and development of Giralia's extensive project portfolio, particularly the Company's wholly owned iron ore assets.

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