



**KALGOORLIE-BOULDER
RESOURCES LTD**
ABN 48 106 732 487

2 May 2006

RELEASE TO ASX

ASX CODE: KAL

ASSET SALES DELIVER \$0.26 PER SHARE

The Directors of Kalgoorlie-Boulder Resources Limited ('KBRL' or '**Company**'); ASX:KAL) are pleased to announce the divestment (subject to the completion of the transactions detailed below) of its uranium and oil & gas assets. The Directors have also resolved to reward KBRL shareholders, with the majority of the proceeds received from these divestments being distributed to shareholders. The proposed distribution will see KBRL shareholders holding shares in three ASX listed companies.

Uranium Asset Divestment

The Company has entered into a Heads of Agreement which, subject to its completion, will see Burey Gold Limited ('**Burey**') acquire the Company's rights, title and interest in its uranium assets and receive in exchange:

- payment of a non-refundable deposit of \$250,000 upon completion of due diligence by Burey;
- the allotment and issue of 17,200,000 fully paid ordinary shares in the capital of Burey; and
- payment of \$100,000 within seven days of commencement of quotation of Burey's shares on ASX.

The transaction is conditional upon, among other things, a capital raising by Burey and its admission to the Official List of the Australian Stock Exchange ('**ASX**'). Burey is a public unlisted company presently creating a portfolio of mineral assets to enable it to raise funds and seek a listing on ASX through an initial public offering ('**IPO**').

Burey has warranted that the shares allotted and issued to KBRL will comprise approximately 26% of the issued shares of Burey at the time of admission to ASX's Official List.

In addition to the abovementioned shares, under the terms of the Heads of Agreement Burey will offer the shareholders of KBRL a priority application in their proposed IPO.

Oil & Gas Asset Divestment

The Company has received an offer which, subject to its completion, will see Louisiana Petroleum Ltd ('**Louisiana Petroleum**'; ASX:LOU) acquire the Company's rights and interest in its oil & gas assets in Oklahoma (known as the '**Wilson Prospect**'). KBRL is to receive 30,000,000 fully paid ordinary shares in Louisiana Petroleum as consideration for this acquisition. The transaction is conditional upon the completion of Louisiana Petroleum's agreement to acquire Metro Energy Group, Inc.'s current 25% Working Interest in the project.

Shareholder Approval

The proposed distribution of the shares in Burey and Louisiana Petroleum requires shareholder approval. Further information in respect of the proposed distribution including taxation advice will be outlined in the Notice of Meeting and Explanatory Memorandum which will be forwarded to shareholders in due course.

Divestment Expected to Release Increased Value for Shareholders

The proposed divestment is expected to release significant value and result in the distribution of value directly to KBRL's shareholders, who following the divestment will hold shares in three listed companies.

The Company believes that the divestment of its uranium and oil & gas assets into appropriate development entities will assist in maximising the value of these assets for the benefit of KBRL shareholders, without detracting from the Company's original gold and base metals assets.

Gold Assets

The divestment of these assets will enable KBRL to focus its cash and management efforts on its exciting Jackpot gold project, which is expected to commence mining during the June 2006 quarter, and the exploration of its other gold and base metals projects.

On 10 April 2006, the Company announced the approval by the Department of Industry and Resources to commence development of the Jackpot open pit mine. The Company expects the initial Jackpot development to provide good short term cashflow to fund further exploration and development activities at the Company's other projects.

The original mine plan estimated a Probable Mining Reserve of 55,000 tonnes at 3.1 g/t gold to produce 5,300 ounces with forecasted revenue of A\$3.6 million based on a gold price of A\$660 per ounce. The economics of the proposed Jackpot open pit mine have improved as the gold price has increased to A\$865 increasing the forecasted revenue by approximately 31% to A\$4.6 million based on a gold price of A\$865.

The Company will be in a position to properly evaluate the deeper higher grade Inferred mineralisation for a possible larger scale open pit or underground operation upon the completion of the open pit mining.

Working Capital Requirements

The Company has agreed to place up to 6 million shares with sophisticated investors to raise, before costs, \$1.2 million. These funds will be used to assist in the management of the Company's cash position in the lead up to gold production at Jackpot.

For further information please contact:

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