



DIAMOND DRILLING INTERSECTS HIGH GRADE GOLD AT DIABLO GOLD PROSPECT

Barra Resources Limited (ASX Code: BAR) is pleased to announce the intersection of high grade gold from oriented diamond drilling at its Diablo prospect within its Phillips Find Gold Project, located 50 kilometres north-northwest of Coolgardie, Western Australia.

Diamond drillhole PFDD007 intersected:

**3.0 metres grading 70.78 grams per tonnes gold from 61.0 metres depth
(including 0.7 metres grading 299.71 grams per tonne gold)**

The diamond drilling program commenced early in January 2010 to provide valuable orientation data and to follow-up on an outstanding Rotary Air-Blast (RAB) intersection at its Diablo prospect (see ASX Announcement released 14 August 2009), where RAB drillhole PFRB051 intersected **14 metres grading 5.75 grams per tonnes gold from 44 metres depth (including 7.0 metres grading 10.84 grams per tonne gold)** (Figure 1).

Fourteen follow-up RC drill holes were completed in October 2009 to test for further gold mineralisation along strike and at depth from PFRB051. Results were generally disappointing leading the Company to believe the primary mineralised structure was at a different orientation to its original interpretation.

Two oriented diamond holes, PFDD007 (20960N/6089E) and PFDD008 (20960N/6015E) were completed in the vicinity of hole PFRB051, one beneath and the other drilling back in the opposite direction. Several gold bearing quartz veins were intersected beneath PFRB051 indicating a steep westerly dip to the main mineralised zone. Orientation studies also revealed the main structure to be striking at a more acute angle to the local grid than previously interpreted. Plotting of this new strike orientation on sections and plans revealed previous RC drilling by the company had missed the mineralised structure. This leaves the structure wide open north and south along strike. Follow-up RC drilling is planned for March.

The Company is confident that the Diablo prospect could host significant shallow oxide mineralisation and will continue to aggressively explore the immediate prospect area in addition to prospective areas to the north at Bob Hope and south at Tiarma, where gold mineralisation is associated with the same geological rock units.

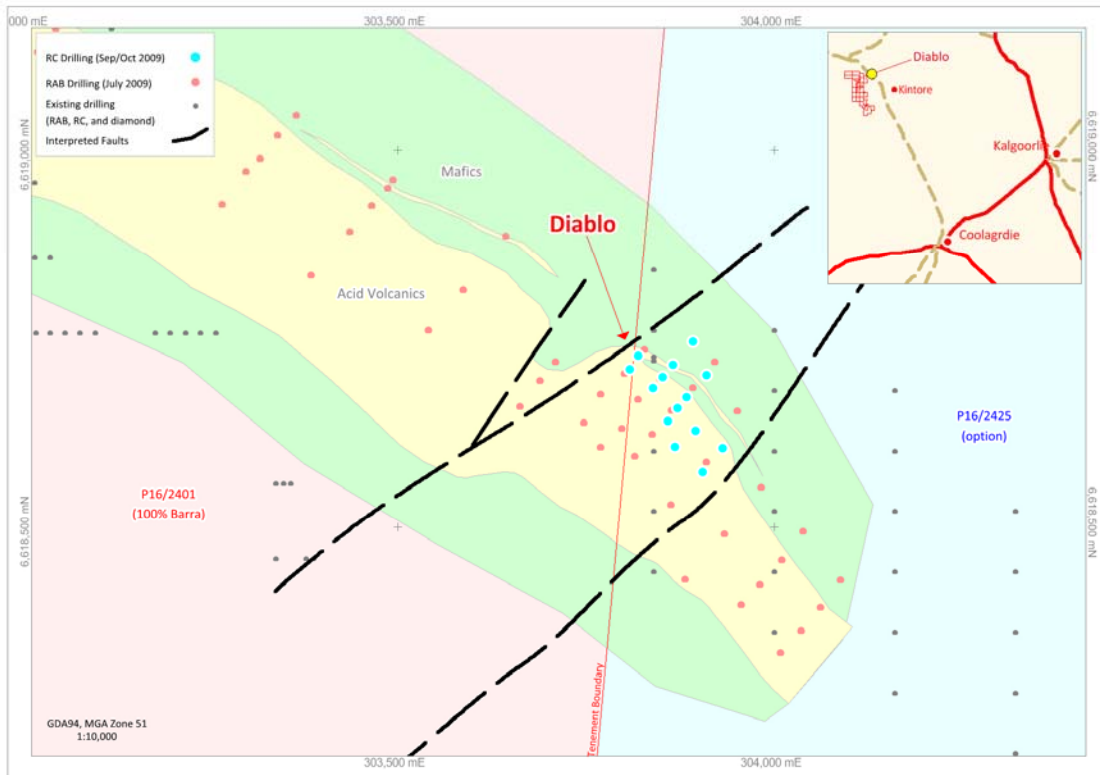


Figure 1: Location of Barra drilling at Diablo

HoleID	From (m)	To (m)	Width (m)	Grade (g/t Au)	Comments
PFDDC07	52	53	1	1.20	Quartz vein
	61	64	3	70.78	Including 0.7m @ 299.71g/t Au (62-62.7m)
PFDDC08	73	73.35	0.35	1.96	Quartz vein
	83	83.33	0.33	1.39	Quartz vein
	91.1	92	0.9	7.46	Quartz vein

Table 1: Summary of significant diamond core intersections at Diablo.

Dean Goodwin
 Managing Director
 Barra Resources Limited

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dean Goodwin who is a Member of the Australian Institute of Geoscientists. Dean Goodwin is a full-time employee of the Company. Dean Goodwin has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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". Dean Goodwin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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