



MORNING STAR HOLDINGS (AUSTRALIA) LTD

ASX/Media Release

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KLIPRIVIER – COMMENCEMENT OF NEAR SURFACE DRILLING PROGRAM

Key points

- **Commencement of drilling program on the Company's priority Kliprivier platinum group metals (PGM) project in South Africa**
- **Drilling program aimed at better defining the location and PGM mineralisation potential of the near surface (100m) UG2 chromite horizon ahead of a more detailed drilling program required to upgrade the resource for mine planning**
- **MSA Group appointed to assist with the drilling program, compile a comprehensive database of previous geological records and assist with the planning and economic modelling of a more detailed drilling and mine planning exercise**

Morning Star Holdings (Australia) Limited ("Morning Star" or "the Company" (ASX:MSH) is pleased to announce that it has appointed the MSA Group (geological consultants) and Remote Drilling Services to conduct a limited scale drilling program to better define the near surface resource potential at its Kliprivier platinum project on the Eastern Limb of the Bushveld Igneous Complex. The Company plans to drill six holes along the 6 km outcrop of the UG2 chromite horizon to intersect mineralisations at approximately 100 metres below surface.

The drilling is aimed at defining the location of UG2 horizon and assessing the potential for additional platinum group metal (PGM) mineralisation in the UG2 chromitite band and any other mineralisation that could possibly be associated with the contact with the floor rocks.

In addition to the above, the MSA Group is compiling a database consisting of all the previous geological and sampling information to assist with the design of a more detailed follow up drilling program to upgrade the near surface resource potential and to conduct preliminary mine planning and economic modelling for the potential development of an open pit operation along strike of the UG2 horizon.

The company expects to mobilise drilling teams in early May following the necessary approvals from local land owners. The drilling program is expected to be completed in one month with sampling results to follow.

Richard Rossiter, Managing Director of Morning Star, commented "we are pleased to be initiating the exploration and development program aimed at establishing an open pit platinum operation on our priority Kliprivier project".

Figure 1 - Kliprivier plan showing location of the UG2 chromite and the planned drilling sites

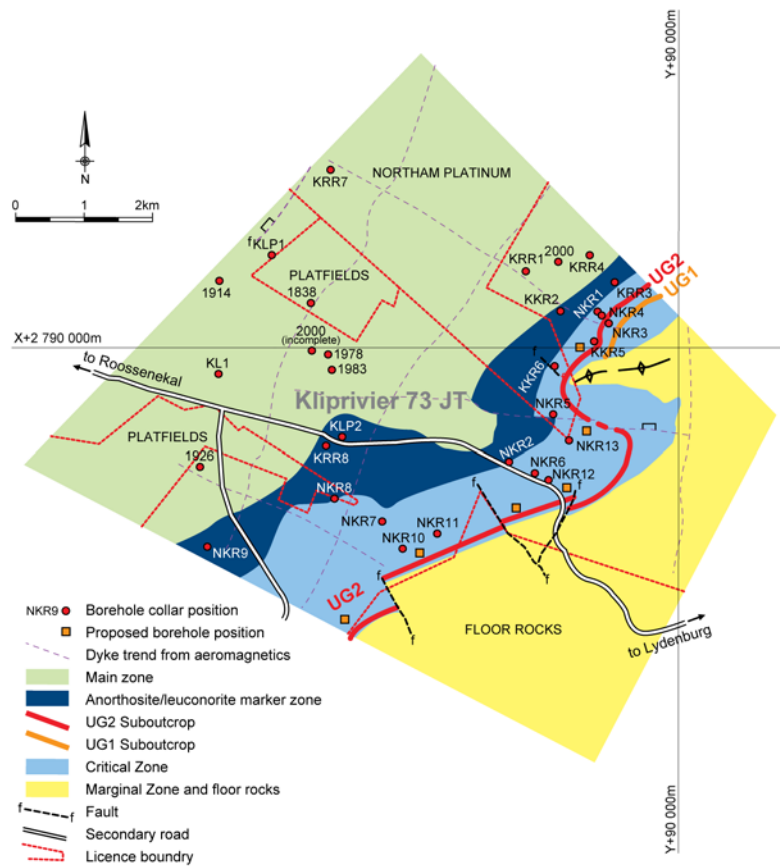
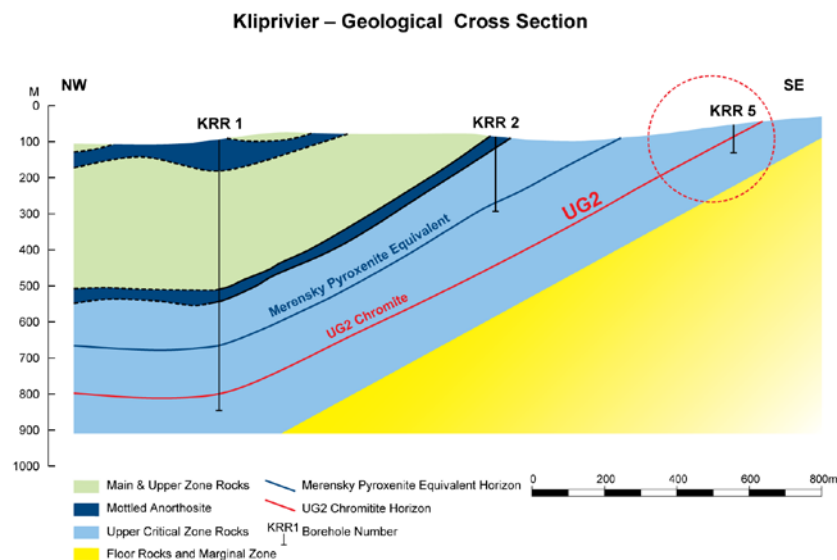


Figure 2 - Kliprivier cross-section showing near surface UG2 area of interest to be tested by drilling



Source: Nkwe Platinum Sa (Pty) Ltd - Compiled By N.A. Bleeker 2005

ABOUT KLIPRIVIER PROJECT

The Board of Morning Star have decided to focus the Company's attention on developing the Kliprivier project as it has the greatest potential for the discovery of economically viable mineralisation in the near term. The focus is being directed at near surface UG2 reef (<200m) which is anticipated to be amenable to lower cost open pit or shallow underground mining. Previous exploration work on the Kliprivier project has been carried out by at least five companies since 1969 with 30 boreholes drilled, some to in excess of 1,000m deep. An inferred UG2 resource of 109.6 Mt @ 2.3 g/t (3PGE+Au) containing 7.6 Moz 3PGE+Au (undiscounted) or 6.46Moz applying a 15% discount factor from surface over a 6km strike length on the 3,300ha permitted share of Kliprivier has been defined (based on information compiled by Mr Allen Maynard – Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). In addition, there is a lower chromite band with an estimated potential of 4.0 to 4.5Moz of target PGM mineralisation (Source Nkwe – Annual Financial Statements 2008). This target mineralisation is conceptual in nature and future exploration may or may not define this in whole or in part.

ABOUT MORNING STAR

Morning Star's strategy is to create shareholder value through exploration and development of quality metal and minerals sector projects. The Company's core focus is on platinum group metals (PGM) in South Africa. The recent acquisition of three tenements on the Eastern Limb of the Bushveld Igneous Complex in South Africa, provides the Company with an inferred resource of 7.6 Moz of PGMs and an opportunity to progress the development of an open pit operation along 6 km of near surface outcrop of the UG2 reef horizon on one of the tenements. In addition, the Company has an aluminium dross treatment plant located in Pietermaritzburg, South Africa.

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The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the principal of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard 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". Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.