

20 August 2009

ASX/MEDIA ANNOUNCEMENT

OUTSTANDING INITIAL GOLD DRILLING RESULTS FROM LIGNUM DAM

Recently completed reverse circulation drilling has returned gold intercepts that include:

- **LDRC015: 11m at 5.63g/t from 40m including 4m at 13.37g/t**
- **LDRC020: 10m at 5.72g/t from 34m including 7m at 7.08g/t**
- **LDRC021: 19m at 5.56g/t from 52m including 7m at 12.53g/t**
- **LDRC022: 8m at 3.94g/t from 44m including 4m at 5.52g/t**
- **LDRC022: 13m at 1.99g/t from 76m**

Pioneer Resources Limited (ASX: PIO) today announced that the first six drill hole assay results have been received from reverse circulation drilling at the Company's **Lignum Dam Gold Project**.

Five of the six holes, drilled on two traverses at the Tregurtha Prospect, exhibit strong gold mineralisation. A mineralised structure is also evident in the sixth drill hole completed.

The RC drilling program undertaken amounted to 26 completed holes for 2,549m, and tested RAB drilling anomalies at the Tregurtha and Hughes Prospects. RC drill holes were on a 40x40m pattern.

Managing Director David Crook said he was pleased that the RC drilling campaign had delivered positive results so quickly.

"We're very encouraged by the results returned from the first six holes of the RC drilling program," said Mr Crook.

"Five of the six holes drilled have exhibited high grade gold mineralisation which is relatively close to surface.

"The results re-enforce the prospectively of the project and that our exploration methods are working well.

"We look forward to reporting results for the remainder of the campaign, which are expected over the coming two weeks," he said.

Table 1 Reverse Circulation Drilling: Lignum Dam Project Significant Results									
Hole Id	East	North	Depth	Dip	Azimuth	From	To	Intercept	Au
	(m)	(m)	(m)	(°)	(°)	(m)	(m)	(m)	(g/t)
LDRC015	352,065	6,651,261	62	-60	90	40	51	11	5.63
LDRC015					including	44	48	4	13.37
LDRC016	352,097	6,651,261	80	-60	90	40	44	4	1.04
LDRC016					and	52	60	8	1.92
LDRC016					and	66	69	3	2.99
LDRC020	352,060	6,651,302	80	-60	90	34	44	10	5.72
LDRC020					including	35	42	7	7.08
LDRC021	352,025	6,651,299	100	-60	90	32	40	8	1.31
LDRC021					and	52	71	19	5.56
LDRC021					including	61	68	7	12.53
LDRC021					and	80	84	4	1.86
LDRC022	351,986	6,651,298	120	-60	90	44	52	8	3.94
LDRC022					including	44	48	4	5.52
LDRC022					and	76	89	13	1.99
LDRC022					and	114	118	4	1.63

Notes

- Drill hole collar positions determined by hand held GPS receiver MGDA94-51 datum.
- Analytical results by Genalysis Laboratories Pty Ltd: 50g Fire Assay 0.01g/t lower detection limit.
- Intersection grade is generally based on single metre samples. Length weighted average grade reported.
- Intercepts are "down-hole" metres. No estimate regarding true thickness is made or implied.
- Intercepts are greater than 2m of 1.0g/t Au. Bold results are greater than 2m at 4.0g/t.

About the Lignum Dam Gold Project

The Lignum Dam Gold Project is a gold discovery located 55km km north of Kalgoorlie. RAB drilling was used to identify anomalies at the Tregurtha and Hughes Prospects and Pioneer recently completed the first round of deeper RC drilling to confirm the presence of mineralisation.

Gold mineralisation is located entirely within areas of sheared and altered granodiorite. This environment is analogous to the setting of the Federal and Golden Cities Deposits, hosted in the Scotia Granodiorite, located 15km to the south-southwest. The Federal and Golden Cities Deposits, owned by Norton Gold Fields Limited, had a pre-mining Mineral Resource exceeding 1,000,000 oz Au and are currently being mined as ore feed for the Paddington Gold Treatment Mill.

About Pioneer Resources Limited

Pioneer Resources Limited (**ASX: PIO**) is a specialist exploration company searching for gold and base metals in the Kalgoorlie and Ravensthorpe Districts of Western Australia. The Company strives to add shareholder value by balancing work on advanced projects with active project generation from within the Company's 100%-owned and joint venture tenement portfolio.

A summary of the Company's activities is presented in a fact sheet and other reports available from the Company's web site at www.PIOresources.com.au.

Yours sincerely



Managing Director

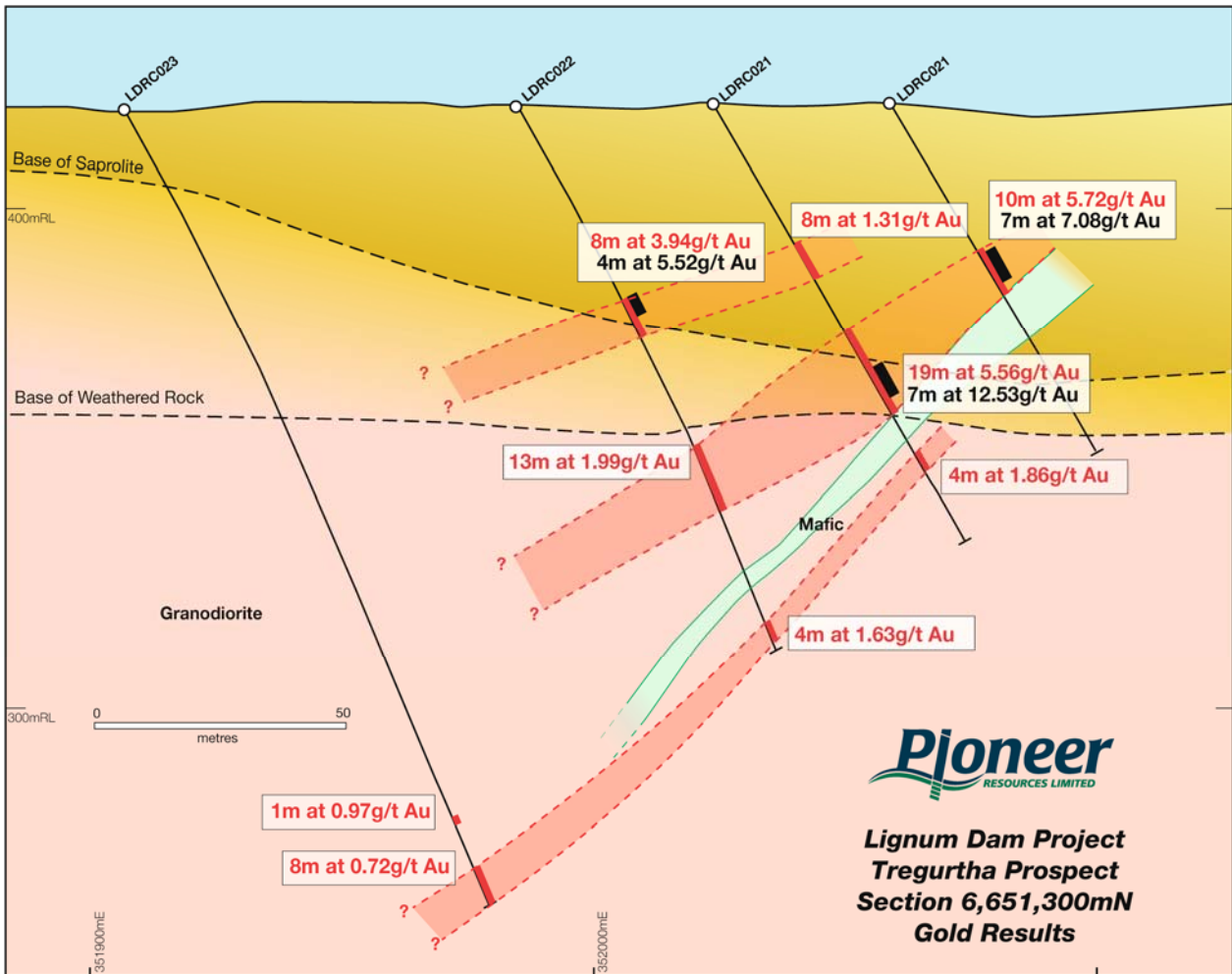


Figure 1: Reverse Circulation Drilling cross section through the Tregurtha Prospect.

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Glossary

“RAB” means Rotary Air Blast, an inexpensive method of exploration drilling which generates geochemical samples.

“RC” means Reverse Circulation, a method of drilling whereby the sample is returned to the surface via a central tube running up the length of the drill pipe. Samples are much less prone to contamination, therefore may be used for ore reserve calculations.

The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook who is a member of the Australasian Institute of Mining and Metallurgy and is a competent person with over 20 years experience in the minerals industry, including the activity reported. This person consents to the inclusion of this information in the form and context in which it appears in this report.