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RESUMPTION OF DRILLING AND NEW JOINT VENTURE TO EXTEND PROJECT AREA AT MURNINNIE, SOUTH AUSTRALIA

- A two hole diamond drilling program testing gravity targets at exploration licence (EL) 3542 Murninnie (South Australia) is scheduled to commence by mid-March 2008.

- Australasia Gold Ltd can earn a 76% interest in EL 3767 held by Peninsula Exploration Pty Ltd which adjoins the western side of its Murninnie EL 3542.

  EL 3767 contains extensions of the Murninnie gravity anomalies and other untested gravity targets.

The Directors of Australasia Gold are pleased to announce recent developments affecting the Company's Murninnie Project located 45km south west of Whyalla, South Australia.

1. **Drilling to commence at Murninnie (Australasia Gold 90%)**

   Following the completion of an infill gravity survey covering the anomalies previously outlined in the south-western quarter of the EL, two features have been selected for drill testing.

   The gravity anomalies which are to be tested may be caused by various geological phenomena, including the possibility of iron oxide copper-gold mineralisation of the Olympic Dam style

   A drill rig has been contracted and is scheduled to commence drilling by the middle of March, 2008.

2. **Joint Venture over EL adjoining EL 3542 Murninnie**

   Australasia Gold Ltd (Australasia) and Peninsula Exploration Pty Ltd (Peninsula), have signed a Farmin and Joint Venture Agreement covering EL 3767 centred approximately 50 kilometres south west of Whyalla, South Australia (Figure 1). The EL adjoins the western boundary of EL 3542.

The EL 3767 includes the western margins and north-north westerly extension of the western gravity anomaly in EL 3542 Murninnie. In addition, an historic, relatively widely spaced gravity survey shows a number of untested and unexplained gravity features within the EL which, like those in EL3542, could be the result of iron oxide copper-gold accumulations.

Australasia will pay Peninsula $25,000 and spend a minimum of $50,000 within 12 months. It will earn a 51% interest in the tenement by spending $1.5 million within 3 years and can then elect to spend an additional $3.0 million within the next 3 years to earn an additional 25%. Peninsula may then choose to contribute its equity share of ongoing expenditure, or to accept a 10% interest in the project, free carried to decision to construct a mine. If it chooses not to participate in the mine development, Peninsula can ultimately receive a 1.2% net smelter return royalty.

Murninnie Mining and Exploration, Australasia Gold's 10% co-venturer on EL3542 is entitled to a 10% share of Australasia's interest in any project within 15km of the boundary of EL3542

Australasia plans to commence evaluation of the gravity anomalies during the first year of the joint venture

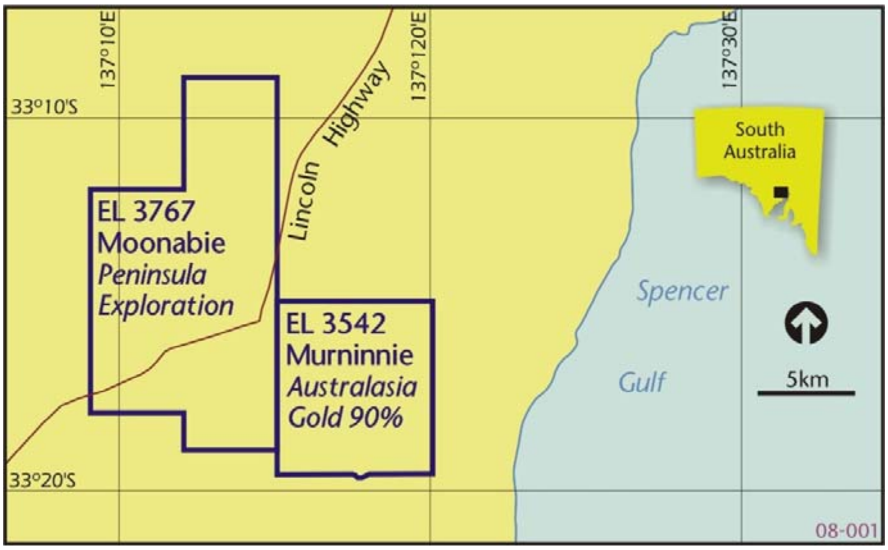

Figure 1: Location of EL 3767 Moonabie and EL 3542 Murninnie, South Australia

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Trevor Ireland who is a fellow of the Australasian Institute of Mining & Metallurgy. Mr Ireland is an employee of Australasia Gold Limited and has sufficient experience relevant to the styles of mineralisation under consideration and to the subject matter of the report to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Ireland consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.

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