TRANSOL CORPORATION LIMITED

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Quarterly Activities Report
for the period ended 31 December 2007

Activities highlights

CLT Net

- Contract finalised with NCS PTE LTD (Singapore);
- Progress in software development to upgrade CLT Net to Web 2.0 Version;

Oyadao / Andong Meas

- Drainage Sampling at Andong Meas and Oyadao completed confirming the Border Prospect and identifying two new Prospects within the area;
- Semi-Regional 1:25,000 scale mapping completed;
- Reconnaissance prospecting, rock chip sampling and detailed mapping of Border Prospect have extended the prospect;
- Drilling planned.

Banlung

- Reconnaissance prospecting and detailed geological mapping of the three areas defined by the drainage sampling program;
- Gridding and deep auger sampling at Okalla (results pending);
- Detailed panning of all streams at Okalla, Katieng and Kunmum Prospects. Strongest gold sources identified at Okalla north of the area previously drilled;
- Commenced mechanized trenching;
- Commenced detailed re-processing of aeromagnetic data for the three prospect areas;
- At Katieng trenching of East gold workings with results pending;
- Drilling planned.

Andong Bor

- Data compilation of all previous data;
- Base Map Survey;
- Reconnaissance mapping for Landsat interpretation;
- Rock chip and mechanical auger sampling of calcrete indicate source of gold below calcrete northwest of old workings. Up to 6.6ppmAu in dump samples and up to 1.2ppmAu in calcrete;
- Commenced Mechanical trenching and drill site clearance;
- Drilling planned.

CLT Net System

During the quarter the Company entered into a new software licensing and services contract of its CLTNet System to support the ongoing provision of Computerized Driver License Theory testing in Singapore. The new contract provides for upgrades and feature enhancements to the existing system used by the Singapore Traffic Police. The new contract will assist the company in furthering negotiations with NSC PTE LTD for the potential sale of the CLTNet system to other Singapore Government Departments and other Governments within SE Asia.

During the past six months a review of the market has identified opportunities for the delivery of large scale competency testing over the Internet. The review identified that an upgrade of the CLTNet system to a Web 2.0 version would potentially expand the use of CLTNet by Governments and companies and enable CLTNet to be offered and charged as a service, with pricing based on the number of tests processed. The Company has completed scoping of the upgrade and expects a Web 2.0 version to be released in Q4 2008.

Web 2.0 is one of the fastest growing areas of the internet and is well known for the development of Social Networking websites and is now being adopted for delivering of enterprise web services in education, collaboration and communications. Adopting a Web 2.0 strategy will enable the company to broaden the use of the CLTNet System and position the system for use as a broad based Enterprise service.

The Company has identified an opportunity to offer the Corporate and Government markets Enterprise Web 2.0 solutions and services, and is in the process of evaluating further investments in Web 2.0 companies with products and services that will enhance the CLTNet offering to these markets.

Liberty Mining International Pty Ltd

(Transol Corporation Ltd owns 100% interest)

During the quarter, the Company, via its fully owned subsidiary, Liberty Mining International Pty Ltd undertook works on its mining and exploration assets in Cambodia. A summary of the activities undertaken is as follows:

Oyadao/Andong Meas

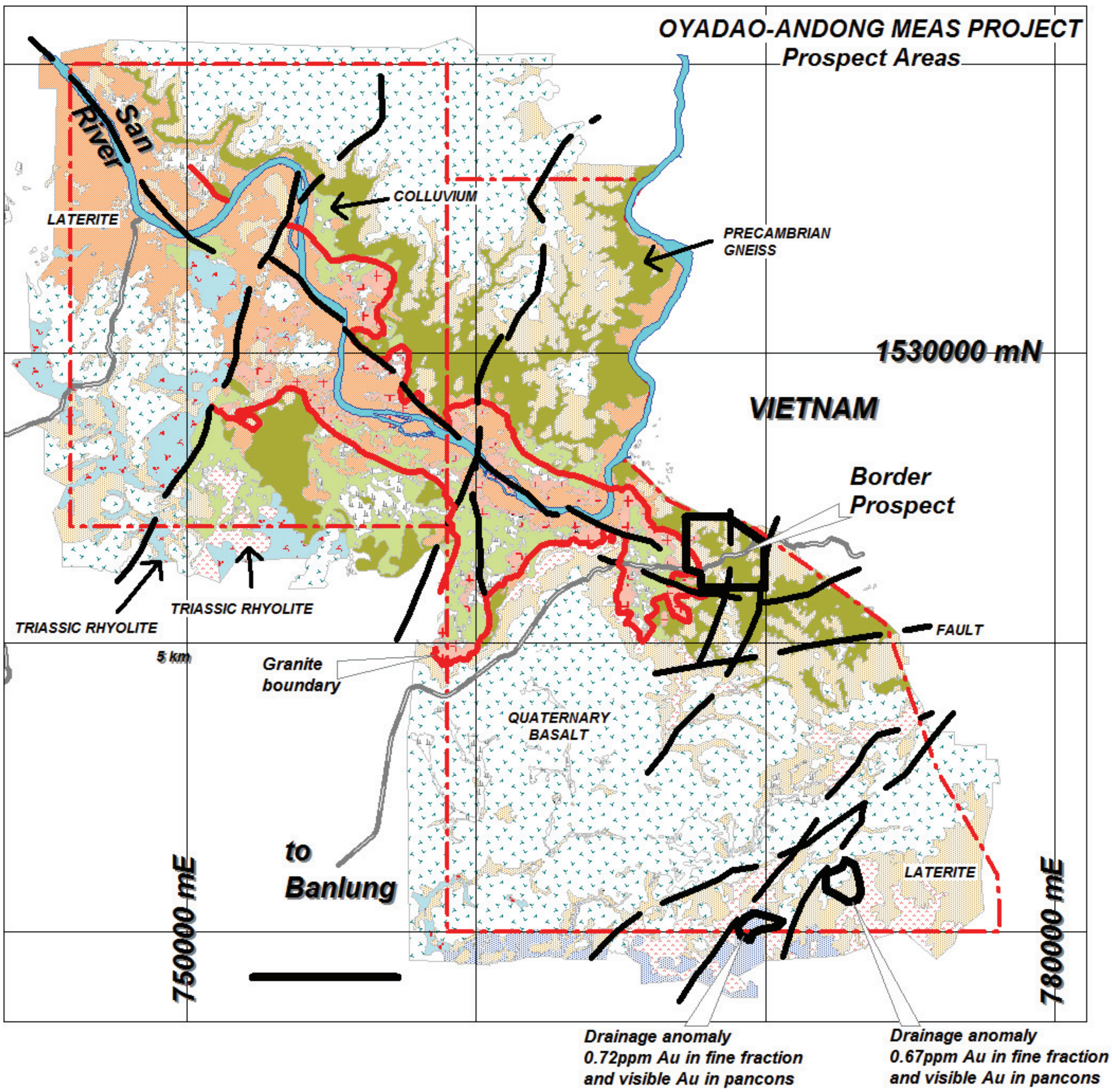

Figure 1: Oyadao/Andong Meas Project

(for full legend see end of report)

Oyadao/Andong Meas Project (continued)

Work completed/ in progress since 30 Sept 2007

1. Drainage sampling (69) completed at Andong Meas (results pending)
2. Drainage sampling results (99) received for Oyadao
3. Semi-regional mapping at 1:25,000 scale completed
4. Reconnaissance prospecting of the Border Prospect:
   - preparation of base data sets
   - detailed work programs designed
5. Border Prospect:
   - rock chip sampling of dumps and outcrop (49 collected of est. 90, results pending)
   - detailed geological mapping at 1:500 scale (first of four reefs nearing completion)

Results:

1. Drainage sampling at Oyadao (99 of planned 152 collected) has confirmed anomalous gold originating from the Border Prospect area and located two other single catchments in the south of the tenement. Both of these contain more than 10 gold particles in pan concentrates and significant Au in the -80 mesh fraction (0.72ppm and 0.67ppm Au respectively).

2. Reconnaissance prospecting at the Border prospect has better defined the limits of the Prospect; Three more substantial quartz reefs each worked over at least 250m were located north of the reef previously drilled. Gold occurs in fresh quartz with galena and sphalerite. The worked reefs at the Border Prospect so far aggregate to a total strike length in excess of 1km and represent immediate drilling targets.

Future program:

1. At the Border Prospect results of detailed mapping of reefs and rock chip sampling should be available for integrated study in mid February. Drill testing will be the most effective way to assess these well defined reefs without the need for further surface work (augering, trenching). Drill access track clearing and sites will be prepared soon when the machine is available from Banlung. A suitable multi-purpose rig is being sourced; it is planned to drill at least 10 x 200m RC holes (with diamond tails if warranted) to test the four main reefs.

2. Fifty-three drainage samples planned for the coming quarter will complete the coverage of the Oyadao/Andong Meas tenements. When all results are received, a coordinated reconnaissance of anomalous catchment will be completed.

Artisinal Workings at Oyadayo

Banlung

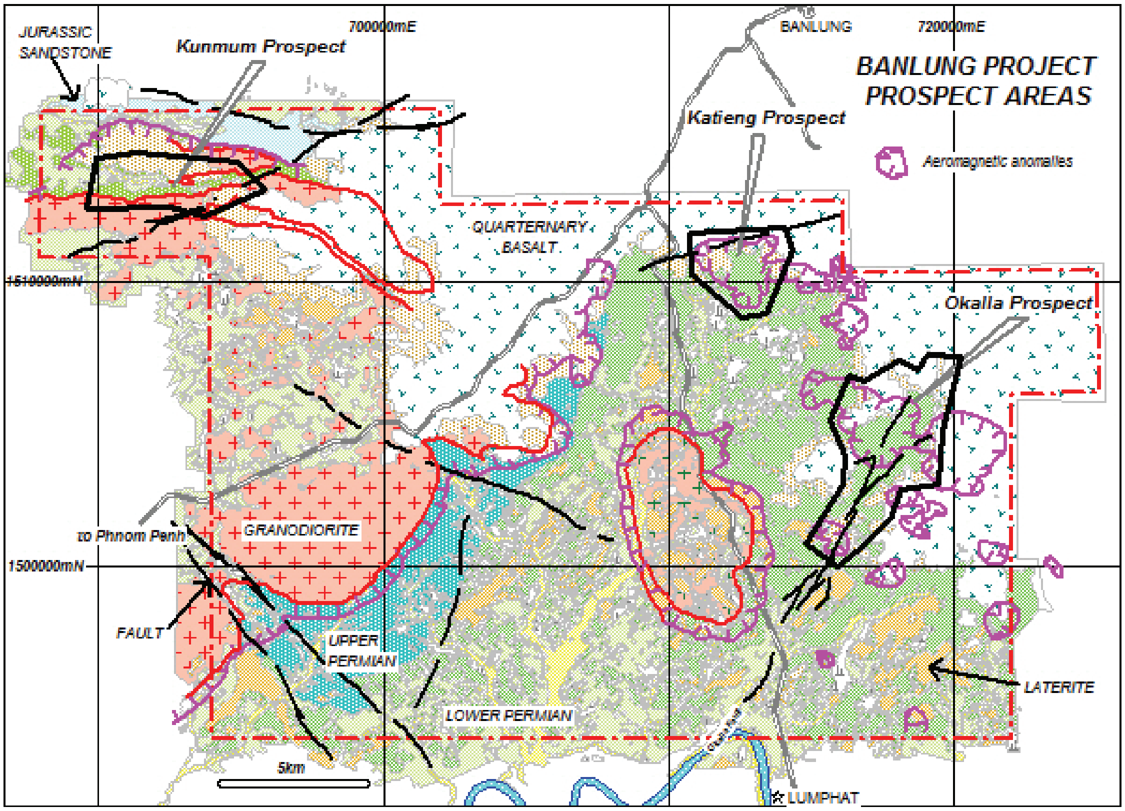

Figure 2: Banlung Project

(for full legend see end of report)

Work completed/ in progress since 30 Sept 2007:

1. Reconnaissance prospecting of three prospect areas defined by drainage sampling resulting in:
   - preparation of base data sets
   - detailed work programs designed
2. Okalla Prospect:
   - detailed geological mapping at 1:5,000 scale (nearing completion)
   - gridding and deep hand augering at 100m centres (342- results pending)
   - detailed gold panning of all streams (148 of est. 200 already collected)
   - mechanized trenching (in progress)
   - detailed reprocessing of aeromagnetic data (in progress)
3. Katieng Prospect:
   - trenching and detailed geological mapping at 1:500 scale of Katieng East gold workings (report pending)
   - detailed gold panning of all streams (84 of est. 110 already collected)
   - detailed reprocessing of aeromagnetic data (in progress)
4. Kunmum Prospect:
   - detailed gold panning of all streams recently commenced (14 of est. 80 already collected)

Banlung Project (continued)

Results:

1. Reconnaissance prospecting at Okalla and Katieng has better defined the limits of the prospects; Okalla continues northward under the basalt plateau as indicated by good gold in pans (see next).
2. So far at Okalla, detailed panning of streams has defined four main source areas of strong gold. In these areas all samples contain some coarse and numerous fine grains and abundant gold dust. These are being investigated in detail and integrated with auger, trenching and geological mapping results.

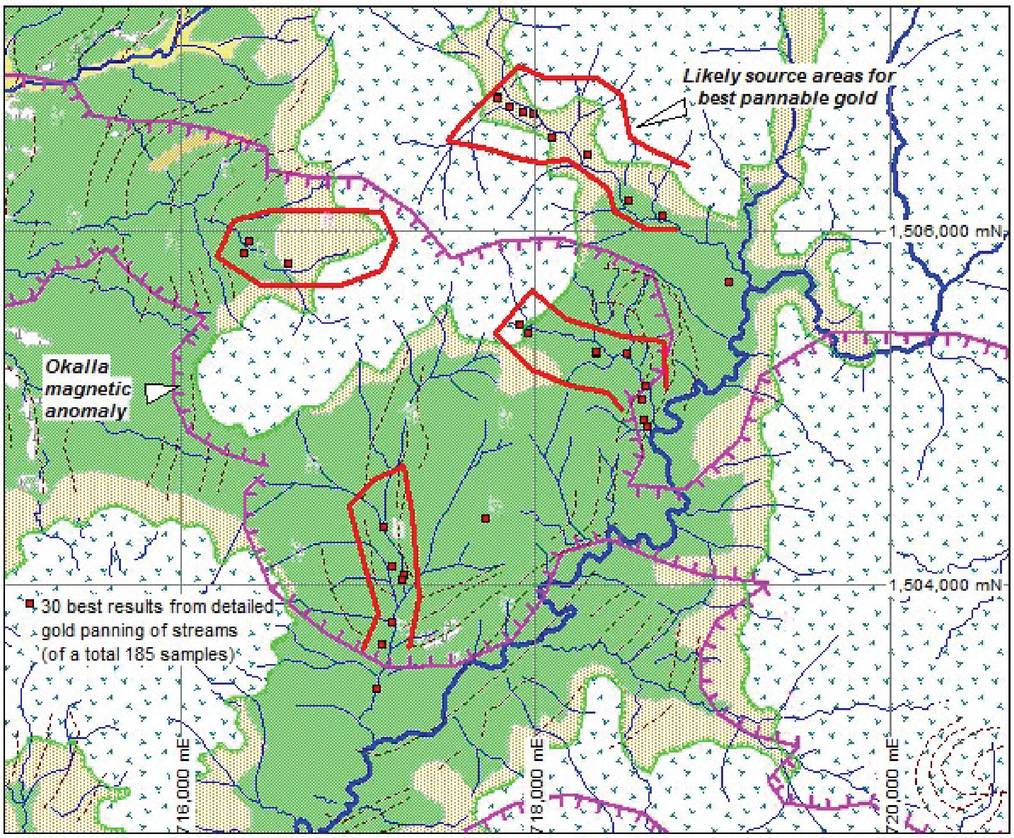

Figure 3: Okalla Prospect

(for full legend see end of report)

3. At Katieng, detailed panning has obtained widespread moderate amounts of gold. Best streams are being followed at present to locate the possible sources; a trench across the Katieng East workings gave 3m @ 19gpt Au in highly weathered material and mapping shows workings over 300m of strike with discontinuous quartz veining.

Banlung Project (continued)

Future program:

1. At Okalla, detailed surface investigations are nearing completion and should be available for an integrated study in mid February. Meanwhile trenching and drill access track clearing has commenced this week. A suitable multi-purpose rig is being sourced; it is planned to drill at least 10 x 200m RC holes (with diamond tails if warranted).

2. At Katieng, detailed surface investigations are nearing completion and should be available for integration in mid February. A suitable multi-purpose rig is being sourced; it is planned to drill at least 3 x 200m RC holes (with diamond tails if warranted) to test the Katieng East workings. Prospects located by the present detailed prospecting exercise will be mapped in detail and auger sampled/trenched.

3. At Kunmum, prospects located by the present detailed prospecting exercise will be mapped in detail and auger sampled/trenched.

Panning at the Okalla Prospect

Andong Bor:

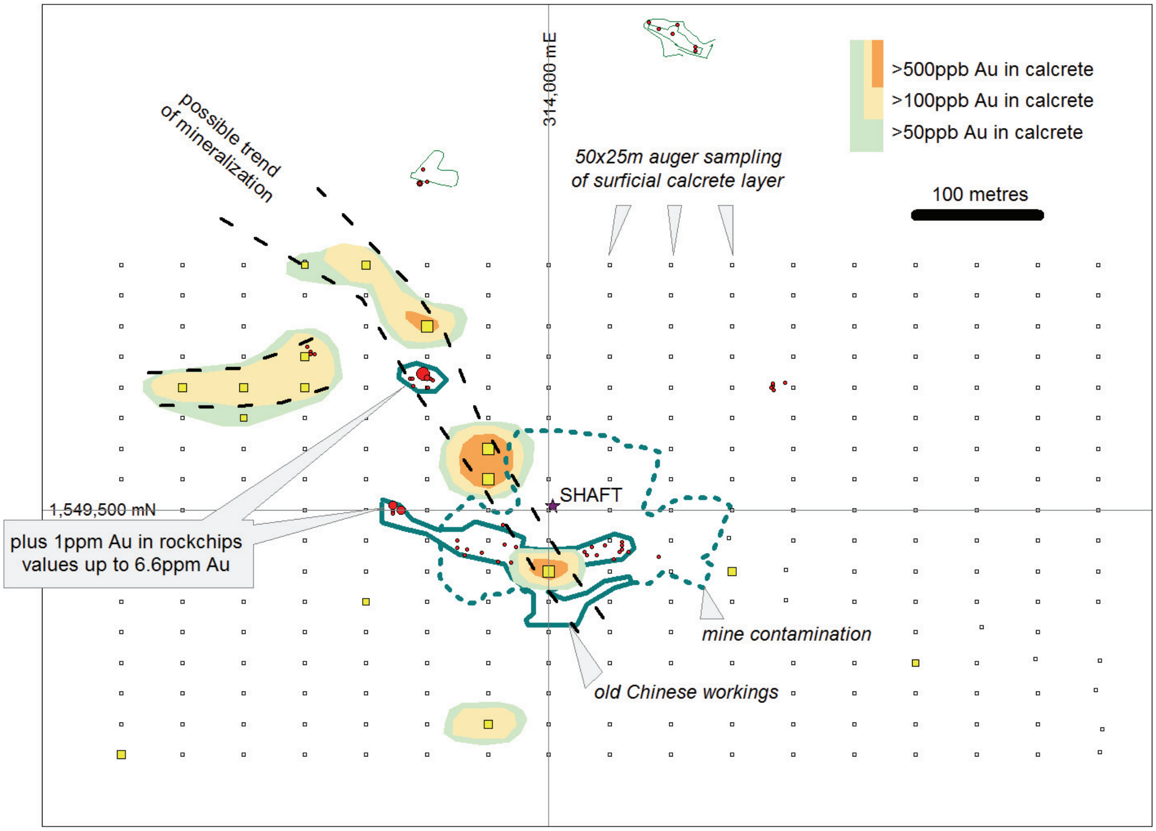

Figure 4: Andong Bor Minesite: Results of surface sampling

Work completed since granting on 13 August 2007:

1. Compilation of available data including:
   - Reports by BGRM (French Govt) in 1965
   - Underground mapping by Neoneer (Korean Company) in 2004
   - Acquisition and processing of Landsat data
   - Acquisition of Aerial photography.
2. Surveying to create detailed basemap of Andong Bore Minesite.
3. Reconnaissance mapping to create preliminary Landsat interpretation of the tenement.
4. Rockchip sampling (159) of mine dumps and exposures.
5. Mechanical auger sampling (289) at 50m x 25m centres centred on Andong Bore Mine.
6. Mechanical trenching and drill site clearing of auger and rockchip anomalies at Andong Bor Mine (in progress).

Andong Bor Project (continued)

Results:

1. Regionally, the tenement area is largely covered by thin soil and calcrete with a central spine of Permian limestone hills. Other outcrop is sparse but Palaeozoic black calcareous shales have been mapped. Preliminary Landsat mapping suggest numerous oval granite bodies. Gold occurrences including Andong Bor and Bon Sup Trup occur within a prospective cross-cutting zone of structural disruption.
2. At the Andong Bor Mine, old Chinese open pits indicate historic gold mining within sulphidic quartz in limestone and marl. Dump rock chip samples from the main Chinese pits were generally of low Au tenor, however, quartz vein material in old pits to the west and northwest assayed up to 6.6ppm Au. Au is associated with elevated Ag, As, Cd, Cu, Mo, Pb and Zn.
3. Auger sampling of the surficial calcrete layer, which covers the whole prospect, defined distinct anomalies (>50ppbAu up to 1.2ppmAu in surficial calcrete). Trends along bedding (ENE) and/or along cross trend (NW) are indicated.

Future program:

1. Regional airphoto mapping at 1:25,000 scale.
2. Completion of trenching (planned 1200m) at Andong Bor minesite (in progress).
3. Reverse Circulation drilling; approximately 8 holes to 150 metres based on results of trenching.

Richard Stanger
Director

Competent Persons Statement: The information contained in the report that relates to Exploration Results, Mineral Resources or Ore Reserves of the projects owned by Transol Corporation Limited is based on information reviewed by Mr. Don Horn, who the Company has contracted as a consultant. Mr. Don Horn is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralization 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. Don Horn has given consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Legend for Figure 1

- Rice paddies
- Saprolith
- Quaternary plateau basalt
- Cainozoic gravel sheet
- Deflated laterite pedolith
- Jurassic rhyolite
- **Triassic granodiorite**
- **Triassic sandstone and conglomerate**
- **Permian-Triassic rhyolite and tuff**
- **Proterozoic gneiss and amphibolite**

Legend for Figure 2 & Figure 3

- *Alluvium*
- *Rice paddies*
- *Levee of the Sre Pok River*
- *Quaternary plateau basalt*
- *Colluvium*
- *Cainozoic lateritic duricrust*
- *Cainozoic sandstone and basalt*
- *Jurassic sandstone*
- ***Hornfels or magnetic volcanic centres***
- ***Triassic granodiorite***
- ***Triassic gabbro-diorite***
- ***Triassic turbidite***
- ***Upper part of the Permian***
- ***Lower part of the Permian***

Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

TRANSOL CORPORATION LIMITED

ABN	Quarter ended ("current quarter")
73 089 224 402	31 December 2007

Consolidated statement of cash flows

Cash flows related to operating activities			Current quarter $A'000	Year to date (6 mths) $A'000
1.1	Receipts from customers		-	-
1.2	Payments for	(a) staff costs	(141)	(248)
		(b) advertising and marketing	-	-
		(c) research and development	-	-
		(d) leased assets	-	-
		(e) other working capital	(83)	(176)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		30	70
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net operating cash flows		(194)	(354)

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (6 mths) $A'000
1.8	Net operating cash flows (carried forward)	**(194)**	**(354)**
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	(22)	(195)
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (Exploration Expenditure associated with and following the company's acquisition of Liberty Mining International Pty Ltd)	(309)	(984)
	Net investing cash flows	**(331)**	**(1,179)**
1.14	**Total operating and investing cash flows**	**(525)**	**(1,533)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	2,730	2,730
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other (Capital Raising Fees)	-	-
	Net financing cash flows	**2,730**	**2,730**
	Net increase (decrease) in cash held	**(2,205)**	**(1,197)**
1.21	Cash at beginning of quarter/year to date	2,193	3,201
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	**4,398**	**4,398**

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	141
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

1.24 PAYMENT OF DIRECTORS FEES / ADVISORY FEES / CONSULTING FEES

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	10	-

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
4.1 Cash on hand and at bank	4,398	2,193
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	4,398	2,193

Acquisitions and disposals of business entities

	Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 31/01/2008
(Company secretary)

Print name: ADRIEN WING

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a) - policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.