

30 April 2010

The Manager
Company Announcements Office
Australian Securities Exchange Ltd
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

MARCH QUARTER ACTIVITIES REPORT

The Directors of Augustus Minerals Limited ("Augustus" or the "Company") are pleased to report the following activities for the March quarter:

PARTICIPATION IN THE SILVERWOOD OIL AND GAS PROSPECT

On 3 March 2010 the Company advised it had agreed to participate in the Silverwood oil and gas prospect located in the Jefferson Davis Parish in Louisiana USA. Augustus will earn a 40% working interest in the prospect which is scheduled to be drilled in the June quarter 2010.

Augustus will contribute an estimated US\$880,000 towards the dry hole cost of drilling the well with an additional estimated US\$240,000 well test completion cost payable in the event of exploration success. This represents a low cost investment in the context of the oil and gas industry considering the substantial potential prize.

PROJECT OVERVIEW

The Silverwood Prospect (the "Prospect") is a relatively low risk, high impact oil and gas exploration project located onshore South Louisiana. The prospect lies beneath an existing field which has to date produced over 7 BCF of gas and approximately 1 MMBBLS of oil on a fault closure. The prospect has two prospective targets, being the Vicksburg and Cockfield sands. The prospect is located close to existing infrastructure, hence the lead time and cost to commercialising any potential discovery will be relatively low.

POTENTIAL RESOURCE

The potential resource of the Vicksburg objective is estimated at 2.7 MMBBLS of oil and 2.7 BCF of gas. The potential resource of the Cockfield objective is estimated at 4.7 MMBBLS of oil and 10.3 BCF of gas. The combined resource potential is 7.4 MMBBLS of oil and 13 BCF of gas.

Seismic data on this prospect shows a seismic anomaly at the Vicksburg Sand horizon that potentially defines a charged section which correlates with physical data from nearby wells.

GEOLOGICAL OVERVIEW

The primary targets are the Vicksburg Sand Formation, which is a shallow oil target (9,300 ft), and the deeper Cockfield Formation (11,600 ft).

The Upper Vicksburg Formation is found to produce in four nearby fields. The mapping of these fields reveals an elongated island complex of over 36 miles in length containing sandstone which is porous and permeable in nature. Three wells have been drilled to test the Vicksburg Sand after the field was fully developed from the shallower Frio sands. In 1982, the first well

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drilled began flowing oil and gas to surface uncontrollably due to a hole in the surface casing and the well was subsequently abandoned. A follow-on well unknowingly drilled in a location of a tight inlet channel which crossed through the structure, and the well was determined to be unproductive. In 2008, a third well was drilled. This well experienced a controlled blowout with significant oil and gas coming to surface due to the unexpected high formation pressure. The third well was not designed for the high formation pressures and was eventually abandoned due to the inability to control the hydrocarbons.

The drilling to date demonstrates the presence of a hydrocarbon trap, an efficient seal and the presence of quality reservoir rock with movable hydrocarbons. In addition, analogue fields in the area show the Vicksburg formation to be a commercial reservoir. All these factors considerably reduce the exploration risk.

Drilling a fourth well into the Vicksburg formation requires setting intermediate casing prior to reaching the target interval. The additional casing string and heavier weight drilling fluids are expected to control the Vicksburg formation's high pressure environment.

The deeper objective, the Cockfield Formation, is a known major producer in many fields within the area. The Cockfield Formation is estimated to be just over 2,000 ft deeper than the Vicksburg Formation in the prospect area. The trapping fault shows considerable growth and expansion during the Cockfield deposition which should provide large sand deposits. To date no wells have been drilled into the Cockfield Formation within the project area, and hence, it is a higher risk objective.

The initial well is scheduled to commence drilling in June 2010. Site work is minimal and infrastructure is nearby. A well plan is currently being prepared.

Partners in the Silverwood Project are:

Augustus Minerals Limited (ASX Code: AUJ)	40.00% WI
Golden Gate Petroleum (ASX Code: GGP)	30.00% WI
Pass Petroleum L.L.C.	30.00% WI

CORPORATE

At the end of the quarter there were 40,000,000 shares on issue.

Cash, tradeable securities and net cash receivables held by the Company at the end of the quarter was approximately \$7,850,000 or 19.6 cents per share.

Following the conclusion of the quarter the Company completed settlement of its disposal of the Dostyk project as announced to the ASX on 29 April 2010.

Yours faithfully,



Mathew Walker
Executive Director

For further information please contact:

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