

28 July 2010

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

JUNE QUARTER ACTIVITIES REPORT

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

SILVERWOOD OIL AND GAS PROSPECT

Drilling operations (Richardson #1 well) commenced at the Silverwood prospect on 19 July 2010 and as at 0600 on 27 July 2010 was drilling ahead at 3,578 feet. The well is planned to be drilled to a target depth of 9,600 feet to reach the primary Vicksburg oil objective.

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 (9,600 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 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.

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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.

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

DOSTYK PROJECT SETTLEMENT

On 29 April 2010 the Company advised it had received the final payment of US\$768,825 from Cigma Metals Corporation ("Cigma") in respect of the Company's sale of its beneficial interest in the Dostyk Project, Kazakhstan.

Of this amount, US\$18,825 was applied as interest and expense reimbursement and US\$750,000 was applied in full and final settlement of the amount outstanding.

CORPORATE

At the end of the quarter there were 40,030,000 shares and 39,970,000 options on issue.

Cash, tradeable securities and investments held by the Company at the end of the quarter was approximately \$6 million or 15 cents per share.

Yours faithfully,



Mathew Walker
Executive Director

For further information please contact:

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