

14 May 2010

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

SPUD DATE FOR THE SILVERWOOD PROSPECT (RICHARDSON #1)

The Board of Augustus Minerals Limited ("Augustus" or the "Company") is pleased to announce that it has been advised by the operator of the Silverwood prospect (the "Prospect"), Kindee Oil and Gas Louisiana LLC, that the spud date of the Richardson #1 well has been revised forward and is now scheduled to commence drilling operations around 14 June 2010. The Richardson # 1 well is anticipated to take 19 days to drill. Site preparations are expected to begin in the coming week, permitting is under way and a rig contract is being prepared with Crown Drilling.

The Directors further advise that they have taken initiatives to minimise the dry hole drilling costs to Augustus for the Prospect. Recent publicised events in respect of the oil spill off shore Gulf of Mexico have resulted in some major changes to the exploration landscape in the Gulf Coast area. Offshore exploration activities are slowing down and the industry is moving on shore, particularly in Louisiana where the Silverwood prospect is located. This is positive news for companies holding prospects onshore, however it has resulted in higher costs for exploration activities as demand for oil services has increased. As a consequence the Company has revised its Participation Agreement to ensure there is minimal risk to the Company of any major cost over runs. The Company's share of dry hole costs is now estimated to be US\$1.35 million. Although this represents an increase to the previously announced dry hole cost of US\$0.88 million, the Company has negotiated with its partners for any costs over and above this estimate to be borne by the participants in the well based on their respective proportionate share.

Silverwood will be drilled as a follow up to wells that discovered oil and gas where the Company believes it has a very good chance of a commercial discovery. Please refer to ASX release and Investor Presentation dates 28 April 2010.

Partners in the Silverwood Prospect are:

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

Yours faithfully,



Mathew Walker
Executive Director

For further information please contact:
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