

21 December 2010

POSITIVE DRILLING RESULTS

Laverton Gold Project, Western Australia

Australasia Consolidated Ltd (ASX : AAO) is pleased to announce further positive results from the drilling program on the Prospecting License at Mount Lucky, over which the Company holds an option to purchase. Mount Lucky is located 10km east of the Granny Smith mill and 18km south-east of Laverton, in Western Australia.

Pursuant to the option agreement, the Company had an obligation to complete a minimum of 2,000 metres drilling. Following an initial drilling program of 14 holes for 1,302 metres, the Company has completed a further 5 holes for a total of 714 metres bringing the total holes drilled to 19 for a total of 2,016 metres of reverse circulation drilling. The significant drilling results are set out in Table 1.

Table 1 : Significant Drilling Results

Hole ID	Nth	Easting	From (Metres)	To (Metres)	Interval (Metres)	Au g/t	EOH Depth (Metres)
ML_028	6818880	451713	32	52	20	0.91	150
ML_029	6818880	451663	112	134	22	2.77	150
ML_031	6818952	451722	76	80	4	2.20	132
ML_032	6819178	451701	100	102	2	3.23	150

Notes: 1. Drill hole collar positions determined by GPS.

2. Analytical results by SGS Laboratories: 50g Fire Assay, 0.01g/t lower detection limit.

3. Intersection grades reported are composites of 2 meter samples.

4. Intercepts are "down-hole" metres. No estimate regarding true thickness is made or implied.

As in the previous drilling program, the mineralisation in holes ML_028 & ML_029 was found to be associated with black shales and quartz vein stockwork and is typical of the low grade oxide mineralisation found in the Laverton Goldfields.

The Company will now proceed with a resource estimate calculation as part of the evaluation process before committing to a decision to purchase within the 6 week period allowed under the option agreement.

Bob Browning
Chief Executive Officer

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Nicholas Revell who is a member of the Australasian Institute of Mining & Metallurgy. Mr Revell is an employee of Australasia Consolidated 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 Revell consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.