

Wednesday, 25 February 2009

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge St
SYDNEY NSW 2000

TERMINATION OF SHARE PLACEMENT AGREEMENT

The directors of Australasia Gold Limited (ASX:AAO) advise that notwithstanding the approval of the issue of shares at AAO's Annual General Meeting on 23rd December 2008, the consortium which agreed to make the previously advised placement of 50 million shares has failed to provide the Company with the remaining amount of the funds (\$740,000). As a result AAO today terminated the placement agreement.

The directors of AAO will immediately explore other fundraising opportunities and keep ASX informed of any developments.

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