

23 December 2008

Company Announcements Office
ASX Securities Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

The directors of Australasia Gold Limited (ASX: AAO) are pleased to advise that the consortium which has agreed to make the previously advised placement of 50 million shares has given notice that its due diligence review has successfully completed.

The consortium has advised that subject to the approval by shareholders for the issue of 50 million shares at today's Annual General Meeting of shareholders, it will proceed to complete the investment.

For further information, contact

T J Ireland
Director
Ph: 08 8339 0580