

GREAT SOUTH LAND MINERALS LIMITED
ACN 068 650 386

EXPLORATION PROGRAMME

2004 - 2009

Extension of Special Exploration Licence 13/98

May 2004

EXPLORATION PHILOSOPHY

On the basis of research carried out mainly in the last five years two petroleum systems have been identified onshore Tasmania- an Ordovician –Early Devonian Larapintine System within the Wurawina Supergroup below the Tasmania Basin and a Permo-Triassic Gondwana System within the Parmeener Supergroup of the Tasmania Basin.

The mainly oil prone Gondwana Petroleum System (GPS) is considered more prospective than the mainly gas prone Larapintine Petroleum System (LPS). Maturation of the GPS increases towards the south of the basin being undermature in the north to possibly overmature for oil in the south whereas reservoir quality increases towards the north.

Faulting is much more intense in the southern half than in the northern half of the basin thereby reducing trap size and increasing the risk of seal breaching. Additionally, the centre of the basin has not been uplifted to the extent of areas in the Central Highlands and in the south, suggesting that the source rocks were/have been in the generating kitchen for much longer than in the highlands.

We therefore propose an exploration program that concentrates seismic exploration in the central parts of the Tasmania Basin but one that also explores the potential of the LPS under the Central Highlands.

To date, GSLM has not drilled seismically defined targets and the company aims to define accurately as many targets as possible before drilling exploration holes. Stratigraphic wells will be drilled in order to increase geological and petrophysical knowledge of what is still a frontier basin.

GSLM plans to continue with research and development work in conjunction with the University of Tasmania at an estimated cost of \$700,000. Research work will include lithological, petrographic, geochemical and palaeontological data gathering from the field and from cores, data plotting and syntheses. All data will be included on a three-dimensional computer model of Tasmania.

Personnel

GSLM does not plan to have a large permanent professional staff but rather plans to call upon the skills of a range of expert external consultants when they are needed.

CEO and Exploration Manager

Mr Rod Tabor

Geologist

Dr Clive Burrett

Environmental Scientist

Shane Bartell

External consultants (if available)

Dr David Leaman - geophysics and regional geology

Dr Mike Swift - seismic acquisition and interpretation

Nic Turner – structural and regional geology

University of Tasmania PhD students

Andrew Stacey (structure and seismic)

Jubo Liu (petroleum modelling)

Alan Chester (Larapintine Petroleum System)

Honours students

Projects advertised

SEISMIC

Over the next five years a total of approximately 2000 line kilometres of seismic data acquisition is planned with 1600km to expand the regional coverage and 400 km to more closely define discovered structures. The results of the interpretation of TB01 were used to plan the line locations for the next regional seismic survey TB02. As was the case with the survey TB01, the lines have been located wherever possible along roads in order to minimise the impact of the survey on private land and on environmentally sensitive areas. The TB02 seismic lines planned for 2004-2005 are shown in figure A.

STAGE 1 : The initial interpretation of the seismic survey TB01 indicates the presence of a large anticlinal structure at Bellevue, near the Marlborough Highway. Initial scouting indicates that the least environmentally disruptive and most cost effective way to obtain a clearer picture of this structure is to carry out a dynamite based seismic survey. Accordingly we plan to acquire approximately 52 line kilometres of seismic survey at Bellevue.

A number of wells were drilled and collared in 1997. We plan to acquire approximately 108 line kilometres of seismic data in the immediate vicinity of the wells, Lonnvale #1, Pelham #1 and Bridgewater #1 in order to evaluate the potential for drilling ahead on these wells. Due to the difficult terrain it is planned to acquire this data using a dynamite based seismic survey. Costs over the more difficult terrain are expected to be of the order of \$8,000 per kilometre.

Cost estimate: \$1,280,000 – Q3 '04

STAGE 2 : The initial interpretation of the seismic survey TB01 also indicated the presence of a number of other anticlinal structures. Approximately 145 line kilometres of seismic survey is planned starting early spring in 2004 to define more closely the structures at Bellevue, Bronte, Laughing Jack Lagoon, Steppes, Scotts Tier and Interlaken. Detailed planning for these seismic lines will be carried out as soon as possible with acquisition to follow Stage 1.

The terrain in the Central Plateau may require the use of bulldozers to widen some existing rough tracks to allow passage of the vibroseis trucks. Costs are expected to average \$5,000 per kilometre.

Cost estimate: \$725,000 – Q4 '04

STAGE 3 : This will involve continuing the regional grid over the Tasmania Basin. We plan to acquire approximately 704 line kilometres using vibroseis, mainly along roads to expand our seismic coverage to the South, South East and East parts of the Tasmania Basin. A long regional line is planned to extend to Cockle Creek in the far south of the basin and shorter lines are planned towards the Florentine Valley in the west and to the eastern limit of the lease area. The western line will allow a tie of the Ordovician geology of the Florentine Valley to TB01 profiles and the eastern line is expected to show progressive thinning of Permian units eastwards. The southern line should yield important information concerning both petroleum systems.

Cost estimate: \$916,000 – Q4 '04, \$1,900,000 – Q1 '05

STAGE 4 : Approximately 991 additional line kilometres will be acquired as part of a third vibroseis campaign, TB03, scheduled to start in 2006. This survey will define

more closely any structures discovered during TB02 and will continue the regional grid over the Tasmania Basin. It is anticipated that approximately 50% of the kilometres will be shot along roads for regional coverage with the remainder associated with prospect definition either as 2D or 3D acquisition. The average costs are expected to average slightly over \$4,000 per kilometre.

Cost estimate: \$1,200,000 – Q1 '06, \$2,446,000 – Q2 '06 & \$333,000 – Q3 '06

- Approvals :** Environmental, heritage and indigenous approvals have been given in the past for a program similar to TB02 and a renewal of these approvals will be sought from DPIWE and others during Q2 or early Q3 '04. Similarly the existing approvals to operate vibroseis trucks on Tasmanian roads have expired, an application for renewal will be sought for DIER. Permission to operate the vibroseis trucks on council roads or on private property will be sought in a similar fashion to the approvals obtained for the TB01 survey.
- Acquisition :** It is envisaged that the contractor who acquired the data for TB01 will be engaged for the TB02 survey depending on availability and cost. Tenders will be called for during Q2 or early Q3 '04.
- Processing :** It is planned to contract processing of the raw seismic data to Robertson Research (Australia) in Perth. Processing parameters will be selected using the results of the previous TB01 survey.
- Interpretation :** Interpretation will be carried out either in-house, in conjunction with the Earth Sciences School of the University of Tasmania or by the contractors listed above.

Notes :

- Stage 1, 2 and 3 seismic acquisition is currently planned to commence in mid 2004, however a firm start date can only be determined once a tender has been awarded and the service company has committed resources.
- The costs associated with planning, approvals, acquisition, processing and interpretation activities are included in the per kilometre costs associated with Stages 1, 2, 3 and 4 above.
- Costs associated with the planning for and the supervision of the acquisition, processing and interpretation of seismic data is budgeted separately.
- Some of interpretation of the seismic data will be undertaken as part of the research and development program in conjunction with the University of Tasmania. Costs associated with the research and development program are budgeted separately.

DRILLING

Four stratigraphic wells have been budgeted; although it is possible that one or more of these will be replaced by exploration wells depending on the success of the seismic program.

STAGE 1 : The first stratigraphic well planned is in the Longford Sub-basin which will be designed to test the Gondwana Petroleum System beneath the Tertiary. This well (Lachish#1) will provide information on the Tertiary of the Longford Basin and on the petrophysical, seal, reservoir and source-rock characteristics of the Parmeener Supergroup under the Longford Sub-basin. Downhole seismic will allow a reinterpretation of the seismic profiles of the Permo-Triassic beneath the Longford Basin obtained in TBO1. Lachish #1 is planned at a location near the Valleyfield Road, approximately 9km west of Conara on the “Stockwell” property and 14km from the centre of the Hummocky Hills structure. Lachish #1 is situated close to the intersection of two seismic lines TBO1-PT and TBO1 –TE and is planned to be drilled and cored to a depth of about 2000m. The location is believed to be approximately 14 kilometres from the centre of the Hummocky Hills structure. Full details are included in the Lachish #1 well program submitted to MRT on 9 October 2002.

Cost estimate: \$200,000 – Q3 '05, \$600,000 – Q4 '05

STAGE 2 : Following the coring of Lachish #1 a rig will be moved to a location approximately 5 kilometres off structure on the Bellevue anticline. The stratigraphic well, Gezer #1, is planned to be drilled and cored to a depth of 1,400 metres.

Full details are included in the Gezer #1 well program submitted to MRT on 26 February 2002.

Should formation conditions permit we will revise the well plan and seek approval from MRT to deepen the well to 2,000 metres.

Cost estimate: \$100,000 – Q4 '05, \$600,000 – Q1 '06 & \$100,000 – Q2 '06

STAGE 3 : Depending on the initial results of TB02 and the stratigraphic wells Lachish #1 and Gezer #1 it is then planned to drill on one of the three locations that were initially drilled and cased in 1997. The location will be picked from Lonnvale #1, Pelham #1 and Bridgewater #1 based on the results of further detailed field mapping and analyses of geochemical data by the SPIRT team.

The well program for this stratigraphic well will be similar to those of Hunterston #1, Lachish #1 and Gezer #1.

Cost estimate: \$400,000 – Q2 '06, \$400,000 – Q3 '06

STAGE 4 : Depending on the initial results of TB02 and the stratigraphic wells Lachish #1, Gezer #1 and the well drilled as Stage 3, it is then planned to drill a further stratigraphic well. The well will be either on a new structure revealed by TB02, the shallow Tertiary structure near Bracknell or will be selected from another of the three locations that were initially drilled and cased in 1997.

The well program for this stratigraphic well will be similar to those of Hunterston #1, Lachish #1 and Gezer #1.

Cost estimate: \$400,000 – Q3 '06, \$400,000 – Q4 '06

STAGES 5 & 6 : The results of TB02 and the stratigraphic wells mentioned above will be used to determine the location for two exploration wells. We have budgeted \$8,000,000 for two wells to be drilled back-to-back. It is anticipated that the level of expenditure will be high due to the costs of mobilisation and demobilisation of the drill rig and associated equipment. Should the results be encouraging we would plan on reducing the cost per well by extending the number of wells drill during the same mobilisation. The well program for the first well will be prepared during Q1 2007 for approval in Q2 2007. Tenders will be called for in Q2 with drilling planned to start in Q3 2007.

Cost estimate: \$100,000 – Q1 '07, \$250,000 – Q2 '07, \$2,000,000 – Q3 '07, \$2,000,000 – Q4 '07, \$2,000,000 – Q1 '08 & \$1,650,000 – Q2 '08

Notes :

- Approvals for Stage 1 and Stage 2 stratigraphic wells, Lachish #1 and Gezer #1, have been granted by MRT. These approvals have expired and well programs will be re-submitted.
- It is planned to utilise a mineral rig equipped with an annular BOP for all stratigraphic wells.
- Basic logging and well testing has been allowed for in the budgets for all stratigraphic wells.
- It has been assumed that all stratigraphic wells will be drilled back-to-back to minimise mobilisation expenses.
- Comprehensive wireline logging and basic well testing has been allowed for in the budgets for the two exploration wells. Should a significant hydrocarbon resource be discovered additional expenditure would be required to carry out an extensive well and reservoir test program.
- It has been assumed that both exploration wells will be drilled back-to-back to minimise mobilisation expenses. Should the results be encouraging we would plan on increasing the number of exploration during the same mobilisation.
- The costs associated with planning, approvals, tendering and supervision of all drilling activities are budgeted separately.

BUDGET

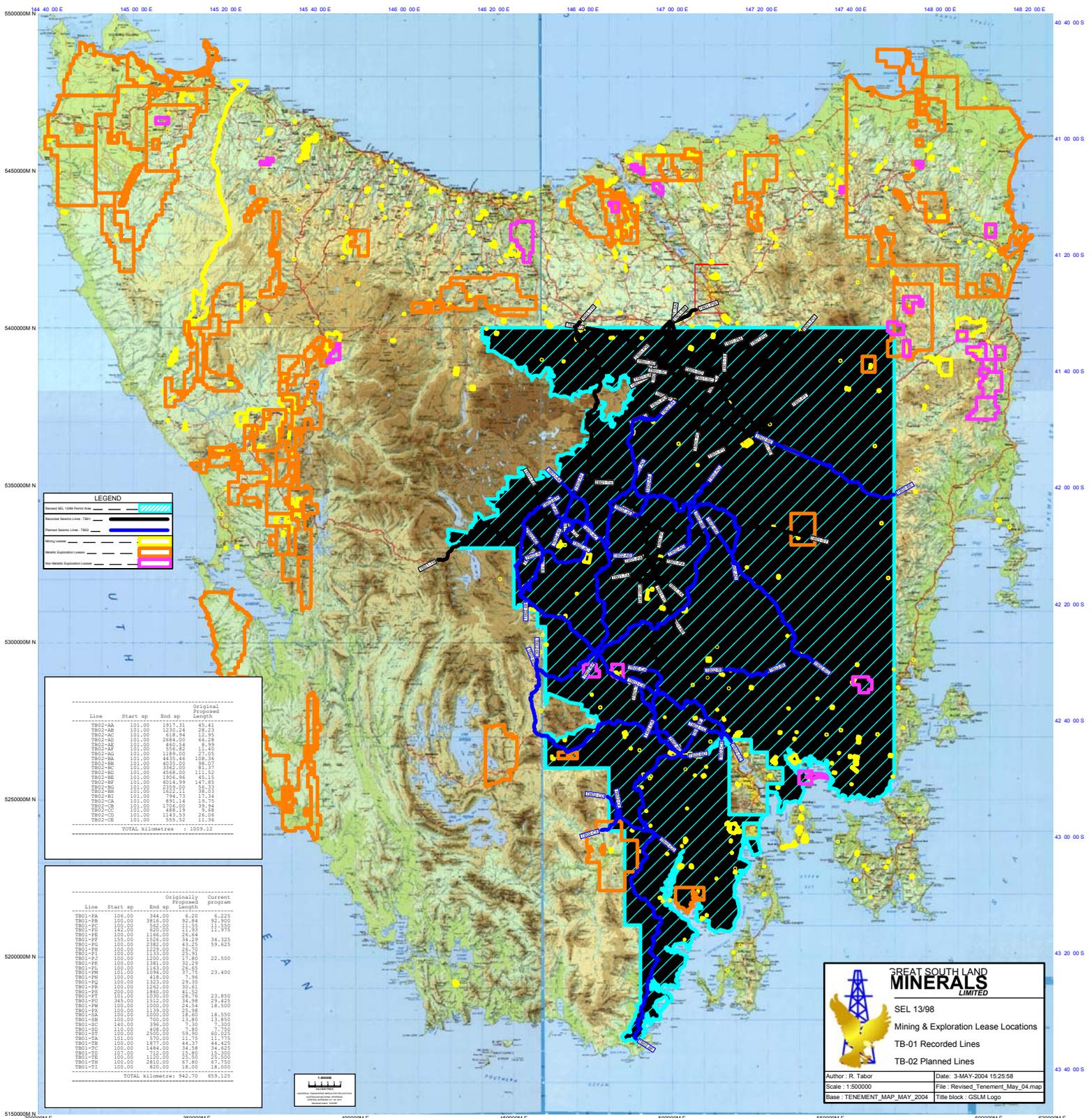
ACTIVITY	Q2 '04	Q3 '04	Q4 '04	Q1 '05	Q2 '05	Q3 '05	Q4 '05	Q1 '06	Q2 '06	Q3 '06	TOTAL
Planning & Supervision	40	40	40	40	40	40	40	40	40	40	\$400,000
Research & Development	40	40	40	40	40	40	40	40	40	40	\$400,000
Stage 1 seismic		1280									\$1,280,000
Stage 2 seismic			725								\$725,000
Stage 3 seismic			916	1900							\$2,816,000
Stage 4 seismic								1200	2446	333	\$3,979,000
Stratigraphic well - Lachish #1						200	600				\$800,000
Stratigraphic well - Gezer #1							100	600	100		\$800,000
Stratigraphic well - Stage 3									400	400	\$800,000
Stratigraphic well - Stage 4										400	\$400,000
Quarterly Total	80	1360	1721	1980	80	280	780	1880	3026	1213	\$12,400,000

ACTIVITY	Q4 '06	Q1 '07	Q2 '07	Q3 '07	Q4 '07	Q1 '08	Q2 '08	Q3 '08	Q4 '08	Q1 '09	TOTAL
Planning & Supervision	40	40	40	40	40	40	40	40	40	40	\$400,000
Research & Development	40	40	40	40	40	40	40	20			\$300,000
Stratigraphic well - Stage 4	400										\$400,000
Exploration well #1		100	250	2000	1650						\$4,000,000
Exploration well #2					350	2000	1650				\$4,000,000
Quarterly Total	480	180	330	2080	2080	2080	1730	60	40	40	\$9,100,000

TOTAL BUDGET											\$21,500,000
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Quarterly figures are expressed in thousands of dollars.

Tasmania Basin Seismic Survey



LEGEND

- Recorded Line (with lease area)
- Recorded Lease Area (with lease area)
- Planned Line (with lease area)
- Planned Lease Area (with lease area)
- Lease Boundary
- Lease Boundary (with lease area)

Line	Start sp	End sp	Originally Proposed Length	Current program
TB02-AA	101.00	1917.31	45.41	
TB02-AB	101.00	1230.24	25.23	
TB02-AC	101.00	618.94	10.95	
TB02-AD	101.00	2984.00	64.28	
TB02-AE	101.00	450.00	10.70	
TB02-AF	101.00	117.00	2.52	
TB02-AG	101.00	4435.46	108.35	
TB02-AH	101.00	3362.00	81.37	
TB02-AI	101.00	4530.00	101.12	
TB02-AJ	101.00	6004.99	140.51	
TB02-AK	101.00	1784.19	39.34	
TB02-AL	101.00	1822.11	38.03	
TB02-AM	101.00	191.14	19.79	
TB02-AN	101.00	1288.00	28.84	
TB02-AO	101.00	1343.53	26.96	
TB02-AP	101.00	502.52	11.30	
TOTAL Kilometres = 1,000.12				

Line	Start sp	End sp	Originally Proposed Length	Current program
TB01-PA	106.00	344.00	6.00	6,225
TB01-PB	105.00	3815.00	82.84	82,500
TB01-PC	102.00	842.00	11.55	11,550
TB01-PD	105.00	820.00	10.70	10,700
TB01-PE	105.00	1166.00	26.64	26,640
TB01-PF	105.00	34.00	0.28	34,325
TB01-PG	105.00	2330.00	26.70	59,625
TB01-PH	105.00	1881.00	17.80	22,500
TB01-PI	107.00	1050.00	35.95	23,400
TB01-PJ	105.00	450.00	10.70	10,700
TB01-PK	105.00	1323.00	29.35	29,350
TB01-PL	105.00	1262.00	30.61	30,610
TB01-PM	105.00	1850.00	41.52	23,850
TB01-PN	105.00	1050.00	24.98	18,500
TB01-PO	105.00	1050.00	24.98	18,500
TB01-PA	105.00	1050.00	18.80	18,550
TB01-PB	105.00	700.00	12.80	13,550
TB01-PC	105.00	396.00	7.80	7,300
TB01-PD	105.00	4050.00	64.50	67,350
TB01-PE	101.00	970.00	11.75	11,775
TB01-PF	105.00	1871.00	44.50	44,450
TB01-PG	105.00	1484.00	34.58	34,625
TB01-PH	105.00	1270.00	32.80	32,550
TB01-PI	105.00	1120.00	25.80	25,500
TB01-PJ	105.00	850.00	20.00	18,500
TB01-PK	105.00	850.00	20.00	18,500
TOTAL Kilometres = 942.70 659,125				



GREAT SOUTH LAND MINERALS LIMITED

SEL 13/98
Mining & Exploration Lease Locations

TB-01 Recorded Lines
TB-02 Planned Lines

Author: R. Tabor Date: 3-MAY-2004 15:25:58
Scale: 1:500000 File: Revised_Tenement_May_04.map
Base: TENEMENT_MAP_MAY_2004 Title block: GSLM Logo