

GREAT SOUTH LAND MINERALS LIMITED

ABN 54 068 650 386

**QUARTERLY REPORT
FOR THE PERIOD ENDING 31st March 2007**

FOR

MINERAL RESOURCES TASMANIA

**SPECIAL EXPLORATION LICENCE
13/98**

Dr Clive Burrett - Geologist
Ms Carol Robey – Senior Accountant
Ms Jo Zantuck – Seismic Project Officer

30/04/07

GREAT SOUTH LAND MINERALS LIMITED
EXPLORATION PROGRESS REPORT
For the quarter ending 31st March 2007

Seismic Program

GSLM's seismic campaign for 2007 commenced in March using TERREX SEISMIC of Perth, Western Australia as contractors. Acquisition parameters were changed from previous Tasmanian surveys by increasing the frequency range from 6-140 Hertz with 12 second sweeps, 6 second listens and using 3 Vibroseis trucks. These changes are expected to help in acquiring high quality data in terrain dominated by dolerite (which has seismic velocities of about 6500m/s).

Appendix I gives the acquisition parameters. From a study of the Vp's it is clear that reasonably good to excellent results have been acquired (see Appendix II) with clear reflectors at several levels.

Lines (see Appendix III) around the Central Highlands (Bellevue and Bronte Domes) and east of the Florentine Valley (Thunderbolt Anticline), near Lake Sorrel (Interlaken Anticline) and in and near possible drill sites in the Midlands, as well as connecting lines have been or will be surveyed and pegged by DSS and have been or will be seismically surveyed by TERREX. Tapes have or will be forwarded on a regular basis to FUGRO SEISMIC IMAGING of Perth Western Australia. Progress to date is summarized in the daily logs in Appendix IV. If generally good weather is experienced then an average of 8km per day of seismic survey work should be achieved. Some road works, track clearing and bridge building will or have been carried out on private property. In general, relationships with landowners were and are excellent.

Dr Greg Blackburn and Dr Robert Findlay have been engaged as external consultants to begin interpretation. KINGDOM SUITE seismic interpretation software has been purchased and installed on new, very powerful computers. A seismic office suite has been set-up in totally refurbished accommodation at level 3, 65 Murray Street, Hobart (Appendix V). Diego Gonzalez and Andrew Stacey have been employed as seismic interpreters, Dr Zohreh Amini and Tony Collings as geologists and Jo Zantuck as GIS officer. Lines from the 2006 seismic survey have been interpreted and potential traps identified.

Drilling Program

Because of the difficulties in obtaining reasonably priced petroleum drilling services onshore Tasmania, a new GEFECO drilling rig (Appendix VI) has been purchased by GSLM from the USA. This arrived in Burnie in March having cleared Customs and AQIS procedures in Melbourne. It is currently stored next to the Spaulding Brothers offices and workshop in Devonport. It has been inspected by drill rig surveyors

SURVERSPEC and other engineers who have made recommendations for its modification and upgrading to Australian standards and specifications, particularly in regard to electrical and hydraulic components and systems. Drill-rods have been purchased and other items have been ordered. Drilling is expected to start in the near future subject to regulatory approvals.

Surveys have been carried out at the Eglon#1, Lachish#1, Hebron#1 and Gezer#1 localities and scouting has located sites on the Thunderbolt structure east of the Florentine Valley. Professional surveys by accredited consultants on the named drill sites include archaeological, cultural, hydrogeological, environmental, floral and acoustic studies (Appendix VII and Appendix XII). Preliminary permissions have been obtained from landowners and well prognoses and plans have been previously submitted to MRT. These are being revised to include details of the new rig.

Acoustic surveys carried out on site will be combined with studies on the drill-rig whilst in operation. Discussions are ongoing with the Tasmanian Fire Brigade concerning flaring and fire risks.

Integrated geological/geophysical study of Central Highlands

Dr David Leaman was engaged to compile a summary, integrative study of Central Tasmania using extant seismic, gravity and magnetic data. This study is included as Appendix VIII. Leaman notes cross grained appearances on GSLM seismic line TBO2 – BA shot in 2006 south of Mount Thunderbolt which he considers may be DIH (direct hydrocarbon indicators) and also on line TBO1-PB, shot in 2001, near Bellevue (see Appendix VIII, Fig.23 and Fig 24 and discussion on page 46). Leaman identifies numerous structural features and recommends further geophysical studies.

Gravity Survey Central Highlands

This was carried out by SOLO GEOPHYSICS of Adelaide with Mr Brian Rau being the field geophysicist under the overall control and project design of Dr David Leaman of LEAMAN GEOPHYSICS. A preliminary gravity map around the Lake Echo region is given in Appendix IX.

Organic Geochemistry

Samples of oil found in a pyrite-rich Permian silty claystone in the Hunterston #1 drill-core (in the middle of the Tasmania Basin) and in a Permian sandstone near Zeehan (at the western edge of the Tasmania Basin), have been analysed by GEOTECH of Perth. In contrast to the oil found at Hunterston, neither oil is derived from a tasmanite –rich source. The silty claystone containing the oil has a maturity of about 1% (see Appendix X).

Larapintine and Centralian Petroleum Systems

A doctoral thesis on aspects of the oil systems and organic maturation indices in Tasmania by Alan Chester is submitted as Appendix XI. Chester had rock-eval and Kubler Indices carried out on potential source rocks of Neoproterozoic age and used the latter to show regional metamorphic grade variations in NW Tasmania. He concluded that, although the rock-eval technique suggested that some potential source rocks could be in the gas window, the higher values obtained from the Kubler Indices, indicated the Neoproterozoic to be of very high maturity.

Chester's studies on the Ordovician, mainly Gordon Group limestones, revealed hydrocarbon gases could be extracted from outcrop samples. Biomarker analysis of extracts from the Gordon Group show derivation from an algal/bacterial source and sterane distribution indicates a carbonate source for the oils extracted.

List of Appendices

Appendix I - Acquisition parameters used in 2007 seismic program

Appendix II - Vp's from seismic lines shown in Appendix III

Appendix III - Map of seismic lines planned and partially surveyed and shot in 2007 seismic campaign

Appendix IV - Daily progress logs - DSS (line pegging) and TERREX Seismic Crew

Appendix V - Photographs of new seismic interpretation suite at Murray Street offices

Appendix VI - Photographs and specifications of new GSLM drilling rig

Appendix VII - Environmental reports on drill-sites and seismic lines

Appendix VIII – Integrated Interpretation of Seismic, Gravity and Magnetic data prepared by Dr David Leaman

Appendix IX - Preliminary gravity survey of central Highlands carried out by Brian Rau of SOLO GEOPHYSICS

Appendix X - Preliminary geochemical and organic petrology study of samples from Hunterston and Zeehan

Appendix XI - Doctoral thesis by Alan Chester, University of Tasmania 2007 - study financed by the ARC and GSLM

Appendix XII - Hydrogeological reports on drill sites prepared by Dr David Leaman