

gsh/psh/gsh703

8 May 2007

The Manager
Company Announcements Office
Australian Securities Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Via ASX Online

Number of pages – 2

Dear Sir,

Re: Commencement of drilling – Sandy Creek project

Enclosed for release to the market is an advice of the commencement of a drilling program on the Company's Sandy Creek project in Victoria.

For and on behalf of the directors of
Goldsearch Limited



P S Hewson
Secretary

For further information please contact:

John Percival
Director Operations, Goldsearch Limited
Phone: (02) 9241 5999

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Goldsearch Limited – Sandy Creek drilling commences

Sandy Creek (Victoria)

Sandy Creek is located 15 kilometres south of Tallangatta in north-east Victoria. An initial diamond drilling program consisting of 4 holes to between 100 and 150 metres is now under way. The program is planned to test the depth potential of high-grade gold mineralisation previously mined from the Odell's Mine at Sandy Creek.

Recent, selective small scale mining of Odell's by previous tenement owners is reported to have produced 400 tonnes of ore grading 300 grams per tonne gold. The mineralisation occurs in sheared and hydrothermally altered pegmatites. The pegmatites are intruded into Early Ordovician age metasediments of the Omeo Metamorphics. In the Sandy Creek area the metasediments are interpreted to represent a preserved roof pendant of older rocks within the younger regionally significant Silurian age granitic rocks of the Yabba adamellite.



In addition to the historical mine at Odell's, the Sandy Creek field consists of approximately 20 other areas of historical mine workings. Historical production from a number of small mines in the Sandy Creek area in the late 1800's and early 1900's is estimated to be 72,000 tonnes @ 50 grams per tonne gold.

Goldsearch believes that the tenement is prospective for the discovery of further small tonnage, very high-grade gold deposits.

Heath Hellewell
Exploration Manager