

30 September, 2004

Re: Sale of investment in Reefway Pty Limited

We refer to the announcement made on 30 June 2004 advising of a conditional agreement for the sale of the Company's investment in Reefway Pty Limited.

The directors of Goldsearch Limited are now pleased to advise that the conditions precedent in that agreement have been satisfied and the initial cash payment of \$273,870 has been received.

The remaining consideration to be received for the sale is:

- 5,966,667 ordinary fully paid shares in Avon Resources Limited,
- a further cash payment of \$89,500 on 30 June 2005; and
- a royalty entitlement calculated on future production from the Reefway tenements.

The carrying value of the investment in the Company's accounts is \$375,000.

For and on behalf of the directors of Goldsearch Limited

P S Hewson
Secretary