

gsh/psh/gsh708

19 July 2007

The Manager - Company Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000
Via ASX Online

Number of pages – 1

Dear Sir,

East Musgrave Joint Venture update

The directors of Goldsearch advise that Exploration Deeds have now been executed with the Anangu Pitjantjatjara Yankunytjatjara ("APY") for exploration licence applications ELA198/96 and ELA343/96 and they expect the tenements to be granted shortly. Once the tenements are granted, exploration activities can commence in a timely manner as much of the initial work program clearance requirement was completed during the negotiation process.

These applications are two high-priority tenements in the East Musgrave Joint Venture between Goldsearch Limited, BHP Billiton Limited and Independence Group NL. Under the three way Joint Venture Agreement, which is subject to final approval by APY, BHP Billiton may earn a 65% interest in thirteen tenement applications covering approximately 16,000 square kilometres from Goldsearch and Independence by funding exploration expenditure up to a value of \$25 million or by delivering a bankable feasibility study within 10 years. Goldsearch and Independence Group have certain "claw back" rights to mineral deposits which contain less than 80,000 tons of nickel metal.

The tenements are located in the Musgrave region of South Australia within the APY freehold aboriginal lands. As previously advised, the region is considered highly prospective for a number of ore body styles with the priority exploration target being nickel, copper and platinum group element mineralisation similar to that discovered by BHP Billiton (then WMC Resources Limited) at the Nebo-Babel Project across the border in the Western Australian portion of the Musgrave Block.

Limited exploration by previous explorers in the 1970's defined minor nickel and copper sulphide mineralisation in three holes drilled at the Wanka Wanka Hill prospect on ELA343/96. Aside from this work the tenement areas are essentially un-explored using modern mineral exploration techniques.

For and on behalf of the directors of
Goldsearch Limited



P S Hewson
Secretary