

Section 6: Public Liability & Well Control Insurance

Level 18
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2 The Esplanade
Perth, WA 6000
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 BENFIELD

RECEIVED
21 AUG 2008

For the Attention of Mr Graham Rogers
Great South Land Minerals Limited
Level 3, 65 Murray Street
Hobart, Tasmania, 7000

BY:

19 August 2008

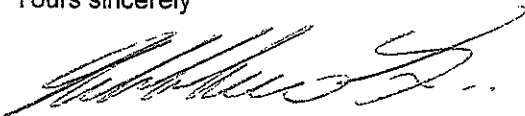
Dear Graham,

Insurance Documentation

Please find enclosed the policy wording for the Third Party Liability for the 2008 – 2009 policy period.

Can you please review the document carefully and should you have any queries, please do not hesitate to contact me.

Yours sincerely



Matt Gibbs
Benfield Corporate Risk

Enc

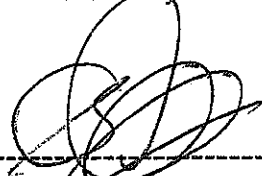
Certificate of Currency

25th July 2008

This certificate is issued as a matter of information only and confers no rights upon the holder. It does not amend, extend or alter the coverage afforded by the policy/policies listed. It is provided as a summary only of the cover provided and is current only at the date of issue. For full particulars, reference must be made to the current policy wording.

Class(es) of Insurance:	Third Party Liability
Insurer (s):	Zurich Australian Insurance Limited
Policy number(s):	TBA
Insured:	Great South Land Minerals Limited and/or their parent and/or associated and/or affiliated and/or subsidiary companies and/or any other Joint Venture Partners as may be declared, including directors, officers or employees, or to be agreed by the Underwriter.
Period of Insurance:	From 25 th July 2008 to 25 th July 2009, both days inclusive at 16:00 hours local standard
Interest Insured:	Insured's Third Party Legal Liabilities arising out of or incidental to or in connection with the principally energy contracting and/or exploration, or hard rock mineral contracting and/or exploration operations of the Insured
Geographical Limits:	As per Policy.
Limit(s) of Liability (100%):	AUD \$10,000,000 any one occurrence and in the annual aggregate in respect of Products Liability
Deductible(s):	As per policy.
Wording:	As per policy

Yours faithfully



Simon Race
Benfield Corporate Risk



Peter Trigwell
Benfield Corporate Risk

25/7/08

DECLARATION TO ENERGY PLUS

ASSURED: GREAT SOUTH LAND MINERALS LIMITED

ADDRESS: Level 3, 65 Murray Street
Hobart, Tasmania 7000

PERIOD: 12 Months from 4pm from a date to be advised.

INTEREST: Cost of Control & Extra Expense

**SUM INSURED/
LIMIT:**

Cost of Control: AUD 10,000,000 (100%)
Any one occurrence,
Combined Single Limit.

Care, Custody and Control: AUD 1,000,000 (100%)
any one occurrence.

CONDITIONS:

PFB 7-97 Cost of Control & Extra Expense Form including: Cost of Control; Seepage & Pollution; Clean-up & Containment; Replacement Cost Redrill; Underground Control of Well; Contingent Joint Venture; Evacuation Expenses; Deliberate Well Igniting; Care, Custody and Control /Removal of Debris; Making Wells Safe; Expediting Expense Endorsement; Extended Redrill and Restoration Cost Endorsement.

NMA2918 War and Terrorism Exclusion Endorsement, other than where coverage required as per Australian Terrorism Insurance Act (ATIA).

Premium Payable within 60 days of inception.

All New Drilling Wells (other than those declared at inception) are to be reported to and agreed by Underwriters prior to spud. Terms and conditions for such wells are to be specifically agreed by Underwriters prior to coverage attaching hereunder. This requirement is not to apply to wells where the Insured working interest is 25% or less.

Annual Adjustment.

RETENTION:

Cost of Control: AUD 150,000 (100%) any one occurrence,
Combined Single Retention in respect of all
drilling wells up to 10,000 feet in depth.

AUD 200,000 (100%) any one occurrence,
Combined Single Retention in respect of all
drilling wells deeper than 10,000 feet.

AUD 50,000 (100%) any one occurrence,
Combined Single Retention in respect of all
other wells.

Care, Custody and Control
/Removal of Debris:

AUD 50,000 (100%) any one occurrence.

RATES: See Worksheet attached.

DEDUCTIONS: 20% plus 3% (applicable local tax).

LOSSES: (5 years) None.

INFORMATION:
(N.L.O.W.)

		Estimated Gross <u>Footage</u>	Estimated Net <u>Footage</u>
)	Drilling	36,911	36,911
	TOTAL:	36,911	36,911

RATE WORKSHEET

RATES (AUD 10 MIL LIMIT)

	<u>Drilling</u>
a) 0 – 5,000'	AUD 1.375
b) 5,001' - 7,500'	AUD 1.760
c) 7,501' - 10,000'	AUD 2.145
d) 10,001' - 15,000'	AUD 3.025

Producing wells are to be charged at 10% of the applicable drilling rate.

Cased and Suspended wells to be charged at 7.5% of the applicable drilling rate.

Workovers are to be charged at 50% of the applicable drilling rate, but no charge for any Workover and/or Wireline and/or Maintenance operation where the AFE for such operation is less than AUD 100k, otherwise at 50% of the applicable drilling rate.

10% Developmental Well Credit

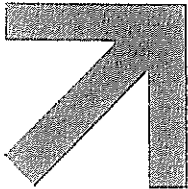
	Net Footage	Rate	Premium (AUD)
<u>Drilling</u>			
a) 0 – 5,000'	4,756	1.375	\$6,539.50
b) 5,001' – 7,500'	5,740	1.76	\$10,102.40
c) 7,501' – 10,000'	17,056	2.145	\$36,585.12
	Total Estimated Annual Premium		53,227.02
		50% Drilling Deposit	26,613.51
		Producing Premium	N/A
		Cased and Suspended	N/A
		Total Minimum Earned and Deposit Premium	26,613.51
		Plus additional ATIA Premium @ 3%	798.40
		Total Deposit Premium	27,411.91

OPTION

Cost of Control Limit AUD 15,000,000

Multiply quoted rates by 1.175

Great South Land Minerals



Insurance Manual

August 08

Contacts

Simon Race	T: +61 8 6461 7601	F: +61 8 6461 7699	E: simon.race@benfieldgroup.com
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Matt Gibbs	T: +61 8 6461 7605	F: +61 8 6461 7699	E: matthew.gibbs@benfieldgroup.com
Peter Trigwell	T: +61 8 6461 7607	F: +61 8 6461 7699	E: peter.trigwell@benfieldgroup.com
Paul Young	T: +61 8 6461 7604	F: +61 8 6461 7699	E: paul.young@benfieldgroup.com

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19 AUG 2008

BY:

Introduction & General Information

The purpose of this manual

This manual has been designed to provide a summary of the insurance arranged for you via Benfield Australia (Pty) Limited (Benfield Corporate Risk, BCR or Benfield). Please note that the information contained within this manual does not replace, alter or override the terms or conditions of your Insurance policies.

You should read carefully the terms and conditions of your Insurance policies, paying particular attention to the exclusions of cover. Should there be anything you do not understand or if you have any queries please contact Benfield Corporate Risk for an explanation.

Insured Information

- Name of Insured:
- Description of Business:
- Description of Products:
- Period of Insurance(s):

Should there be any material changes to your business and/or products you must advise Benfield Corporate Risk immediately as this may have the effect of removing or otherwise affect your cover. Examples of these changes are listed below; however this list is neither exhaustive nor finite. See note on Disclosure below:

- Acquisition of new companies, mergers or divestitures
- Changes to premises – occupancy change, purchase of new properties, alterations, extensions or demolition.
- Increase or decrease in values for Buildings, Plant and Stock
- Removal of stock or equipment to other locations
- Contractual liabilities
- Hire, lease or borrowing of any plant or equipment
- Substantial changes in processes, occupancy or business operations
- Changes to fire and/or burglary protection
- Installation of pressure plant or key machines
- Any new ventures

Benfield Corporate Risk Contact Information

Level 18, Exchange Plaza
2 The Esplanade
Perth, WA 6000

Phone Number (08) 6461 7670
Fax Number (08) 6461 7699

Simon Race

Email : simon.race@benfieldgroup.com
Direct Phone : (08) 6461 7601
Mobile : 0434 561 015

Stewart Henderson

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Direct Phone : (08) 6461 7603
Mobile : 0434 079 307

Matt Gibbs

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Direct Phone : (08) 6461 7605
Mobile : 0434 561 721

Peter Trigwell

Email : peter.trigwell@benfieldgroup.com
Direct Phone : (08) 6461 7607
Mobile : 0423 849 356

Paul Young

Email : paul.young@benfieldgroup.com
Direct Phone : (08) 6461 7604
Mobile : 0432 751 444

Important Information and Notices

▪ **CONFIDENTIALITY CLAUSE**

- Benfield and You each undertake to keep confidential all confidential information which one receives from the other and will not disclose it to any other party without the written consent of the other. "Confidential Information" means any information which is non-public, confidential or proprietary in nature relating to the other party and/or any of its Associates or customers, disclosed by or on behalf of one party (the "disclosing party") to the other party (the "receiving party"), whether before, after, or on the date of, these terms and conditions, excluding any part of such information which:
 - (a) is or becomes available in the public domain without breach of these terms and conditions
 - (b) was lawfully in the receiving party's possession free of any restriction as to its use or disclosure before the date of disclosure by or on behalf of the disclosing party;
 - (c) is received by the receiving party from any third party having the right to disclose such information;
 - (d) the disclosing party has given prior written approval to disclose, or
 - (e) is required to be disclosed in compliance with any law or a request by any governmental or regulatory authority; or
 - (f) you have authorised Benfield Corporate Risk to disclose to potential insurers; or
 - (g) which the professional advisers of the receiving party require in order to discharge their professional obligations to the receiving party.

▪ **UTMOST GOOD FAITH**

Every insurance policy is subject to the doctrine of utmost good faith, which requires that parties to the insurance policy should act toward each other honestly and fairly, avoiding any attempt to deceive in assuming and performing contractual obligations.

Failure to do so on the part of the Insured may permit the insurer to cancel the insurance policy from the start with the effect that you will have no cover, or to refuse to pay a claim or both.

▪ **YOUR DUTY OF DISCLOSURE**

A consequence of an insurance policy being a contract of the utmost good faith is that before you enter into a contract of insurance, as a proposed insured you have a duty to disclose to the Insurer every matter that you know, or could reasonably expect to know, which is relevant to the Insurer's decision whether to accept the risk of insurance and if so, on what terms. You also have the same duty of disclosure before you renew, extend, vary or reinstate an insurance policy or on the submission of a claim but you do not have to disclose anything:

- that diminishes the risk to be undertaken by the Insurer
- that is common knowledge
- that your Insurer knows or, in the ordinary course of business, ought to know
- as to which disclosure is waived by the Insurer

▪ **NON-DISCLOSURE**

If you fail to comply with your duty of disclosure, the Insurer may be entitled to cancel the insurance policy from the start or to reduce its liability under the policy in respect of a claim.

• **READ POLICY WORDINGS**

We will provide you with a full copy of your insurance policy as soon as it is received from the Insurer.

It is essential that you read this document without delay and advise Benfield Corporate Risk in writing of any aspects which are not clear or where the cover does not meet with your requirements.

• **CHANGE OF RISK OR CIRCUMSTANCES**

It is vital that you advise the insurer of any changes to your company's usual business. For example, insurers must be advised of any

- Mergers or acquisitions,
- Changes in occupation or location,
- New products or services, or
- New overseas activities

If you are in doubt as to whether to notify your insurer of a change in business operations, please consult Benfield Corporate Risk.

Please note that your duty to disclose applies also when you amend, alter, vary or endorse an insurance policy or when you make a claim.

- **SUBROGATION**

Some insurance policies contain provisions that either exclude or reduce the insurer's liability for a claim if you waive or limit your rights to recover damages from another party in relation to any loss.

You may prejudice your rights with regard to a claim if, without prior agreement from your insurer, you may make any agreement with a third party that will prevent the insurer from recovering the loss from that, or another party.

If you have or intend to have such agreements, we may be able to negotiate with the insurer to permit them and therefore we request that you advise Benfield Corporate Risk of their existence.

Examples of such agreements are the "hold harmless" clauses which are often found in leases, in maintenance or supply contracts from burglar alarm or fire protection installers and in repair contracts. If you are in doubt, please contact Benfield Corporate Risk.

- **UN-NAMED PARTIES**

Most insurance policy conditions will exclude indemnity to other parties (e.g. mortgagees, lessors, principals, etc) unless their interest is properly noted on the insurance policy.

If you require the interest of a party other than the named insured to be covered, you must specifically request this.

- **PRIVACY NOTICE**

Benfield Corporate Risk and the Australian insurers that Benfield Corporate Risk place your insurance with are bound by the requirements of the Privacy Act 1988 as amended by the Privacy (Private Sector) Act 2000 which sets standards on the collection, use, disclosure and handling of personal information.

Personal information is essentially information about individuals where the individual can be identified. It may include information such as your name, contact details, age, insurance history or financial debts. Sensitive information is a particular kind of personal information and includes information about an individual's health; racial or ethnic origins; membership of political, professional or trade associations; political opinions or philosophical or religious beliefs; criminal record; or sexual preferences.

Benfield Corporate Risk and your insurers disclose personal information to third parties both in Australia and overseas, where it is believed necessary for us to provide our services to the professional standard you expect. These parties may include (but are not limited to) insurers, reinsurers and other intermediaries. All parties may also disclose this information, as needed, to employers, health workers, investigators, lawyers, loss adjusters and to government departments if required by law to do so.

Where practical, information will be collected from individuals directly, however, sometimes it may be collected indirectly by way of a representative. When you give Benfield Corporate Risk or your insurer personal information about other individuals, we rely on you to have made them aware that you will or may provide their information to us, the purposes for which we use it, the types of third parties we disclose it to and how they can access it (as described in this notice). If it is sensitive information we rely on you to have obtained their consent to these matters. If you have not done these things, you must tell us before you provide the relevant information. If you do not tell us otherwise, we will assume that you have obtained consent.

Where required you can access the personal information you provided to Benfield Corporate Risk, and we can also facilitate you accessing the information supplied to your insurers through us by contacting:

Simon Race
Level 18, Exchange Plaza
2 The Esplanade
Perth, WA 6000

Phone Number (08) 6461 7670
Fax Number (08) 6461 7699
simon.race@benfieldgroup.com

• **CONTRACTUAL AGREEMENTS WITH INSURERS**

In some territories and only where local law permits, Benfield Corporate Risk may enter into agreements with insurers. Such agreements may have the effect of making Benfield Corporate Risk the agent of the insurer and provide for Benfield Corporate Risk to be paid some remuneration by the insurer. If such an agreement exists Benfield Corporate Risk will inform you in writing of the actual commission or rate to be earned by Benfield Corporate Risk upon the placement of your insurance policy with a prospective insurer. Your Benfield Corporate Risk broker will advise you in writing if it will be necessary or advisable to use the services of a wholesale broker to access a particular insurance market, and will advise you in writing whether the wholesale broker is affiliated with Benfield Corporate Risk, and the rate of any commissions, or fees to be earned by Benfield Corporate Risk if it uses the services of the wholesale broker. In some instances and some territories Benfield Corporate Risk is remunerated by a fee for the placement for your insurance policy.

Aside from these agreements, which are usually necessary to complete placements on your behalf, Benfield Corporate Risk and its affiliates have a significant number of contractual relationships with insurance companies of the following types, which, except as specifically identified to you, do not directly bear upon Benfield Corporate Risk compensation in its placement activities on your behalf.

Benfield Corporate Risk and its affiliates provide insurers and reinsurers with services including: insurance brokerage services for their outward reinsurances; claims management software; claims administration services; average adjusting; risk retention groups and pools; administration of affinity group insurance programs (including enrolment, billing, payment and customer service); managing general agency services, administration of internet based insurance placing facilities; mergers and acquisitions due diligence and risk management and modelling consulting services.

• **AVERAGE / CO-INSURANCE BUSINESS INTERRUPTION INSURANCE**

Some insurance policies contain an Average/Co-Insurance clause, which is fully set out in the "basis of cover" or "policy Specification" of the insurance policy. For the types of cover usually provided, the Average/Co-Insurance calculation is arrived at by applying the rate of gross profit; Revenue or rentals (as applicable) to the annual turnover, revenue or rentals (as applicable); these factors first being appropriately adjusted as provided for in the "trend of business" or "other circumstances" clause.

If you are in any doubt about the application of this clause to your insurance policy, please contact Benfield Corporate Risk for assistance.

• **AVERAGE / CO-INSURANCE (OTHER THAN BUSINESS INTERRUPTION INSURANCE)**

Some insurance policies contain an Average/Co-Insurance clause, which means that you must insure for the full value of the property insured. If you under insure, your claim may be reduced in proportion to the amount of the under insurance.

- The calculation of "full value" for the purposes and application of the Average/Co-Insurance clause varies from policy to policy. These variables must be taken into account when calculating the "full value" of your property and you are asked to check with your contact in Benfield Corporate Risk in order to review these if you are in any doubt. For example, you may need to establish with us:
- The date from which Average/Co-insurance would apply – is it the date of loss/damage, or the date of commencement of your current insurance policy?
- The type of cover – for example, if your insurance policy is arranged so that cover is on a "maximum loss" basis, then any Average/Co-Insurance clause will still relate to the full value of the property insured.
- The most critical factor in determining the full value of the property insured is the basis of valuation – is the property insured on the basis of "indemnity" or "Reinstatement / Replacement"?
- "Indemnity" means – placing the insured in the same financial position after the loss, as applied before the loss i.e. the Insured does not receive new for old.
- "Reinstatement / Replacement" means – replacing the property destroyed or restoring the damage in new materials without any deduction for depreciation

The basis of valuation applicable to your insurance policy is specified in documentation provided to you.

A simple example, illustrating the basic principle, application and effect of the Average/ Co-Insurance clause is as follows:

Full value at policy commencement date	\$1,000,000
Sum insured at policy commencement date	\$700,000
Insurer pays 70% of any insured loss	
Insured retains balance of 30% (\$700K ÷ \$1M)	
EXAMPLE	
Amount of claim, say	\$100,000
Amount payable by insurers as a result of the application of Average/Co-Insurance	\$70,000
Amount payable by Insured	\$30,000

- **CLAIMS MADE DURING THE PERIOD OF INSURANCE**

Some insurance policies provide cover on a "claims made" basis. This means that claims first made against you AND reported to the insurer during the period of insurance are covered irrespective of when the act causing the claim occurred, subject to the provisions of any clause/s relating to a "retroactive date" (see Notice below title "Retrospective Cover").

Please note the effect of Section 40 (3) of the Insurance Contracts Act 1984. If you become aware of facts that may give rise to a claim, and you give written notice to the insurer of those facts as soon as possible (and before the policy period expires) then the insurer may not be able to deny liability for that claim, when made, solely because it was made after the expiry of the policy period.

For this reason, you must advise the insurer in writing of all incidents that may give rise to a claim against you without delay after such incidents come to your attention and prior to the insurance policy's expiry date.

- **RETROSPECTIVE COVER**

Some insurance policies do not provide cover in respect of claims arising out of acts committed prior to any "retroactive date" specified in the policy wording unless you specifically request and obtain this cover. An additional premium may apply to any extension to the retroactive date.

- **PLACEMENTS WITH DIRECT OFFSHORE FOREIGN INSURERS**

Some insurance policies may be placed with (or partly with) a direct offshore foreign insurer that is not authorised under the Insurance Act 1973 to conduct insurance business in Australia. Such insurers are not subject to the provisions of the Act, which establishes a system of financial supervision of general insurers in Australia.

It is a matter for your consideration whether you should ask us for further information on matters including

- The name and postal address of the insurer;
- The country of incorporation of the insurer and whether that country has a scheme of financial supervision of insurers;
- The paid up capital of the insurer;
- Which country's laws will determine disputes under the insurance policy

- **EVENTS OCCURRING PRIOR TO COMMENCEMENT**

Some insurance policies provide cover on an "occurrence" basis. Your attention is drawn to the fact that such insurance policies do not provide indemnity in respect of events that occurred prior to commencement of the insurance policy.

- **NOT A RENEWABLE CONTRACT**

Insurance policies terminate on the date indicated. If you require similar insurance for any subsequent period, unless we advise you otherwise, you will need to complete a new proposal so that terms of insurance and quotation/s can be prepared for your consideration prior to the termination of the current insurance policy.

- **PLACEMENT WITH MULTIPLE INSURERS**

Where there is more than one insurer on a risk, the obligations of those insurers under the insurance policy to which they subscribe are several and not joint and are limited solely to the extent of their individual subscription. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligation.

Information which may be required from you

When calculating premiums and to ensure that adequate cover is given, certain information will be requested. The information required will depend on the insurance policy type. Please find following a summary of the information that may be requested. This is in addition to your obligation to disclose all relevant information as a result of the duty of good faith:

Industrial Special Risks

Declaration of Assets
Declaration of Gross Profit
Declaration of Payroll

Workers Compensation

At renewal, a declaration must be completed detailing the Occupation Classifications and gross earning during the previous year of insurance. An estimate of the prospective earning for the forthcoming year will also be required.

Motor Vehicle

At renewal, a declaration of vehicles insured will be required.

Public and/or Products Liability

At renewal, a declaration of actual turnover for the previous year will be required. An estimate of the prospective turnover for the forthcoming year will also be required.

Marine Transit

At renewal, a declaration of all shipments for the previous year will be required. An estimate of the prospective shipments for the forthcoming year will also be required.

Travel

At renewal, an estimate of the journeys and destinations in the forthcoming year will be required. These estimates are to include local, interstate and overseas journeys and the anticipated destinations.

Fidelity Guarantee

At renewal, a declaration of the financial systems and procedures and a statement of employees by job classification will be required. A declaration of actual wages paid for the previous year will also be required.

Claims Procedures

Claims Procedures

In the event of an incident which may give rise to a claim under your insurance policy, it is imperative that notification be made to Benfield Corporate Risk as quickly as possible. Throughout the process, you should follow the basic principle of acting as though uninsured. Particular care should be taken to avoid admission of liability either verbally or in writing until such time as the insurer agrees. Claims recovery may be compromised otherwise.

If an event occurred which might result in a claim under the insurance policy, the following are the main stages in the claims procedure:

1. Event Occurs
2. You report the incident to Benfield Corporate Risk (BCR)
3. Benfield Corporate Risk advises the leading insurers and agrees the appointment of a Loss Adjuster
4. The Loss Adjuster makes contact (via Benfield Corporate Risk) with appropriate personnel at your office to initiate investigation
5. Usually, the Loss Adjuster arranges to visit the site of the incident to investigate
6. The Loss Adjuster discusses immediate remedial measures with you
7. The Loss Adjuster makes a preliminary report to insurers (usually via Benfield Corporate Risk). This will usually include an estimate of the size of the potential claim
8. Repairs/remediation takes place during which the Loss Adjuster will monitor and report to insurers
9. If completion of repair is lengthy, interim payments to you, by insurers may be arranged by Benfield Corporate Risk (with agreement of insurers)
10. Final settlement takes place following completion of remediation and review of costings by the Loss Adjuster and agreement of insurers.

Summary of Covers

Control of Well

Assured GREAT SOUTH LAND MINERALS LIMITED

Address Level 3, 65 Murray Street, Hobart, Tasmania 7000

Period 12 Months from 4pm from 28th July 2008.

Interest Cost of Well and Extra Expense

Sum Insured/Limit

Cost of Control:	AUD 10,000,000 (100%) Any one occurrence	
Care, Custody and Control	AUD 1,000,000 (100%) Any one occurrence	

Conditions

PFB 7-97 Cost of Control & Extra Expense Form including: Cost of Control; Seepage & Pollution; Clean-up & Containment; Replacement Cost Redrill; Underground Control of Well; Contingent Joint Venture; Evacuation Expenses; Deliberate Well Igniting; Care, Custody and Control /Removal of Debris; Making Wells Safe; Expediting Expense Endorsement; Extended Redrill and Restoration Cost Endorsement.

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Premium Payable within 60 days of inception.

All New Drilling Wells (other than those declared at inception) are to be reported to and agreed by Underwriters prior to spud. Terms and conditions for such wells are to be specifically agreed by Underwriters prior to coverage attaching hereunder. This requirement is not to apply to wells where the Insured working interest is 25% or less.

Annual Adjustment.

Retention

Cost of Control	AUD 150,000 (100%) any one occurrence, Combined Single Retention in respect of all drilling wells up to 10,000 feet in depth.	
	AUD 200,000 (100%) any one occurrence, Combined Single Retention in respect of all drilling wells deeper than 10,000 feet.	
	AUD 50,000 (100%) any one occurrence, Combined Single Retention in respect of all other wells.	
Care, Custody & Control Removal of Debris	AUD 50,000 (100%) any one occurrence.	

Information :
(N.L.O.W)

	Estimated Gross Footage	Estimated Net Footage
Drilling	36,911	36,911
Workover		
Producing / Suspended		
TOTAL	36,911	36,911

Insurer Oilfields Insurance Agencies Ltd

Capacity 100%

Public & Products Liability

Type	Third Party Liability.
Insured	Great South Land Minerals Limited and/or their parent and/or associated and/or affiliated and/or subsidiary companies and/or any other Joint Venture Partners as may be declared, including directors, officers or employees, or to be agreed by the Underwriter.
Additional Insured	Mr Lucas Jacometti – Project Management Consultant
Period	From 25 July 2008 to 25 July 2009, both days at 16.00 hours local Standard Time
Interest	Insured's Third Party legal liabilities arising out of or incidental to or in connection with the principally energy contracting and/or exploration, or hard rock mineral contracting and/or exploration operations of the Insured.
Limit (100%)	AUD 10,000,000 any one occurrence and in the annual aggregate in respect of Products Liability.
Deductible (100%)	AUD 20,000 any one occurrence AUD 50,000 any one occurrence in respect of drilling wells, costs and indemnity combined AUD 50,000 any one occurrence in respect of "worker to worker"
Situation	Onshore Australia
Conditions	<p>Subject to LSW 244/5 with exclusion 13(c) amended to 168 hour discovery period and 13 (d) amended to 40 days</p> <p>LSW 244 exclusion 15 to be deleted in its entirety and reinstated as follows: " 15. directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority. "</p> <p>LSW 244 exclusion 16 to be deleted in its entirety Defence Costs inclusive. Clause 16 Payment of Premium - deleted.</p> <p>Including Endorsement containing Energy Exclusions LSW 245 with exclusions 4a deleted, but following a fortuity only and excluding seepage and pollution absolutely, excess of Section 1 or the Each Accident Retention, whichever the greater.</p> <p>Extended Claims Made Period: 7 years.</p> <p>Retroactive date: Inception</p> <p>Proposal Form LSW 248 waived.</p> <p>Excluding Employers Liability.</p> <p>Excluding Automobile Liability.</p> <p>Excluding Aviation Liability.</p>
General Conditions	<p>Service of Suit (Australia) NMA 1854.</p> <p>Excluding onshore terrorism absolutely, as per Terrorism Exclusion Endorsement NMA 2952, except as required by law.</p>

Several Liability	<u>Several Liability Notice LSW 1001</u> The subscribing Insurers obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing Insurers are not responsible for the subscription of any co-subscribing Insurer who for any reason does not satisfy all or part of its obligations.
Choice of Law & Jurisdiction	Insurance contract subject to the law of Australia and subject to jurisdiction of Australia.
Premium	AUD 25,000 plus statutory charges
Payment Terms	Payable 60 days from inception.
Insurer	Zurich Australian Insurance Limited
Capacity	100%

21 AUG 2008

Schedule Attaching to Policy Number T3A

BY:.....

INSURED: Great South Land Minerals Limited and/or their parent and/or associated and/or affiliated and/or subsidiary companies and/or any other Joint Venture Partners as may be declared, including directors, officers or employees, or to be agreed by the Underwriter.

ADDRESS: Level 3, 65 Murray Street, Hobart, Tasmania, 7000

INTEREST: Insured's Third Party Legal Liabilities arising out of or incidental to or in connection with the petroleum exploration and production activities of the Insured.

SITUATION: Worldwide excluding USA and Canada

PERIOD: From 25th July 2008 to 25th July 2009, both days at 16.00 hours local Standard Time.

INSURER: Zurich Australian Insurance Ltd

LIMIT (100%): AUD 10,000,000 any one claim and in the annual aggregate in respect of Products Liability.

DEDUCTIBLE (100%): AUD 20,000 any one occurrence
AUD 50,000 any one occurrence in respect of drilling wells, costs and indemnity combined
AUD 50,000 any one occurrence in respect of "worker to worker"

CHOICE OF LAW AND JURISDICTION: Insurance contract subject to the law of Australia and subject to jurisdiction of Australia.

PREMIUM: AUD 25,000 plus Statutory Charges.



EXCESS LIABILITY CLAIMS MADE POLICY - LSW 244

This is an excess liability claims made policy which is not subject to the terms and conditions of any other insurance.
It should be read carefully by the Insured.

I. INSURING AGREEMENTS

1. COVERAGE

In consideration of the payment of the premium set out in Item 9 of the Declarations and in reliance upon the statements in the proposal referred to in Item 11 of the Declarations and any supplementary information pertaining thereto, Underwriters agree subject to the insuring agreements, conditions, exclusions, definitions and declarations contained in this policy, to indemnify the Insured in respect of their operations anywhere in the world, for Ultimate Net Loss by reason of the liability imposed upon the Insured by law or assumed under an indemnification contract, for damages in respect of a claim for Bodily Injury and/or Personal Injury and/or Property Damage and/or Advertising Injury which the Insured neither intended nor expected nor reasonably should have expected, resulting from an accident which first commences on an identifiable specific date on or after the retroactive date set out in Item 6 of the declarations PROVIDED

- (a) such claim made is first received by the Insured during the policy period set out in Item 5 of the declarations, OR
- (b) the Insured gives written notification of such accident which notification is received by Underwriters within 90 days of such accident and the date of such receipt is during the policy period set out in Item 5 of the declarations, OR
- (c) the Insured gives written notification of the discovery of his involvement in such accident which consists of unintended fire or explosion; lightning; impact of aircraft, automobile, railroad locomotive or rolling stock; impact, capsizing or sinking of watercraft; but only if the notification is received by Underwriters within 90 days of such discovery and the date of such receipt is during the policy period set out in Item 5 of the declarations, OR
- (d) the Insured gives written notification of the discovery of such Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury to a named individual person or named individual entity arising out of such accident; but only if the notification is received by Underwriters within 90 days of such discovery and the date of such receipt is during the policy period set out in Item 5 of the declarations.

With respect to a) above, for the purpose of applying the underlying amount or the each accident retention, Underwriters will treat such Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury included in each claim as resulting from a separate accident.

With respect to b) and c) above, Underwriters will only provide indemnity for any claims relating to such notification which claims are first received by the Insured during a period of 7 years from the date such notification is received by Underwriters; in which case, for the purpose of applying the underlying amount or the each accident retention, Underwriters will treat all such Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury as resulting from one accident; further such accident will be treated as arising on the date such notification was received by Underwriters or the expiry date of this policy, whichever is the earlier.

With respect to d) above, Underwriters will only provide indemnity for any claims relating to such notification which claims are first received by the Insured during a period of 7 years from the date such notification is received by Underwriters; in which case, for the purpose of applying the underlying amount or the each accident retention, Underwriters will treat such Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury suffered by each named individual person or each such named individual entity as resulting from a separate accident; further such accident will be treated as arising on the date such notification was received by Underwriters or the expiry date of this policy, whichever is the earlier.

Where the accident under b) above or the discovery under c) and d) above takes place within the last 90 days of the period set out in Item 5 of the declarations, such period shall be extended for up to 90 days solely so as to treat any notification received by Underwriters within such extension of 90 days as if it had been received on the expiry date of the policy period set out in Item 5 of the declarations.



In no event shall the liability of Underwriters exceed the relevant limits of liability set out in Item 4 of the declarations; such limits of liability shall apply to the period of this policy set out in Item 5 of the declarations combined with the 7 year periods set out above.

2. UNDERLYING AMOUNT/EACH ACCIDENT RETENTION

Only that part of any payment constituting Ultimate Net Loss shall deplete the underlying amount set out in Item 2 of the declarations or the each accident retention set out in Item 3 of the declarations. Regardless of the number of claims made against the Insured, where the underlying amount is in respect of each accident, the Insured shall always be liable for either the underlying amount or the each accident retention, whichever is the greater, in respect of each and every accident.

Regardless of the number of claims made against the Insured, where the underlying amount is in the aggregate, the Insured shall always be liable for the remaining underlying amount or the each accident retention, whichever is the greater, in respect of each and every accident.

The each accident retention shall be subject to no aggregate limitation regardless of the number of accidents or Claims made against the Insured.

The Insured shall have the right to insure all or part of the underlying amount(s) and/or the each accident retention, but Underwriters shall not be subject to the terms and conditions of such insurance.

3. LIMITS OF LIABILITY

Underwriters shall only be liable for Ultimate Net Loss in excess of the underlying amount set out in Item 2 of the declarations or the each accident retention set out in Item 3 of the declarations, whichever is the greater.

Regardless of the number of accidents or claims made against the Insured, Underwriters' total limits of liability shall not exceed the amount of Ultimate Net Loss set out in Item 4 of the declarations. Such limits include defence expenses.

4. JOINT VENTURES

As regards any liability of the Insured which is insured under this policy and arises in any manner whatsoever out of the operations or existence of any joint venture, co-venture, joint lease, joint operating agreement or partnership (hereinafter called the "Joint Venture") in which the Insured has an interest:-

- (a) the underlying amount,
- (b) the each accident retention, and
- (c) the limits of liability of Underwriters under this policy shall be limited to the product of (i) the percentage interest of the Insured in the said Joint Venture or such percentage as takes account of any acceptance by Underwriters as set out in Definition 12f) hereof, and (ii) the underlying amount, the each accident retention, and the limits of liability afforded the Insured by this policy, respectively. Where the percentage interest of the Insured in said Joint Venture is not set forth in writing, the percentage to be applied shall be that which would be imposed by law at the inception of the Joint Venture. Such percentage shall not be increased by the insolvency of any members of the said Joint Venture or any other parties. This Joint Venture clause shall not apply to any liability of the Insured where, as a result of the circumstances of an Accident, the terms of the Joint Venture agreement place the whole liability of the Joint Venture on the Insured.

Nothing contained in this policy shall make this policy subject to the terms and conditions of any other insurance.

II. CONDITIONS

This policy is subject to the following conditions:-



1. INSOLVENCY

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the Insured and/or any insurer and/or any Underwriter shall not operate to:-

- (a) deplete the underlying amount(s) set out in Item 2 of the declarations;
- (b) deplete the each accident retention set out in Item 3 of the declarations;
- (c) increase Underwriter's liability under this policy;
- (d) increase any Underwriter's share of liability under this policy.

In no event shall any Underwriter of this policy assume the responsibilities and/or obligations of the Insured and/or any insurer and/or any Underwriter.

2. OTHER INSURANCE

Where the Insured is, irrespective of this policy, entitled to be indemnified in whole or in part by any other insurance in respect of any damages which would otherwise have been indemnifiable in whole or in part by the Underwriters of this policy, there shall be no contribution or participation by the Underwriters of this policy on the basis of any deficiency, concurrent or double insurance for such damages or that part of such damages for which the Insured is entitled to be indemnified by such other insurance. This condition will apply whether or not the Insured is actually indemnified by such other insurance.

3. NOTICE OF CLAIM

Prompt notice must be given to Underwriters whenever the Insured has information that a claim, alone or in combination with any other claims, may deplete by 50% or more the underlying amount or each accident retention, whichever is the greater.

For the purpose of this Condition 3 the Insured will notify Underwriters on the basis that the Insured is liable and further is liable for any amount claimed.

4. PREVENTION OF FURTHER CLAIMS

As soon as the Insured becomes aware of an accident or receives a claim, the Insured shall promptly, and at its own expense, take all reasonable steps to prevent further Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury resulting from the same accident or conditions which may give rise to a similar accident.

5. ATTACHMENT OF LIABILITY

Liability to pay under this policy shall not attach unless and until the Insured has, with Underwriters' prior written consent, paid an amount of Ultimate Net Loss which exceeds the underlying amount set out in Item 2 of the declarations or the each accident retention set out in Item 3 of the declarations, whichever is the greater.

6. DEFENCE

Underwriters shall not be called upon to assume the handling or control of the defence or settlement of any claim made against the Insured but Underwriters shall have the right, but not the duty, to participate with the Insured in the defence or settlement of any claim which may be indemnifiable in whole or in part by this policy.

Underwriters will pay any defence expenses incurred after exhaustion of the underlying amount or each accident retention, whichever is the greater, provided the prior written consent of Underwriters is obtained before those defence expenses are incurred and subject to Underwriters' limits of liability set out in Item 4 of the declarations.



7. APPEALS

In the event the Insured elects not to appeal, a judgment which may, in whole or in part, involve indemnity under this policy, Underwriters may, following discussion with the Insured, elect to make such appeal at their own cost and expense and shall be liable for the taxable costs and disbursements and any additional interest incidental to such appeal; but in no event shall the liability of Underwriters exceed the relevant limits of liability set out in Item 4 of the declarations plus such cost, expense, costs, disbursements and interest.

8. APPORTIONMENT OF DEFENCE EXPENSES

Whenever any written demand received by the Insured for damages is finally resolved by a payment by the Insured which, regardless of the amount thereof, is only covered in part by this policy, then the percentage of any defence expenses that can be included in the Ultimate Net Loss shall be calculated by dividing that part of such payment which is covered by this policy, by the total amount paid by the Insured.

9. LOSS PAYABLE

Any amount for which Underwriters are liable under this policy shall be due and payable solely to the Insured's agent set out in Item 13 of the declarations within 30 days after it is agreed by Underwriters.

10. SUBROGATION

Where an amount is paid by Underwriters under this policy, the Insured's rights of recovery against any other person or entity in respect of such amount shall be exclusively subrogated to Underwriters. At Underwriters' request the Insured will assist, co-operate and lend its name to the exercise of Underwriters' rights of subrogation. The Insured is hereby authorised to waive any rights of recovery in relation to any other party, provided such waiver is given in writing prior to the relevant accident.

11. APPLICATION OF RECOVERIES

All recoveries or payments recovered or received subsequent to a payment by Underwriters under this policy, after deduction of all recovery expenses, shall be applied as if recovered or received prior to such payment and all necessary adjustments shall then be made between the Insured and Underwriters.

12. WAIVER OR CHANGE

Notice to or knowledge possessed by any person shall not effect a waiver or change in any part of this policy or stop Underwriters from asserting any right under this policy; nor shall any part of this policy be waived or changed, except by endorsement issued to form a part hereof, signed by Underwriters.

13. ASSIGNMENT

Assignment of interest under this policy shall not bind Underwriters unless and until their written agreement thereto is secured.

14. CANCELLATION

Cancellation of this policy may be effected either:-

- (a) by the first named Insured set out in Item 1 of the declarations, on behalf of the Insured, or
- (b) by Underwriters or their representatives,

sending by certified or registered mail, notice to the other party in a) or b) above stating when, not less than 30 days thereafter, cancellation shall be effective. The mailing of notice as aforesaid by Underwriters or their representatives to the first named Insured at the address shown in Item 1 of the declarations shall be sufficient proof of notice and the coverage



under this policy with respect to all Insureds shall end on the effective date and hour of cancellation stated in the notice. Delivery of such written notice either by the first named Insured or by Underwriters or Underwriters' representatives shall be equivalent to sending by certified or registered mail.

If this policy shall be cancelled by the first named Insured, Underwriters shall retain the short rate proportion of the premium for the period this policy has been in force calculated in accordance with the attached Short Rate Cancellation Table. If this policy shall be cancelled by Underwriters, they shall retain the pro rata proportion of the premium for the period this policy has been in force.

Notice of cancellation by Underwriters shall be effective whether or not Underwriters have returned or tendered the return of any premium with such notice.

15. EXTENDED CLAIMS MADE PERIOD

(a) If Underwriters decline to renew or cancel this policy for reasons other than the Insured's non-payment of premium or non-compliance with the terms and conditions of this policy, or

(b) if the first named Insured declines to renew this policy, or

(c) if Underwriters require the specific exclusion of an accident, product or operations on renewal of this policy

then the first named Insured, upon payment of an additional premium calculated at the percentage set out in Item 7 of the declarations of the premium set out in Item 9 of the declarations, shall have the right to extend the period in which a claim made against the Insured after the policy period set out in Item 5 of the declarations, is treated by Underwriters as made on the expiry date set out in Item 5 of the declarations:-

(i) in respect of a) or b) above: for a period of 3 years,

(ii) in respect of c) above: for a period of 7 years in respect of the excluded Accident, product or operations,

PROVIDED ALWAYS that such claim results from an accident which first commences prior to or on the expiry date set out in Item 5 of the declarations.

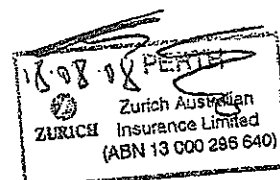
This right of extension must be exercised by the first named Insured giving written notice which must be received by Underwriters within 30 days after the date the refusal to renew, cancellation or exclusion referred to above takes effect and paying the additional premium to the person or entity set out in Item 10 of the declarations within 45 days after such notice has been received by Underwriters. If the notice is not received by Underwriters within such 30 days the Insured shall not, at a later date, be able to give such notice. If the first named Insured fails to pay the additional premium to the person or entity set out in Item 10 of the declarations within 45 days after such notice has been received by Underwriters, all Insureds' rights under the extended claims made period shall be rendered null and void and Underwriters shall be relieved of all liability under the extended claims made period.

In no event shall the liability of Underwriters exceed the relevant limits of liability set out in Item 4 of the declarations; such limits of liability shall apply to the period of this Policy set out in Item 5 of the declarations combined with the extended claims made period set out above.

If the first named Insured extends the claims made period in accordance with the above, Underwriters shall not be able to cancel the extension; nor shall the Insured be entitled to any return of all or any part of the additional premium paid in the event that the Insured should cancel the extension.

16. CURRENCY AND PAYMENT OF PREMIUMS

Premiums and indemnity payments due under this policy are payable in the currencies set out in Item 8 of the declarations. Payment of premiums shall be made by the first named Insured set out in Item 1 of the declarations to the person or entity set out in Item 10 of the declarations. If the first named Insured fails to pay the premium due to the person or entity set out in Item 10 of the declarations, within 45 days after the date(s) set out in Item 9 of the declarations, this policy shall be rendered



null and void from inception and Underwriters be relieved of all liability under this policy. This clause shall take effect whether or not Underwriters have returned or tendered the return of any premium already received.

17. SERVICE OF SUIT

If and as attached to this policy.

18. INSPECTION AND INVESTIGATION

Underwriters shall be permitted but not obligated to inspect the Insured's property and operations at any reasonable time. Neither Underwriters' right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are adequate or safe.

In addition to the notice requirements in this policy, on request by Underwriters, the Insured will provide full details of all accidents or claims which could deplete the underlying amount, deplete the each accident retention or ultimately give rise to indemnity under this policy.

The Insured will co-operate fully with Underwriters should Underwriters decide to investigate any such accident or claim or any other accident or claim notified to Underwriters in accordance with other sections of this policy. Underwriters may examine and audit the Insured's books and records at any time during normal working hours, as far as they relate to the subject matter of this policy.

19. CROSS LIABILITY

In the event of claims being made by reason of Bodily Injury suffered by any employee of one Insured which does not arise out of the injured employee's employment, for which another Insured is liable, then this policy shall cover the Insured against whom such claim is made in the same manner as if separate policies had been issued to each Insured.

Nothing contained in this Condition 19 shall operate to increase Underwriters' limits of liability set out in Item 4 of the declarations.

III. EXCLUSIONS

This policy does not apply to any actual or alleged liability:-

1. arising out of an accident, claim, potential claim, circumstance or loss discovered in respect of which the Insured either has given notice to the insurers of any other insurance before the inception date set out in Item 5 of the declarations or where such notice is treated by any insurers as received by such insurers before the inception date set out in Item 5 of the declarations;
2. arising out of an event which commences prior to the retroactive date set out in Item 6 of the declarations;
3. arising out of a breach of contract;
4. (a) arising out of Occupational Disease;
(b) arising under any workers' compensation, unemployment compensation or disability laws, statutes, or regulations;
(c) for Employers Liability where the claim is made or the injury took place in any state(s) where the Insured is a non-participant or non-subscriber to regular programmes established by that state's workers' compensation, unemployment compensation or disability laws, statutes, or regulations; provided however, that this exclusion does not apply to liability of a third party assumed by the Insured under an indemnification contract;
(d) which any Insured may have to its own employee arising out of the actions or omissions of another of its own employees;



5. arising out of any act, error or omission of the Insured, or any other person or entity for whose acts, errors or omissions the Insured is legally liable in respect of the Insured's Employee Benefits including, without limitation, liability under the Employment Retirement Income Security Act of 1974, as amended;

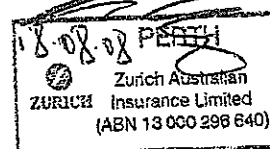
As used in this exclusion, the term "Employee Benefits" includes, without limitation, Group Life Insurance, Group Accident or Health Insurance, Profit-Sharing Plans, Pension Plans, Employee Stock Subscription Plans, Workers' Compensation, Unemployment Insurance, Social Security and Disability Benefits Insurance.

6. for discrimination or humiliation;
7. for Property Damage to property
- (a) owned, leased, rented or occupied by the Insured;
 - (b) in the care, custody or control of the Insured;
8. for Property Damage to the Insured's products arising out of such products or any part of such products;
9. for Property Damage to property worked on by or on behalf of the Insured arising out of such work or any portion thereof, or out of material, parts or equipment furnished in connection therewith;
10. for the withdrawal, recall, return, inspection, repair, replacement, or loss of use of the Insured's products or work completed by or for the Insured or of any property of which such products or work form a part;
11. for fines, penalties, punitive damages, exemplary damages, or any additional damages resulting from the multiplication of compensatory damages;
12. for Advertising Injury arising out of:-
- (a) failure to perform under any contract;
 - (b) infringement of trademark, patent, service mark or trade name, other than copyright, titles or slogans;
 - (c) incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;
 - (d) unfair competition;
13. for Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury directly or indirectly caused by or arising out of seepage, pollution or contamination however caused whenever or wherever happening;

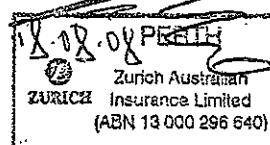
This exclusion shall not apply where all of the following conditions are shown by the Insured to have been met:-

- (a) the seepage, pollution or contamination was caused by an event and
- (b) the event first commenced on an identified specific date during the period set out in Item 5 of the declarations and
- (c) the event was first discovered by the Insured within 72 hours of such first commencement and
- (d) written notification of the event was first received from the Insured by Underwriters within 90 days of the Insured's first discovery of the event and
- (e) the event did not result from the Insured's intentional violation of any statute, rule, ordinance or regulation.

Even if the above conditions a) to e) are satisfied, this policy does not apply to any actual or alleged liability:-



- (i) to evaluate, monitor, control, remove, nullify and/or clean-up seeping, polluting or contaminating substances to the extent such liability arises solely from any obligations imposed by any statute, rule, ordinance, regulation or imposed by contract;
 - (ii) to abate or investigate any threat of seepage onto or pollution or contamination of the property of a third party;
 - (iii) for seepage, pollution or contamination of property which is or was, at any time, owned, leased, rented or occupied by any Insured, or which is or was, at any time, in the care, custody or control of any Insured (including the soil, minerals, water or any other substance on, in or under such owned, leased, rented or occupied property or property in such care, custody or control);
 - (iv) in respect of any seepage, pollution or contamination which is directly caused by or arises out of the drilling of, production from, servicing of, operation of, ownership of or participation in wells or holes;
14. arising out of the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances, or arising out of such waste materials during transportation;
15. directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts or foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority, except in respect of accidents taking place in the United States of America, its territories, possessions, or Canada;
16. not excluded by 15. above, as a result of the use of the Insured's products insofar as they are used in connection with war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or deliberate destruction of or deliberate damage to property;
17. arising out of Aviation products;
- 18 (a) arising out of ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (b) arising out of the radioactive toxic explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (c) arising out of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
19. (a) arising out of an Insured's capacity, duty or responsibility as an officer, director or trustee of a corporation by reason of any breach of fiduciary duty or improper conduct or conflict of interest in the performance of an Insured's duties, responsibilities or accountability as an officer, director or trustee, including without limitation, any actual or alleged misstatement, misleading statement, gain of personal profit or advantage to which the Insured was or is not entitled legally, any dishonest act, or bad faith conduct, in the Insured's capacity as an officer, director or trustee, or with respect to the capital, assets or securities of the corporation, or any action taken beyond the scope of the Insured's authority as an officer, director or trustee;
- (b) arising out of any violation of any federal or state law regulating, controlling or governing stock bonds or securities of any type or nature, including without limitation, liability under The Securities Act of 1933, The Securities Exchange Act of 1934, The Trust Indenture Act of 1939, The Public Utility Holding Company Act of 1935, The Investment Company Act of 1940, The Investment Advisers Act of 1940, and the so called "Blue Sky" laws of the various states or other jurisdiction;
- (c) of any officer, director or trustee arising out of a shareholder's derivative action;



- (d) which would be payable under the terms of a Directors and Officers Liability Insurance Policy or a Directors and Company Reimbursement Indemnity Policy of the type issued by insurance companies in the United States of America, as if any Insured had obtained such coverage in an amount sufficient to pay the full amount being claimed against any Insured and any defence thereof, whether or not any Insured has obtained such coverage;
20. (a) arising out of any violation of any federal or state law regulating, controlling or governing antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices or conspiracies in trade and commerce including, without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act, the Hart-Scott-Rodino Antitrust Improvements Act and the Racketeer Influenced And Corrupt Organisation Act;
- (b) arising out of any claim made by or on behalf of the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the Resolution Trust Company, any other depository insurance corporation, the Comptroller of the Currency, the Federal Home Loan Bank board or any other federal or state bank regulatory agency, in its capacity as regulator, receiver, conservator, liquidator, shareholder, successor in interest or assignee of the Insured, whether such claim is brought in the name of such agency or by or on behalf of such agency in the name of any other person;
- (c) arising out of or contributed to by the dishonesty, infidelity or fraud of any Insured;
21. for any act, negligence, error or omission, malpractice or mistake arising out of professional services, committed or alleged to have been committed by or on behalf of the Insured in the conduct of any of the Insured's business activities. "professional services" in this exclusion means the providing of or approval of opinions, advice, audits, reports, surveys, maps, plans, designs or specifications and supervisory, inspection, legal, medical, accounting, actuarial, architectural, insurance, investment or data processing services;
22. for Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury directly or indirectly caused by or arising out of: asbestos; tobacco; coal dust; polychlorinated biphenyls; silica; benzene; lead; talc; dioxin; pesticides or herbicides; electromagnetic fields; pharmaceutical or medical drugs/products/substances/devices; or any substance containing such material or any derivative thereof;
23. for Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury in the nature of:- hearing loss or damage; human immune virus or acquired immune deficiency syndrome; cumulative trauma disorder, repetitive motion or strain injury, carpal tunnel syndrome;
24. for the Insured's failure to supply or from fluctuations in supply of any oil, gas, electricity, chemicals, products, materials or services.

Nothing contained in the above exclusions shall extend this policy to cover any liability which would not have been covered had these exclusions not been incorporated herein.

IV. DEFINITIONS

This policy is subject to the following definitions:-

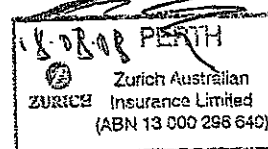
1. ACCIDENT

The word "accident", wherever used in this policy, shall mean an event which first commences on an identifiable specific date on or after the retroactive date set out in Item 6 of the declarations.

2. ADVERTISING INJURY

The words "advertising injury", wherever used in this policy, shall mean injury to a third party arising out of the Insured's advertising activities, but only if such injury arises out of:-

- (a) libel, slander or defamation,



(b) any infringement of copyright, titles or slogans,

(c) any invasion of right of privacy.

3. AIRCRAFT LIABILITY

The words "aircraft liability", wherever used in this policy, shall mean liability arising out of the maintenance, operation or use of any aeroplane, aircraft or helicopter which is designed to fly in the air, atmosphere or space.

4. AUTOMOBILE

The word "automobile", wherever used in this policy, shall mean a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; but the word "automobile", shall not include the contents of any such vehicle, trailer or semi-trailer.

5. AUTOMOBILE LIABILITY

The words "automobile liability", wherever used in this policy, shall mean liability arising out of the maintenance, operation or use of any automobile.

6. AVIATION PRODUCTS

The words "aviation products", wherever used in this policy, shall mean any of the Insured's products consisting of or being a part of an aircraft, aeroplane, helicopter, rocket, missile, satellite or other craft designed to fly in the air, atmosphere or space. Aviation products shall not include aviation fuel or lubricants.

7. BODILY INJURY

The words "Bodily Injury", wherever used in this policy, shall mean all physical injury to a third party human being including death, sickness, disease or disability and all mental injury, anguish or shock to such human being resulting from such physical injury, and all mental injury, anguish or shock suffered by any relative of such human being resulting from such physical injury.

8. CLAIM

The word "claim", wherever used in this policy, shall mean that part of each written demand received by the Insured for damages covered by this policy, including the service of suit or institution of arbitration proceedings.

9. COMPLETED OPERATIONS LIABILITY

The words "completed operations liability", wherever used in this policy, shall mean liability for Bodily Injury and/or Property Damage arising out of the Insured's operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the Bodily Injury and/or Property Damage happens after such operations have been completed or abandoned and happens away from premises owned, rented, leased or occupied by the Insured.

"Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:-

- (a) when all operations to be performed by or on behalf of the Insured under the contract have been completed, or
- (b) when all operations to be performed by or on behalf of the Insured at the site of the operations have been completed, or
- (c) when that portion of the work out of which the Bodily Injury and/or Property Damage arises has been put to its intended use by any person or organisation other than another contractor or sub-contractor engaged in performing operations for a principal as a part of the same project.



Operations which require service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise completed, shall be deemed completed.

Completed Operations Liability does not include liability for Bodily Injury and/or Property Damage arising out of:-

- (a) operations in connection with the transportation of property, unless the Bodily Injury and/or Property Damage arises out of a condition in or on an automobile created by the loading or unloading thereof,
- (b) the existence of tools, uninstalled equipment or abandoned or unused materials.

10. DEFENCE EXPENSES

The words "defence expenses", wherever used in this policy, shall mean investigation, adjustment, appraisal, defence and appeal costs and expenses and pre and post judgment interest, paid or incurred by or on behalf of the Insured.

The salaries, expenses or administrative costs of the Insured or its employees or any insurer shall not be included within the meaning of defence expenses.

11. EMPLOYERS' LIABILITY

The words "employers' liability", wherever used in this policy, shall mean any liability of an Insured to its employee arising out of the employment of that employee.

12. INSURED

Only the following are included in the definition of the "Insured" under this policy:-

- (a) the named Insured, as set forth in Item 1 of the declarations,
- (b) the named Insured's subsidiary, owned or controlled companies which have been declared and accepted by Underwriters at the inception date of this policy,
- (c) any person or entity to whom the Insured is obliged by virtue of a written contract entered into before any relevant Accident, to provide insurance within the coverage afforded by this policy. Said person or entity shall be covered only to the extent of such obligation of the Insured and then only in respect of products manufactured by or operations carried out by or on behalf of the Insured or of facilities of the Insured or of facilities used by the Insured,
- (d) additional Insureds, other than as provided for in b) or c) above, which have been declared and accepted by Underwriters at the inception date of this policy,
- (e) any officer, director, stockholder, partner or employee of an Insured, but only in respect of a claim made against him in his capacity as such,
- (f) such additional percentage of any joint venture, operation or partnership where the Insured is required by written contract to provide insurance for any other partner in the joint venture and which has been declared to and accepted by Underwriters at the inception date of this policy,
- (g) any person or entity that would otherwise fall under b), d), or f) above but for which the named Insured first seeks coverage after the inception date and during the period of this policy, will automatically be covered hereon subject to the retroactive date for such person or entity being the date from which coverage is required and provided satisfactory advice and full information is received by Underwriters from the first named Insured of such additional person or entity within 45 days after the date such coverage is required. Underwriter's reserve the right to charge such additional premium and/or impose such specific terms, conditions and exclusions upon any person or entity covered under this paragraph g) as Underwriters think fit,



- (h) any subsidiary or affiliated company insured under b), d), f), or g) above which ceases to be a subsidiary or affiliated company during the period set out in Item 5 of the declarations, but only with respect to the remainder of the period set out in Item 5 of the declarations and only in so far as such former subsidiary or affiliated company does not have any other insurance as set out in Condition 2 of this policy.

13. INSURED'S PRODUCTS

The words "insured's products", wherever used in this policy, shall mean goods or products manufactured, sold, handled or distributed by the Insured or by others trading under the name of the Insured, including any packaging thereof.

14. OCCUPATIONAL DISEASE

The words "occupational disease", wherever used in this policy, shall mean any injury, including death, sickness, disease or disability, defined as occupational disease in any workers' compensation, unemployment compensation or disability benefits, laws, statutes or regulations of any jurisdiction in which the claim is made or the occupational disease arose.

15. PERSONAL INJURY

The words "personal injury", wherever used in this policy, shall mean:-

- (a) false arrest, false imprisonment, wrongful eviction or wrongful detention of a third party human being;
- (b) libel, slander, defamation of character or invasion of right of privacy of such human being, unless arising out of any advertising activities;
- (c) mental injury, anguish or shock to such human being which results from a) and/or b) above.

16. PRODUCTS LIABILITY

The words "products liability", wherever used in this policy, shall mean liability for Bodily Injury and/or Property Damage arising out of the insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the Bodily Injury and/or Property Damage happens after physical possession of the insured's products has been relinquished to others and happens away from premises owned, leased, rented or occupied by any Insured.

17. PROPERTY DAMAGE

The words "property damage", wherever used in this policy, shall mean physical loss of, physical damage to or physical destruction of tangible property of a third party, including loss of use of the tangible property so lost, damaged or destroyed.

18. THIRD PARTY

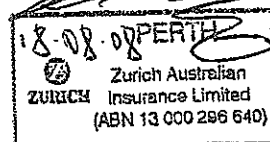
The words "third party", wherever used in this policy, shall mean any company, entity or human being other than an Insured or other than a subsidiary, owned or controlled company or entity of an insured. Notwithstanding definition 12 (e) of this policy, an employee of an Insured shall be treated as a Third Party hereunder when making a claim against an Insured.

19. ULTIMATE NET LOSS

The words "ultimate net loss", wherever used in this policy, shall mean the amount the Insured is obligated to pay, by judgment or settlement, as damages resulting from a claim, including defence expenses in respect of such claim.

20. WATERCRAFT LIABILITY

The words "watercraft liability", wherever used in this policy, shall mean liability arising out of the maintenance, operation or use of any craft designed to float or travel on, in or under the water, including hovercraft.



DECLARATIONS

Item 1	Name and Address of the Named Insured:-	As per Schedule
Item 2	Underlying Amount(s)	
	a) Bodily Injury, Personal Injury, Property damage and/or Advertising Injury, except where a separate amount is specifically shown in b)-f) below or is added by endorsement,	
	each accident without aggregate:-	Nil
	b) Products Liability and Completed Operations Liability combined:-	
	each accident:-	Nil
	annual aggregate:-	Nil
	c) Employers' Liability	
	each accident without aggregate:-	N/A
	d) Watercraft Liability	
	each accident without aggregate:-	Nil
	e) Aircraft Liability	
	each accident without aggregate:-	N/A
	f) Automobile Liability	
	each accident without aggregate:-	N/A
Item 3	Each Accident Retention in respect of each accident:-	AUD All as per Schedule.
Item 4	Limits of Liability	
*	a) Limit in respect of each accident which is always subject to b) below:-	AUD
	b) Aggregate limit, separately in respect of:	
*	(i) Products Liability and Completed Operations Liability combined:-	AUD
	(ii) All other coverages combined (except Automobile Liability which is not subject to any aggregate limit):-	Not Applicable
Item 5	Policy Period (both dates inclusive)	
	a) inception date:-	As per Schedule



	b) expiry date (subject to any date of cancellation):-	As per Schedule
Item 6	Retroactive Date:-	
Item 7	Extended Claims Made Period percentage of Item 9:-	7 Years
Item 8	Currency	
	a) Premiums:-	AUD
	b) Indemnity payments:-	AUD
Item 9	Premium:-	AUD
	Payable on (dates):-	
Item 10	Payment of Premium to:-	Benfield Corporate Risk, Level 18, Exchange Plaza, 2 The Esplanade, Perth WA 6000, Western Australia
Item 11	Proposal dated:-	N/A
Item 12	Additional Insureds accepted by Underwriters under Definition 12(b), (d) or (f) :-	To Be Agreed
Item 13	Indemnity payments to:-	Insured

*As per Schedule.



SHORT RATE CANCELLATION TABLE

Days Insurance in Force	Per Cent of One Year Premium
1	5
2	6
3-4	7
5-6	8
7-8	9
9-10	10
11-12	11
13-14	12
15-16	13
17-18	14
19-20	15
21-22	16
23-25	17
26-29	18
30-32 (1 month)	19
33-36	20
37-40	21
41-43	22
44-47	23
48-51	24
52-54	25
55-58	26
59-62 (2 months)	27
63-65	28
66-69	29
70-73	30
74-76	31
77-80	32
81-83	33
84-87	34
88-91 (3 months)	35
92-94	36
95-98	37
99-102	38
103-105	39
106-109	40
110-113	41
114-116	42
117-120	43
121-124 (4 months)	44
125-127	45
128-131	46
132-135	47
136-138	48
139-142	49
143-146	50
147-149	51
150-153 (5 months)	52
154-156	53
157-160	54
161-164	55



165-167	.....	56
168-171	.....	57
172-175	.....	58
176-178	.....	59
179-182	(6 months).....	60
183-187	.....	61
188-191	.....	62
192-196	.....	63
197-200	.....	64
201-205	.....	65
206-209	.....	66
210-214	(7 months).....	67
215-218	.....	68
219-223	.....	69
224-228	.....	70
229-232	.....	71
233-237	.....	72
238-241	.....	73
242-246	(8 months).....	74
247-250	.....	75
251-255	.....	76
256-260	.....	77
261-264	.....	78
265-269	.....	79
270-273	(9 months).....	80
274-278	.....	81
279-282	.....	82
283-287	.....	83
288-291	.....	84
292-296	.....	85
297-301	.....	86
302-305	(10 months).....	87
306-310	.....	88
311-314	.....	89
315-319	.....	90
320-323	.....	91
324-328	.....	92
329-332	.....	93
333-337	(11 months).....	94
338-342	.....	95
343-346	.....	96
347-351	.....	97
352-355	.....	98
356-360	.....	99
361-366	.....	100

5/91
LSW244



ENDORSEMENT CONTAINING ENERGY EXCLUSIONS (LSW 244)

Notwithstanding anything to the contrary contained in this policy, it is hereby understood and agreed that this policy shall not apply to any actual or alleged liability for:-

1. LOSS OF WELL OR HOLE

- (a) loss of or damage to any well or hole
 - (i) which is being drilled or worked over by or on behalf of the Insured,
 - (ii) in connection with which the Insured has provided services, equipment or materials,
- (b) any cost or expense incurred in, or incidental to redrilling or restoring any such well or hole or any substitute well or hole;

2. IN-HOLE EQUIPMENT

loss of or damage to any drilling tool, pipe, collar, casing, bit, pump, drilling or well servicing machinery or any other equipment while it is below the surface of the earth in any well or hole

- (a) which is being drilled or worked over by or on behalf of the Insured,
- (b) in connection with which the Insured has provided services, equipment or materials;

3. COST OF CONTROL

any costs or expenses incurred in, or incidental to

- (a) controlling or bringing under control any wells or holes,
- (b) extinguishing fire in or from any wells or holes,
- (c) drilling relief wells or holes, whether or not the relief wells or holes are successful;

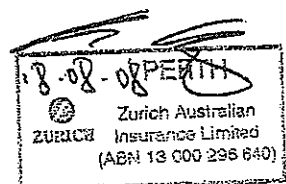
4. REMOVAL OF DEBRIS

any costs or expenses incurred in, or incidental to

- (a) the raising, removal or destruction of any wreckage, debris or obstruction, however caused, whether or not the property of the Insured, and whether or not such raising, removal or destruction is required by law, contract or otherwise,
- (b) the removal or recovery of any drilling tool, pipe, collar, casing, bit, pump, drilling or well servicing machinery or any other equipment while it is below the surface of the earth in any well or hole;

5. SUB-SURFACE OPERATIONS

damage to, loss of or loss of use of property resulting from subsidence caused by sub-surface operations of the Insured;



6. UNDERGROUND RESOURCES

loss of or damage to sub-surface oil, gas, water, or other substance or material, or the cost or expense of reducing to physical possession above the surface of the earth any oil, gas, water, or other substance or material, or the cost or expense incurred or rendered necessary to prevent or minimize such loss or damage;

7. CO-OWNER

damages to any co-owner of a working interest with respect to such working interest. As used in this exclusion, the term "co-owner of a working interest" means any person or entity working with the Insured, a co-owner, joint venturer or mining partner in mineral properties who participates in the operating expense of such properties or revenues therefrom, or who has the right to participate in the control, development or operation of such properties.

05/91
LSW245



Memorandum attaching to Policy number TBA

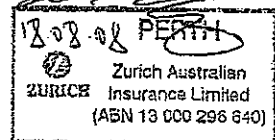
12 Months from 4pm 25th July 2008

With effect from inception the following are applicable to this policy wording:

- a) Exclusion 13(c) amended to 168 hour discovery period
- b) Defence Costs inclusive.
- c) Clause 16 Payment of Premium - deleted.
- d) Including Endorsement containing Energy Exclusions LSW 245 with exclusion 4a deleted, but following a fortuity only and excluding seepage and pollution absolutely, excess of Section 1 or the Each Accident Retention, whichever the greater.
- e) Extended Claims Made Period: 7 years.
- f) Retroactive date: Inception
- g) Proposal Form LSW 248 waived.
- h) Excluding Employers Liability.
- i) Excluding Automobile Liability.
- j) Excluding Aviation Liability.
- k) Excluding Terrorism absolutely, as per Terrorism Exclusion Endorsement NMA 2952, except as required by law.
- l) Exclusion 13 d) is amended to read:
written notification of the event was first received from the Insured by Underwriters within 40 days of the Insured's first discovery of the event
- m) Exclusion 15 is deleted in its entirety and reinstated as follows:

"15. directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts or foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority."

Exclusion 16 is deleted in its entirety.





CGU Insurance Limited ABN 27 004 478 371
Level 5, 188 Collins St. Hobart, Gpo Box 1373P Hobart 7001
Telephone: 131532 Facsimile: (03) 6230 4799

RJK

20/03/08

GREAT SOUTHLAND MINERALS LTD
C/- LOGAN GROUP
HOBART 7000

CERTIFICATE OF CURRENCY

The policy referred to is current as at the date of issue of this certificate and whilst a due date has been indicated it should be noted that the policy may be cancelled in the future. Accordingly, reliance should not be placed on the expiry date.


Policy Number: 10M 3531338 00
Type of Policy: BROADFORM LIABILITY
Expiry Date: 31/12/08
Insured: GREAT SOUTHLAND MINERALS LTD

**Mortgagee/Interested
Party:**

Situation of Risk: ANYWHERE IN AUSTRALIA
AT & FROM
HOBART 007000

PROPERTY/SUM INSURED:
LIMIT OF LIABILITY \$20,000,000

This is to certify cover has been granted in terms of the Company's Standard Policy, a copy of which is available on request. This certificate is not a substitute for the Policy of Insurance issued to you. The Policy, not this certificate, details your rights and obligations and the extent of your insurance cover.


Joanna King Underwriter
Authorised Official