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## QUARTERLY REPORT TO SHAREHOLDERS

30 JUNE 2010

### SUMMARY

#### **Cambay PSC (45% Operator) onshore Gujarat, India**

- Solid progress with detailed technical studies to unlock the potential of the Eocene low permeability reservoirs using leading-edge North American "shale gas" industry technology
- Studies are working towards determining oil, gas and condensate distributions and generating recoverable hydrocarbon estimates before further evaluation by drilling (subject to Joint Venture approval)

#### **WA-388-P (14% Operator) North West Shelf, Australia**

- Seven leads have been identified ranging in potential size from 0.3 to 2.8 trillion cubic feet of prospective gas resource (potential recoverable best estimate, 100% basis)
- Direct Hydrocarbon Indicators interpreted from the 3D seismic data suggests the presence of gas
- Joint Venture is considering options, including further defining the largest lead, for possible drilling

#### **JPDA 06-103 (10% Operator) Timor Sea, Joint Petroleum Development Area**

- Data from Loré-1 and Lolotoe-1 wells have been integrated with existing technical data
- Future work program and its timing currently under consideration

#### **West Kampar (45% + further 22.5% secured) onshore Sumatra, Indonesia**

- ICC Tribunal found in favour of Oilex in its claim to recover US\$4.6million from Operator's parent company

#### **Corporate**

- Oilex retained A\$16.8 million cash at the end of the Quarter with no corporate debt

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### OVERVIEW

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Oilex is nearing completion of the initial phase of extensive studies on the properties of the Eocene low permeability ("tight") reservoirs in Cambay Field. Previously Oilex had identified the potential of these tight oil and gas reservoirs which it drilled and tested using conventional techniques. Oilex concluded that the evaluation and commercialisation of these reservoirs could be harnessed using proprietary technology and expertise developed in recent years in the growing North American shale gas industry. Since March 2010 Bruce McCarthy, Oilex's Managing Director, has been based in India to undertake lead activities in relation to the Eocene low permeability reservoir project.

In Australia, 3D seismic processing studies were completed on the Company's WA-388-P block. The permit is located in a region of increasing exploration interest, being on the same play fairway as the Pluto and Wheatstone fields. It is close to the WA-389-P and WA-360-P permits which Woodside and Petrobras respectively are reported to have entered into farm-in agreements in 2010.

Elsewhere Oilex continues to pursue a resolution to the West Kampar PSC Joint Venture dispute. The International Court of Arbitration of the International Chamber of Commerce found in favour of Oilex (West Kampar) Limited in its US\$4.6million claim. Oilex will now immediately pursue the enforcement of the Award to recover the amount due.

In the Timor Sea JPDA 06-103 contract area, studies were completed to assess the remaining prospectivity of this Permit. The Designated Authority and Joint Venture are considering the future work program and its timing.

The Company's cash position at the end of the Quarter remains robust.

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## OPERATIONS REVIEW

### CAMBAY FIELD, GUJARAT, INDIA

(Oilex Operator – 45%)

- Total net production from existing wells in the Cambay, Bhandut and Sabarmati Fields was 2,546 barrels of oil for the Quarter (Oilex share). Current oil production is substantially from the Miocene Basal Sand (MBS) with approximately 25% by volume produced from the Eocene siltstones.
- An initial phase of extensive studies on the properties of the Eocene low permeability (“tight”) oil and gas reservoirs is nearing completion. Oilex is using leading-edge technology and expertise derived from “shale gas” evaluation projects in North America.
- The overall objective of these studies is to generate in place volume estimates, confirm the oil, gas and condensate distribution and generate recoverable hydrocarbon estimates for independent certification. These further steps will be carried out over the next three to six months.
- The studies carried out to date have included:
  - ∞ the detailed analysis of 12 well penetrations of the Eocene section of the Cambay Field using proprietary low permeability reservoir technologies; and
  - ∞ comparative studies by experts who are able to derive analogies from their considerable experience with tight gas producing areas which have emerged in North America in recent years.
- The studies have generated most of the key technical inputs required to prepare deterministic and probabilistic in-place volume estimates and have identified the parameters that require further analysis before they may be reliably incorporated into the estimates of resources and reserves.
- Analysis of 12 vintage Eocene wells has just been completed and is now ready for incorporation into the static volumetric model.
- Additional technical data including vintage wells, reprocessed 3D seismic, will be incorporated into a static volumetric model as it becomes available.
- Details of the studies were reviewed with the Cambay Field Joint Venture and the Directorate General of Hydrocarbons, the government regulatory body in India, on 15-19 July.
- Dr Bruce McCarthy, Oilex’s Managing Director, is now based in India to prepare for potential field operations to assess the low permeability Eocene reservoirs using modern drilling and completion techniques currently employed in North America. These operations will be part of work programs and budgets that are subject to Joint Venture and Government of India (DGH) approvals

#### Background on Cambay PSC – Eocene Low Permeability Reservoirs

The 161km<sup>2</sup> Cambay contract area contains thick, low permeability reservoirs in the Eocene section. The contract area was previously explored and developed by Oil and Natural Gas Corporation (ONGC), India’s largest State owned oil and gas company in the 1950s and 1960s. However it was developed as a gas field mainly from the shallower Oligocene reservoirs in the southern part of the block. Since its inception, the Cambay field has produced about 52 billion cubic feet of gas until it was shut-in in the early 1990’s due to water and sand production problems.

ONGC drilled over 30 wells to variable total depths through the Eocene tight reservoirs, using conventional drilling and completion technology. The deepest well, Cambay-40 was drilled in 1963 to a depth of more than 3,200 metres with gas shows at Total Depth. The flow rates from conventional tests in the Eocene section of the various wells were relatively low, in the range of 0.2 – 2.7 MMCF / DAY and production volumes were minimal.

Oilex completed a Farm-in Agreement with Gujarat State Petroleum Corporation and Niko and acquired an interest in the Cambay Production Sharing Contract (PSC) in March 2006 having identified the low permeability Eocene reservoirs as a potentially under-exploited section. To evaluate this potential Oilex and GSPC completed the following work program between 2006 and 2008:

- drilled 5 modern conventional vertical wells all of which had strong indications of oil and gas while drilling including oil and gas in mud at surface;
- acquired 3D seismic over the entire contract area;

- fracture stimulated 3 wells;
- conducted pre and post fracture stimulation well tests resulting in flows of oil or gas and condensate to surface;
- initiated long term production testing on Cambay 19Z. Cambay 73 was shut in as a potential gas condensate producer.

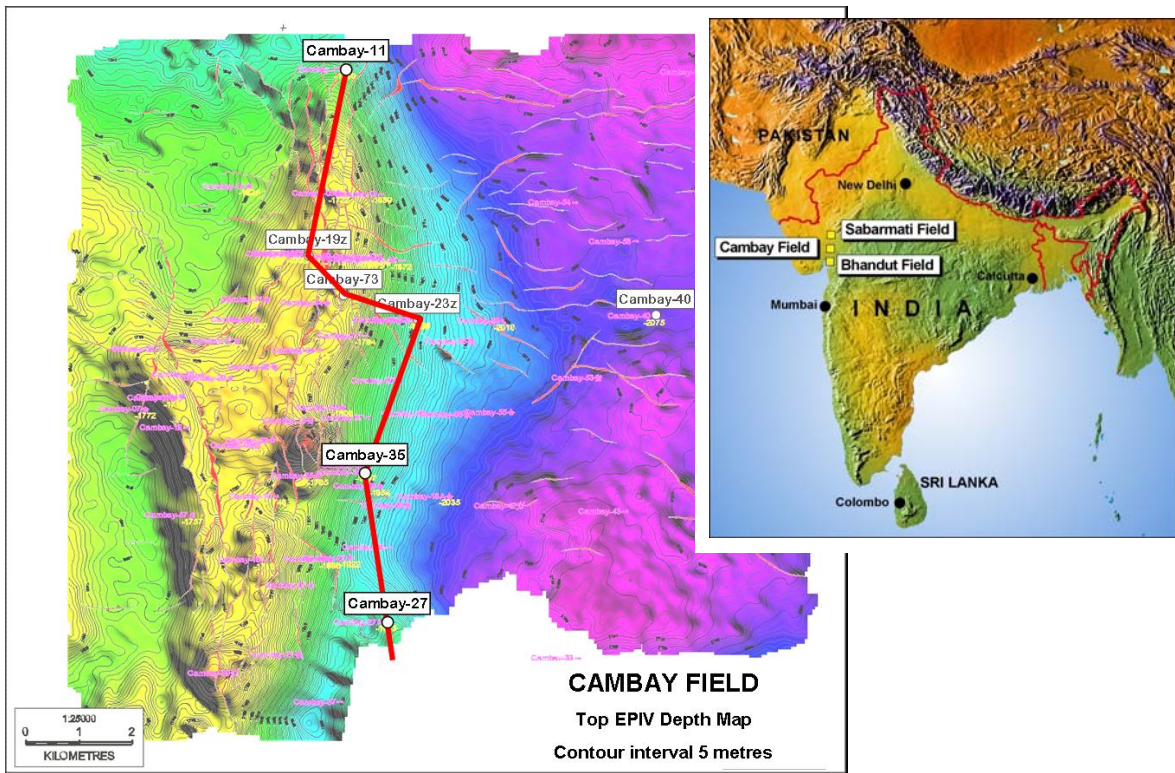


Figure 1: Location map and Cambay Field Depth Map with line of section

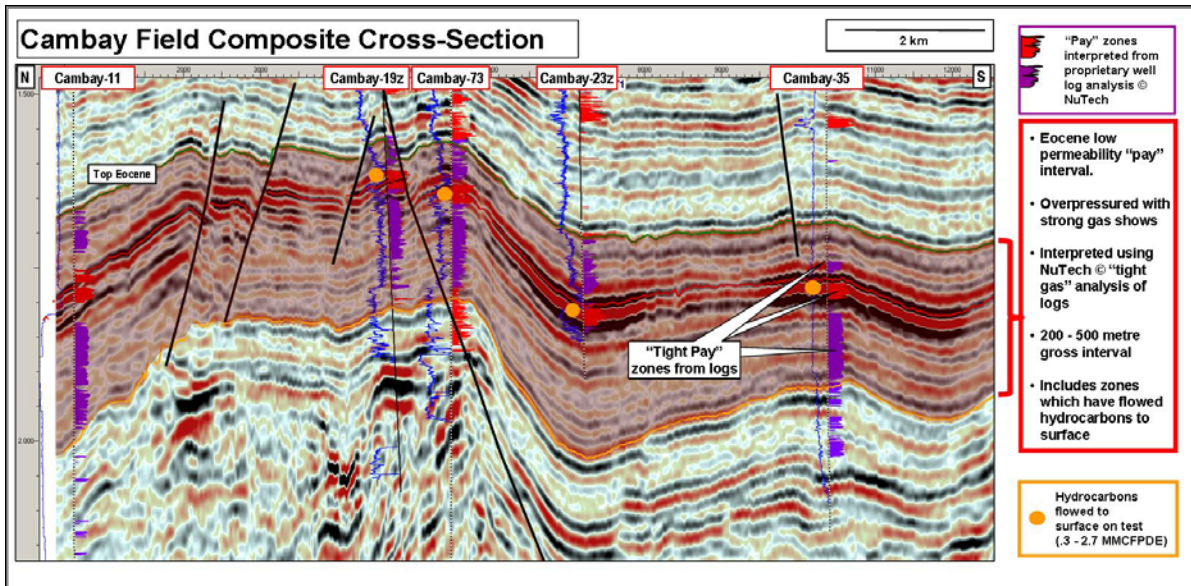


Figure 2: Cambay Field Cross Section N-S

Oilex concluded from this work program that the potential of the Eocene low permeability reservoirs could probably be best harnessed by drilling horizontal wells and undertaking multi-stage fracture stimulation of the tight reservoirs. Oilex

had planned a horizontal well as part of its work program in 2008 but for a number of reasons the drilling program was terminated in October 2008 and the horizontal well was not drilled.

In 2009 Oilex recognised that evaluation and commercialisation of the Eocene reservoirs could be enhanced by the application of sophisticated tight reservoir evaluation, drilling and production techniques which have been developed in recent years in the growing shale gas industry in North America. Although the Cambay Eocene low permeability reservoirs are not “unconventional”, the technology which has been developed to the point of wide acceptance in the oil and gas business is directly relevant and applicable at Cambay Field. Oilex was well placed to exploit these technologies on behalf of the Cambay Joint Venture given the existing comprehensive technical data base that it had acquired or improved upon since 2005.

In late 2009, the Company started:

- a 3D seismic reprocessing program covering the entire contract area, to identify where high potential zones of better potential productivity may be present in the low permeability reservoir section,
- petrophysical evaluation of 33 well logs that penetrated the Eocene section using proprietary low permeability reservoir and shale gas technology to accurately evaluate critical reservoir characteristics and generate in place volume estimates,
- applying the petrophysical analysis to model optimal fracture stimulation designs and associated production profiles, and
- initial well planning and design work.

On completion of the analyses of the additional wells and other technical data the Joint Venture will be in a position to revise and refine in-place volume estimates, confirm the oil, gas and condensate distribution and generate recoverable hydrocarbon estimates for independent certification. A drilling program to prove the potential for commercial development of the tight gas reservoirs will then be undertaken subject to JV approval and availability of the appropriate rigs and services.

### WA-388-P, AUSTRALIA

(Oilex Operator – 14%)

- Oilex has completed the interpretation of the Rose 3D seismic data on its WA388-P block, located outboard of the North West shelf, Pluto, Wheatstone, and Gorgon fields, offshore Western Australia.

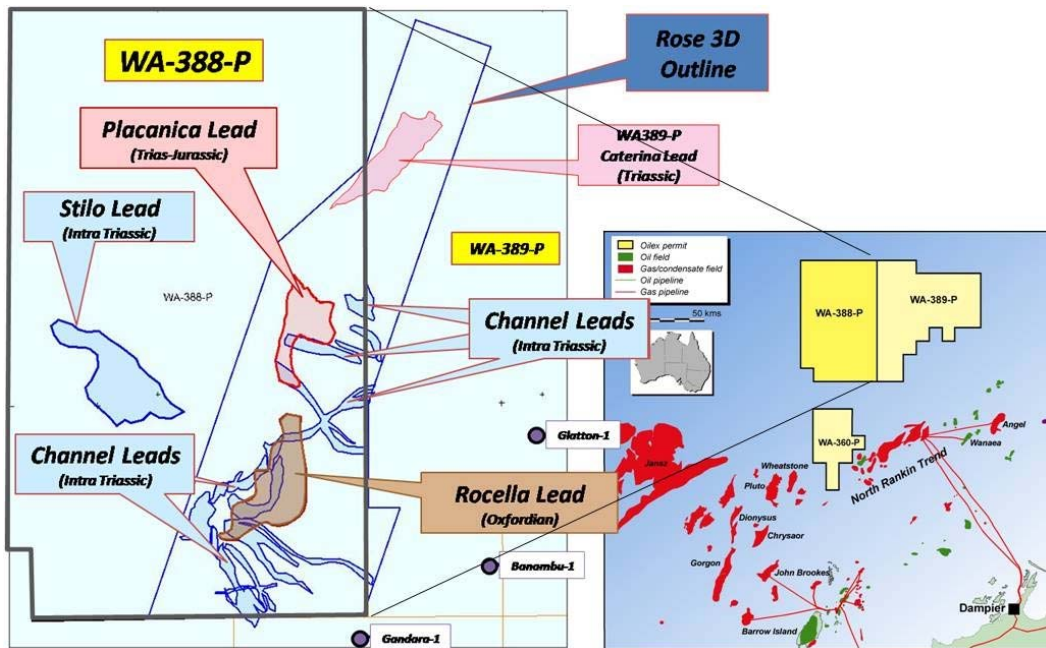


Figure 3: WA-388-P location and permit maps

- A portfolio of leads and play types has been developed. Seven leads identified ranging in potential size from 0.3 to 2.8 trillion cubic feet (TCF) of prospective gas resource (recoverable best estimate, 100% basis)

- Work completed over the last four months confirms that the seismic amplitude anomalies evident in the 3D seismic data are likely Direct Hydrocarbon Indicators suggesting the presence of gas by analogy with nearby fields and discoveries.
- The Joint Venture is considering options including further defining the largest of the leads Placanica in preparation for possible drilling
- The WA-388-P permit is in the region of increasing exploration interest being located on the same play fairway as the Pluto and Wheatstone fields. It is close to the WA-389-P and WA-360-P permits which Woodside and Petrobras have recently been reported to have entered into farm-in agreements.
- Potential exist for gas discoveries of 1TCF or more to provide feedstock for existing LNG projects such as Pluto, Wheatstone or North West Shelf.
- There are no outstanding work program commitments on the permit.

## **NEW VENTURES**

- Oilex is seeking to strengthen its asset portfolio and is largely focussing its new ventures effort in South and South East Asia.
- A number of potential opportunities are currently being evaluated.

## **JPDA 06-103, TIMOR SEA**

### **(Oilex Operator – 10%)**

- The JPDA 06-103 Joint Venture drilled the Loré-1 and Lolotoe-1 wells during fourth Quarter 2009 and first Quarter 2010. Neither well encountered commercial hydrocarbon zones.
- The Loré-1 and Lolotoe-1 well data have since been integrated with existing data and the implications for prospectivity and the selection of future drilling targets reviewed with JPDA 06-103 Joint Venture and ANP the Joint Development Area Regulator. The forward work program and its timing are currently under consideration.
- The contract area is located close to a number of existing producing oil fields further to the west, as well as Eni's Kitan oil discovery.

## **WEST KAMPAR PSC, CENTRAL SUMATRA**

### **(Oilex – 45% + further 22.5% secured\*)**

- On 24 June 2010, the International Court of Arbitration of the ICC (International Chamber of Commerce) has found in favour of Oilex's wholly owned subsidiary, Oilex (West Kampar) Limited, in its claim against PT Asiabumi Petroleo (Asiabumi) for the recovery of US\$4.6million that is owed to Oilex. Asiabumi is the parent company of the Operator (PT Sumatera Persada Energi - SPE).
- Oilex commenced the ICC Arbitration against Asiabumi in Singapore in April 2009 following the failure of SPE in early 2009 to repay a debt owing to Oilex under a previous agreement between Oilex and SPE. SPE's obligations to repay the debt were secured by a parent company guarantee granted by Asiabumi to Oilex in 2008.
- The Award granted in Oilex's favour takes effect immediately. Oilex will pursue the enforcement of the Award to recover the amount due.
- SPE continues to allege that Oilex no longer has an interest in the West Kampar Production Sharing Contract arising out of an alleged failure to perform obligations under the farmout agreement entered into by the parties in 2007. Oilex denies those allegations and maintains that it holds its 45% interest in the West Kampar PSC. The Indonesian regulator, BPMIGAS has not transferred Oilex's 45% participating interest to SPE despite requests from SPE.
- Oilex maintains that it is further entitled to have assigned an additional 22.5% to its 45% holding through the exercise of its rights under a Power of Attorney granted by SPE following the failure of SPE to repay the funds due referred to above. The assignment has been provided to BPMigas but has not yet been approved or rejected. If the debt due to Oilex is satisfied, it will not pursue this assignment.
- As reported in the last Quarterly, Oilex has not been served with the claim filed in January 2010 by SPE in an Indonesian court seeking damages from Oilex for alleged defamation arising out of correspondence relating to

SPE's performance as operator. Oilex rejects the allegations in the claim and, if served, will vigorously oppose them.

- Oilex understands from industry communications and reports in the Indonesian press that SPE has drilled and tested a second well (Pendalian 4) in the Pendalian Field earlier this year. Oilex is aware of recent Indonesian press which claims significant flow rates from multiple zones in the Pendalian 4 well during testing and refers to plans for development of the Pendalian Field. Due to SPE's claim relating to Oilex's interest in the PSC, for over a year Oilex has not been provided by SPE with any data relating to the West Kampar PSC operations including any results of testing the Pendalian 4 well. Oilex is therefore unable to comment on or endorse the press reports.
- Oilex will continue to take steps to advance its participating interest in the West Kampar PSC and to pursue enforcement of its Arbitration Award while remaining open to a commercial resolution to the Joint Venture dispute.

## **BLOCK 56, OMAN**

### **(Oilex Operator – 25%)**

- The Block 56 Joint Venture has given notice to the Oman Ministry of Oil and Gas (MOG) of its intention to relinquish all of the Block 56 Contract Area in accordance with the Exploration and Production Sharing Agreement (EPSA).
- While three small discoveries were made in Block 56 (Sarha-1, Ghadaq-1, Al Jumud-1), the Joint Venture determined that those discoveries would not be commercial to develop under the terms of the EPSA due to their small field size or heavy oil characteristics.
- On behalf of the Block 56 Joint Venture, Oilex Oman Limited (as Operator) will proceed to close down Joint Venture activities to the mutual satisfaction of the MOG and the Joint Venture at the earliest reasonable date.
- The minimum financial obligation relating to the exploration work commitments under the EPSA has been satisfied by the Joint Venture.

## **CORPORATE**

- Oilex retained A\$16.8 million cash at the end of the Quarter with no corporate debt.
- Net operating and investing cash outflows for the year ending 30 June 2010 was \$3.0 million.
- In June 2010 Oilex requested an extension of its Good Standing Agreement (GSA) with the Australian Government on behalf of the Joint Venture partners for exploration permit EPP27 which the Joint Venture previously relinquished with the Government's approval. In July 2010, the Australian Government agreed to extend the GSA until the conclusion of the 2011 Australian Offshore Petroleum Exploration Release. Further details of the GSA are set out in Oilex's announcement dated 20 March 2009. There are no financial obligations under the GSA.

## **SAFETY, HEALTH AND ENVIRONMENT**

No lost time incidents were recorded in Oilex's operational areas during the Quarter. Cumulative total man hours worked in India since the last LTI (April 2008) is 768,367.

Oilex regularly updates its website at [www.oilex.com.au](http://www.oilex.com.au)

For and on behalf of the Board



B. H. McCarthy  
 Managing Director  
 27 July 2010

*The information in this report has been compiled by the Managing Director of Oilex Ltd, Bruce McCarthy B.Sc. (Hons) PhD (Geology) who has over 32 years experience in petroleum geology. The estimates of hydrocarbons in place were reviewed by Ray Barnes B.Sc. (Hons), the Technical Director of Oilex Ltd who has over 37 years experience in petroleum geology and is a member of the AAPG. Mr Barnes reviewed this announcement and consents to the inclusion of the estimated hydrocarbons in place in the form and context in which they appear. The resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, Petroleum Resources Management System, 2007.*

*Oilex's nominated advisor in relation to the AIM market is RFC Corporate Finance Ltd, contact: Stuart Laing, stuartl@rfc.com.au*

## CORPORATE DETAILS

### Board of Directors

Max D.J. Cozijn	Non-Executive Chairman
Bruce McCarthy	Managing Director
Ray Barnes	Technical Director
Ben Clube	Finance Director
Laxmi Bhandari	Non-Executive Director
Ron Miller	Non-Executive Director

### Share Registry

Security Transfer Registrars Pty Ltd  
 770 Canning Highway  
 Applecross WA 6153, Australia  
 Telephone: +61 8 9315 2333  
 Facsimile: +61 8 9315 2233  
 Email: registrar@securitytransfer.com.au

### Capital Structure

Ordinary Shares	220,074,885
Unlisted Options	22,475,000
Unlisted Performance Rights	465,000

### Stock Exchange Listing

Australian Stock Exchange	Code: OEX
AIM Market of London Stock Exchange	Code: OEX

## LIST OF ABBREVIATIONS AND DEFINITIONS USED HEREIN

Associated Gas	Natural gas found in contact with or dissolved in crude oil in the reservoir. It can be further categorized as Gas-Cap Gas or Solution Gas.
BOPD	Barrels of oil per day
HS&E	Health, Safety & Environment referring to all of the issues that relate to operational performance in a manner that is safe for personnel and the local environment
MCF/DAY	thousand standard cubic feet (of gas) per day
MMCF/DAY	million standard cubic feet (of gas) per day
MMSTBO	million stock tank barrels of oil (recoverable)
MMSTBOIP	million stock tank barrels of oil in place
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations
SCF/BBL	standard cubic feet (of gas) per barrel (of oil), often converted at a rate of 5,800 - 6,000 cubic feet off gas equivalent to one barrel of oil to give Barrels of Oil Equivalent (BOE)

ASSET SCHEDULE				
ASSET	BASIN / STATE / COUNTRY	JOINT VENTURE PARTIES	EQUITY %	OPERATOR
Cambay Field PSC	Cambay / Gujarat / India	Oilex Ltd	30.0	Oilex Ltd
		Oilex NL Holdings (India) Limited	15.0	
		Gujarat State Petroleum Corp. Ltd	55.0	
Bhandut Field PSC	Cambay / Gujarat / India	Oilex NL Holdings (India) Limited	40.0	Oilex NL Holdings (India) Limited
		Gujarat State Petroleum Corp. Ltd	60.0	
Sabarmati Field PSC	Cambay / Gujarat / India	Oilex NL Holdings (India) Limited	40.0	Oilex NL Holdings (India) Limited
		Gujarat State Petroleum Corp. Ltd	60.0	
Block 56 EPSA	South Oman / Oman	Oilex Oman Limited	25.0	Oilex Oman Limited
		GAIL (India) Limited	25.0	
		Videocon Oman 56 Limited	25.0	
		Bharat PetroResources Limited	12.5	
		Hindustan Petroleum Corp Ltd	12.5	
West Kampar PSC	Central Sumatra / Sumatra/	Oilex (West Kampar) Limited	67.5 (1)	PT Sumatera Persada Energi
		PT Sumatera Persada Energi	32.5	
JPDA 06-103 PSC	Flamingo / Joint Petroleum Development Area / Timor-Leste & Australia	Oilex (JPDA 06-103) Ltd	10.0	Oilex (JPDA 06-103) Ltd
		Japan Energy E&P JPDA Pty Ltd	15.0	
		GSPC (JPDA) Limited	20.0	
		Videocon JPDA 06-103 Limited	20.0	
		Bharat PetroResources JPDA Ltd	20.0	
		Pan Pacific Petroleum (JPDA 06-103) Pty Ltd	15.0	
WA-388-P	Carnarvon / WA / Australia	Oilex Ltd	14.0	Oilex Ltd
		Gujarat State Petroleum Corp Ltd	14.0	
		Videocon Industries Ltd	14.0	
		Bharat Petroresources Ltd	14.0	
		Hindustan Petroleum Corp Ltd	14.0	
		Sasol Petroleum Australia Ltd	30.0	

(1) Oilex (West Kampar) Limited is entitled to have assigned an additional 22.5% to its holding through the exercise of its rights under a Power of Attorney granted by SPE following the failure of SPE to repay funds due. The assignment has been provided to BPMigas but has not yet been approved or rejected. If Oilex is paid the funds due then it will not pursue this assignment



1.13	Total operating and investing cash flows (brought forward)	(2,139)	(2,987)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc	(6)	9,424
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (net)	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	<b>(6)</b>	<b>9,424</b>
	<b>Net increase (decrease) in cash held</b>	<b>(2,145)</b>	<b>6,437</b>
1.20	Cash at beginning of quarter/year to date	18,222	10,506
1.21	Exchange rate adjustments to item 1.20	732	(134)
1.22	<b>Cash at end of quarter</b>	<b>16,809</b>	<b>16,809</b>

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	332
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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**2 Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

3	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position.</i>	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

4	<b>Estimated cash outflows for next quarter</b>	\$A'000
4.1	Exploration and evaluation	1,080
4.2	Development	-
4.3	Production	120
4.4	Administration	230
	<b>Total</b>	<b>1,430</b>

5		
<b>Reconciliation of cash</b>	Current quarter \$A'000	Previous quarter \$A'000
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		
5.1	Cash on hand and at bank	10,624
5.2	Deposits at call	6,185
5.3	Bank overdraft	-
5.4	Other (provide details)	-
	Total: cash at end of quarter (item 1.22)	18,222

6				
<b>Changes in interests in mining tenements</b>				
	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Refer to Permit Schedule in Quarterly Report		
6.2	Interests in mining tenements acquired or increased	Refer to Permit Schedule in Quarterly Report		

<b>7 Issued and quoted securities at end of current quarter</b>				
<i>Description includes rate of interest and any redemption or conversion rights together with prices and dates.</i>				
	Total number	Number quoted	Issue price per security	Amount paid up per security
7.1 Preference securities (description)	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	220,074,885	220,074,885	Various	-
7.4 Changes during quarter (a) Increases through issues (options exercised) (b) Decreases through returns of capital, buy-backs	-	-		-
7.5 +Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options			Exercise price	Expiry date
	775,000	-	\$0.90	31/07/2010
	500,000	-	\$2.00	31/10/2010
	400,000	-	\$2.50	31/01/2011
	2,500,000	-	\$2.00	31/03/2011
	300,000	-	\$2.25	31/03/2011
	350,000	-	\$2.70	30/04/2011
	900,000	-	\$1.75	30/06/2011
	900,000	-	\$2.25	30/06/2011
	2,000,000	-	\$0.30	30/06/2011
	3,900,000	-	\$2.00	1/07/2011
	3,900,000	-	\$2.50	1/07/2011
	500,000	-	\$1.57	30/09/2011
	300,000	-	\$2.75	31/03/2012
	900,000	-	\$2.75	30/06/2012
4,350,000	-	\$0.30	01/07/2014	
Total	22,475,000			

**Issued and quoted securities at end of current quarter (cont'd)**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security	Amount paid up per security	
	2006 Performance Rights				
	40,000		Tranche 1 expire 1/07/2011		
	2007 Performance Rights				
	120,000		Tranche 1 expire 1/07/2012		
	120,000		Tranche 2 expire 1/07/2012		
	120,000		Tranche 3 expire 1/07/2012		
	2008 Performance Rights				
	21,000		Tranche 1 expire 1/07/2013		
	22,000		Tranche 2 expire 1/07/2013		
	22,000		Tranche 3 expire 1/07/2013		
			Exercise Price	Expiry Date	
	7.8 Issued during quarter	-	-		
	7.9 Exercised during quarter				
7.10 Expired during quarter	350,000	-	\$1.60	30/04/2010	
	350,000	-	\$2.10	30/04/2010	
	1,150,000	-	\$0.30	01/07/2014	
Total Options	1,850,000				
	2008 Performance Rights				
	63,000		Tranche 1 expire 1/07/2013		
	13,000		Tranche 2 expire 1/07/2013		
	14,000		Tranche 3 expire 1/07/2013		
Total Performance Rights	90,000				
7.11 Debentures (totals only)	Nil	Nil			
7.12 Unsecured notes (totals only)	Nil	Nil			

**COMPLIANCE STATEMENT**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  
(Director)



Date: 27 July 2010

Print name: Ben Clube