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## QUARTERLY REPORT TO SHAREHOLDERS 30 SEPTEMBER 2006

### HIGHLIGHTS

- 2 wells in first phase drilling programme on Cambay Field completed with indications of hydrocarbons
- 3D seismic acquisition over Cambay Field commenced in early October
- Oilex (Operator 25%) **awarded permit JPDA 06-103** offshore Timor Leste / Australia
- Oilex (Operator 25%) **awarded permit WA-388-P** offshore Western Australia
- Successful share placement completed in July 2006 raising **gross proceeds of A\$20,060,000**
- Oilex's onshore **Queensland petroleum interests sold to Bow** for 15 million shares and 15 million options subject to approval of Bow shareholders
- Retain **cash resources of approximately A\$18.5 million**

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#### CORPORATE DETAILS

##### Board of Directors

Max D.J. Cozijn	Non-Executive Chairman
Bruce McCarthy	Managing Director
Ray Barnes	Technical Director
Geoffrey Johnson	Non-Executive Director

##### Capital Structure

Ordinary Shares	76,614,319
Unlisted Options	24,755,534

##### Stock Exchange Listing

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

##### Principal & Registered Office

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West Perth WA 6005, Australia  
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##### Share Registry

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770 Canning Highway  
Applecross WA 6153, Australia  
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## OPERATIONS REVIEW

INDIA

**PHASE 1 DRILLING PROGRAMME - CAMBAY FIELD, GUJARAT**  
**OILEX OPERATOR 45% (15% pending Government approval)**

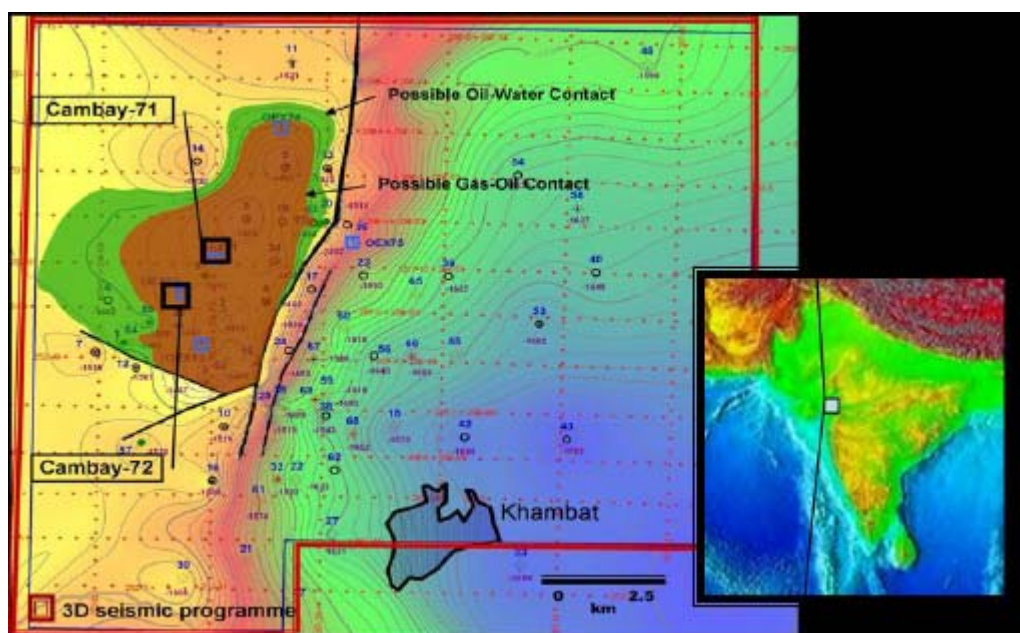
*First phase drilling programme successfully completed*

The first well in the Cambay Field drilling programme was successfully spudded at 19:30 hours on Monday 11 September 2006. The well, Cambay-72, is located on the crest of the Western High block of the Cambay Field (Figure 1) and reached total depth (TD) of 1767 metres on 25 September 2006.

*Presence of oil and gas proven from Eocene section.*

Cambay-72 intersected possible hydrocarbon-bearing sandstones at the level of the primary Oligocene and secondary Miocene and Eocene objectives. The data collected from Cambay-72 confirm the depths to the tops of the main potential reservoir intervals at the OS-II and EP-IV levels. Resource estimates for these two potential reservoir units (Oligocene OS II and Eocene EP IV) were published in May 2006. Oil and gas was recovered at surface from the uppermost part of the over-pressured Eocene section during drilling. The data from all intervals are now the subject of detailed evaluation in preparation for the testing programme.

The Cambay-71 well spudded on 29 September and reached the planned total depth (TD) of 1600m on 08 October. The well is located on the flank of the northern culmination of the Western High structure about 800 metres to the northeast of Cambay-72 and intersected a geological section in the Oligocene and Miocene similar to Cambay-72. The Eocene section was not drilled in Cambay-71 due to the clear evidence of a high degree of over-pressure in Cambay-72 and the consequent need for a different casing design to adequately test this section. The Eocene remains highly prospective. Wireline logging and other formation evaluation programmes were carried out in Cambay-71. Attempts to acquire good quality pressure and fluid data failed, partly due to mechanical failure of tools and partly because of very friable sandstone plugging the tools. Friable sandstone is normally an indicator of good quality reservoir.



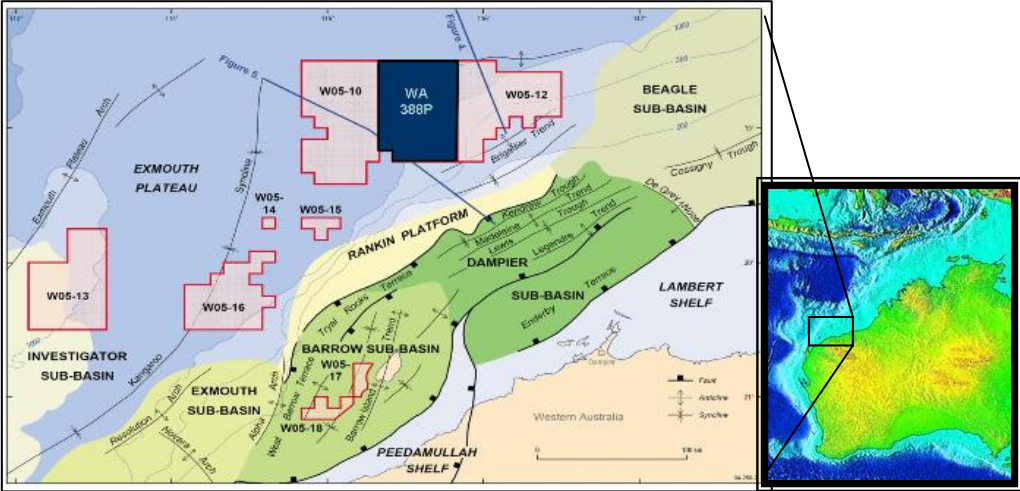
**Figure 1 - Location Cambay-71, -72 on Depth Map at OS II level, Cambay Field**

The forward programme at Cambay is being revised to account for managing the higher reservoir pressure in the deeper Eocene objective. Additional equipment is required and we are investigating the possibility of deepening the Cambay-71 well and



<p><b>Testing of all prospective units to follow in November</b></p>	<p>drilling a larger diameter borehole than was originally planned through the Eocene section. Larger diameter casing than that used in Cambay-72 would be run to the current total depth in Cambay-71 prior to drilling the Eocene section. providing additional flexibility for testing the shallower Miocene and Oligocene objectives. In the event that the tests are successful, the wells would be converted to long-term producers.</p> <p>A tender is planned to secure the rig and services necessary to re-enter Cambay-71 and drill the Eocene section. Meanwhile, Joint Venture approvals are being sought for the forward drilling, testing and completion programme.</p> <p>The primary reservoir objective in both wells was the Oligocene sandstone (OS II) and the secondary objectives were at Miocene and Eocene levels.</p> <p>Oil is being produced on the Western High at low rates on an intermittent basis from these units in wells that have suffered formation and well bore damage in the past. These reservoir units are also proven producers in fields nearby to the north and south of Cambay Field.</p> <p>The Joint Venture comprises:</p> <table border="1" data-bbox="427 763 1474 1032"> <thead> <tr> <th></th> <th>Current Interest</th> <th>Post-approval Interest <sup>3</sup></th> </tr> </thead> <tbody> <tr> <td>Oilex Ltd (Operator)</td> <td>30% <sup>1</sup></td> <td>45%</td> </tr> <tr> <td>Gujarat State Petroleum Corporation Ltd ("GSPC")</td> <td>46.67% <sup>2</sup></td> <td>55%</td> </tr> <tr> <td>Niko Resources Ltd</td> <td>23.33%</td> <td>-</td> </tr> </tbody> </table> <p>Note:</p> <ol style="list-style-type: none"> <li>Oilex is acquiring an additional 23.33% equity interest in the PSC from Niko,</li> <li>GSPC is acquiring an additional 8.33% equity interest in the PSC from Oilex.</li> <li>Approval is pending for 1. and 2. from the Government of India.</li> </ol>		Current Interest	Post-approval Interest <sup>3</sup>	Oilex Ltd (Operator)	30% <sup>1</sup>	45%	Gujarat State Petroleum Corporation Ltd ("GSPC")	46.67% <sup>2</sup>	55%	Niko Resources Ltd	23.33%	-
	Current Interest	Post-approval Interest <sup>3</sup>											
Oilex Ltd (Operator)	30% <sup>1</sup>	45%											
Gujarat State Petroleum Corporation Ltd ("GSPC")	46.67% <sup>2</sup>	55%											
Niko Resources Ltd	23.33%	-											
<p><b>Technical studies in progress</b></p>	<p><b>BHANDUT AND SABARMATI FIELDS, GUJARAT</b></p> <p><b>OILEX OPERATOR 40% pending Government approval.</b></p> <p>The technical and finance data bases are being reviewed to prepare recommendations for work programmes and budgets. These will be presented to the Joint Ventures in fourth quarter 2006.</p>												
<p><b>Acquisition of 3D seismic survey has commenced</b></p>	<p><b>CAMBAY 3D SEISMIC ACQUISITION PROGRAMME</b></p> <p><b>OILEX OPERATOR 45% (15% pending Government approval)</b></p> <p>An international tender for the acquisition of a 3D seismic survey covering 160 km<sup>2</sup> of the Cambay contract area was completed in September and the contract was awarded in early October. The survey is progressing well and is expected to be completed in late November. The processed data is anticipated to be available early 2007.</p> <p>The survey will be critical to evaluating the reserve potential and forward development programme for the Cambay Field. In combination with the new well data from Cambay-71 and Cambay-72 and the standardised existing well data base, the 3D data set will provide the essential tool for detailed mapping of individual reservoir units for redevelopment.</p> <p>The survey is also expected to identify new play types and prospective areas of the Cambay block that have not been explored, particularly in the deeper horizons to the east of the Western High area.</p>												



<p><b>OMAN</b></p> <p><i>Reprocessing of existing seismic data base has commenced</i></p>	<p><b>BLOCK 56 SOUTH OMAN</b> (OILEX OPERATOR – 25%)</p> <p>Reprocessing of the existing seismic data base has commenced with trials being carried out by various seismic contractors. Results will be used in preparing specifications for the acquisition programme which is planned to commence in early 2007, subject to availability of crews.</p> <p>Oilex is establishing a Project Office in Muscat and a local Manager will be appointed in October.</p>
<p><b>AUSTRALIA</b></p> <p><i>Christine 2D seismic survey was completed and now being processed</i></p>	<p><b>EPP 27 – OTWAY BASIN OFFSHORE SOUTH AUSTRALIA</b> (OILEX OPERATOR earning 20%)</p> <p>The “Christine” 2D seismic survey conducted by M.V. Pacific Titan in the offshore Otway Basin permit EPP 27 has been completed. During the survey, approximately 1300 line kilometres of data were acquired, extending an existing seismic grid and covering eight leads identified in the southeastern part of the permit</p> <p>The survey is the first phase of the work programme that Oilex, GSPC and Videocon Industries Ltd (“Videocon”) are conducting as part of the farmin agreement signed with Great Artesian Oil &amp; Gas Ltd (“GOG”) in February. The purpose is to refine the maps with the new data, determine the leads that may be upgraded to prospects and define optimal drilling locations on those prospects.</p> <p>The processing and interpretation of the data is planned to be completed by October 2006, with the aim of drilling a well at the earliest opportunity thereafter, depending on the availability of a suitable drilling rig. Oilex (Operator), Videocon and GSPC are funding the seismic programme 33.3% each as part of their commitment to earn 20% each in the permit. GOG holds the balance of 40% equity in the permit.</p>
<p><i>Oilex awarded new permit offshore WA</i></p>	<p><b>WA-388-P CARNARVON BASIN, OFFSHORE WESTERN AUSTRALIA</b> (OILEX OPERATOR – 25%)</p> <p>The Commonwealth-Western Australia Offshore Petroleum Joint Authority awarded permit WA 388P (formerly W05-11) located in the offshore Carnarvon Basin to a consortium of 5 companies led by Oilex.</p>  <p><b>Figure 2 - Location Map WA-388-P, Carnarvon Basin, offshore WA</b></p>



WA-388-P was offered in the bid round that closed on 26 April 2006 as block W05-11. It is located to the north of the Goodwyn / North Rankin gas fields trend and to the northeast of the Jansz-lo gas discoveries in the Exmouth Sub-basin.

The successful bidding group comprises Oilex (Operator, 20%) and major Indian companies GSPC (20%), Videocon (20%), Hindustan Petroleum Corporation Ltd ("HPCL" 20%) and Bharat Petroleum Corporation Ltd ("BPCL" 20%).

The work programme comprises reprocessing of existing seismic data and acquisition of 3D seismic over parts of the block, anticipated to commence in 2008.

***Oilex sells onshore Queensland interests to Bow for shares in Bow***

## ONSHORE QUEENSLAND

Oilex signed Share Sale & Purchase Agreements for the sale to Bow Energy Ltd ("Bow") of its onshore Queensland oil and gas permit interests in the Bowen-Surat and Cooper-Eromanga Basins.

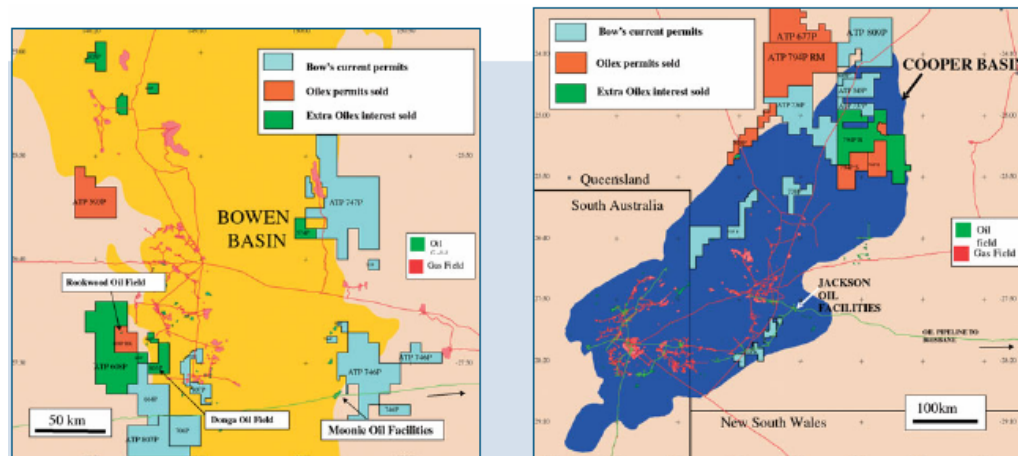
As consideration for the sale of the assets, Oilex will be issued with 15 million fully paid ordinary shares and 15 million options to purchase Bow shares at 50 cents per share on or before 5 years from the issue date. When the transaction is completed, Oilex will be the largest shareholder in Bow.

The sale is subject to approval by Bow shareholders and completion of the due diligence process. The effective date of sale is 24 August 2006 with settlement to be effected by 31 October 2006. The securities will be subject to voluntary escrow for a period of 2 years from the date of issue.

Bow has a strong Queensland oil exploration and production focus and an expanding and comprehensive Queensland geological database. By concluding this agreement with Bow, Oilex shareholders will share in any price appreciation of Bow's shares in the event of successful drilling by Bow on the permit areas that are being sold by Oilex and on Bow's existing exploration permits.

The divestment of the Queensland permit interests is consistent with the strategy outlined previously by Oilex. It enables Oilex to concentrate its resources on the development opportunities at Cambay, Bhandut and Sabarmati fields in Gujarat, India and the exploration programmes offshore Australia, the JPDA and onshore Oman.

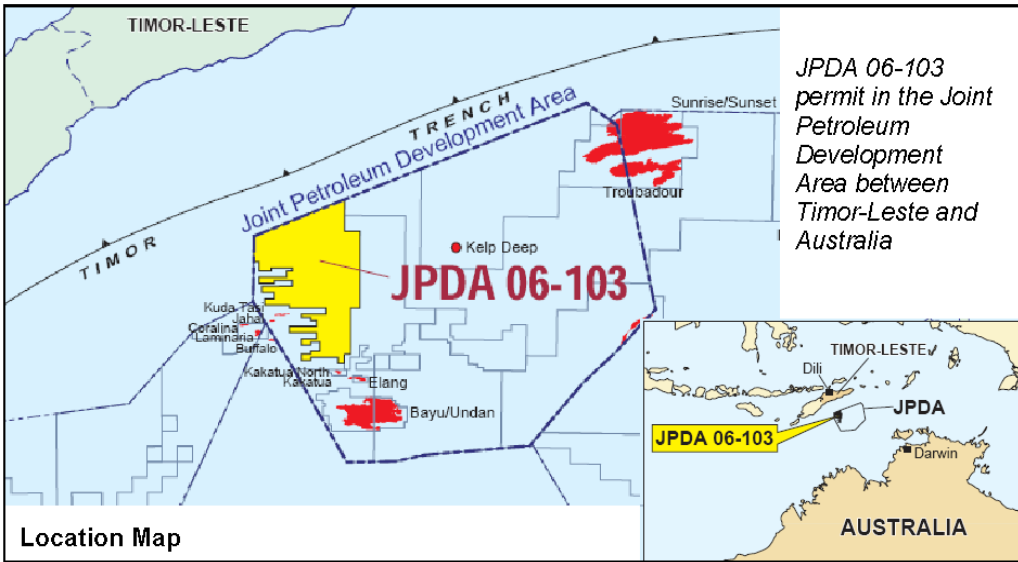
***Oilex has exposure to large number of permits in prospective basins through the securities it holds in Bow***



**Figure 3 - Combined permit interests of Bow Energy and Oilex Ltd in the Bowen-Surat Basin (left) and the Cooper-Eromanga Basin (right).**

The divestment of ATP 548P is subject to certain pre-emptive rights under the JOA. In complying with this process, Oilex anticipates that the sale of ATP 548P may be delayed or subject to contest by a party to the JOA. It is not anticipated that any delay will impact upon the sale of other permits to Bow.



<p><b>JOINT PETROLEUM DEVELOPMENT AREA BETWEEN TIMOR-LESTE AND AUSTRALIA</b></p> <p><i>Joint Venture operated by Oilex awarded new permit in Timor Sea</i></p>	<p><b>JPDA 06-103, FLAMINGO BASIN OFFSHORE JOINT PETROLEUM DEVELOPMENT AREA</b> (OILEX OPERATOR – 25%)</p> <p>The Timor Sea Designated Authority has confirmed that the Production Sharing Contract for the offshore permit JPDA 06-103 located in the northern part of the Joint Petroleum Development Area will be signed at a ceremony in Dili, Timor-Leste on 16 November 2006.</p> <p>The block was offered in a competitive bidding round that closed on 26 May 2006. It is located immediately to the east of the Laminaria, Corallina, Kakatua, Kuda Tasi and Elang discoveries/oil and gas fields and to the north of the Bayu-Undan gas condensate field.</p> <p>The successful bidding group comprises Oilex (Operator, 25%) and major Indian companies GSPC (25%), Videocon (25%) and BPCL (25%). This award completes another element of the company's stated strategy of acquiring high quality exploration acreage in countries around the Indian Ocean rim in joint ventures with its Indian alliance members.</p>  <p><b>Figure 4 – Location JPDA 06-103, Timor Sea</b></p> <p>The Timor Sea Designated Authority was created on 2 April 2003, pursuant to the Timor Sea Treaty between the Governments of Timor-Leste and Australia. The role of the TSDA is to administer the Joint Petroleum Development Area (JPDA) on behalf of the Governments of Timor-Leste and Australia.</p>
<p><b>CORPORATE</b></p> <p><i>Shareholders approve placement of shares to raise over \$20 million</i></p> <p><i>Oilex changes its name to OILEX LTD</i></p>	<p><b>GENERAL MEETING OF SHAREHOLDERS</b></p> <p>At a General Meeting of the company held on 28 July 2006, share holders approved the main agenda item to approve the placement and issue of 23,600,000 fully paid ordinary shares at 85 cents per share raising gross proceeds of A\$20,060,000.</p> <p>All other resolutions put to the General Meeting were passed unanimously on a show of hands.</p> <p>Further to Shareholder approval obtained at the General Meeting on 28 July 2006, with effect as from 8 September 2006, the Company's name has changed from OILEX NL to OILEX LTD and the Type of Company has changed from a No Liability Company to a Limited Company and remains a Public Company.</p>



<b>Net cash resources of A\$18.5 million</b>	<p>The Company presently has 76,614,319 shares on issue. These shares are traded on the ASX in Australia and on the AIM market of the London Stock Exchange under the code: <b>OEX</b>.</p> <p>Oilex also has a total of 24,755,534 unlisted options on issue, the majority of these being held by Executive staff.</p> <p>At 30 September 2006, the Company retained net cash resources of approximately A\$18.5 million</p>
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Oilex regularly updates its website at [www.oilex.com.au](http://www.oilex.com.au)

For and on behalf of the Board

**Dr B. H. McCarthy**  
**Managing Director**  
**25 October 2006**

*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 27 years experience in the oil and gas exploration and production industry.*



## PERMIT SCHEDULE

Onshore Australian Permits at 30 June 2006, subsequently sold to Bow Energy Ltd (Note 1):

PERMIT	BASIN	BLOCK NAME	PARTIES	% HELD	OPERATOR
ATP 574P	Surat		Oilex NL (Sequoil Pty Ltd) (Note 2) Victoria Petroleum NL Bow Energy Ltd	57.50 30.00 12.50	Oilex NL
ATP 593P	Surat		Oilex NL (Sequoil Pty Ltd) Victoria Petroleum NL	76.00 24.00	Oilex NL
ATP 794P (Note 3)	Eromanga	Barcoo	Victoria Petroleum NL Oilex NL (Sequoil Pty Ltd)	60.00 40.00	Victoria Petroleum NL
		Regleigh	Icon Oil NL Victoria Petroleum NL Oilex NL (Sequoil Pty Ltd)	60.00 24.00 16.00	Icon Oil NL
		Springfield	Icon Oil NL Victoria Petroleum NL Oilex NL (Sequoil Pty Ltd)	60.00 24.00 16.00	Icon Oil NL
		Barcoo Junction	Oilex NL Oilex NL (Sequoil Pty Ltd) Victoria Petroleum NL	80.00 8.00 12.00	Oilex NL
		Brightspot	Icon Oil NL Victoria Petroleum NL Oilex NL (Sequoil Pty Ltd)	75.00 15.00 10.00	Icon Oil NL
		Part 2	Victoria Petroleum NL Oilex NL (Sequoil Pty Ltd)	60.00 40.00	Victoria Petroleum NL
ATP 608P	Surat	Rookwood	Oilex NL (Sequoil Pty Ltd) Victoria Petroleum NL Private Interests	60.435 29.69 9.875	Oilex NL
		Remainder	Oilex NL (Sequoil Pty Ltd) Victoria Petroleum NL Bow Energy Ltd Private Interests	48.125 24.00 20.00 7.875	Oilex NL
ATP 805P	Surat		Bow Energy Ltd Oilex NL (Sequoil Pty Ltd) Victoria Petroleum NL	42.50 42.50 15.00	Bow Energy Ltd
ATP 548P (Note 4)	Eromanga		IOR Exploration Pty Ltd Netscald Pty Ltd Oilex NL	68.65 20.00 11.35	IOR Exploration Pty Ltd
ATP 545P	Eromanga		Oilex NL Roma Petroleum NL Private Interests	45.50 45.00 9.50	Roma Petroleum NL
ATP 677P Application	Eromanga		Oilex NL Challenge Resources Ltd	50.00 50.00	Oilex NL

NOTE 1: Subject to approval by shareholders of Bow Energy Ltd

NOTE 2: Sequoil Pty Ltd is a wholly owned subsidiary of Oilex NL.

NOTE 3: ATP 794P was previously known as ATP589P

NOTE 4: Subject to possible exercise of pre-emptive right and sale of ATP 548P may be delayed or subject to contest by a party to the JOA

The following applications have been withdrawn:

ATP 797P Application	Eromanga	Oilex NL Roma Petroleum NL	55.00 45.00	Oilex NL
ATP 798P Application	Eromanga	Oilex NL Roma Petroleum NL	55.00 45.00	Oilex NL



### Offshore Australian Joint Ventures:

PERMIT	BASIN	PARTIES	% HELD	OPERATOR
EPP 27 Note 5	Otway	Oilex Ltd	20.00	Oilex Ltd
		Gujarat State Petroleum Corporation Ltd	20.00	
		Videocon Industries Ltd	20.00	
		Great Artesian Oil & Gas Ltd	40.00	
WA-388-P	Carnarvon Offshore	Oilex Ltd	25.00	Oilex Ltd
		Gujarat State Petroleum Corporation Ltd	25.00	
		Videocon Industries Ltd	25.00	
		Bharat Petroleum Corporation Ltd	12.50	
		Hindustan Petroleum Corporation Ltd	12.50	

Note 5: Oilex, Gujarat State Petroleum Corporation Ltd and Videocon Industries Ltd are each earning 20% interest in return for funding 33.3% each of an agreed work programme.

### International Joint Ventures:

PERMIT	COUNTRY/ STATE	PARTIES	% HELD	OPERATOR
Cambay Field	India / Gujarat	Oilex NL Holdings (India) Ltd Note 6	15.00	Oilex Ltd
		Oilex Ltd	30.00	
		Gujarat State Petroleum Corporation Ltd	55.00	
Bhandut Field	India / Gujarat	Oilex NL Holdings (India) Ltd Note 6	40.00	Oilex Ltd
		Gujarat State Petroleum Corporation Ltd	60.00	
Sabarmati Field	India / Gujarat	Oilex NL Holdings (India) Ltd Note 6	40.00	Oilex Ltd
		Gujarat State Petroleum Corporation Ltd	60.00	
Block 56	Oman	Oilex Ltd	25.00	Oilex Ltd
		Videocon Industries Limited	25.00	
		Hindustan Petroleum Corporation Ltd	12.50	
		Bharat Petroleum Corporation Ltd	12.50	
		GAIL (India) Ltd	25.00	
JPDA 06-103	Joint Petroleum Development Area between Timor Leste and Australia	Oilex Ltd	25.00	Oilex Ltd
		Videocon Industries Limited	25.00	
		Gujarat State Petroleum Corporation Ltd	25.00	
		Bharat Petroleum Corporation Ltd	25.00	

Note 6: subject to approval of Government of India

**APPENDIX 5B****MINING EXPLORATION ENTITY QUARTERLY REPORT**

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Oilex Ltd

ABN

50 078 652 632

Quarter ended ("current quarter")

30 September 2006

**Consolidated statement of cash flows**

	<i>Current quarter</i>	<i>Year to date (3 months)</i>
	\$A'000	\$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	35	35
1.2 Payments for (a) exploration and evaluation	(2,100)	(2,100)
(b) development	-	-
(c) production	-	-
(d) administration	(924)	(924)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	157	157
1.5 Interest and other costs of finance paid	(138)	(138)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(2,970)</b>	<b>(2,970)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(50)	(50)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-



1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	<b>Net investing cash flows</b>	(50)	(50)
1.13	Total operating and investing cash flows (carried forward)	(3,020)	(3,020)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	18,246	18,246
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	18,246	18,246
	<b>Net increase (decrease) in cash held</b>	15,226	15,226
1.20	Cash at beginning of quarter/year to date	3,266	3,266
1.21	Exchange rate adjustments to item 1.20	(4)	(4)
1.22	<b>Cash at end of quarter</b>	18,488	18,488

**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	179
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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## 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

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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

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## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	5,000	5,000
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,000
4.2 Development	-
<b>Total</b>	<b>3,000</b>



## RECONCILIATION OF CASH

<i>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.</i>	<i>Current quarter \$A'000</i>	<i>Previous quarter \$A'000</i>
5.1 Cash on hand and at bank	535	527
5.2 Deposits at call	17,953	2,739
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>18,488</b>	<b>3,266</b>

## Changes in interests in mining tenements

	<i>Tenement reference</i>	<i>Nature of interest (note (2))</i>	<i>Interest at beginning of quarter</i>	<i>Interest at end of quarter</i>
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	-	-

## Issued and quoted securities at end of current quarter

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

	<i>Total number</i>	<i>Number quoted</i>	<i>Issue price per security (cents)</i>	<i>Amount paid up per security (cents)</i>
7.1 <b>Preference +securities</b> (description)	-	-	-	-
7.2 <i>Changes during quarter</i> <i>(a) Increases through issues</i> <i>(b) Decreases through returns of capital, buy-backs, redemptions</i>	-	-	-	-
7.3 <b>+Ordinary securities</b>	76,614,319	76,614,319	Various	-



7.4	<i>Changes during quarter</i>				
	<i>(a) Increases through issues</i>	23,600,000	23,600,000	\$0.85	-
		500,000	500,000	\$0.50	-
	<i>(b) Decreases through returns of capital, buy-backs</i>	2,500,000	2,500,000	\$0.20	-
7.5	<b>+Convertible debt securities</b> (description)	<i>Nil</i>	<i>Nil</i>	-	-
7.6	<i>Changes during quarter</i>				
	<i>(a) Increases through issues</i>				
	<i>(b) Decreases through securities matured, converted</i>	-	-	-	-
		-	-	-	-
7.7	<b>Options</b> (description and conversion factor)			Exercise Price	Expiry Date
		2,200,000	-	\$0.20	28/02/2008
		500,000	-	\$1.00	31/12/2009
		3,000,000	-	\$1.50	31/12/2009
		980,534	-	\$0.50	07/12/2008
		2,250,000	-	\$0.40	14/12/2008
		3,250,000	-	\$0.50	14/12/2008
		4,250,000	-	\$0.80	14/12/2009
		1,000,000	-	\$0.50	16/02/2009
		3,100,000	-	\$0.50	31/03/2010
		1,400,000	-	\$0.50	31/03/2010
		775,000	-	\$0.50	31/07/2009
		775,000	-	\$0.65	31/07/2009
		775,000	-	\$0.90	31/07/2010
		250,000	-	\$0.45	31/07/2009
		250,000	-	\$0.55	31/07/2009



7.8	<i>Issued during quarter</i>	1,400,000	-	\$0.50	31/03/2010
		775,000	-	\$0.50	31/07/2009
		775,000	-	\$0.65	31/07/2009
		775,000	-	\$0.90	31/07/2010
		250,000	-	\$0.45	31/07/2009
		250,000	-	\$0.55	31/07/2009
7.9	<i>Exercised during quarter</i>	500,000	-	\$0.50	31/03/2010
7.10	<i>Expired during quarter</i>	-	-		
7.11	<b>Debentures</b> (totals only)	<i>Nil</i>	<i>Nil</i>		
7.12	<b>Unsecured notes</b> (totals only)	<i>Nil</i>	<i>Nil</i>		

## 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: \_\_\_\_\_

Date: 26<sup>th</sup> October 2006

Print Name: MDJ Cozijn