

CHAIRMAN'S OUTLINE

ANNUAL GENERAL MEETING OF SHAREHOLDERS CONCENTRATED CAPITAL LIMITED

To be held at:

**11.00 am on Thursday 23 November 2006 in the Board Room at Tolhurst
Noall Level 29, 35 Collins Street Melbourne Victoria**

1. Welcome.

Good Morning ladies and gentlemen and welcome to this Annual General Meeting of members of Concentrated Capital Limited for 2006.

For those that haven't met me, my name is Hamish Giles. I am the Chairman of Concentrated Capital Limited and I will be chairing the meeting this morning. With me are my fellow directors Peter Reilly and Mike Evett both non-executive directors and Richard Baker the Company Secretary.

We note the presence of the Company auditors from Ernst & Young.

The format for the meeting this morning will be as follows:

Following preliminary matters I will address you on some of the things that are happening for the Company.

We will then proceed with the matters of business set out in the Notice of Meeting.

Apologies

None.

Quorum

Moving to formalities, I am advised that a Quorum of members is present. If you have not already done so I would ask that all members present sign the Attendance Register. The Attendance Register is tabled and is available for inspection either during or after the meeting.

The minutes of the last AGM have been signed and are available for inspection.

I call the meeting to order.

Proxies

In addition to members present today, the Company has received and tabled 6 valid proxy forms from shareholders in respect to this meeting, representing a total of 3,370,226 shares.

Where a proxy vote has been given in favour of the Chairman without voting instructions, I intend to vote in favour of all resolutions.

2. CHAIRMAN'S ADDRESS

During the year ended 30 June 2006, the Board of Concentrated Capital Limited has reviewed a number of opportunities offered to it which would enable the company to move from the Newcastle Stock Exchange to the Australian Stock Exchange and provide greater liquidity to shareholders.

I am pleased to advise, that negotiations have progressed with a prospective party and the Board is hopeful that information will be provided to it in the near term that will allow a more formalised due diligence process to commence. At this early stage however, I can give shareholders no certainty or surety that these initial discussions will necessarily bear fruit.

As previously announced, your company has invested approximately \$600,000 in Convertible Notes in Persia Petroleum Services plc. Interest for the past six (6) months has been accrued and capitalised to these Notes and we are advised by the Board of Persia Petroleum Services plc that they are undertaking activities which will provide the capacity for repayment of the Notes or a capacity for an enhanced conversion into an alternative structure.

The Board of Concentrated Capital Limited is working closely with the Board of Persia Petroleum Services plc to expedite these arrangements.

Recent discussions with the Board of Persia Petroleum Services plc would lead me to conclude that they are on the verge of finalising transactions that will allow that company to be recapitalized and offer to existing noteholders the opportunity for either repayment of the notes (together with accrued interest) or alternatively the capacity to invest in a newly capitalised subsidiary. Once further information has formally been provided to the Board we will be in a position to make an informed decision. Such decision will have regard to any discussions we are having with any potential acquisition and the synergy of retaining an investment within the Persia Petroleum Services structure vis-à-vis utilising funds for alternative activities.

As shareholders will be aware, oil prices have risen significantly over the past year and this has enhanced the investment the company has made in the Avalon Oil partnership. Avalon continues to reinvest its production income in further exploration and development of fields and we are advised by the operator of Avalon that there is the potential for a capital return over the next twelve (12) months as this investment obligation reduces and surplus funds are available to the partners.

During the year, we were advised by the operator of the Westpine Ridge project that further drilling would not proceed without a significant further capital injection and the Board of Concentrated Capital Limited determined that it would not undertake such investment. Accordingly, for the year ended 30 June 2006 the investment in Westpine Ridge has been written off with no expectation of any residual value.

At this time I would also like to thank Mr Chris Rowe for his efforts as a director of the company over the past 3 years. Chris has elected to stand down due to the potential conflict that exists between his role as a director of Concentrated Capital and his role as Acting Chairman of Persia Petroleum Services plc, a company which Concentrated Capital Limited has invested in significantly. I would also like to take the opportunity to welcome Mr Michael Evett to the Board of Concentrated Capital Limited. Mike has significant experience in the oil and gas industries and together with your current Board members will focus on identifying an appropriate opportunity for Concentrated Capital Limited to maximise both its value and liquidity to shareholders.

On behalf of the Board I would like to thank all shareholders for their continuing support and I look forward to advising of further developments in each of your company's investments as they evolve.