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QUARTERLY EXPLORATION REPORT TO 30 SEPTEMBER 2009

HIGHLIGHTS

- Spikey Beach-1 drilled in T/38P at Beach Petroleum's cost.
- Preparations for imminent drilling of 300 km² Braveheart amplitude AVO and anomaly using the Songa Venus semi submersible drilling vessel.
- Site survey completed in readiness for Cornea-3 appraisal well.
- Preparation for drilling of Cornea-3 appraisal well.



Figure (above) - Songa Venus – to be used to drill Braveheart-1



QUARTERLY ACTIVITY REPORT TO 30 SEPTEMBER 2009

Exoil Limited ("Exoil" or "the Company") holds interests in twelve petroleum exploration permits, all of which are in the offshore waters of Australia. Four are located offshore of Western Australia; three of those in the Browse Basin (WA-332-P, WA-333-P and WA-342-P) and one in the Carnarvon basin (WA-359-P). The other eight are located offshore of south-eastern Australia; with two in the offshore Gippsland Basin (Vic/P45 and Vic/P53), two in the Bass Basin (T/37P and T/38P) offshore of northern Tasmania and the remaining four in the offshore Otway Basin (EPP 34, EPP 35, EPP 36 and Vic/P61). Details of these permits and the current work activities in each one are provided here.

WA-332-P & WA-333-P, BROWSE BASIN (Exoil 25.375% interest is held by a wholly-owned subsidiary, Braveheart Resources Pty Ltd)

These two permits are held by the Braveheart Joint Venture, presently consisting of the following parties:

Browse Petroleum Pty Ltd (subsidiary of Gascorp Australia Pty Ltd)	40.375%
Braveheart Resources Pty Ltd	25.375%
Braveheart Oil & Gas Pty Ltd (subsidiary of Australian Oil & Gas Corporation)	14.500%
Braveheart Petroleum Pty Ltd (subsidiary of Batavia Oil & Gas Pty Ltd)	12.500%
Braveheart Energy Pty Ltd (subsidiary of Goldsborough Limited)	7.250%

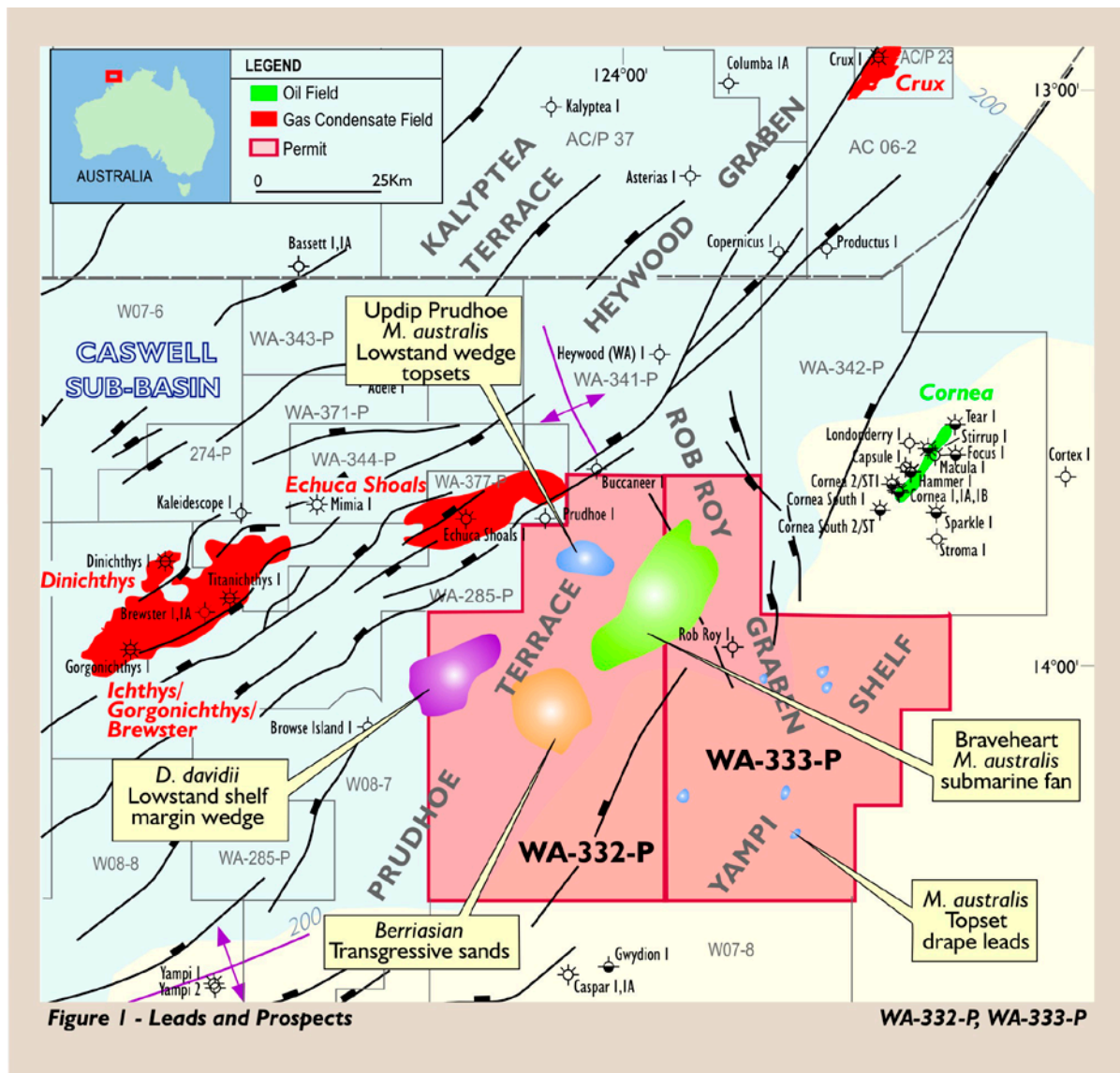
The Operator of the Braveheart Joint Venture is a wholly-owned subsidiary of Exoil, Hawkestone Oil Pty Ltd.

Braveheart Prospect

The Braveheart-1 well is to be drilled into the Braveheart Prospect by the Songa Venus semi-submersible rig in late 2009 from a location in WA-333-P. The Braveheart Prospect straddles the two permits (see Figure 1) and is highlighted by both an amplitude and AVO anomaly.

The WA-332-P and WA-333-P permits, and the Braveheart Prospect in particular, are covered by numerous 2D surveys, including modern, good quality, high resolution 2D seismic acquired by the Operator in 2005/06 and 2008. These seismic surveys have been brought together as one unified grid that completely covers the Braveheart Prospect.

The Braveheart Prospect is located above the western footwall of the Rob Roy Graben. The reservoir target is Barremian *M. australis* submarine fan sandstones of the Echuca Shoals (Lower Heywood) Formation. It was first defined on the Braveheart 2D seismic acquired in 2005/6 and further confirmed on the Braveheart Infill 2D seismic acquired in 2008. It comprises a prominent amplitude anomaly that was shown to possess an amplitude versus offset (AVO) anomaly, suggestive of the presence of hydrocarbons. (See Figure 6).



Seismic interpretation of the Braveheart Prospect has it as a stratigraphic trap, related to the up-dip pinchout of the *M. australis* sandstone reservoir of the Echuca Shoals (Lower Heywood) Formation against the *M. australis* sequence boundary. The depositional model and geometry of the reservoir used in the interpretation of this prospect is a submarine fan play deposited at the base of a palaeo-slope during a period of lower sea-level or as a result of slope failure. (See Figure 4). In either case a good reservoir is expected, as demonstrated by the sandy reservoir of the same age penetrated by Asterias-1, drilled 75 km to the north of the Braveheart Prospect.

The main uncertainty related to the Braveheart Prospect is the presence of effective top and base seal and the presence of thief sandstones on the slope breaching the pinchout trap. Good seals are usually deposited in quiet, deep marine environments. The height of the palaeo-slope up-dip of the Braveheart Prospect, estimated from flattening seismic sections, is in the order of about 75m below the shelf break, which itself was probably more that 50m below sea-level. Consequently, fine grained sediments are predicted to have been deposited near the base of the slope below the submarine fan and forming the base seal, similar to the base of slope sediments penetrated by the Rob Roy-1 well.

The submarine fan is interpreted to have been overlain by a younger *M. australis* shelf regression that built out to the north-west to just beyond the Prudhoe-1 well location. Here a coarsening-up cycle from marine claystones to shallow marine sandstones has been penetrated. Similar claystones are expected to form the top seal over the Braveheart Prospect, as they were deposited at least 40m below the shelf break, in water depths up to 90m deep. (See Figures 4 and 5 for sequence stratigraphic framework).

The Braveheart Prospect is highlighted by a high amplitude seismic signature (see Figure 7) and this high amplitude area corresponds to the thickest part of the interpreted isopach, which is estimated to represent 32m of potential reservoir sandstone.

A large amount of AVO analysis over a considerable time was performed on the seismic data. In general, the AVO response indicates a possible hydrocarbon content. Particularly encouraging was that the AVO response terminated at the same two-way-time at both the top and the bottom of the sedimentary unit, suggestive of a common hydrocarbon-water contact. (See Figure 6).

Also, forward modelling, that resulted in the prediction of fluid phase and reservoir parameters, was completed following calibration to the regional wells. This was performed using “Delivery” an open sourced, model based Bayesian seismic inversion software package. The results generally give support to the presence of reservoir quality rocks and also indicate that possible hydrocarbons could be found within the Braveheart Prospect.

Seismic line B05-25 (Figure 3) illustrates the strongly northwest structural dip that has been imparted to the Prudhoe Terrace by the collapse of the Browse Basin margin during the Cretaceous and the Tertiary. Figure 3 exaggerates that dip; the true dip being 1.64 degrees.

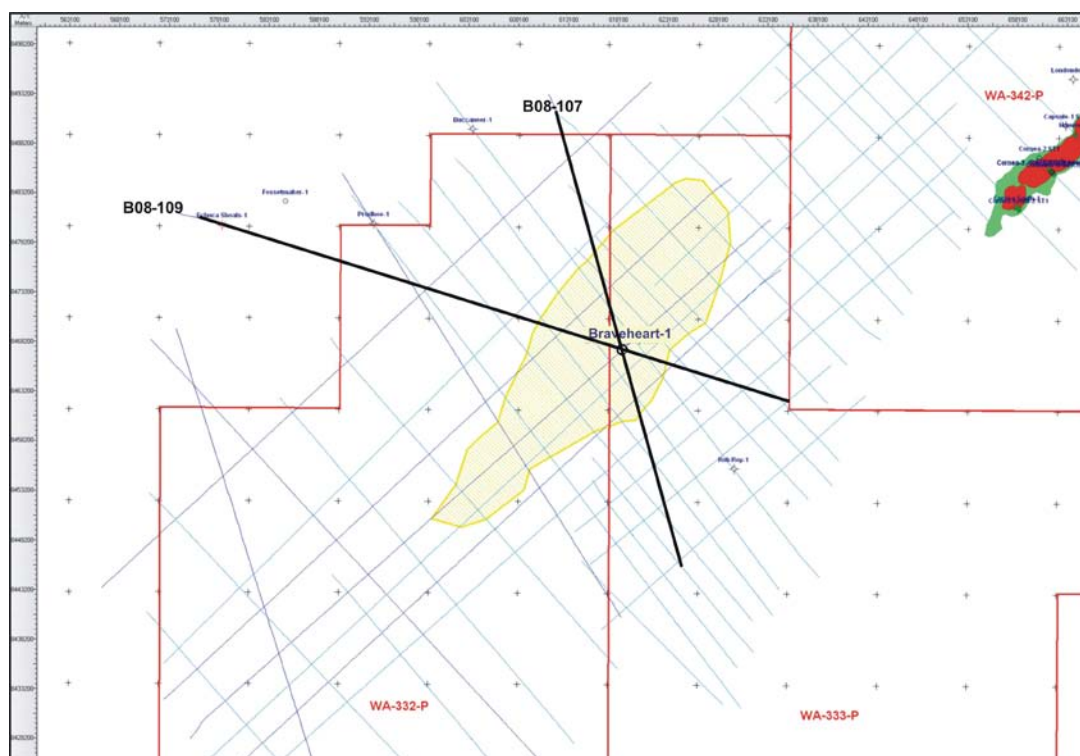


Figure 2 - Braveheart-1 – Well Location

The Echuca Shoals Formation on the Prudhoe Terrace is dominated by sediments deposited within the *M. australis* palynozone. This zonation has been used to correlate the well data, from which the sequence stratigraphic framework was derived. The time equivalent sediments revealed in other exploration wells in the Browse Basin reveal a propensity for inclusion of sandstones in the *M. australis* sequences, which indicates that large amounts of potential reservoir material was being stripped from the cratonic basement to the east and poured into the Browse Basin during the Barremian.

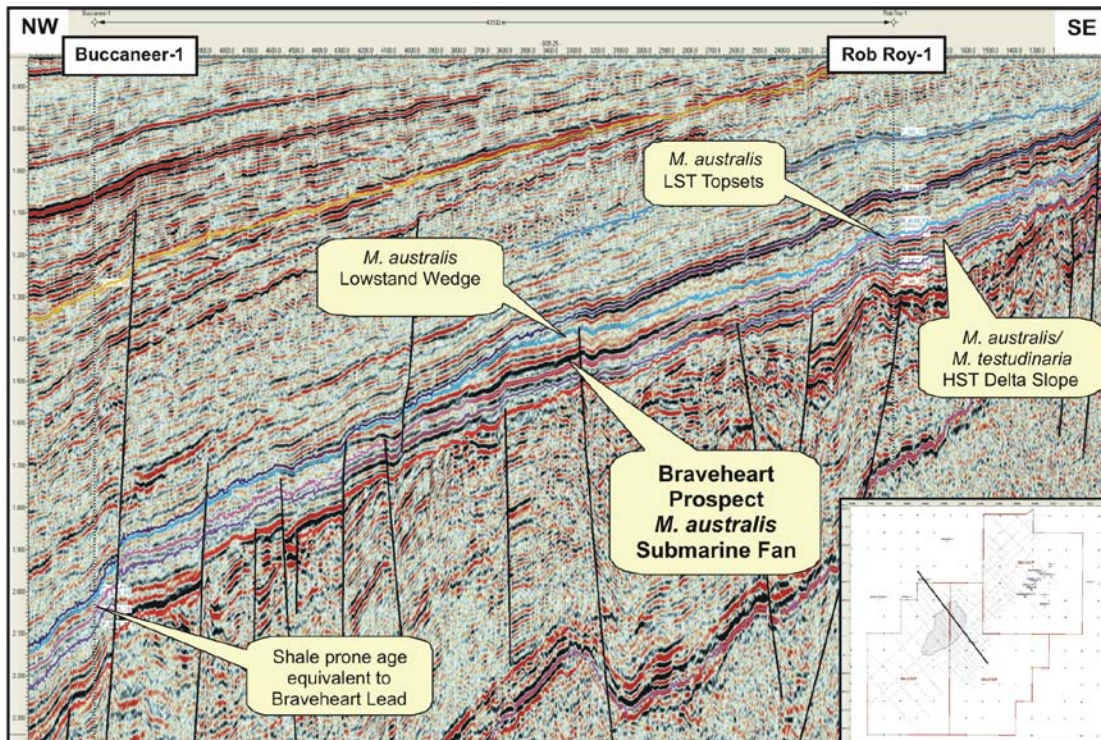


Figure 3 - Illustrating the location of the Braveheart Prospect on seismic line B05-25 and between the Buccaneer-1 and the Rob Roy-1 well locations. The true dip is 1.64 degrees

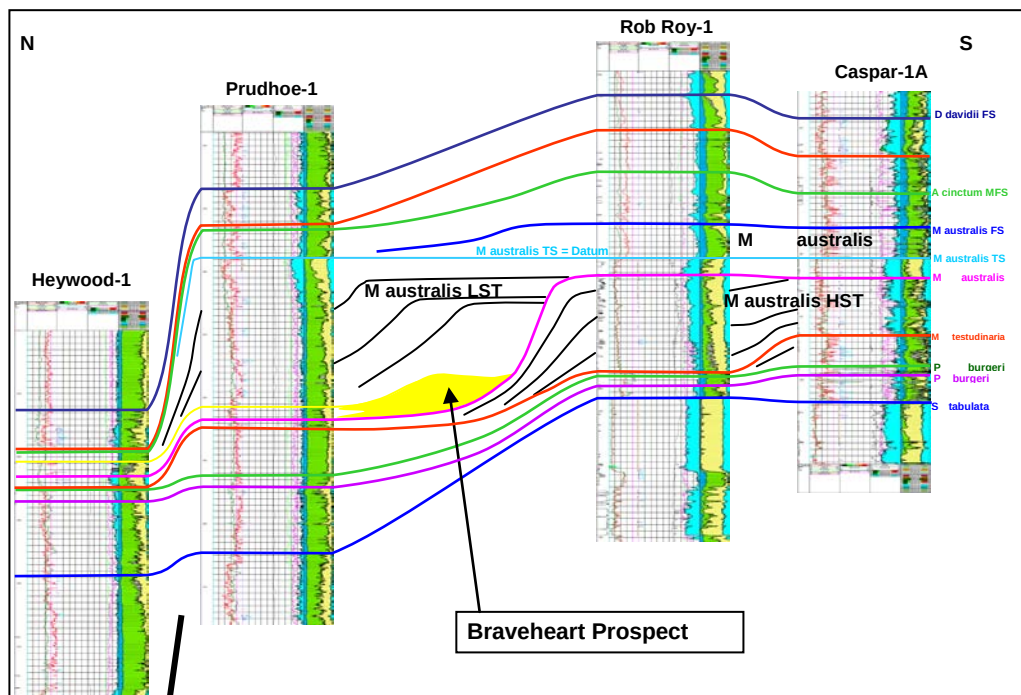


Figure 4 - A sequence stratigraphic framework for the Braveheart Prospect - *M. australis* submarine fan within the existing well settings.

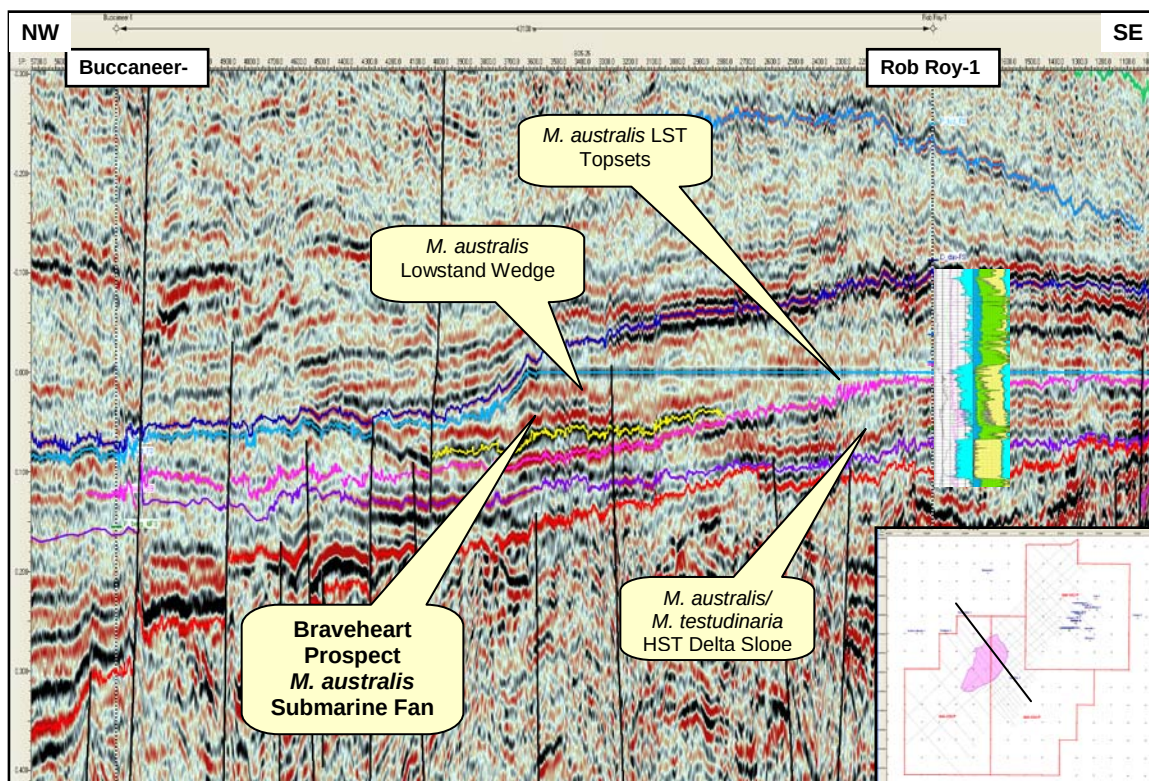


Figure 5 - A re-representation of seismic line B05-25 illustrating the Braveheart – *M. australis* submarine fan prospect, with the *M. australis* topset beds (blue line horizon) flattened to their interpreted original depositional orientation to match the sequence stratigraphic (blue line horizon) in the framework diagram (Figure 4).

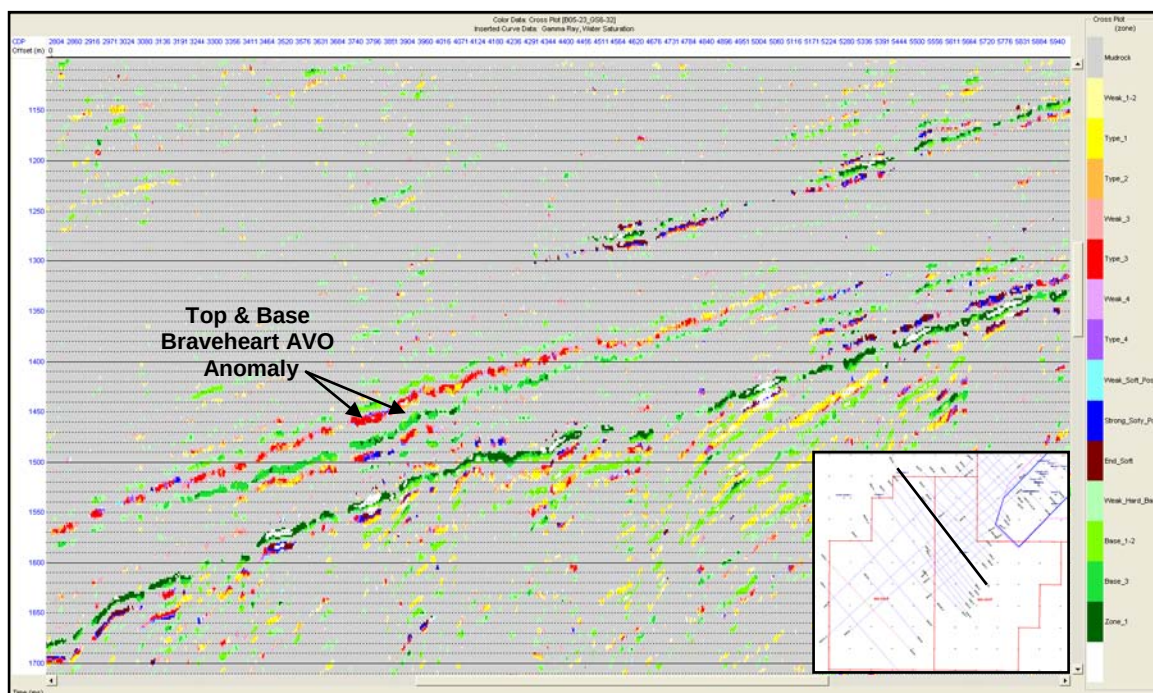


Figure 6 - Illustrating the Braveheart - *M. australis* AVO Anomaly, as illustrated on seismic line B05-23.

The interpreted submarine fan is also identified on the seismic data by the higher amplitude response recorded by the seismic data compared with the equivalent sequence elsewhere on the Prudhoe Terrace. The overall form of the amplitude anomaly corresponds to what might be expected of a submarine fan deposit lying at the base of an interpreted palaeoshelf edge. The strength of this anomaly and its approximate conformance with the time map suggests that the anomaly is unlikely to be an artifact. (See Figure 7).

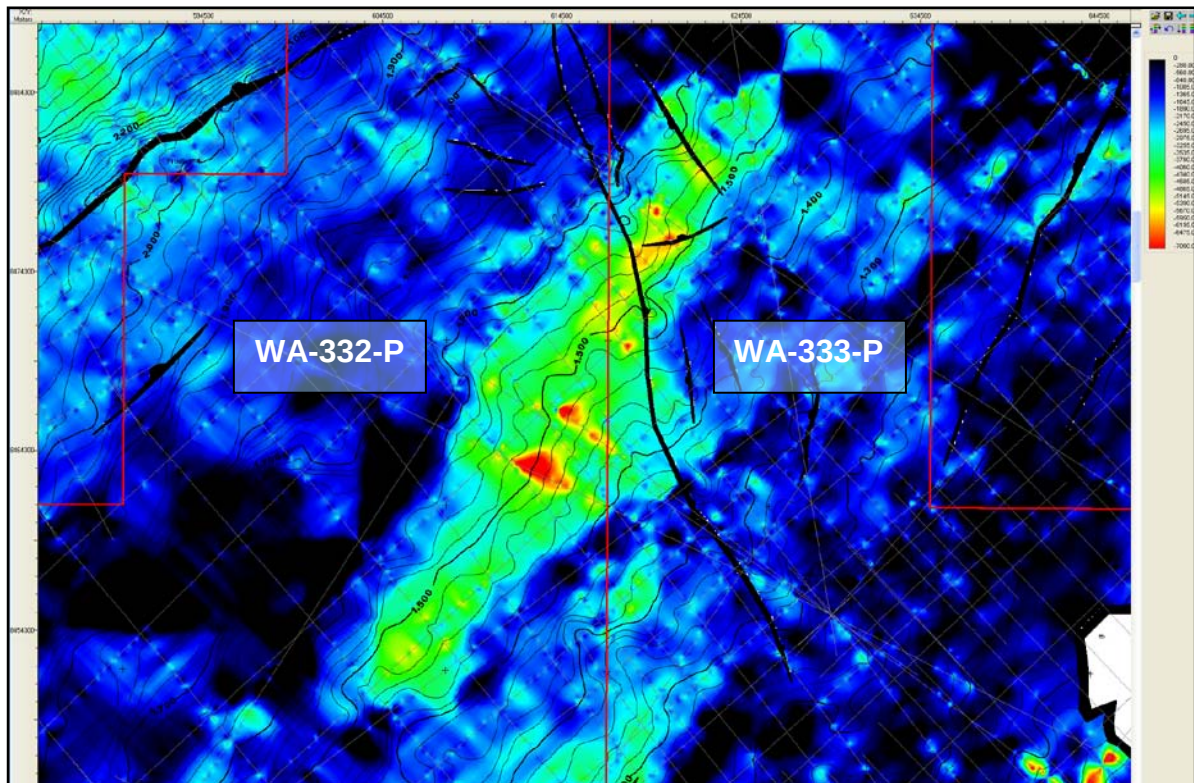


Figure 7 - Illustrating the Braveheart - *M. australis* submarine fan deposit as it is imaged in the Prudhoe Terrace seismic data set. The higher amplitude response illustrated in this data set is shown in green on the figure above. It is located forward (basinward) of the interpreted *M. australis* shelf edge.

There is a pronounced base and top amplitude anomaly associated with the Braveheart submarine fan geobody that extends to an interpreted areal distribution of between 200 and 400 km² respectively, while the AVO anomaly extends over an area of 300 km². The downdip limit of the seismic amplitude anomaly, i.e. the north-western edge of the anomaly, representing the top of the interpreted submarine fan sandstone, is shifted basinwards, i.e. north-westwards, with respect to the base amplitude anomaly. This shift can be interpreted as seismic imaging of a hydrocarbon water contact. Geophysical modelling of the AVO anomaly suggests that this is considered more likely to indicate the presence of hydrocarbons (oil, gas or non commercial gas in solution) than sandstone thickness or porosity. Thick, porous Valanginian *S. areolata* and Barremian *M. australis* sandstones penetrated by the Rob Roy-1 well immediately to the south-east did not possess an AVO anomaly.

At the Gwydion-1 location to the south, the Barremian *M. australis* sandstone is the principal oil reservoir in a sub 2 km closure with a 9.5m oil column of 30.5 degree API and an oil in place calculated to be 11.0 MMBL.

Other Leads in WA-332-P and WA-333-P

Updip Prudhoe Stratigraphic Lead

A 45 km² AVO anomaly (Updip Prudhoe) has been identified on the new Braveheart 2D seismic, updip of the Prudhoe-1 well location. (See Figure 1). The anomaly is interpreted to occur in the same

water wet Barremian upper *M. australis* sandstones penetrated in the Prudhoe-1 (water wet) well which did not possess an AVO anomaly. The upper *M. australis* sandstones occur near the outer margin of the prograding delta/shelf extension and are overlain and sealed by the marine claystones of the latest Barremian *A. cinctum* transgression.

Wallace Lead

The Wallace Lead (see Figure 1) lies 6 km updip of the Prudhoe-1 well on the outer edge of the Prudhoe Terrace in permit WA-332-P. The trapping mechanism comprises a stratigraphic pinchout immediately above the Base Cretaceous Unconformity. Base seal is provided by the Early Permian Shales that subcrop the Base Cretaceous Unconformity and top and lateral seal by Berriasian marine transgressive shales. The lead has a mapped closure of 28 km² with the crest at 2,540m subsea and the lowest closing contour is at 2,635m subsea. The reservoir target is shallow marine, Berriasian, *P. iehiense* sandstones of the Upper Vulcan (Upper Swan) Formation that have been penetrated in Prudhoe-1 between 2,800m and 2,830m where they comprised predominantly medium grained sandstones with up to 17% porosity.

Robert, Bruce and Highlander Leads

The Robert and Bruce Leads (See Figure 1) are located on the Prudhoe Terrace between the Heywood and Rob Roy Grabens. They lie 17 km updip of the Prudhoe-1 and Buccaneer-1 wells in permit WA-332-P. The Highlander Lead (see Figure 1) is situated within the northern end of the Rob Roy Graben, 20 km updip of the Buccaneer-1 well in permit WA-333-P. The trapping mechanism envisaged for all three leads comprises a stratigraphic pinchout of shallow marine Berriasian, *C. delicata* sandstones of the Upper Vulcan (Upper Swan) Formation. The reservoir immediately overlies the Base Cretaceous Unconformity and subcrops the Intra Valanginian Unconformity. Base seal is provided by the subcropping Early Permian Shales and top and lateral seal by Valanginian marine transgressive shales. Prudhoe-1 penetrated this play downdip of the pinchout between 2,752m and 2,778m and reported medium grained sandstones with up to 17% porosity. The Robert and Bruce Leads have mapped closure of 18 and 21 km² respectively, with the crest of the pinchouts at about 2,170m subsea and the lowest closing contour at 2,255m subsea. The Highlander Lead is larger, with a mapped closure of 49 km². The main risk associated with these leads is definition and integrity of the pinchout. The presence of oil updip in the Cornea and Gwydion discoveries indicates that hydrocarbons have migrated across the Prudhoe Terrace from a Heywood Graben source.

Claymore Lead

The Claymore Lead (see Figure 1) is situated on the Prudhoe Terrace approximately 30 km south of the Prudhoe-1 well. The trapping mechanism is again seen as a stratigraphic pinchout of Berriasian transgressive sands. The main risk associated with this lead is definition and integrity of the pinchout. The Claymore Lead has an AVO anomaly that may indicate the presence of hydrocarbons. The presence of oil updip in the Gwydion discoveries indicates that hydrocarbons have migrated from the Heywood Graben across the Prudhoe Terrace through the Claymore Lead location.

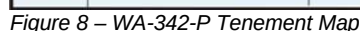
WA-342-P, BROWSE BASIN (Exoil 29.75% interest is held by a wholly-owned subsidiary, Cornea Resources Pty Ltd)

This permit is held by the Cornea Joint Venture consisting of the following parties:

Cornea Resources Pty Ltd	29.75%
Cornea Petroleum Pty Ltd (subsidiary of Batavia Oil & Gas Pty Ltd)	29.75%
Cornea Oil & Gas Pty Ltd (subsidiary of Australian Oil & Gas Corporation)	17.00%
Coldron Pty Ltd (subsidiary of Gascorp Australia Pty Ltd)	15.00%
Cornea Energy Pty Ltd (subsidiary of Goldsborough Limited)	8.50%

The Operator of the Cornea Joint Venture is a wholly-owned subsidiary of Exoil, Hawkestone Oil Pty Ltd.

The Cornea-3 appraisal/exploration well is to be drilled into the known Cornea oil and gas accumulation by the Songa Venus rig following Braveheart-1 – see following location map.



The Cornea oil and gas accumulation was discovered by Shell Development et al in the early exploration wells Cornea-1, 1B and 2. The wells are considered to have established the presence of a 25m gas column and a 22.2m oil column in the Albian sandstones of the Jamieson Formation. The field is a large drape feature. It accumulated 22 to 24 degree API oil derived from Early Cretaceous, Echuca Shoals Formation and possibly Late Jurassic source rocks in the Heywood Graben, located over 60km to the west. The field is split into three main structural components – Cornea South and Cornea Central, both with gas and oil, and Cornea North with gas and no underlying oil presence.

While the WA-342-P work programme does not include an obligation to drill a well in the current permit term, the application to renew the permit for the first 5 year term will require a well to be drilled as part of the 'guaranteed' work programme. Following the drilling of the Braveheart-1 well, the Cornea Joint Venture will be able to utilise the Songa Venus rig and meet the well obligation in year-1 of the (expected and applied for) renewed permit. An exploration/appraisal well in the vicinity of Cornea-1 and Cornea-1B, to determine the potential for oil produceability from Cornea, is currently scheduled to be drilled in late 2009/early 2010.

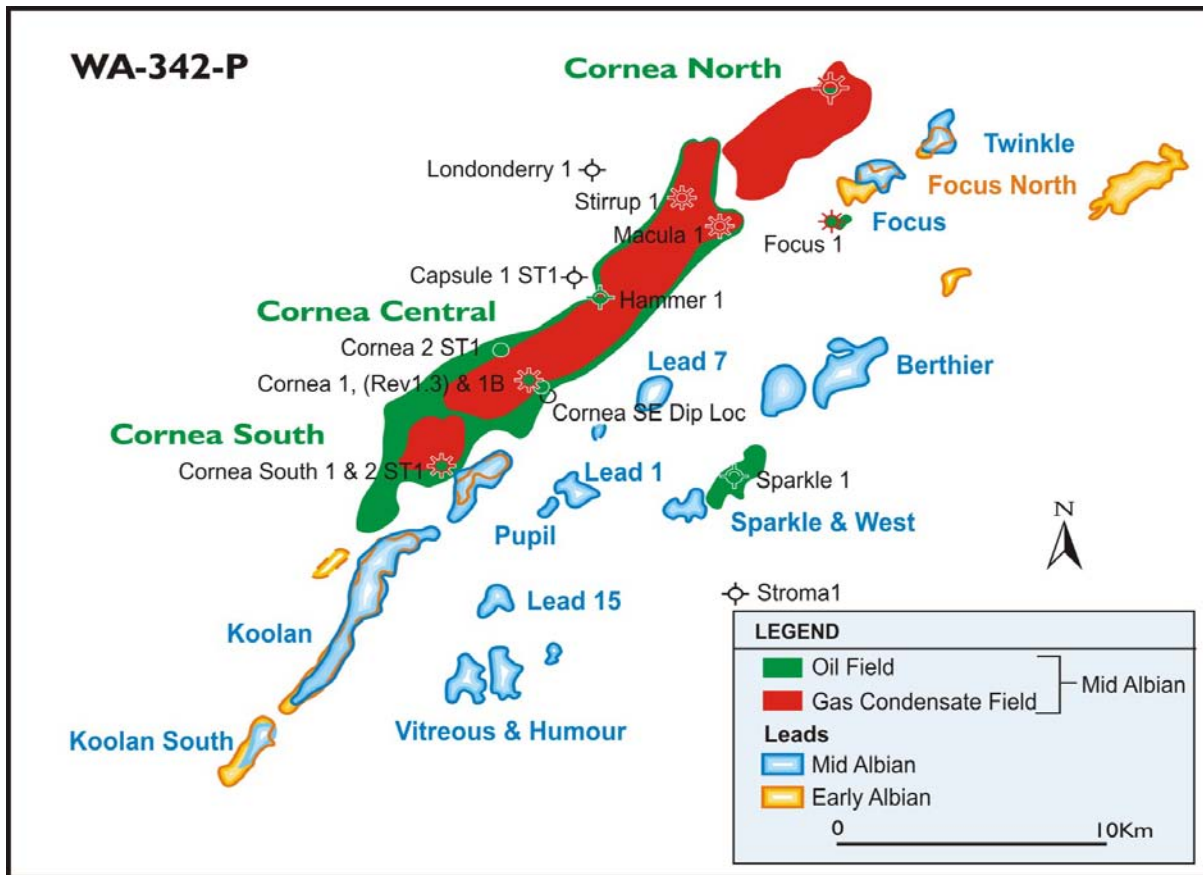


Figure 9 – Greater Cornea Region – Leads and Prospects

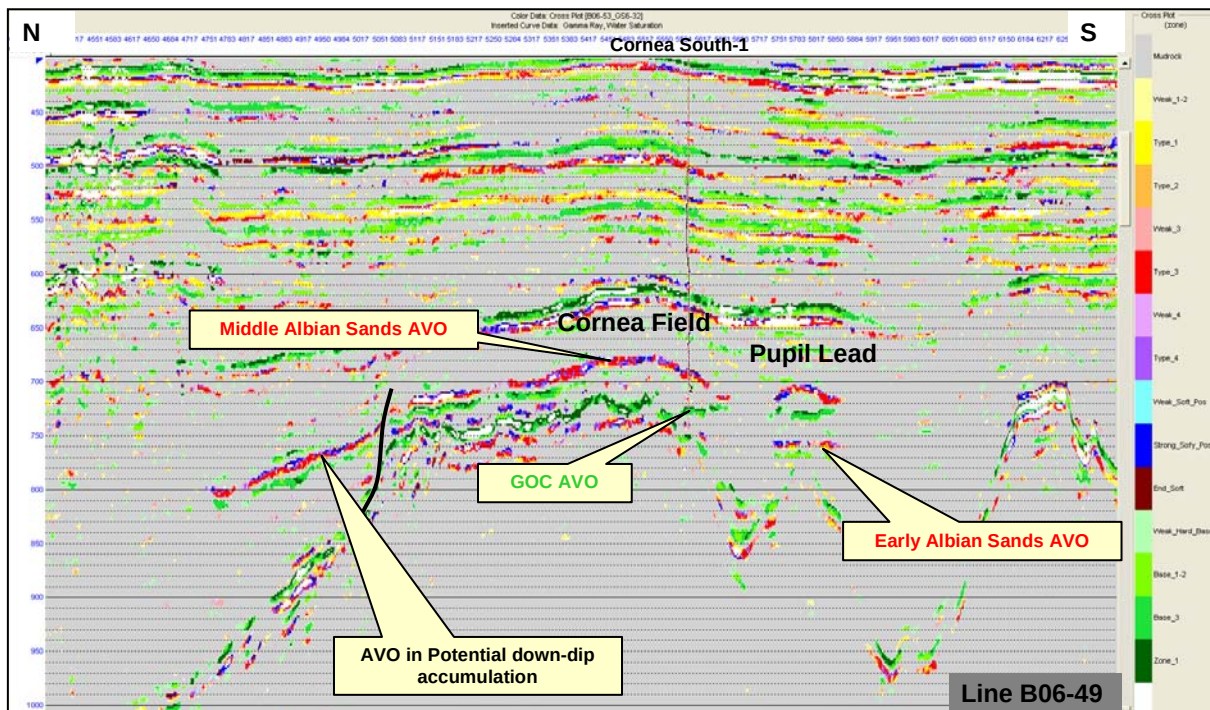


Figure 9A – Cornea Field and Pupil Lead, Seismic Line B06-49 showing stacked Albian and Aptian AVO anomalies.

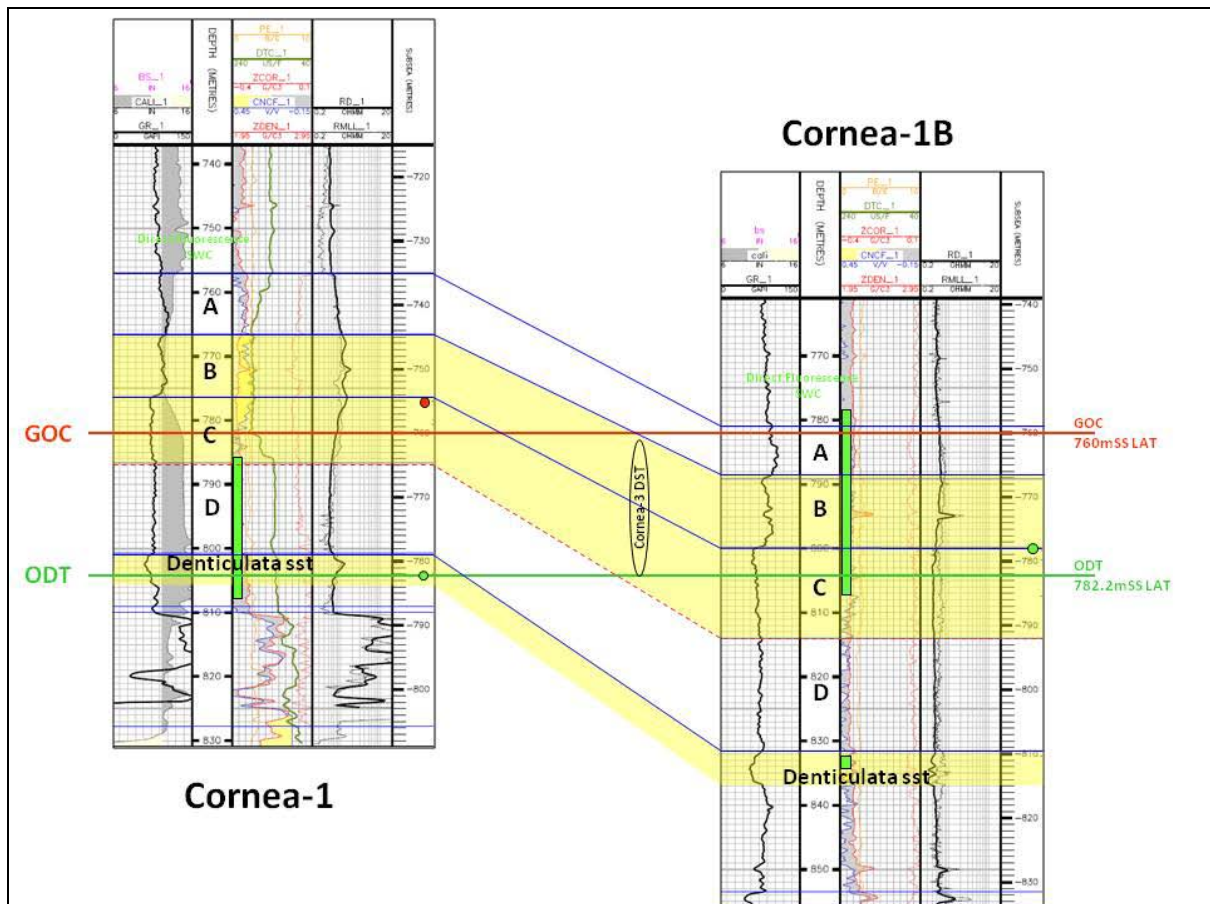


Figure 10 – Cornea-1 and Cornea-1B Stratigraphic Profile showing conceptual Cornea-3 DST Location

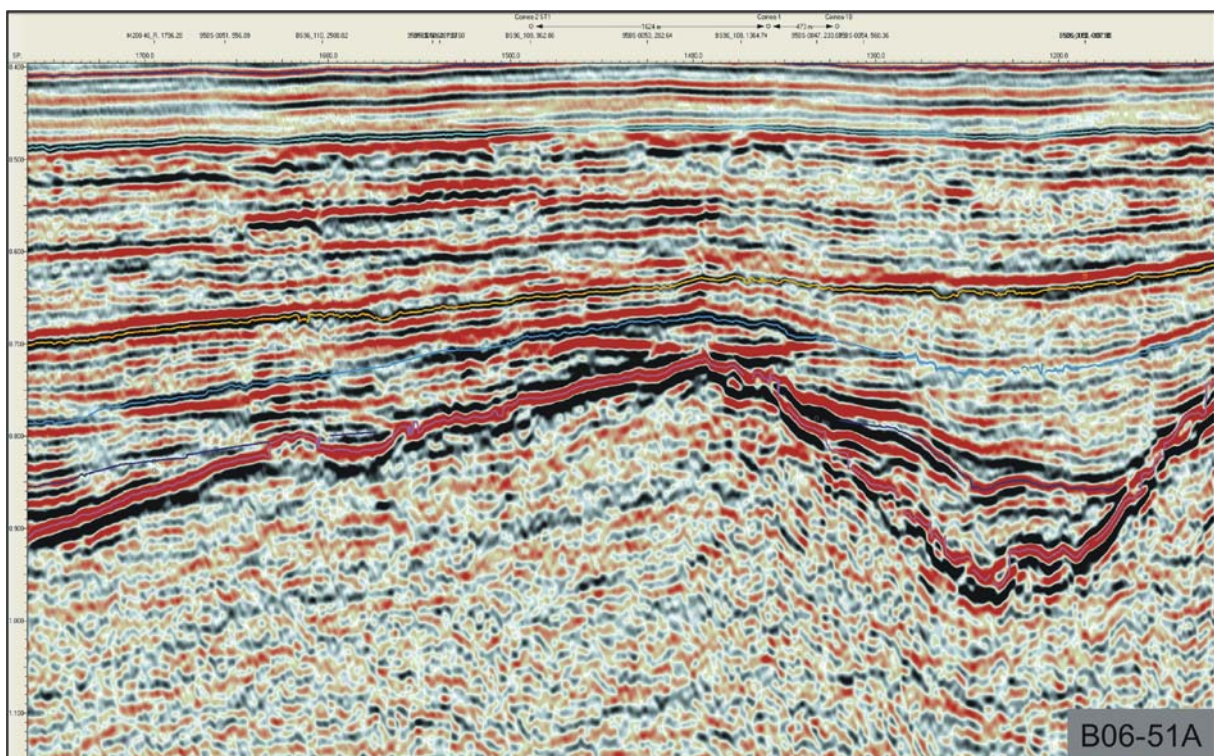


Figure 11 – Cornea DHI

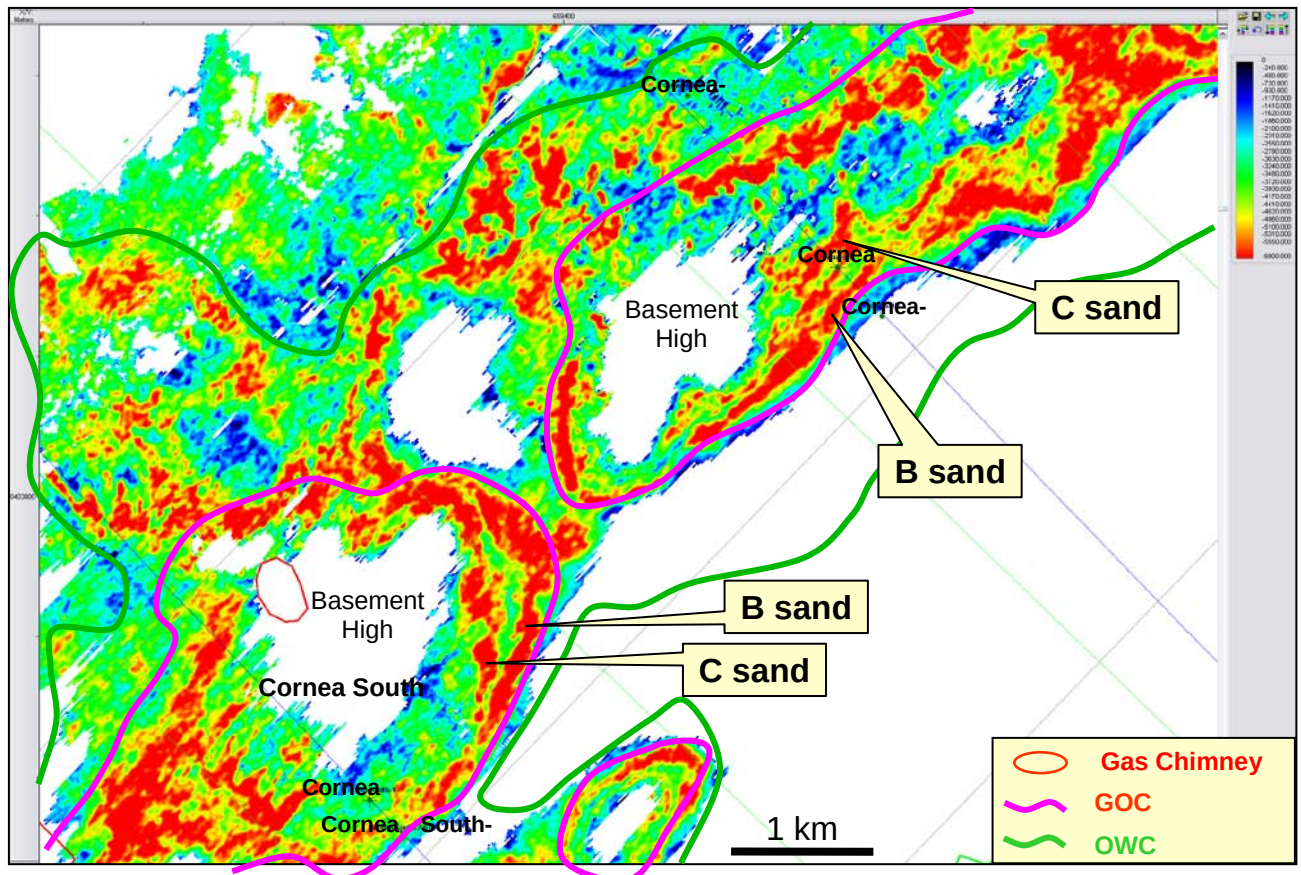


Figure 12 – Cornea seismic Amplitudes at Gas-Oil Contact showing continuity of better B & C reservoir sands

Other Leads in WA-342-P

Pupil, Koolan North, Koolan, Koolan South Leads (see Figure 9)

On reprocessed Cornea 3D seismic, similar Albian sandstone drape features have been recognised in the Pupil, Koolan and Koolan South leads in a basement high trend, parallel with the Cornea Field. These drape leads occur over lower basement topography than in the Cornea structure and, as such, also have the better quality Early Albian to Aptian sandstone reservoirs draped over basement, with the intervening seal interpreted to be intact as has been proved in the Focus-1 oil discovery within WA-342-P. This potentially allows stacked hydrocarbon pools, as indicated by the AVO anomaly in the Pupil Lead.

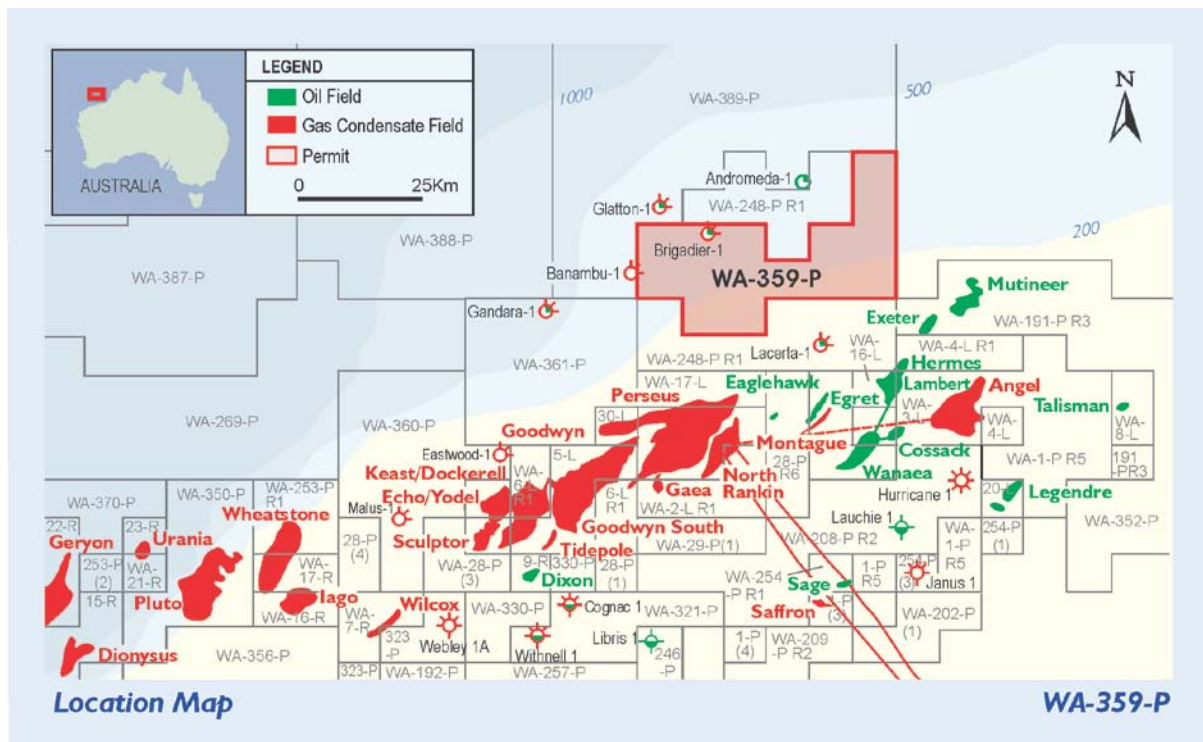
WA-359-P, DAMPIER SUB-BASIN (Exoil 20% interest)

The WA-359-P Joint Venture consists of:

North West Shelf Exploration Pty Ltd (subsidiary of MEO Australia Limited)	60%
Exoil Limited	20%
Cue Exploration Pty Ltd (subsidiary of Cue Energy Resources Limited)	20%

The Operator of the Joint Venture is MEO Australia Limited (ASX Code: MEO).

WA-359-P is in the Dampier Sub-basin offshore from Western Australia and covers an area of approximately 1,200 kms² in water depths of less than 500m – see following location map.



Location of WA-359-P in Dampier Sub-basin

The subsidiary of MEO farmed into the Company's and Cue Exploration Pty Ltd's respective 50% interests in WA-359-P and was appointed Operator. That company will earn an overall 60% interest in the permit by meeting the now completed year-3 seismic work commitment and by electing to fund 90% of the cost of drilling the first exploration well in WA-359-P. As of the date of this report, MEO had not elected to drill that well.

Interpretation of the existing seismic data in the permit has been completed, with regional time and depth maps having been constructed and integrated with well information. Prospect mapping is complete and prospect packages have been prepared. A scoping economic study for potential hydrocarbon accumulations has also been completed.

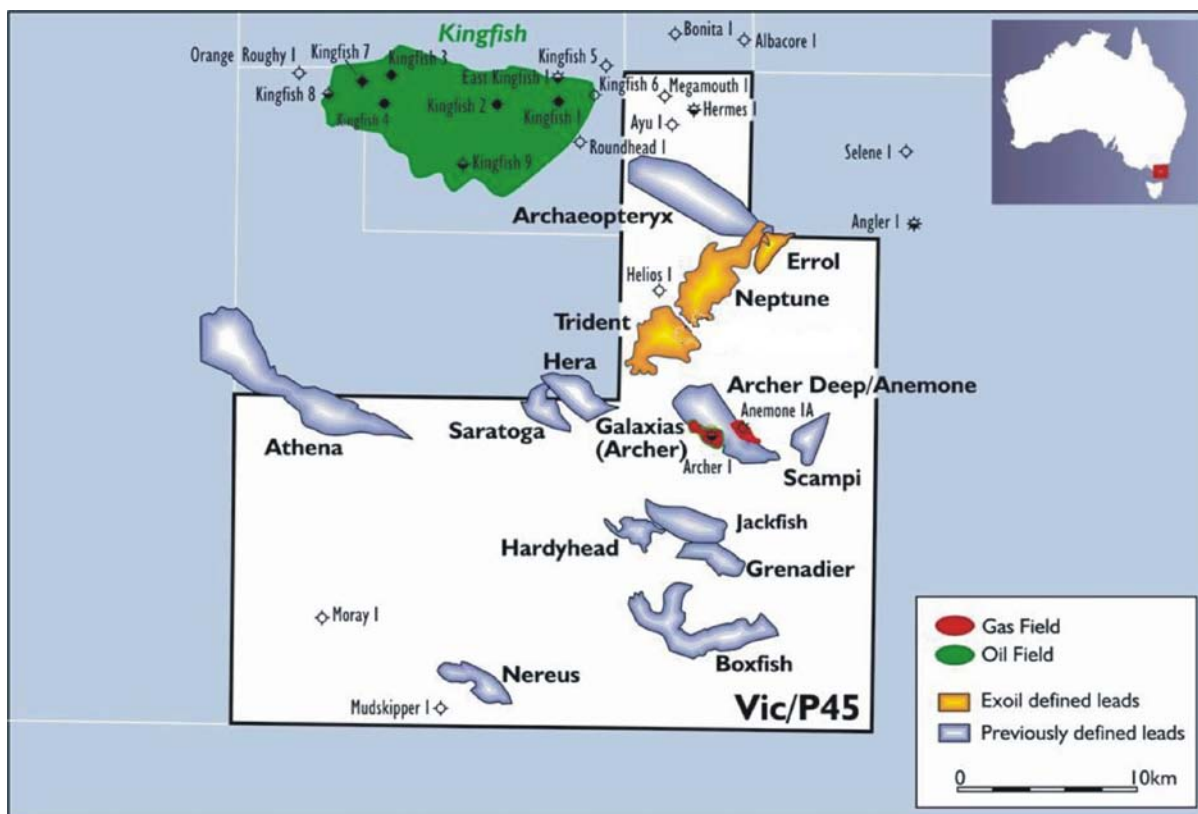
Vic/P45, GIPPSLAND BASIN (Exoil 50% interest)

The Vic/P45 Joint Venture consists of:

Exoil Limited	50%	and Operator
Moby Oil & Gas Limited (ASX Code: MOG)	50%	

The Vic/P45 Joint Venture is seeking a variation to the terms of the permit following the drilling of the Megamouth-1 and Coelacanth-1 wells (both unsuccessful), while continuing to review the remaining leads within the permit with the aim of developing a drillable prospect.

Any prospect considered worthy of drilling will be offered for farmout to third parties on the basis of the earning of an interest in the permit in return for contributing to the drilling costs.



Prospects and Leads Map – Vic/P45

Vic/P53, GIPPSLAND BASIN (Exoil 25% interest reducing to 16.667% as a result of farmout)

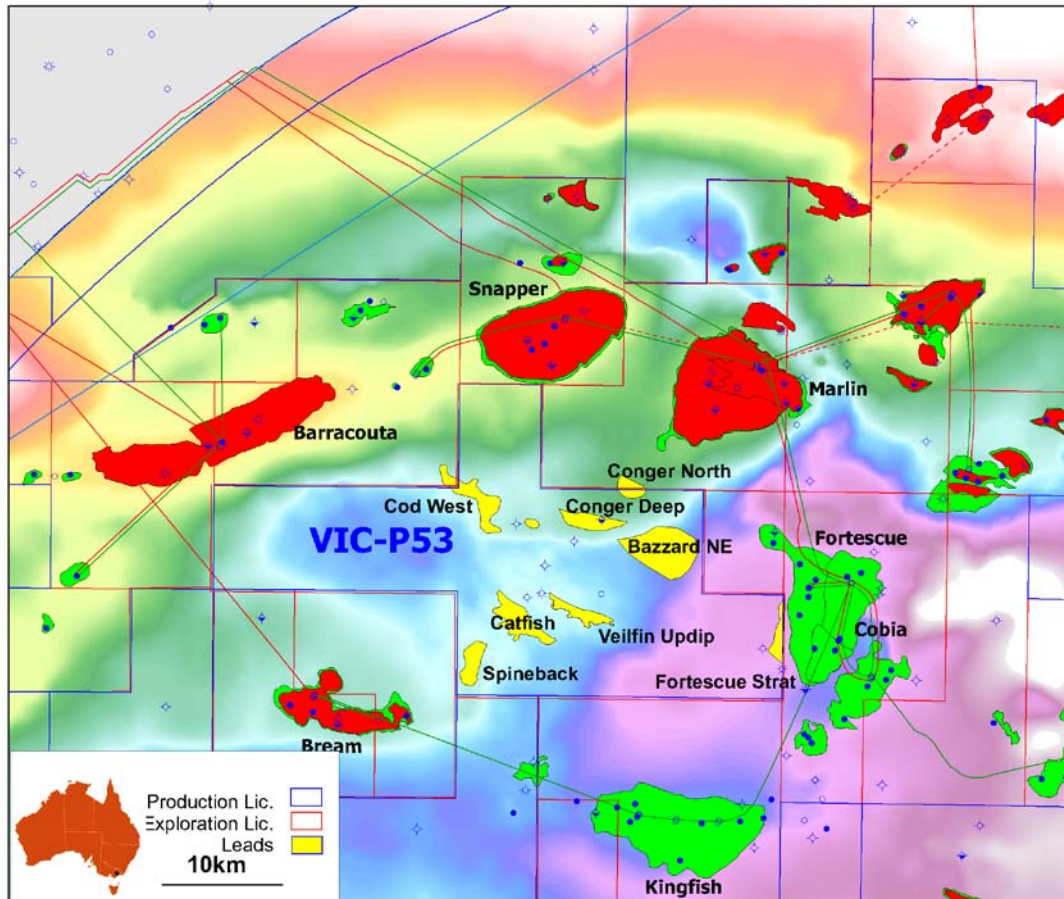
The Vic/P53 Joint Venture consists of:

Stuart Petroleum Ltd (ASX Code STU)	50.000%	and Operator
Cue Petroleum Pty Ltd	10.000%	
Exoil Limited	16.667%	
Moby Oil & Gas Limited	8.333%	
Australia Crude Oil Company, Inc.	15.000%	

In August 2007, Stuart was assigned a 50% participating interest in the permit by Exoil and Moby Oil & Gas Limited ("Moby") as a consequence of farmin terms and was appointed as Operator.

During Q4 2008, Bazzard 1 was drilled but failed to encounter hydrocarbons. Under the farmin arrangements, Stuart must drill a second well at its cost or else re-convey its 50% interest to Exoil and Moby. Stuart has been granted an extension of time in which to make an election in relation to their continued involvement in the permit. The terms of Stuart's continued participation are subject to negotiations that are concurrent with the Joint Venture seeking a variation to the terms of the permit.

Vic/P53 contains several potential Top Latrobe and Intra Latrobe prospects. Mapping is ongoing with the current focus on the Spineback, Catfish and Cod West prospects.



Prospects and Leads Map – Vic/P53

T/37P and T/38P (REMAINDER), BASS BASIN (Exoil 35% interest)

The T/37P and T/38P Joint Ventures consist of:

Cue Energy Resources Ltd (ASX Code: CUE)	50% and Operator
Exoil Limited	35%
Gascorp Australia Pty Ltd	15%

Exoil, with Cue Energy Resources Ltd and Gascorp Australia Pty Ltd ("Gascorp"), hold the two adjacent permits T/37P and T/38P (Remainder) – see following location map. The permits are located in the Bass Strait region, north of Tasmania and east of King Island and each consists of 40 graticular blocks, covering areas of approximately 2,670 km² (T/37P), and 2,655 km² (T/38P) inclusive of the Spikey Beach Blocks (see next). Water depths across the permits are less than 75m.

The T/37P permit is immediately adjacent to the east of the Yolla gas/condensate field which begun production in mid 2007. The T/38P permit contains the Pelican gas/condensate discovery and is south of the Yolla field in the adjacent licence area.

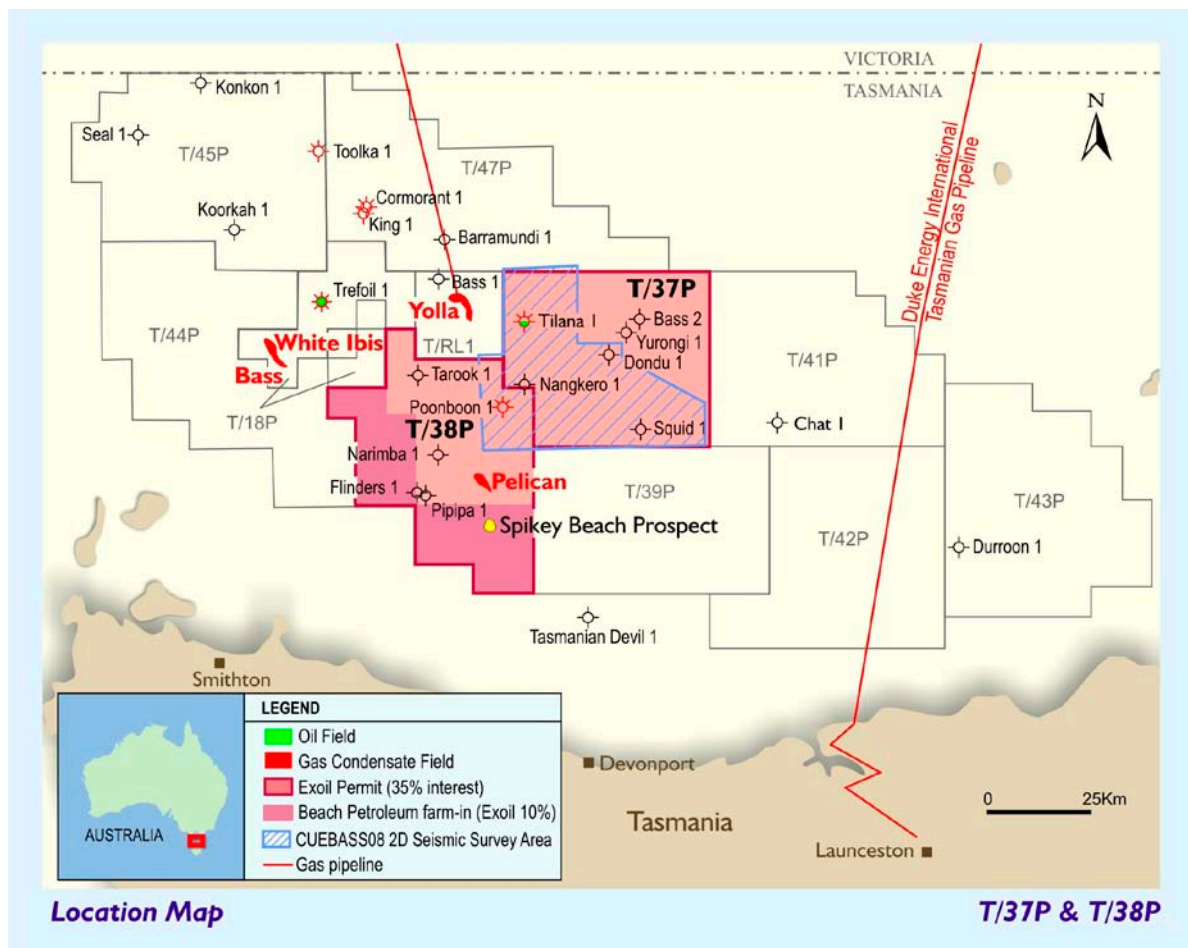
The Joint Ventures joined with a group of companies which together mobilized a seismic vessel to the Gippsland, Bass and Otway areas. As a consequence, 3,000 line kms of new 2D seismic data was acquired in T/37P and 670 line kms acquired in T/38P. The Company farmed out its share of the cost of this survey to Gascorp and consequently its interest in the permits and the Joint Ventures reduced to 35%. Interpretation of the seismic data has been completed and both time and depth maps constructed and integrated with existing well information. Leads have been identified and analysed.

T/38P (SPIKEY BEACH BLOCKS), BASS BASIN (Exoil 10% interest)

The Spikey Beach Blocks are held by:

Beach Petroleum Limited	80% and Operator
Cue Energy Resources Limited	10%
Exoil Limited	10%

Beach Petroleum Limited ("Beach") agreed to farm-in to part of T/38P to earn an 80% interest in a defined portion ("the Spikey Beach blocks") of the permit by paying for the drilling of the Spikey Beach-1 exploration well. The well was operated by Beach drilled during the quarter (from 5 to 14 September) but unfortunately no hydrocarbon shows were recorded in the well. Exoil held a 10% carried interest through the drilling of Spikey Beach-1 (see highlighted area in the map below) and will continue to hold a 10% interest in the Spikey Beach blocks now that Beach has met its farm-in obligations by drilling the well.



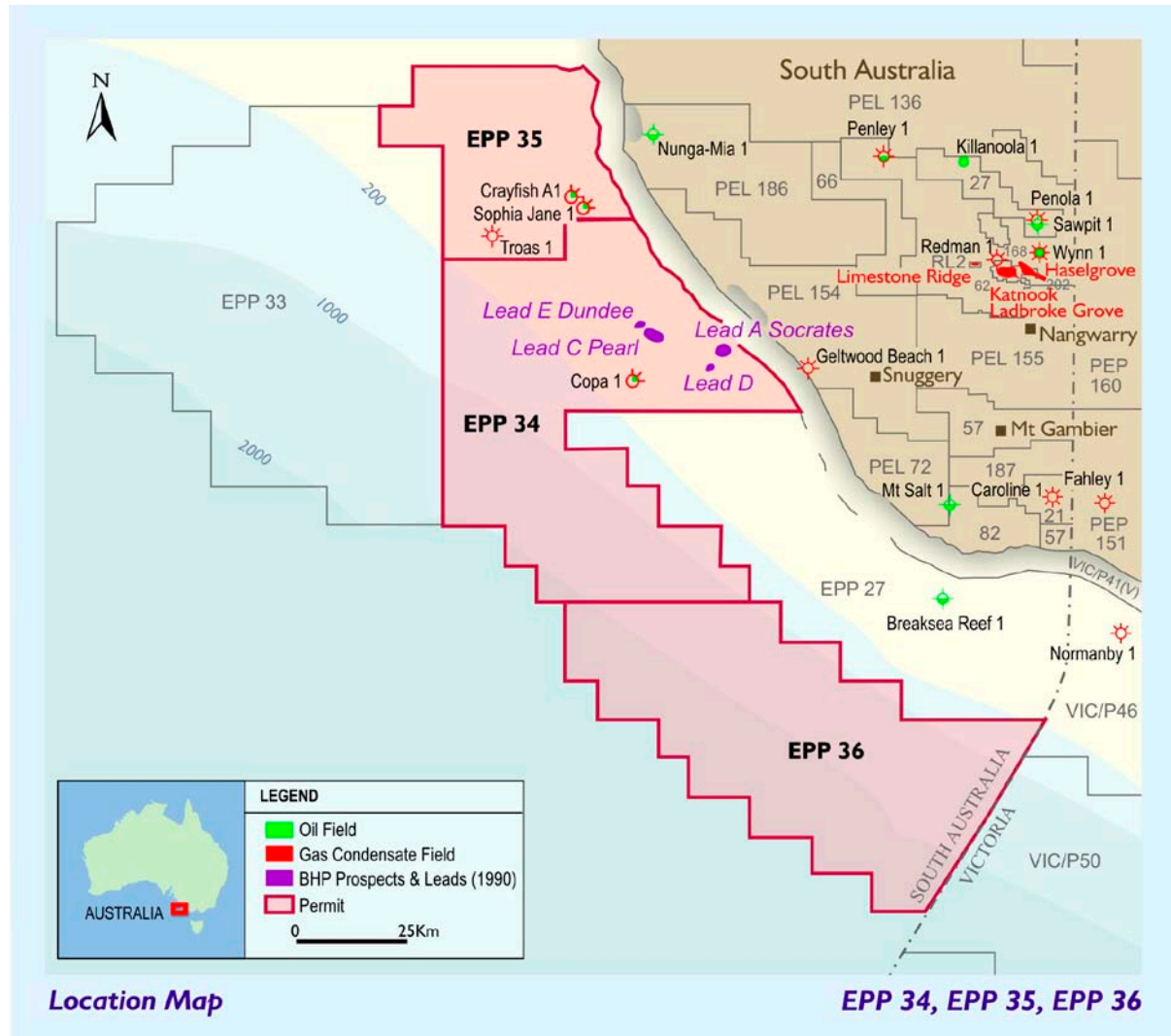
EPP 34, OTWAY BASIN (Exoil 15% interest)

The EPP 34 Joint Venture consists of:

Exoil Limited	15% and Operator
Moby Oil & Gas Limited	20%
National Energy Pty Ltd	15%
United Oil & Gas Pty Ltd	30%
Gascorp Australia Pty Ltd	10%
National Gas Australia Pty Ltd	10%

Processing of the 1,100 km Trocopa 2D survey and reprocessing of old data has been completed and interpretation and mapping of the seismic data was progressed during the quarter. Interpretation has in the past focused on the northern shelfal section of the block, targeting the Early Cretaceous Pretty Hill Sandstone, but will cover all areas now comprising the enlarged modern data set.

The EPP 34 Joint Venture has applied to extend year-4 by 12 months in order to complete the processing, integration and interpretation of the new Trocopa 2D seismic data and reprocessed old seismic data, prior to making a decision on whether to enter year-5.



EPP 35, OTWAY BASIN (Exoil 30% interest)

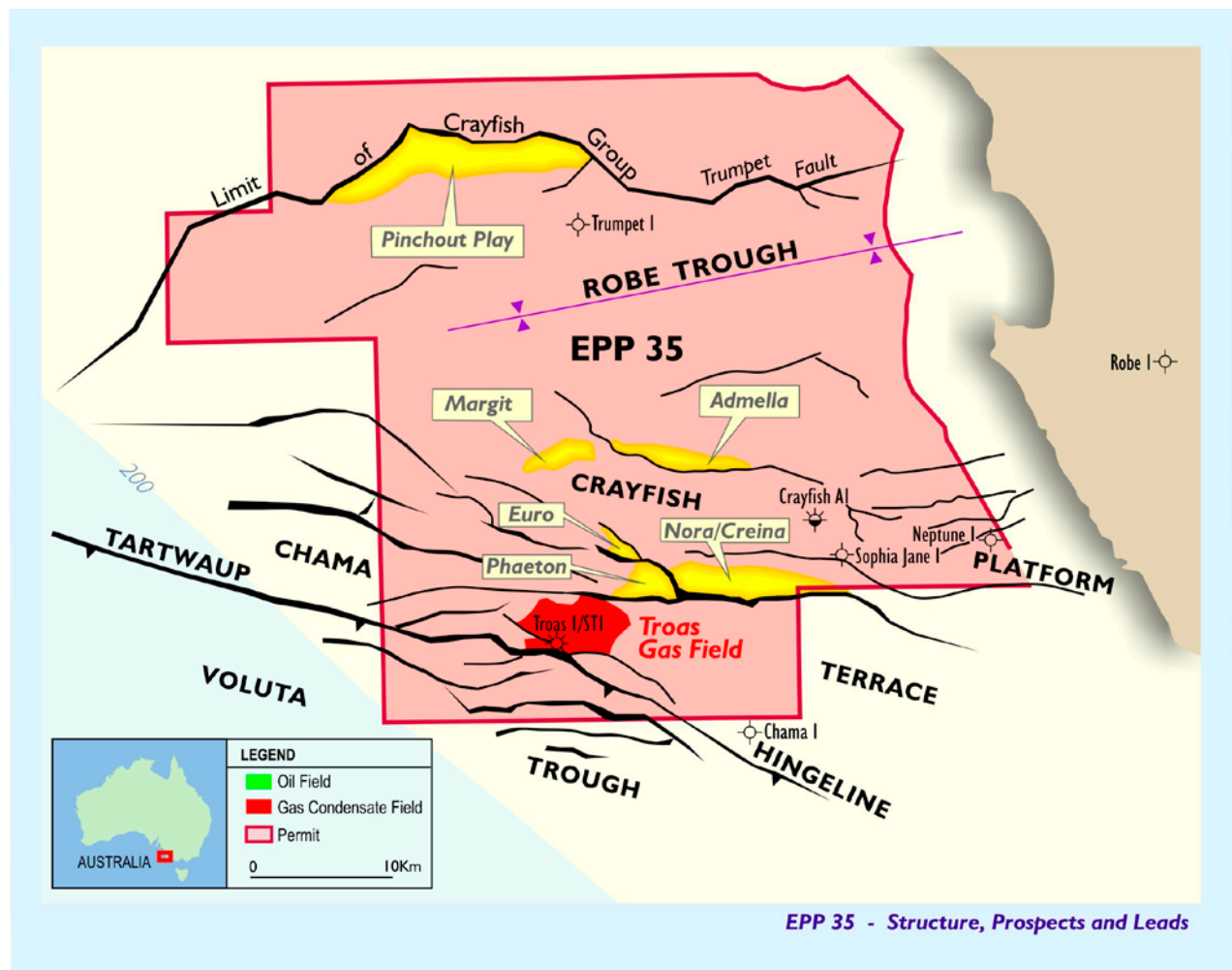
The EPP 35 (Troas) Joint Venture consists of:

Exoil Limited	30% and Operator
Gascorp Australia Pty Ltd	30%
National Energy Pty Ltd	20%
Moby Oil & Gas Limited	20%

EPP 35 contains the Troas gas accumulation, where gas indications were noted over more than 1,000m of sedimentary section during drilling of the Troas-1 and ST1 well. The permit therefore has a proven hydrocarbon system in place. The focus of the EPP 35 Joint Venture has been on the Troas Deep Prospect where it is planned to acquire a 325 km² 3D seismic grid over the Troas complex. The

permit is endowed with a wide range of potential prospects, with 'fair to good' seismic and well data coverage. The permit is located approximately 100 km from the gas pipeline to Adelaide.

The Joint Venture has applied to extend year-3 by 12 months in order to complete the acquisition and processing of the new 325 km² 3D seismic survey that is yet to be acquired. The delay in acquiring that survey relates to the lack of availability of existing seismic data acquired by earlier explorers that requires reprocessing and review prior to finalising the design of the new survey.



EPP 36, OTWAY BASIN (Exoil 30% interest)

The EPP 36 Joint Venture consists of:

Exoil Limited	30% and Operator
Gascorp Australia Pty Ltd	30%
National Energy Pty Ltd	20%
Moby Oil & Gas Limited	20%

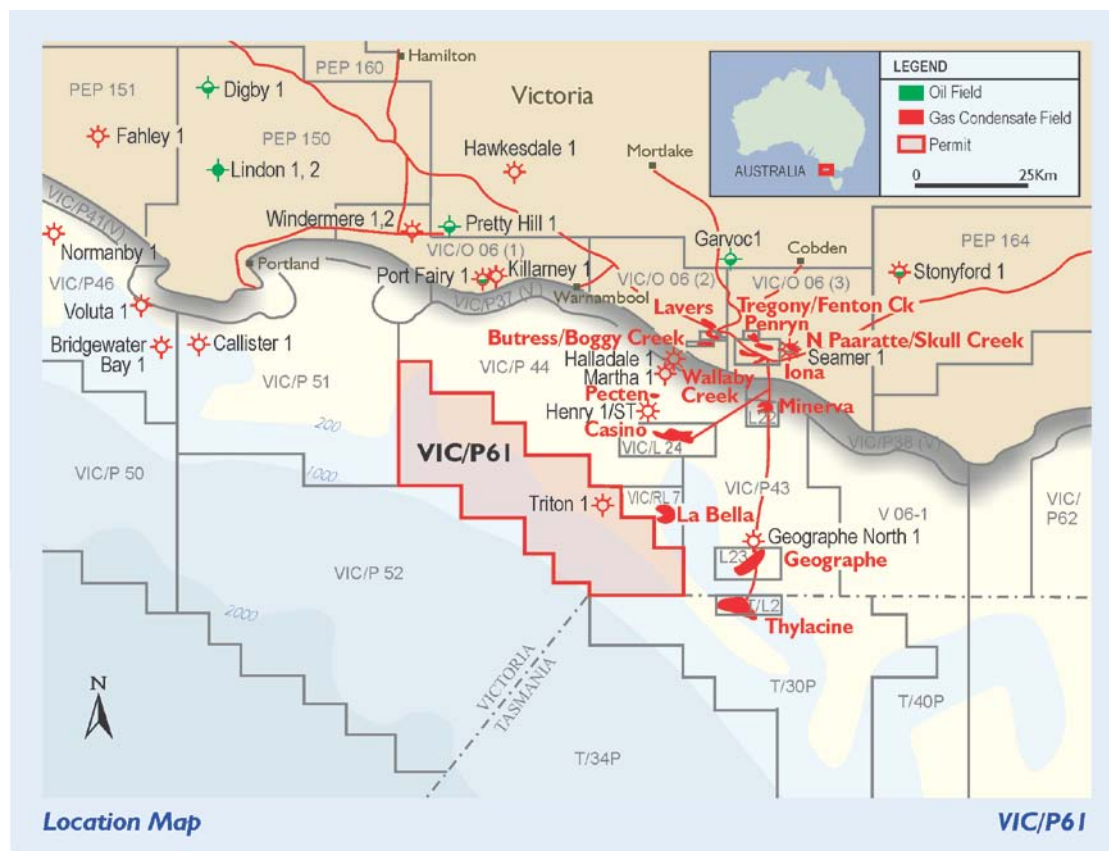
As the Joint Venture is in the process of relinquishing this permit, the intention is to not issue any further quarterly reports in relation to it.

Vic/P61, OTWAY BASIN (Exoil 30% interest)

The Vic/P61 Joint Venture consists of:

Exoil Limited	30% and Operator
Gascorp Australia Pty Ltd	30%
Moby Oil & Gas Limited	20% earning pursuant to farmin
Octanex N.L.	10% earning pursuant to farmin
Strata Resources N.L.	10% earning pursuant to farmin

As the Joint Venture is in discussions with the Designated Authority in relation to relinquishment of this permit, the intention is to not issue any further quarterly reports in relation to it.



On behalf of the Board

JMD Willis
Director

Melbourne, 27 October 2009

Risk Factors

Various statements in this release constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, expectations, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein.

Furthermore, exploration for oil and gas is speculative, expensive and subject to a wide range of risks. Summaries of some of the risks inherent in an investment in the Company are set on page 135 of the Information Memorandum issued on 12 November 2008 in support of the Company's application for listing on the NSX. Individual investors should consider these matters in light of their personal circumstances (including financial and taxation affairs) and seek professional advice from their accountant, lawyer or other professional adviser as to the suitability for them of an investment in the Company.



Exploration Quarterly Report

Quarter ended ("current quarter")

30 SEPTEMBER 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from joint venture participant		
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(43) (286)	(43) (286)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other - Recharge of Office Costs	49	49
Net Operating Cash Flows		(280)	(280)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets		
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)		
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(280)	(280)

Exploration Quarterly Report

1.13	Total operating and investing cash flows (brought forward)	(280)	(280)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Share issue costs		
Net financing cash flows			
Net increase/(decrease) in cash held		(280)	(280)
1.20	Cash at beginning of quarter/year to date	548	548
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	268	268

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	101
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Project management, Corporate management, administration ,etc

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

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

Exploration Quarterly Report

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		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	
Total	100

Reconciliation of cash

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.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	268	548
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)		-
Total: cash at end of quarter (item 1.22)	268	548

Changes in interests in mining tenements

	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			
6.2	Interests in mining tenements acquired or increased			

Exploration Quarterly Report

Issued securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
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	101,550,526	101,550,526		
7.4 Changes during quarter (a) Increases through issues (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 (description and conversion factor)	2,350,000 1,950,000	- -	Exercise price 15 cents 20 cents	Expiry date 31/12/2009 31/12/2009
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Exploration Quarterly Report

Compliance statement

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



Sign here: Date: 27/10/2009
(Secretary)

Print name: J.G.TUOHY

Notes

- 1 The quarterly report provides a basis for informing shareholders how the entity's activities have been financed for the past quarter and the effect on its cash position.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** The Australian equivalent of International Accounting Standards have been complied with.

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