



Announcement

Date: 11 August 2004
To: Scott Evans, General Manager, NSX
From: Peter Reilly
Reference: NSX008-090804
SUBJECT: **West Pine Ridge Update**

The Board of Directors advise that the recent drilling of the Peroulis #1 well at West Pine Ridge, Colorado has not been successful.

An initial well was drilled, the results from which were inconclusive. Sufficient optimism existed for the well to be reperforated in an attempt to establish the existence of a commercially productive zone. Unfortunately the target structure only produced water, albeit the well did confirm the existence of coal beds which may have potential for methane production.

A final report on the Peroulis #1 well will be prepared in due course. Following delivery of this final report CCL and its partners in West Pine Ridge will consider the future of the project including its potential for other structures and possible methane development from coal beds.

The Directors have however resolved to take a conservative view and provide for a write down in the value of the capitalised exploration expenditure on West Pine Ridge by \$250,000 to a carrying value of \$120,000 as at 30 June 2004. This write down relates to all the costs associated with the Peroulis #1 well.

About Concentrated Capital Limited

The Company undertakes Oil and Gas Exploration activities, predominantly in the United States of America in partnership with long-term industry specialists.

The Company also has an investment in a group of oil and gas services businesses in Iran.

The Company's investment strategy is to invest its funds in a risk averse manner acquiring up to a 25% interest in the projects in which it invests.

Further details:

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A handwritten signature in black ink, appearing to read 'Peter Reilly', is written over a horizontal line.

Peter Reilly
Company Secretary