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SHAREHOLDER UPDATE

April 2003

Since the Company's Annual General Meeting in November 2002 a number of exciting developments have occurred.

Whilst these are reflected on the Newcastle Stock Exchange, the Board feels that it is important that Shareholder's are updated on a regular basis.

i) Capital Raising

The Company is currently seeking to raise \$500,000 with the potential for over subscriptions of a further \$250,000 by way of placement of shares at \$0.50¢ pursuant to an Offer Information Statement.

Should you wish to participate in the Offer please contact Mr Steve Danne, Company Secretary on (03 9876 9748) or email sdanne@concentratedcapital.com.au in order that an Offer Information Statement can be forwarded to you. The Board has resolved that the Offer Information Statement has been extended.

The purpose of the raising is to provide additional capital to complete West Pine Ridge, participate in opportunities presented by the Avalon Partnership and commence the Swearingen Project.

ii) West Pine Ridge

After a further geological survey by Dr Ralph Kehle, it has been determined that the West Pine Ridge Project may be seven (7) or eight (8) times greater than that previously thought. The significance of this to Shareholders of Concentrated Capital Limited is immense. Dr Kehle has indicated that it is his expectation that the drilling of West Pine Ridge will be commercial, notwithstanding the final assessment of the size of the field.

Estimates provided to the Board would indicate that a successful drilling of West Pine Ridge **may** be worth up to five hundred million dollars (A\$500,000,000) for its proportion of ownership or approximately A\$40.00 per share fully diluted. No assurances are provided in respect to these amounts however it is indicative of the value that is prospectively attributable to this project. Your Board is of the view that this level of value is unlikely to be achieved but reflects a realistic estimate if the field is proved up to its maximum.

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Currently, acreage to the south of the leases held by Concentrated Capital Limited is being acquired in order to **maximize** the potential value of the drilling. Drilling will proceed once the lease agreements have been finalised and after regulatory approval and granting of drilling permits.

iii) Avalon Partnership

Your Company undertook an investment (when production was US\$40,000 per month) in the Avalon Partnership which was completed in December 2002. We now hold approximately 3.5% of the Avalon Partnership which is currently producing approximately US\$150,000 per month in cash flow from producing wells with expectations that this cash flow will increase to US\$250,000 by 31 December 2003. The Avalon Partnership strategy is to re-invest its free cash flows into the ground in order to develop producing wells to a level where they are acquired by oil majors in the United States. The Avalon Partnership is having significant success with its drilling program at present and we can look forward to exciting results in the future.

iv) Swearingen Project

It is proposed to commence the Swearingen Project once this capital raising has been completed and after discussions with the Board of Pooled Mining Investments Limited.

The Board has had an independent assessment undertaken of the Swearingen Project and is advised that it is highly prospective and likely to be successful although the value to Concentrated Capital Limited Shareholders in terms of asset appreciation per share is minimal when compared with West Pine Ridge.

v) Corporate Activity

The Board has had discussion with a number of ASX listed Companies in respect to possible Corporate activity. At present, none of these discussions are beyond preliminary stages and there is no indication as to the likely outcome of these discussions.

The Board is cognisant of the need to increase liquidity in the shares of Concentrated Capital Limited and is pursuing various strategies in this respect.

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