

CONCENTRATED CAPITAL LIMITED

ACN 087 730 667

Level 2, 409 St Kilda Road
Melbourne Victoria 3004

Telephone: (03) 9820 2087
Facsimile: (03) 9820 2158
email: admin@concentratedcapital.com.au
Website: www.concentratedcapital.com.au

October 2003

CHAIRMANS REPORT

Since listing on the Newcastle Stock Exchange in October 2002, the Company has raised additional capital in order to supplement its cash resources and undertake investments on behalf of Shareholders.

I am pleased to report the Company acquired approximately 3.3% interest in the Avalon Oil Company Partnership at a time when revenues on account of that Partnership were approximately USD\$45,000 per month. Those revenues are now running at approximately USD\$150,000 per month and recent valuations would indicate an incremental increase in the value of this investment of greater than 20%.

Additionally, the Company has a 15% working interest in the West Pine Ridge Project in Colorado which was significantly upgraded after a geological review in December 2002. As a result of this upgrade, drilling was delayed whilst further land tenements were acquired. Time delays were incurred beyond the Company's expectation in the acquisition of these land tenements which has resulted in drilling not having been commenced as at the writing of this report. Current expectations are, that subject to availability of a rig, drilling will commence in October 2003.

The Company has been granted EPC Application 812 and EPC Application 814 in the Surat Basin in Queensland. Shareholders may recall from the original Prospectus that this related to application for Coal Leases in respect to a Coal and Coal Bed Methane Project. Shell calculated in situ, potential open cut, minable reserves of 64 million tonnes of second class indicated reserves at a cumulative stripping ratio of between 5:1 m³/t and 7:5 m³/t to a depth of 118 metres. The Company is currently in the process of seeking to farmout these EPC Applications and retain a small ongoing interest.

In June 2003, the Board of the Company changed significantly as a result of the standing down of Directors and the appointment of Messrs Chris Rowe and Peter Reilly. I would like to thank the initial Directors for their input in allowing the Company to achieve its Capital Raising and floating on the Newcastle Stock Exchange and look forward to working with the new Directors in the realisation of the Company's corporate objectives. Shareholders should note the considerable oil and gas experience of Mr Chris Rowe who has joined the Board who, together with Mr Peter Reilly will advance the Company's objectives significantly.

The Board acknowledges the delay in the drilling of the West Pine Ridge Project however such delay has been to the benefit of the Company in that we have upgraded the geological reserves and prospectivity of the Project albeit the Project is yet to be drilled.

Finally, your Board is pursuing a range of options to provide greater liquidity to Shareholders in respect to the trading of their shares and we look forward to reporting more extensively on this issue over the next six (6) months.

Yours faithfully



Hamish Giles
Chairman.

CONCENTRATED CAPITAL LIMITED

ABN 34 087 730 667

NOTICE OF ANNUAL GENERAL MEETING

incorporating

EXPLANATORY MEMORANDUM

and

PROXY FORM

Date of meeting: 25th November 2003

Time of meeting: 11.00am

Place of meeting: The Boardroom
Tolhurst Noall Limited
Level 29, 35 Collins Street
Melbourne, Victoria

The Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

CONCENTRATED CAPITAL LIMITED

ABN 34 087 730 667

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of shareholders of Concentrated Capital Limited ("**Company**") will be held in the Boardroom, at Tolhurst Noall Limited, Level 29, 35 Collins Street, Melbourne, on 25th November 2003 at 11.00am.

The Proxy Form and Explanatory Memorandum accompanying this Notice of Annual General Meeting are incorporated in and comprise part of this Notice of Annual General Meeting.

Unless the context indicates a contrary intention, definitions used in this Notice of Annual General Meeting have the same meaning as in the Explanatory Memorandum.

ORDINARY BUSINESS

Annual Financial Report

To receive the Annual Financial Report of the Company for the year ended 30 June 2003, together with the Directors' Report and Declaration in relation to that financial year and the Auditors' Report on those financial statements.

Resolution 1 – Re-Election of Mr Giles

To consider and if thought fit, to pass, with or without amendment the following, as an **ordinary resolution**:

"That Mr Hamish Giles, who retires in accordance with Article 8.1 ((e) (2)) of the Company's Constitution and, being eligible for re-election, be re-elected as a Director."

Resolution 2 – Re-Election of Mr Reilly

To consider and if thought fit, to pass, with or without amendment the following, as an **ordinary resolution**:

"That Mr Peter Reilly, who retires in accordance with Article 8.1 ((e) (2)) of the Company's Constitution and, being eligible for re-election, be re-elected as a Director."

Resolution 3 – Re-Election of Mr Rowe

To consider and if thought fit, to pass, with or without amendment the following, as an **ordinary resolution**:

"That Mr Christopher Rowe, who retires in accordance with Article 8.1 ((e) (2)) of the Company's Constitution and, being eligible for re-election, be re-elected as a Director."

Resolution 4 – Confirmation of Appointment of Auditors

To consider and if thought fit, to pass, with or without amendment the following, as an **ordinary resolution**:

"That the appointment of Ernst and Young as auditors of the company be confirmed"

SPECIAL BUSINESS

Resolution 5 – Future Capital Raising

To consider and if thought fit, to pass, with or without amendment the following, as a **special resolution**:

“To approve a capital raising of up to 1,500,000 ordinary shares by placement, on terms and conditions agreed by the Board, subject to the pricing of such placement not being less than 90% of the weighted average of the past 10 days trading prior to the placement ”

BY ORDER OF THE BOARD

A handwritten signature in blue ink, appearing to read 'Steve Danne', enclosed within a large, loopy circular flourish.

Steve Danne

Company Secretary

Dated: 6th October 2003

CONCENTRATED CAPITAL LIMITED
ABN 34 087 730 667

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders in Concentrated Capital Limited ("**Company**") in connection with the business to be considered at the Annual General Meeting of shareholders to be held in the Boardroom, at Tolhurst Noall Limited, Level 29, 35 Collins street, Melbourne, Victoria on 25 November 2003 at 11.00am (EST).

The Explanatory Memorandum should be read in conjunction with the accompanying Annual Notice of General Meeting. For the assistance of shareholders, a glossary of defined terms is included at the end of the Explanatory Memorandum.

Full details of the business to be considered at this Annual General Meeting are set out below.

ANNUAL FINANCIAL REPORT

The first item of the Notice of Annual General Meeting deals with the presentation of the Company's Annual Financial Report for the year ending 30 June 2003. Shareholders should consider this document and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

RESOLUTION 1 – ROTATION OF DIRECTORS

It is a requirement under Article 8.1 ((e) (2)) of the Company's Constitution that Mr Giles retire by rotation. Mr Giles offers himself for re-election. The remaining Directors recommend to shareholders that Mr Giles be re-elected.

RESOLUTION 2 – ROTATION OF DIRECTORS

It is a requirement under Article 8.1 ((e) (2)) of the Company's Constitution that Mr Reilly retire by rotation. Mr Reilly offers himself for re-election. The remaining Directors recommend to shareholders that Mr Reilly be re-elected.

RESOLUTION 3 – ROTATION OF DIRECTORS

It is a requirement under Article 8.1 ((e) (2)) of the Company's Constitution that Mr Rowe retire by rotation. Mr Rowe offers himself for re-election. The remaining Directors recommend to shareholders that Mr Rowe be re-elected.

RESOLUTION 4 – CONFIRMATION OF APPOINTMENT OF AUDITORS

It is a requirement of the Corporations Act that the appointment of auditors of the company be made by the shareholders in general meeting. Ernst & Young have consented to act as auditors of the company and have been appointed by the company to act. The Directors recommend to shareholders that the appointment of Ernst & Young be confirmed.

RESOLUTION 5 – CAPITAL RAISING

Resolution 5 seeks shareholder approval for the Company to issue up to a further 1,500,000 ordinary shares to fund future investment opportunities and meet associated working capital obligations.

At present, the Board has not resolved to make such a placement however, in the event that such a placement is made, the terms and conditions of the placement would be as follows:

- The placement would be of ordinary shares on terms and conditions agreed by the Board and the parties to whom the shares were being placed;
- The placement would be priced at an amount not less than 90% of the weighted average of the past 10 days trading in the shares of a Company prior to the placement;
- All shares allotted pursuant to the placement shall rank parri passu in all respects with the other fully paid shares in Concentrated Capital Limited; and
- The placement would comply with NSX Listing Rules and the Corporations Act.

GLOSSARY OF TERMS

"Annual General Meeting" or "Meeting" means the Annual General Meeting of shareholders of the Company to be held in the Boardroom, Tolhurst Noall Limited, Level 29, 35 Collins Street, Melbourne, Victoria on 25th November 2003 at 11.00 am (EST) or any adjournment thereof.

"ASIC" means the Australian Securities & Investments Commission.

"Board" means the board of the Company.

"Company" means Concentrated Capital Limited (ABN 34 087 730 667).

"Corporations Act" means the Corporations Act 2001.

"Director" means a director of the Company.

"Directors" means the board of directors of the Company as constituted from time to time.

"EST" means Eastern Standard Time.

"Explanatory Memorandum" means this explanatory memorandum.

"Notice of Annual General Meeting" means the notice of Annual General Meeting, which accompanies the Explanatory Memorandum.

"NSX" means Stock Exchange of Newcastle Limited.

"NSX Listing Rules" means the official listing rules of NSX.

PROXIES

Shareholders are entitled to appoint up to two individuals to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by facsimile transmission to the registered office of the Company Level 2, 409 St Kilda Road, Melbourne, Victoria 3004 or facsimile number (+61 3) 9820 2158, or to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne. 3001 in the reply paid envelope or facsimile number (+61 3) 9473 2555, at least 48 hours prior to the meeting or adjourned meeting, as the case may be, at which the individual named in the proxy form proposes to vote.

A proxy must be signed by the shareholder or his/ her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act. The proxy may, but need not, be a shareholder of the Company.

VOTING ENTITLEMENT

"The Company (as convener of the meeting) has determined that person's entitlement to vote at the Annual General Meeting will, in accordance with the Corporations Act 2001, be the entitlement of that person set out in the register of members as at 11.00am EST on Sunday 23rd November 2003.