

CHAIRMANS ADDRESS
ANNUAL GENERAL MEETING
CONCENTRATED CAPITAL LIMITED
ACN 087 730 667
FRIDAY 5 NOVEMBER 2004

As indicated in the recently released Annual Report for 2004, your Company has had both disappointments in its drilling program and opportunities in its investment strategies during the year.

During the year, your Company raised \$717,914 capital through a Placement of Shares to professional investors and a Rights Issue to shareholders. This capital has been utilised to invest \$599,809 in Middle East Petroleum Services Limited (MEPS), a Company that proposes to float on AIM in February/March 2005. MEPS raised two million, five hundred thousand dollars (\$2,500,000) by way of an initial placement of Convertible Notes and is presently seeking to raise a further three million pounds (£3,000,000) prior to floating with a further raising of twelve million pounds (£12,000,000). Your Company has been appointed as Trustee of the Convertible Note Holders and Mr Chris Rowe, a Director of your Company is the current Chairman of Middle East Petroleum Services Limited. We are excited that this investment is likely to provide both significant investment upside and potential future opportunities to your Company.

Your Company's investment in the Avalon Partnership which manages both production and prospective production through a number of sites in the United States has grown as a result of taking up cash calls in the Partnership as well as some modest shortfall subscriptions. The Avalon Partnership has benefited from increased oil and gas prices over the past twelve (12) months although this may prove to be of detriment in the sale of fully proven up fields as investors seek to defer purchasing such fields whilst energy prices are at record levels. Nonetheless, the revenue received by the Avalon Partnership has continued to build and the Partnership has continued with its strategic focus of reinvesting approximately eighty percent (80%) of these funds in the development of future fields. Your Company does not expect to receive a dividend from this investment but rather a capital return upon the sale of proven up fields.

Your Company has had continued discussions with Pooled Mining Investments Limited, a Company that holds similar assets to that of Concentrated Capital Limited. At present, your Company has been unable to gain a commercial solution in respect to the acquisition of any assets and these discussions are currently on hold.

In terms of disappointment, notwithstanding the excellent geological results from survey and wire logs, the West Pine Ridge Project has proven both a disappointment and a costly failure. Your Company wrote off two hundred and fifty thousand dollars (\$250,000) in the past financial year as a result of the failure of this well and continues to hold this investment in West Pine Ridge at a written down value of one hundred and twenty thousand dollars (\$120,000). Indications from Avalon which manages this project are that the land and attaching geology is of value to other purchasers and whilst your Company does not propose to drill a further well at the present time, there is value in the leasehold that it has an interest in. Your Company is awaiting a final report from Avalon as to the next steps forward in this project.

During the year your Board resolved to relinquish your company's PDF License, official notification of this change of status being ratified by the PDF Board on 16 March 2004.

Subsequent to the end of the financial year, your Company has begun discussions with potential investors who are seeking to float cash flow positive businesses on the Australian Stock Exchanges. It is your Company's objective to provide liquidity and value to shareholders and as such your Board has resolved to pursue strategies that may result in your Company acquiring a business or businesses that provide both profitability and the potential for dividend. Should such a decision be made to acquire a business, your Board has resolved that such decision will be put to an Extraordinary General Meeting of Shareholders to approve such a transaction. At present, whilst your Board is considering opportunities there is no opportunity that your Board is in a position to put to shareholders and your Board has not commenced Due Diligence on any potential opportunity as yet.

During the year Mr Steve Danne stood down as Company Secretary. I would like to formally thank him for his contribution to your company. I would also like to thank my other Board Members for their contribution in the operation of this Company and look forward to your support in the future.

Thank you.

HAMISH M. GILES
CHAIRMAN