



ABN 25 009 121 644

## QUARTERLY ACTIVITIES REPORT

FOR THE THREE MONTHS ENDED 30 JUNE 2007

### *HIGHLIGHTS*

- Monitor acquires two new uranium licences in Kyrgyzstan, including advanced East Kokmoinok licence.
- Creation of a Uranium Joint Venture with Leopard Minerals plc including Monitor and Leopard uranium projects in Kyrgyzstan, covering 2,224 kms<sup>2</sup>.
- East Kokmoinok licence contains Kashkasu uranium deposit, along strike from three historic uranium mines
- Company name change to Monitor Energy Ltd
- Commencement of Gravity Survey on 100% owned oil and gas exploration licences in Kyrgyzstan

### *OVERVIEW*

During the reporting period, the Company has been focused on the acquisition of high quality uranium licences and developing a smart exploration strategy for its oil and gas licences in Kyrgyzstan.

To this end, acquisition of the East Kokmoinok Uranium licence has been a major achievement for the Company, and as recently announced, the commencement of an extensive gravity survey of the oil and gas licences will identify early shallow drill targets and potentially, deeper seismic targets.

During this period, the Company also changed its name to Monitor Energy Ltd to better reflect the aims and strategy of the Company.

#### *Energy and China*

With the global demand for energy expected to increase in the near term, China and its neighbours Japan and South Korea are anticipated to become a major consumers. China alone has commissioned the construction of more than 30 new power stations in an agreement with Japanese firms in the medium term.

Kyrgyzstan's close proximity to this growing market, its history of uranium production, an emerging petroleum sector and a supportive fiscal regime to support the

For personal use only

advancement of the natural resources sector gives Monitor a distinct advantage over many other uranium companies.

## **CORPORATE**

On 13 July Mr David Steinepreis resigned from the board of Monitor as Non Executive Director. The Company wishes to thank Mr Steinepreis for his valuable contribution to the Company over the past year.

## **OIL and GAS**

Monitor 100% owns of highly prospective oil and gas five licences totalling 11,467 kms<sup>2</sup>. These licences were subject of varying levels of exploration during the Soviet era, including seismic and in some cases, stratigraphic drilling, which reported oil and gas showings.

The geology of the southern licences bears strong similarities to the nearby Chinese, Tarim Basin oil fields, which host China's main onshore petroleum supply. During the past three months, the Company has continued to develop a detailed geological digital database of all available information to determine priority exploration targets and strategy for these licences.

### *Proposed Exploration*

The Company recently announced the impending commencement of an extensive gravity survey, totalling 1,000kms (minimum 4,000 survey points). This survey is expected to deliver its first data flow within weeks and is aimed at identifying shallow drill targets as well as tightening deeper seismic targets for follow up exploration. The Company has contracted PT Tunnggal Buana Utama, a world class oil geophysical acquisition company to carry out the survey. It is anticipated to be completed by late 2007.

## **URANIUM**

The Company has acquired two uranium licences in Kyrgyzstan, and entered into a Strategic Uranium Joint Venture with Leopard Minerals Plc.

### *Strategic Uranium Joint Venture*

To allow the timely exploration and development of the Company's uranium licences, a 50/50 joint venture was created with Leopard Minerals Plc, an unlisted company anticipating listing on the Australian Stock Exchange in the near term.

The terms of the Joint Venture are as follows

- Both parties to include all uranium rights for licences within Kyrgyzstan
- 50/50 funding of all exploration
- Leopard to manage and provide services of their uranium experts and equipment
- Area of Mutual Interest being the whole of Kyrgyzstan for any and all future acquisitions by either party

Leopard offers significant advantage to Monitor for the successful exploration and development of uranium projects within Kyrgyzstan.

Leopard possesses a team of highly skilled uranium exploration geologists, mobile field camps, exploration fleet, high tech exploration equipment and, significantly, drilling capacity.

#### *East Kokmoinok Licence*

The East Kokmoinok licence acquired by Monitor contains the extensively explored Kashkasu Uranium Deposit. Uranium mineralisation is hosted by coal measures and adjacent sandstones. Mineralised seam widths vary from 4.2-6.6m reported. Sampled grades typically vary from about 0.03-0.2% uranium, and are up to 1.4% in places.

Kashkasu is an undeveloped Soviet era uranium deposit located within the Kavak Uranium Mining Centre, where 3 other deposits were extensively mined between 1955 and 1968. Mining apparently ceased with the discovery of uranium deposits in Kazakhstan, close to nuclear testing facilities.

The Company has copies of original geological and mineralisation models, including mining block models, underground development maps and section plans.

This data indicate underground workings to a depth of approximately 160m and a strike length of approximately 800 metres. Current data indicates that the previously sampled mineralised units remain open at depth with interpretation of increasing width and grade.

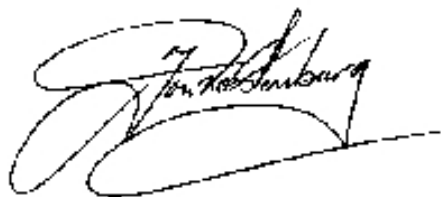
#### *Proposed Exploration*

The Joint Venture anticipates approval by all relevant government agencies for commencement of a systematic exploration program in the very short term. Once approved, this will allow work to begin, including the upgrading of the short access road from the nearby village, detailed surface mapping and sampling of outcropping mineralisation and a systematic drilling program. The remainder of the licence which hosts favourable geology will also be explored this coming quarter.

#### *Other Uranium Licences*

While the East Kokmoinok licence will be the primary focus of exploration, the remaining four licences will also be explored during the coming quarter. These licences host multiple uranium exploration targets discovered during the Soviet era.

Yours truly,



Jon Roestenburg  
Managing Director

For personal use only