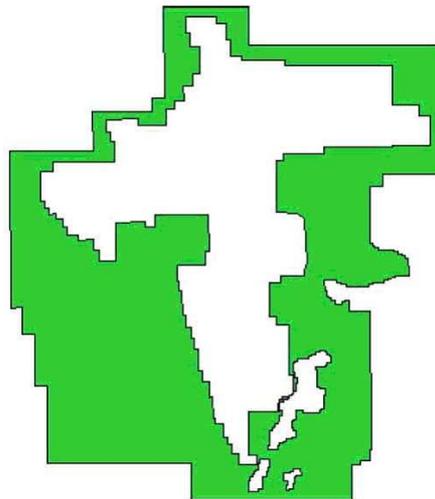


COOPER/EROMANGA BASINS

South Australia



PEL-182

ANNUAL REPORT

Permit Year 1 (extended)

August 10th 2005 to November 23rd 2007

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1. INTRODUCTION

Petroleum Exploration Licence PEL-182 was granted on the 10th August 2005 to Eagle Bay Resources N.L. (EBR – 100%), and EBR assumed operatorship.

The year 1 work obligation was for a complete G&G review, utilising all the available seismic and well data in and around PEL-182, plus a 5 well year-1 drilling program – preferably to be drilled back to back with a new small footprint state of the art drilling rig.

Eagle Bay Resources farmed out 49.9% to AuDax and 12.5% to AOC, and AuDax in turn farmed out 10% to White Sands Petroleum.

The farm-in parties executed the Joint Venture Agreement and formed the PEL-182 JV, with EBR as the nominated operator to carry out the year-1 obligatory work program.

During this period, two extensions in time to year-1 were granted : -

- firstly due to unprecedented demand in 2005 and 2006 leading to unavailability of tubulars, casing and drilling equipment, and in particular drill rigs, (so WSP imported an EDM rig from Norway)
- secondly additional time was granted the JV to procure another drill rig after WSP failed to get its newly imported EDM rig fully operational and in compliance, and eventually went into liquidation. The PEL-182 JV finally drilled its wells in PEL-182 using Century Rig-18, and Century Rig-3.

The G&G study was completed by Colebrook Petroleum Resources, indicating 17 leads and prospects in PEL-182, and they subsequently matured the best 5 prospects for drilling in Y1.

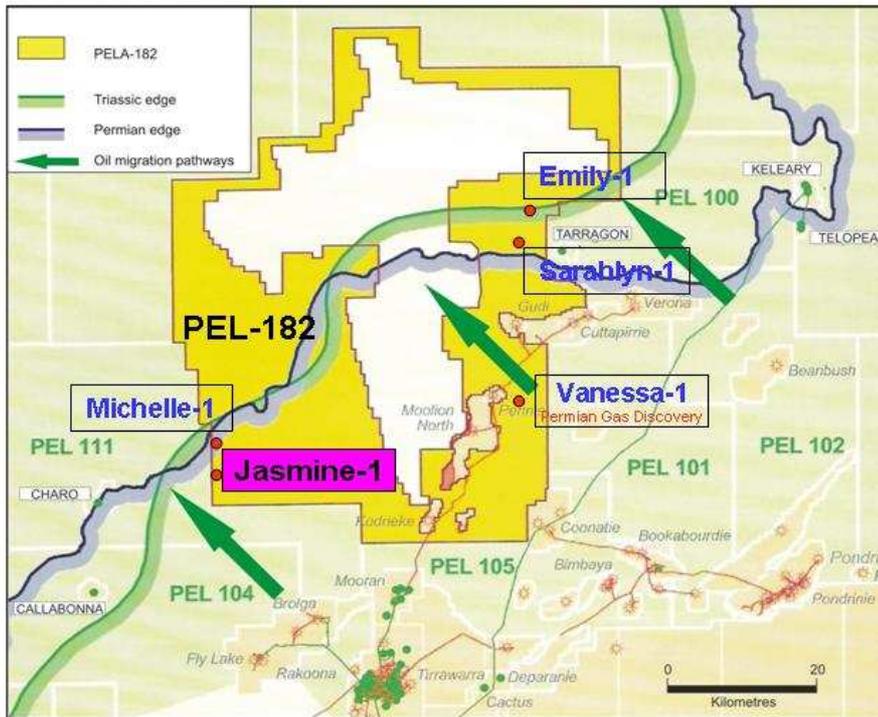
Four of the five wells were drilled, resulting in a small oil Jurassic discovery at Emily-1, a Permian Gas discovery at Vanessa-1 and 2 dry holes at Sarahlyn-1 and Jasmine-1. (Jasmine-1 actually spudded too late to be included in Y1, and has been moved into year-2)

This drilling highlighted the inherent risk in drilling smaller structural closures based solely on mixed vintage 2D seismic mapping in 2-way time. 3D seismic is definitely required.

The 5th well (Michelle-), a high risk stratigraphic well, was swapped for 3D seismic in Year-2.

In accordance with the requirements of Section 33 of the Petroleum Regulations 2000, this report covers the activities conducted by EBR as operator of the PEL-182 JV, in this extended Year-1 period from 10th August 2005 to November 23rd 2007.

PEL-182 COOPER BASIN SOUTH AUSTRALIA



- 1 Emily-1
Oil Recovery - cased
- 2 Sarahlyn-1
Dry P&A
- 3 Vanessa-1
Gas Discovery - cased

PEL-182 5 WELL Y1 DRILLING PROGRAM
Jasmine-1 4th well – spud 4Q 2007
 Michelle-1 Deferred new 3D Seismic Program in 2Q 2008

Location Plate – Showing well locations of Proposed 5 wells for Y1

1	Emily-1	Small L Birkhead oil Discovery	Case & Suspended
2	Sarahlyn-1	No HC Shows	Plugged & Abandoned
3	Vanessa-1	New Permian Gas Discovery	Cased & Suspended
4	Jasmine-1	No HC Shows	Plugged & Abandoned (year-2)
5	Michelle-1	Swapped for 300+Km 3D seismic in Year-2	

1.1 Working Interests in PEL-182

Eagle Bay Resources farmed out 49.9% to AuDax Resources Limited on 9th November 2004, conditional on Native Title being settled and the permit being granted to EBR.

In December 2005, AuDAX Resources Limited in turn farmed out 10% to White Sands Petroleum Ltd (WSP), a new drilling contractor to Australia, with a newly imported state of the art EDM drilling rig from Norway.

In December 2005, WSP gave an undertaking to EBR as operator, and to the PEL-182 JV, to turnkey drill this five well year-1 drilling program in PEL-182, using this newly imported State of the Art EDM drilling rig from Norway. WSP then listed on the ASX to raise further funds to get their EDM rig fit for purpose and in compliance. WSP proceeded to drill its first shakedown well at Reed's Dome in Queensland, but, regrettably, the refurbished rig encountered equipment and operational problems, and was unable to drill to its targeted depth. WSP's problems eventually proved insurmountable, and the company was declared insolvent and went into liquidation.

WSP's 10% equity in PEL-182 then reverted back to AuDax.

Eagle Bay Resources also farmed out 12.5% equity to Australian Oil Company Ltd (AOC) on the 31 May 2005

Australian Oil Company Limited then farmed out 7.5% to Dome Energy Limited, on the 10th March 2007, but this interest was not fully earned in the year-1 period.

(Dome Energy 7.5% equity was fully earned on completion of the drilling of Jasmine-1 in January 2008)

1.2 Final Working interests in PEL-182 at the end of Year-1 are as listed below

Eagle Bay Resources NL (EBR - Operator)	37.6%
AuDax Resources Limited (ADX)	49.9%
Australian Oil Company Limited (AOC)**	12.5% **

(**7.5% pending to Dome)

2 GUARANTEED WORK PROGRAM Vs ACTUAL WORK PROGRAM

The initial obligatory work program for PEL-182 for year-1 was to complete the following: -

- 1 Conduct regional review & G & G studies of all dta in PEL-182
- 2 Drill 5 new exploration wild cat wells.

G&G Studies

In total, several separate G&G studies have now been undertaken and completed on PEL-182. These include the initial formal G&G review undertaken by ColeBrook Petroleum Resources (Tucker & Urschel & McGee) for EBR as part of the obligatory Year-1 work program (and submitted to PIRSA) as well as proprietary internal reviews by potential farminees, plus a final G&G review undertaken by ISIS (Barber, Tucker & McGee) in mid and late 2007 using recently reprocessed 2D seismic by Dayborough in Brisbane, and Seismic Inversion work by Downunder in Perth – undertaken by the JV to confirm an optimum location for the high risk stratigraphic wells proposed for drilling at Jasmine-1 and Michelle-1. This last G&G study by ISIS was completed outside the Year-1 period, and will now be submitted as additional (non obligatory) work conducted during permit year-2.

Drilling

For the 5 obligation wells, 5 prospects were matured for drilling, casing was purchased for all 5 wells (3 to completion as producers), 5 separate drilling programs were prepared, all 5 locations were staked, and 5 Environmental Impact Reports (EIR) and 5 NT Site Clearance Reports prepared, ie, one on each prospect.

After drilling the 3rd well, it was abundantly clear that drilling on 2D mapping is high risk, and it is far preferable to drill future wells on 3D seismic to increase the chances of a successful oil or gas discovery. Consequently, the 5th well (a high risk stratigraphic play at Michelle-1) was substituted for 300+ Km2 of 3D seismic, scheduled in year-2 and using Terrex Seismic 3D crew for acquisition in late 2008.

4 wells have been drilled, - first 3 were spudded and completed inside the year-1 period.

- | | | | |
|----|--------------------------------|----------|------------------------------|
| 1 | Emily-1 | TD 2730M | Spud 7/01/2006 - 24/01/2007 |
| | Small L Birkhead oil Discovery | | Case & Suspended |
| 2. | Sarahlyn-1 | TD 2730M | Spud 16/04/2007 - 07/05/2007 |
| | No HC Shows | | Plugged & Abandoned |
| 3. | Vanessa-1 -ST1 | TD 3157M | Spud 12/05/2006 - 17/07/2007 |
| | New Permian Gas Discovery | | Cased & Suspended |
| 4. | Jasmine-1 | TD 2450M | Spud 24/12/2007 - 05/01/2008 |
| | No HC Shows | | Plugged & Abandoned (year-2) |

The 4th well, Jasmine-1, spudded just outside the Year-1 period –and has moved into Y2.

Jasmine-1 was a high risk stratigraphic play, close to a No Go Zone on the Cooper Creek flood plain which would prevent adequate 3D coverage to map it carefully and reduce risk. It was therefore decided to drill it on the existing 2D seismic data - after extensive 2D seismic reprocessing, and re-interpretation by ISIS, and Inversion work by Downunder.

The 2D reprocessing and G&G inversion work was delayed, but did show a more optimum drill location updip, where the inversion work showing the objective Patchawarra sands should/would be present, and even appear to be oil bearing!? The new Jasmine-1 well location was rapidly staked, new Environmental Impact and Native Clearance addendums rushed through, road access and Well locations urgently prepared, and PIRSA approval to drill obtained, all in record time. Century Rig-3 was quickly mobilised from Moomba to this new site, and the well drilled – but with no success. The objective Patchawarra Oil sands – seen downdip at Darter-1 - were totally absent, and the well was plugged and abandoned.

Regrettably, delays in 2D reprocessing meant Jasmine -1 spudded too late to be included in the Year-1 time period, and a work variation was sought and granted to move it into Year-2.

All of the obligatory work program on PEL-182 for Year-1 (as amended & varied) has been carried out, at considerable cost,(see expenditure table) and the permit is in good standing.

2.1 Time Extensions

Two extension of time variations were sought to allow more time to contract suitable drilling rigs, which extended the permit Year-1 expiry date out to 23rd November 2007.

1. The first was to allow White Sands Petroleum (WSP) time to import a “State of the Art” drilling rig from Norway to turnkey drill the five year-1 exploration wells, and to make it “Fit for Purpose” and “In Compliance” for petroleum work in S.A.
2. The second was to allow the JV time to select another drilling contractor and rig – when WSP went into receivership while still attempting to drill its first well at Reid’s Dome in Queensland.

2.2 Work Variations

A Work Variation was sought and granted to substitute the high risk year-1 Michelle-1 stratigraphic well for 300+ Km2 of 3D seismic, to be recorded ASAP in year-2 over the NE-SW Jurassic oil fairway in the western half of the permit.

The aim of this large 3D survey is to reduce risk on future drilling, and enable a multiple well back to back drilling program on a “string of pearls” of oil prone targets in Year-3.

A second Work Variation was also sought and granted to move Jasmine-1, the 4th well drilled – the high risk-high reward stratigraphic test at Jasmine-1, into year-2, as delays in finalising the interpretation for the optimum drill site, and preparing this new location, resulted in it spudding just after the expiry date for year-1.

PEL-182 Minimum Versus Actual Work Program

Year	Year Ends	Minimum Work Program	Actual work program
1	09/08/2006	Drill 5 wells	1. Regional G & G – 17 Leads & Prospects Mature 5 drill locations for Y-1
<p>On 19th September 2005, PEL-182 was placed in a 9 Month suspension from 31 August 2005 to 30 May 2006 pending availability of WSP drilling rig for drilling program. New expiry date for PEL-182 is 9th May 2011 On 15 December 2005, the above suspension was lifted to allow for the drilling of Emily-1 with Century Rig-18. New expiry date for PEL-182 is 27th November 2010</p>			
1	27/11/2007	Drill 5 wells	2. Drill Emily-1 (28/11/2006) Small Oil Discovery in L. Birkhead Fm
<p>On 28th February 2007, PEL-182 was placed in suspension for 6+ months from 15 August 2006 to 28 Feb 2007 pending availability of Century Rig-3 to replace WSP EDM rig - WSP in Liquidation. Suspension subsequently lifted on 15th May 2007. New expiry date for PEL-182 is 23rd November 2010</p>			
1	23/11/2007	Drill 5 wells	3. Drill Sarahlyn-1 Dry P&A 4. Drill Vanessa-1 Gas Discovery 5. Reprocess 1250km 2D Seismic 6. Re-interpretation & Inversions over Jasmine-1 new well location.
<p>On 15th November 2007, a Work Variation was granted to substitute stratigraphic well Michelle-1 and Y2 70km 2D and Y4 200 km 2D for +300Km2 of 3D seismic over western Jurassic Oil Fairway - to be shot in Year-2, reducing drilling commitment from 5 wells to 4. New expiry date for PEL-182 is 23rd November 2011</p>			
1	23/11/2007	Drill 4 wells	7. Prepare Jasmine-1 well site - 4 th well New EIR addendum report New NT Site Clearance Addendum But Jasmine-1 Spudded too late for year-1 compliance.
<p>On 20th March 2008, a Work Variation was granted to place Jasmine-1 well into year-2, reducing year-1 wells to the 3 wells already drilled before 23/11/2007</p>			
2	23/11/2008	Drill 1 well (Jasmine-1) Acquire 3D Seismic (300+ km2)	1. 2D seismic reprocessing 1250km 2D seismic Inversion – Jasmine-1 2. Drilled Jasmine-1 Dry Hole (Spud 19Dec07- P&A 05Jan08) 3. Layout and scout 3D area
3	23/11/2009	Drill 3 wells	
4	23/11/2010	Drill 3 wells	
5	23/11/2011	Drill 2 wells	



Century Rig-3 & Schlumberger logging at Vanessa-1



Flaring Gas at Vanessa-1 4.5 MMCFD

3 EXPLORATION ACTIVITY

3.1 Drilling

3 wells were drilled during Permit year-1 (4th well was late – moved into Y2)

Century Rig-18 was contracted under Stuart Petroleum for one slot to drill the first well at Emily-1 in January 2006. Century Rig-3 was later contacted for 2+2 slots, and drilled Sarahlyn-1 and Vanessa-1 and Jasmine-1. (Michelle-1 was substituted for 3D seismic)

Emily-1 Oil Prospect TD 2360M Small discovery in L.Birkhead. Cased & Suspended

Sarahlyn-1 Oil Prospect TD 2640M No Shows Dry. Plugged & Abandoned

Vanessa-1 Gas Prospect TD 3216m New Permian Gas Discovery Cased & Suspended

A 4th well Jasmine-1 was planned to test a Patchawarra sand (with oil shows as seen down-dip at Darter-1, drilled by Santos in 1995) in an up-dip stratigraphic trap.

Recent reprocessing of 2D seismic data and sophisticated 2D inversion work appeared to confirm the presence of this sand at a new optimum up-dip location, which was staked, EIR addendums prepared and NT site cleared in record time, and the well finally spudded on 24th December 2007. The Patchawarra objective sands were absent – the well had only one minor show in the deeper Merrimelia Fm – but a DST over this interval recovered nothing, and the well was plugged and abandoned.

Jasmine-1 (19th Dec07 – 5th Jan08) spudded too late to be in compliance as the 4th well required for year-1. Consequently, a Work Variation was applied for and granted to move the Jasmine-1 well into year-2.

3.2 Seismic Data Acquisition

No new seismic data was acquired during the permit year-1

3.3 Seismic Data Re-Processing

Approximately 65%-70% (1392 Km) of the 2D seismic data in PEL-182 was reprocessed by Dayborough in Brisbane, Queensland. This successfully removed/reduced seismic misties due to differing vintages and different recording equipment used over the years. Also picking of first breaks and mapping and correlating with uphole data produced a weathering map and surface statics which are consistent at line intersections, again reducing misties which have plagued older vintages of Cooper Basin 2D seismic, and which produced erroneous structural two way time maps.

3.4 Geological and Geophysical Studies

Four (4) separate G&G reviews have been undertaken utilising all available data in and around PEL-182 since the permit was awarded to EBR on 10th August 2005.

1. Farm-in review by Hamish Young for Voyager Petroleum.
2. Eagle Bay Resources contracted with Colebrook Consultants (Eric Tucker, Andy McGee, Eugene Urschel): – to conduct a Regional G&G review on all available data in and

around the permit – resulting in 17 leads & prospects being identified and priority ranked in 4 major petroleum oil & gas regions throughout the Permit.

3. Colebrook Consultants: - Contracted by EBR to mature the best 5 prospects from the above 17 into drilling targets with detailed drilling proposals for each - to meet the 1st Year 5 well drilling commitment. Emily-1, Sarahlyn-1, Vanessa-1, Jasmine-1 and Michelle-1 matured for drilling.

4 ISIS G&G – 2D seismic reprocessing – to reduce risk in 2D 2WT mapping, a large 1250km seismic reprocessing by Downunder in Brisbane was initiated, with emphasis to confirm optimum locations for high risk-high reward Stratigraphic targets at Jasmine and Michelle. Detailed Inversion work was also done on Jasmine area by Downunder in Perth – resulting in a new location at SP 343 for Jasmine-1, up dip from previous location at SP 380(J-A). This location was then staked, NT site clearances/Report, and an EIR addendum Report conducted as a matter of some urgency, and well drilled at this new location.

3.5 Planned Exploration Program for Year 2

The primary work program planned for Year-2 is now in three parts: -

- 1 Finalisation of the Jasmine-1 Well Completion Report.
Jasmine-1 (spudded 24th Dec 2007 - P&A 9th Jan 2008) was too late to be comply with Y1 program, and has been moved into Y2
- 2 the completion of the non obligatory ISIS and Downunder G&G reports on the 2D reprocessing and seismic inversion work – leading to the relocation of the Jasmine-1 high risk-high reward stratigraphic well
- 3 the acquisition of ~400 Km2 of Exploration 3D Seismic survey, to be recorded by Terrex Seismic in 3Q & 4Q of 2008 across the Jurassic oil Fairway in the western half of the permit.

This will satisfy the remaining year-2 work obligation

Addition work will be carried out on the Emily-1 oil discovery in the Lower Birkhead Fm: -

- 1 Possibility of precision perforating top 1 ft of the 1m oil leg and production test to establish oil production rate and water cut (if any)
- 2 to determine whether to drill up dip to the west, to encounter a thicker oil leg, and bring well into commercial production.

Also efforts will continue to secure a gas sales contract with Santos, to sell Vanessa gas.

Further work is proposed to conduct an Eastern Gas Study – to determine & resolve apparent discrepancies where lowest known gas at Vanessa-1 lies outside known closure. Is Vanessa in fact part of a very large stratigraphic gas accumulation?, possibly part of a deep Central Basin Gas accumulation?

4. ADMINISTRATION

4.1 Compliance

Eagle Bay as operator has been fully compliant with all aspects of the Petroleum 2000 Act in administrating PEL-182, *with the exception of the following:* -

A Late submission of Reports and some data files

- 1 The late submission of the Year-1 Annual Report,*
- 2 the late submission of the Colebrook G & G study (done prior to award of Permit)*
- 3 and missing FINAL logs from the Sarahlyn-1 Well Completion Report (although field copies of electric logs had been submitted by e-mail from the well site)*

Each of these lapses in Data & Reporting Compliance have now been fully rectified.

B Breach of Work Program for Year-1 (Late 4th well at Jasmine-1)

The drilling of the 4th Y1 obligatory well at Jasmine-1 (24th Dec08 – 8th Jan 08) was too late to comply with the Year-1 work obligations expiry date of 23rd Nov 2007, and so a work variation was sought and granted to move it into Year-2, and bring it into compliance for that year.

Each of the lapses in Compliance in A & B above have now been rectified.

Eagle Bay as operator has been fully compliant with all other aspects of administrating the PEL-182 permit, as demonstrated below: -

All applications for extensions for time and Variations to Work program were properly prepared and submitted to PIRSA. PIRSA were extremely helpful in advising on correct procedures, and ensuring no bottlenecks were allowed to develop which would impede progress on meeting work obligations.

All applications for Approvals for Drilling, together with Environmental Impact Reports and Native Title Clearance reports, were properly prepared and submitted to PIRSA and DEH in a timely manner.

All Notifications of Entry (NOE's) to stakeholders and interested parties were comprehensively prepared in some detail, and submitted to them all in a timely manner.

All Notifications of impending Activity (NOA's) to PIRSA, stakeholders and interested parties, were comprehensively prepared in some detail, and submitted in a timely manner.

4.2 Data Submission

The following data and reports have been generated during the extended year-1 period and have been submitted to PIRSA.

A. Administration & Procedural Documents

1. Eagle Bay Drilling Operations Manual (Hardcopy & DVD)
2. Eagle Bay Environmental Policies (Hardcopy & DVD)

B. Geological & Geophysical

1. Colebrook – Interpretation Report - Geol & Geophys (2 volumes & DVD)

The following additional G&G studies – while initiated in Y1 – wont be completed and Final Reports prepared until well into Y2. These Final Reports will be submitted to PIRSA during Y2, and reported upon in the Y2 Annual Report.

- a. ISIS Petroleum Consultants –1240 km 2D Re-Processing Report & DVD – Andy McGee & Dayborough Geophysical Pty Ltd
- b. ISIS Petroleum Consultants – Re-Interpretation of 2D data & Report & DVD – Andy McGee
- c. Down Under Inversions – Jasmine Stratigraphic Prospect & DVD

C. Drilling & Well Data

1. **Emily-1** Well Completion Report & DVD - EBR & Les Burgess & Duncan New
Well Cuttings stored at Challenger Geological Services in Adelaide for PIRSA
2. **Sarahlyn-1** Well Completion Report & DVD - EBR & Les Burgess & Duncan New (Final coloured Schlumberger paper logs, plus LAS files on DVD, resubmitted to PIRSA in May2008 – as no record of PIRSA receiving these logs earlier with Sarahlyn-1 WCR)
Well Cuttings stored at Challenger Geological Services in Adelaide for PIRSA
3. **Vanessa-1 & ST1** Well Completion Report & DVD - EBR & Les Burgess & Duncan New
Well Cuttings stored at Challenger Geological Services in Adelaide for PIRSA

TABLE OF REPORTS & DATA SUBMITTED TO PIRSA		PEL-182 Year-1		
	<i>Data or Report Description</i>	<i>Date Due</i>	<i>Submitted</i>	<i>Complied</i>
1	Eagle Bay Drilling Operations Manual (Hardcopy & DVD)	2005	2005	Yes
2	Eagle Bay Environmental Policies (Hardcopy & DVD)	2005	2005	Yes
3	Colebrook – Interpretation Report – Geology & Geophysics (2 vols & DVD)	2006	Resubmitted May 2007	No
4	Emily-1 Well Completion Report DVD - Les Burgess & Duncan New	24 July 2006	18 July 2006	Yes
4A	Well Cuttings stored at Challenger Geological Services in Adelaide for PIRSA	24 July 2006	01 May 2006	Yes
5	Sarahlyn-1 Well Completion Report DVD - Les Burgess & Duncan New	07 Nov 2007	16 Oct 2007	Yes
5A	Well Cuttings stored at Challenger Geological Services in Adelaide for PIRSA	07 Nov 2007	17 Aug 2007	Yes
5B	Coloured Electric logs and Las files of Schlumberger well data on DVD	07 Nov 2007	06 May 2008	No
6	Vanessa-1 & ST1 Well Completion Report DVD - Les Burgess & Duncan New	17 Jan 2008	3 Dec 2008	Yes
6A	Well Cuttings stored at Challenger Geological Services in Adelaide for PIRSA	17 Jan 2008	06 Sep 2007	Yes
6B	Notice of Serious Incident – Lost DST Tools downhole at Vanessa-1	29 Sep2007	28 Sep 2007	Yes
7	PEL-182 Annual Report for Year-1	22 Jan 2008	03 Apr 2008	No

5. STATEMENT OF ENVIRONMENT OBJECTIVES

The PEL-182 JV and EBR as operator take very seriously its obligation not to harm the environment.

Eagle Bay Resources and the PEL-182 JV pride themselves on **not having damaged one single living tree** in any of the well sites and road access preparations for the drilling of all the 4 wells in year-1. Further, under the watchful eyes of environmental expert - Dr Tim Fatchen, and EBR's Manager Oil & Gas - Ian Barr, all access roads, well pads, turkey nests etc have been kept small for minimal impact on the environment.

Nor have there have been any surface environmental incidents, or spills of dangerous substances of any kind at all. Turkey nest black plastic liners have been collected and removed where they are no longer in use and can blow out – with the plastic being disposed of at the Moomba Refuse Depot.

Breach of SEO at Vanessa-1

However, the JV has not been able to comply with its SEO in regard to DST tools lost down hole during open hole drill stem testing at Vanessa-1 (where sloughing coals packed off above DST tool during flaring gas from Toolachee and Epsilon formations) - unable to jar DST tool up or down – unable to set cement plugs and isolate Permian zones around and below these stuck DST tools. A full Incident Report was prepared at that time by EBR Drilling Superintendant Mr Duncan New, and submitted to PIRSA and DEH.

The PEL-182 has closely monitored its environment, and can report it has achieved its environmental objectives – with the exception of the lost DST tools and subsequent breach of its SEO at Vanessa-1.

Well Site Abandonment and Rehabilitation

All wells sites drilled are left clean and tidy, with all rubbish removed. Fences have been installed around the mud pits, to keep any stock safely out, until the mud pits can be properly filled in.

Two wells Sarahlyn-1 and Jasmine-1 were dry, and were plugged and abandoned, and these sites are scheduled for rehabilitation. However, rain has prevented the mud pits from drying out sufficiently for them to be filled in (as yet) but plans are in hand to do so in June 2008. Before and after photos will be supplied as proof of compliance with this requirement.

6. COMPLIANCE

The activities covered by this report are administrated under the Petroleum & Gas Act (2000) and the Petroleum & Gas Regulations (2000)

The PEL-182 JV and EBR as operator have complied with most of the requirements required under these acts, with the exception of submission of certain data and reports as stated in 4.1, and as shown in the Table of Data & Reports above on page 14. These few discrepancies have now been fully rectified.

The Annual Report for Year-1 was also late – primarily due to a Change of Operatorship to a location overseas, and changes to staff levels of original operator Eagle Bay Resources.

7. STATEMENT OF EXPENDITURES

Commercial in Confidence.