

**RAWSON
RESOURCES LTD**

**PEL 154 Otway
Basin South
Australia**

**Annual
Report Permit
Year 2**

30th June 2004 to 1st July 2005

Contents

- 1 Introduction**
- 2 Permit Summary**
- 3 Exploration Activity**
- 4 Administration**
- 5 Expenditure statement**

Appendices

Appendix 1: Soilgas Geochemical Sampling and Testing Programme

Enclosures

Enc. 1 - PEL 154 Topography with prospects and leads.

Enc. 2 – Pel 154 Sample location and analyses

1 Introduction

Petroleum Exploration Licence No. 154 is situated in the onshore Otway Basin, South Australia. The second year of the licence covers the period 30th June 2004 to 1st July 2005.

This report summarises the work performed by the Rawson Resources Ltd and contractors during this first year of the licence, in accordance with the requirements of Section 33 of the Petroleum Regulations 2000.

2 Permit Summary

The working interests in PEL 155 throughout the reporting period were:

**Rawson
Resources Limited** **100%**

The agreed work commitments for PEL 155 are summarised as follows:

Licence Year	Minimum Work Program	Actual Work
Year 1 (30/06/03-1/7/04)	Geological and geophysical Studies*	Geological and geophysical studies
Year 2 (30/6/04-1/7/05)	Geological and geophysical Studies; Soilgas survey	Geological and geophysical studies Soilgas geochemical survey
Year 3 (30/6/05-1/7/06)	100 km of 2D acquisition; 300km Seismic reprocessing; Soilgas survey	
Year 4 (30/6/05-1/7/07)	One well; review studies	
Year 5 (30/6/06-1/7/08)	Renewal Studies	

3 **Exploration Activity**

3.1 Geological and Geophysical Studies.

Technical studies during this second permit term were directed toward gaining a further understanding of the structural geology of the permit area with emphasis on trapping mechanisms and fault systems. In most cases there remained risk on the identified prospects, mostly related to structural complexity associated with faulting.

Rawsons continued to compile and refine lead maps from the existing open file geological and geophysical data.

Topographic mapping was done over the entire permit as a precursor to the soilgas survey to be carried out later in the permit year. The concept was to produce a regional map that could be used to locate leads that could be the target for soilgas geochemical surveys later during the permit year. Several structural leads had been identified last year from the regional mapping, and these were incorporated into the topographic maps

A map showing this work is enclosed (Enclosure 1)

3.2 Soilgas geochemical sampling and testing programme

A reconnaissance soilgas geochemical survey was carried out by Petrofocus Consulting Pty Limited during late March and early April. The purpose of this survey was to establish whether soilgas anomalies existed over the leads that had been mapped previously and to tentatively locate previously unmapped. The results over the main prospective areas, south of the existing gasfields confirmed the presence of at least one geochemical anomaly, the Lake St Clair lead near the northwestern boundary of the permit.

The complete results of this survey are included in Appendix 1 of this report.

It is noted in the conclusion to this report that a more detailed follow-up programme of soilgas geochemistry be carried out in future work programmes.

These data have been mapped by Rawson and are included as Enclosure 2.

4 Administration

4.1 Regulatory Compliance

Rawson Resources Ltd, as Operator of PEL 154 has, to the best of its knowledge, complied with all the relevant conditions under the Petroleum Act 2000 and the Petroleum Regulations 2000.

4.2 Data submissions.

A list of the items submitted during the report period is contained in below.

PEL 154
Annual Report
Licence Year 2
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List of documents submitted

Appendix 1: Soilgas Geochemical Sampling and Testing Programme

Enclosure 1: PEL 154 Topography with Prospects and Leads

Enclosure 2: PEL 154 Sample location and analyses

4.3 **Planned Exploration Program for Year 2**

Rawson Resources Ltd plans to run a further surface soilgas survey over the main leads encountered in the the initial reconnaissance soilgas survey. Around the same time Rawson will reprocess 300km of existing seismic. In addition Rawson will use this geophysical and geochemical data to locate and shoot 100km of propect defining seismic,during the permit year.

5

**Expenditure
statement**

Commercial in confidence

Appendix 1

Commercial in confidence