



ASX ANNOUNCEMENT

Matrix Oil NL (Subject to Deed of Company Arrangement) ACN 009 795 046 ("the Company")

In late August 2004 a Notice of Meeting and Explanatory Memorandum was mailed to shareholders of the company. The meeting was to be convened on Tuesday, 5 October 2004 to consider resolutions linked to a proposal for the restructuring of the company which would have seen its debts fully satisfied in return for a payment to the creditors of the company and following a share consolidation and issue of new shares, the company would have proceeded to have its trading suspension lifted and its shares traded on the Australian Stock Exchange.

The proposal to restructure the company was conditional upon the ASX confirming that Listing Rule 11.1.3 would not be applied to the restructuring. On 16 August 2004 we received a letter from the ASX confirming this to be the case. Subsequently, the meeting of shareholders held on 5 October 2004 was adjourned to enable further discussions regarding the restructuring to be held with major shareholders of the company. Subsequent to that adjournment the ASX issued a letter to the company on 18 October 2004 advising that it now believed Listing Rule 11.1.3 would apply to the restructuring proposal. Accordingly, a key term of the restructuring proposal was not able to be satisfied and the associated Memorandum of Understanding with the restructuring proponent and the Deed of Company Arrangement with the company's creditors could not be successfully concluded. As such the meeting of shareholders which was reconvened on Wednesday, 27 October 2004 was advised that the restructuring proposal could not proceed and accordingly the resolutions contained in the Notice of Meeting and Explanatory Memorandum were withdrawn without any votes being passed on the resolutions.

Creditors of the company are now considering a further restructuring proposal which has been presented to the Deed Administrators. A decision from creditors in regards to this restructuring proposal is pending. Should creditors decline to proceed with the proposal in question or any alternative proposal then it is likely that the company will proceed into Liquidation in due course without further recourse to the shareholders of the company.



VINCENT SMITH
Deed Administrator

28 October 2004