[redacted]

EQiTX Limited

ABN 50 009 188 694

EXPENDITURE BUDGET
For the 15 month period April 2003 – June 2004

The expenditure budget for the 15 month period from April 2003 to June 2004 detailed below is prepared on the basis that Milestone 1 of the Gingerol project is completed to the satisfaction of EQiTX, and Milestone 2 investment is undertaken.

	$'000
Cash on hand at 31 March 2003	941
Capital raising	1,408
Less fundraising expenses	(64)
Total	2,285
EXPENDITURE	
Gingerol project	
Milestone 1 & 2 payments	(995)
Service Fee recoveries	280
Administration	
Personnel expenses	(636)
Administrative expenses	(274)
Occupancy expenses	(116)
Fixed assets	(15)
Other Income	
Interest earned	66
Forecast cash on hand at 30 June 2004	595

EQiTX LIMITED

CONSOLIDATED PRO FORMA STATEMENT OF FINANCIAL POSITION

Eqitx Limited	Notes	As at 31/12/2002 Reviewed $000	Pro-forma As at 31/12/2002 $000
Current Assets			
Cash at bank	1	1,139	2,547
Receivables		20	20
Total Current Assets		1,159	2,567
Non-Current Assets			
Receivables	3	5,016	5,016
Other financial assets		126	126
Plant & equipment		26	26
Total Non-Current Assets		5,168	5,168
TOTAL ASSETS		6,327	7,735
Current Liabilities			
Accounts payable		124	188
Provisions		7	7
TOTAL LIABILITIES		131	195
NET ASSETS		6,196	7,540
Shareholders Equity			
Contributed equity	2	44,671	46,015
Reserves		60	60
Accumulated losses		(38,535)	(38,535)
TOTAL SHAREHOLDER FUNDS		6,196	7,540

Notes to the pro forma statement of financial position:

1. Cash at bank includes placement of $1,408, 000.
2. Contributed equity consists of:

	Shares	$'000
Balance 31 December 2002	17,524,170	44,671
Placement	7,040,000	1,408
Less: transaction costs		(64)
Closing balance	**24,564,170**	**46,015**

3. Debt owing from JSC Siboil. As previously reported, EQiTX has retained the services of a consultant based in New York, with legal and Russian oil industry experience, to assist in the possible recovery of all or a substantial part of the company's investment in this project.

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INDEPENDENT REVIEW REPORT

To the members of Eqitx Limited

Scope

Statement of Financial Position 31 December 2002

We have reviewed the historical statement of financial position of Eqitx Limited at 31 December 2002 which has been extracted from the condensed financial statements of Eqitx Limited for the half year ended 31 December 2002. The company's directors are responsible for the statement of financial position as at 31 December 2002.

Our review has been conducted in accordance with Australian Auditing Standard AUS 902 "Review of Financial Reports" and was limited to enquiries of the directors and personnel of Eqitx Limited, reading of directors minutes and relevant contracts, analytical review procedures applied to the financial data, the performance of limited verification procedures, and comparison for consistency in application of accounting standards and policies.

These review procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and accordingly, we do not express an audit opinion on historical statement of financial position of Eqitx Limited at 31 December 2002.

Pro forma Statement of Financial Position

We have performed an independent review of the pro forma statement of financial position of Eqitx Limited at 31 December 2002. The company's directors are responsible for the pro forma statement of financial position. The purpose of the pro forma statement of financial position is to show the financial effects on the company as if the following transactions had taken place as at 31 December 2002:

- The issue to of 7,040,000 fully paid ordinary shares at an issue price of 20 cents each pursuant to the Prospectus dated 11 March 2003 to raise $1,408,000 in cash; and

- The inclusion in accounts payable of expenses in relation to the capital raising estimated to be $64,000, which has been written off direct against equity.

We have reviewed the pro forma statement of financial position in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the pro forma statement of financial position is not presented fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, as if the transactions set out above had taken place on 31 December 2002. Our review also determined whether the pro forma transactions formed a reasonable basis for the preparation of the pro forma statement of financial position.

Our review has been conducted in accordance with Australian Auditing Standard AUS 902 "Review of Financial Reports" and was limited to enquiries of the directors and personnel of Eqitx Limited, reading of relevant documents, the performance of limited verification procedures, and comparison for consistency in application of accounting standards and policies.

These review procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and accordingly, we do not express an audit opinion on the pro forma statement of financial position.

Qualification
We have been unable to obtain sufficient evidence to support the recoverability of the receivable from the Joint Stock Company Siboil (Technical Services Agreement operator) of $5,016,000 disclosed in the historical statement of financial position and pro forma statement of financial position. In our opinion there is significant uncertainty as to the realisation of this receivable. The Directors believe that it is appropriate to carry this asset at its stated value in the historical statement of financial position and pro forma statement of financial position. In our opinion, the carrying value of this asset exceeds its realisable value and we believe that a provision for non recovery should be raised for the amount of $5,016,000 and the carrying value reduced to $Nil.

Qualified Statements

Statement of Financial Position 31 December 2002

Based on the scope of our review, except for the effect on the statement of financial position of the matter referred to in the qualification paragraph, nothing has come to our attention that causes us to believe that the historical statement of financial performance does not present fairly, in accordance with the measurement and recognition requirements, but not all of the disclosure requirements, of applicable Accounting Standards and other mandatory reporting requirements in Australia, the financial position of Eqitx Limited at 31 December 2002.

Pro forma Statement of Financial Position

Based on the scope of our review, except for the effect on the pro forma statement of financial position of the matter referred to in the qualification paragraph, nothing has come to our attention that would require any modification to the pro forma statement of financial position of Eqitx Limited at 31 December 2002, in order for it to present fairly the financial position of Eqitx Limited at 31 December 2002, on the basis of the assumptions stated in the scope paragraph and in accordance with the measurement and recognition requirements, but not all of the disclosure requirements, of applicable Accounting Standards and other mandatory professional reporting requirements in Australia, had the material transactions in the scope paragraph taken place as at 31 December 2002.

Ernst & Young
Ernst & Young

V. Tidy
V W Tidy
Partner
Perth

Date: 9 April 2003