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Company Announcements Office
Australian Stock Exchange Limited

By e-Lodgement

Dear Sir/Madam

MONITOR ACQUIRES NEW EXPLORATION LICENCES AT LAKE ISSYK-KUL, KYRGYZ REPUBLIC

Monitor Holdings Ltd ('**Monitor**" or "the **Company**") is pleased to announce that it has been granted a new exploration licence covering a total area of approximately 3,500 sq km over the eastern part of Lake Issyl-Kul in the Republic of Kyrgyzstan, Central Asia, and has acquired a further licence over 782 sq km in North-East Issyk-Kul (**Licences**). These Licences consolidate the position of Monitor in the Isssyk-Kul Basin.

Lake Issyk-Kul is located in north-eastern Kyrgyzstan and with a surface area of over 6,000 sq km, is the second-largest high-altitude lake in the world. It occupies the central part of a sedimentary basin which is one of the areas in the country identified by local geologists as prospective for oil and gas.

Petroleum-related exploration in the Issyk-Kul Basin began in the late 1950s and Monitor has been able to access a large amount of geological and geophysical information relating to the licence areas acquired by the Company. This information includes data from 14 deep stratigraphic and exploration wells drilled within the Issyk-Kul Basin, within and adjacent to the Company's licence areas. This data indicates that some of the wells had shows of gas (methane) and heavy hydrocarbons at different intervals up to 5,000m depth. Based on the results of this earlier technical work, local geologists have concluded that Paleozoic and Meso-Cenozoic sediments of the eastern part of the Issyk-Kul Basin have similar stratigraphy to other producing basins in the broader region, notably the Zhungar and Tarim Basins, two of the principal petroleum provinces in north-western China. Work already undertaken on the East Issyk-Kul licence has identified four possible anticlinal structures which may be prospective for oil and gas, and these will constitute priority targets for the Company's technical programme in this area.

The existing data therefore provides indications of the potential petroleum prospectivity of the Issyk-Kul Basin as a whole. Analogies with other sedimentary basins of which the central part is occupied by a lake given reason to believe that the thickest sedimentary sections in the basin, and therefore potentially the most significant hydrocarbon targets, may lie under the waters of the lake. This consideration has motivated Monitor to apply for an exploration licence over a part of the lake and, now that this has been granted, to begin the planning of a work programme designed to identify targets for exploration drilling.

This will require a marine seismic survey, and Monitor's initial work programme will focus on carrying out this survey in a cost-effective and environmentally responsible manner. No seismic work has previously been undertaken on Lake Issyk-Kul, however marine seismic acquisition in similar inland settings is a tried and tested method of exploration. If a prospect is identified near shore, it can be tested with a deviated well drilled from dry land, a less costly and technically difficult solution compared with drilling on the lake. Prospects far from shore would need to be tested by a drilling rig installed on floating rafts or pontoons, techniques which have been used extensively for example in South America. The recent exploration successes recorded by Hardman Resources at Lake Albert, Uganda, show that the technical, logistical and environmental challenges associated with the kind of operations envisaged at Lake Issyk-Kul can be met in an efficient and effective way.

Background Information on the Kyrgyz Republic:

The Kyrgyz Republic in Central Asia is a former Soviet state which declared independence in 1991. Since independence, the country has undertaken economic and political reforms and has undergone a transition to a market oriented economy. Oil and gas exploration in Kyrgyzstan was severely curtailed after the country became independent in 1991 and funding under former Soviet arrangements was no longer available. Recently interest in oil & gas exploration has increased significantly, with Santos International Operations Pty Ltd farming into Caspian Oil & Gas Limited's projects by spending up to US$24 million on a staged basis by June 2009.

Central Asia is becoming one of the world's emerging oil and gas regions, with substantial fields located in China, close to the southern Kyrgyz border, Kazakhstan, Uzbekistan, Tajikistan and Azerbaijan. The Chinese government has recently signed an agreement with both the Kyrgyz and Kazakh governments to build a supply pipeline from Kazakhstan through Kyrgyzstan to supplement China's unprecedented demand for oil and gas. Exploration in the region has accelerated over the past few years, with foreign investment reaching record levels.

Monitor is in a privileged position to participate in the evolving oil and gas sector of Kyrgyzstan and is actively pursuing additional opportunities with potential for early oil and gas production.

Yours sincerely

Scott Spencer
Chairman

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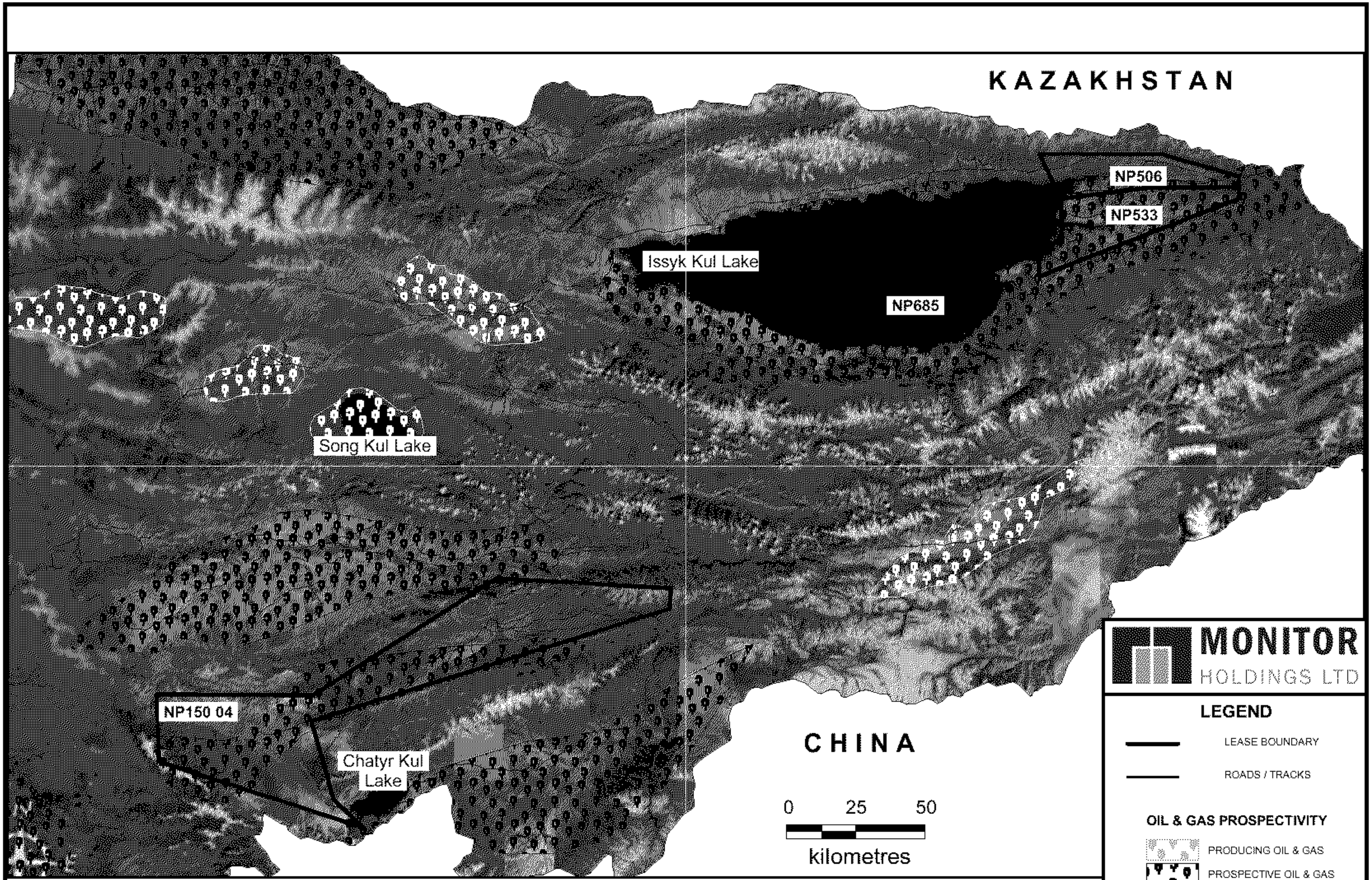
In accordance with the Australian Stock Exchange requirements, the technical information contained in this report has been reviewed by Mr Ted Ellyard, a technical advisor to the Company. Mr Ellyard has in excess of 5 years experience in his field of activity and he consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



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