MONITOR
ENERGY LIMITED

18 June 2008

COMPLETION OF $1.232 MILLION CAPITAL RAISING, OPTION ENTITLEMENT OFFER TO EXISTING SHAREHOLDERS AND OPTION PLACEMENT

Monitor Energy Limited ("Monitor" or "Company") is pleased to advise that the capital raising with Melbourne Capital Limited ("MCL") announced to the ASX on 13 June 2008 has been fully subscribed. A total of 88 million fully paid ordinary shares have today been issued at $0.014 per share, to raise $1,232,000 before costs associated with the placement. The placement was to sophisticated investors as outlined under s708(8) of the Corporations Act. The funds raised from the placement will be used by Monitor for the purposes of:

- Pursuing ongoing project opportunities in South-East Asia and in other known near term production areas.
- Working Capital.

Option Entitlement Offer

Monitor intends to proceed with an Option Entitlement Offer to all existing shareholders on the basis of one option for every two shares held at a subscription price of $0.002 per option (for a total issue of approximately 364 million options). These options will have an expiry date of 31 August 2011, and an exercise price of $0.025 per share. Monitor has agreed with MCL that MCL will have the right to place any options that are not subscribed to by shareholders at its discretion to clients of MCL on an "all reasonable endeavours basis". Upon the successful completion of the placement of these options, the entitlement offer will raise approximately $728,000 before costs associated with the offer.

Option Placement

Monitor intends to seek shareholder approval to issue further options on the same terms and conditions as the entitlement offer options. Specifically:

- That shareholder approval be sought to approve the placement of 250 million options to clients of MCL at MCL's discretion, at a subscription price of $0.002 cents each to raise $500,000.

- That shareholders approve the ability for existing Directors Mr Mark Gwynne and Mr Jon Roestenburg to subscribe for up to 12.5 million options at a subscription price of $0.002 each to raise $25,000.

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- That shareholder approval be sought to approve the issue to MCL of 28.75 million options as consideration for services provided with regard to the fund raising services provided.

Monitor intends to apply to the ASX to have all securities the subject of the Agreement quoted on the ASX.

The Board of Directors of Monitor view the Agreement with MCL as a positive step forward for the Company. The funds raised via the issue of the shares and options will enable Monitor to continue to advance the company's strategy of adding significant shareholder value through the development of a diversified petroleum asset portfolio, as well as advancing negotiations on identified leads in South-East Asia, and other regions.

Sincerely,

Mr. J W Roestenburg Bsc, GBQ, MLM, CC
Managing Director
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