



21 May 2009

Dear Shareholder,

RENOUNCEABLE ENTITLEMENT ISSUE

Monitor Energy Limited (**Company**) has announced to ASX Limited (**ASX**) a renounceable entitlement issue on the basis of one (1) Share for every one (1) Share held by Shareholders together with one (1) free Option for every one (1) new Share issued registered at 5.00pm (WST) on 28 May 2009 at an issue price of \$0.001 cents per Share to raise approximately \$728,848 (**Entitlement Issue**).

The Entitlement Issue will result in the issue of approximately 728,847,863 new shares and 728,847,863 new options in the Company. The options will be exercisable at \$0.025 on or before 31 August 2011.

The Offer is fully underwritten by Patersons Securities Limited, who will also act as the appointed nominee to deal with the rights of overseas shareholders.

The Prospectus relating to this issue has been lodged with the Australian Securities and Investments Commission and ASX and is available on the ASX website at www.asx.com.au for inspection. The timetable and important dates of the issue are set out below:

Lodgement of Prospectus and Appendix 3B with ASIC	19 May 2009
Notice sent to Shareholders	21 May 2009
Ex Date – rights trading commences	22 May 2009
Record Date for determining Shareholder entitlements	28 May 2009
Prospectus despatched to Shareholders	1 June 2009
Rights trading ceases	9 June 2009
Closing Date of Offer	16 June 2009
Notify ASX of under-subscriptions	17 June 2009
Despatch date/Shares entered into shareholders security holdings	24 June 2009

35 Richardson Street West Perth WA 6005 Australia

PO Box 1440 West Perth WA 6872 Australia

Ph: +61 8 9211 1555 Fx: +61 8 9211 1500

ABN 25 009 121 644



The purpose of the issue is to raise approximately \$728,848 and the funds raised from the Entitlement Issue will be allocated towards the working capital. The working capital will be used:

- (a) to meet the Company's administrative expenses both in Australia and at the Company's Kyrgyz operations;
- (b) fund the continued exploration of the Company's assets in the Kyrgyz Republic; and
- (c) continue the investigations and review of various potential project acquisitions in the Republic of Indonesia.

The capital structure of the Company on completion of the issue will be as follows:

Shares

	Number
Shares on issue at date of Prospectus	728,847,863
Shares offered pursuant to the Offer	728,847,863
Total Shares on issue after completion of the Offer	1,457,695,726

Options

	Number
Quoted exercisable at \$0.025 on or before 31 August 2011	643,027,289
Unquoted exercisable at \$0.02 on or before 31 December 2009	500,000
Unquoted exercisable at \$0.035 on or before 31 December 2009	3,500,000
Unquoted exercisable at \$0.05 on or before 31 December 2010	5,000,000
Unquoted exercisable at \$0.075 on or before 31 December 2011	5,000,000
Unquoted exercisable at \$0.034 on or before 30 June 2010	1,250,000

35 Richardson Street West Perth WA 6005 Australia

PO Box 1440 West Perth WA 6872 Australia

Ph: +61 8 9211 1555 Fx: +61 8 9211 1500

ABN 25 009 121 644



Unquoted exercisable at \$0.025 on or before 11 March 2011	2,500,000
Unquoted exercisable at \$0.05 on or before 31 December 2009	500,000
Options offered pursuant to the Offer	728,847,863
Total Options on issue after completion of the Offer¹	1,390,125,152

In calculating entitlements under the Entitlement Issue fractions will be rounded up to the nearest whole number.

The offer under the Prospectus is made to Shareholders with registered addresses in Australia and New Zealand. Overseas shareholders should contact the Company Secretary with any queries. As outlined above, Patersons Securities Limited has been appointed as the nominee to deal with the entitlement of overseas shareholders.

Full detail of the issue will be contained in the Prospectus that will be mailed to all shareholders who are registered on the record date. Shareholders eligible to participate should read the Prospectus carefully.

Yours faithfully

Mr Jon Roestenburg
Managing Director

35 Richardson Street West Perth WA 6005 Australia

PO Box 1440 West Perth WA 6872 Australia

Ph: +61 8 9211 1555 Fx: +61 8 9211 1500

ABN 25 009 121 644