MONITOR
ENERGY LIMITED

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 30 JUNE 2009

Monitor Energy Ltd (hereinafter “the Company” or “Company”) is a junior energy explorer with extensive holdings and operations in the Kyrgyz Republic for both Petroleum and Uranium. The Company’s strategy is to continue to add value to its existing assets whilst building its energy portfolio through a spread of assets from frontier, large reward Petroleum plays to near term production field exposure for cash flow, risk reduction and energy diversification.

The Kyrgyz Petroleum licenses cover over 6000Km2 with the potential for large onshore oil and gas structures as they are in close geological proximity to known and proven giant oil and gas fields in China’s Tarim and Junggar Basin as well as in the adjacent Fergana Basin shown in figure 1.

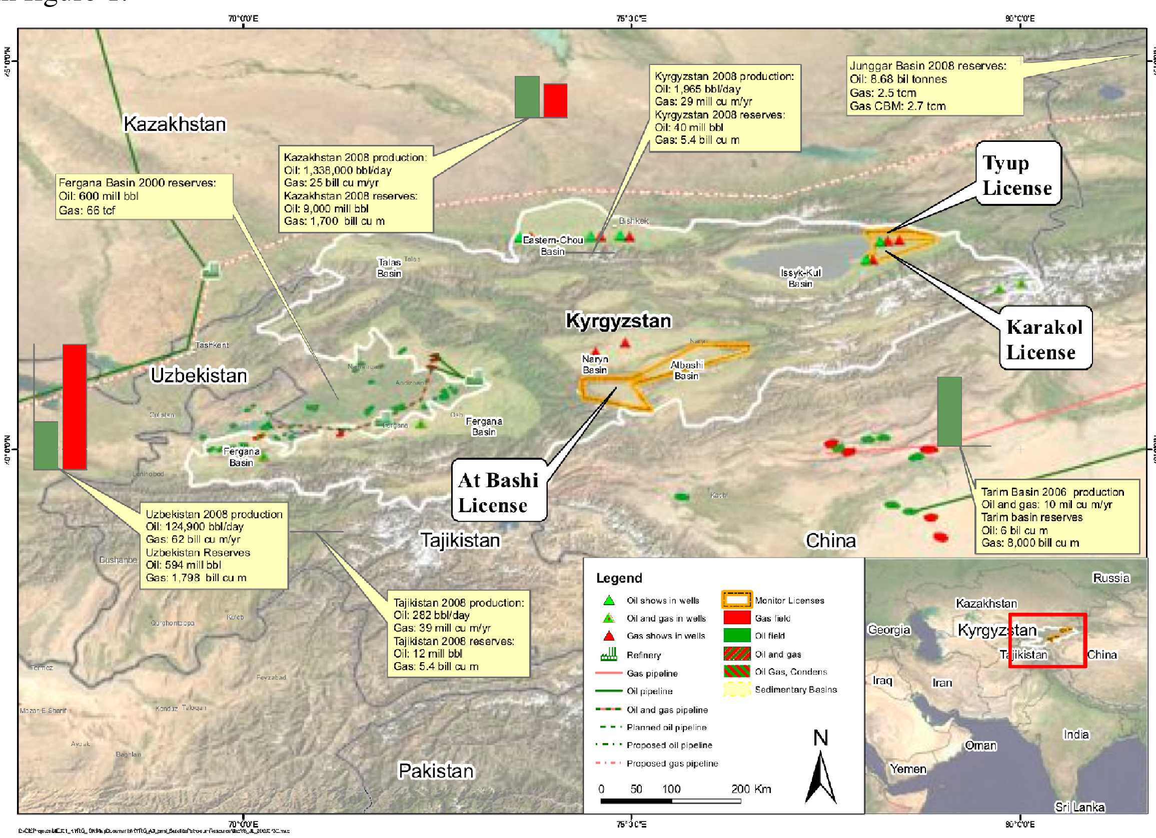


Figure 1. Monitor Energy Ltd licenses in The Kyrgyz Republic and proximity to producing fields.

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

Highlights

- The Company is vigorously continuing its efforts to add value through smart exploration and at the same time farm out the Kyrgyz Assets to the right partner to establish a working joint venture in both oil & gas and uranium. Currently the company is in ongoing discussions to various large resource companies and funding groups which remains the principle corporate focus for the Kyrgyz assets.
- Beyond Kyrgyzstan, the Company is continuing its review of near term oil production opportunities in known Petroleum Basins through out the world, particularly in areas where it has competitive advantage and technical competency.
- To date, has reviewed several new oil, gas and energy related opportunities from Turkey, Africa and Australia in addition to South East Asia and continues to do so.

KYRGYZ REPUBLIC OPERATIONAL ACTIVITIES

Monitor Energy Ltd has commenced a limited, however targeted work program on its uranium and oil & gas assets in the Kyrgyz Republic. The licenses are current for a further two years, during which planned field work will be completed to ensure the licences remain in good standing. The Company remains very focussed on attaining sound technical outcomes that will help to realise the economic potential of its licences. One outcome is shown in figures 2 & 3 which represent the surface oil discovery and analysis in the At Bashi license area establishing a petroleum system east of the Fergana Fault, which separates the known oil province in the west of the country from the lesser explored eastern half of the country.

Surface Oil Data

Surface oil samples have been analysed by Australian labs and indicate a biodegraded tar which appears to have a Palaeozoic source.

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

MONITOR
ENERGY LIMITED

Figure 2. Oil at surface in At Bashi License - Kyrgyzstan

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

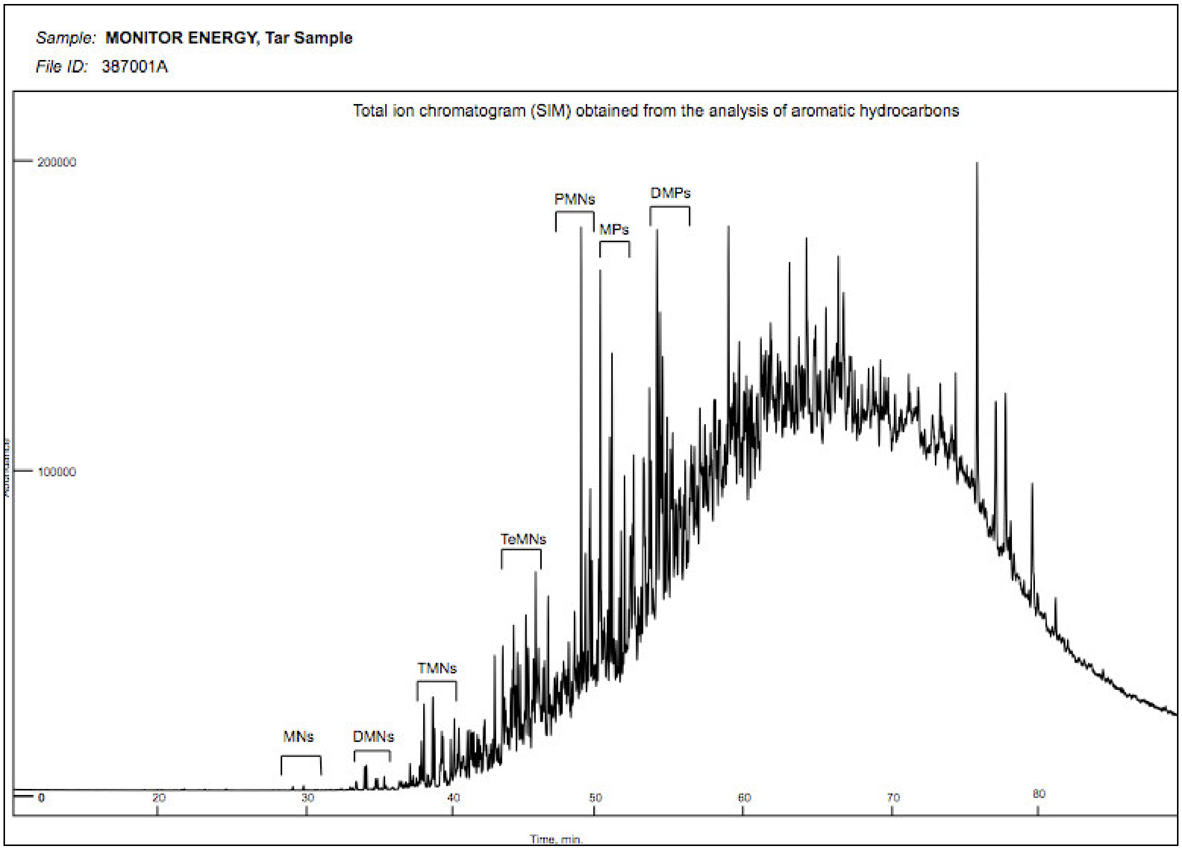


Figure 3. Geochemical Analysis of tar (biodegraded oil) from At Bashi seep

The Paleozoic era and associated reservoirs is known to contain a large proportion of the world's oil supply suggesting that the Company's areas in Kyrgyzstan have untapped potential, and the existence of a petroleum system has now been established. Future work programs are planned to unlock this potential.

Project Generation

Indonesia

The Company has been in extensive negotiations on a new business to business farmin opportunity in Indonesia and has submitted a competitive offer to the other party after conducting detailed due diligence on the project area. The Company is awaiting the outcome of its negotiations and offer.

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 Company's technical team has reviewed six (6) other Indonesian projects during the quarter and has declined these for either technical, economic or in some instances both reasons, however, new projects are being reviewed as a part of normal company business

Other regions

The Company has reviewed other opportunities in non Indonesian oil producing regions, and although several of these remain under review two have so far been declined as these, after technical review, did not fit the profile embodied in the corporate strategy

Uranium Licenses

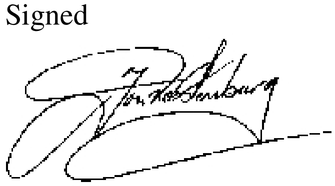
The Company continues the development of its uranium licenses in Kyrgyzstan whilst at the same time actively pursuing new joint venture partners or outright sale for its uranium assets. It has commenced low cost exploration in the field to determine the extent of mineralisation along strike of its known uranium deposit and has extended its trenching and mapping operations on newly discovered outcrops of uranium enriched sediment as shown in figure 4.

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

MONITOR ENERGY LIMITED

Figure 4. Field trenching and surface radiation readouts on uranium license – Kyrgyzstan

Signed



Jon W Roestenburg BSc (Geology) MLM, GBQ, CC
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

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

MONITOR ENERGY LIMITED

ABN	Quarter ended ("current quarter")
25 009 121 644	30 June 2009

Consolidated statement of cash flows

	Cash flows related to operating activities	**Current quarter** **$A'000**	**Year to date (12 months)** **$A'000**
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(151)	(835)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(263)	(1,833)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	9
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other		
	Net Operating Cash Flows	(414)	(2,659)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	(2)	(7)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Loan repaid by director related entity	-	-
	Net investing cash flows	(2)	(7)
1.13	Total operating and investing cash flows (carried forward)	(416)	(2,666)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(416)	(2,666)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	828	2,063
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	(43)	(97)
	Net financing cash flows	785	1,966
	Net increase (decrease) in cash held	369	(700)
1.20	Cash at beginning of quarter/year to date	**146**	**1,231**
1.21	Exchange rate adjustments to item 1.20	147	131
1.22	**Cash at end of quarter**	**662**	**662**

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(39)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments for the provision of services to the entity.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	150
4.2	Development	-
	Total	150

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	662	146
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**662**	**146**

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increase				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities**				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.3	**+Ordinary securities**	1,557,695,704	1,557,695,704		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	828,847,841	828,847,841	$0.001	$0.001
7.5	**+Convertible debt securities**				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	100,000,000 (100,000,000)	Nil Nil	$0.001	
7.7	**Options** *(description and conversion factor)*	1,471,875,130 500,000 3,500,000 5,000,000 5,000,000 1,250,000 2,500,000 500,000	643,027,311 - - - - - - -	***Exercise price*** 2.5 cents 2 cents 3.5 cents 5 cents 7.5 cents 3.4 cents 2.5 cents 5 cents	***Expiry date*** 31/08/2011 31/12/2009 31/12/2009 31/12/2010 31/12/2011 30/06/2010 11/03/2011 31/12/2009
7.8	Issued during quarter	828,847,841	828,847,841	2.5 cents	31/08/2011
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures**				
7.12	**Unsecured notes**				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 31 July 2009

Print name: Stephen Brockhurst (Company Secretary)

Note

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.