



**ASX Announcement  
Perth October 29, 2009**

**Monitor Commences Drilling Program at Kyrgyz Uranium project with new partner Raisama, with Initial Exploration target range of 1,400-1,600 tonnes estimated at grades ranging from 0.1% to 0.4% U<sub>3</sub>O<sub>8</sub>.**

Monitor Energy Ltd (Monitor or The Company), on behalf of the Joint Venture with Raisama Resources Ltd advises the ASX that a first pass, 350m diamond drilling program has commenced on the Joint Venture's Kashkasu II uranium project in the Kyrgyz Republic this week. The Joint Venture has identified an initial target of 1,400 to 1,600 tonnes of uranium mineralisation with a grade range from 0.1% to 0.4% U<sub>3</sub>O<sub>8</sub> for the Kashkasu II project. The confirmation of this target follows an extensive review of recently acquired historical geological and mining development information for the licence.

Historic data for the Kashkasu II deposit show underground workings to a depth of approximately 150m and a strike length of approximately 800m. Uranium mineralisation is hosted by coal measures and adjacent sandstones. The data indicate that the previously sampled mineralised units remain open at depth with indications of increasing width and grade.

Mineralised seam widths are reported to vary from 4.2-6.6m. Sampled grades typically vary from about 0.03-0.4% (300 – 4,000 parts per million) uranium oxide, and are up to 1.4% U<sub>3</sub>O<sub>8</sub> in places, demonstrating the high grade nature of the mineralisation.

*The grades and targets reported in this announcement are conceptual in nature, based on reports and geological plans produced by Soviet government agencies. It should be noted that based on the information to date, there has been insufficient exploration to define a Mineral Resource which is JORC compliant and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Following recent receipt of government approval to commence ground disturbing work, the Joint Venture has completed the upgrading of the current access road to the project, and has commenced drilling activities on the site. The field operation has commenced under the supervision of Dr Marcello De Angelis, a respected uranium expert.

The inaugural 350m diamond drilling program is designed to test depth extensions of the mineralisation, a prelude to more wide-spread, extensive drilling in the future.

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



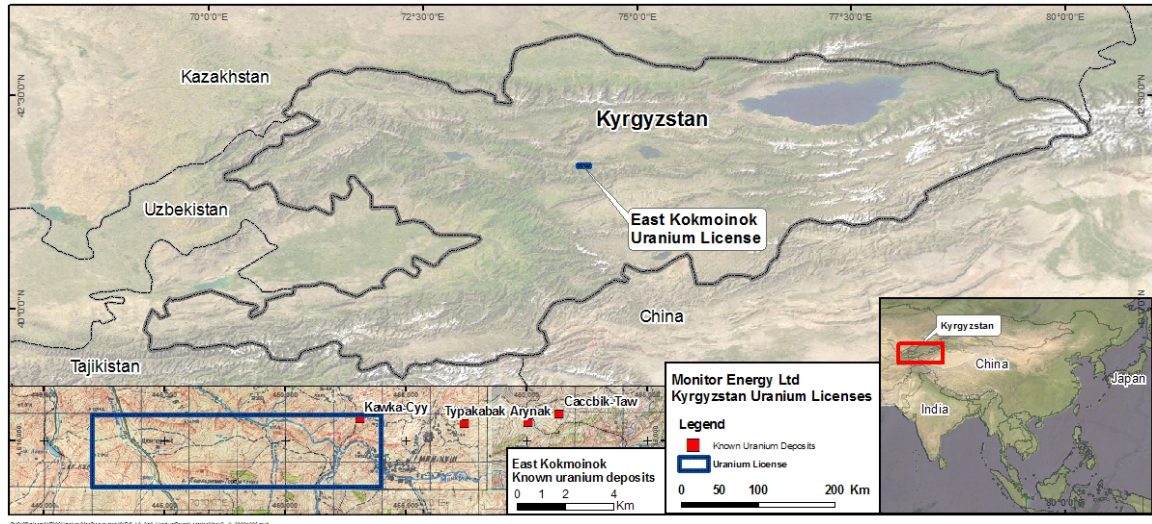
The high grade nature of the deposit and close proximity to the operating Karabolta Uranium Processing Facility and emerging uranium market in neighbouring China, make this project a high priority for the joint venture partners.

Monitor's partner, Raisama Resources Ltd, currently holds the Sunday Creek uranium project, which is 20 kilometres from Cameco and Mitsubishi's Kintyre uranium deposit. Raisama is lead by Mr David Berry, as Managing Director and has recently appointed Dr Marcello De Angelis to the Raisama Board. Dr De Angelis is major figure in the uranium industry having worked as senior geologist on the Kintyre uranium project in Western Australia. Raisama anticipates listing on the Australian Securities Exchange by the end of this year and has attracted funding from the state-owned mining company of Hebei Province, China, which has taken a 14.9 per cent stake in Raisama. The Hebei provincial government currently has plans to build at least three nuclear reactors and is selectively securing strategic interests in uranium exploration companies internationally that it believes have the best potential to meet the province's growing need for uranium.

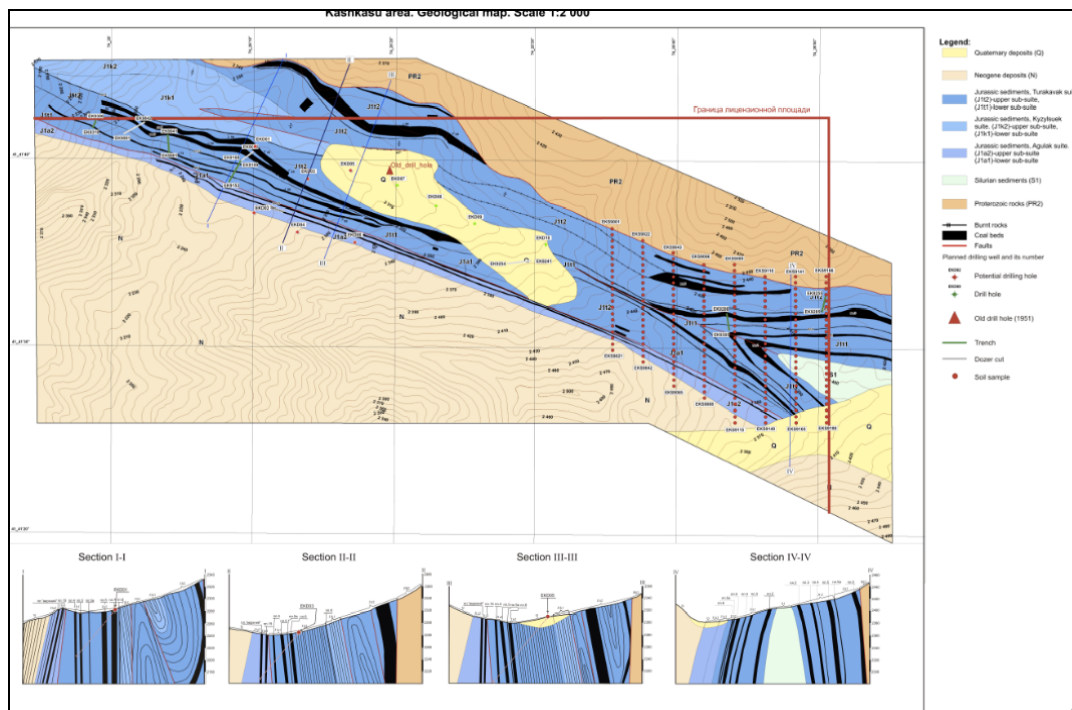
For more information please contact:

Jon Roestenburg BSc, GBQ, MLM, CC  
Managing Director  
Monitor Energy Limited  
Tel: +61 8 9211 1555  
Email: [jon@monitorenergy.com.au](mailto:jon@monitorenergy.com.au)

David Tasker  
Professional Public Relations  
Tel: +61 8 9388 0944 / +61 433 112 936  
Email: [david.tasker@ppr.com.au](mailto:david.tasker@ppr.com.au)



**Figure 1. Location of the Kyrgyz Republic and Monitor's uranium licence.**



**Figure 2. Uranium enriched sedimentary sequence map and section, showing host coal seams and sandstones.**

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**Competent Person's Statement:**

The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the principal of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in the report of the matters based on his information in the form and context in which it appears.

35 Richardson Street West Perth WA 6005 Australia

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