



ASX Announcement
Perth December 14, 2009

Monitor Commences Drilling at Airacobra-1

Highlights:-

- **Airacobra-1 drilling commenced at midnight December 10, 2009 and at 06:00 hours December 11, 2009 was at 90m.**
- **Airacobra-1 is the second well to be drilled in PEL115 and will test the Cretaceous Murta Formation and the Permian Patchawarra before a total depth of 2,340m.**
- **The well will test the primary objective, Namur Sandstone Formation at around 1,500m and then drill ahead to the secondary Permian objective**

Monitor Energy Limited's drilling operation with Victoria Petroleum NL (operator) and Lion Petroleum Pty Ltd at Airacobra-1 commenced at midnight and as at 06:00hrs, December 11, 2009, the well had reached 90m.

Managing director Jon Roestenburg, said "The Airacobra prospect will test a 3D defined structural closure containing 1.28MMBO at the Cretaceous Murta/Jurassic Namur Formation and a possible (if present) 15MMBO in the Permian Patchawarra Formation. The Murta/Namur Formations are the main producing intervals currently being exploited at the adjacent Narcoonowie Oil Field. However, sandstones within the Birkhead Formations may also be prospective. The Airacobra prospect is 2km north of Narcoonowie Oil Field and approximately 12km north of the successful Fury-1 oil discovery drilled by the joint venture last month.

Significantly, the Airacobra-1 well will also penetrate the Permian section, similar to that drilled at Fury-1, has the potential to reservoir oil and or gas in the Toolachee, Epsilon and Patchawarra Formations. The recent Fury-1 proved that liquid hydrocarbons are present in the Epsilon Formation, which is a relatively underexplored formation in the area, and we are encouraged by this for Airacobra and future wells and prospects."

Monitor will earn 42% of PEL115 through drilling two wells with Victoria Petroleum NL 33% (Operator) and Lion Petroleum Pty Ltd (25%).

Jon W Roestenburg BSc. MLM. GBQ, CC MAAPG
Managing Director, Monitor Energy Limited



Information in this report was completed by the Managing Director of Monitor Energy, J W Roestenburg BSc MLM, GBQ, CC , MAAPG), with 35 years experience in petroleum geoscience and operations.

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