



Monitor Energy Quarterly Activities Report March 2010

Highlights:

- Oil discoveries at Fury – 1 and Airacobra – 1 were confirmed by wireline analyses and independent reserves assessments.
- Plan to test Fury -1 discovery and tie this back to the Mirage Oil Field, 5.3Km Southwest of the Fury – 1 location.
- Airacobra -1 oil accumulation needs further analysis before a test is warranted.
- Independent assessments of the greater Fury discovery have been completed and a development plan based on rapid access to these resources has been designed.
- Seismic survey design and tender specifications for a 2D seismic acquisition program for the company's Kyrgyz oil and gas assets have been finalized and a call to tenders has been initiated to service companies in the Central Asian region.
- Uranium operations for 2010 are being planned by the operator Raisama Limited and will commence in the new field season.

Managing Director, Jon Roestenburg commented

"The company is enthusiastic about the near term producing opportunity presented by the Fury – 1 discovery, although it remains to be tested. We believe that the Fury-1 section is analogous to that in the adjacent Mirage Oil Field and that similar flow rates are achievable. Due to unseasonal flooding and associated road closures we have not yet been able to access the area, however, this is a common situation with all operators in the area and we are confident that work will commence in the near term". Meanwhile, the company is evaluating numerous other opportunities that fit the corporate strategy and continues its efforts to add value to its Kyrgyz assets through a call for seismic tenders".

PEL115

The company is progressing its plans to test and tie back the Fury – 1 discovery well in PEL 115 of the Cooper Basin. Due to unseasonal rains and flooding, the field-based components of the development have been delayed until the area becomes accessible. The latest forecast for this is the end of May 2010. The Joint Venture's operator Victoria Petroleum NL is monitoring the situation on a daily basis and will advise the company as soon as it is possible to commence the testing program.

PEL110

The company has reviewed the existing joint venture operating agreement on PEL110 and has an operating Committee Meeting planned for early May at which the next phase of the exploration activities will be developed.

Notwithstanding recent political events in the country, Monitor Energy Ltd's staff and operations have not been adversely affected and the company has taken the pragmatic approach to continue its efforts to unlock the value of its assets in Kyrgyzstan.

**Kyrgyz Oil & Gas**

The company has developed a 400km 2D seismic acquisition program that is designed to deliver adequate imaging of a minimum of two previously identified leads (2007 and 2009 gravity and integrated magnetic telluric surveys) and mature these into prospects on its Kyrgyz licenses. In addition the program will allow a regional structural assessment and tie in old soviet era seismic data and remaining gravity profiles. Tender requests are en-route to selected service providers and the Company expects replies within the next month. In conjunction with field operations the company is continuing its efforts to farm down its equity

Forward Program

The forward program has been delayed by the Cooper Basin flooding, however the program remains as it was last quarter with a focus on testing and developing Fury-1 and PEL115 development, whilst at the same time assessing numerous new venture opportunities that are aligned to the company's strategy.

For more information please contact:

Jon W Roestenburg Bsc, MLM, GBQ, CC, MAAPG
Managing Director
Monitor Energy Ltd
Tel: +61 8 92111555
Email: infor@monitorenergy.com.au

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

25 009 121 644

Quarter ended ("current quarter")

31 March 2010

Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	(9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(253)	(2,943)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(345)	(1,254)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	13	14
1.5	Interest and other costs of finance paid	(2)	(2)
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(587)	(4,185)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	(43)	(56)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	150
	(c)other fixed assets	16	16
1.10	Loans to associated entities	(2)	(34)
1.11	Loans repaid by other entities	-	-
1.12	Loan repaid by director related entity	-	-
Net investing cash flows		(29)	76
1.13	Total operating and investing cash flows (carried forward)	(616)	(4,109)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(616)	(4,109)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	5,116
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)	(9)	(451)
	Net financing cash flows	(9)	4,665
	Net increase (decrease) in cash held	(625)	556
1.20	Cash at beginning of quarter/year to date	1,815	662
1.21	Exchange rate adjustments to item 1.20	(31)	(59)
1.22	Cash at end of quarter	1,159	1,159

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	86
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	300
4.2	Development	-
Total		300

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	82	307
5.2	Deposits at call	1,077	1,528
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		1,159	1,835

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	N/A		
6.2	Interests in mining tenements acquired or increase	PEL 115 The Company agreed to farm-in to the licence to earn 42% subject to funding of an agreed work program.	0%	42%

Appendix 5B
Mining exploration entity quarterly report

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	3,630,671,408	3,630,671,408		
7.4 Changes during quarter				
(a) Increases through issues	1,155,000	1,155,000	\$0.0025	\$0.0025
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	1,471,850,130	1,471,850,130	Exercise price 2.5 cents	Expiry date 31/08/2011
	5,000,000	-	5.0 cents	31/12/2010
	5,000,000	-	7.5 cents	31/12/2011
	1,250,000	-	3.4 cents	30/06/2010
	2,500,000	-	2.5 cents	11/03/2011
	45,000,000	-	0.6 cents	03/12/2011
	45,000,000	-	1.3 cents	03/12/2012
	32,500,000	-	0.6 cents	11/12/2011
	32,500,000	-	1.3 cents	11/12/2012
	10,000,000	-	8.0 cents	11/12/2014
7.8 Issued during quarter				
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: Stephen Brockhurst

Date: 30 April 2010

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.

+ See chapter 19 for defined terms.