Kimberley Oil NL
ABN 75 075 760 655

AUSTRALIAN STOCK EXCHANGE
KBO000175

Monday 9th December 2002

Companies Announcement Office,
Australian Stock Exchange Ltd,
20 Bond Street,
Sydney NSW 2000.

ASX ANNOUNCEMENT

Fax 1300 300 021

Pages – 2 in total

ASX Company Announcements

KBO 000175 – **Reorganisation and Future Direction**

Please arrange for our company announcement to be released to the market. Should you require further information please contact Keith Spencer on (08) 9330 9121.

Yours faithfully

A. J. Flavelle

A J Flavelle
Director

Operations Office: Suite 12b, 573 Canning Highway, Alfred Cove W.A. 6154
Telephone (61 8) 9330 8876 Facsimile (61 8) 9330 8896

Kimberley Oil NL

ABN 75 075 760 655

ASX ANNOUNCEMENT

REORGANISATION AND FUTURE DIRECTION

As previously announced to the Australian Stock Exchange there have been recent changes within the Board of Directors and Management of the Company.

The Board would like to thank Mr Ross Reiser for his significant contributions whilst with the Company since its incorporation, and also to Dr David Gellately after his short tenure with the Company.

The Company welcomes the appointment of Mr Terrence Willsteed as a non-executive board member. The wealth of resource, industry and commercial experience Mr Willsteed offers is significant, and will complement the diverse range of expertise and skills available within the Company as it pursues its objectives.

In keeping with the Company's policy of diversification into new areas of business, the Directors and Management of the Company have embarked on a detailed program of business assessment. The program comprises the pursuit of new business opportunities and a reassessment of its current exploration and production portfolio. The Board plans to allocate proportionate resources to these programs and to enter into new business arrangements in the oil and gas sector; with the clear objective of adding shareholder value, whilst minimising exposure to high cost and high risk exploration and commercial ventures.

As a part of its approach, the Company will expand its endeavours in diversification beyond the Canning Basin by means of farm-outs and other arrangements, however maintaining appropriate upside exposure to the region.

Plans also include a progressive testing and marketing program for the oil spill remediation process that is planned to advance the technology towards its ultimate commercial release.

The Company's efforts in the marketing of the group to the general investment community, and to the oil and gas sector, as a whole, will be optimised to capture local and international interest in the Company and its portfolio.

As announced to the Australian Stock Exchange on 21st November, the company has initiated a Share Purchase Plan. The plan provides an opportunity for shareholders to subscribe for up to $5,000 worth of shares at 2.5 cents per share. Each shareholder may elect to subscribe for $500, $1,000, $3,000 or $5,000 worth of shares. The price is set at historical lows and represents a significant discount to the current trading price. The offer closes 5pm WST on Monday 16th December 2002. The Directors invite shareholder participation in the plan ahead of an active and exciting year for the Company.

Tony McClure
Director
December 9 2002

Operations Office: Suite 12b, 573 Canning Highway, Alfred Cove W.A. 6154
Telephone (61 8) 9330 8876 Facsimile (61 8) 9330 8896