



Kimberley Oil NL

4 January 2006

Ms Marian Tang
Senior Advisor, Issuers
Australian Stock Exchange Limited
Level 8
Exchange Plaza
2 The Esplanade
PERTH WA 6000

By Facsimile: 9221 2020 (2 pages in total)

Dear Marian,

PRICE AND VOLUME QUERY

We refer to your letter dated 4 January 2006 regarding changes in the price and volume in the Company's securities, and provide the following response:

1. The Company is not aware of any information concerning it that has not been announced, which, if known, would be an explanation for recent trading in the securities of the Company.
2. Not applicable.
3. The Company advises that it is not aware of any reason for the increase in the price and trading volume of the Company's securities other than:
 - a) Related to the information contained in Company's recent announcements concerning the Company's Coal Bed Methane and Coal Mine Methane projects in Europe. These announcements were as follows;

18 November 2005	<i>Initial Coal Bed Methane Gas in Place Estimates – Lorraine Permit, France</i>
30 November 2005	<i>Annual General Meeting Presentation</i>

- b) Secondly, as outlined in our letter dated 8 December in response to a "price and volume query" there has been relatively widespread reporting of significant increases in the price of natural gas within Europe and more recently reporting of the geo-political issues potentially affecting the supply of gas across Europe.
4. The Company advises that it is in compliance with the listing rules and in particular, Listing Rule 3.1.

www.kimberleyoil.com.au
ABN 75 075 760 655



Kimberley Oil NL

Should you require any further information, please contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Craig Ferrier', with a long horizontal flourish extending to the right.

Craig Ferrier
Company Secretary

**ASX**

AUSTRALIAN STOCK EXCHANGE

4 January 2006

Mr Craig Ferrier
Company Secretary
Kimberley Oil NL
Suite 12B, 573 Canning Highway
ALFRED COVE WA 6154

By facsimile: 9330 8896; 9382 4761

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Dear Craig

KIMBERLEY OIL NL (the "Company") – PRICE QUERY

We have noted a change in the price of the Company's securities from 11.5 cents on 3 January 2006 to a high of 15.5 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Please direct your response to me on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, before 5.30pm W.S.T today, Wednesday 4 January 2006.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

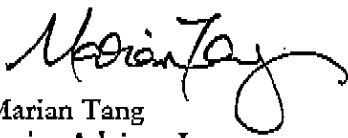
If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

Should you have any queries regarding any of the above, please do not hesitate to contact me.

Yours sincerely



Marian Tang
Senior Adviser, Issuers