



White Sands Petroleum Limited
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Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

WHITE SANDS PETROLEUM LIMITED'S (WSP) FINANCE

The directors of WSP are pleased to announce that it executed today a finance facility of \$3,000,000 with the Bank of Queensland.

The funds will replenish the company's working capital which has been reduced by the acquisition of a significant proportion of auxiliary plant and equipment rather than its hire. A further depletion in working capital was due to the shakedown of WSP Rig 1, however the benefits from the additional engineering and equipment sourced is expected to increase the efficiency and effectiveness of future drilling operations.

This finance places the company significantly back towards the cash position indicated in 29 November 2005 Prospectus, which did not anticipate the acquisition of this additional plant and equipment.

Yours faithfully
WHITE SANDS PETROLEUM LIMITED

RON ANDERSON
Company Secretary