



**ASX Announcement  
Perth December 22, 2009**

## **Airacobra-1 Drilling Update – December 22, 2009**

### **Highlights**

- **Airacobra-1 drilling ahead and at 18:00 hours December 21<sup>st</sup> was at 1979m before pulling out of the hole for a bit change.**
- **The upper objective in the Cretaceous Murta Formation and Jurassic Namur Formations were intersected at 1392 and 1434m respectively without oil show indications.**
- **The well will continue drilling to the Permian Patchawarra Formation objectives before a total depth of 2340m.**
- **After reaching total depth the well will be wireline logged and evaluated**
- **Fury area shows enhanced prospectivity in possible early 2010 follow-up drilling targets.**

Monitor Energy Limited's drilling operation with Victoria Petroleum NL (operator) and Lion Petroleum Pty Ltd at Airacobra-1 continued and as at 18:00hrs, December 21, 2009, the well has reached 1979m according to the operator Victoria Petroleum. The current activity is to pull out of the hole (trip) to change the drilling bit prior to intersecting the lower objective Patchawarra Formation.

The primary objective in the Cretaceous Murta Formation and the Jurassic Namur Sandstone Formations came in approximately 60m high to prognosis at 1392 and 1434m respectively. The exact formation tops will be confirmed after wireline logging operations at the end of the well. The Toolachee Formation coals intersected at 1810m, closer to prognosis, returned the typical elevated coal gas shows, however no fluorescence has so far been observed associated with conventional hydrocarbon.

Managing director Jon Roestenburg, said "The drilling results at Airacobra-1 underscores the difficult nature of hydrocarbon entrapment in the shallower Cretaceous and Jurassic formations, however, the well will also test the robust 3D seismic defined closure at the Permian, Patchawarra Formation under the regional seal of the Murteree Formation shales, yet to be intersected. The Patchawarra Formation is a prolific producer in the area around the well location."

The success of the Monitor JV drilling campaign in the southern PEL115 area in the Fury-1 well has significantly de-risked several adjacent structures that will be part of the development and exploitation strategy for the new Joint Venture operations. Well completion, testing and



producing operations of the Fury-1 discovery will commence as soon as possible and discussions on possible new drilling prospects (Figure 1) will be held early the new year in line with rig availability. As a result of the recent drilling campaign the nearby 3D defined structure located adjacent to the 1982 Burunna-1 well (which has Murta fluorescence and Permian gas shows) shown in figure 2 has been significantly de-risked as it lies between Mirage and Fury oil occurrences. The Burunna prospect and structure will be evaluated in light of the Fury well data to establish a possible drilling location targeting the Murta and Namur Formations.

Monitor is earning 42% of PEL115 through drilling two wells with Victoria Petroleum NL 33% (operator) and Lion Petroleum Pty Ltd (25%).

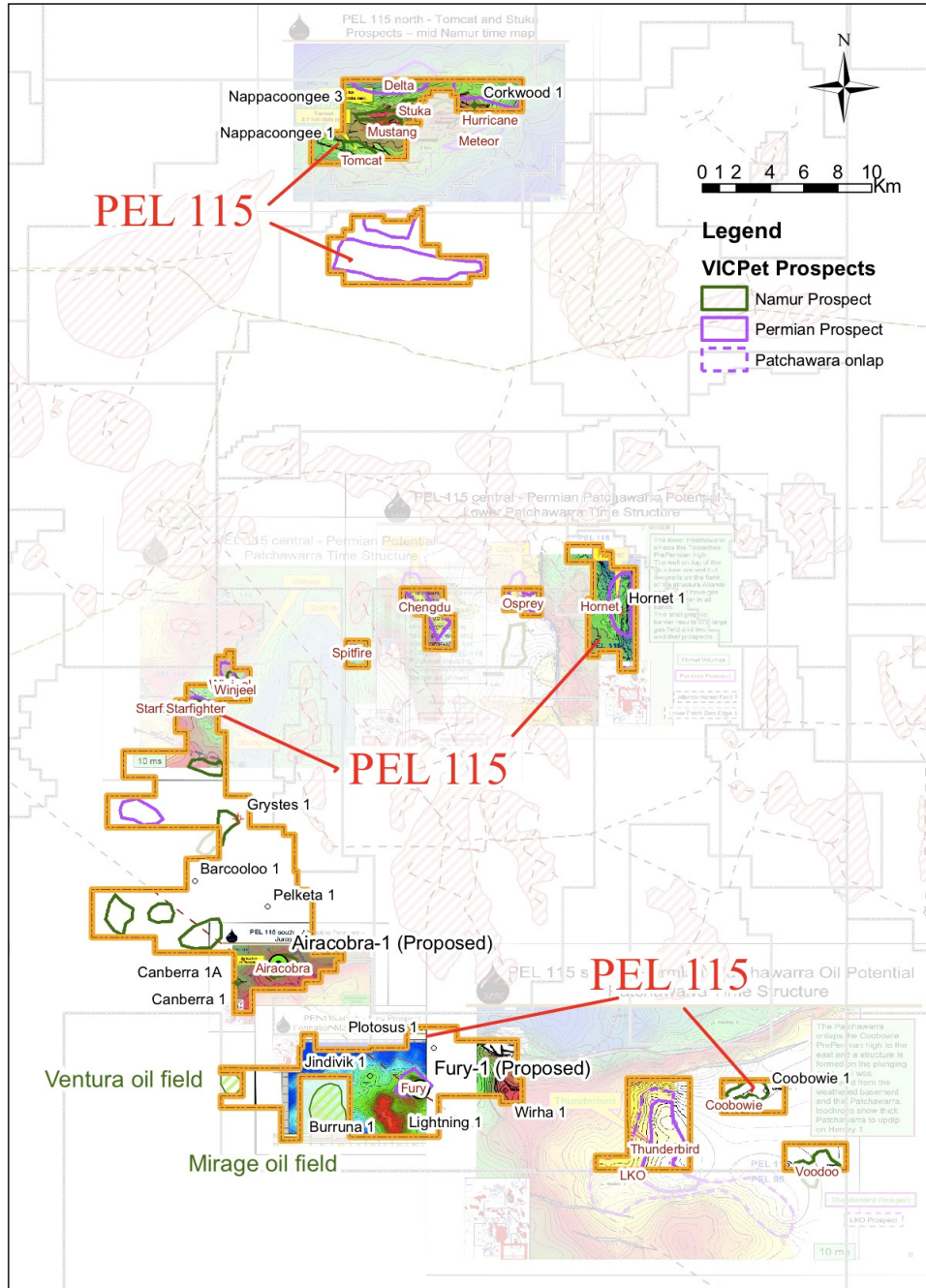
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Information in this report was completed by the Managing Director of Monitor Energy, J W Roestenburg BSc MLM, GBQ, CC , MAAPG), with 35 years experience in petroleum geoscience and operations.

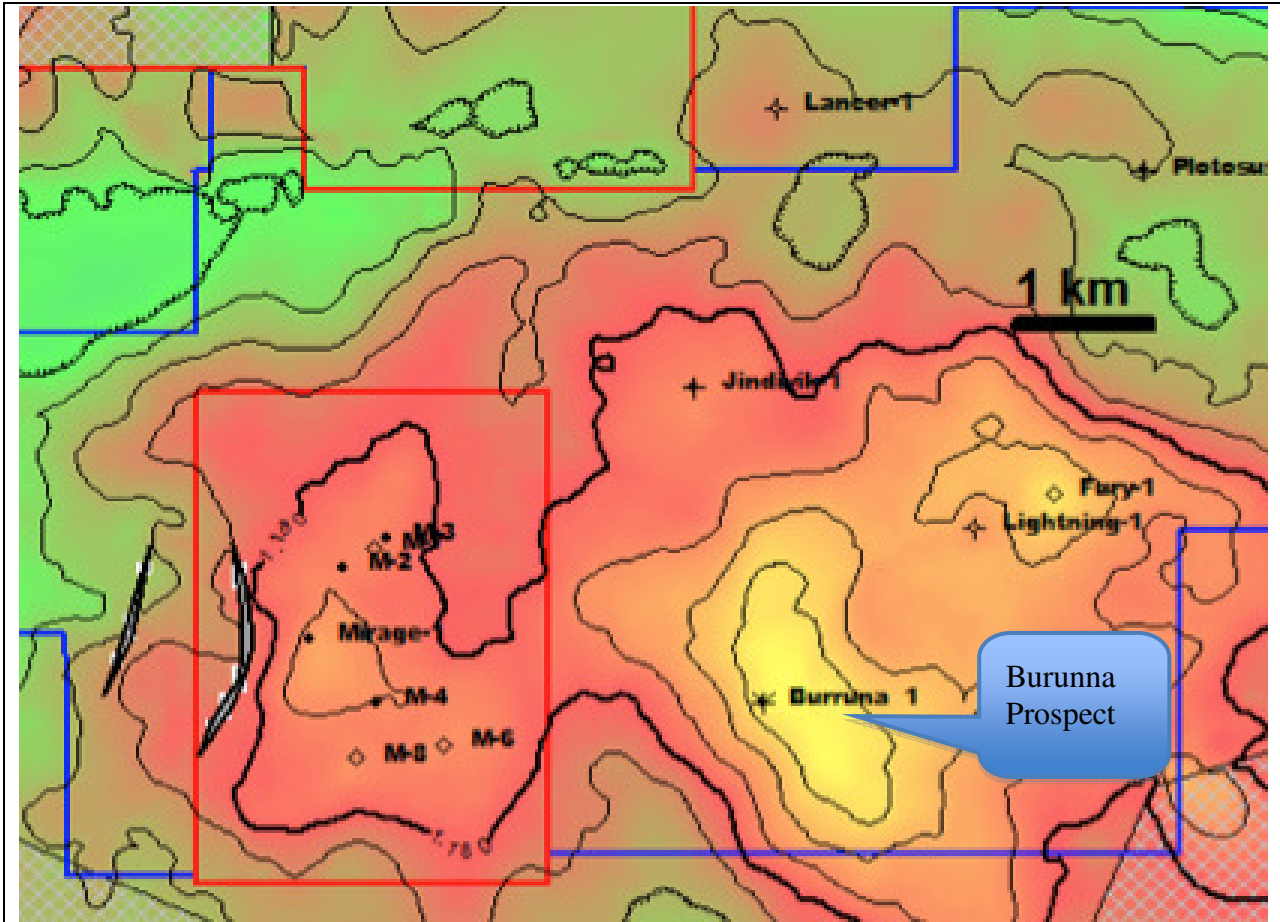
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**Figure 1: PEL 115 Prospects and Leads Map Showing Large Structures in the Locality Around the Fury Discovery**



**Figure 2. Area Around the Fury Discovery and Nearby Murta Formation producing Mirage Oil Field.  
The Burunna Prospect Lies Between the Two Oil Fields and Has Significant Potential for Success.**