

Thursday 25th June 2009

Grieve Field, Wyoming Grieve #39A Progress

HIGHLIGHTS

- The surface conductor was set at 60' on 17th June.
- The rig has moved to the location and is fully rigged up.
- The well is expected to have spudded 5pm (US time) on 24th June.

BACKGROUND

The location for Grieve #39A is adjacent to the existing Grieve #39 well, which historically has produced more than 600,000 barrels of oil from the Muddy Sandstone. The primary objective for the well is to obtain fresh core material from the Muddy Sandstone reservoir to allow finalisation of laboratory studies, as well as allow independent reserves verification, final facilities design and updated economics leading to a Final Investment Decision for a Phase 1 chemical flood EOR project in the Grieve Field. A secondary objective is to fully evaluate the Grieve shallow sandstone reservoirs overlying the Muddy Sandstone, which were previously interpreted as being potentially oil-bearing in the field area.

PROGRESS

Since the last report on 18th June 2009, the surface conductor for the well has been set at 60', the drilling rig has moved in to the drilling location, has been fully rigged up, and at last report (24th June US time) is expecting the well to spud at 5pm local time (9am 25th June Sydney time). The well is expected to take 8 to 10 days to obtain the Muddy Sandstone cores and drill to TD.

PREDICTED FORMATION TOPS.

Formation Top	Measured Depth (ft)	Formation Top	Measured Depth (ft)
Phayles	1360	Muddy Sandstone	6568
Shannon Sandstone	3303	Muddy Unit C	6604
First Frontier	5687	Muddy Unit B	6616
Second Frontier	5890	Muddy Unit A	6640
Third Frontier	6087	Thermopolis Shale	6681
Mowry Shale	6296	Total Depth	6900

On behalf of the Board.



Andy Rigg
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