

Editors' Note

The fields in Colombia are held in conjunction with a joint venture partner, Kappa Resources Colombia Limited ("Kappa"). As previously announced in April 2005, the Company acquired a 50 per cent. non-operated equity interest from Kappa in the 249,000 acre Las Quinchas Association Contract located in the prolific Middle Magdalena Valley of Colombia.

The Company anticipates that the Arce Oil Field, estimated to contain gross recoverable oil reserves of 5 million barrels, could be in commercial production during 2006. Should these operations prove successful, further production wells will be drilled into the field to increase the daily production rate.

Qualified Person and other matters

Dr John Cubitt (a Director of the Company) has been involved in oil and gas production for more than 26 years. Dr John Cubitt is a registered Chartered Geologist (CGeol) and has a BSc and PhD in geology. He has compiled, read and approved the technical disclosure in this regulatory announcement relating to the Company's interests in Colombia.

ENDS