



Monitor Energy Limited September 2010 Quarter Activities Report

Trinidad & Tobago Transaction

On 29 July 2010 the Company announced that it had signed a “Heads of Agreement” to acquire up to 90% in a company whose wholly owned subsidiaries hold onshore production licences in Trinidad. The transaction is subject to a number of conditions precedent and the Company completing due diligence which is ongoing. The Company will make a fuller announcement in due course to shareholders on the acquisition progress. For additional information on the acquisition please refer to the announcement on 29 July 2010.

Placement

On 13 July 2010 the Company completed a placement under section 708 of the Corporations Act 2001 to raise \$1.41 million (before costs) by placing 470 million shares at \$0.003 per share. The funds raised under the Placement is being used to assist the Company in its current due diligence and fund raising efforts regarding Trinidad and to fund the Company’s existing projects and general working capital requirements.

Operations

In the Cooper Basin the Company and Operator of Fury-1 well have continued to be frustrated in their attempts to test the well. Additional rains in the region have again made the major roads in the Cooper Basin impassable and delay the planned flow test of the Fury-1 well.

At the end of the quarter the company has \$0.841 million in cash and a total shares on issue of 4.101 billion.

For more information please contact:

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

MONITOR ENERGY LIMITED

ABN

25 009 121 644

Quarter ended ("current quarter")

30 September 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(370)	(370)
(b) development	-	-
(c) production	-	-
(d) administration	(278)	(278)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(639)	(639)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(639)	(639)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(639)	(639)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,410	1,410
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue costs	(92)	(92)
	Net financing cash flows	1,318	1,318
	Net increase (decrease) in cash held	679	679
1.20	Cash at beginning of quarter/year to date	178	178
1.21	Exchange rate adjustments to item 1.20	(16)	(16)
1.22	Cash at end of quarter	841	841

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	70
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 Includes salaries and superannuation contributions for all directors

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	100
4.2	Development	0
4.3	Production	-
4.4	Administration	200
Total		300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	31	101
5.2	Deposits at call	733	77
5.3	Bank overdraft	-	-
5.4	Other – Share of joint venture cash balance	77	341
Total: cash at end of quarter (item 1.22)		841	519

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements acquired or increased	N/A		

+ See chapter 19 for defined terms.

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities <i>(description)</i>	4,100,671,408	4,100,671,408		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	470,000,000	470,000,000	\$0.003	\$0.003
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	1,471,850,130	1,471,850,130	<i>Exercise price</i> \$0.025	<i>Expiry date</i> 31 Aug 11
	5,000,000	-	\$0.050	31 Dec 10
	5,000,000	-	\$0.075	31 Dec 11
	2,500,000	-	\$0.025	11 Mar 11
	45,000,000	-	\$0.006	03 Dec 11
	45,000,000	-	\$0.013	03 Dec 12
	32,500,000	-	\$0.006	11 Dec 11
	32,500,000	-	\$0.013	11 Dec 12
	10,000,000	-	\$0.08	11 Dec 14
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	1,250,000	-	\$0.034	30-Jun-10
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Stephen Brockhurst
 (Company Secretary)

Date: 29 October 2010

Print name: Stephen Brockhurst

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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