Rule 5.3

# **Appendix 5B**

## Mining exploration entity quarterly report

 $Introduced \ o{1/07/96} \ \ Origin \ Appendix \ 8 \ \ Amended \ o{1/07/97}, \ o{1/07/98}, \ 30/09/01, \ o{1/06/10}, \ 17/12/10$ 

Monitor Energy Limited	
ABN	Quarter ended ("current quarter")
25 009 121 644	31 December 2010

## Consolidated statement of cash flows

		Current quarter	Year to date (6
Cash flows related to operating activities		\$A'000	months)
			\$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(82)	(452)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(265)	(543)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature		
-	received	5	14
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Other - bank guarantees	-	-
	-		
	Net Operating Cash Flows	(343)	(982)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(3)	(3)
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	(3)	(3)
1.13	Total operating and investing cash flows		
	(carried forward)	(346)	(985)

<sup>+</sup> See chapter 19 for defined terms.

# Appendix 5B Mining exploration entity quarterly report

1.13	Total operating and investing cash flows		
	(brought forward)	(346)	(985)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,140
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 - capital raising costs	-	(92)
	Net financing cash flows	-	1,318
	Net increase (decrease) in cash held	(346)	333
			0
1.20	Cash at beginning of quarter/year to date	841	178
1.21	Exchange rate adjustments to item 1.20	(35)	(51)
1.22	Cash at end of quarter	460	460

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	61
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

	8
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
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

Appendix 5B Page 2 17/12/2010

<sup>+</sup> See chapter 19 for defined terms.

#### Financing facilities available

Add notes as necessary for an understanding of the position.

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

## Estimated cash outflows for next quarter

		\$A´000
4.1	Exploration and evaluation	20
4.2	Development	-
4.3	Production	-
4.4	Administration	80
	Total	100
	10(a)	100

### Reconciliation of cash

show	nciliation of cash at the end of the quarter (as on in the consolidated statement of cash flows) e related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'ooo
5.1	Cash on hand and at bank	113	31
5.2	Deposits at call	347	733
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	77
	Total: cash at end of quarter (item 1.22)	460	841

### 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			

<sup>+</sup> See chapter 19 for defined terms.

# **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			<i>J</i> / \	<i>J</i> , ( ,
,	*securities				
	(description)				
7.2	Changes during				
7.2	quarter				
	(a) Increases				
	through issues				
	(b) Decreases				
	through returns				
	of capital, buy-				
	backs,				
	redemptions				
7.3	+Ordinary	4,100,671,408	4,100,671,408		
. ,	securities	,	. , , , , ,		
7.4	Changes during				
	quarter				
	(a) Increases				
	through issues				
	(b) Decreases				
	through returns				
	of capital, buy-				
	backs				
7.5	<sup>+</sup> Convertible				
	debt				
	securities				
	(description)				
7.6	Changes during				
	quarter				
	(a) Increases				
	through issues				
	(b) Decreases				
	through securities				
	matured,				
	converted				
7.7	Options			Exercise price	Expiry date
1.1	(description and	1,471,850,130	1,471,850,130	\$0.025	31 Aug 11
	conversion	5,000,000		\$0.050	31 Dec 10
	factor)	5,000,000	-	\$0.075	31 Dec 11
	<i>y</i>	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	-	\$0.080	11 Dec 14
7.8	Issued during				
	quarter				

<sup>+</sup> See chapter 19 for defined terms.

Appendix 5B Page 4 17/12/2010

7.9	Exercised during quarter		
7.10	Expired during		
	quarter		
7.11	Debentures		
	(totals only)		
7.12	Unsecured		
•	<b>notes</b> (totals		
	only)		
	only)		

#### **Compliance statement**

- 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 5).
- This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Stephen Brockhurst Date: 31 January 2011

(Company secretary)

Print name: Stephen Brockhurst

#### **Notes**

- 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.
- 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.
- 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.
- The definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.
- Accounting Standards ASX will accept, for example, the use of International Financial Reporting 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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<sup>+</sup> See chapter 19 for defined terms.