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UPDATE ON ACTIVITIES AND STATUS OF SUSPENSION

Australian oil and gas company Monitor Energy Limited (**ASX: MHL**) (“Monitor” or “the Company”) is pleased to provide this update to its shareholders on its planned acquisition of an interest in oil production licences in Trinidad and the status of its voluntary suspension.

As previously announced, Monitor and its corporate advisor, Komodo Capital, are working to complete a transaction that would see the Company acquire an interest in oil production licences in Trinidad (refer ASX announcement dated on 30 July 2010 for full details).

The transaction is progressing positively, however the Company has requested that its voluntary suspension from quotation continue pending finalisation of the essential elements of this transaction.

The Company is in receipt of a final mandate from a leading London based investment bank, which have formally agreed to act as bookrunner and lead manager in the proposed offering of between AUD75million and 90 million of the securities of Monitor for the acquisition of an interest in oil production licences in Trinidad.

Monitor is also in receipt of a final Share Purchase Agreement (“SPA”) from SOCA Petroleum. The SPA contains all key points of the proposed transaction, as outlined in the 30 July 2010 announcement, and is expected to be executed shortly.

The Company is also finalising a Notice of Meeting (“NOM”) for an Extraordinary General Meeting to vote on a range of resolutions related to the proposed transaction and associated capital raising.

It is expected, based on current timelines, that Monitor will recommence trading on or before 4 January 2010, with the Extraordinary General Meeting to occur on or before 31 January 2010.

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For more information please contact:

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