

30 July 2007

Company Announcements Platform
Australian Stock Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

By e-Lodgement

Dear Sir/Madam

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2007

HIGHLIGHTS

- **Acquisition of major land position secured in the targeted Sugarloaf Texas area.**
- **Program for testing shallower zones in Sugarloaf-1 agreed and preparations commence.**
- **Plans agreed to drill Sugarloaf-2 well as a horizontal well offset to Sugarloaf-1.**
- **First well at West Black Lake completed and put on production.**
- **Analysis and interpretation of seismic monitoring at North Belridge completed and date for fracture stimulation of Well 26-2H scheduled for mid August.**
- **Development of High Island gas-condensate discovery advances via Gawler Resources Limited (to merge with North Sea explorer Elixir Petroleum Limited).**
- **Post Balance Date \$10.6 million placement plus 1 for 10 Non Renounceable Rights Issue to raise up to an additional \$9.6 million for the Company in November.**

STRATEGY

Aurora Oil & Gas is pursuing an operational strategy focused on exploration and development opportunities in the USA. Our primary intention is to continue to pursue conventional oil and gas plays, ideally large in potential size, in which we can secure meaningful equity positions and participate alongside experienced local operators.

Our principle focus over the past six months has been to acquire a significant land position prior to testing the possible pay zone in our Sugarloaf-1 well. Management holds high expectations for the successful exploitation of this valuable land position. We consider the testing and additional drilling scheduled at our Sugarloaf project (and in due course at our Ipanema and Longhorn plays) offers the potential for a significant re-rating of this play and hence Aurora's value.

We are delighted that our gross land participation across Sugarloaf, Ipanema and Longhorn now exceeds 45,000 gross acres, in excess of 18,000 net acres to Aurora. This entire acreage is considered prospective in the same zones as Sugarloaf and the neighbouring discovery referred to as Sugarkane. Drilling will ultimately determine whether these areas constitute one field. We consider this to be a valuable strategic holding acquired on reasonable terms, funded by the equity raised at the end of 2006 / beginning of 2007. In the US without a secured land position you cannot evaluate and develop prospects into projects.

Having secured a material land position and additional equity funding, our objective is now to establish a large reserve base on this acreage through drilling and geological and geophysical assessment. This strategy has proved very effective for a number of junior and mid-size US oil and

gas companies in resource plays such as the Barnett, Fayetteville and Woodford Shales and the conventional Austin Chalk. The technical information available to us to date gives us considerable optimism that our play could prove more attractive than these large successfully producing formations.

CORPORATE

At 30 June 2007 the Company had cash reserves of approximately \$4.5 million having prepaid approximately \$1 million towards future seismic, infrastructure and drilling obligations.

On 23 July 2007 the Company announced the placement of 20 million new fully paid ordinary shares at \$0.53 each, to professional and sophisticated investors. The Placement will raise \$10.6 million before costs and funds are to be applied towards drilling, infrastructure, seismic and land acquisition activities on the Company's US oil & gas projects and for general working capital.

In conjunction with the Placement, Aurora is also offering eligible shareholders the opportunity to acquire additional shares in the Company at the same price as the placement to professional and sophisticated investors via a non-renounceable rights issue ("Rights Issue") on the basis of one (1) share for every ten (10) shares held at the record date.

Shares under the Rights Issue will be offered at \$0.53 per share. The maximum number of shares which may be issued under the Rights Issue is estimated to be approximately 18.25 million, potentially raising an additional \$9.6 million.

The record date for entitlements under the Rights Issue is 10 August 2007 and the due date for receipt of applications for shares pursuant to the Rights Issue is 1 November 2007. Participants in the Placement will also be eligible to subscribe for shares in the Rights Issue. The Rights Issue is not underwritten and any shortfall arising may be placed at the discretion of the Board.

OPERATING

Progress has been made across our portfolio. An outline update of each of our projects is provided below.

Sugarloaf Prospect (20% Working Interest) Texas, USA

During drilling of the Sugarloaf-1 well gas shows were encountered in Cretaceous age carbonate formations. Wireline log interpretation indicated 28 m (92 feet) of possible gas pay above 14,000'. Subsequently, detailed analysis of the logs has been undertaken by the project Operator who advises that the possible pay interval is comprised of 3 zones of porosity which should be tested separately. The Operator has undertaken engineering and reservoir studies to determine the best method of completing the zones for testing and has scheduled the fracture stimulation of the deepest of the three zones. Fracture stimulation is typical in such carbonates. For engineering reasons the deepest zone will be tested first. Should any of the zones of interest produce hydrocarbons at commercial rates, it is likely that the zone would be placed on long term production test to assess reservoir performance.

Recently, remedial cementation of the Sugarloaf-1 well has been completed without operational problems and tubing is presently being withdrawn in preparation for the fracture stimulation and test program scheduled to commence by mid-August.

A successful test of one or more of the possible pay zones in the Sugarloaf 1 Well would give confidence in the potential for significant recoverable reserves in this project.

Sugarkane Gas Field

The upper zone of possible gas pay in the Sugarloaf-1 well is believed to correlate with the producing zone in a competitor company's new field discovery well, located 6.6 kilometres west of the Sugarloaf-1 well. The new discovery is known as the Sugarkane Gas Field ("Sugarkane Field"). Aurora has no interest in the discovery well or the lease holdings immediately surrounding that well. Details of the discovery are not available but the well is vertical and is believed to have been producing gas and condensate continuously for more than eight months.

Although the upper zone of possible pay in the Sugarloaf-1 well has not yet been flow tested, on wire-line log, gas log and regional seismic interpretation grounds, the upper zone in Sugarloaf-1 appears to be within the Sugarkane Field.

Study of regional seismic and well information by Texas Crude Energy Inc. ("TCEI" – operator of the Sugarloaf Joint Venture) suggests the Sugarkane Field is extensive and, as recently announced, the Sugarloaf Joint Venture has now secured a total of around 20,000 acres of leases (of which Aurora has a 20% interest) which cover portion of the interpreted eastern extension of the Sugarkane Field. These leases provide rights to all depths. The leasing of the Sugarloaf acreage was carried out in competition with several USA oil and gas companies, including at least one major oil company.

Proposed Sugarloaf-2 Well

As leasing of acreage is now essentially complete, the Sugarloaf Project Operator (TCEI) has proposed the drilling of a second well, located about 1.6 kilometres from the Sugarloaf-1 well.

The well is an exploration well and is proposed to be drilled vertically to just above the target and then horizontally for 5,000 feet (1,524 metres) in the target upper zone of possible gas pay defined in Sugarloaf-1. As already mentioned, this is the zone which is believed to correlate with the producing section in the Sugarkane Field discovery well.

Horizontal drilling has been selected, as successful horizontal wells commonly produce at rates several times that of a vertical well at the same point in the reservoir.

A suitable rig has been identified and subject to Joint Venture approval and execution of relevant documentation, is expected on location about the end of August. Aurora's 20% share of dry hole costs are approximately AU\$900,000 based on a gross estimated dry hole cost of US\$3.6 million for this well. Total well completion costs are estimated at US\$1.65 million (Aurora share US\$330,000).

Longhorn & Ipanema Prospects, Texas (50% Working interest in Longhorn and 80% Working Interest in Ipanema)

The Longhorn and Ipanema projects represent significant leasehold positions totalling in excess of 25,000 gross acres in which Aurora has a net interest of in excess of 14,000 acres. These two project areas are located adjacent to and abutting the Company's Sugarloaf project area. The study of regional seismic and well information by Texas Crude Energy Inc., as mentioned above, suggests the Sugarkane Field is extensive and, the Longhorn and Ipanema Joint Venture leases cover portion of the interpreted northern and eastern extension of the Sugarkane Field. These leases provide rights to all depths. The leasing of this acreage was also carried out in competition with several US oil and gas companies, including at least one major oil company.

It is the intention of the Joint Venturers to undertake drilling activities within the leasehold areas to test the same target zones as those to be tested in Sugarloaf-1 and 2 and that producing in the Sugarkane Gas Field.

North Belridge Oil Development Project, California (16.25% interest in 10 Well Program)

Drilling of the second of 10 initial development wells on the North Belridge Oil Field in California commenced in early December. The well, designated NB26-2H, is located close to the discovery well 23-1 and previously drilled NB26-1H well.

NB26-2H was successfully drilled horizontally about 4,000 feet along the selected reservoir interval at about 9,975 feet vertical and prepared for fracture stimulation and test production.

The planned reservoir stimulation ("frac") operations were delayed to enable the real-time seismic monitoring system to be adjusted to provide the high accuracy necessary for successful frac operations in this reservoir. These adjustments have now been completed and the Operator has advised that the planned frac operations are expected to be carried out about the middle of August.

Management considers that North Belridge remains an outstanding opportunity to participate in the development of a significant on-shore oil discovery. The NB26-2H fracture stimulation will be carried out with the benefit of hindsight, taking in to account the completion lessons learnt from our previous well.

The North Belridge discovery is a stratigraphic trap at a depth of 9,800 feet in the Monterey Shale Formation in the southern part of the San Joaquin Basin, California and has an estimated potential P50 reserve of 60 million barrels of recoverable oil and 40 billion cubic feet of gas. The discovery is approximately 3,500 acres in area and was defined by three wells and a seismic amplitude anomaly that is similar to that seen within the nearby North Shafter Field.

Aurora has the opportunity to earn a 32.5% interest in the first ten wells (24.375% Net Revenue Interest) until individual well payback and then 16.25% after payout by paying 32.5% on the first five wells and 24.375% on the next five wells.

Following the completion of the initial 10 well development drilling program, Aurora has the option to acquire a 7.5% working interest in the balance of the Project for the payment of US\$1 million and to participate on a 1:1 basis thereafter in respect of that interest. (Aurora would maintain its 16.25% interest in the initial 10 wells).

West Black Lake Gas Development Project, Texas (20.15% interest in 5 Well Program)

West Black Lake was an advanced exploration / early development project when Aurora acquired its interest in the first half of 2006. The first development well (Dolores #1), following the discovery well, spudded in mid 2006 and was successfully drilled to a Total Depth of approximately 4,200 m (14,000 feet) but gas production after open hole acidisation was much lower than expected from log analysis of the reservoir. The reservoir section was then cased and subjected to conventional fracture stimulation in an attempt to improve gas flow rates. Results however were only marginally better and the well has now been connected by a short pipeline to nearby gas processing facilities at an adjacent field and placed on production. The initial production rate of approximately 1 million cubic feet of gas per day has declined to about 500,000 cubic feet of gas per day at present.

Given the poor performance of the well Aurora will reconsider its position in the project after a period of production and a full technical review.

Aurora can earn a 20.15% working interest in five wells through the funding of a 40.3 % interest in each well until individual well payback. Following the completion of this five well drilling program, Aurora has the option to acquire a 10% working interest in the balance of the Project for the payment of US\$1 million and to participate on a 1:1 basis thereafter in respect of that interest (Aurora would maintain its 20.15% interest in the initial five wells).

Flour Bluff Gas Project, Gulf Coast, Texas (AUT Working Interest 20% to 24.1667%)

The Flour Bluff Gas Project is a substantial gas project involving the redevelopment of an old giant gas field complex at Flour Bluff, on the outskirts of Corpus Christi, Gulf Coast Texas on 10,400 acres of leasehold land. This field has seen in excess of 1.3 TCF of production from 40 separate reservoirs at shallow and moderate depths above 2,400 metres. These shallow reservoirs are now largely depleted, but significant reserves are present in virtually undeveloped deeper reservoirs between 2,750 to 3,600 metres depth. It is these reserves that are being targeted in the redevelopment of Flour Bluff. Existing extensive project infrastructure can be used for immediate delivery of production to customers.

Independent reserve estimates for the project put 3P (Proved, Probable, Possible) reserves at 99 BCFe gas (of which 53 BCFe is 1P) with further additional potential of up to 113 BCFe gas. As a result of the initial phase drilling undertaken, the reserves within 3P were re-classified reflecting movement of Possible and Probable into the Proved (1P) category, especially within the West Flour Bluff Gas Field. Overall 53% of 3P reserves are in the Proved category as against 29% prior to that drilling program.

Phase 2 Development is ready to commence and is focused on the deep Frio J and K sands in both East and West Flour Bluff Gas Fields. It is in these sands that the bulk of reserves lie in the fields. The testing of Potential reserves is not expected until Phase 3 of the Development Program when wells are drilled on the northern lobe of the West Flour Bluff Gas Field where the bulk of the Potential upside lies.

Initially, delays in the commencement of the Phase 2 Development program were linked to rig availability. The availability of rigs is no longer a major issue but the Operator is currently not in a position to commit their resources to the program. We understand this decision to be linked to the Operator's prioritising of their resources to projects where, unlike Flour Bluff, short term drilling is required in order to secure leases and or establish reserves. This situation is frustrating for the joint venture participants and particularly for Aurora which has debt funding in place to finance these planned development activities. The Joint Venture partners are considering their alternatives.

During June workover operations commenced on the East Flour Bluff D-24 well with the objective of increasing gas production from the well. Operations involved isolating one of the intervals which had declined and perforating another reservoir with proved reserves. Workover operations were completed on 12 July 2007 with the newly completed interval being placed on production at a rate of 600 MCFD, 28 BCPD . Production from this interval is planned to continue for several months. The reservoir will then be fracture stimulated to increase production rate by several fold. The extended pre-frac production will reduce reservoir pressure for some distance from the well bore. This has the beneficial effect of helping to confine the planned fracture stimulation to the reservoir where it has most effect.

With the delay in new development drilling, field production has continued to show decline typical for this type of reservoir and at the end of June was approximately 1.9 MMCFeD. Production is expected to increase significantly only as a result of the recommencement of drilling operations.

Gawler Resources Limited - Texas (AUT 22-29% shareholding in Gawler)

Gawler is an ASX listed entity owning a 30% working interest in the High Island oil and gas project located in the shallow water offshore Texas and various mining exploration licences in South Australia and the Northern Territory.

Following the sale of wholly owned subsidiary Cottesloe Oil & Gas, Inc (owner of the 30% interest in High Island) to Gawler, Aurora became Gawler's largest shareholder with a shareholding that currently equates to approximately 22%. Aurora Executive Chairman Jon Stewart became Chairman of Gawler on the completion of that transaction. There are also an additional 6,000,000 Converting Shares on issue to Aurora. These Converting Shares are performance-based and subject to the introduction by Aurora of an acceptable additional project to Gawler within a two year period. If this condition is met, Aurora is entitled to an additional 6 million ordinary shares and would have the right to acquire an additional 6 million options exercisable at 20 cents each by the payment of 1 cent per option. The issue of an additional 6 million ordinary Gawler shares under this arrangement would increase Aurora's shareholding to approximately 29%.

On the 15 June 2007, it was announced that Aurora had arranged for the acquisition (subject to satisfactory completion of due diligence) by Gawler of a 25% interest in a second substantial offshore gas exploration-development project in the Gulf of Mexico. The project is known as the Pompano Project.

Should Gawler's acquisition of Pompano, under the abovementioned agreement, be satisfactorily completed, Aurora's shareholding in Gawler will increase by 6 million shares and it will be entitled to apply for a further 6 million 20 cent Gawler options at 1 cent each.

Like High Island, Pompano is a substantial, relatively low risk exploration-development project but with much larger exploration up-side. Drilling of the first well is anticipated later this year.

High Island Field Development

The High Island Project operator, Peregrine Oil and Gas LP, has reported that the TODCO 250 jack-up drilling rig moved into the field on 21 July 2007 and jacked-up over the recently installed HIA-268A un-manned production platform. The rig spudded Well A-2, the second well on the High Island oil and gas field, on 23 July 2007 and is currently drilling ahead at about 1,500 feet in the 13½ inch hole section.

Well A-2 is a directionally drilled well targeting gas accumulations at two reservoir sand intervals at about 5,500 feet MD and 7,600 feet MD. Proposed total depth of Well A-2 is approximately 8,000 feet MD. If reservoir evaluation indicates that the zones can be economically produced, production casing will be run and the well completed for production. The drilling and completion of Well A-2 is expected to take approximately 30 days and is scheduled to complete by late August.

Following the drilling and completion of Well A-2, the rig will re-enter and complete Well A-1 for production. Well A-1 was drilled in January 2007 and discovered commercial gas in two separate reservoirs. The well was cased and temporarily suspended pending the installation of the HIA-268A production platform and pipeline. The planned completion of Well A-1 will be of the deeper reservoir with a future completion of the shallower sands to follow the depletion, through production, of the deeper reservoir. The re-entry and completion of Well A-1 is expected to take approximately 20 days, with the well expected to be on production by mid-September.

High Island field development plan anticipates the drilling of a third production well, Well A-3. This well is not planned to be drilled until the first two wells have been on production for a number of months.

Laying of the 6 inch production pipeline connecting the HIA-268A production platform to a nearby regional off-take facility, was completed on 22 July 2007. Pipeline burial operations have commenced and it is expected that these operations will be completed in next few days.

Hydrocarbons produced from the High Island field will be metered and separated at a regional processing facility and then transported to shore via separate oil and gas sales pipelines. Commissioning and testing of the pipeline is scheduled to be completed in late August ahead of first production from the field.

Gawler, through Cottesloe Oil & Gas, has a 30% working interest in the High Island development project. This working interest is subject to a "claw-back" arrangement whereby it reduces to a 24.6% interest after payback of Gawler's costs on the first development well.

On 23 March 2007 Elixir Petroleum Limited (Elixir) (ASX:EXR, AIM:ELP) and Gawler announced an agreed proposal to merge their businesses to create a balanced diversified oil and gas exploration and production company.

It is intended that this company will be listed on ASX and AIM and would be capitalised at approximately A\$41 million (£17.6 million) based on current share prices.

The merged group will combine emerging Gulf of Mexico production with high impact North Sea exploration. It will be well-funded allowing growth of the producing assets to run in parallel with an active and highly prospective exploration program.

Gawler's Board has unanimously recommended that all Gawler share and option holders vote in favour of the merger proposal, in the absence of a superior offer. Gawler Board members intend to vote in favour of the proposal when a shareholders' meeting is convened.

As Gawler's largest shareholder, Aurora has committed to vote in favour of the merger, in the absence of a superior offer. Should the merger proceed as planned Aurora will have a minimum shareholding of 13% in the merged company or in circumstances where the conditions regarding the convertibility of the Converting Shares is met prior to the merger proceeding, 18% of the merged company. It is intended that Jon Stewart would join the Board of Elixir post merger.

Merger Update

Preparation of the extensive documentation associated with the merger between Elixir Petroleum Ltd (ASX:EXR) and Gawler Resources Ltd, being undertaken by schemes of arrangement, is nearing completion.

The draft documents are expected to be lodged with the Australian Securities and Investments Commission for review by 31 July 2007. Court approval of the Schemes will then be sought, prior to the convening of Gawler security holders meetings to vote on the Schemes.

QUARTERLY CASH FLOW REPORT FOR THE PERIOD ENDED 30 JUNE 2007

Please find attached the Company's Appendix 5B for the period to 30 June 2007.
Yours sincerely

AURORA OIL & GAS LIMITED

Jon Stewart
EXECUTIVE CHAIRMAN

This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by nature and no assurance can be given by Aurora that its expectations, estimates and forecast outcomes will be achieved.

Technical information contained in this report in relation to the Sugarloaf, Longhorn, Ipanema, North Belridge, West Black Lake and Flour Bluff projects was compiled from information provided by the project operator Texas Crude Energy Inc. Technical information contained in this report in relation to the High Island project was compiled from information provided by the project operator, Peregrine Oil and Gas LP. Technical information from all the above projects was reviewed by P D Allchurch, BSc, FAIMM, MPESA, who has had more than 40 years experience in the practice of geology and more than 5 years experience in petroleum geology. Mr Allchurch has consented to the inclusion in this report of technical information based on the information provided by the project operators, and consents to the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

AURORA OIL & GAS LIMITED

ABN

90 008 787 988

Quarter ended ("current quarter")

30 June 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	171	1,037
1.2 Payments for		
(a) exploration and evaluation	(866)	(2,586)
(b) development	(811)	(4,679)
(c) production	-	(738)
(d) administration	(373)	(1,739)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	89	283
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(1,790)	(8,422)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(4,354)	(10,013)
(b) equity investments	-	(140)
(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	(4,354)	(10,153)
1.13 Total operating and investing cash flows (carried forward)	(6,144)	(18,575)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(6,144)	(18,575)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	23	16,798
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		
	Loan Establishment Costs	(31)	(1,056)
	Issue Costs	15	(864)
	Net financing cash flows	7	14,878
	Net increase (decrease) in cash held	(6,137)	(3,697)
1.20	Cash at beginning of quarter/year to date	10,687	8,247
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,550	4,550

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	(107)
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Payments include:
Directors' fees, consulting fees and serviced office rental. All payments are on normal commercial terms.

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

N/A

+ See chapter 19 for defined terms.

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	20,000	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	700
4.2 Development	1,300
Total	2,000

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	787	8,387
5.2 Deposits at call	3,763	2,300
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,550	10,687

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	Various US Lease interests have been acquired during the quarter, in particular as part of the Longhorn, Sugarloaf and Ipanema projects.	-	-	Various

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	162,492,417	162,492,417	Various	Fully Paid
7.4 Changes during quarter				
(a) Increases through issues				
Placement	-	-	-	-
Option Exercise	-	-	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
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)			<i>Exercise price</i>	<i>Expiry date</i>
Consolidation Options	8,000,000	-	\$0.20	22 Feb 2010
Loan Options	3,565,000	-	\$0.20	28 Apr 2010
Director Options	1,000,000	-	\$0.30	28 Apr 2010
Consultant Options	1,833,000	-	\$0.30	28 Apr 2010
Note Conversion Options	4,285,714	-	\$0.25	28 Apr 2010
Performance Options	1,200,000	-	\$0.20	22 Feb 2008
Incentive Options	500,000	-	\$0.51	30 Mar 2011
Financing Options	1,000,000	-	\$0.58	28 Dec 2007
Incentive Options	3,000,000	-	\$0.70	31 Jan 2009
	24,383,714			
7.8 Issued during quarter	-	-	-	-
Upon exercise each option entitles the holder to one ordinary share which will rank pari passu in all respects with the Company's then issued shares.				
7.9 Exercised during quarter				
Conversion Options	115,000	115,000	\$0.20	28 Apr 2010
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (<i>totals only</i>)	-	-	-	-
7.12 Unsecured notes (<i>totals only</i>)	-	-	-	-

Compliance statement

+ See chapter 19 for defined terms.

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

Sign here: Date: 30 July 2007
(~~Director~~/Company secretary)

Print name: ALEX NEULING