

31 July 2006

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 2006

HIGHLIGHTS

Corporate

During June 2006 the Company completed the placement of 15.1 million shares at a price of \$0.53 each raising approximately \$8 million for the development of the Company's oil and gas portfolio and the pursuit of new opportunities.

Approval for a US\$10 million project finance facility from the credit committee of a major international bank was received in May. This facility is subject to final documentation which is expected to be completed in the current quarter. The proceeds of this facility will principally be applied to the development of the Flour Bluff Gas Development Project and secured by same.

At 30 June 2006 the Company had cash balances of approximately \$8.25 million after having paid approximately \$3.9 million towards future drilling, seismic and infrastructure obligations.

Operating

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

On the 19th of May 2006 Aurora Oil & Gas announced the acquisition of an interest in the North Belridge Oil Development Project in the prolific San Joaquin Basin, California. North Belridge is a recently discovered oilfield which has estimated potential P50 reserves of 60 million barrels of recoverable oil and 40 billion cubic feet of gas.

Under the terms of the agreement Aurora Oil & Gas 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.

The first well (NB26-1H) in a planned initial ten well program at North Belridge commenced drilling on the 11th of June 2006. NB26-1H is located about 2,000 feet from the vertical discovery well which intersected three oil-bearing reservoir intervals totalling 170 feet at about 9,800 feet and is

presently on production from the middle reservoir interval. The initial drilling program is directed at the development of approximately 6 million barrels of oil.

At the date of writing the North Belridge 26-1H development well was preparing to commence drilling the approximately 4,000 feet long horizontal leg within reservoir. After drilling the horizontal portion of the well, a 5 inch diameter production liner will be installed over the full length of the horizontal and sealed back into the casing.

The well will then be ready for reservoir stimulation by hydraulic fracturing followed by oil and gas production. Due to contractor availability issues reservoir stimulation, previously booked for the 7 August, is now not expected to start until the last week of August.

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

The first well in a planned initial five well program at West Black Lake commenced drilling on the 13th of June 2006. This drilling program is directed at the development of approximately 30 BCF of reserves with estimated initial combined production rates from five wells, of approximately 15 million cubic feet of gas equivalent per day ("MMCFDe").

Dolores-1 is the first of 5 initial development wells planned on the West Black Lake gas discovery, and is positioned approximately 4,000 feet north-east of the discovery well, which intersected a gas-bearing limestone reservoir interval of about 300 feet at a depth of approximately 13,670 feet.

At the date of reporting a completion rig is presently rigging up over the Dolores-1 well to begin the testing and well completion program.

Flour Bluff Gas Development Project (20 to 24.167% interest) Texas, USA.

Further development drilling of the Company's significant reserve base at Flour Bluff near Corpus Christi, Texas has been temporarily delayed as a result of rig availability. As previously advised, the Operator expects to commence the planned Stage 2 Development Program late in the September quarter 2006. This Project is currently in production and at the present time is producing approximately 3 MMCFDe. The decline in production over the quarter is consistent with field production history.

Sugarloaf Prospect (20% Working Interest) Texas, USA

The Operator has advised that the deep well rig secured to drill the Sugarloaf 1 Well is expected on site by mid-August based on the anticipated date of release from the well it is currently drilling elsewhere. Preparatory site works have commenced ahead of the arrival of the rig. The proposed well will primarily test the very large structure in the Hosston Formation but will also test several shallower horizons with highly attractive potential.

UNITED STATES STRATEGY

The strategic focus of Aurora Oil & Gas continues to be the development of its oil and gas interests in the US. Management is pleased with the development of the Company's asset portfolio to date which brings the potential for short term development success and hence production and cashflow whilst having very considerable upside potential.

It is our intention to remain focussed in the USA where we continue to review attractive investment opportunities. The US offers strong domestic demand for energy, excellent infrastructure, numerous exploration and development opportunities and attractive commodity pricing. Oil is priced at prevailing world prices and is currently above US\$70 per barrel. US domestic gas prices are currently well below the hurricane impacted prices of last year at about US\$6 (approximately three times Australian prices). It is expected future gas prices will continue to hold around these levels or higher with seasonal spikes upwards based on demand and supply issues.

The Company's initial interest in the Flour Bluff Gas Development Project in Texas has provided the opportunity for immediate production and early cash flow while the location of the Project and its existing infrastructure provides access to the high-value US domestic spot gas market. Rig availability issues have meant the deferral of expected production growth but this is expected to commence in the fourth quarter of the calendar year. The development of Flour Bluff is expected to be financed through the provision of project finance having received credit committee approval for a US\$10 million facility from a major international Bank.

Aurora Oil & Gas is currently involved in development drilling at its two other discoveries at North Belridge and West Black Lake which are both expected to be significant long term producing assets of the Company.

The imminent drilling of Sugarloaf, a major un-drilled structure which has the potential to hold several Trillion Cubic feet ("TCF") of gas offers enormous upside potential at reasonable cost. The huge potential at depth will be tested having drilled through a number of very prospective shallower horizons.

As reported previously, the Company has a number of wells to be drilled but the number that will ultimately be drilled this calendar year will be impacted by rig availability. We have up to 10 development wells and the Sugarloaf exploration well scheduled but in the current active environment for drilling a number of these wells may be drilled in 2007.

In terms of new projects, as indicated by activity in the past quarter, we remain particularly interested in advanced exploration opportunities with size potential, successful testing of which can develop quickly from discovery to production.

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.

Aurora Oil & Gas' interests in the various fields comprising the project are now;

West Flour Bluff Gas Field	20.0000%
Pita Island Gas Field	20.0000%
East Flour Bluff Gas Field	24.1667%

Reserve Position

Revised independent reserve estimates for the project were detailed in earlier announcements with 3P (Proved, Probable, Possible) reserves of 99 BCFe gas (of which 53 BCFe is 1P) with further additional potential of up to 113 BCFe gas. Overall 53% of independently estimated 3P reserves are now in the Proved category.

Production

Flour Bluff field production at the end of the quarter was approximately 3 MMCFDe.

The decrease in gross production from Flour Bluff during the quarter was due to natural decline in production from existing wells and interruptions to production during pipeline infrastructure repair work undertaken.

Field Development 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. Rig availability issues have delayed commencement of Phase 2 drilling and the Operator has advised a likely start date to be late in the current quarter.

Subject to rig availability, the Development Plan provides for the drilling of 8 new wells in the next 18 -24 months with a consequent significant increase in production. Four new wells are scheduled on the West Flour Bluff Gas Field and are essentially step outs from BG Webb #1 targeting Frio J and K sands. Four new wells on the East Flour Bluff Gas Field have different targets, two being essentially step outs from D-24 targeting Frio J sands with the other two following up promising indications of remaining shallow potential from gas logs and wireline logs of D-24.

The Phase 2 program is within the 3P (Proved, Probable, Possible) reserve envelopes for both fields. Expected individual well reserve outcomes range from 4 to 7 BCFe. Success on the program will see an upward movement of Possible and Probable reserve categories into Proved and those in Proved Undeveloped into Proved Producing and Proved Behind Pipe. The total 3P recoverable well reserve targeted in the Phase 2 program is 40.9 BCFe (36.5 BCF and 723,700 barrels of oil).

WEST BLACK LAKE PROSPECT, GULF COAST, TEXAS (AUT Working Interest 20.15%)

West Black Lake is a new gas discovery in the Cretaceous age back reef limestone trend in the on-shore Gulf Coast region of the USA. West Black Lake was defined using proprietary seismic inversion technology, which had been used to locate a number of successful development wells on an adjacent 500 BCF back reef trend gas field. The proprietary seismic technology defines porous zones (porosity and thickness of porous zone) within the normally tight Cretaceous limestone formation. The seismic porosity has been calibrated against core and well log measurements. Recoverable reserves per well estimated using the 3-D seismic porosity and thickness measurement at the adjacent gas field have an 88% correlation to actual well ultimate production.

The Operator expects the same level of predictability in the West Black Lake project area. The seismic technology is expected to provide a high degree of confidence in locating development wells and in predicting recoverable reserves and initial flow rate for each well.

At West Black Lake, Aurora has the opportunity to earn a 20.15% interest in five wells (15.1125% Net Revenue Interest) through the funding of a 40.3 % interest in each well until individual well payback (on an accelerated basis). The Operator's estimate of potential recoverable reserves from the initial five development wells is approximately 30 BCF.

Field Development Program

The first well in this program ("Dolores 1") commenced drilling on the 13th of June 2006. Dolores 1 was drilled to a Total Depth of approximately 4,100 m (13,737 feet) before being halted in pay approximately 180 feet above the gas-water contact in the discovery well. A retrievable packer was set in casing at 13,320 feet, to isolate the reservoir section and render the well safe while the large drilling rig was released. The large rig has been replaced by a lower cost, specialized completion rig to carry out testing operations and to complete the well for production should the tests prove the presence of commercial gas.

At the date of reporting a completion rig was rigging up over the Dolores-1 well to begin the testing and well completion program.

Gas shows and wire-line logs indicates 63 feet of interpreted gas pay, with similar log character to the pay zone in the discovery well. The well was halted in log interpreted pay about 180 feet above the gas-water contact in the discovery well to minimize the chance of fracture stimulation penetrating down to water and reducing production. Wire-line logs show the geology and interpreted gas pay in Dolores-1 correlate closely with the discovery well.

After running tubing the testing program will begin with a flow test of the un-stimulated reservoir. This first operation is expected to take about 9 days. The next operation is programmed to be acidisation of the reservoir followed by a further flow test. Acid is commonly applied to limestone reservoirs to dissolve a portion of the rock to improve gas flow into the well bore. If the gas flow rate is not sufficient after acid treatment, the reservoir will be fracture stimulated to attempt to improve flow rate further and tested again. If satisfactory, the well will be hooked up to the sales line via the gas treatment plant.

A short pipeline will be required to connect West Black Lake production to a nearby facility to process the gas. Additionally a new 3D seismic acquisition survey is being planned to define further reserves and drilling locations.

Aurora's share of costs is estimated to be approximately US\$1.2 million completed for production. The well is planned to be drilled vertical and completed for production by standard acid (or proppant) fracture stimulation. A typical production rate for completions in the Cretaceous limestones is about 3.5MMCFD from the zone after frac.

Following the completion of the initial five well development 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). The Operator estimates total potential reserves of approximately 600BCF for the Project. Assuming successful definition and development of an approximately 600 BCF field, peak field production could reach approximately 160 MMCFD.

NORTH BELRIDGE OIL FIELD, SAN JOAQUIN BASIN, CALIFORNIA (AUT Working Interest 16.25%)

The North Belridge Oil Field is a new discovery located in the prolific onshore San Joaquin basin of California. The San Joaquin Basin has been a prolific oil and gas province for a century. There have been over 15 billion barrels of oil equivalent produced from the Basin. District #4, which is the Bakersfield District alone, produces 185 MMBO and 185 BCF of gas each year.

The North Belridge discovery is a potential 108 MMBO recoverable stratigraphic trap at a depth of 9800 feet in the Monterey Shale Formation in the southern part of the San Joaquin Basin. The discovery is approximately 3,500 acres in area and is defined by three wells and a seismic amplitude anomaly that is similar to that seen within the nearby North Shafter Field.

At the analogous North Shafter field 60 productive wells have been drilled with average recoverable reserves per well of 400 MBO, (a range of 200 MBO barrels to 1 MMBO barrels). The pay at North Shafter is about 35 feet thick. The North Belridge discovery found production at the same horizon that produces at North Shafter however; the North Belridge reservoir is much thicker with three individual reservoir zones with a total of 170 feet of potential pay.

The project potential P50 reserves estimate by the Operator of 60 MMBO and 40 BCF would represent approximately 5 MMBO and 3.3 BCF net to Aurora and there is considerable upside. Peak field production on the P10 estimate of about 108 MMBO recoverable is in excess of 35 MBOD. The next period of development drilling and associated 3D seismic coverage will determine the full potential of the Area of Mutual Interest (AMI).

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. The Operator's estimate of potential recoverable reserves from the initial 10 development wells is approximately 6 MMBO.

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). Assuming successful development of an approximately 60

MMBO field, peak field production could reach in excess of 25 MBOD and Aurora's share of oil reserves would be approximately 5 MMBO. Further drilling and the planned acquisition of new 3D seismic will further delineate the significant additional reserve potential indicated by existing 2D seismic at North Belridge.

Field Development Program

Initially, 10 horizontal development wells are planned (subject to well results) to be drilled near the discovery well and controlled by existing 2D seismic. A 3D seismic survey is planned to be acquired during drilling of the first 10 wells. The 3D seismic will be used to locate subsequent development wells.

North Belridge 26-1H is the first of the 10 initial development wells and is located about 2000 feet from the vertical discovery well which intersected three oil-bearing reservoir intervals totalling 170 feet at about 9,800 feet and is presently on production from the middle reservoir interval.

Aurora has a 32.5% contributing interest in the NB26-1H well and will receive 32.5% of the revenue until well payback, after which, Aurora's interest reduces to 16.25% (net revenue interest 12.1875%). The Operator's estimate of potential recoverable reserves from this development well is approximately 600 MBO.

Based on an analysis of several months of production from the discovery well, the initial production rate from NB26-1H is estimated to be approximately 500 BOPD. Due to the nature of the reservoir, some water production is expected at the outset and this will continue through the life of the field. The water production does not vary with structural position of a well.

At the date of writing the North Belridge 26-1H development well was preparing to commence drilling the approximately 4,000 feet long horizontal leg within reservoir. The well is cased from surface to 10,282 feet (measured depth). At 10,282 feet the casing is horizontal at a vertical depth of 9,979 feet.

After drilling the approximately 4000 feet long horizontal portion of the well, a 5 inch diameter production liner will be installed over the full length of the horizontal and sealed back into the casing.

The well will then be ready for reservoir stimulation by hydraulic fracturing followed by oil and gas production. Due to contractor availability issues, reservoir stimulation, previously booked for the 7 August, is now not expected to start until the last week of August.

Final well log analysis has confirmed the interpretation of up to 190 feet of oil pay. The increase of inferred permeability towards the base of the reservoir has led to the targeting of a lower zone for production in the next development well rather than the same zone as in 26-1H. It is expected that the next development well at North Belridge will spud towards the end of September.

SUGARLOAF PROSPECT , GULF COAST, TEXAS (AUT Working Interest 20%)

The Sugarloaf Prospect is a world class exploration prospect and has the potential to host several TCF of gas. It is a robust four-way dip closure covering about 80 square kilometres at 5,200m depth, which makes it one of the largest undrilled structures in the onshore US. The primary target reservoirs are thick sands of the Cretaceous age Hosston Formation which are major producers elsewhere in the Gulf Coast region. Mean potential reserves at Sugarloaf are estimated to be approximately 800 BCF of gas. However, given the large size of the prospect area, there is upside potential of several TCF if geological factors such as porosity, net sandstone and permeability combine favourably.

The Operator has recently advised that the rig secured to drill the deep exploration well to test Sugarloaf is expected to have been released from the well it is currently drilling and arrive on site by approximately the middle of August. Site preparation work is currently under way ahead of the arrival of the rig. Drilling time is expected to be approximately 75 days.

The Operator plans to drill the Sugarloaf #1 well to a maximum of 21,000' total vertical depth to test the Hosston Formation. In addition to the deep objectives below 17000', there is shallow potential from the Wilcox, Austin Chalk, Edwards and Sligo Formations. For targets shallower than the Sligo Formation, lease rights are covered over approximately 30% of the Prospect. The Sugarloaf #1 well is to be drilled in an area where Aurora has rights to all depths.

Aurora's net dry hole cost exposure is expected to be in the region of A\$1.9 million. If successful, well completion costs are expected to be in the order of US\$2.3 million (Aurora share US\$565,800) and given the existing nearby pipeline infrastructure, any commercial quantities of gas should be able to be sold within a very short time frame into the strong US gas market.

INDICATIVE FORWARD DRILLING PROGRAM

The availability of drilling rigs in the Louisiana Texas Gulf Coast Region remains very tight and accurately forecasting the likely start date of wells is difficult. Following is our current best estimate of forthcoming drilling activity (i.e. in addition to wells currently under way). The Operators of North Belridge, Flour Bluff and West Black Lake continue to work to secure additional rig slots for the drilling of planned wells.

Well	Expected Date (Calendar Quarters)	Activity	Field	Aurora WI
Dolores 1	Q3/06	Development Well	WBL	20.15%
NB 26-1H	Q3/06	Development Well	NB	16.25%
SUG - 1	Q3/06	Exploration Well	Sugarloaf	20%
NB 26 - 3	Q3/06	Development Well	NB	16.25%
FB - 1	Q4/06	Development Well	FB	20%
NB 26 -4	Q4/06	Development Well	NB	16.25%
FB - 2	Q4/06	Development Well	FB	20%

QUARTERLY CASH FLOW REPORT FOR THE PERIOD ENDED 30 JUNE 2006

Please find attached the Company's Appendix 5B for the period to 30 June 2006.
Yours sincerely

AURORA OIL & GAS

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.

Information contained in this report was compiled from information provided by Texas Crude Energy Inc and reviewed by P D Allchurch, BSc, FAIMM, MPESA, who has had more than 35 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 the matters based on this information in 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 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	444	1,514
1.2 Payments for		
(a) exploration and evaluation	(1,935)	(2,319)
(b) development	(4,091)	(5,395)
(c) production	(121)	(480)
(d) administration	(159)	(805)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	25	218
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(5,837)	(7,267)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(222)	(4,975)
(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	(222)	(4,975)
1.13 Total operating and investing cash flows (carried forward)	(6,059)	(12,242)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(6,059)	(12,242)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	8,000	18,461
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	(25)	(25)
	Issue Costs	(422)	(1,024)
	Net financing cash flows	7,553	17,412
	Net increase (decrease) in cash held	1,494	5,170
1.20	Cash at beginning of quarter/year to date	6,753	3,077
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8,247	8,247

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	(66)
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, legal fees, serviced office and company secretarial costs. 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

N/A

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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	3,200
Total	3,700

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	7,370	1,285
5.2 Deposits at call	877	5,468
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,247	6,753

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	-	-	-

+ 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	129,461,140	129,461,140	Various	Fully Paid
7.4 Changes during quarter				
(a) Increases through issues	15,094,340	15,094,340	\$0.53	Fully Paid
(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	3,680,000	-	\$0.20	28 Apr 2010
Director Options	1,000,000	-	\$0.30	28 Apr 2010
Consultant Options	2,500,000	-	\$0.30	28 Apr 2010
Note Conversion Options	4,365,079	-	\$0.25	28 Apr 2010
Performance Options	2,700,000	-	\$0.20	22 Feb 2008
Incentive Options	500,000	-	\$0.51	30 Mar 2011
	22,745,079			
7.8 Issued during quarter				
(i) 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	-	-	-	-
Loan Options				
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (<i>totals only</i>)	-	-	-	-
7.12 Unsecured notes (<i>totals only</i>)	-	-	-	-

+ See chapter 19 for defined terms.

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

Sign here: Date: 31 July 2006
(~~Director~~/Company secretary)

Print name: ALEX NEULING

+ See chapter 19 for defined terms.