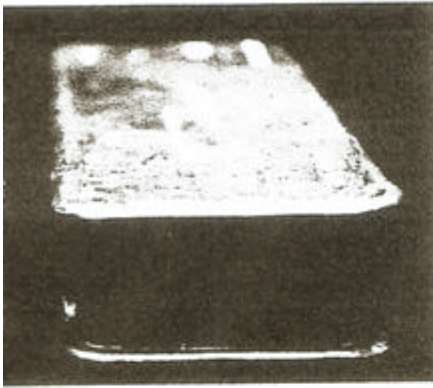


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PETER IPPING

remains a small stock with a market capitalisation of just \$18 million. At that value it could be mistaken for one of a crowd. The difference is the calibre of the management team, their past success at Plutonic and the emerging mine at Touquoy.

ALL ABOARD FOR TEXAS

Texas continues to prove an irresistible lure for budding Australian oilmen (and women), as can be seen by the stampede of small explorers making their way to the western home of the oil business. One of the latest is Aurora Oil & Gas, which has teamed up with two other small Australian explorers, Victoria Petroleum and Sun Resources, to develop the Fluor Bluff gas project at

Corpus Christi, near the Gulf of Mexico coast (but a long way from hurricane alley). Aurora's interest in Fluor Bluff varies from 8.75% to 16.67% (because of different tenement areas), and should be seen as a starter project for the company, which has drawn together a team of executives with worldwide oil industry experience.

Jon Stewart and Graham Dowland are accountants who turned their hand to oil in Europe and Russia. Peter Schoch has extensive experience in the Canadian gas industry, and Aurora's technical consultant, Peter Allchurch is best known as the former chief executive of Amity Oil (now Antares Energy).

For much of the past year, Aurora has been in an evolutionary phase, both at a corporate level and in the field. The listed structure has emerged from the shell of Perth retail company Tony Barlow, and the exploration assets have been carefully assembled by Allchurch, who has 35 years of oil patch experience.

Aurora's identity has been slow to develop, partly because of the need to put some distance between its links to a company that sells shirts and trousers. Confusion in the minds of potential investors probably played a part in Aurora's share price sagging through the first three months of its listed life, dropping from 37¢ in late April to a low of 23.5¢ in late June.

Since hitting rock bottom, Aurora has been rising with the oil price and in line with the success at Fluor Bluff. There is also the news that it is teaming up

with yet another small Australian explorer in a much bigger Texas exploration play. The latest deal, with the ARC Energy spin-off Adelphi Energy has seen Aurora take a 12.5% stake in the Sugarloaf prospect, also in southern Texas. Sugarloaf theoretically holds a prize of between 800 billion cubic feet of gas and several trillion cubic feet. As with all exploration, the proof of Sugarloaf will be in the drilling, scheduled to start later this year. If successful it could be a company-maker for both Aurora and Adelphi.

The Sugarloaf farm-in has been the best thing to happen to Aurora since listing. The day after the deal was announced on September 15, Aurora's share price jumped from 38¢ to 43.5¢ and later touched a record high of 47¢ before settling back to 43¢, a price that values the stock at \$38 million. Given the pedigree of its management team, the exploration focus on an area rich in oil and gas, modest start-up cash flow from the Fluor Bluff field and the potential for a significant gas discovery later this year or early in 2006, Aurora is worth putting on a watch list.

URANIUM THE HOT METAL

Champagne corks popped in early September when Energy Metals became the latest red-hot uranium float to hit the market. From an initial offer price of 25¢, the stock opened for trading on September 9 and delivered an immediate 300% profit for stags.

Over the following days, Energy Metals sagged to 75.5¢ (just a 200%

