

21 November 2014

CHAIRMAN'S ADDRESS

In reviewing the last year, there are two key aspects I'd like to share with you.

Firstly the year that was ... then more importantly what's transpired since.

The year to 30 June 2014

- 2013/4 enjoyed strong oil & gas prices and we were confidently executing the strategy outlined this time last year.
- Having realised investments in listed securities, we acquired the near term production assets at Killanoola, together with the remaining interest in strategic Otway Basin tenements, and set about securing partners to develop these assets.
- We continued to work with partners Beach Energy and Drillsearch to bring the Cooper Basin (Udacha project) into production.
- Rawson also announced it's maiden Reserve and Resource Statements

Since September 2014

- However, since year end, and the release of our annual report, our world has changed with falling oil & gas prices and weaker investor confidence across our sector.
- To avoid unnecessary shareholder dilution, we chose to preserve our existing cash reserves until market conditions improve. As outlined in my recent letter to shareholders, a number of prudent measures to preserve cash have been implemented. A substantial element of this involves the issue of equity to directors in lieu of cash fees, requiring shareholder approval which is being sought at today's meeting.

While the coming year will certainly be difficult, we believe these measures are prudent and will allow us to weather the current downturn and position the Company to take advantage of any improvements next year.

As recently announced, we are currently in discussions with an ASX listed company regarding a potential farm-in to PRL13 (Killanoola) and we look forward to providing updates in due course.

I would like to thank my fellow directors and management for their efforts last year and acknowledge what we are asking of them in the coming year, which will no doubt be a challenge. Finally thank you, our shareholders for your ongoing patience and support.

Yours faithfully,



Simon Bird
Chairman