

13 October 2006

Australian Stock Exchange Limited  
Company Announcements Office  
Level 10 Exchange Centre  
20 Bond Street  
Sydney, NSW 2000

### **3D Seismic Contract Now Executed**

Yilgarn Gold Limited (Yilgarn) is pleased to announce that Nido Petroleum Limited (Nido), as operator on behalf of the SC 54 Joint Venture (Joint Venture), signed a contract today with Veritas Geophysical (Asia Pacific) Pte Ltd (Veritas) to shoot and process a significant 3D seismic survey over the SC 54 permit, offshore Palawan Island in the Philippines.

The 3D seismic survey area located in the prospective northern part of the contract area comprises 824 square kilometers of full-fold coverage, an increase from the previously announced 653 square kilometres, due to additional lead potential identified on the block.

Acquisition is due to commence on 28 October 2006 and is expected to be completed by 30 November 2006.

In order to deliver best quality product from the acquisition a comprehensive state-of-the-art processing flow, up to and including, hybrid Pre-stack Depth Migration has been agreed with Veritas.

Working in close collaboration with Veritas, delivery of interim products has also been agreed commencing with an ultra-fast track cube expected to be delivered within just two weeks from acquisition completion. This will help to ensure rapid and efficient turnaround of the interpretation leading to build of a risked and ranked high-graded Prospect Inventory which can commence from as early as December 2006.

The 3D expanded coverage will deliver an enhanced prospect inventory which includes:

- Coron North - undrilled four-way Malampaya-style structure with reef build-up potential
- Deepwater Pagasa turbidite fairway (Princesa fan mound leads)
- Coron-1 (previously drilled by Fletcher Challenge in 1993 with an untested possible 120m oil column)
- Coron to Nido interpreted fill-spill chain
- Pagasa turbidite feeder system

The improved acquisition design will now provide an average line length of 26km compared with the previous line length of 21km. Whilst the redesign has resulted in a survey some 25% larger than the previous survey design, this has been achieved for only a 10% cost increase.

Veritas is using their flagship M/V Veritas Viking II 3D vessel which uses the latest solid streamer technology and state of the art acquisition and processing techniques.

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Laurie Brown, Yilgarn's technical director said

"Firstly, our thanks to both Veritas and our partner Nido.

Yilgarn is delighted to have been integral in delivering this landmark 3D survey deal to the SC54 JV. After previously working in close collaboration with Veritas on a number of surveys, both 2D and 3D, through West Africa, it is strategically significant that, in being prepared to take some element of risk in the contract payment structure, Veritas share our belief in the potential for this emerging area to deliver.

Through this relationship we have been able to punch outside our weight and deliver a survey of a size, timing and cost that now allows us to meet all our strategic objectives within the current sub-phase and on budget.

We are confident that not only will we receive best quality product as soon as it can be delivered, but that we have the capacity and skills, through best practice interpretation techniques coupled with global industry contacts, to rapidly turn this into value through the Prospect Inventory."

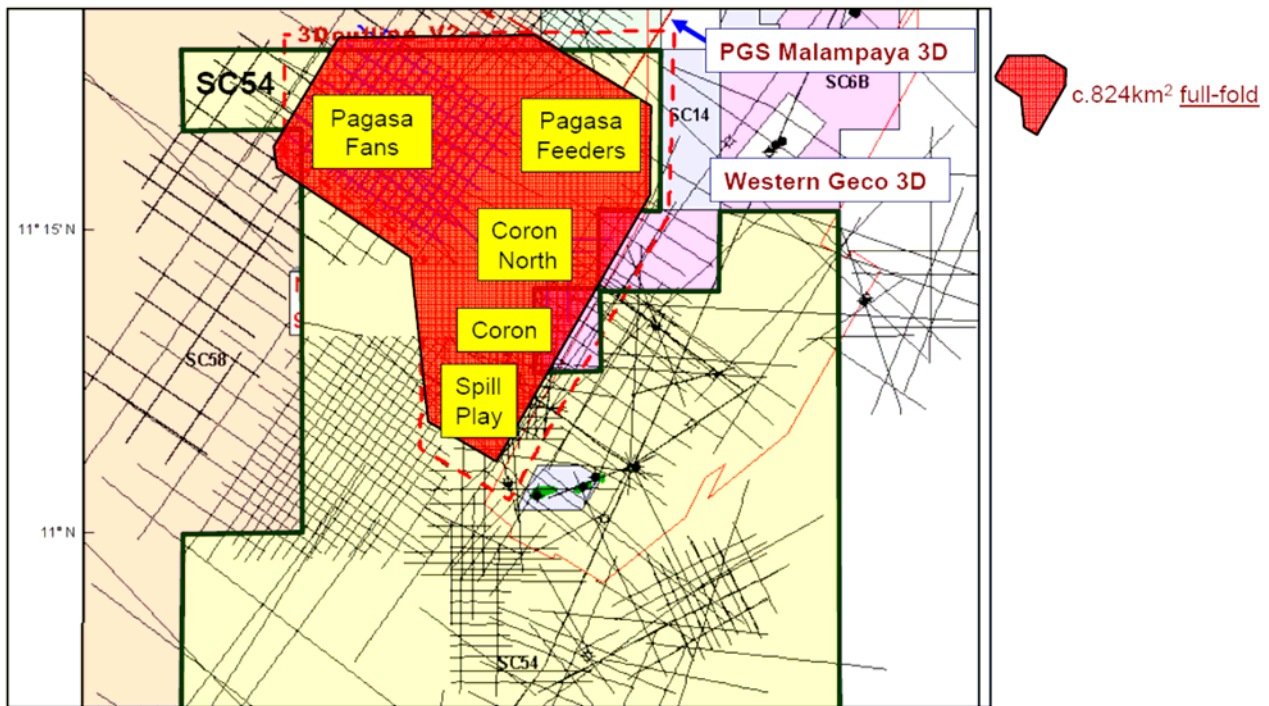
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# Service Contract 54, Philippines

**SC54 Final Agreed 3D coverage:  
Full coverage over Coron North, Princessa turbidite and feeder  
system (Galoc-style play), Coron & Fill-spill chain to Nido**



## KEY FACTS

<b>Location:</b>	North West Palawan Basin, Philippines
<b>Size:</b>	537,616 hectares (1.33 million acres)
<b>Water Depth:</b>	30m – 2,000m
<b>Reservoir Types:</b>	Miocene Age, Turbidite Sandstones & Platform/Pinnacle Reef Carbonates
<b>Work Commitment:</b>	Aug 2005 – Feb 2006 G&G Complete Feb 2006 – Aug 2007 2D-3D Seismic Aug 2007 – Feb 2009 Exploration Well
<b>Discoveries, Prospects &amp; Leads:</b>	Coron North; Princessa; Signal Head; Guntao; Nido-1;
<b>Analogous Play Fairways:</b>	Deepwater Sabah; Offshore Mauritania
<b>Nearby Field:</b>	Malampaya Gas Field (Shell/Chevron-Texaco) 3.2 Tcf Gas/100 Million bbl oil

	Nido	Yilgarn
<b>Participating Interest</b>	60.00%	40.00%