



MAVERICK

MAVERICK DRILLING INTERNATIONAL LIMITED

ABN 52 110 411 428

ANNUAL REPORT

FOR THE REPORTING PERIOD ENDED 2 JULY 2008

CORPORATE DIRECTORY

Directors

Richard Wolanski - Executive Director
Peter Pawlowitsch - Executive Director
Peter Christie - Non-Executive Director

Company Secretary

Mark Clements

Auditors

HLB Mann Judd
Level 2, 15 Rheola Street
WEST PERTH WA 6005

Legal Advisors

Price Sierakowski Lawyers
Level 24, 44 St George's Terrace
PERTH WA 6000

Bankers

National Australia Bank
Level 1, 50 St Georges Terrace
PERTH WA 6000

Corporate Advisors

Trident Capital
Level 24, 44 St George's Terrace
PERTH WA 6000

Registered Office

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Share Registry

Security Transfer Registrars Pty Limited
770 Canning Highway
APPLECROSS WA 6153
Investor Enquiries: (08) 9315 2333
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Stock Exchange Listing

Securities of Maverick Drilling International Limited are listed on the Australian Securities Exchange.

ASX Code: MRK

Annual Report for the reporting period ended 2 July 2008

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LETTER FROM THE CHAIRMAN

Dear Shareholder

The past 12 months has seen significant progress achieved by Maverick Drilling International Ltd (Maverick) as it has transformed from an entity under external administration to a reconstructed focused energy explorer relisted on the ASX with a rejuvenated Board. This has been achieved following the completion of a fully subscribed capital raising of \$3.2 million to repay secured creditors, meet the expenses of the Deed Administrator and fund ongoing activities. The successful relisting of Maverick post financial year end has allowed the Company to pursue opportunities in the energy sector.

The Company was subject to external administration for the year ended 30 June 2008 as the Deed of Company Arrangement remained in place at financial year end. As a result you will note the Annual Report is based upon a revised financial year ending 2 July 2008, the date on which the Deed of Company Arrangement was effectuated and the incoming Board was appointed.

On 30 July 2008 the Company announced that it had entered into an agreement to earn an initial 30% participating interest in a coal project (Loopleegte) located in the Waterberg region of South Africa. Maverick is to earn an initial 30% participating interest in Loopleegte 302LQ through feasibility study expenditure of approximately \$0.55 million over an 18 month period. Its partner in Loopleegte is Vuselela Mining Pty Ltd (Vuselela), a Black Economic Empowerment Company.

The farm Loopleegte is situated on the southern edge of the Waterberg Coalfield. This coalfield is estimated to contain up to 50% of South Africa's remaining coal resources. Significant infrastructure is located in proximity to the Loopleegte property.

There is no historical drilling on Loopleegte, although surrounding boreholes to the east and north have intersected both middle and upper eccla coal zones, which indicates a likely presence of coal on Loopleegte. The average width of the upper eccla coal zones on surrounding properties where the zones have been intersected is 34 metres. As outlined in the Company's announcement of 30 July 2008 following the report by Mr Dawie Van Wyk to Vuselela, if upper eccla coal zones on Loopleegte are present and the width of these coal zones is between 5 to 10 metres it would indicate a potential exploration target of between 120 to 240 million tonnes of coal. Indications from surrounding historical boreholes are that the upper eccla zones will contain a soft coking coal.

Mr. Christo Cordier, a South African National experienced in minerals projects and financing, and a Director and shareholder of Vuselela, has been appointed as General Manager specifically in charge of the exploration and feasibility study programme for Loopleegte. The Company is expected to complete a first phase drilling programme on Loopleegte to define the potential exploration target in the December quarter.

The Company owns 20% of the Reid's Dome tenement (PL 231) in the Bowen basin in Queensland. This tenement is prospective for gas. However past exploration has not resulted upon a commercial discovery. This tenement is being managed by joint venture partner, Victoria Petroleum NL.

The Board will seek to maximise shareholder returns on the Reid's Dome project and will commence preliminary exploration on the Loopleegte project shortly. The Board believes the Company is well positioned to pursue an ongoing acquisition strategy for synergistic energy projects.

Chairman of the Board



Richard Wolanski
PERTH
30 September 2008

DIRECTORS' REPORT
For the Reporting period ended 2 July 2008

Your directors submit the financial report of Maverick Drilling International Limited ("Company") for the reporting period ended 2 July 2008.

Directors

The names of the directors of the Company in office during the reporting period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Richard Wolanski (Appointed 2 July 2008)
Peter Pawlowitsch (Appointed 2 July 2008)
Peter Christie (Appointed 2 July 2008)
Donald Schofield (Resigned 2 July 2008)
Eric Espiritu (Resigned 2 July 2008)

Change in Financial Reporting Period

The Company applied to ASIC for an exemption from its financial reporting obligations in Section 302 of the Corporations Act for the financial year ended 30 June 2008 as the Company was in external administration.

On 23 July 2008, the Board resolved to change its year end pursuant to Section 323 D(2) of the Corporations Act, from 30 June 2008 to 2 July 2008 which was the date the Deed of Company Arrangement ("DOCA") was effectuated.

On 2 September 2008, the ASIC refused to grant the Company reporting relief from these financial reporting obligations.

Corporate developments

Audited financial statements have not been prepared since 30 June 2005.

A number of significant corporate events have occurred since that reporting period:

On 21 September 2006, the then Directors of the Company requested that the Company's shares be suspended from official quotation on the ASX. Subsequently, on 20 December 2006, the Directors appointed Mr Gerald Collins and Mr Matthew Joiner as joint and several administrators of the Company ("Deed Administrator").

At a meeting on 8 June 2007, the creditors resolved that the Company enter into a Deed of Company Arrangement, which was executed on 27 June 2007.

On 12 June 2007, John Richard Park and Kelly Anne Trenfield were appointed by the Bank of Queensland as Receivers of the Company.

At a further meeting of the Company's creditors on 27 November 2007, the creditors resolved that the Company vary the DOCA, which was executed on 19 December 2007.

On 19 December 2007, the Company and the Deed Administrators entered into a Reconstruction Deed with Trident Capital Pty Ltd to recapitalise the Company as part of the Recapitalisation Proposal.

On 9 May 2008, the issued capital of the Company was reconstructed on a 1 for 3 basis following approval by shareholders.

On 21 May 2008, the Company lodged a Prospectus with ASIC to raise \$3,200,000. The capital raising was completed by 30 June 2008.

On 2 July 2008, the Deed of Company Arrangement was effectuated.

DIRECTORS' REPORT
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Reid's Dome Tenement

The Reid's Dome Tenement covers an area of 181 square kilometres on the western flank of the Bowen Basin in Queensland. The Reid's Dome Gas Field is situated within Reid's Dome Tenement and based on initial reservoir studies, a reserve of up to 1 billion cubic feet of gas is indicated for the three wells drilled on the Reid's Dome Gas Field prior to November 1994.

The 1993 appraisal well in the Reids Dome Gas Field, drilled by Victoria Petroleum N.L ("Victoria Petroleum"), Aldinga North-1, flowed gas at a rate of 1.2 million cubic feet per day.

Drilling of the Primero-1 well to 1,565 metres in the northern part of the Reid's Dome Tenement twinning the original shallow gas discovery well, AOE-1 commenced in late June 2006. Early success was encountered in July 2006 with Primero-1 testing a gas flow of 2.8 million cubic feet per day from the field's shallow gas sand at 150 metres. Drilling of the deeper target which encountered numerous oil and gas shows in the original heavily mud invaded AOE-1 was carried out. Additional gas zones have been intersected in the Reids Dome Beds around 1,500 metres.

Following the completion of drilling at Primero-1, an extensive testing program was commenced to determine the reserves of the Reids Dome Gas Field at the shallow horizon with a view to the potential commercialisation of the gas field, subject to sufficient gas reserves being proved.

The Reid's Dome Tenement is 40% owned by Victoria Petroleum N.L., 40% owned by Dome Petroleum Resources PLC and 20% owned by Maverick Drilling International Limited. Victoria Petroleum is now the operator of the Reid's Dome Tenement. By virtue of a joint venture agreement.

Agreements

(a) Joint Venture Agreement

Victoria International Petroleum NL ("Victoria International") entered into a Joint Venture Agreement ("Joint Venture") with Victoria Oil Pty Ltd ("Victoria Oil") on 1 July 2003 to explore and if appropriate, develop and produce petroleum from ATP 333P ("the Tenement"). Victoria International held a sixty-four percent (64%) interest in the Tenement and Victoria Oil held a thirty-six percent (36%) interest in the Tenement.

The material terms of the Joint Venture are as follows:

- (i) all property acquired for use ("Joint Property") in connection with the operations conducted under the Joint Venture ("Joint Operations") is owned by the Parties in undivided shares as tenants in common in proportion to their respective interests;
- (ii) Victoria International was appointed as operator of the Joint Venture on and from 1 July 2003 ("Operator");
- (iii) the Operator is obliged to conduct the Joint Operations under the overall supervision and control of the Operating Committee. The Operating Committee shall consist of one representative appointed by each of the parties to the Joint Venture Agreement from time to time ("each a Party") which holds a percentage interest in five percent (5%) or more of the Tenement;
- (iv) the Operating Committee shall hold meetings at least every six (6) months at the offices of the Operator or such other place as may be agreed by the Operating Committee;
- (v) the Operating Committee shall hold a special meeting upon the request of any of the Parties which hold or collectively hold an interest in five percent (5%) or more of the Joint Venture. Each Party shall have a voting interest equal to its percentage interest in the Joint Venture;

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- (vi) all decisions of the Operating Committee shall be made by the vote of two (2) or more of the Parties having at least sixty percent (60%) of the aggregate percentage of votes;
- (vii) all parties are to be bound by the decisions of the Operating Committee;
- (viii) the Operator shall provide each Party with daily drilling reports, weekly operational reports and such other reports as the Operating Committee may from time to time determine and make all reports concerning the Joint Operations to the appropriate government authorities as required under the necessary legislation;
- (ix) each Party shall have the right, at all reasonable times at its sole risk and expense, to access the Tenement area and/or the Joint Property provided that that Party gives the Operator reasonable notice;
- (x) the Operator shall submit to the Parties not later than three (3) months prior to the expiry of any year the then current or proposed exploration program and budget for the next year;
- (xi) if any Party fails to pay in full its share of any payment required to be made pursuant to a request for payment made by the Operator in relation to the Joint Operations ("Advance") by the due date, that Party shall be in default ("Defaulting Party") and the Operator must within seven (7) days of such default, notify each Party, including the Defaulting Party, of such default and the applicable reasons for such default. If the Operator is in default, the non-operator holding the highest percentage interest may give the required notification;
- (xii) each Party, other than the Defaulting Party, may contribute, in addition to its own Advance, such share of the Advance not paid by the Defaulting Party as stated in the notice referred to in paragraph (xi), in proportion to its percentage interest in the aggregate percentage interest of all non- defaulting Parties;
- (xiii) the Defaulting Party shall have the right to remedy the default at any time by payment in full to the Operator or to the non-defaulting Parties as applicable;
- (xiv) the non-defaulting Parties shall at all material times have a lien on the Defaulting Party's percentage interest share of the Joint Venture to secure the payment;
- (xv) each of the Parties may at any time, with the prior consent of the other Parties, assign all or part of its percentage interest to any other party or any third party which is demonstrated to the other Parties to have the financial capacity to meet its prospective obligations under the Joint Venture; and
- (xvi) the remaining terms, conditions and warranties are considered standard for an agreement of this type.

(b) Company Farm In Agreement

On 21 March 2005, the Company entered into a Farm In Agreement with Victoria International pursuant to which the Company agreed to farm into the Tenement ("Company Farm In Agreement").

The material terms of the Company Farm In Agreement are:

- (i) the Company will earn a sixty percent (60%) participating interest in the Tenement by drilling a well to the total depth of two thousand seven hundred meters (2,700m) on the Tenement ("Funding Well");

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- (ii) all costs of drilling, testing and completing the Funding Well for production in the event of the discovery of commercial hydro-carbons will be the sole cost of the Company;
- (iii) Victoria International will continue to operate the Tenement until the Company takes over the operations to carry out the drilling of the Funding Well at which point the Company will become the Operator under the Joint Venture Agreement;
- (iv) the Company will pay pro-rata to its earned interest in the Tenement all state government royalties and a seven percent (7%) overriding royalty to the initial Tenement royalty holders and their subsequent assigns in accordance with the Assignment of Authority to Prospect No. 333-P (summarised at (e) below);
- (v) if the drilling of the Funding Well fails to result in a commercial well, then the Company is to pay one hundred percent (100%) of the cost to abandon the Funding Well, including side clearance, rehabilitation and clean-up; and
- (vi) if the drilling of the Funding Well did not commence prior to 1 September 2005, the Farm-In Agreement will be terminated and the Company will not have earned any interest in the Tenement.

(c) Victoria International Deed of Assignment

Victoria International and Victoria Oil entered into a deed of assignment with the Company on 13 March 2006 ("Victoria International Deed of Assignment"). Pursuant to the Victoria International Deed of Assignment, the Company acquired a sixty percent (60%) interest in PL 231.

The material terms of the Victoria International Deed of Assignment are:

- (i) Victoria International and Victoria Oil are the registered holders of PL 231 which has been granted from the Tenement ("PL 231");
- (ii) in consideration for Victoria International and Victoria Oil assigning a sixty percent (60%) interest in PL 231 to the Company, the Company is required to pay its assigned sixty percent (60%) interest share of all costs incurred under the Joint Venture Agreement;
- (iii) the Company must pay a forty percent (40%) share of the drilling costs of the Funding Well up until the Funding Well has been drilled;
- (iv) the Company covenants with Victoria International and Victoria Oil to observe and comply with all the obligations and liabilities arising under the Joint Venture;
- (v) Victoria International and Victoria Oil acknowledge that the Company is a Party to the Joint Venture to the extent of its 60% interest in PL231;
- (vi) the Company agrees to be bound by the Joint Venture and to assume all of Victoria International and Victoria Oil's liability under the Joint Venture to the extent of its interest in PL231;
- (vii) the participating interests of the parties under the Joint Venture are:
 - (A) the Company 60.0%;
 - (B) Victoria International 25.6%; and
 - (C) Victoria Oil 14.4%;

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- (viii) the Company agrees to be bound by the terms of the Assignment of Authority to Prospect No. 333-P to the extent of its 60% interest and will indemnify and hold harmless Victoria International and Victoria Oil from any breach of the Assignment of Authority to Prospect No. 333-P committed by the Company in respect of its interest in PL231;
- (ix) the Victoria International Deed of Assignment is conditional upon the approval and registration of the Victoria International Deed of Assignment in accordance with the Act; and
- (x) the remaining terms, conditions and warranties are considered standard for an agreement of this type.

(d) Dome Petroleum Deed of Assignment

The Company entered into a deed of assignment with Dome Petroleum Resources PLC ("Dome Petroleum") on 10 May 2006 ("Dome Petroleum Deed of Assignment").

The material terms of the Dome Petroleum Deed of Assignment are:

- (i) the Company will assign a forty percent (40%) interest in PL 231 to Dome Petroleum in consideration for Dome Petroleum providing all necessary costs incurred in drilling and completing the Funding Well up to an amount of six hundred and twenty-one thousand pounds (£621,000);
- (ii) the Dome Petroleum Deed of Assignment is subject to approval and registration of the Dome Petroleum Deed of Assignment under the Act;
- (iii) Dome Petroleum covenants with the Company that it will comply with all of the obligations arising under the Joint Venture on and from the date upon which the Company satisfies the farm-in obligations under the Victoria International Farm-In Agreement ("Effective Date");
- (iv) Dome Petroleum agrees to be bound by the Joint Venture and to assume its pro-rata proportion of all costs and liabilities under the Joint Venture with effect from the Effective Date;
- (v) The participating interests of the parties under the Joint Venture on and from the Effective Date are:
 - (A) the Company 20.0%;
 - (B) Victoria International 25.6%;
 - (C) Victoria Oil 14.4%; and
 - (D) Dome Petroleum 40.0%;
- (vi) Dome Petroleum agreed to be bound by the terms of the Assignment of Authority to Prospect No. 333-P as if it were a party to that agreement to the extent of the forty percent (40%) assigned interest in PL 231; and
- (vii) the remaining terms, conditions and warranties are considered standard for an agreement of this type.

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(e) Assignment of Authority to Prospect No. 333-P

On 14 July 1983, Outback Oil & Mineral Exploration and Development Corporation ("Assignor") and Reid's Dome Exploration Company ("Assignee"), a wholly owned subsidiary of Henry Energy Corporation, entered into an Assignment of Authority to Prospect No. 333-P ("the Assignment").

The material terms of the Assignment are:

- (i) the Assignor conveys to the Assignee all of the Assignor's right, title and interest in the Authority to Prospect No. 333-P ("Authority to Prospect") subject to the terms of the Assignment in consideration for the sum of US\$25,000;
- (ii) the Assignor also assigns its right, title and interest in the AUD\$9,000 representing guarantees or performance bonds;
- (iii) the Assignor reserves an overriding royalty interest of 7% ("Royalty") of all oil, gas and associated hydro-carbons produced and saved pursuant to the terms of the Authority to Prospect and any permits and leases issued thereafter;
- (iv) the Royalty shall apply to any extension or renewal or addition to accept such addition that alters or extends the boundaries of the Authority to Prospect and to any new authority to prospect, lease or other right issued to the Assignee or any affiliate of the Assignee covering the land the subject of the Authority to Prospect within two (2) years after the expiration of any lease or permit issued pursuant to the Authority to Prospect;
- (v) the Assignee will remain obligated to pay all of the Royalty until such time that any transferee or purchaser of the Authority to Prospect agrees to pay the Royalty and the Assignor consents to that agreement;
- (vi) pursuant to the Company Farm In Agreement under (b) above, the Company has assumed the obligation to pay the Royalty;
- (vii) in the event that the Assignee fails to perform any material obligations under the Authority to Prospect, it will forfeit all or part of the Authority to Prospect and shall assign to the Assignor all of the Assignee's right, title and interest into that portion of the Authority to Prospect which will be forfeited free and clear of any encumbrances at least thirty (30) days prior to the date that such forfeit shall occur;
- (viii) the Assignment and agreement is subject to the condition precedent of written approval of the Minister for Mines and Energy in Queensland, Australia being obtained;
- (ix) the remaining terms, conditions and warranties are considered standard for an agreement of this type.

Pursuant to a letter of variation dated 26 May 1990, the Assignor agreed to relinquish one percent of the Royalty if certain events occurred.

(f) Deed of Acknowledgement

On 29 September 2006, Victoria International, Victoria Oil, the Company and Dome Petroleum entered into a deed of acknowledgement which confirmed that the Company had satisfied its obligation to farm into sixty percent (60%) of PL 231 ("Deed of Acknowledgement").

The material terms of the Deed of Acknowledgement are:

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- (i) Victoria International and Victoria Oil waive their rights under clause 3.3 of the Victoria International Deed of Assignment which required the Company to transfer its interest back to Victoria International and Victoria Oil if the Company did not cause the Funding Well to be drilled;
- (ii) Victoria International and Victoria Oil acknowledge that the Company has satisfied its obligations to farm into sixty percent (60%) of PL 231;
- (iii) Victoria International and Victoria Oil acknowledge that it transferred a sixty percent (60%) interest in PL 231 to the Company in accordance with the Company Farm In Agreement;
- (iv) the Company assigned a forty percent (40%) interest in PL 231 to Dome Petroleum in accordance with the terms of the Dome Petroleum Deed of Assignment;
- (v) Dome Petroleum will provide or procure one million Australian dollars (AU\$1,000,000) of finance which will be available to the Company to be drawn down as a loan to the Company in order to fund current and future expenses of drilling the Funding Well; and
- (vi) the remaining terms, conditions and warranties are considered standard for an agreement of this type.

Dividends

No dividends were paid or proposed to be paid to members during the reporting period.

Review and results of operations

The Company did not have any business activities during the reporting period other than maintaining the continuing participation of the 20% in the Dome Reid's Tenement. The recapitalisation and DOCA was effectuated on 2 July 2008 and the Deed Administrator and directors resigned and new directors appointed on this date. An amount of \$1,520,032 was paid to the Deed Administrator to pay all creditors pursuant to the DOCA and the Deed Administrator's fees and expenses. The operating loss for the reporting period for the Company was \$167,002. The loss included the additional expenses of \$154,645 arising from the recapitalisation and DOCA operations.

Matters Subsequent to the End of the reporting period

The Company was relisted and the shares were requoted on the Australian Securities Exchange on 7 July 2008. The Company has been assigned the right, and has exercised the right on the 25 July 2008 to acquire 100% of the issued capital of Torbanite One Pty Ltd, which is the owner of all the issued capital of New Order Investments 141 Pty Ltd ("New Order"), a company incorporated in South Africa. New Order has entered into a JV Agreement for the acquisition of a 30% equity interest into the prospecting rights held by Vuselela Mining Pty Ltd ("Vuselela") on the Loopleegte 302 LQ coal project ("Loopleegte") in the Waterberg coal fields.

Highlights of the Loopleegte Project:

- Exploration target of between 120-240 MT of coal.
- Acquisition consideration of:
 - 98.5 million shares (subject to shareholders' approval);
 - Payment of AUD150,000 reimbursement of vendor expenses;
 - Maverick to fund AUD550,000 in exploration over 18 months.
- Maverick will have the right to earn up to a 74% interest in Loopleegte upon payment of either AUD34cents/tonne or the issue of Maverick shares calculated at AUD48cents of mineable coal based on up to 44% of the mineable coal.
- The transaction is subject to approval by Maverick shareholders at a general meeting to be held on 14 October 2008.

DIRECTORS' REPORT
2 July 2008

Information on Directors

Richard Wolanski (Executive Chairman)

Experience and Expertise

Mr Wolanski has extensive professional experience in both Australia and international finance industries. He has provided corporate, strategic and financial advisory assistance to public companies in Australia, Singapore and the United Kingdom.

Other Current Directorships

Executive Director of Niplats Australia Limited

Former Executive Directorships in the Last Three Years

Nil

Interests in Shares and Options

7,444,487 ordinary shares in Maverick Drilling International Limited.

Peter Pawlowitsch (Executive Director)

Experience and Expertise

Mr Pawlowitsch has a Bachelor of Commerce from the University of Western Australia and is a CPA. He also holds a Master of Business Administration from Curtin University. Mr Pawlowitsch has over 10 years experience in accounting business management and evaluating business and projects.

Other Current Directorships

Nil

Former Executive Directorships in the Last Three Years

Comdek Limited (29 November 2006 to 14 July 2008)

Interests in Shares and Options

4,000,000 ordinary shares in Maverick Drilling International Limited.

Peter Christie (Non-Executive Director)

Experience and Expertise

Mr Christie graduated from Curtin University with a Bachelor of Business in 1983 and is a qualified Accountant and Tax Agent. He has 17 years of public accounting experience and has developed extensive hospitality and property development interests.

Other Current Directorships

Director of Carnavale Resources Limited

Former Executive Directorships in the Last Three Years

Comdek Limited (29 November 2006 to 01 October 2007)

Interests in Shares and Options

5,233,332 ordinary shares in Maverick Drilling International Limited.

Company Secretary

The Company secretary is Mark Clements. Mr Clements was appointed to the position of Company Secretary in May 2008. Mr Clements holds a Bachelor of Commerce degree from the University of Western Australia and is a Fellow of the Institute of Chartered Accountants. Mr Clements has over 13 years management, corporate administration, finance and accounting experience working for a number of listed and unlisted public companies for which he has held the role of Company Secretary for over 10 years. Mr Clements has previously worked for an international accounting firm.

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Likely Developments and expected results of operations

There were no likely developments in the operations of the Company that were not finalised at the date of this report. Further information on likely developments in the operations of the Company and the expected results of operations have not been included in the financial report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental legislation

The Company complies with all environmental legislation in all jurisdictions it operates in.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors and officers for any breach of laws and regulations arising from their role as directors and officers. The agreement provides for the Company to pay an amount not exceeding \$5,000,000. The total amount of premium payable is \$16,940.

Meetings of Directors

The number of meetings of the Company's board of directors held during the reporting period ended 2 July 2008, and the number of meetings attended by each director were:

Name of Director	Number of Meetings - A	Number of Meetings – B
Richard Wolanski	-	-
Peter Pawlowitsch	-	-
Peter Christie	-	-
Donald Schofield	-	-
Eric Espiritu	-	-

A = Number of meetings attended

B = Number of meetings held during the time the director held office during the year

Remuneration Report

The remuneration report is set out under the following headings:

- (1) Principles used to determine the nature and amount of remuneration;
- (2) Details of remuneration;
- (3) Service agreements;
- (4) Share-based compensation; and
- (5) Additional information.

The information provided above (1-4) includes remuneration disclosures that are required under Accounting Standard AASB 124, *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited. The disclosures in section 5 are additional disclosures required by the *Corporations Act 2001* and the *Corporations Regulations 2001* which have not been audited.

1 Principles used to determine the nature and amount of remuneration (audited)

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- (i) competitiveness and reasonableness;
- (ii) acceptability to shareholders;
- (iii) performance linkage / alignment of executive compensation;
- (iv) transparency; and
- (v) capital management.

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The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- (i) focuses on sustained growth in shareholder wealth; and
- (ii) attracts and retains high calibre executives.

Alignment to program participants' interests:

- (i) rewards capability and experience; and
- (ii) provides a clear structure for earning rewards.

Executive directors

Fees and payments to executive directors reflect the demands which are made on, and the responsibilities of, the directors. Executive directors' fees and payments are reviewed annually by the Board. The Board also ensures that executive directors' fees and payments are appropriate and in line with the market. Executive directors do not receive security based payments as part of their compensation package.

Retirement allowances and benefits for directors

There are no retirement allowances or other benefits paid to directors.

Directors' fees

The amount of remuneration of the directors of the Company (as defined in AASB 124 *[Related Party Disclosures]*) is set out in the following table. During the reporting period there were no executives other than the directors. There was no remuneration of any type, to the directors, other than as reported below for the provision of management services.

2 Details of Remuneration (audited)

2008	Fees paid to director or related entity \$	Fees Prior to becoming a Director \$	Super - annuation \$	Security based payment \$	Total \$
Name of directors					
Richard Wolanski	-	-	-	-	-
Peter Pawlowitsch	-	-	-	-	-
Peter Christie	-	-	-	-	-
Donald Schofield	-	-	-	-	-
Eric Espiritu	-	-	-	-	-
Totals	-	-	-	-	-

Comparatives for directors' remuneration, for the reporting period 2 July 2008, have not been prepared as the Company was subject to the DOCA during the period. ASIC granted the Company reporting relief under Section 340(1) of the Corporations Act from its financial reporting obligations in Section 302 of the Corporations Act for the financial year ended 30 June 2007.

3 Service Agreements (audited)

There are no service agreements with directors. As at the date of this report there are no executives or management personnel, other than the directors, engaged by the Company. Executive directors serve on a month to month basis and there are no termination payments payable.

4 Additional Information (unaudited)

There was no share-based or option-based compensation paid to executive directors during the financial year.

Proceedings on Behalf of the Company

No person has applied to the court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the

DIRECTORS' REPORT
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Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under Section 237 of the *Corporations Act 2001*.

Non-Audit Services

The following non-audit services were provided by an associated entity of the auditors prior to their appointment as auditors of the Company:

Provision of Independent Experts Report - \$17,000

The directors are of the opinion and are satisfied that the provision of these audit services is compatible with the general standard of independence for auditors required by the *Corporations Act*.

The directors are of the opinion that the services do not compromise the auditors' independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 issued by the Accounting Professional & Ethical Standards Board.

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *corporations Act 2001* is set out on page 16 of the annual report and forms part of this directors' report.

Auditor

HLB Mann Judd were the appointed auditors of the Company on 10 September 2008 and remain in office in accordance with Section 327 of the *Corporations Act 2001*.

Reporting relief

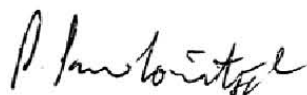
During the course of the voluntary administration / deed of company arrangement, ASIC granted the Company the following reporting relief:

1. an exemption under Section 340(1) of the *Corporations Act* from its financial reporting obligations in Section 302 of the *Corporations Act* for the financial years ended 30 June 2007 and 30 June 2006.

Audited financial statements have not been prepared since the 30 June 2005 annual report. Accordingly, the comparative financial information provided for the financial year ended 30 June 2007 has not been audited.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



Peter Pawlowitsch
Director
Perth
30 September 2008



Accountants | Business and Financial Advisers


Auditor's Independence Declaration

As lead auditor for the audit of the financial report of Maverick Drilling International Limited for the period ended 2 July 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Maverick Drilling International Limited.


Perth, Western Australia
30 September 2008



N G NEILL
Partner, HLB Mann Judd

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Corporate Governance Statement

Maverick Drilling International Limited (the "Company") and the board are committed to achieving and demonstrating the highest standards of corporate governance. A review of the Company's corporate governance framework was completed in July 2008 in light of the best practice recommendations released by the Australian Stock Exchange Corporate Governance Council in March 2003 and the reconstruction of the Company that was undertaken during the reporting period ended 2 July 2008. The board continues to review the framework and practices to ensure they meet the interests of shareholders. Where the Company has not adhered to the policies set out in its board charter for corporate governance it has stated that fact in the annual report.

The directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the board. These are reviewed on an annual basis. A description of the Company's main corporate governance practices are set out below. All these practices, unless otherwise stated, were put in place subsequent to the reconstruction of the Company.

The board of directors

The board operates in accordance with the broad principles set out in its charter which is available on the Company's website. The charter details the board's composition and responsibilities.

Board composition

Consistent with the size of the Company and its activities, the board is comprised of three (3) directors, two (2) of whom are executive directors. The board's policy is that the majority of directors shall be independent, non-executive directors. The composition of the board does not currently conform to its policy due to the reconstruction of the Company undertaken during the reporting period. It is the board's intention to comply with its policy at a time when the size of the Company and its activities warrants such a structure.

Details of the members of the board, their experience, expertise, qualifications, term of office and status are set out in the directors' report under the "information on directors".

Responsibilities

The responsibilities of the board include:

- (i) providing strategic guidance to the Company including contributing to the development of and approving the corporate strategy;
- (ii) reviewing and approving business plans and financial plans including available resources and major capital expenditure initiatives;
- (iii) overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;
- (iv) compliance with the Company's code of conduct;
- (v) progressing major capital works and other significant corporate projects including any acquisitions or divestments;
- (vi) monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors;
- (vii) appointment, performance assessment and, if necessary, removal of the directors;
- (viii) ratifying the appointment and/or removal and contributing to the performance assessment for the members of the senior management team including the Chief Financial Officer and the Company secretary;
- (ix) ensuring there are effective management processes in place and approving major corporate initiatives;
- (x) enhancing and protecting the reputation of the organisation; and
- (xi) overseeing the operation of the Company's system for compliance and risk management reporting to shareholders.

Corporate Governance Statement - continued

Chairman

The Chairman is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and undertaking the responsibilities of an Executive Director as detailed above.

Commitment

The number of meetings of the Company's board of directors held during the reporting period ended 2 July 2008, and the number of meetings attended by each director is disclosed in the directors report under the headings 'Meetings of Directors'.

Conflict of interests

There were no conflicts of interest during the reporting period.

Independent professional advice

Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense.

Performance assessment

The Board undertakes an annual self assessment of its collective performance, the performance of the Chairman and of its individual directors. The Company has not complied with its assessment policy for the reporting period ended 2 July 2008 or as at the date of this report as the current directors have only been in office since 2 July 2008.

Corporate reporting

The Board has made the following certifications as to the financial report for the reporting period ended 2 July 2008:

- (i) that the Company's financial report is complete and presents a true and fair view, in all material respects, of the financial condition and operational results of the Company;
- (ii) that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board or where those policies are not adhered to that fact is stated in the annual report and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects; and
- (iii) that the Company has not complied with reporting standards with regard to financial comparatives from the previous year's annual report.

Comparatives for the financial year ended 30 June 2007, have not been audited as the Company was in administration during the period. ASIC granted the Company reporting relief being an exemption under Section 340(1) of the Corporations Act from its financial reporting obligations in Section 302 of the Corporations Act for the financial year ended 30 June 2007. However, the Company has provided unaudited 30 June 2007 comparatives in the balance sheet.

Board committees

The Board's charter calls for the establishment of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. As at the date of this report no committees have been established as the structure of the Board, the size of the Company and the scale of its activities allows all directors to participate fully in all decision making. When the circumstances require it the following committees will be instituted: audit committee, nomination committee, risk management committee and remuneration committee. Each committee has a charter that has been approved by the Board that will set the standards for the operation of the committees once established.

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Corporate Governance Statement - continued

External auditors

The Company policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. HLB Mann Judd are the external auditors of the Company.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the directors' report and in the notes to the financial statements at page 32. It is the policy of the external auditors to provide an annual declaration of their independence to the Company. The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Risk assessment and management

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives. Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Adherence to the code of conduct is required at all times and the board actively promotes a culture of quality and integrity.

The Company risk management policy and the operation of the risk management and compliance system are managed by the board which consists of the directors and chairman. Control procedures cover management accounting, financial reporting, project appraisal, compliance and other risk management issues.

Code of Conduct

The Company has developed a statement of values and a code of conduct which has been fully endorsed by the board and applies to all directors and any employees if and when they are engaged. The code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

In summary, the code requires that at all times all company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and company policies. The directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities. A copy of the code and the trading policy are included in the board charter and are available on the Company's website.

Continuous disclosure and shareholder communication

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. A summary of these policies and procedures is included in the Board charter and is available on the Company's website at www.maverickdrilling.com.au

The Company Secretary has been nominated as the person responsible for communications with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public. Only those shareholders that have elected to receive a copy of the Company's annual report will receive a copy.

INCOME STATEMENT
For the reporting period ended 2 July 2008

	Note Reference	2 July 2008 \$	Unaudited 30 June 2007 \$
Revenue from Operations	5	10,283	-
Administration expenses	7	(22,640)	-
		<hr/>	<hr/>
		(12,357)	-
Loss before income tax expense		-	-
Income tax expense		<hr/>	<hr/>
Loss from continuing operations		(12,357)	-
Loss from discontinued operations (DOCA)	6	(154,645)	(5,603,985)
Loss for the year		<hr/>	<hr/>
		(167,002)	(5,603,985)
Loss attributable to members of the parent entity		<hr/>	<hr/>
		(167,002)	(5,603,985)
Basic earnings per share (cents per share)	22	(0.0004)	(0.079)
Diluted earnings per share (cents per share)	22	(0.0004)	(0.079)

The above income statement should be read in conjunction with the accompanying notes.

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BALANCE SHEET
For the reporting period ended 2 July 2008

	Note Reference	2 July 2008 \$	Unaudited 30 June 2007 \$
Current assets			
Cash and cash equivalents	9	1,684,881	25,663
Receivables	10	47,360	172,736
Other		-	21,434
Total Current Assets		<u>1,732,241</u>	<u>219,833</u>
Non-Current Assets			
Property, Plant & equipment	11	-	92,975
Deposits & Prepayments	11	-	60,000
Money held on trust	11	-	46,931
Total Non-Current Assets		<u>-</u>	<u>199,906</u>
Total assets		<u>1,732,241</u>	<u>419,739</u>
Current Liabilities			
Trade and other payables	12	544,990	4,911,804
Non-interest bearing liabilities	12	-	1,178,120
Total Current Liabilities		<u>544,990</u>	<u>6,089,924</u>
Non Current Liabilities			
Interest-bearing liabilities	13	-	3,101,306
Total Non Current Liabilities		<u>-</u>	<u>3,101,306</u>
Total Liabilities		<u>544,990</u>	<u>9,191,230</u>
Net Assets/ (Deficiency)		<u>1,187,251</u>	<u>(8,771,491)</u>
Equity			
Contributed Equity	14	1,151,067	10,466,915
Reserves		203,186	203,186
Accumulated losses		<u>(167,002)</u>	<u>(19,441,592)</u>
Total Equity/ (Deficiency)		<u>1,187,251</u>	<u>(8,771,491)</u>

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
For the reporting period ended 2 July 2008

Parent Entity

	Issued capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance at 30 June 2007	10,466,915	(19,441,592)	203,186	(8,771,491)
Reduction of debts owing to creditors	-	7,530,461	-	7,530,461
Payment to administrators	-	(258,970)	-	(258,970)
Recapitalisation costs	-	(345,747)	-	(345,747)
Loss for period	-	(167,002)	-	(167,002)
Reduction in capital	(12,515,848)	12,515,848	-	-
Issued during period	3,200,000	-	-	3,200,000
Balance at 2 July 2008	1,151,067	(167,002)	203,186	1,187,251

Unaudited

	Issued capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance at 30 June 2006	9,466,915	(13,837,607)	203,186	(4,167,506)
Shares issued during the year	1,000,000	-	-	1,000,000
Loss for period	-	(5,603,985)	-	(5,603,985)
Balance at 30 June 2007	10,466,915	(19,441,592)	203,186	(8,771,491)

The above statement of changes in equity should be read in conjunction with the accompanying notes

CASH FLOW STATEMENT
For the reporting period ended 2 July 2008

	Note Reference	2 July 2008 \$	Unaudited 30 June 2007 \$
Cash flows from operating activities			
Payments to suppliers and employees (inc. of GST)		(8,501)	-
Cashflow from discontinued operations		-	(256,013)
Payment to settle deed of company arrangement		(1,542,565)	-
Interest received		10,284	-
Net cash outflow from operating activities	21	(1,540,782)	(256,013)
Cash flows from financing activities			
Proceeds from issue of share capital		3,200,000	-
Net cash inflow from financing activities		3,200,000	-
Net increase/ (decrease) in cash and cash equivalents		1,659,218	(256,013)
Cash and cash equivalents at beginning of the reporting period		25,663	281,676
Cash and cash equivalents at end of the reporting period		1,684,881	25,663

The above cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting period ended 2 July 2008

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to the reporting period presented, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* unless stated otherwise.

Adoption of new and revised standards

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the period ended 2 July 2008. As a result of this review, the directors have determined that there is no impact, material or otherwise, on its business and therefore no change necessary to accounting policies.

Reporting Relief

During the course of the voluntary administration / deed of company arrangement, ASIC granted the Company the following reporting relief:

1. an exception under Section 340(1) of the Corporations Act from its financial reporting obligations in Section 302 of the Corporations Act for the financial year ended 30 June 2006 and 30 June 2007;

Audited financial statements have not been prepared since the 30 June 2005 annual report.

It is recommended that this financial report be read in conjunction with the any public announcements made by the Company during the period in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to AIFRS. Compliance with AIFRS ensures that the financial statements and notes of the Company comply with IFRS.

Financial statements of the Company up until the appointment of external administrators had been prepared in accordance with previous Australian Generally Accepted Accounting Principles ("AGAAP"). AGAAP differs in certain respects from AIFRS. When preparing the Company 2 July 2008 financial statements, management have used accounting and valuation methods which comply with AIFRS. Comparative figures in respect of 2007 have not been prepared due to relief granted to the Company (see above).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Where these are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, these are disclosed in note 3.

Accounting Policies

(b) Revenue

Interest revenue is recognised on a time proportional basis using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS
For the reporting period ended 2 July 2008

(c) Income Tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(e) Other Receivables

Other receivables are recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

(f) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

(g) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

(i) Earnings Per Share

Basic earnings per share ("EPS") is calculated by dividing the result attributable to equity holders of the Company by the weighted number of shares outstanding during the year.

Diluted EPS adjusts the figures used in the calculation of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed or known to have been issued in relation to dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting period ended 2 July 2008

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

2 Financial Risk Management

The Company's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Risk management is carried out by the board of directors under policies approved by the board. The board identifies and evaluates financial risks and provides written principles for overall risk management.

(a) Market Risk

Price risk

The Company is not exposed to equity securities price risk as it holds no investments in securities classified on the balance sheet either as available-for-sale or at fair value through profit or loss.

(b) Credit Risk

The Company has no significant concentrations of credit risk.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due.

(d) Cash Flow and Fair Value Interest Rate Risk

As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are not materially exposed to changes in market interest rates.

(e) Capital Management

Management controls the capital of the Company in order to maximise the return to shareholders, fund its operations and continue as a going concern. Management effectively manages the Company's capital by assessing the financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include management of expenditure and debt levels (if appropriate) and capital issues.

3 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. No critical accounting estimates and / or assumptions have been made during the preparation of the financial report.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting period ended 2 July 2008

4 Segment Information

Business Segment

The Company operates in the mining industry.

Geographical Segment

The Company is domiciled in Australia and currently operates within Australia.

5 Revenue

	2008	Unaudited 2007
<i>Other revenue</i>	\$	\$
Interest earned	10,283	-
	<u>10,283</u>	<u>-</u>

6 Discontinued Operations

Loss arising from DOCA	(154,645)	(5,603,985)
Net loss pursuant to a deed of company arrangement	<u>(154,645)</u>	<u>(5,603,985)</u>

At a meeting of creditors held on 8 June 2007, the creditors agreed with the terms of the DOCA and the DOCA was executed on 27 June 2007. The Company entered into the varied DOCA on 19 December 2007.

At a meeting of shareholders on 9 May 2008, shareholders approved the following:

- (a) **Consolidation of Capital:** Consolidation of the existing issued capital of the Company on a 1 for 3 basis.
- (b) **Reduction of Capital:** The capital of the Company be reduced by applying an amount of approximately \$12,515,848 being a portion of the accumulated losses of the Company against the share capital which is considered permanently lost.
- (c) **Issue of New Shares to Trident Capital Pty Ltd ("Trident") or its nominees:** The issue of 120,000,000 New Shares (in consideration of Trident paying \$600,000 to the Administrators).
- (d) **Prospectus Issue:** The issue of up to 260,000,000 fully paid ordinary shares in the Company at a price of not less than 1 cent each under a prospectus to raise not less than \$2,600,000. Upon receipt of the prospectus funds and allotment of the New Shares, \$1,500,000 is to be paid by the Company to the Administrators for payment by them into the Trust Fund for the benefit of the Admitted Creditors.
- (e) **Board Changes:** The board of Directors of the Company change on and from the date on which the DOCA is terminated at which time the Proposed Directors being Richard Wolanski, Peter Pawlowitsch and Peter Christie will be appointed and all Existing Directors resign.

7 (a) Expenses

Corporate compliance costs	22,511	-
Other	129	-
Total Expenses	<u>22,640</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
For the reporting period ended 2 July 2008

8 Income Tax Expense	2008	Unaudited 2007
(a) Income Tax Expense	\$	\$
Current tax	-	-
Deferred tax	-	-
Under (over) provided in prior years	-	-
	<hr/>	<hr/>
Income tax expense is attributable to:		
Loss from continuing operations	-	-
Aggregate income tax expense	-	-
Deferred income tax (revenue) expense included in income tax expense comprises:		
Decrease (increase) in deferred tax assets	-	-
(Decrease) increase in deferred tax liabilities	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>
(b) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Loss from continuing operations before income tax expense	(12,357)	-
Loss from discontinued operations before income tax expense	(154,645)	-
	<hr/>	<hr/>
Tax at the Australian tax rate of 30%	(50,101)	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Loss pursuant to DOCA	46,394	-
Tax losses not recognized	3,707	-
Income tax income	<hr/>	<hr/>
	<hr/>	<hr/>
(c) Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised	-	-
Potential tax benefit at 30%	-	-
All unused tax losses were incurred by Australian entities.		

9 Current Assets – Cash and Cash Equivalents

Cash at bank and in hand	1,684,881	25,663
	<hr/>	<hr/>
	1,684,881	25,663

These accounts for cash at bank are interest bearing with a floating interest rate of 7.1% except for the cash in the cheque accounts which are non-interest bearing.

10 Current Assets – Trade and Other Receivables

Receivables	-	88,738
GST refund	47,360	83,998
	<hr/>	<hr/>
	47,360	172,736

The current receivables as at 30 June 2007 were not taken over as part of the DOCA/Recapitalisation Proposal.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting period ended 2 July 2008

11 Non - Current Assets

	2008	Unaudited 2007
	\$	\$
Plant & Equipment	-	92,975
Security deposit	-	60,000
Money held in Trust	-	46,931
	<u>-</u>	<u>199,906</u>

Non-current assets were not taken over as part of the DOCA/ Recapitalisation Proposal.

12 Current Liabilities – Trade and Other Payables

Trade Creditors	544,990	4,911,804
Other payables	-	1,178,120
	<u>544,990</u>	<u>6,089,924</u>

The current liabilities as at 30 June 2007 were unsecured and were extinguished as part of the DOCA/ Recapitalisation Proposal.

13 Current Liabilities – Secured Interest Bearing

Interest bearing liabilities	-	3,101,306
	<u>-</u>	<u>3,101,306</u>

These liabilities comprise the secured debt owing the Bank of Queensland and were extinguished as part of the Recapitalisation Proposal.

14 Contributed Equity

(a) Share Capital

	2008	2008
	Shares	\$
Ordinary shares fully paid	396,393,620	1,151,067

(b) Other Equity Securities

	2008	2008
	Options	\$
Options exercisable at 1 cent expiring 31 December 2010	65,000,000	-
Options exercisable at \$1.35 expiring 06 January 2009	222,222	-
	<u>65,222,222</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
For the reporting period ended 2 July 2008

(c) Movement in Ordinary Share Capital

Date	Details	Note	Number of shares	Amount \$
30/06/07	Opening Balance		49,182,062	10,466,915
09/05/08	Consolidation of capital on the basis of 1:3		16,393,620	10,466,915
	Capital Raising - Proponent	(i)	120,000,000	600,000
	Capital Raising - Public	(i)	260,000,000	2,600,000
	Reduction in Capital		-	(12,515,848)
02/07/08	Balance		396,393,620	1,151,067

Note (i)

The purpose of the issue of shares pursuant to the prospectus dated May 2008 was to:

- 1 fund the review, evaluation and development of the Reid's Dome Tenement;
- 2 provide funds for the review and evaluation of new projects;
- 3 payment to Deed Administrator pursuant to DOCA and payment to Bank of Queensland and Unsecured Trust Fund pursuant to the DOCA; and
- 4 General working capital, including expenses associated with the Recapitalisation Proposal.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Movement in Options

Date	Details	Number of options	Issue price	Amount \$
30/06/07	Options - exercise \$0.45	666,667	-	-
09/05/08	Consolidation on basis of 1:3	(666,667)	-	-
30/06/07	Options - exercise \$1.35	222,222	-	-
09/05/08	New Options – exercise \$0.01	65,000,000	-	-
02/07/08	Balance	65,222,222		

The terms of the options issued on 9 May 2008 are as follows:

- 1 each option entitles the holder, when exercised, to one (1) share;
- 2 the options are exercisable at any time on or before 31 December 2010;
- 3 the exercise price of the options is 1 cent each;
- 4 subject to the *Corporations Act 2001*, the Constitution and the ASX Listing Rules, the options are fully transferable;
- 5 the options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the option holder to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the options held does not affect the holder's right to exercise the balance of any options remaining;
- 6 all shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued shares. The Company does not intend to seek quotation of the options;
- 7 there are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of options to shareholders during the currency of the options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, option holders will be notified of the proposed issue at least seven (7) business days before the record date of any proposed issue. This will give option holders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue;
- 8 in the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the options, all rights of the option holder will be varied in accordance with the ASX Listing Rules; and
- 9 in the event the Company makes a pro rata issue of securities, the exercise price of the options will change in accordance with the formula set out in ASX Listing Rule 6.22.2.

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NOTES TO THE FINANCIAL STATEMENTS
For the reporting period ended 2 July 2008

15 Dividends

There were no dividends recommended or paid during the financial year.

16 Key Management Personnel Disclosures

(a) Directors

The following persons were directors of Maverick Drilling International Limited as at 2 July 2008:

(i) Directors

Richard Wolanski (from 2 July 2008 and continues in office at the date of this report)

Peter Pawlowitsch (from 2 July 2008 and continues in office at the date of this report)

Peter Christie (from 2 July 2008 and continues in office at the date of this report)

2008	Fees paid to director or related entity	Fees Prior to becoming a Director	Super - annuation	Security based payment	Total
Name of directors	\$	\$	\$	\$	\$
Richard Wolanski	-	-	-	-	-
Peter Pawlowitsch	-	-	-	-	-
Peter Christie	-	-	-	-	-
Totals	-	-	-	-	-

(b) Equity Instrument Disclosures Relating to Key Management Personnel

(i) Option holdings

The numbers of options over ordinary shares in the Company held as at 2 July 2008 by each director of Maverick Drilling International Limited, including their personally related parties, are set out below:

2008	Balance at the start of the period	Granted during the period	Exercised during the period	Balance at the end of the period	Vested and exercisable at the end of the period
Name of directors					
Richard Wolanski	-	-	-	-	-
Peter Pawlowitsch	-	-	-	-	-
Peter Christie	-	-	-	-	-
	-	-	-	-	-

There were no options granted during the reporting period as compensation.

(ii) Share holdings

The numbers of shares in the Company held as at 2 July 2008 by each director of Maverick Drilling International Limited, including their personally related parties, are set out below:

2008	Balance at the start of the period	Received during the period on the exercise of options	Other changes during the period	Balance at the end of the reporting period
Name of directors				
Richard Wolanski	-	-	4,000,000	4,000,000
Peter Pawlowitsch	-	-	4,000,000	4,000,000
Peter Christie	-	-	4,000,000	4,000,000
	-	-	12,000,000	12,000,000

There were no shares granted during the reporting period as compensation.

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NOTES TO THE FINANCIAL STATEMENTS
For the reporting period ended 2 July 2008

(d) Other Transactions with Key Management Personnel

None.

17 Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company: **2008**
\$

Audit Services –

Audit of financial report and other audit work under the <i>Corporations Act 2001</i>	5,000
Total remuneration for audit services	5,000

It is the Company's policy to employ the auditor on assignments additional to their statutory audit duties where the auditor expertise and experience with the Company are important. These assignments are principally tax advice and due diligence reporting on acquisitions. It is the Company's policy to seek competitive tenders for all major material consulting projects. During the year, the following non-audit services were provided by an associated entity of the auditors:

Provision of Independent Experts Report - \$17,000

18 Commitments

There is no capital expenditure contracted for at the reporting date that has not been recognised as a liability. However, the Company is committed to continue to support its 20% interest in the Reid's Dome Tenement. It is anticipated there is an estimated \$80,000 survey cost for calendar year 2009.

19 Related Party Transactions

(a) Key Management Personnel

Disclosures relating to key management personnel are set out in note 16 and the detailed remuneration disclosures to the directors' report.

(b) Outstanding Balances Arising from Sales / Purchases of Goods and Services

There were no outstanding balances at the reporting date in relation to transactions with related parties.

20 Events Occurring After the Balance Sheet Date

The Company was relisted and the shares were requoted on the Australian Securities Exchange on 7 July 2008. The Company has been assigned the right, and has exercised the right on the 25 July 2008, to acquire 100% of the issued capital of Torbanite One Pty Ltd, which is the owner of all the issued capital of New Order Investments 141 Pty Ltd ("New Order"), a company incorporated in South Africa. New Order has entered into a JV Agreement for the acquisition of a 30% equity interest into the prospecting rights held by Vuselela Mining Pty Ltd ("Vuselela") on the Loopleegte 302 coal project ("Loopleegte") in the Waterberg coal fields.

Highlights of the Loopleegte Project:

- Exploration target of between 120-240 MT of coal.
- Acquisition consideration of:
 - 98.5 million shares (subject to shareholders' approval);
 - Payment of AUD150,000 reimbursement of vendor expenses;
 - Maverick to fund AUD550,000 in exploration over 18 months.
- Maverick will have the right to earn up to a 74% interest in Loopleegte upon payment of either AUD34cents/tonne or the issue of Maverick shares calculated at AUD48cents of mineable coal based on up to 44% of the mineable coal.
- The transaction is subject to approval by Maverick shareholders at a general meeting to be held on 14 October 2008.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting period ended 2 July 2008

21 Reconciliation of Loss After Income Tax to Net Cash Outflow from Operating Activities

	2008	Unaudited 2007
	\$	\$
Loss for the year	(167,002)	-
Write-downs of assets and liabilities as per Recapitalisation Proposal	(781,430)	(256,013)
Changes in operating assets and liabilities:		
Increase in trade and other payables	(544,990)	-
Increase in accounts receivable & prepayments	(47,360)	-
Net cash outflow from operating activities	<u>(1,540,782)</u>	<u>(256,013)</u>

22 Earnings Per Share

(a) Basic Earnings Per Share

	2008 Cents
Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.0004)
Loss from discontinued operations	(0.05)
	<u>(0.05)</u>

(b) Diluted Earnings Per Share

The company made a loss for the financial reporting period ended 2 July 2008, the options on issue have no dilutive effect, therefore dilutive earnings per share is equal to basic earnings per share.

(c) Weighted Average Number of Shares Used as the Denominator

	2008 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	396,393,620
Adjustments for calculation of diluted earnings per share – Options	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>396,393,620</u>

(d) Information Concerning the Classification of Securities

Options

Options are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.

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DIRECTORS' DECLARATION
For the Reporting period ended 2 July 2008

In the directors' opinion,

- 1 the financial statements and notes set out on pages 20 to 33 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with accounting standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Company's financial position as at 2 July 2008 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date; and
- 2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- 3 the audited remuneration disclosures set out on pages 13 to 14 of the directors' report comply with accounting standards AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001*, however, they do not comply with reporting standards with regard to financial comparatives from the previous year's annual report.

The directors' acting in the capacity of Chief Executive Officer and Chief Financial Officer have given the declarations required by section 295(A) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Peter Pawlowitsch
Director

Perth
30 September 2008



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Maverick Drilling International Limited

Report on the Financial Report

We have audited the accompanying financial report of Maverick Drilling International Limited, which comprises the balance sheet as at 2 July 2008, and the income statement, statement of changes in equity and cash flow statement for the period ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility


Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Basis for Qualified Auditor's Opinion

Administrators were appointed to the Company on 20 December 2006 and the Company remained in Administration until 2 July 2008. Additionally no audited financial statements were prepared for the year ended 30 June 2007.

As the accounting records maintained during the period in which the Company was under Administration were not adequate to permit the application of necessary audit procedures we were unable to obtain all the information and explanations we require in order to form an opinion on the financial report for the previous financial year and on the performance of the Company for the current year.

Qualified Auditor's Opinion

In our opinion, because of the existence of the limitation on the scope of our audit as described in the preceding paragraph, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to and do not express an opinion as to whether:

- i) the comparative financial information (being the financial position of the Company as at 30 June 2007 and the results and cash flows for the year then ended); and
- ii) the results and cash flows for the period ended 2 July 2008

are in accordance with the Corporations Act 2001 or complied with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

In our opinion, the Balance sheet gives a true and fair view of the financial position of Maverick Drilling International Limited as at 2 July 2008 in accordance with applicable Accounting Standards and other mandatory professional reporting requirements

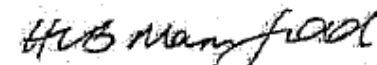
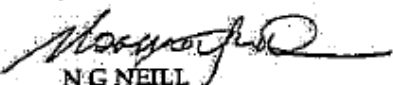
Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 14 of the directors' report for the period ended 2 July 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Qualified Auditor's Opinion

In our opinion, because of the existence of the limitation on the scope of our audit as described in the preceding paragraph, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to and do not express an opinion as to whether the Remuneration Report of Maverick Drilling International Limited for the period ended 2 July 2008 complies with section 300A of the Corporations Act 2001.

Perth, Western Australia
30 September 2008


HLB MANN JUDD
Chartered Accountants

N.G. NEILL
Partner

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ASX Additional Information

Additional Information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The shareholder information was applicable as at 16 September 2008.

(a) Substantial Shareholders

There were two substantial shareholders:

Darina Enterprise PL	12.61%
MSF Nominees PL	12.61%

(b) Voting Rights

Ordinary Shares

On a show of hands every member present at a meeting of shall have one vote and upon a poll each share shall have one vote.

Options

There are no voting rights attached to the options

(c) Distribution of Equity Security Holders

Category	Ordinary Fully Paid Shares	% Issued Capital
1 – 1,000	112	0.02
1,001 – 5,000	378	0.25
5,001 – 10,000	185	0.31
10,001 – 100,000	425	3.67
100,001 and over	224	95.75
Total	1,324	100.00

There were 839 holders of less than a marketable parcel of ordinary shares.

(d) Equity Security Holders

Unquoted equity securities

	Number on Issue	Number of Holders
Options – exercisable at 1 cent	65,000,000	12
Options exercisable at \$1.35	222,222	1

Twenty largest quoted equity security holders

The names of the thirty largest holders of quoted equity securities are listed below:

Name	Number Held	Percentage of issued shares
Darina Enterprise PL	50,000,000	12.61%
MSF Nominees PL	50,000,000	12.61%
Briant Nominees PL	16,992,000	4.29%
Riverview PL	15,365,625	3.88%
Parker Andrew	10,362,500	2.61%
Reeve Ventures PL	10,000,000	2.52%
Greatcity PL	10,000,000	2.52%
Peterson Jason & Lisa	10,000,000	2.52%
Sierakowski Adam	9,862,500	2.49%
Milwal PL	8,862,500	2.24%
Ramaite Robinson	8,666,700	2.19%
Cordier Christian	8,666,700	2.19%
Upcity Inv PL	8,000,000	2.02%
Street WBBFA1F	7,916,600	2.00%
Wolanski Richard	7,194,487	1.81%
Pentin PL	5,000,000	1.26%
Taskunas Simon Robert	5,000,000	1.26%
Bill Brooks PL	4,900,000	1.24%
RMBD PL	4,725,000	1.22%
Waterbeach Inv PL	4,683,332	1.18%
Haven Super PL	4,000,000	1.01%
Teloar PL	4,000,000	1.01%
Fortis Clearing Nominees PL	3,812,123	0.96%
Della Bosca, John	3,000,000	0.76%
Celery PL	2,900,000	0.73%
Freer, Peter James	2,739,061	0.69%
Cadex Petroleum PL	2,500,000	0.63%
Dome Petroleum Res PLC	2,138,333	0.54%
Lenoir Cap PL	2,110,000	0.53%
Grimala PL	2,000,000	0.50%
Total	285,647,461	72.06%

JORC Statements

In respect of the exploration targets stated in this annual report, Maverick notes the following;

- 1 In accordance with section 18 of the JORC Code, Maverick states that the potential quantity and grade of the targeted tonnes of coal is conceptual in nature. There has been insufficient verification of any exploration to define any type of mineral resources under the JORC Code. It is uncertain if further exploration will result in the determination of a mineral resource.
- 2 The Board of Maverick has considered the information available to it in respect of Loopleegte and states that it does not consider it appropriate to state the existence of any mineral resource or any ore reserve. The information contained in this announcement is merely an exploration target which the Board believes may be achievable given the information available to it. In stating a target range, the Board have based the quantity of such target on the following factors:
 - (a) the area of Loopleegte (being 1,281 hectares);
 - (b) the exploration target was calculated using an average 1.9 RD (grams per cubic centimetre);
 - (c) the underlying rock type belongs to the Karoo System and is normally coal bearing. Holes drilled on the neighbouring properties to the east of Loopleegte have an average width of 34 metres of the Upper Eccla coal zone;
 - (d) the geology of surrounding region suggests that there is a possibility that coal from the Upper Eccla and Middle Eccla coal zones could extend throughout Loopleegte; and
 - (e) that the exploration target range stated in this announcement is based upon a conservative average of an Upper Eccla coal zone intersection of between 5 and 10 metres in width on Loopleegte.
- 3 The Board further states that the potential quantities and grades contained in this annual report are conceptual in nature and that quantities or grades contained in surrounding properties are not necessarily reflective of quantities or grades that may or may not be present on Loopleegte. The Board further state that no exploration has occurred and it is uncertain whether any such future exploration will result in any economic quantities or grades of coal being discovered.

Competent Person: Information in this annual report that relates to exploration results, coal resources is based on information compiled by Mr. Dawie Van Wyk who is a consultant to Maverick and is a (ROPO) Recognised Overseas Professional Organisation. Mr Van Wyk is registered with the South African Council for Natural Scientific Professions which is recognized in a reciprocity agreement with the AusIMM and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Van Wyk consents to the inclusion in this annual report of information from his report to Vuselela dated June 2008.

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