



ACCLAIM EXPLORATION N.L.

ABN 99 009 076 233

Quarterly Activities Report For the Quarter Ended 31 December 2008

Denny Dalton Project

As previously reported, the company has been having ongoing discussion with the Department of Minerals and Energy (DME) for the granting of license applications lodged on the farms to the east of the initial drilling program. The company has engaged solicitors in South Africa in an attempt to finalise the grant of licenses. Once these licenses have been authorised it is the company's intention to expand the drilling campaign on these adjoining properties. At the date of this report the DME has not provided the company solicitors with a likely date for a decision on these licences.

The company is in ongoing discussion with potential joint venture partners on the Denny Dalton Project. As a result, the company has deferred a proposed RC drilling program in and around the old mine site (in close spacing to the previous holes reported to the market) pending an outcome of these discussions.

Farm-in - Oil and Gas Prospects

Following shareholder approval on 27 November 2008, the company is working toward finalisation of the acquisition of Benelux Developments Limited ("Benelux"). Benelux has acquired or has the right to acquire certain leasehold estate and working interests and attributable net revenue interests in various oil and gas prospects as more particularly described below.

Maria Prospect

The right to earn up to a 25% leasehold estate and working interest in and to oil, gas and mineral leases covering lands situated in the Maria Prospect in Dewitt and Goliad Counties, Texas, USA. By participating in the cost of drilling an initial test well, the Esenjay Operating, Inc – Wood Gas Unit No. 1 Well, Acclaim will acquire the leasehold interest, and have the option to participate in the acquisition of additional leasehold interests within an area of mutual interest.

The initial test well was completed during the previous quarter, with the bottom log showing only small amounts of gas. The operator First Strike Energy (Esenjay) is assessing the way forward on this well having conducted further tests on oil sand encountered at 7,800'.

Gemini Prospect

Gemini is comprised of two very similar prospects in the Frio producing trend of south Texas with proposed wildcat tests of 10,000 feet each. The location is flat dry land with gas processing facilities nearby.

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The Gemini project is located in Kenedy County, Texas, just south of Baffin Bay and approximately 20 miles south of Sarita. The proposed locations of the two prospects are about 1 mile apart and part of a contiguous lease. The proposed locations are in well drained flat land and 3 miles from a major state highway.

No work has been undertaken on this prospect.

South Sprint Prospect

An undivided 25% leasehold estate and working interest in and to the lands and leases as more particularly described in the Participation Agreement – S.Sprint Prospect dated June 25, 2007 (as to all lands and depths currently covered thereby) and all wells, platforms and facilities located thereon, located in the waters of the Gulf of Mexico in Kleberg County, Texas, USA.

The leasehold estate and working interest covers a 25% interest in a production well on the South Sprint Prospect and participation in exploration wells in the prospect area.

South Sprint is a deeper pay prospect seeking Cib haz and Marg tex productive zones at South Sprint Field, beneath the existing Marg Frio pay zone. The field is a large upthrown three way fault closure. It has produced over 69 BCF from the Marg Frio and has only been tested in the deeper Cib haz and Marg tex by an off structure Pan American Petroleum Corp well that proved good sands and sealing shales exist in the area. It did not find pay in the deeper zones (although it did show cycle skipping in the Cib haz on a sonic log – often an indicator of gas).

No further work has been undertaken on this prospect.

Corporate

At the annual general meeting of shareholders held on 27 November 2008 shareholders approved the acquisition all of the issued share capital of Benelux Developments Limited, inclusive of all rights, title and interest in or to the Leases as described under the heading Farm-in-Oil and Gas Prospects; or at the sole discretion of Acclaim, direct interest in the Leases by way of assignment or such other means as shall deliver good title. In the event that Acclaim is not satisfied with the terms of contractual documents evidencing the respective leasehold and working interests of one or more of the prospects, it may by mutual agreement with the Vendors enter into a farm-in agreement over an alternative prospect in substitution thereof. The company is working toward finalisation of the acquisition of Benelux.

Craig Willis
Director
Acclaim Exploration