



Cervantes Corporation Limited

ACN 097 982 235

Release to Market

5 November 2008

Activities Report

The Board of Cervantes Corporation Ltd ("Cervantes") (ASX:CVS) advises that the various projects under consideration are progressing and provide this update on each is as follows.

Some time ago we assessed a Gold Project in Kyrgyzstan and whilst the project itself was a good exploration target, Russia began flexing its muscles in Georgia, increasing the sovereign risk in the area for the time being. The gold price plummeted and the A\$/US\$ was sharply down substantially increasing the cost and risk of the project at the time and we elected not to proceed with the project for the time being, this does not preclude us from assessing projects in that area in the future.

The Texas Oil (Maverick Basin) Project showed considerable potential and whilst we have not yet received the final report from our consultants, we have indicated to the partners that there are various aspects of the agreement that would prevent us from proceeding at the moment. The limited depth for us to pursue known producing structures within the agreement and royalties in excess of the previously known royalties in the area were two of the concerns. The reversal of the A\$/US\$ from 98c to 64c added considerable extra risk and cost to the project as well. The potential partners have since advised us that they are prepared to reconsider most of our concerns and discussions are ongoing.

The Abalone Division is at this stage being discussed with our West African connections via our consultants and this is expected to be merged with that Group providing us with a potential springboard to increase our equity position if we wish, and possibly expansion into other seafood opportunities in that country. We have also renegotiated our contractual relationship with our consultant and as a result, reduced our cash monthly expenses considerably in that Division.

Cervantes Craypots (Licences) will be leased out for the upcoming season and we have some 3 offers on the table, this will add some extra income to the cash position.

The Chinese Participation has been continually delayed because of the global credit market conditions worldwide, including Asia and other factors. They and their connections continue to communicate with us, and the A\$/US\$ is in fact, in this instance, working in our favour by reducing the possible A\$ exposure to their investment by a substantial amount. We will keep the market and shareholders informed in the event of any early results.

The Company's cash reserves are being well preserved and managed and various investment activities are from time to time covering overhead expenses on an average monthly cost basis, once again preserving cash reserves.

We have been approached in relation to a number of new energy and gold projects, as well as potential oil and gas projects by our consultants, all of which are being considered together with some verbal corporate offers.

We will continue to assess projects, offers and opportunities which we believe will add value to Cervantes shares, based on market conditions, sector activity and ASX compliance requirements as well as ensuring the risk to reward ratio favours the Company and its shareholders.

CERVANTES CORPORATION LTD



Collin Vost

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