

Quarterly Report

Period ended 31 December 2015



ASX:BRU

The Directors of Buru Energy Limited (“Buru Energy”) are pleased to provide the report for the quarter ended 31 December 2015.

Highlights

The Company has had a very active and successful quarter with simultaneous exploration, testing, and production activities as highlighted below:

- New field oil discovery at Ungani Far West 1
- Oil recovery from testing of Ungani North 1
- Continued strong oil production from the Ungani Field
- Strong flow rates from Laurel Formation Tight Gas Pilot Exploration Program (TGS15) flowback
- Completion of the Yakka Munga 3D, Kurrajong 3D and Raphael 2D seismic surveys
- Commencement of regional evaluation program
- Commencement of acreage rationalisation program focusing on retention of core areas

Production and Development

Ungani Oilfield

The Ungani Oilfield continued to produce at strong daily rates. However, a shutdown to resolve trucking issues resulted in total production for the quarter being reduced to ~56,000 bbls (September 2015: ~76,000 bbls). During the quarter, two shipments totalling ~59,000 bbls were made from Wyndham Port giving joint venture sales revenue of \$2.0 million, net to Buru Energy \$1.0 million (September 2015: two shipments totalling 59,000 bbls giving joint venture sales revenue of \$3.0 million net to Buru Energy \$1.5 million). Sales revenue is recorded at the point of sale being as the crude is loaded onto the ship at Wyndham Port. The selling price therefore represents the price received at the South-east Asian refinery, less shipping, marketing and insurance costs. A total of 597,000 bbls have now been produced from the Ungani Oilfield since its discovery.

From 16 September to 16 October, production at the Ungani Oilfield was temporarily shut-in while the trucking contractor for the transport of crude oil from the field to Wyndham Port investigated a truck rollover incident on the Great Northern Highway. At the same time, the joint venture’s oil transport charter vessel underwent dry-dock repairs. Production was also curtailed for a short period after re-start with crude transport using doubles before recommencing with triple road trains. During the shut-in Ungani field staff were deployed into the Company’s other

extensive operations. The shut-in also allowed the acquisition of valuable pressure buildup data from the production wells

Following the end of the quarter, production at the Ungani Oilfield continued with the objective of meeting the next contracted sale to a South-east Asian refinery, with the lifting scheduled for 26 January. The current and forward projections of the oil price, together with encroaching wet season, has led to the decision by the joint venture to suspend production from the field after this next lifting. During this suspension period the joint venture intends to move to a more cost effective export route than the current arrangements through Wyndham.

Blina and Sundown Oilfields

The Blina and Sundown Oilfields remained shut-in during the quarter. Maintenance and well inspections were continued together with further rehabilitation operations.

Exploration and Appraisal

The 2015 exploration and appraisal program included a mixture of wildcat and near field drilling together with an extensive seismic program to define prospects for future programs. The activity during the quarter included:

- Drilling of the Victory 1 exploration well
- Drilling of the Senagi 1 exploration well
- Spudding of the Ungani Far West 1 exploration well
- Ungani North 1 well test (subsequent to the end of the quarter)
- Completion of the Yakka Munga 3D, Kurrajong 3D and Raphael 2D seismic surveys
- Laurel Formation Tight Gas Pilot Exploration Program (TGS15) flowback program

Exploration drilling

On 9 September 2015, the company spudded the Victory 1 well with Atlas Rig 2. Victory 1 is located in exploration permit EP 457, 185 kms east of Broome and 85 kms southeast of Buru Energy's producing Ungani Oilfield. The well was targeting conventional oil and gas in the Ungani Dolomite and Laurel clastic reservoirs and potentially also in Devonian aged carbonates. Buru Energy has a 37.5% equity interest in the well and in EP 457 and had a contributing interest of 41.67%.

At a depth of 1,945 metres complete lost circulation was encountered with high and erratic drilling rates similar to those encountered in the Ungani Dolomite in other wells. As planned, the drilling system was then switched to a managed pressure system but complete losses continued to the total depth of 2,600 metres where logs were attempted to be run. Logs were initially unable to be obtained deeper than approximately 2,030 metres due to hole conditions and several further attempts were made to log the lower part of the hole below the lost circulation zone with no success. The difficulties in acquiring the logs were principally due to a well developed shale section below the zone of lost circulation. During these operations, further problems with the casing were encountered. After considering the options for remedying the issue, and the associated costs, it was agreed that the most prudent course of action was to plug and abandon the well bore, meaning that a flow test of the horizon where circulation was lost was not operationally achievable. Abandonment was undertaken in accordance with all regulations and good oil field practice to ensure all formations were effectively isolated.

On 15 October 2015, the company spudded the Senagi 1 well with DDH1 Rig 31. Senagi 1 is located in exploration permit EP 458, 240 kms southeast of Broome and 144 kms southeast of Buru Energy's Ungani Oilfield. The well was targeting conventional oil and gas in the Lower Laurel (Ungani Dolomite) and Devonian aged (Nullara)

carbonates. Buru Energy has a 37.5% equity interest in the well and in EP 458 and had a contributing interest of 41.67%.

The well was drilled to a total depth of 1,045 metres. A total of 286 metres of continuous core was cut with 97% recovered. A thin interval with vugular porosity with oil shows was observed in core, however, the shows were interpreted to be residual. Valuable data was obtained which will assist with correlation of core and image logs over the very well developed vugular dolomite reservoir section. This correlation will provide more certainty in the interpretation of the dolomite reservoirs encountered in future wells. Wireline logs were acquired and the well was plugged and abandoned.

The Ungani Far West 1 appraisal well was spudded on 28 November 2015. The well is located on an all weather drilling pad approximately one kilometre off the Ungani access road within Production License L 21, 97 kms east of Broome and 3.3 kms southwest of Buru Energy's Ungani Oilfield. Ungani Far West 1 has a programmed maximum total depth of 2,600 metres. Buru Energy has a 50% equity interest in the well and a contributing interest of nil as the well is being drilled under the terms of the Ungani Development Funding agreement with Diamond Resources (Fitzroy) Pty Ltd.

Atlas Rig 2 was utilised to drill to the top of the interpreted Ungani Dolomite reservoir at 2,328 metres drill depth. Wireline logs over the drilled interval identified a five meter sandstone interval at the top of the Anderson Formation at a depth of some 1,560 meters with good permeability (~450md), from which an oil sample was recovered. Oil was subsequently recovered at surface from the well bore from this zone. Interpretation of pressure data indicates a potential oil column of at least 14 meters of which some five meters is net pay.



*Ungani FW
Anderson oil
sample*

This is a very encouraging result with the zone representing a new play type for the Ungani area and a number of additional prospects identified at this level on the existing 3D seismic.

At the conclusion of the logging and testing operations 5 inch (127mm) casing was run and cemented to 2,327 metres. Atlas Rig 2 was then rigged down and released. Specialist coring rig DDH1 Rig 31 has been contracted to conduct coring operations through the Ungani Dolomite reservoir section and has been rigged up and commenced operations.

Ungani North 1

The Ungani North 1 well was drilled in late 2012 and was interpreted to contain a significant oil column in the Ungani Dolomite section. However, on initial test production the reservoir was interpreted to be of poorer quality than the Ungani Field and testing operations recovered only interpreted drilling fluid that had been lost to the formation.

The joint venture is currently undertaking a further test of the Ungani North 1 well involving a re-perforation of the interpreted oil zone. Initial results of this operation have seen the influx of oil with a field measured gravity of 41.5 deg API. This is a very encouraging result as this is the first oil recovered from the well. Further testing operations will be undertaken once the analysis of the current data has been completed.



*Ungani North 1 oil
sample*

Seismic

Continued acquisition of seismic and aerogravity data is essential to the systematic exploration of the Canning Basin. During the quarter, the following seismic surveys were completed by Terrex Seismic on time and on budget:

- Yakka Munga 3D (203 sq kms)
- Raphael 2D (163 line kms)
- Kurrajong 3D (196 sq kms)

The surveys were completed without any material interruptions due to weather and all line clearing for the surveys was monitored by senior traditional owners. The monitoring ensured that any areas of cultural significance or environmental sensitivity were avoided. The assistance and co-operation of the traditional owners is greatly appreciated and acknowledged.

The results of all these surveys will be available early in 2016 and will allow definition of future drilling targets in a variety of play types.

Laurel Formation Tight Gas Pilot Exploration Program (TGS15)

The TGS15 program continued through the quarter with the following operations undertaken:

Valhalla North 1

- Four zones were stimulated with sand and ceramic proppants
- The zones reacted in line with predictions with good stimulation characteristics
- Early cleanup rate up the 7 inch casing from two zones, before the completion was run, recovered water, gas, and condensate with relatively stable three phase flow through the separator. Indicative calculations suggested a liquids/gas ratio of ~40 barrels per million cubic feet of gas. This is in excess of estimates made from data from existing wells and regional data
- Prior to completion of the well the shut in well head pressure was in excess of 3,100 psi, with significant frac fluid in the well, demonstrating excellent reservoir support and desirable reservoir overpressure

Asgard 1

- Seven zones were stimulated with slickwater and sand proppant
- Zones reacted generally as predicted
- Shut in well head pressure was in excess of 2,800 psi prior to commencing flowback, with significant frac fluid in the well, demonstrating excellent reservoir support and desirable reservoir overpressure

Following the end of the quarter, the Valhalla North 1 and Asgard 1 wells continued their strong production performance constantly unloading stimulation fluid and flowing hydrocarbons. Fluid recovery to date from the Valhalla North 1 and Asgard 1 wells is 73% and 35% respectively. Along with the favorable cleanup response of the wells, flowing well head pressure has been increasing with increased fluid recovery. A limited number of production tests of separate zones have been undertaken, and together with the early results of fluid and tracer monitoring, the flow characteristics of individual zones have been able to be monitored. Although stabilised rates have still not been obtained due to continued fluid recovery, individual zones have been flowing at unstabilised rates through the flare estimated to be from 0.5 million cubic feet per day (mmcf/d) to over 2.0 mmcf/d. Definitive data on liquids content has not been obtained to date, however, the rates at Valhalla North 1 are estimated to be similar to those seen in the first flowback period of some 40 barrels of liquids per million cubic feet of gas.



Valhalla North 1 cleanup flow (8 January 2016)

Due to the encroaching wet season, the Joint Venture has decided to suspend the testing operations. During the suspension period the data gathered will be analysed to plan the forward program. The joint venture is also moving forward with the commissioning of an independent resource report from DeGolyer and MacNaughton.

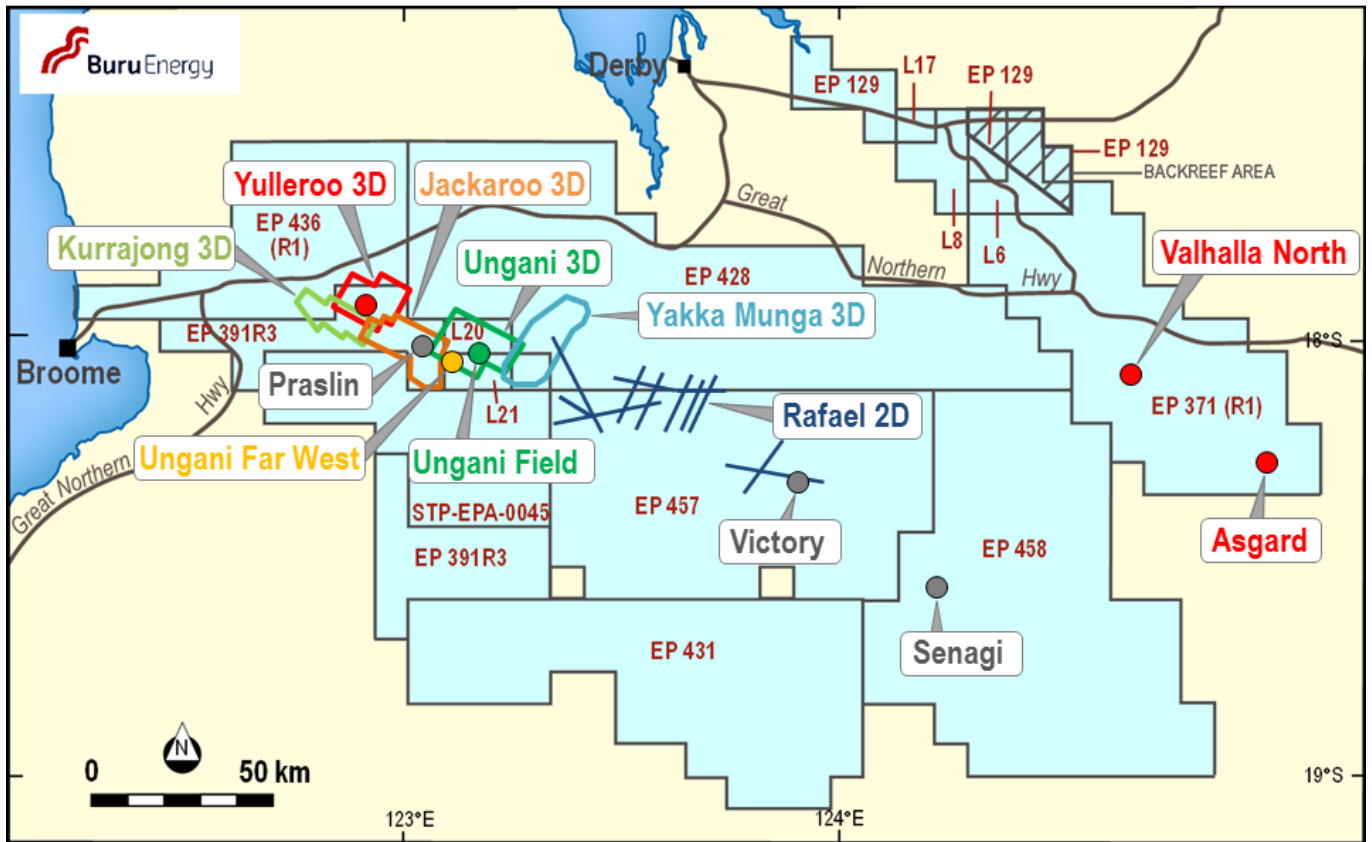
All operations have been carried out in accordance with all government and regulatory approvals and with continuous environmental, water and seismic monitoring. No effects of the operation on the environment have been observed by this monitoring program. The joint venture is especially appreciative of the assistance of the Yungngnora (Noonkanbah) people, with up to 30 Yungngnora people directly involved in the operation, including providing access control, camp assistance, and assisting the Condor frac crew with materials handling and pressure pumping operations on site.



Noonkanbah technicians on the Condor Energy pumping crew



Noonkanbah rangers sampling groundwater



Buru Energy areas of activity

Corporate

The Company has continued to ensure that its level of activity and cost base is reflective of the current oil price and wider economic conditions. This has included reductions in staff numbers, reductions in operating activity and costs, and concentration on core areas of activity.

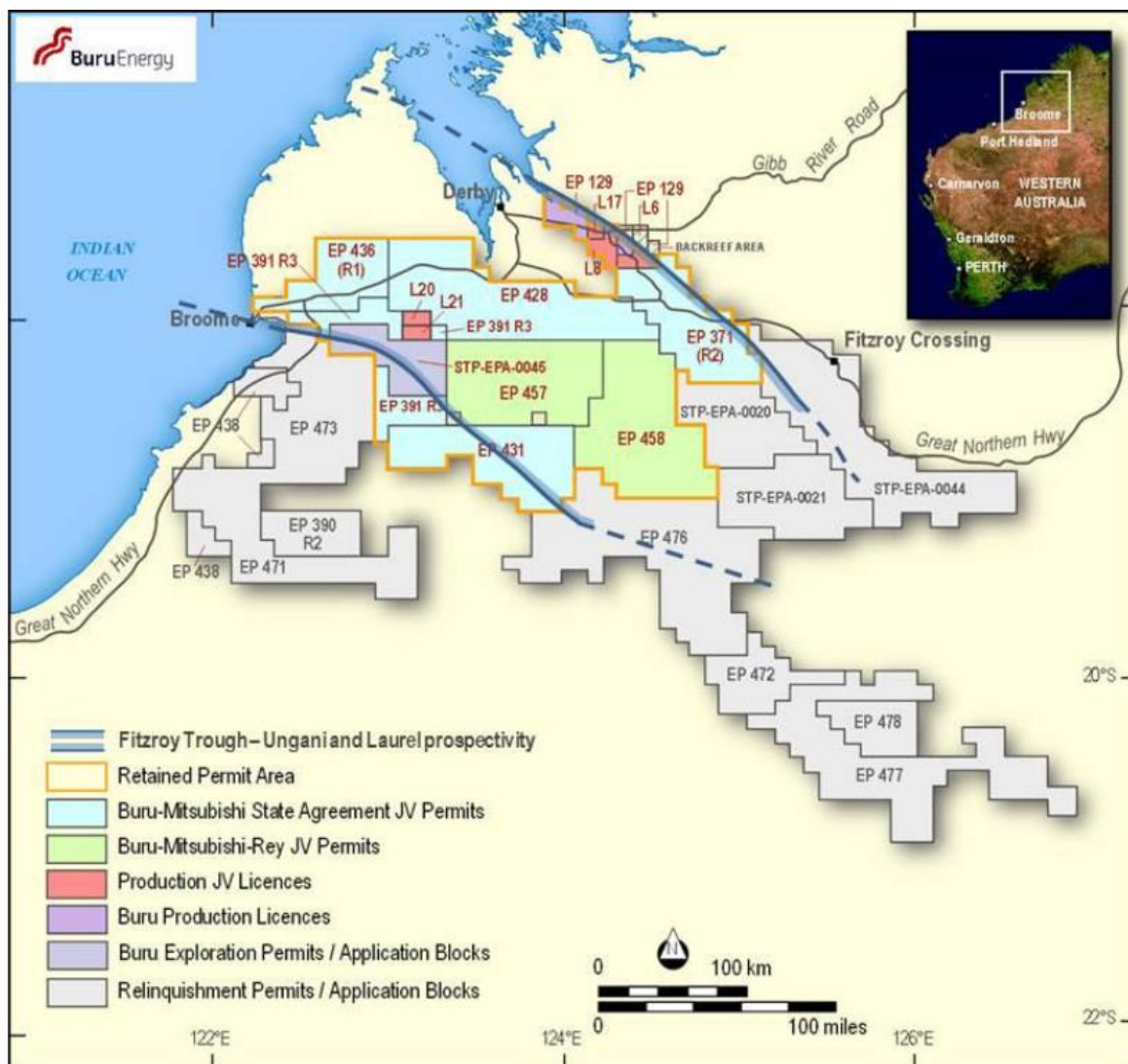
Acreege Rationalisation

In the current economic and oil price climate the Company's operations must be focused on the areas that have both the highest prospectivity and the best potential for commercial development. As part of this focus the Company has a continuing review of the prospectivity, work program commitments and the feasibility of commercial development, of its permits in the remote areas of the Canning Basin.

Further to this review, application was made to the Western Australian regulatory authorities for the relinquishment of the areas known as the Coastal and Acacia permits as set out on the below map. These permits cover the area of the basin which is prospective for the Goldwyer Shale petroleum system. Although areas of high prospectivity remain in these permits, they are remote and geologically high risk, and the work commitments would entail the drilling of a number of wells over the next few years if the permits were retained. The relinquishment of these areas is a considered response to a combination of long term technical evaluation and current economic conditions.

The other areas being relinquished include the eastern application areas as shown on the attached map. These areas do contain good prospectivity for Laurel Formation gas accumulations but again are remote. They also cover areas with significant environmental and aboriginal heritage values which also include complex and potentially overlapping Native Title claims and determinations.

Following the end of the quarter, the Company has been informed by the DMP that its relinquishment of the eastern application areas has been accepted. The relinquishment of the Coastal and Acacia permits is proceeding and the DMP has also informed the Joint Venture that its request for an exemption from the remaining work commitment on the Coastal Block EP 438 has been approved.



The Company has a long term exploration strategy for the Canning Basin and has been undertaking a systematic exploration program over the last 5 years which has resulted in the discovery of the Ungani Oilfield and the delineation of a major gas and condensate accumulation in the Laurel Formation. The relinquishment of these areas will allow the Company to focus on its core areas in the Fitzroy Trough including the Ungani trend and the Laurel accumulations at Valhalla/Asgard and at Yulleroo.

As part of this focus the joint venture is undertaking a major review of its core areas with a complete re-evaluation of the data acquired by its exploration of the basin to date including its extensive 3D seismic data base. This review will help focus the next drilling program on areas of highest prospectivity and lowest risk.

Corporate

In association with the review of its acreage and commitments the Board also continuously reviews the structure and staffing of the Company to ensure it is appropriate for activity levels and work programs. Given the pending completion of the work programs for 2015, and the onset of the wet season, the Company's operational staff levels will be reduced to as low a level as practicable and several corporate positions have been made redundant.

As part of the focus on costs, the Company's 2015 drilling and seismic operations have been undertaken at very materially reduced cost using a variety of fit for purpose equipment and ensuring its contracting strategy results in the lowest cost and lowest risk operations.

Yakka Munga Pastoral Station

Buru Energy's wholly owned subsidiary has entered an agreement to sell the Yakka Munga Pastoral Lease with Shanghai Zenith (Australia) Investment Holding Pty Ltd for a sum of AU\$8.75 million. The agreement is subject to various conditions including government approvals, due diligence, and a condition that the parties enter into an agreement regarding Buru Energy's ongoing access to the pastoral lease area for petroleum activities. If any of the conditions are not satisfied or waived, the sale agreement may be terminated. If all conditions are satisfied or waived, the transaction is expected to be completed in the first half of 2016. Buru Energy acquired the Yakka Munga Pastoral Lease in January 2015 for \$7 million.

Financial

The ASX Appendix 5B attached to this report contains the Company's cash flow statement for the quarter ended 31 December 2015. The material elements of the cash flows during the period were as follows, noting that the stated numbers include the timing effects of cash outflows and represents Buru Energy's share:

- Exploration cash outflows of \$13.9m for the quarter (September 2015: \$2.9m), comprised primarily of costs associated with the drilling of Praslin 1, Victory 1 and Senagi 1, costs associated with the Laurel Formation Tight Gas Pilot Exploration Program (TGS15) and costs associated with the seismic campaign.
- Ungani development expenditure of \$0.1m for the quarter (September 2015: \$0.1m), being costs associated with minor works at the Ungani production facility.
- Ungani production operating expenditure of \$1.3m for the quarter (September 2015: \$1.0m) was offset by crude sale receipts of \$1.3m during the quarter from two shipments (September 2015: \$0.7m from one shipment).
- Corporate and administration costs of \$1.2m for the quarter (September 2015: \$1.4m), continue to reflect the effects of cost management measures in reducing the overheads in the business.

The Company recorded a net cash outflow of \$15.3m for the quarter (September 2015 net cash inflow \$7.4m) and at the end of the quarter had cash reserves of \$33.9m.

The Company is forecasting the following cash outflows in the March 2016 quarter:

- **Exploration:** \$10.1m – The exploration cash outflows are primarily costs incurred during the 2015 exploration campaign including Victory 1 and Senagi 1, the Laurel Formation Tight Gas Pilot Exploration Program (TGS15) and the seismic campaign. These expenditures are recorded as payables and accruals as at 31 December 2015. 2016 exploration expenditures include the test of Ungani North 1, the ongoing testing of TGS 15 and ongoing desktop geological and geophysical work.
- **Development:** \$0.2m – Ungani Oilfield minor expenditures.

- **Production:** \$0.4m (net of sales) - Production costs for the Ungani Oilfield are estimated to include production expenditure through January, shut-in costs, and care and maintenance post shut-in, offset by the final Ungani crude sales receipts prior to shut-in.
- **Corporate and administration** - \$1.3m is estimated to be payable in the March 2016 quarter, consistent with previous periods.
- **Yakka Munga Pastoral Station** - Settlement of \$8.75 million less costs is expected to be received in the first half of 2016.

Visit www.buruenergy.com for information on Buru Energy's current and future activities.

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About Buru Energy

Buru Energy Limited (ASX: BRU) is a Western Australian oil and gas exploration and production company headquartered in Perth with an operational office in Broome. The Company's petroleum assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia. Its flagship high quality conventional Ungani oilfield project is owned in 50/50 joint venture with Diamond Resources (Fitzroy) Pty Ltd. As well as Ungani, the Company's portfolio includes potentially world class tight gas resources.

The company's goal is to deliver material benefits to its shareholders, the State of Western Australia, the Traditional Owners of the areas in which it operates, and the Kimberley community, by successfully exploring for and developing the petroleum resources of the Canning Basin in an environmentally and culturally sensitive manner.

Competent Persons Statement

Information in this release related to exploration and production results and petroleum resources is based on information compiled by Eric Streitberg who is the Executive Chairman of Buru Energy Limited. Mr Streitberg is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors, and a member and Certified Petroleum Geologist of the American Association of Petroleum Geologists. He has over 38 years of relevant experience. Mr Streitberg consents to the inclusion of the information in this report.

Schedule of interests in permits as at 31 December 2015

PERMIT	TYPE	OWNERSHIP	OPERATOR	LOCATION
L6	Production licence	100.00%	Buru Energy Ltd	Canning Basin, WA
L8	Production licence	100.00%	Buru Energy Ltd	Canning Basin, WA
L17	Production licence	100.00%	Buru Energy Ltd	Canning Basin, WA
L20	Production licence	50.00%	Buru Energy Ltd	Canning Basin, WA
L21	Production licence	50.00%	Buru Energy Ltd	Canning Basin, WA
EP129	Exploration permit	100.00%	Buru Energy Ltd	Canning Basin, WA
EP371	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP390*	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP391	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP428	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP431	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP436	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP438*	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP457	Exploration permit	37.50%	Buru Fitzroy Pty Ltd	Canning Basin, WA
EP458	Exploration permit	37.50%	Buru Fitzroy Pty Ltd	Canning Basin, WA
EP471*	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP472*	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP473*	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP476*	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP477*	Exploration permit	50.00%	Buru Energy (Acacia) Pty Ltd	Canning Basin, WA
EP478*	Exploration permit	50.00%	Buru Energy (Acacia) Pty Ltd	Canning Basin, WA
PL7	Onshore pipeline licence	100.00%	Buru Energy Ltd	Canning Basin, WA

* Application has been made to the DMP for the relinquishment of these permits

Glossary

2D	Two Dimensional
3D	Three Dimensional
bbls	Barrels of oil
bopd	Barrels of oil per day
Buru Energy or the Company	Buru Energy Limited (ASX code: BRU)
DMP	Western Australian Department of Mines and Petroleum
TGS	Laurel Formation Tight Gas Pilot Exploration Program
Mitsubishi or MC	Mitsubishi Corporation
Quadrant	Quadrant Energy Australia Limited

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 1/6/10, 17/12/10, 1/5/13

Name of entity BURU ENERGY LIMITED	
ABN 71 130 651 437	Quarter ended ("current quarter") 31 December 2015

Consolidated statement of cash flows

	Current quarter \$A ('000)	Year to date (12 months) \$A ('000)
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	1,271	4,102
1.2 Payments for (a) exploration & evaluation	(13,936)	(23,935)
(b) development	(59)	(2,147)
(c) production	(1,275)	(4,947)
(d) administration	(1,232)	(5,428)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	90	1,031
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – pastoral station activities	(193)	(482)
Net operating cash flows	(15,334)	(31,806)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) fixed assets	-	(65)
(b) pastoral station	-	(6,550)
1.9 Proceeds from sale of:		
(a) fixed assets	-	-
1.10 Proceeds from Quadrant withdrawal from Coastal Permits	-	4,898
1.11 Part repayment of Alcoa gas prepayment	-	(15,000)
1.12 Withdrawal of cash held in escrow	-	22,402
Net investing cash flows	-	5,685
1.13 Total operating and investing cash flows (carried forward)	(15,334)	(26,121)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(15,334)	(26,121)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of loan	-	-
1.18	Dividends paid	-	-
1.19	Loan pursuant to the employee share acquisition scheme	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		(15,334)	(26,121)
1.20	Cash at beginning of quarter/year to date	49,270	59,894
1.21	Exchange rate adjustments to item 1.20	(40)	123
Cash at end of quarter		33,896	33,896

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	231,592
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
N/A		

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
<p>Buru Energy Ltd (“Buru Energy”) and Alcoa of Australia Ltd (“Alcoa”) previously agreed to escrow \$20,000,000 and interest thereon in partial satisfaction of Buru Energy’s obligations to repay a \$40,000,000 gas prepayment made by Alcoa. The agreement was terminated in July 2015 and this led to the withdrawal of the total escrowed cash balance of ~\$22.4 million and the repayment of the gas prepayment under the following terms:</p> <ul style="list-style-type: none"> a) \$15 million was paid on 4 August 2015 from the withdrawn ~\$22.4 million of funds in the escrow account; b) \$12.5 million to be paid on 30 June 2017; and c) \$12.5 million to be paid on 30 June 2018, subject to certain financial criteria being met from December 2017. 	

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
	N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A	Amount used \$A
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A ('000)
4.1	Exploration and evaluation	(10,100)
4.2	Development (net of JV carried expenditure)	(200)
4.3	Production (net of production inflows)	(400)
4.4	Administration	(1,300)
	Total	(12,000)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A ('000)	Previous quarter \$A ('000)
5.1	Cash on hand and at bank	15,378
5.2	Deposits at call	33,892
5.3	Bank overdraft	-
	Total: cash at end of quarter	49,270

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	No change in interest. Note that application has been made to the DMP to withdraw from the Coastal and Acacia permits.		
6.2	Interests in mining tenements acquired or increased	No change in interest		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1	N/A	N/A	N/A	N/A
7.2				
7.3	339,997,078	339,997,078	N/A	N/A
7.4				
7.5	N/A	N/A	N/A	N/A
7.6				
7.7	5,250,000 5,050,000 <u>10,300,000</u>	-	<i>Exercise price</i> \$1.12 \$0.80	<i>Expiry date</i> 31 Dec 2016 31 Dec 2017
7.8	-	-	-	-
7.9	-	-	-	-
7.10	150,000 100,000 <u>250,000</u>	-	<i>Exercise price</i> \$1.12 \$0.80	<i>Expiry date</i> 31 Dec 2016 31 Dec 2017
7.11	N/A	N/A		
7.12	N/A	N/A		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



..... Date: 25 January 2016

Shane McDermott

General Manager Finance and Company Secretary

Notes:

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities; the issue price and amount paid up are not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.