

## **OPERATIONS ACTIVITIES REPORT AND ASX APPENDIX 5B**

### **For The Quarter Ended 31 December 2014**



*Figure 1: Palm Valley Gas Field*

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### **HIGHLIGHTS**

- COAG endorses Northern Territory Gas Interconnect Process (NEGI) and 14 companies express interest;
  - Central Petroleum enters into Framework Agreement with Incitec Pivot to supply up to 15PJ per annum from 2017 subject to certain conditions centered around NEGI and includes a provision for funding support;
  - Company focus on increasing gas reserves through Gas Acceleration Project (GAP) aimed at supplying a domestic gas shortfall;
  - Dingo Development on time, under budget and fully funded by debt;
  - Surprise Oil Field averages 157 BOPD for quarter with 96.4% uptime (i.e. produced every day); and
  - Gaudi #1 unconventional gas well results encouraging and being evaluated.
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## MANAGING DIRECTOR'S REPORT TO SHAREHOLDERS FOR THE QUARTER

With the recent drop in oil price, the Company's strategic move to become a focussed domestic gas producer proved prescient. In February 2014 the Company announced the acquisition of the Palm Valley and Dingo fields.

The Dingo Development remains on time and under budget with sales from the Dingo field able to commence in the 2<sup>nd</sup> quarter. This will be a major milestone for the Company having two separate producing gas fields fully connected to infrastructure. This has provided the solid platform for the Company to participate in the Northern Territory Gas Pipeline Interconnect. With 88% of Central's acreage gas prone and a strengthening domestic gas price based on a favourable domestic gas supply/demand equation, the creation of a market for our gas is the key to unlocking the potential of our acreage. The LNG trains built or being built at Gladstone are committed capital which can only be serviced by throughput. Whilst low oil price may dampen exploration for gas, it will not and has not affected domestic demand for gas. In fact, the recent fall in the \$A can only strengthen the economics of domestic industrial users and their requirement for gas.

The correlation between oil and gas price has always been weak. It was not long ago that US gas prices were \$2/mmbtu and oil \$100/bbl. Now gas prices in the US hover around \$3/mmbtu whilst oil prices have fallen below \$50/bbl. They are different markets driven by different supply and demand profiles. The International Energy Agency is forecasting worldwide gas consumption to increase by 50% over the decade whereas oil consumption growth by less than 20%.

Based on this analysis, Central has been a vocal and ardent advocate of the NT Gas Interconnect (NEGI). It is pleasing to note that the Council of Australian Governments ("COAG") endorsed the process initiated by the NT Government for calling of expressions of interest in constructing the pipeline. That 14 party's submitted expressions of interest shows strong interest in the project and these are being evaluated with the aim of narrowing the field to 3 this quarter.

Central will continue to play an important role in facilitating this process as is evidenced by the announcement of The Framework Agreement with Incitec Pivot whereby Central has conditionally agreed to supply up to 15PJ pa of gas to Incitec Pivot through the NEGI at prices which confirm the economics for producer, buyer and pipeline provider. This is the genesis of our Gas Acceleration Project aimed at closing the gas supply gap in the Eastern Seaboard within the next 3 years.

The recent dramatic oil price drop will affect our revenues from the Surprise Field. We will be reviewing its future this quarter as a result. Once the Dingo Development construction has been completed, our gas sales revenue will increase significantly, placing the company in a stronger cash flow position. The company made the difficult decision to reduce its headcount by 40% ahead of the drop in oil related revenue. To a large extent the employment of Traditional Owners was quarantined from this reduction underlining the Company's commitment to our local community. The reduction was structured to ensure that our ability to deliver the GAP was not affected as we remain fully committed to supplying gas into the NEGI project in support of this important piece of energy infrastructure. The Company is evaluating a number of funding options with respect to the GAP, including the framework agreement with Incitec Pivot and farm-in opportunities. The Company remains confident that it will be able to achieve the gas reserve targets under the GAP without the need to dilute shareholders at currently depressed share prices.

The Dingo Project remains on time and under budget and we anticipate project completion to come in well under the Macquarie Debt Facility available for the project.

Surprise produced every day in the quarter and averaged at 157 BOPD. The early results from Gaudi were encouraging for unconventional gas and the Company looks forward to receiving the desorption results later this quarter.

Given the activity above, the Company is confident that it will have sufficient access to cash reserves, cash flow, and financing to fund its activities into the future.

## **REVIEW OF OPERATIONS AND OTHER JOINT VENTURE ACTIVITIES FOR THE QUARTER ENDED 31 DECEMBER 2014 (“THE QUARTER”)**

### **ATP909, ATP911 and ATP912, Southern Georgina Basin – Queensland** ***(Joint Venture between CTP - 80% interest [Operator] and Total – 20% interest [earning])***

Drilling commenced in ATP912P on 20 July 2014 with the spudding of the exploration well Whiteley-1 targeting the unconventional gas potential of the Lower Arthur Creek Formation. Drilling was suspended at a depth of 1141mRT due to operational difficulties on 2 September 2014 for later re-entry and drilling to target the intended depth of 1609mRT.

The joint venture has developed plans to recover core from this well during the next drilling campaign.

Drilling commenced in ATP909P on 14 September 2014 with the spudding of Gaudi-1 likewise targeting the unconventional gas potential of the Lower Arthur Creek Formation. The well reached a total depth of 2,430 metres KB before wireline logging and formation integrity tests were successfully conducted prior to suspension of the well.

A total of 290 metres of core was recovered from the Lower Arthur Creek formation and underlying Thornton Limestone and is currently undergoing laboratory testing. Initial results show the core to contain hydrocarbon gas.

Selected segments of the core were placed in sealed canisters for gas desorption analysis to determine gas content. Further laboratory analyses are in progress to determine various rock properties including but not limited to porosity, permeability, total organic carbon content, level of thermal maturity and rock strength. Selected gas samples are being analysed for gas composition.

The results of all analytical data when integrated with wireline logs will determine the way forward in Gaudi 1.

In the channel country region where these wells are located, operations are curtailed in December to March by regulatory “wet season”. In this year’s campaign as the last truckload of equipment arrived back at the Boulia base in late November after restoring well and camp sites, the rains started on site.

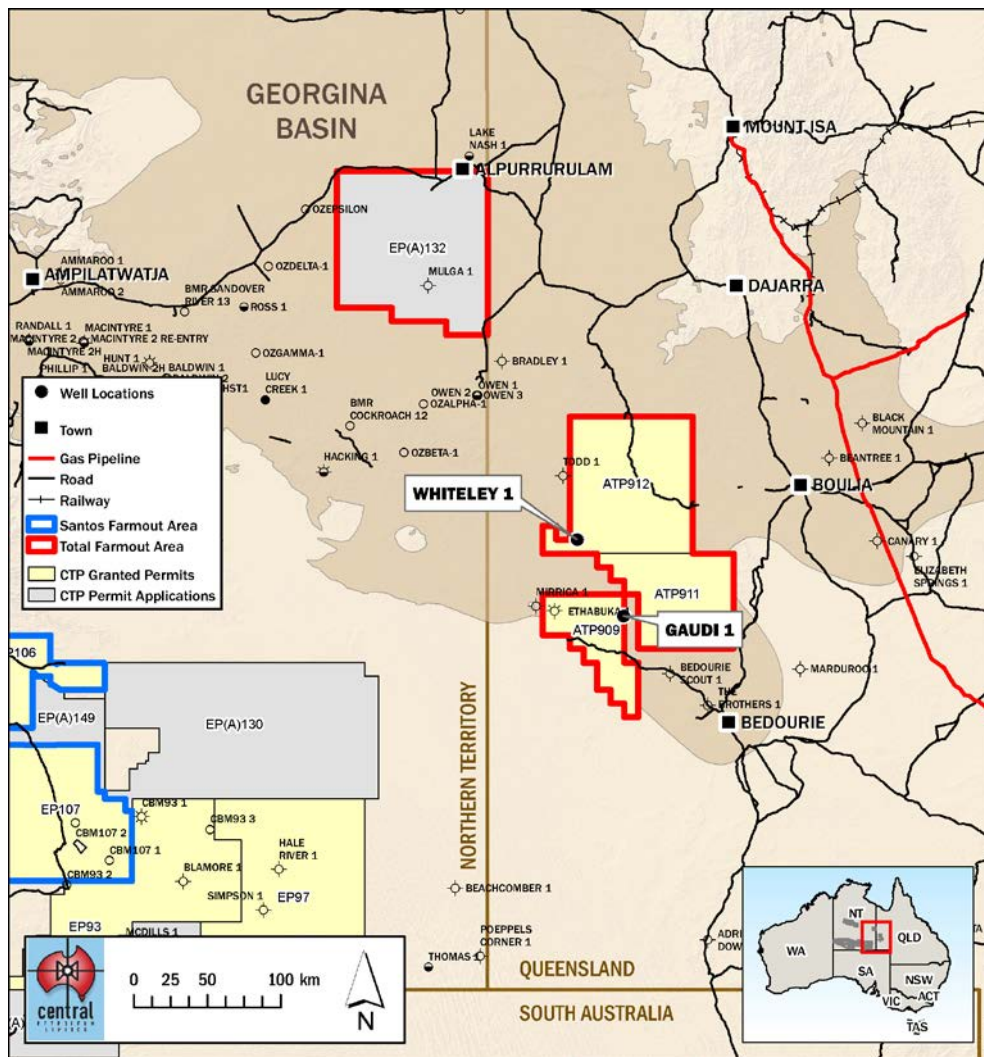


**Figure 2: Whiteley-1 well site restored awaiting future operations.**



**Figure 3: Andy Whittle (Chairman) far right and Mike Herrington (COO) far left observe first core at Gaudi-1 as it is prepared for analysis**





**Santos Stage 2 Farmout – Southern Amadeus Basin, Northern Territory**

Santos commenced Stage 2 activities, completing cultural heritage clearances in preparation for the acquisition of 1300 km 2D seismic in the Southern Amadeus farm in area. Multiple large structural leads have been identified on the existing gravity and sparse seismic data across EP's 125, 112, 82 and 105, and will be delineated in the Stage 2 seismic activities. Pre-stack depth migration processing trials for the 2013 Stage 1 2D Seismic are scheduled for 2015 to improve seismic imaging and confidence in the structural interpretation.

Southern Amadeus Area	Total Santos Participating Interest after completion of Stage 1	Total Santos Participating Interest after completion of Stage 2
EP82	25%	40% (ie additional 15% earned)
EP105	25%	40% (ie additional 15% earned)
EP106	25%	40% (ie additional 15% earned)
EP107	25%	40% (ie additional 15% earned)
EP112	25%	40% (ie additional 15% earned)
EP(A)147	25%	40% (ie additional 15% earned)

**EP 125 – Southern Amadeus Basin, Northern Territory**  
**(CTP-30% interest, Santos [Operator]-70%interest [earning])****Mt Kitty Exploration Well**

*(Central is free carried for this well under the Santos farm-in arrangements)*

Evaluation of the Mt Kitty-1 samples and log data continued during the quarter, to enhance understanding of the petroleum system and enable estimation of raw gas in-place. Gas isotope and geochemical analyses will be undertaken by experts in Australia and USA, to investigate the origin of various inert constituents such as helium and nitrogen and modelling of basinal gas compositions.

**EP 115 and North West Mereenie Block (NMB), Northern Territory**

Gravity data acquired over the western part of the permit were received during the quarter and processing and interpretation commenced. Delineation of structural trends will guide the placement of future seismic acquisition.

**Palm Valley Exploration (OL3), Northern Territory**

A preliminary field survey was conducted in October to collect structural information over the Palm Valley West lead at surface which will assist in planning for additional surveying in April 2015.

Synthesis of existing geological and geophysical data has high graded the Palm Valley Deep prospect. The opportunity is to test a large closure at Arumbera Sst level beneath the existing gas pool in the Pacoota Sst. The Arumbera Sst is an established gas bearing reservoir in the nearby Dingo gas field.

**Ooraminna Exploration (RL3 and RL4), Northern Territory**

A brief field survey was conducted in October to collect structural information over the Ooraminna structure. Following up on aerial photo interpretation, the suggestion of more fractured locations

updip and west of Ooraminna 1 and 2 is sufficiently encouraging to warrant additional field work in the April 2015 mapping season.

### Other Exploration Areas

No significant developments occurred in the Company's Wiso Basin and Pedirka Basin areas during the reporting period.

### **Dingo Gas Field (L7) and Dingo Pipeline (PL30) – Northern Territory (CTP - 100% Interest)**

During the Quarter, agreements were negotiated for crossing roads and railways.

The Dingo Gas Field Development, which is being funded under a \$30 million tranche of the loan facility agreement with Macquarie Bank, comprises construction of wellhead facilities, gathering pipelines, gas conditioning facilities, a 50km (40km composite; 10km steel) gas pipeline to Brewer Estate in Alice Springs, compression and custody transfer metering facilities, and is designed to service a gas sale contract with Power and Water Corporation of the Northern Territory.

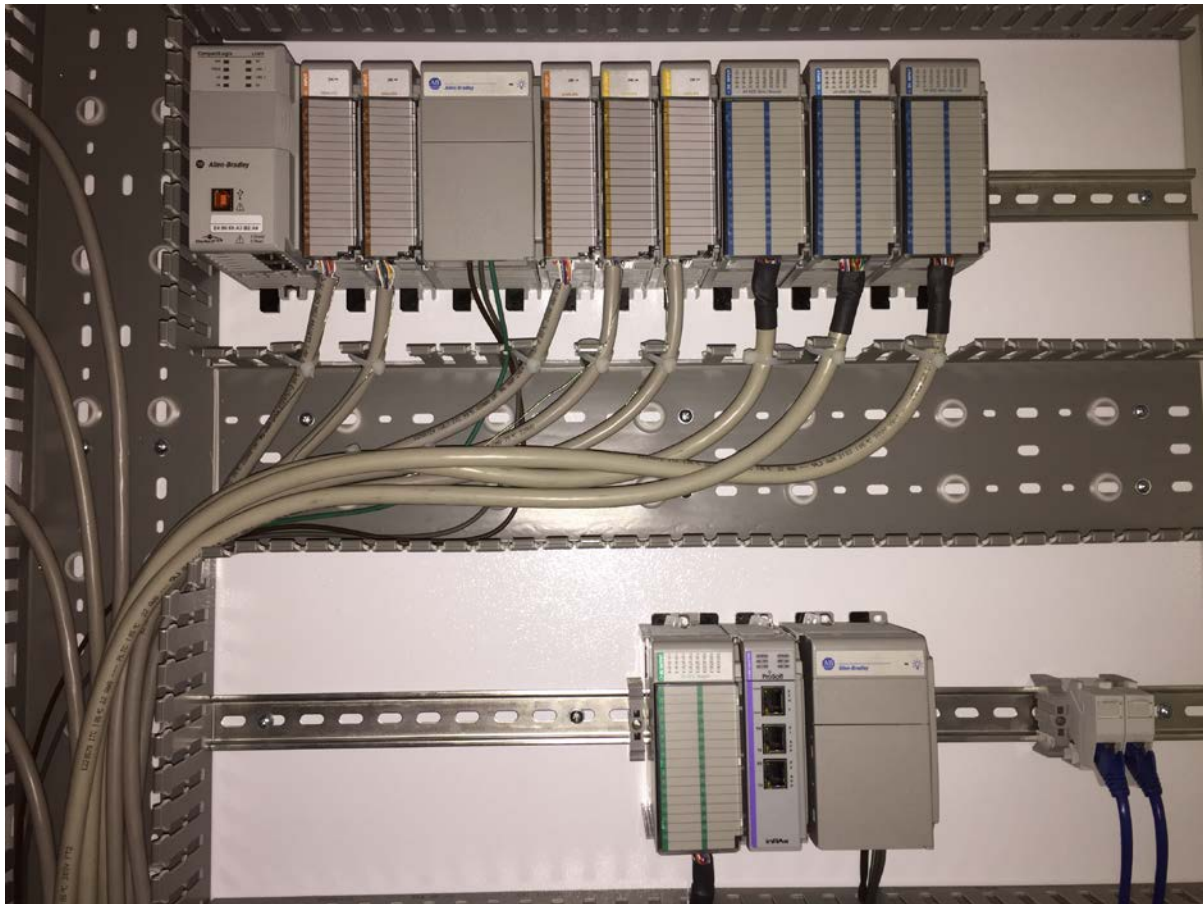
The progressing of the site works for this strategic pipeline is a major milestone and signifies the start of the Company being a significant player in the Northern Territory gas market. Over time Central looks forward to playing an important role in inter-connecting Central Australia to the eastern seaboard gas network, possibly through Moomba.

First gas sales to Power and Water Corporation in Alice Springs are expected to commence in the first half of 2015.



**Figure 5: Electric Control Room; prefabricated and delivered to site**





**Figure 6: Instrumentation ready for connection to process equipment**



**Figure 7: Meter skids arrive in Alice Springs for installation at well sites**





**Figure 8: Footings at Brewer Estate ready to receive prefabricated gas plant modules**

### **Palm Valley Gas Field (OL3) – Northern Territory (CTP - 100% Interest)**

The sales nominations received since September 2014 have continued at the acquisition economics levels of around 100,000GJ per month. With a successful transition of operatorship having been completed, Central has conducted field reviews with a view to increase reliability and for any efficiency gains that can be garnered from operations. Numerous improvements have been implemented in dehydration, compression and instrumentation.

The Company has also identified a range of optimisation and market strategies that could materially enhance the profitability of the Palm Valley and Dingo fields.



**Figure 9: Central employees conducting wellhead testing and servicing at Palm Valley 7**

**Surprise Production Licence (L6) – Northern Territory**  
**(CTP - 100% Interest)**

The Surprise West well averaged 157 bopd during the quarter and currently continues to produce around that level. Central is actively pursuing market opportunities for domestic use whilst also concentrating on obtaining efficiencies in its operating and transportation costs.

The drilling of Surprise East has been deferred until oil prices recover.



**Figure 10: Tank farm at Surprise West**



**Figure 11: IOR preparing to load out produced crude oil and transport to Port Bonython, SA**

## INTERESTS IN PETROLEUM PERMITS AND LICENCES AT 31 DECEMBER 2014

### Permits and Licences Granted

Tenement	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
EP 82**/**	Amadeus Basin NT	Santos	75	60	Santos	40
EP 93	Pedirka Basin NT	Central	100	100		
EP 97	Pedirka Basin NT	Central	100	100		
EP 105**/**	Amadeus/Pedirka Basin NT	Santos	75	60	Santos	40
EP 106**/**	Amadeus Basin NT	Santos	75	60	Santos	40
EP 107**/**	Amadeus/Pedirka Basin NT	Santos	75	60	Santos	40
EP 112**/**	Amadeus Basin NT	Santos	75	60	Santos	40
EP 115 (excl.North Mereenie Block)	Amadeus Basin NT	Central	100	100		
EP 115 (North Mereenie Block) **/**	Amadeus Basin NT	Santos	60	60	Santos	40
EP 125 **/**	Amadeus Basin NT	Santos	30	30	Santos	70
OL3	Amadeus Basin NT	Central	100	100		
L6	Amadeus Basin NT	Central	100	100		
L7	Amadeus Basin NT	Central	100	100		
RL3*	Amadeus Basin NT	Central	75	100		
RL4*	Amadeus Basin NT	Central	75	100		
ATP 909 **	Georgina Basin QLD	Central	90	90	Total	10
ATP 911 **	Georgina Basin QLD	Central	90	90	Total	10
ATP 912 **	Georgina Basin QLD	Central	90	90	Total	10

### Permits and Licences under Application

Tenement	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
EPA 92	Lander Trough NT	Central	100	100		
EPA 111	Amadeus Basin NT	Central	100	100		
EPA 120	Amadeus Basin NT	Central	100	100		
EPA 124	Amadeus Basin NT	Central	100	100		
EPA 129	Lander Trough NT	Central	100	100		
EPA 130	Pedirka Basin NT	Central	100	100		
EPA 131	Pedirka Basin NT	Central	100	100		
EPA 132	Georgina Basin NT	Central	100	100		
EPA 133	Amadeus Basin NT	Central	100	100		
EPA 137	Amadeus Basin NT	Central	100	100		
EPA 147***	Amadeus Basin NT	Santos	75	60	Santos	40
EPA 149	Amadeus Basin NT	Central	100	100		
EPA 152	Amadeus Basin NT	Central	100	100		
EPA 160	Lander Trough NT	Central	100	100		
EPA 296	Lander Trough NT	Central	100	100		
PELA 77	Pedirka Basin SA	Central	100	100		

### Pipeline Licences

Pipeline Licence	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
PL 30	Amadeus Basin NT	Central	100	100		

\* in line with the Company's announcement of 31 July 2014, a 100% beneficial interest is in favour of certain wholly owned Company subsidiaries for EP93, RL3 and RL4 with registered interests to follow in the normal course.

\*\* Santos' and Total's right to earn and retain participating interests in the permit is subject to satisfying various obligations in their respective farmout agreement. The participating interests as stated assume such obligations have been met, otherwise may be subject to change.

\*\*\* in line with the Company's announcement of 31 July 2014, an additional 15% beneficial interest is in favour of Santos with registered interests to follow in the normal course.



## **CORPORATE**

### **Cash Position**

The Company began the Quarter with \$10.3 million in cash and at 31 December 2014 held \$5.4 million. Both cash positions inclusive of the Company's share of cash held in Joint Venture bank accounts.

The \$5.4 million at 31 December 2014 includes \$1.8 million received from Macquarie Bank at quarter end which was subsequently used to pay costs associated with the Dingo Project. Interest on the Macquarie facility was capitalised during this period.

Cash received from oil and gas sales for the Quarter totalled \$2.6 million, with receipt of oil revenue payment days extending to an average 60 days after production. Receivables at 31 December 2014 were \$1.4 million. During the Quarter the Company drew down \$6 million from its financing facility with Macquarie Bank Limited. The Dingo Project remains on time and under budget and we anticipate project completion to come in well under the Macquarie Debt Facility available for the project. Interest and other income totalled \$0.1 million during the Quarter.

Cash investment outflows for the Quarter totalled \$9.4 million. This mainly related to expenditure on the Dingo development of \$8.8 million plus contributions to Joint Venture partners of \$0.6 million. During the 6 month ended 31 December 2014 \$29.5 million has been spent on the Southern Georgina Joint Venture, with \$20.5 million spent during the Quarter. Central have contributed \$4.1 million to date as reflected within the exploration year to date number of \$5.0 million.

Cash Operating outflows for the Quarter related primarily to Surprise Oil Field and the ramp up of the Palm Valley gas field including \$3.2 million of production costs and administration costs of \$1.4 million.

The Company continues to maintain its fiscally prudent approach to cost management.

### **Issued Securities of the Company**

At 31 December 2014 the Company had 368,718,957 ordinary shares on issue and 78,861,950 unlisted options exercisable at various prices and with various expiry dates.

The only major change in the Company's securities during the Quarter was the issue of 20,000,000 shares at \$0.30 per share with institutional investors in Australia and Hong Kong raising \$6,000,000 to fund its gas exploration programme and normal company expenses.

**Richard Cottee**



**Managing Director**  
**30 January 2015**

### **General Legal Disclaimer**

*As new information comes to hand from data processing and new drilling and seismic information, preliminary results may be modified. Resources estimates, assessments of exploration results and other opinions expressed by the Company in this announcement or report have not been reviewed by any relevant joint venture partners, therefore those resource estimates, assessments of exploration results and opinions represent the views of the Company only. Exploration programmes which may be referred to in this announcement or report may not have been approved by relevant Joint Venture partners in whole or in part and accordingly constitute a proposal only unless and until approved.*

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*This document may contain forward-looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. These risks, uncertainties and assumptions include (but are not limited to) commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statement in this document is valid only at the date of issue of this document. Subject to any continuing obligations under applicable law and the ASX Listing Rules, or any other Listing Rules or Financial Regulators' rules, the Company and its subsidiaries and each of their agents, directors, officers, employees, advisors and consultants do not undertake any obligation to update or revise any information or any of the forward looking statements in this document if events, conditions or circumstances change or that unexpected occurrences happen to affect such a statement. Sentences and phrases are forward looking statements when they include any tense from present to future or similar inflection words, such as (but not limited to) "forecast", "believe," "estimate," "anticipate," "plan," "predict," "may," "hope," "can," "will," "should," "expect," "intend," "is designed to," "with the intent," "potential," the negative of these words or such other variations thereon or comparable terminology, may indicate forward looking statements.*

*The Company is not the sole source of the information used in third party papers, reports or valuations ("Third Party Information") as referred herein and the Company has not verified their content nor does the Company adopt or endorse the Third Party Information. Content of any Third Party Information may have been derived from outside sources and may be based on assumptions and other unknown factors and is being passed on for what it's worth. The Third Party Information is not intended to be comprehensive nor does it constitute legal or other professional advice. The Third Party Information should not be used or relied upon as a substitute for professional advice which should be sought before applying any information in the Third Party Information or any information or indication derived from the Third Party Information, to any particular circumstance. The Third Party Information is of a general nature and does not take into account your objectives, financial situation or needs. Before acting on any of the information in the Third Party Information you should consider its appropriateness, having regard to your own objectives, financial situation and needs. To the maximum extent permitted by law, the Company and its subsidiaries and each of their directors, officers, employees, agents and representatives give no undertaking, representation, guarantee or warranty concerning the truth, falsity, accuracy, completeness, currency, adequacy or fitness for purpose of the any information in the Third Party Information.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Central Petroleum Limited

ABN

72 083 254 308

Quarter ended ("current quarter")

31 December 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	2,669	6,803
1.2	Payments for (a) exploration & evaluation	(5,043)	(5,460)
	(b) development [see 1.8(d)]		
	(c) production	(3,278)	(5,372)
	(d) administration	(1,393)	(3,325)
	(e) settlement of legal case	-	(598)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	64	106
1.5	Interest and other costs of finance paid	(90)	(180)
1.6	Income taxes paid	-	-
1.7	(a) Other income	74	134
	(b) R&D refunds	-	-
<b>Net Operating Cash Flows</b>		<b>(6,997)</b>	<b>(7,892)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) development & other fixed assets	(8,797)	(14,483)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Contributions from Joint Venture Partners	(602)	-
1.11	Loans repaid by other entities	-	-
1.12	Other – redemption/(lodgement) of security bonds	-	(47)
<b>Net investing cash flows</b>		<b>(9,399)</b>	<b>(14,530)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(16,396)</b>	<b>(22,422)</b>

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

<b>Cash flows related to financing activities</b>			
1.14	Proceeds (net) from issues of shares, options, etc.	5,562	5,562
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	6,000	12,000
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
<b>Net financing cash flows</b>		11,562	17,562
<b>Net increase (decrease) in cash held</b>		(4,834)	(4,860)
1.20	Cash at beginning of quarter/year to date	10,304	10,330
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	5,470	5,470

**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'000
1.23	Aggregate amount of payments to the parties included in item 1.2	496
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Comprises directors fees, salaries of executive directors and consulting fees paid to directors or director related entities.

**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

Nil

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

Nil

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	10,785	39,215
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter (\*) (\*) before estimated cash inflows from Operations

	\$A'000
4.1 Exploration and evaluation (net)	2,200
4.2 Development (**) funded by Macquarie Finance Facility	6,935
4.3 Production expenses (*) before forecast revenue generated from oil and gas activities	2,150
4.4 Administration	878
<b>Total</b>	<b>12,163</b>

### 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	2,599	5,048
5.2 Deposits at call	500	500
5.3 Bank overdraft	-	-
5.4 Joint arrangements	502	2,253
5.5 Debt funding account (**) funded by Macquarie Finance Facility	1,869	2,502
<b>Total: cash at end of quarter (item 1.22)</b>	<b>5,470</b>	<b>10,303</b>

+ See chapter 19 for defined terms.

### Changes in interests in petroleum and mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in petroleum and mining tenements relinquished, reduced or lapsed		See Ops Report for Detailed List of Tenements Held		
6.2	Interests in petroleum tenements acquired or increased				

### 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) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>*Ordinary securities</b>	368,718,957	368,718,957		

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+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

7.4	Changes during quarter				
	(a) Increases through issues	20,000,000	20,000,000	\$0.30	-
	(b) Increases through conversion of options	-	-	-	-
	(c) Decreases (details)	-	-	-	-
7.5	<b>+Convertible debt securities</b> (description)				
7.6	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description)			<u>Exercise price</u>	<u>Expiry date</u>
	- Listed	-	-	-	-
	- Unlisted	79,081,750	-	Various	Various
7.8	Issued during quarter				
	- Unlisted	-	-	-	-
7.9	Exercised during quarter				
	- Unlisted	-	-	-	-
7.10	Cancelled during quarter (all expiries)				
	- Unlisted	-	-	-	-

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

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7.11	<b>Debentures</b> (totals only)		
7.12	<b>Unsecured notes</b> (totals only)		

## 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.
- 2 This statement does ~~/does not\*~~ (*delete one*) give a true and fair view of the matters disclosed.



Sign here: .....  
(Joint Company Secretary)

Date: 30 January 2015

Print name: .....Joseph Morfea.....

## 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 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, 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 is 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* apply to this report.

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+ See chapter 19 for defined terms.