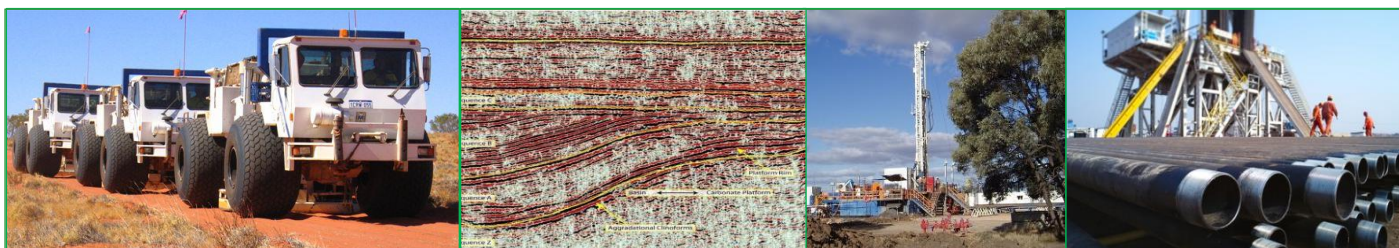


# Quarterly Activity Report

Period ending 31st December 2013



## HIGHLIGHTS

### Corporate:

- A Farm-down process was initiated during the quarter by Otway Energy to bring in a strategic partner to undertake drilling.

### Operations:

- Otway Energy completed an internal review of the remapping of PEL154 & PEL155 conducted last quarter.
- ATP837
  - The Hoadleys-1 well was successfully plugged and abandoned without incident.
  - Rehabilitation work at the Hoadleys-1 well site were also completed.
  - All related reports and applications for relinquishment were submitted to the regulators for approval.
- Stimulation studies have been initiated for the Udacha-1 well.

### Subsequent Events

- Corporate: Share Purchase Agreement signed for the purchase of 100% of Otway Energy, pending shareholder approval.
- Financial: Sale of 2,000,000 ordinary shares in Central Petroleum
- Exploration: The ATP837 Joint Venture was notified by the regulators that the relinquishment application was approved.
- Shareholdings: Kea announced that it had secured funding for capital works through the issue of convertible notes and an equity finance facility.

## ASSET SUMMARY

Permit/Asset	Basin	Rawson Interest (%)	Gross Area (km <sup>2</sup> )	Operator
Udacha Block	Cooper	10	14	Beach Energy
PEL 154	Otway	37.5	302	Otway Energy
PEL 155	Otway	37.5	226	Otway Energy
Share Holdings	Country	Rawson Interest (shares)	Gross Area (km <sup>2</sup> )	Number of permits
Central Petroleum	Australia	8,000,000	270,000	~29
Kea Petroleum	New Zealand	27,307,692	958	3

Rawson Resources Limited is an oil and gas Exploration Company focused on onshore assets in high value strategic basins within Australia, with key assets in the Cooper and Otway basins. The Company has interests in other exploration companies through holdings in Central Petroleum Limited, Otway Energy Limited and Kea Petroleum Plc. Rawson are currently participating in a joint venture with Beach Energy (ASX: BPT) and DrillSearch (ASX:DLS).

## CONTACTS:

Rawson Resources Limited  
ASX Code: RAW  
[www.rawsonresources.com](http://www.rawsonresources.com)

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95 Pitt St, Sydney 2000  
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Australia

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## DIRECTORS:

### Chairman:

Mr Simon Bird

### Non-executive Directors:

Mr Richard Ash  
Mr Paul Adams  
Mr Allister Richardson

## OFFICERS:

### Chief Executive Officer:

Dr Scott Brownlaw

### Company Secretary:

Mr Richard Holstein

## CORPORATE

### REGISTRY:

#### Boardroom Pty Ltd

Level 7, 207 Kent Street  
Sydney NSW 2000  
GPO Box 3993  
Sydney NSW 2001  
Tel: +61 2 9290 9600  
Fax: +61 2 9279 0064

## CONSOLIDATED STATEMENT OF CASHFLOWS

### Operating Activities

<b>Cash Inflows ('000s)</b>	<b>Qtr 1 2014</b>	<b>Qtr 2 2014</b>	<b>YTD</b>
Proceeds from sale of permits	-	-	
Interest received	6	6	12
	<b>6</b>	<b>6</b>	<b>12</b>
<b>Cash Outflows ('000s)</b>			
Exploration Expenditure	(55)	(36)	(91)
Administration	(195)	(245)	(440)
	<b>(250)</b>	<b>(281)</b>	<b>(531)</b>
<b>Net Operating Cash Flows</b>	<b>(244)</b>	<b>(275)</b>	<b>(519)</b>
<b>Investing Activities</b>			
<b>Cash Flows ('000s)</b>			
<b>Net Investing Cash Flows</b>	-	-	-
<b>Financing Activities</b>			
<b>Cash Flows ('000s)</b>			
<b>Net Financing Cash Flows</b>	-	-	-
<b>NET CONSOLIDATED CASHFLOWS</b>	<b>(244)</b>	<b>(275)</b>	<b>(519)</b>
<b>Cash Position ('000s)</b>			
Opening Cash	851	607	851
Exchange Rate adjustments	-	-	
<b>NET CASH ON HAND</b>	<b>607</b>	<b>332</b>	<b>332</b>

## Corporate

Otway Energy (“Otway”) has initiated a farm-down process for its PEL154 and PEL155 exploration licences in the Otway Basin to undertake drilling in the licences. Otway has initiated discussions with several interested companies and has prepared a data-room for potential strategic partners.

### SUBSEQUENT EVENT

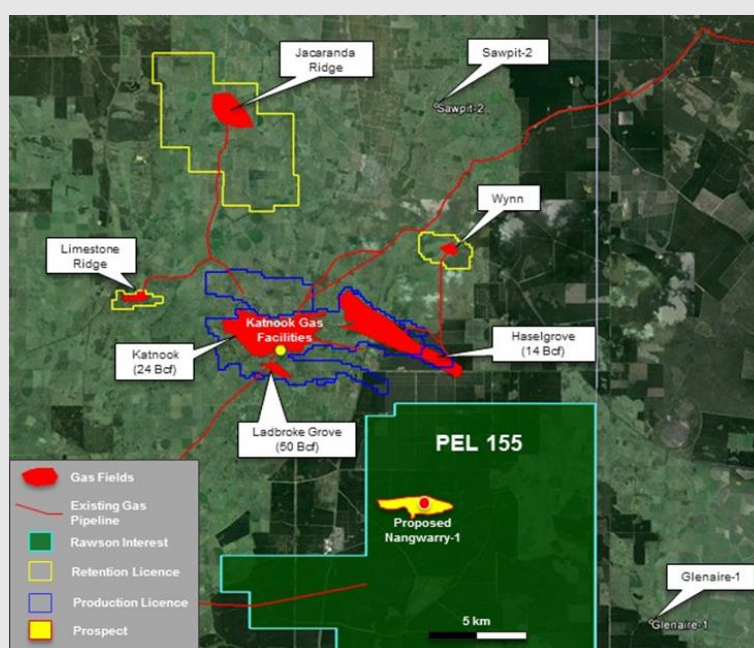
#### Otway Energy Acquisition

Rawson advised the market (17<sup>th</sup> January 2014) that it had signed a Share Purchase Agreement to acquire the remaining shares in Otway Energy (“Otway”).

Rawson will increase its interest in Otway Energy to 100% for the consideration of \$2.0 million and a royalty on future production. Rawson will pay a non-refundable \$0.1 million deposit on signing the SPA with \$1.9 million due on completion. The SPA includes standard representations and warranties for each party.

The transaction will remain conditional on Rawson shareholder approval. Rawson have engaged an Independent Expert to report on the fairness and reasonableness of the transaction. Subject to a favourable report from the Independent Expert the board of Rawson will be recommending that shareholders approve this transaction at a subsequent Extraordinary General Meeting.

The Otway permits are prospective for both conventional and unconventional exploration. Our recent re-evaluation of existing 2D and 3D seismic undertaken in September, 2013 confirmed the existing three conventional prospects defined in the licences. The work also identified four additional conventional leads in PEL155 in close proximity to the Nangwarry prospect. The leads provide attractive follow-up targets to success at Nangwarry, and are not dependent on it. In PEL154, two additional conventional leads were identified.



## Financial

### SUBSEQUENT EVENT

#### Share Holdings

Subsequent to the quarter end Rawson disposed of 2,000,000 ordinary shares in Central Petroleum, and now retains 8,000,000 ordinary shares. The shares were traded to cover the deposit on the Otway Energy Share Purchase Agreement and other potential assets currently under consideration.

## Exploration

### Otway Energy Pty Ltd

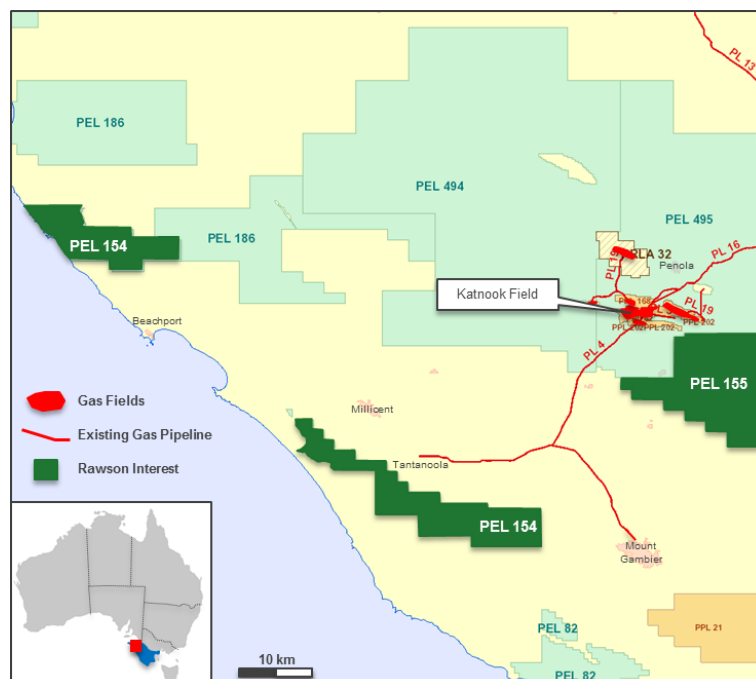
(Hardie Energy 62.5%, Rawson 37.5%)

Otway Energy intends to farm-out drilling of the highly prospective prospects in PEL 154 and PEL 155 and discussions with potential farm-in parties were initiated in the quarter.

Otway remains optimistic about drilling the Nangwarry prospect at the start of the drilling season in the Otway Basin in the 2014/2015 drilling season. Initial work on permitting and approvals for drilling begun during the quarter. Discussions have also been initiated with operators of adjacent blocks to determine any synergies with drilling schedules to reduce drilling costs.

**PEL155:** Prospects and leads in the PEL 155 exploration permit lie on the northwest-southeast trend defined by the Katnook/Haselgrove/Ladbroke Grove/Limestone Ridge gas fields in South Australia and the Glenaire-1 oil/gas discovery in Victoria.

Rawson intends to drill the Nangwarry prospect in 2014/2015 drilling season. The Nangwarry-1 well will target the Pretty Hills reservoirs which have produced gas in the nearby fields. The Nangwarry prospect is considered analogous to the nearby Katnook, Haselgrove and Ladbroke Grove fields which have produced substantial quantities of gas since discovery.



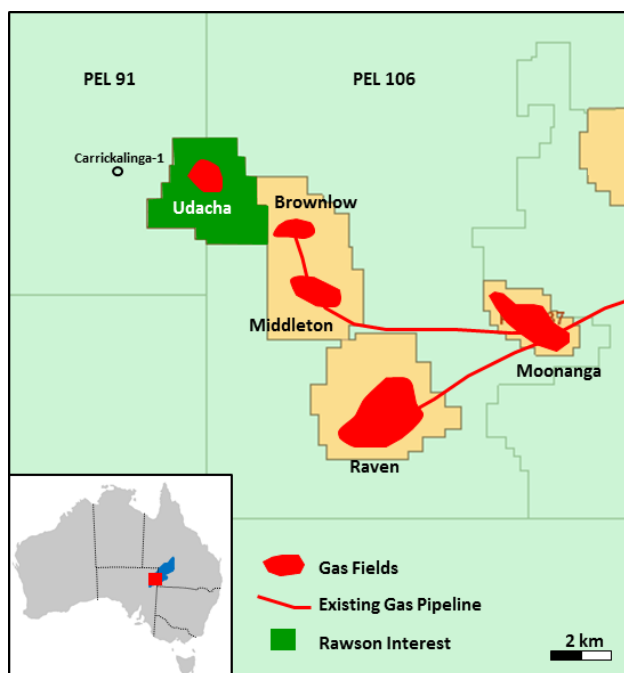
**PEL154:** Prospects defined in the PEL 154 exploration permit target the Waarre sandstone. The Waarre sandstone is an important producing reservoir in the eastern Otway Basin with production from the Minerva and Iona Fields. The Benara prospect potentially represents the best test of the Waarre sandstone in the western Otway Basin.

## Udacha Block

(Beach Energy 15% - operator, Drillsearch 75%, Rawson 10%)

Work continued during the quarter to progress operations in the Udacha Block. In particular the Joint Venture approved technical studies to focus on the stimulation, completion and testing of the Udacha-1 well. This work is to be conducted in Q1 2014. The joint venture remains focused on progressing the Udacha discovery to the production phase and the successful stimulation of the Udacha-1 well and connection will form part of the broader expansion of the Middleton Gas Project.

Rawson are participating in a data trade with the Joint Venture partners and adjacent operators on the recently acquired Irus 3D seismic survey. The data trade means that Rawson will receive additional 3D seismic extending outside of the Udacha Block to tie in to the nearby Carrickalinga-1 well.



The Udacha gas field was discovered in 2006 by the Udacha-1 well and is located approximately 5 kilometres northwest of the Middleton gas plant and 3 kilometres from the nearby Brownlow field.

## Surat Basin ATP837P

(Conventional Energetica 50% - operator, Rawson 50%)

(Unconventional Energy Australia 70%, Energetica 15%, Rawson 15%)

As previously advised the Joint Venture intends to relinquish the ATP837 block after completion of operations and final reporting. The Hoadleys-1 well was plugged and abandoned in late September 2013 without incident and the surface rehabilitation operations were completed during the quarter. In December, the Rehabilitation Report and the Final Relinquishment Report were submitted to the regulator to relinquish the block. The approval of this relinquishment is expected in Q1 2014.

### SUBSEQUENT EVENT

#### Relinquishment of Exploration Licence ATP837

The Joint Venture was notified on the 21<sup>st</sup> January 2014 that the regulator had accepted the relinquishment proposal for exploration licence ATP837.

## New Ventures

Rawson has continued to review new venture opportunities with a focus on the established Cooper, Otway and Taranaki Basins. During the quarter we undertook significant due diligence on three assets we believe complement our existing portfolio.

## Rawson Share Holdings

### AUSTRALIA

#### Central Petroleum Limited

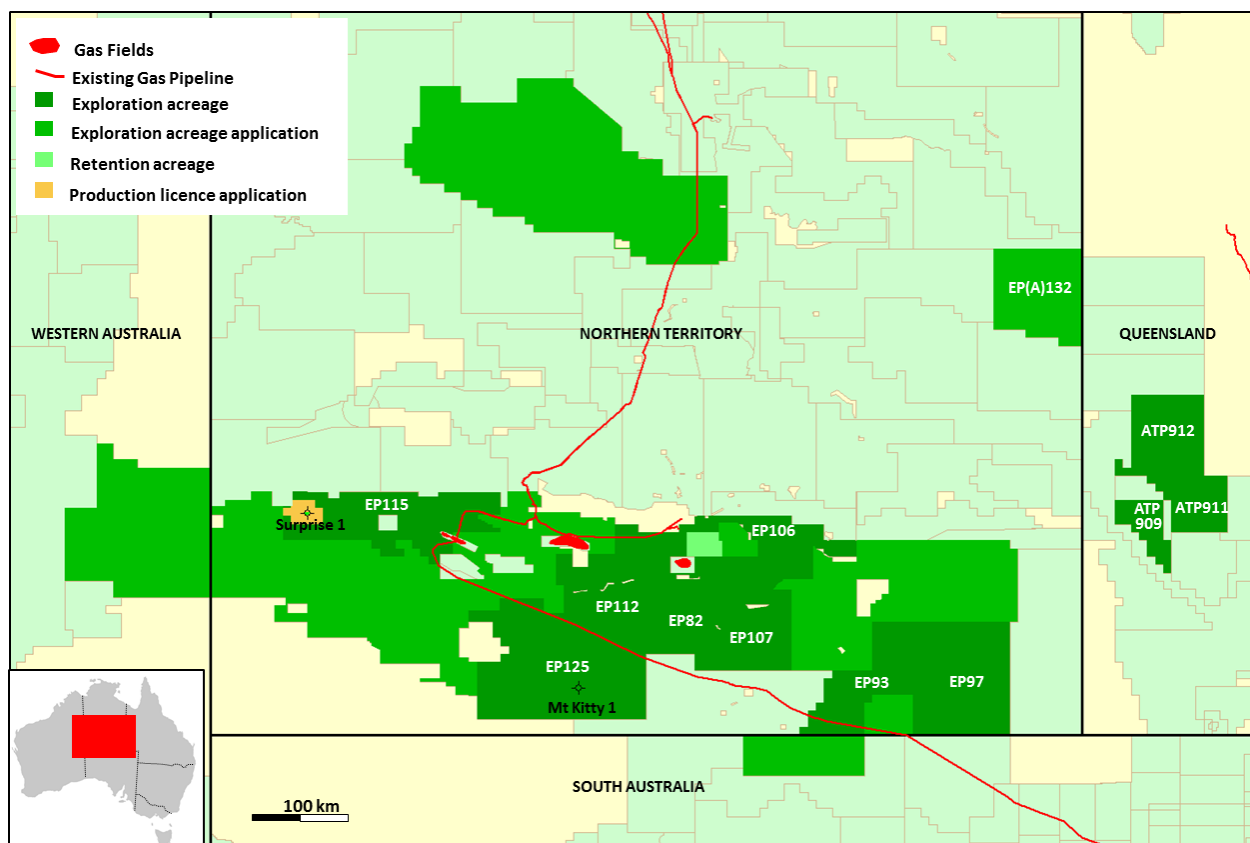
Rawson considers the Central Petroleum (“Central”) acreage in central Australia to be highly prospective and underexplored for both conventional and unconventional hydrocarbons. The recent farm-in agreements by Santos into the Amadeus and Pedirka Basins, and TOTAL into the Georgina Basin highlight the significant potential that this acreage holds.

Central has made headway with its Surprise field in the Amadeus Basin after the Central Land Council resolved to enter into a production agreement with the company. This agreement is pending approval from the Northern Territory government which will provide the pathway to obtaining a production licence. If approved it will be the first production licence granted in the Northern Territory for 31 years.

Central also announced during the quarter a \$2 million combined savings on the proposed Surprise development through modifications and optimisations of the project plan.

TOTAL and Central have agreed to spend an additional US\$35 million on the South Georgina Stage 1 exploration program. This covers exploration activity on three Queensland permits (ATP909, 911 and 912) and one Northern Territory permit (EP(A)132). The Joint Venture has already acquired 974 km of 2D seismic in the Queensland permits and a number of wells are planned for April 2014. The companies have allocated \$11.5 million to be spent on the Northern Territory permit once it has been approved for exploration. TOTAL is funding 80% of spending, with Central paying the remaining 20%.

Rawson Resources Limited holds 8,000,000 shares in Central Petroleum Limited.





## NEW ZEALAND

### Kea Petroleum Plc

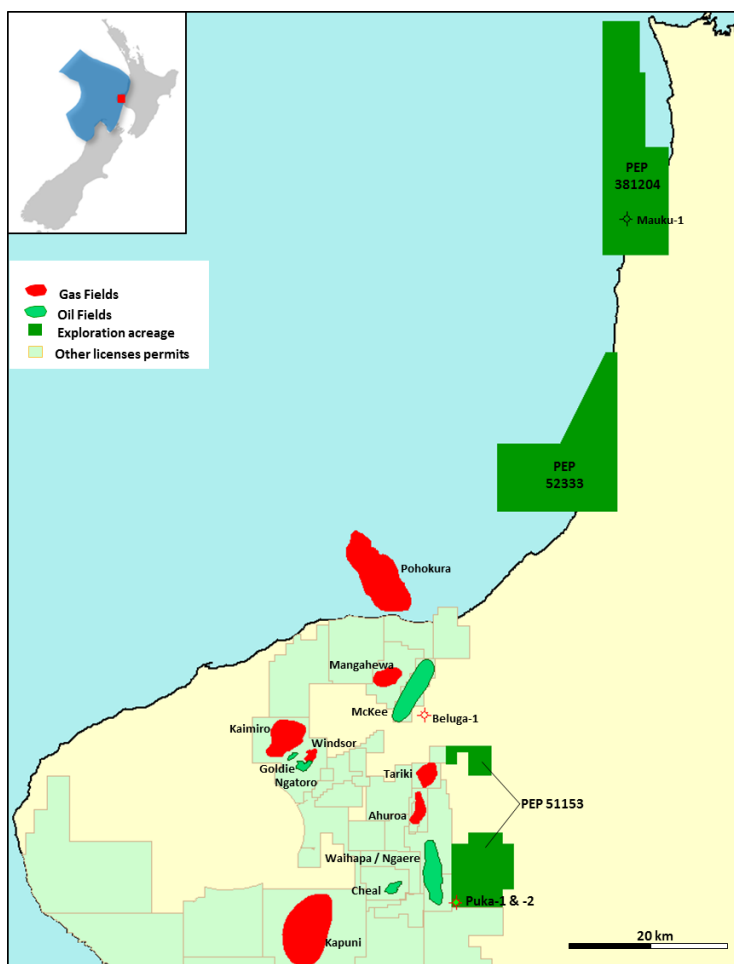
Kea Petroleum (“Kea”) announced in December that an ASX-listed oil and gas company entered into a non-binding agreement to farm-in to PEP 51153, which includes the Puka Field. The agreement describes a staged farm-in whereby Kea will be funded through an appraisal of Puka with one firm well and depending on outcomes, up to three further fully funded wells.

Kea has been seeking a partner for the Puka field since September, when it deferred further drilling while it worked to stabilise production from the Puka-1 and Puka-2 wells.

Production was stabilised at a rate of approximately 150 barrels of oil a day and 1.2 million cubic feet of gas. Currently, gas is being flared onsite, while development options for the gas are being considered. Total cumulative production stands at 32,000 barrels (as of 10 December, 2013), generating revenue of US\$3.2 million.

In October, 50% of PEP 51153 was relinquished in exchange for a five-year extension to the exploration period. The permit was split into two areas – a 19.8 km<sup>2</sup> block adjoining the eastern edge of the Kahili field, and the main block which contains the Puka-1 and Puka-2 wells.

Rawson Taranaki Limited holds 27,307,692 shares in Kea Petroleum Plc.



#### SUBSEQUENT EVENT

##### Kea secures funding for capital works

Kea Petroleum Plc entered into an agreement with Darwin Strategic Limited to issue up to £1.2 million of convertible Loan Notes, and an equity finance facility of up to £5.0 million with Darwin.

#### For further information contact:

Scott Brownlaw  
 Chief Executive Officer  
 Rawson Resources Limited  
 Tel: (02) 8249 8370  
 Email: [scott@rawsonresources.com](mailto:scott@rawsonresources.com)

## Appendix 5B

### Mining exploration entity and oil and gas 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, 01/05/2013

Name of entity

Rawson Resources Limited

ABN

69 082 752 985

Quarter ended ("current quarter")

31 December 2013

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (..... months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(36)	(91)
(b) development	-	-
(c) production	-	-
(d) administration	(245)	(440)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(275)</b>	<b>(519)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(275)</b>	<b>(519)</b>

+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(275)	(519)
	<b>Cash flows related to financing activities</b>		
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 borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(275)	(519)
1.20	Cash at beginning of quarter/year to date	607	851
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	332	332

### Payments to directors of the entity, associates of the directors, 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	51
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

### 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

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

### 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	

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

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3.2	Credit standby arrangements		
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**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	673
4.2	Development	
4.3	Production	
4.4	Administration	165
<b>Total</b>		<b>838</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	332	607
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>		<b>332</b>	<b>607</b>

**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 and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### 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>				
		94,247,150	94,247,150		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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 and conversion factor)			<i>Exercise price</i>	<i>Price Paid</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				

+ See chapter 19 for defined terms.

7.12	<b>Unsecured notes</b> ( <i>totals only</i> )			
7.13	<b>Employee shares</b>	750,000		20.0 cents 0.1 cents

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

Sign here:



Date: 31 January 2014

(~~Director~~/Company secretary)

Print name:

Richard Holstein

## 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 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.
- 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.

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+ See chapter 19 for defined terms.