

# NEW GUINEA ENERGY LTD

Quarterly Report for the period  
ending 30 June 2015



29 July 2015

Market Announcements Office  
ASX Limited

**Quarterly Activities Report – Period Ending 30 June 2015**

New Guinea Energy Ltd (**NGE/ Company**) is pleased to provide the following report on its activities for the period ending 30 June 2015 and its Appendix 5B for the period.

Any queries should be directed to the Company Secretary on 02 9252 0010.

Grant Worner  
Managing Director

**ACTIVITIES REPORT**  
**QUARTER ENDED 30 June 2015**

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**HIGHLIGHTS**

- There was overwhelming shareholder support to change the composition of the Board at a General Meeting (**GM**) on 15 July 2015.
- New Guinea Energy Ltd (**NGE / Company**) has a strong balance sheet, holding circa A\$16.6M in cash at the end of the quarter, which reduced to A\$15.2M by the time of the GM.
- During the quarter NGE received A\$2.5M from its 50% joint venture in Western Drilling Limited (**WDL**) and then reloaned US\$1M to the joint venture in July prior to the GM.
- Barring any unforeseen circumstances NGE expects to receive an additional US\$2.5M from WDL in the September quarter.
- During the quarter a total of A\$2.5M was invested in other oil and gas companies.
- An intended on-market share buy-back has been announced.

**CORPORATE**

On 15 July 2015 shareholders passed resolutions to change the composition of the Board. Sir Michael Bromley has elected to continue on the Board and remain a Director of the Company, Mr David Lamm has accepted the position of Chairman, and Mr Grant Worner has been appointed to the position of Managing Director on an interim basis to lead a strategic review and implement the accompanying actions.

**50% JOINT VENTURE IN WESTERN DRILLING LIMITED**

For the last three quarters the WDL rig has been used by InterOil Corporation (**IOC**) to drill the Antelope 4 well. During the June quarter the rig was demobilised from the drilling site and returned to Port Moresby, with rig release occurring on 4 July 2015.

During the quarter NGE received approximately A\$2.5M from WDL as partial repayment of NGE's investment in the joint venture. However US\$1M was lent by NGE to WDL within the first two weeks of July to cover WDL's working capital requirements. Barring any unforeseen circumstances an additional circa US\$2.5M is expected to be received by NGE from WDL in the September quarter.

WDL is now tendering for additional drilling contracts and ensuring the rig is well maintained and prepared for any future use.

## **USE OF CAPITAL**

During the quarter and prior to the shareholder vote to remove the majority of the Board a total of \$2.5M of NGE's capital was invested in oil exploration companies, with the majority in an unlisted company. The NGE Board is reviewing these investments and considering their options.

On 17 July 2015 the Board announced its intention to undertake an on-market share buy-back of up to 10% of the Company's issued Capital over the next 12 months and is pleased to advise that Morgans Financial Limited will act as broker on the Company's behalf. The Board is committed to actively managing the Company's capital and believes that a share buy-back provides an opportunity to repurchase shares at attractive valuations.

On 27 July 2015 the Equity Line of Credit established in 2010 originally for \$25M and expanded to \$40M with YA Global Master SPV Ltd expired without any of the facility being drawn down.

## **PLANS FOR THE SEPTEMBER QUARTER**

During the quarter the Board will update shareholders on progress of the review of NGE's future strategic direction, overhead structure, the Western Drilling Ltd joint venture, investment opportunities and capital management options.

Discussions with multiple parties have been begun and will continue regarding farm-out opportunities for NGE's licences in PNG.

### ***Disclaimer***

*Any forecast or other forward-looking statement contained in this announcement involves known and unknown risks and uncertainties and significant elements of subjective judgment and assumptions as to future events which may or may not be correct. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of New Guinea Energy, and may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.*

# Quarterly Activities Report

Period Ending 30 June 2015

## ABOUT NGE

### LICENCE SCHEDULE

LICENCE	LOCATION	COUNTRY	AREA km <sup>2</sup>	NGE INTEREST
PPL 266	Onshore Papuan Basin	Papua New Guinea	4,175	100%
PPL 267	Onshore Papuan Basin	Papua New Guinea	3,317	100%
PPL 268	Onshore Papuan Basin	Papua New Guinea	2,109	50%
		<b>TOTAL</b>	9,106	

### CORPORATE DIRECTORY

#### Directors

David Lamm	Chairman
Grant Worner	Managing Director
Adam Saunders	Non-Executive
Sir Michael R Bromley	Non-Executive

#### Company Secretary

Lucy N Rowe

#### Registered Office

Ground Floor, Boundary Court  
55 Little Edward St  
Spring Hill QLD 4004

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Facsimile: 02 9252 0039  
Email: [office@ngenergy.com.au](mailto:office@ngenergy.com.au)

#### Website

[www.ngenergy.com.au](http://www.ngenergy.com.au)

### STOCK EXCHANGE LISTINGS

ASX Limited 20 Bridge St Sydney NSW 2000	Port Moresby Stock Exchange Level 4, Defens Haus Corner Champion Parade and Hunter St Port Moresby, PAPUA NEW GUINEA	OTC Markets 304 Hudson Street, 3 <sup>rd</sup> Floor New York, NY 10013 USA
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**ASX Code:** NGE

**POMSoX code :** NGE

**OTC code:** NGELY

### SHARE REGISTRY

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Sydney NSW 2001  
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+61 2 9290 9600  
Facsimile: 1300 653 459  
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Website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

### AUDITORS

Grant Thornton Audit Pty Ltd  
Level 17  
383 Kent Street  
Sydney NSW 2000

### SOLICITORS

Norton Rose Fulbright  
Grosvenor Place, 225 George Street  
Sydney NSW 2000

## 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

NEW GUINEA ENERGY LTD

ABN

31 112 618 238

Quarter ended ("current quarter")

JUNE 2015

#### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
1.1	Receipts from product sales and related debtors	-	135
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(123)  (578)	(476)  (939)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	21	25
1.5	Interest and other costs of finance paid	(37)	(408)
1.6	Income taxes paid		
1.7	Other (GST)	(12)	(16)
<b>Net Operating Cash Flows</b>		<b>(729)</b>	<b>(1,679)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(2,500)	(2,500)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	42,017
1.10	Loans to other entities		
1.11	Loans repaid by other entities	2,521	2,521
1.12	Other (security deposit refunded)	46	46
<b>Net investing cash flows</b>		<b>67</b>	<b>42,084</b>
1.13	<b>Total operating and investing cash flows (carried forward)</b>	<b>(662)</b>	<b>40,405</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)	(662)	41,067
<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	-	(23,774)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	-	(23,774)
	<b>Net increase (decrease) in cash held</b>	(662)	16,631
1.20	Cash at beginning of quarter/year to date	17,437	1,021
1.21	Exchange rate adjustments to item 1.20	(178)	(1,055)
1.22	<b>Cash at end of quarter</b>	16,597	16,597

**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	147
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions	
	Salaries, fees and superannuation contributions for directors.	

**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

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- 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

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+ See chapter 19 for defined terms.

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

**Financing facilities available**

Add notes as necessary for an understanding of the position.

The Company had secured a \$40,000,000 equity subscription facility which has not been drawn down upon and this facility expired on 27 July 2015.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	
4.3 Production	
4.4 Administration	920
<b>Total</b>	<b>1,220</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	16,309	17,169
5.2 Deposits at call	288	268
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>16,597</b>	<b>17,437</b>

+ See chapter 19 for defined terms.



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 and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and 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> <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	849,991,193	846,541,193	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	<b>+Convertible debt securities</b> <i>(description)</i>	-	-	

+ See chapter 19 for defined terms.

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

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			20 cents	20 cents
7.7	<b>Options</b> (description and conversion factor)	Conversion of one ordinary share per option		<i>Exercise price</i>	<i>Expiry date</i>
		400,000	-	30 cents	07 February 2016
		33,500,000	-	5 cents	30 November 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## Compliance statement

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

Sign here:


  
Director

Date: 29 July 2015

Print name: Grant Worner

## Notes

- 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

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+ See chapter 19 for defined terms.

## Appendix 5B Mining exploration entity and oil and gas exploration entity quarterly report

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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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