

OPERATIONS ACTIVITIES REPORT AND ASX APPENDIX 5B For The Quarter Ended 30 June 2015



Figure 1: Merenie Oil & Gas Field: Eastern Satellite Station Oil and Gas Separation Equipment

HIGHLIGHTS

- On 3rd June 2015 Central Petroleum entered into an agreement with Santos Limited to acquire a 50% interest in the Merenie Oil and Gas Field with Central assuming Operatorship of the field on financial closure of the transaction which is anticipated to occur on 1 September 2015.
 - A shortlist of four companies interested to build the North East Gas Interconnector (NEGI) was announced on 7 April 2015.
 - As of 30 June 2015 the Company has 56.8PJ of certified 2P reserves at Palm Valley and Dingo with an additional 52.4PJ of 2C reserves dependent on finding a market.
-

MANAGING DIRECTOR'S REPORT TO SHAREHOLDERS FOR THE QUARTER

Activities this Quarter were dominated by the announcement of the acquisition of a 50% interest in the Mereenie Oil and Gas Field by Central Petroleum Ltd (Central) from Santos Limited. This field is located in the Amadeus Basin close to the Company's Palm Valley Gas Field, and gives Central a whole-of-basin position in the Amadeus. Central will assume Operatorship on closure of the transaction which is presently scheduled for 1 September 2015. This acquisition should ensure that, even without any new gas sales, Central becomes self-funding on a company wide basis with stable Australian based revenue indexed to Australian inflation. All of our gas contracts are in \$A and escalated to Australian inflation whether from our 100% owned Palm Valley and Dingo gas fields or from Mereenie. The Company retains some oil price exposure through its share of oil production from Mereenie, although the transaction was negotiated on the basis of current low oil pricing.

Mereenie is a gas field with an oil rim which has been producing since 1965, and again since 2009 when the gas contract ended. Consequently most of the 70 wells were drilled and completed in oil zones, and gas contracts from 1984 to 2008 were supplied from accessing the best sands, which sufficed to meet contract. Of the five reservoir groups a subset of sands within two groups have been developed for gas, with the last bottom up review of zones on an oil production basis in 2007. Since then four wells were drilled targeting the oil zones.

When NEGI establishes a market there are many additional sands which can be exploited, with the last review of these sands having occurred prior to 2000. These known gas sands are behind pipe and can be accessed and tested cheaply by workover (when compared to drilling costs), which is the basis for the \$10 million free-carry under the Santos transaction to test and certify these. Our aim is to establish 280 PJ of 2P reserves from Mereenie alone (gross Joint Venture), which can target the Eastern Seaboard market through the North East Gas Interconnect ("NEGI") or alternatively growth in the Darwin / NT gas market. The free-carry will only target the best four re-completion candidates leaving the other candidates to be addressed before the first gas through NEGI.

As a gas field, Mereenie is a low-cost conventional gas producer with marginal production costs for new gas sales of around \$1/GJ. The Company has 60 TJ/day (25 PJ p.a.) field gathering and compression capacity already installed.

On 21st July 2015, we announced certified reserves for our 100% owned Palm Valley and Dingo Gas Fields of 56.8 PJ of 2P reserves and a further 52.4 PJ of 2C gas available to contract for future markets. All in all, Palm Valley and Dingo have in the order of 70 PJ of 2P equivalent Reserves available to contract into the Eastern Seaboard market.

The Mereenie transaction is designed to provide a leveraged pathway to a positive NEGI announcement. The acquisition makes financial sense for Central without NEGI but given the potential reserves from Mereenie plus approximately 70 PJ from Palm Valley and Dingo, Central expects NEGI will unlock enormous shareholder value. Given that Central now has a whole-of-basin position in the Amadeus, NEGI will substantially re-rate all of the Company's exploration acreage by providing future gas discoveries access to Eastern Seaboard markets (including the export market

through Gladstone). We are confident that over half of the throughput in NEGI initially will come from conventional gas wells operated by Central. Given our low operating costs, if NEGI occurs, our operating margin should be around \$3/GJ assuming a pipeline tariff to Ballera or Moomba of between \$2-\$3/GJ. This means that every PJ would be expected to generate in the order of \$3 million EBITDA after extraction costs.

Central has met with all four pipeline proponents and is confident that the process will result in a new economic source of supply to the Eastern Seaboard market.

The low oil prices and the remoteness of the Company's Surprise Oil Field has led to the decision to temporarily shut-in oil production from this field from August 2015 to allow the Company to assess the re-charge potential of the field. Should oil prices recover significantly in \$A terms, production can re-commence after assessing the pressure build-up. Last year Mereenie produced an average of 800 BOPD and from completion of the Mereenie transaction scheduled for 1 September 2015 Central will have 50% of Mereenie's oil and gas production and so Central will remain both an oil and gas producer.

Mr Whittle has chosen to step-down as Chairman of the Board at the end of this month. Andy was involved in the acquisition of the Palm Valley and Dingo assets and has been instrumental in stabilising the Company and guiding it to a new future. I will personally miss his wise and considered counsel as Chairman during difficult times and am grateful that he will remain as a Director on the Central Board giving the Company the benefit of his experience during the handover of Mereenie and the decision on NEGI. The Board has elected Rob Hubbard as its new Chairman and his corporate experience in Australia and in financing in particular will be invaluable as the company begins its growth phase following the NEGI decision expected in October.

The Company has been reviewing its policies to ensure compatibility with the latest ASX Listing Rules and a number have been changed.

The tight financial management of the Company continues unabated and has given Central the ability to expand despite adverse market conditions and without having to resort to the equity markets. Prudent efforts have been made to ensure that the Company is now built on solid foundations enabling exponential growth to occur when the conditions improve. With solid revenues under fixed price long term contracts, certified reserves and 25 PJ pa installed capacity the sowing phase has been completed and we are confident the harvesting will commence in the next 6 to 9 months.

REVIEW OF OPERATIONS AND OTHER JOINT VENTURE ACTIVITIES FOR THE QUARTER ENDED 30 JUNE 2015 (“THE QUARTER”)

EXPLORATION ACTIVITIES:

ATP909, ATP911 and ATP912, Southern Georgina Basin – Queensland (Joint Venture between CTP - 90% interest [Operator] and Total – 10% interest [earning])

Exploration well Gaudi 1 was drilled to TD of 2430m to assess the unconventional reservoir potential of the Lower Arthur Creek Formation (LAC). Continuous coring operations retrieved 282m of core from which desorption samples were taken. A comprehensive suite of wireline logs were acquired in the well. Elevated gas readings recorded during drilling were confirmed by gas that desorbed from the core over time.

Laboratory analyses of core from Gaudi 1 and of core taken in offset wells are now substantially complete. Analytical results have been integrated with interpreted logs and revised depth maps. This allows regional trend mapping using geologic attributes porosity, thermal maturity, and total organic carbon (TOC) etc. These provide insight into the unconventional LAC shale gas play, as well as new plays which have been revealed in the middle Cambrian succession.

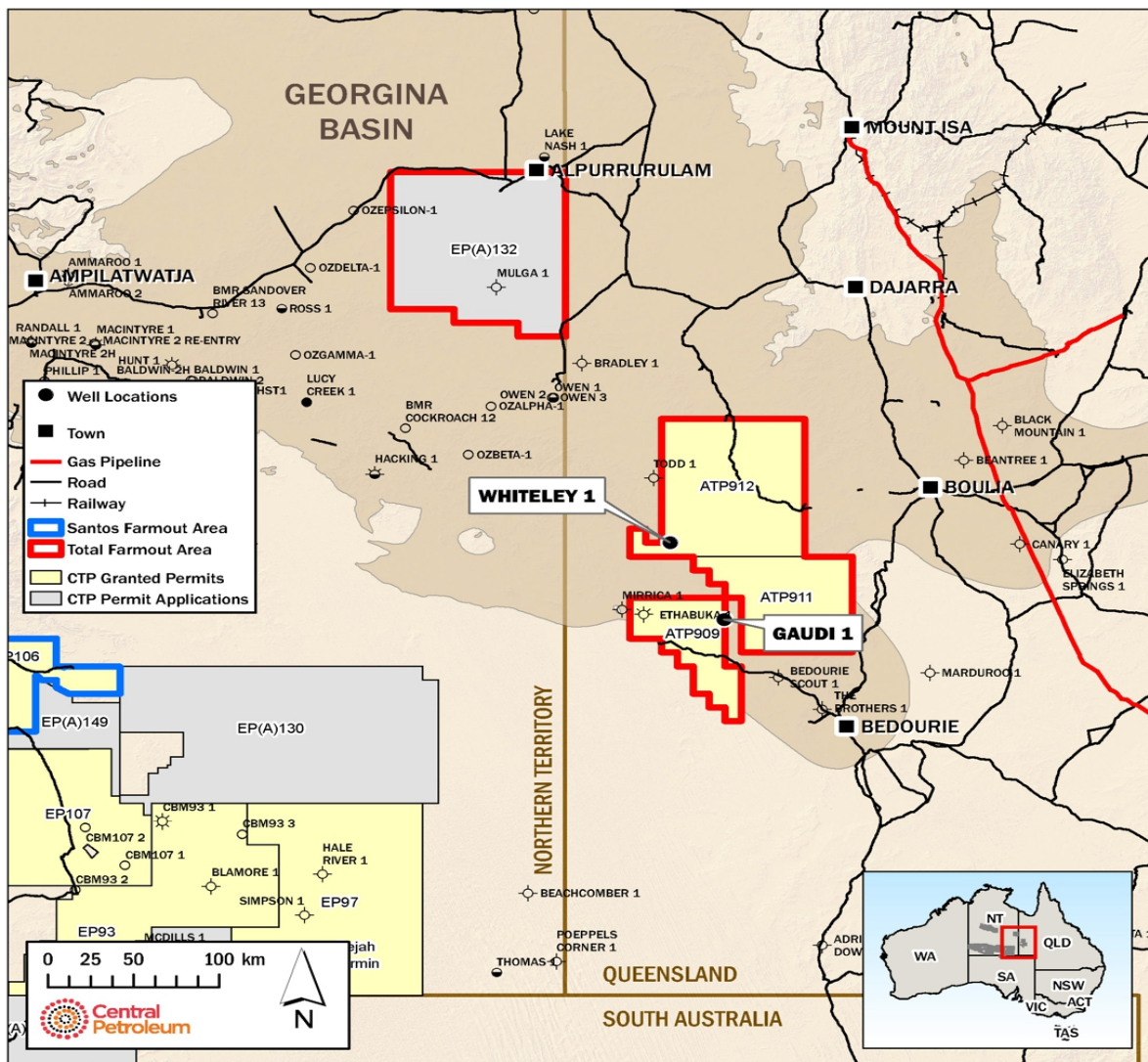


Figure 2: Location of Whiteley-1 and Gaudi-1

The exploration targets in the joint venture's permits are now expanded to include;

1. Shale and tight gas reservoirs within the Lower Arthur Creek Fm, as targeted by Gaudi 1, and
2. A potential structurally controlled Hydrothermal Dolomite (HTD) play. Global analogues for this type of play are characterized by the highly localized creation of porosity in otherwise tight carbonates by the movement of hot geothermal fluids through the succession, upwards along faults. The types of mineralization observed in the Gaudi 1 and nearby mineral well cores, the lost circulation in Whiteley 1, and anomalies observed on seismic all provide evidence for the possible presence of this play within the joint venture's permits

The joint venture is considering various options to progress evaluation of these plays.

Santos Stage 2 Farmout – Southern Amadeus Basin, Northern Territory

The joint venture is reviewing all data in this area to ensure the upcoming 2D seismic program of 1300 km is optimally located. Key activities include reprocessing trials of 2013 seismic data, and modelling of potential field with seismic and outcrop data. Preliminary results have identified several large leads. These results will be refined to confirm or amend line layout, select appropriate acquisition parameters, and prepare to utilise real-time information for operational purposes.

| Southern Amadeus Area | Total Santos Participating Interest after completion of Stage 1 | Total Santos Participating Interest after completion of Stage 2 |
|----------------------------------|--|--|
| EP82 (excluding EP82 Sub-Blocks) | 25% | 40% (ie additional 15% earned) |
| EP105 | 25% | 40% (ie additional 15% earned) |
| EP106 | 25% | 40% (ie additional 15% earned) |
| EP112 | 25% | 40% (ie additional 15% earned) |

EP 125 – Southern Amadeus Basin, Northern Territory (CTP-30% interest, Santos [Operator]-70% interest)

Mt Kitty 1 Exploration Well

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

Isotope analysis of gas samples collected whilst drilling indicates no sample contamination and confirms the validity of previously announced helium contents up to 9%.

The Mt Kitty “fractured basement” discovery has opened up an additional play type which forms a valid objective in future wells. Uncertainties remain as to the size of the resource discovered in the Mt Kitty 1 exploration well. Poorly constrained input parameters to resource assessment include reservoir pressure which is an indication of column height, porosity and extent or connectivity of the fracture system, as well as the precise gas composition. Considering that helium is approximately 30 times more valuable than methane, the gas-in-place estimates and potential well performance are significant in determining the potential commerciality of the resource. The possibility to re-enter Mt Kitty 1 or drill additional wells on the structure is included in the inventory of opportunities under consideration.

The joint venture's exploration endeavours in this and surrounding permits will focus on maturing large sub-salt leads to drillable status by acquiring further seismic in Stage 2. The primary reservoir objective is the Heavitree Quartzite. Secondary reservoir objectives in the Neoproterozoic succession include the Pioneer Sst which is gas productive in the sub-commercial Ooraminna field and the Areyonga Fm.

EP 115 (includes EP115 North West Mereenie Block (NMB)), Northern Territory

This permit has successfully been renewed for an additional exploration term of 5 years, with a program building on recent acquisition of gravity data, to include seismic and drilling works.

Palm Valley Exploration (OL3), Northern Territory

The Palm Valley Deep prospect location has been surveyed, and the company has received the Sacred Site Clearance from the Central Land Council. Central continues to consider rig selection as required to request regulatory approval to drill Palm Valley 12. The objective is a test of the deeper Arumbera Sandstone below the main field gas pool in fractured Pacoota and Stairway formation sandstones. The basal Arumbera Sst is an established gas bearing reservoir in the Dingo gas field located some 100 km to the east of Palm Valley.

Ooraminna Exploration (RL3 and RL4), Northern Territory

Desk-top studies have continued in preparation for field work and seismic updates to firm up one or more of locations under consideration to appraise the Pioneer Sandstone, with option to test deeper objectives.

EP 82 Sub-Blocks - Dingo Satellite Area (DSA) - Exploration (L7 and DSA excised from EP82), Northern Territory

As part of arrangements in Central’s acquisition of 50% of Mereenie Oil & Gas Field, Central has acquired 100% and Operatorship of acreage surrounding Dingo Gas Field. The reacquired blocks encompass 1,492 km2 adjacent to Dingo Gas Field, and are in close proximity to Central’s existing pipeline, and one of two proposed NEGI pipeline routes. Sparse seismic suggests several leads which are targeted for infill 2D seismic to locate drilling locations.

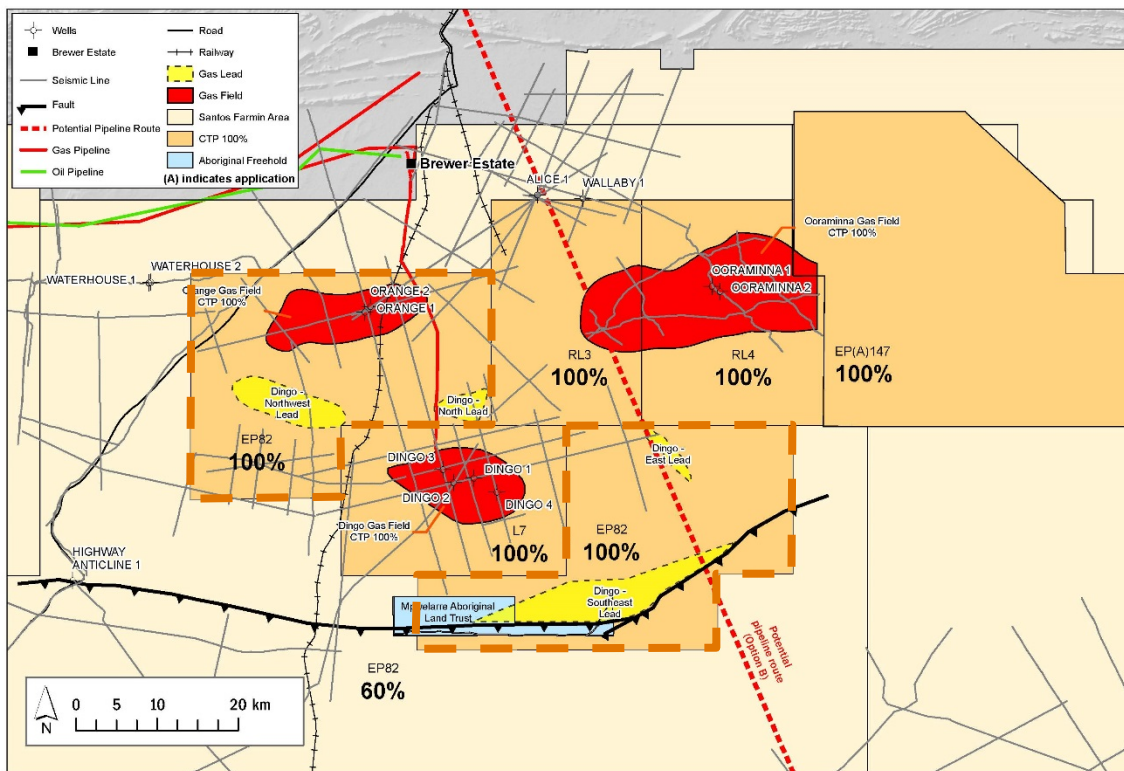


Figure 3: Location of Dingo (L7) licenses area, and blocks excised from EP82 (EP 82 Sub-Blocks).

Other Exploration Areas

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

PRODUCTION ACTIVITIES:

Mereenie Oil and Gas Field (OL4 and OL5) – Northern Territory

(CTP – 50% interest subject to completion (targeted for 1 September 2015) – Operator upon completion)

In the Quarter:

- Central announced plans to purchase a 50% interest in Mereenie Oil and Gas Field.
- Mereenie contains significant gas Reserves and Resources, which can form a basis of supply (along with other Central assets) to under pin the NEGI pipeline.
- Central will be able to optimize production costs across all fields; Palm Valley, Dingo and Surprise in addition to Mereenie. Central will, upon completion of the Mereenie transaction, operate all oil and gas production in the Amadeus Basin.



Figure 4: Mereenie (SWIFT Project) new test separator



(Top left) Figure 5: Eastern Satellite Station Oil, Gas and Water Separator. (Top right) Figure 6: New 12" Flowline & Test skid. (Middle left) Figure 7: Central treating plant inlet separator free water knockout at CTP (Middle right) Figure 8: Eastern Satellite Station coalescing filter and plant pipeline rack. (Bottom) Figure 9: Central treating plant piping with maintenance work progressing.

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

In the Quarter:

- Insulated the low temperature separator.
- Closed out minor punch list items.

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

Palm Valley produced 306,328GJ in the Quarter, including 26,600GJ of “early delivery” gas into the Dingo contract.

The Palm Valley delivered 5 days of sales flows of 7.0 TJ/d to offset volume during planned shut-down for maintenance at Mereenie.

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

The Surprise West well averaged 102.35 bopd during the quarter. The low oil prices and the remoteness of the Company’s Surprise Oil Field has led to the decision to temporarily shut-in oil production from this field from August 2015 to allow the Company to assess the re-charge potential of the field. Should oil prices recover significantly in \$A terms, production can re-commence after assessing the pressure build-up.

INTERESTS IN PETROLEUM PERMITS AND LICENCES AT 30 JUNE 2015

Petroleum Permits and Licences Granted

| Tenement | Location | Operator | CTP Consolidated Entity | | Other JV Participants | |
|---|--------------------------|--|--|-----------------------------------|-----------------------|-------------------------------------|
| | | | Registered Interest (%) | Beneficial Interest (%) | Participant Name | Beneficial Interest (%) |
| EP 82 (excl. EP 82 Sub-Blocks) ¹ | Amadeus Basin NT | Santos | 60 | 60 | Santos | 40 |
| EP 82 Sub-Blocks ² | Amadeus Basin NT | Central | 60 | 100 | | |
| EP 93 | Pedirka Basin NT | Central | 100 | 100 | | |
| EP 97 | Pedirka Basin NT | Central | 100 | 100 | | |
| EP 105 ¹ | Amadeus/Pedirka Basin NT | Santos | 60 | 60 | Santos | 40 |
| EP 106 ¹ | Amadeus Basin NT | Santos | 60 | 60 | Santos | 40 |
| EP 107 ² | Amadeus/Pedirka Basin NT | Central | 60 | 100 | | |
| EP 112 ¹ | Amadeus Basin NT | Santos | 60 | 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 |
| OL 3 (Palm Valley) | Amadeus Basin NT | Central | 100 | 100 | | |
| OL 4 (Mereenie) ² | Amadeus Basin NT | Central (on transaction completion) | 0 (50% on transaction completion and registration) | 0 (50% on transaction completion) | Santos | 100 (50% on transaction completion) |
| OL 5 (Mereenie) ² | Amadeus Basin NT | Central (on transaction completion) | 0 (50% on transaction completion and registration) | 0 (50% on transaction completion) | Santos | 100 (50% on transaction completion) |
| L 6 (Surprise) | Amadeus Basin NT | Central | 100 | 100 | | |
| L 7 (Dingo) | Amadeus Basin NT | Central | 100 | 100 | | |
| RL 3 (Ooraminna) | Amadeus Basin NT | Central | 100 | 100 | | |
| RL 4 (Ooraminna) | Amadeus Basin NT | Central | 100 | 100 | | |
| ATP 909 ¹ | Georgina Basin QLD | Central | 90 | 90 | Total | 10 |
| ATP 911 ¹ | Georgina Basin QLD | Central | 90 | 90 | Total | 10 |
| ATP 912 ¹ | Georgina Basin QLD | Central | 90 | 90 | Total | 10 |

Petroleum 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 ² | Amadeus Basin NT | Central | 100 | 100 | | |
| EPA 120 | Amadeus Basin NT | Central | 100 | 100 | | |
| EPA 124 ² | 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 ² | Amadeus Basin NT | Central | 100 | 100 | | |
| 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 | | |

Notes

- 1 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.

INTERESTS IN PETROLEUM PERMITS AND LICENCES AT 30 JUNE 2015 (Continued)

- 2 *In line with the Company's announcement of 4 June 2015, Central has entered into an agreement to purchase 50% of OL 4 and 5 (Mereenie) and have granted Santos the right to acquire a 50% interest in EPA 111 and EPA 124, all of which remains subject to transaction completion currently targeted for 1 September 2015. 100% of EP 82 Sub-Blocks, EP 107 and EPA 147 were returned to Central on execution of this agreement on 3 June 2015.*

CORPORATE:

Cash Position

The Company began the Quarter with \$5.8 million in cash and at 30 June 2015 held \$3.7 million. Both cash positions are inclusive of the Company's share of cash held in Joint Venture bank accounts.

Cash received from oil and gas sales for the Quarter totalled \$2.5 million, with receipt of oil revenue payment days continuing to average around 60 days after production. Receivables at 30 June 2015 relating to operating revenue were \$1.1 million.

During the Quarter the Company drew down \$4 million from its financing facility with Macquarie Bank Limited. Interest amounting to \$1.2 million was accrued at the end of the quarter and will be capitalised into the facility during the next Quarter.

Cash investment outflows for the Quarter totalled \$2.8 million. This is mainly related to expenditure on the Dingo Field Development Project of \$2.9 million partly offset by proceeds from the redemption of performance bonds from the NT government of \$0.1 million. During the 12 months ended 30 June 2015, \$30.3 million has been spent on the Southern Georgina Joint Venture with \$0.9 million being spent during the Quarter. Central has contributed \$5.9 million to date as reflected within the exploration year to date number of \$8.2 million.

Cash Operating outflows for the Quarter related primarily to the Surprise Oil Field and the Palm Valley gas field including \$2.1 million of production costs and administration costs of \$1.6 million.

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

Issued Securities of the Company

At 30 June 2015 the Company had 368,718,957 ordinary shares on issue and 69,652,590 unlisted options exercisable at various prices and with various expiry dates.

During the quarter a total of 1,268,000 unlisted options expired, 450,000 unlisted options were cancelled and 5,288,843 unlisted options exercisable at various prices were granted.

Richard Cottee



Managing Director

31 July 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.

No right of the Company or its subsidiaries shall be waived arising out of this document. All rights are reserved.

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")

30 June 2015

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date \$A'000 |
|---|--|--|
| 1.1 Receipts from product sales and related debtors | 2,452 | 10,980 |
| 1.2 Payments for (a) exploration & evaluation (b) development [see 1.8(b)] (c) production (d) administration (e) settlement of legal case | (1,436) (2,051) (1,607) (450) | (8,197) (9,700) (5,913) (1,048) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 21 | 143 |
| 1.5 Interest and other costs of finance paid | (60) | (287) |
| 1.6 Income taxes paid | - | - |
| 1.7 (a) Other income (b) R&D refunds | - - | 169 3,252 |
| Net Operating Cash Flows | (3,131) | (10,601) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects (b) development & other fixed assets | - (2,862) | - (21,776) |
| 1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets | - - - | - - 960 |
| 1.10 Contributions from Joint Venture Partners | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other – redemption/(lodgement) of security bonds | 70 | 566 |
| Net investing cash flows | (2,792) | (20,250) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|---|--|----------------|----------------|
| 1.13 | Total operating and investing cash flows (carried forward) | (5,923) | (30,851) |
| Cash flows related to financing activities | | | |
| 1.14 | Proceeds (net) from issues of shares, options, etc. | - | 5,562 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | 4,000 | 19,000 |
| 1.17 | Repayment of borrowings | (144) | (305) |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (provide details if material) | - | - |
| | Net financing cash flows | 3,856 | 24,257 |
| | Net increase (decrease) in cash held | (2,067) | (6,594) |
| 1.20 | Cash at beginning of quarter/year to date | 5,803 | 10,330 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 3,736 | 3,736 |

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 | 305 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

Includes directors fees, salaries of executive directors, superannuation, 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 | 2,692 | 47,308 |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|---|--------------|
| 4.1 Exploration and evaluation (net) | 1,505 |
| 4.2 Development funded by Macquarie Finance Facility | 500 |
| 4.3 Production expenses before forecast revenue generated from oil and gas activities | 1,996 |
| 4.4 Administration | 2,756 |
| Total | 6,757 |

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 | 2,428 | 4,558 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Joint arrangements | 262 | 187 |
| 5.5 Debt funding account for Macquarie Finance Facility | 1,046 | 1,058 |
| Total: cash at end of quarter (item 1.22) | 3,736 | 5,803 |

+ 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 | See Ops Report for Detailed List of Tenements Held | | |

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 | Preference securities | | | |
| 7.2 | <i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | |
| 7.3 | +Ordinary securities | 368,718,957 | 368,718,957 | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | | | |
|-----|--|------------|---|-----------------------|--------------------|
| 7.4 | Changes during quarter | | | | |
| | (a) Increases through issues | - | - | - | - |
| | (b) Increases through conversion of options | - | - | - | - |
| | (c) Decreases (details) | - | - | - | - |
| 7.5 | +Convertible debt securities (description) | | | | |
| 7.6 | Changes during quarter | | | | |
| | (a) Increases through issues | | | | |
| | (b) Decreases through securities matured, converted | | | | |
| 7.7 | Options (description) | | | <u>Exercise price</u> | <u>Expiry date</u> |
| | - Listed | - | - | - | - |
| | - Unlisted | 69,652,590 | - | Various | Various |
| 7.8 | Issued during quarter | | | | |
| | - Unlisted | 5,288,843 | - | - | - |
| 7.9 | Exercised during quarter | | | | |
| | - Unlisted | - | - | - | - |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | | | |
|------|---|-----------|---|---|---|
| 7.10 | Cancelled during quarter (all expiries) - Unlisted | 1,718,000 | - | - | - |
| 7.11 | Debentures (totals only) | | | | |
| 7.12 | Unsecured notes (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 ~~not~~^{*} (*delete one*) give a true and fair view of the matters disclosed.



Sign here:
 (Joint Company Secretary)

Date: 31 July 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.

+ See chapter 19 for defined terms.

- 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.