

# Quarterly Report

For Quarter ending 31 March 2015



## HIGHLIGHTS

- Quarterly net production was 17,421 bbls of oil and 15,360 Mcf of gas with gross revenue of A\$1.4m.
- After royalties, production, development and 12 month hedge protection costs the Company delivered over US\$550,000 to fund exploration and administration costs for the quarter.
- **Yellowfin Project (96% WI)** - The Company is pleased with the continued interest in the project from the US Gulf Coast market.
- **Desiree Production (39.6% WI)** - Hensarling #1 produced a total of 37,030 bbls of oil during the Mar quarter at an average rate of 417 bbls per day. During the period, net revenue (after operating costs) averaged -\$162,060 per month.
- **Dugas & Leblanc #3 (56.8% WI\*)** - This well is presently producing at gross production rates of 70 bopd and 380 bswpd, through a 21/64" choke. During the period, net revenue (after operating costs) averaged -\$38,000 per month.
- **West Klondike (11.7% WI)** - The well is presently producing -1mmcf/d and 10 bcpd through a 7/64 inch choke from the Lower Nod Blan.
- **Abita (20% WI)** - The SL 19706 #1 well is presently awaiting a work over rig to commence recompleting the 17 sand.

## CAPITAL STRUCTURE AND FINANCIAL SNAPSHOT

ASX Codes	GGE	Shares	748m
Share Price	0.6 c	Mkt Cap	\$4.5m
Quarterly Rev	\$1.4m	Prod. Wells	4
Cash @ 31/03	\$1.75m		

Level 7, 1008 Hay Street  
PERTH WA 6000  
T +61 8 9389 2000  
F +61 8 9389 2099  
E info@grandgulf.net  
www.grandgulfenergy.com

### Investor/Media enquiries

Mark Freeman  
T +61 8 9389 2000

### Directors

Executive Chairman  
Mr Charles Morgan

Managing Director  
Mr Mark Freeman

Director  
Mr Stephen Keenihan

Executive Director  
Mr Allan Boss

### Energy Prices

LLS US\$62.09 (BBL)  
Nymex US2.51 (MMBTU)

### Major Shareholders

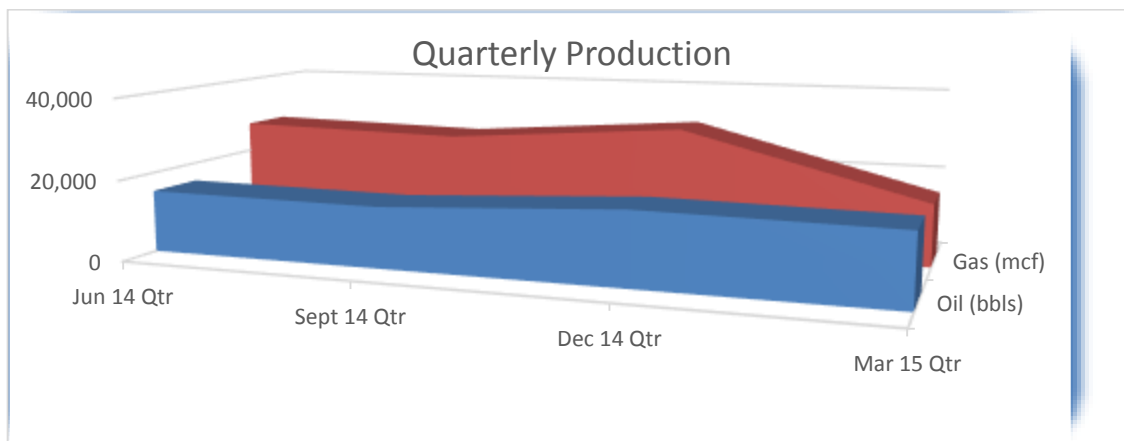
Charles Morgan 21%  
Craig Burton 24.6%





**PRODUCTION AND DEVELOPMENT**

	Jun Qtr	Sept Qtr	Dec Qtr	Mar Qtr
Oil (bbls)	15,392	14,970	18,075	17,421
Gas (mcf)	27,574	26,444	30,785	15,360
% Oil Equ.	94%	93%	95%	96%



**FINANCIAL UPDATE**

As a result of the reduction of the oil price the current net revenue after production royalties and costs is estimated at US\$250,000 per month (US\$3 Million per annum).

The Company sells its oil each month based on a formula which is linked to the monthly average NYMEX WTI Price (Louisiana Light Sweet (LLS)). To mitigate downside price risk, in January, the Company has purchased a series of NYMEX WTI put options for 2,400 barrels per month (~52% of average monthly production at a strike price of \$49.20/bbl) over the period January to June 2015. In addition the Company secured in March a series of NYMEX WTT put options for 3,600 barrels per month (~78% of average monthly production at a strike price of \$50/bbl) over the period July to December 2015. In exchange for an upfront premium of US\$150,336, the options produce a favourable cash flow if prices move below a specific level to cover the fall in the index price. If prices move higher, the Company does not incur any hedge position losses, and will therefore participate in higher priced sales should this occur through a higher index price. The option for January expired, with a payment to the company of US\$4,500. The Company will continue to monitor the NYMEX WTI price with a view to adding further protection using similar products as appropriate.

On 2 December 2014 the Company entered into an agreement to acquire 3.99% WI in Desiree and 15.3%WI in Dugas & Leblanc #3 for US\$575,000 from OGI. This acquisition increases the Company’s interest in Desiree to 39.6% and D&L (#3) to 56.8%. The acquisition is effective 1 November 2014. The vendor is awaiting relisting of the seller on ASX before it can complete the sale. This is anticipated to occur within the next 2 weeks. Whilst the acquisition is reflected in the Company’s share of oil production the impact of the revenue since November 2014 is yet to be accounted for in the Company’s cashflow. At present the Company share of revenue is estimated at \$US190,000.

The Company is presently awaiting a payment from its insurers of US\$718,000, this will occur following the court ratifying the recent settlement completed between the Dugas & Leblanc JV and the Personal Injury litigants.

The Company already has very tight budget controls in place and low overheads, but notwithstanding this, will take further steps to reduce costs as required.

Grand Gulf strategy is to secure distressed production assets and to actively market and sell down its interest in the Yellowfin project.



<b>2015 Reserves and Resources Summary</b>							
Reserves and Resources as at 31 March							
Net to Grand Gulf Energy Ltd							
FILED (LICENCE)	Proved(1P)				PROVED & PROBABLE(2P)		
	INTEREST	LIQUIDS MBBL	GAS MMCF	OIL EQUIVALENT <sup>(1)</sup> MBOE	LIQUIDS MBBL	GAS MMCF	OIL EQUIVALENT <sup>(1)</sup> MBOE
<b>Reserves</b>							
<b>USA</b>							
Dugas & Leblanc #3	55.80%	22	353	81	22	353	81
Desiree	39.45%	304	-	304	388	-	388
West Klondike	11.70%	0	14	3	12	14	25
Abita	20%	8	403	75	8	403	75
<b>Total Reserves</b>		<b>334</b>	<b>769</b>	<b>463</b>	<b>430</b>	<b>769</b>	<b>569</b>
<b>Contingent Resources</b>							
Reserves	High Estimate 1C				Mid to Low Estimate 2C		
	INTEREST	LIQUIDS MBBL	GAS MMCF	OIL EQUIVALENT <sup>(1)</sup> MBOE	LIQUIDS MBBL	GAS MMCF	OIL EQUIVALENT <sup>(1)</sup> MBOE
<b>USA</b>							
Dugas & Leblanc #3	55.80%		837			279	47
Desiree	39.45%						
West Klondike	11.70%	55	1,352	280	18	451	93
Abita	20%						
<b>Total Contingent Resources</b>		<b>55</b>	<b>2,189</b>	<b>280</b>	<b>18</b>	<b>730</b>	<b>140</b>
<b>Total Reserves and Resources</b>		<b>389</b>	<b>2,958</b>	<b>743</b>	<b>448</b>	<b>1,499</b>	<b>709</b>
<sup>(1)</sup> Oil equivalent conversion factor: 6MSCF per BBL.							

### Competent Persons Statement

The information contained in these statements has been compiled by Kevin Kenning, Senior Petroleum Engineer, who is a consultant of the Company, is qualified in accordance with ASX listing rule 5.11 and has consented to the publication of this report. The reserve estimates in this report are solely based on Kevin Kennings professional opinion and are consistent with accepted industry standards for proved reserves. The proved reserve definition is based upon the criteria contained within the "SPE PRMS" (Society of Petroleum Engineers Petroleum Resources Management System).

## EXPLORATION

### Napoleonville Salt Dome

#### Yellowfin Prospect (96% WI) - Potential for 1.7-2TCF

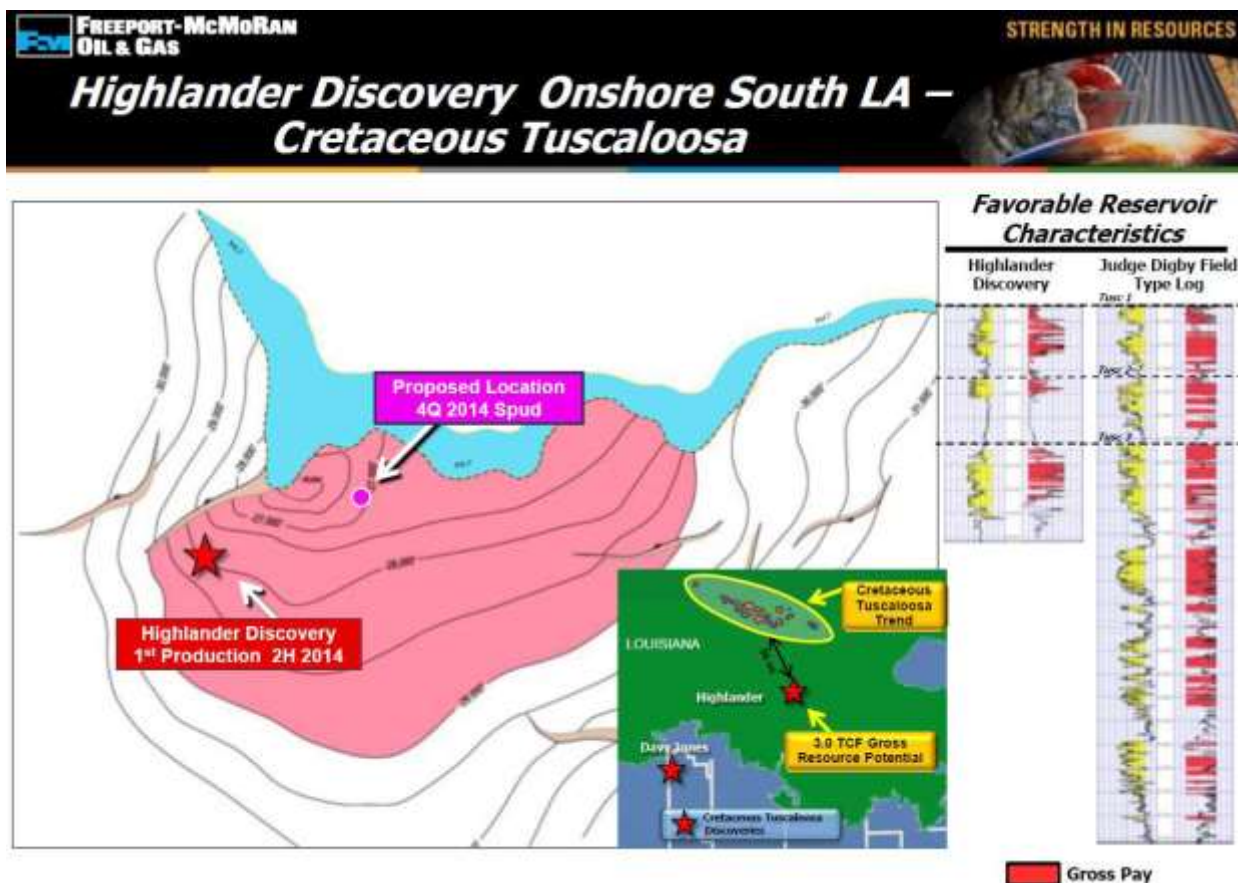
- Proven Productive Trend, Tuscaloosa Sands & Column Height
- Syncline separated from Freeport McMoran's 2014 "Highlander" "3.0 TCF" Discovery
- 8,000 acre 3-Way Compressional Fold Trap analog feature
- Deeper Pool Test - Migration Pathway to 20 MMBO & 180 BCF Field
- 2,000' Objective Interval
- Analogous to Offshore Ultra Deep Sub-Salt Discoveries
- Proprietary 3D
- Wilcox & Marg vag Upside
- Land Location, Infrastructure & Pipelines
- MOST LIKELY RESERVES in the case of a discovery: 1.7 TCF (5,200 ac., 2,000' relief)

Over the last 9 months the Company has secured leases over the Yellowfin Project. The Project has been developed in house using the Company's proprietary 52 square miles seismic survey headed by chief geologist and project manager KC Whittemore (who developed the deep La Posada Prospects, now fields, in Vermilion Parish, Louisiana).



Located in Assumption Parish, Louisiana, the Yellowfin Prospect targets Cretaceous Tuscaloosa sands over a 2,000ft interval on a structural closure covering an area of 8,000 acres. The Prospect is currently being marketed to industry and will likely be operated by a large US GOM Oil and Gas Company. This initial test well will be drilled to a total depth of 27,900ft.

Yellowfin follows Freeport McMoran’s “Highlander” Jeanerette #1 Discovery to establish sand, pay and significant column height and multi-TCF potential in the new trend. Freeport McMoran’s reported potential of the discovery is 3TCF with 50,000+ acres under lease and two additional wells permitted in the area. Yellowfin is a significantly large, similar sized feature situated on the adjacent structure to the Discovery. The Freeport McMoran well was recently tested with expanded facilities at 75 mmcf/d (42/62” choke) and nearing finalised facilities prior to sales.



The Discovery and Prospect area characterized by and analogous to the sub-salt, compressional structural style and sand depositional setting is comparative to the ultra-deep offshore deep water sub-salt play and discoveries being developed by major oil companies.

Most likely resource potential of the Yellowfin Prospect assuming an average of 2,000ft relief over 5,200 acres is estimated to be 1.7 TCF (upside potential of 2 TCF). Land surface location offers significant cost reduction and surface infrastructure to facilitate bringing the project to market. With success, the project offers long life reserves, high rate deliverability and significant oil and natural gas liquid potential to provide substantial impact on the company.

The Company has worked diligently to put this project together and is extremely encouraged by the play and the market’s level of interest.



### Desiree Field

#### Desiree, Assumption Parish, Louisiana, Non Operator 39.45%WI\*

The Hensarling #1 well (Desiree Field) commenced production on 3 July 2013 and has produced over 240,000 barrels of oil. The operator anticipates the well will sustain production rates at an average of 420 bopd with no water production.

Production is sourced from the thicker Cris R III (49ft pay) formation and at the presently depressed oil price of \$62/bbl will generate revenues of US\$200,000 per month (after royalties and operative costs), or US\$2.4 million per annum.

Production will continue through a 25/64 inch choke until depletion takes place, or water production becomes excessive, and will then switch to the thinner Cris R II (31ft pay) formation. The JV has secured the Templet #1 as a disposal well for Hensarling #1 when it commences to produce water.

#### Desiree Litigation

The Company advised in July 2014 that a previous JV partner in the Desiree Project was suing the Company for a 5.3% WI (4.63% WI net to GGE) in the Desiree Project and leases. The partner formally withdrew from the project in December 2011 and, subsequent to the well having commenced drilling, demanded their interest be reinstated. GGE's right to its working interest is being vehemently defended.

The Company is pleased that the matter has been removed from the court system into a private arbitration proceeding which will likely take place in the upcoming quarter.

### Dugas & Leblanc Field

#### Napoleonville- Dugas & Leblanc #3 Well, Assumption Parish, Louisiana, Non Operator 55.8% WI\*

The D&L#3 "M" sand was successfully perforated and placed on production on 18 October 2011. The well is presently producing 67 bod, 38 mcf/d and 380 barrels of water per day from a 21/64 inch choke.

Production is sourced from the Big Hum "M" sand and at the presently depressed oil price of \$62/bbl will generate revenues of US\$53,000 - per month (after royalties and operative costs), or US\$640,000 pa.

### Abita

#### Abita, Plaquemines Parish, Louisiana, Non Operator 20%WI

The field is being operated by Clayton Williams Energy Inc in Plaquemines Parish, Louisiana. The well commenced producing on 18 March 2012.

The well is presently awaiting a work-over targeting a completion in the 17 sand.

### West Klondike Development

#### Wilbert Sons LLC #1 well, West Klondike, Iberville Parish, Louisiana, Non Operator 11.7% WI

The well commenced producing from the lower Nod Blan on 4 September 2014 and is presently producing at 1 mmcf/d and 10 bcpd through a 7/64 inch choke from the lower Nod Blan. Following depletion in the L Nod Blan the well will be completed and produced from the upper Nod Blan.

These two intervals represent a small component of the ultimate reserves of West Klondike and the third most substantial interval to be produced following the depletion of the Nod Blan sands is the Lorio interval which has the potential for up to 500,000 barrels of oil.





## LEASE SCHEDULE

The Company provides the following Schedule of lease interest held by the Company for the quarter 31 March 2015 as required by ASX Listing Rule 5.3.

Project	Location	Lease	Interest at Beginning of the Quarter	Interest at the end of the Quarter
Abita	Plaquemines Parish	16990	20%	20%
Abita	Plaquemines Parish	16991	20%	20%
Abita	Plaquemines Parish	16992	20%	20%
Abita	Plaquemines Parish	16993	20%	20%
Dugas & Leblanc	Assumption Parish, Louisiana	CL-0102	40.5%	55.8%
Dugas & Leblanc	Assumption Parish, Louisiana	CL-0110	40.5%	55.8%
Napoleonville 3-D	Assumption Parish, Louisiana	CL-0119	22%	22%
Desiree/Louise	Assumption Parish, Louisiana	CL-0130	35.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-031A (CL-0131)	35.6%	39.6%
Desiree	Assumption Parish, Louisiana	12S14E52-031B (CL-0131)	35.6%	39.6%
Napoleonville 3-D	Assumption Parish, Louisiana	CL-0121	22%	22%
Napoleonville 3-D	Assumption Parish, Louisiana	CL-0122	22%	22%
Napoleonville 3-D	Assumption Parish, Louisiana	CL-0123	22%	22%
Louise	Assumption Parish, Louisiana	CL-0124	22%	22%
Napoleonville 3-D	Assumption Parish, Louisiana	CL-0134	22%	22%
Napoleonville 3-D	Assumption Parish, Louisiana	CL-0137	22%	22%
Napoleonville 3-D	Assumption Parish, Louisiana	CL-0138A	22%	22%
Napoleonville 3-D	Assumption Parish, Louisiana	CL-0138B	22%	22%
Napoleonville 3-D	Assumption Parish, Louisiana	CL-0135	22%	22%
Napoleonville 3-D	Assumption Parish, Louisiana	CL-0136	22%	22%
Dugas & Leblanc	Assumption Parish, Louisiana	CL-0139	40.5%	56.8%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-001	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-003	35.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-004	35.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-005	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-006	35.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-007	35.6%	39.6%
Desiree	Assumption Parish, Louisiana	12S14E52-008	35.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-009	35.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-010	35.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-011	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-013	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-014	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-015	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-016	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-017A	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-019	35.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-020	35.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-022A	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-022B	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-012	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-018	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-021A	35.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-021B	35.6/22.0%	39.6/22.0%

## Quarterly Report For Quarter ending 31 March 2015



Desiree/Louise	Assumption Parish, Louisiana	12S14E52-024	35.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-023	35.6%	39.6%
Desiree	Assumption Parish, Louisiana	12S14E51-001A	35.6%	39.6%
Desiree	Assumption Parish, Louisiana	12S14E51-001B	35.6%	39.6%
Louise	Assumption Parish, Louisiana	12S14E52-025	35.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-026	35.6/22.0%	39.6/22.0%
Louise	Assumption Parish, Louisiana	12S14E52-027	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E52-028	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-001	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-002A	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-002B	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-003	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-004	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-005	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-006	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-007	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-008	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-009	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-010	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-011	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-012	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-013	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-014	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-015	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-016	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-017	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-018	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-019	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-020	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-021	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-022	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-023	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-024	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-025	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E53-026	22.0%	22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-032 (CL-0068 & 0106)	35.6%	39.6%
Louise	Assumption Parish, Louisiana	12S14E52-029	22.0%	22.0%
Louise	Assumption Parish, Louisiana	12S14E52-030	22.0%	22.0%
West Klondike	Iberville Parish, Louisiana	WK#1A	10.5%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#1B	10.5%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#1C	10.5%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#2	10.5%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#3A	10.5%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#3B	10.5%	11.7%

\* GGE interest in Desiree and D&L#3 was increased by 3.99% and 15.3% respectively on the recent acquisition of OGI's interests in Napoleonville. The agreement is effective from 1 November 2014.



**COMPETENT PERSONS STATEMENT:** *The information in this report has been reviewed and signed off by Mr KC Whittemore (Registered Geologist, Texas USA), and Kevin Kenning (Registered Reservoir Engineer) with over 37 and 31 years relevant experience respectively within oil and gas sector. This report contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.*



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

GRAND GULF ENERGY LTD

ABN

22 073 653 175

Quarter ended ("current quarter")

31 March 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	1,402	5,278
1.2 Payments for (a) exploration & evaluation	(819)	(2,315)
(b) development	(162)	(555)
(c) production	(697)	(2,247)
(d) administration	(218)	(609)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Insurance pre-payment (refundable)	-	-
1.7 Other (escrow of revenue)	-	-
<b>Net Operating Cash Flows</b>	<b>(494)</b>	<b>(448)</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>(494)</b>	<b>(448)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(494)	(448)
	<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	Costs of Capital	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(494)	(448)
1.20	Cash at beginning of quarter/year to date	2,072	1,810
1.21	Exchange rate adjustments to item 1.20	169	385
1.22	<b>Cash at end of quarter</b>	<b>1,747</b>	<b>1,747</b>

**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	151
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include consulting and directors fees, and provision of a Legal Secretary.

**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		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	50
4.3 Production*	700
4.4 Administration	125
<b>Total</b>	<b>1,025</b>

\* Production costs are primarily a fixed % of revenue and reflect royalties and state taxes. The balance are production costs.

### 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	1,747	2,072
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>1,747</b>	<b>2,072</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				

+ See chapter 19 for defined terms.

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

6.2 Interests in mining 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>	747,998,870	747,998,870		Fully paid
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>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b>			Exercise price	Expiry date
Unlisted Options	27,000,000		1.4c	30 Nov 2018
Listed Options				

+ See chapter 19 for defined terms.

7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				
7.13	Partly paid shares				

## 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 30/04/2015  
(Director/Company secretary)

Print name: Mark Freeman

## 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.

---

+ See chapter 19 for defined terms.



## Appendix 5B Mining exploration entity quarterly report

---

- 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Accounting 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.

== == == == ==