

Quarterly Report

For Quarter ending 30 June 2015



HIGHLIGHTS

Cash Flow Analysis	June Qtr \$AUD M	Annual \$AUD M
Production Sales	1.45	6.7
Production Costs *	(0.68)	(2.9)
Operating Costs	(0.2)	(0.8)
Net Operating Proceeds	0.53	3.0

* Production costs are primarily royalties and severance taxes which are a fixed % of revenue.

- The Company continues to self-fund its exploration and development activities for the **5th consecutive year** from production revenue with **zero debt** and **no equity raisings**.
- The acquisition of an additional 3.99% of Desiree and 15% of D&L was completed at an effective price of **US\$8** per barrel of oil on P1 reserves (ie purchase of remaining 57,278 bbls for US\$375,000).
- Cash on hand is **\$1.15m** with receivables of **\$1.8m**
- Included in receivables is a final payout from insurers of **\$995,000** due in **September 2015**.
- Desiree Production (39.6% WI)** - produced a total of 37,779 bbls of oil during the 4th quarter at an average rate of 420 bbls per day. Third party **cash** acquisition of a JV partners interest values the Company's 39.6% at A\$7.8m (more than \$3.3m above GGE's market cap).
- Yellowfin Project (96% WI)** - Yellowfin has potential total reserves of up to 2 tcf which at current gas prices generates a NPV10 of over \$2 billion. The Company has recently completed depth conversion of the 3D seismic, yielding results that have been well received by potential US JV partners.
- Dugas & Leblanc #3 (55.5% WI)** - produced a total of 6,835 bbls of oil and 2,965 mcfg during the June quarter at an average rate of 80 boed.
- West Klondike (11.7% WI)** - The well is scheduled to be recompleted in top member of the Lower Nod Blan. The well produced 56,641 mcfg over the 2nd quarter.
- Abita (20% WI)** - The SL 19706 #1 well was recompleted in the 17 sand in May '15 and presently on production at 1,000 mcfgd at 5 bopd. In the month of June the well produced 31,967 mcfg and 192 bo.

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 @ 30/6	\$1m	Receivables	\$1.8m
Prod oil mth	6,000 bbl	Prod gas mth	8,900 mcf
Reserves Oil P1	315,000	Reserves Gas P1	748 mmcf

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

Executive Director
Mr Allan Boss

Director
Mr Stephen Keenihan

Energy Prices
LLS US\$51.70 (BBL)
Nymex US\$2.87 (MMBTU)

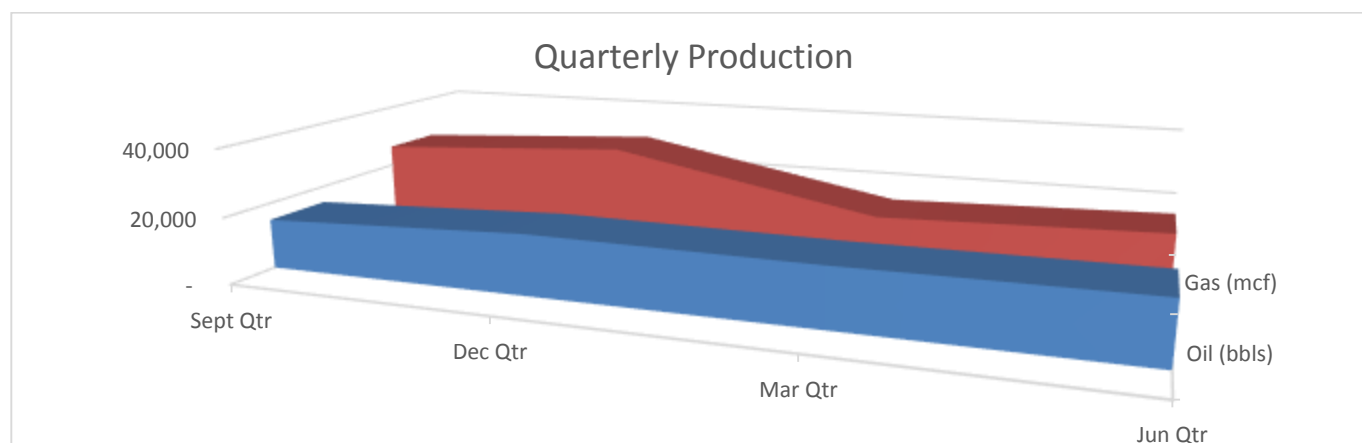
Major Shareholders
Charles Morgan 21%
Craig Burton 24.6%





PRODUCTION AND DEVELOPMENT

	Sept Qtr	Dec Qtr	Mar Qtr	Jun Qtr
Oil (bbls)	14,970	18,075	17,421	17,887
Gas (mcf)	26,444	30,785	15,360	17,673
% Oil Equ.	93%	95%	96%	96%



FINANCIAL UPDATE

Production revenue has again enabled the Company to continue to explore and re-invest in its assets and future without having had the need, for the 5th year running, to raise any equity or borrow any debt.

Notwithstanding the reduction in the oil price the Company has generated gross cash proceeds of \$A6.7m from the sale of oil and gas during this financial year. After operating and production costs, A\$2.9m was available to be re-invested into exploration and development.

The majority of these exploration funds was invested into the development of the Yellowfin project with over 8,000 acres of land secured in the 2 TCF subsalt play.

Cash is presently \$1.15m with receivable of \$1.8m. The higher than normal receivables relate to the final insurance payment of A\$995,000 due in September. Following the court ratifying the recent settlement completed between the Dugas & Leblanc JV and the Personal Injury litigants. Other receivables relate to production which is paid 2 months in arrears.

The Company secured a significant benefit in increasing its interest in Desiree by 3.99% and D&L#3 by 15.3% through the purchase of Birdwood Louisiana LLC. The net payment made in June 2015 was US\$375,000 which reflects an effective purchase of 57,278 boe of P1 reserves at a cost of US\$8 per barrel.

The Hensarling #1 well at Desiree has produced in excess of 287,000 barrels of oil consistently at ~420 barrels per day. The remaining P1 gross reserves at 30 June 2015 are 737,000 barrels of oil with P1/P2 gross reserves of 916,000 barrels of oil.

The D&L#3 P1 gross reserve is estimated at 139,000 boe. In addition, the D&L leases over part of the Yellowfin acreage, thereby securing an additional 15.3% WI in that portion of Yellowfin.

Option hedges protect 3,600 barrels of oil per month at an average WTI (West Texas Intermediary) price of \$51 until December 2016. Whilst the Company sells oil on LLS (Louisiana Sweet), the Company secures hedges on WTI due to lack of LLS trading efficiencies.



The Company is focusing its attention on the following primary objectives:

1. Farming out the Yellowfin Project - whilst the US market has seen steep declines in exploration budgets as a result of the oil price downturn, the Company continues to see strong US interest for the Yellowfin project due to its significant reserve size and potential production flow rates.
2. Acquisition of producing assets - the Company's ability to review and quickly secure assets (as in Birdwood) enables it to possible capitalize on a weak US oil and gas prices.
3. Reviewing ongoing opportunities at Napoleonville - the Company has secured the services of Mark Hartman as its Senior Geophysicist. Mark assisted in the generation of the La Posada discovery and has over 30 years experience in the industry. Mark has so far been concentrated on the seismic depth conversion of Yellowfin, but is now focused on looking at and de-risking prospects at Napoleonville.

2015 Reserves and Resources Summary							
Reserves and Resources as at 30 June 2015							
Net to Grand Gulf Energy Ltd							
FILED (LICENCE)	INTEREST	Proved(1P)			PROVED & PROBABLE(2P)		
		LIQUIDS MBBL	GAS MMCF	OIL EQUIVALENT ⁽¹⁾ MBOE	LIQUIDS MBBL	GAS MMCF	OIL EQUIVALENT ⁽¹⁾ MBOE
Reserves							
USA							
Dugas & Leblanc #3	55.50%	17	349	76	17	349	76
Desiree	39.65%	290	-	290	363	-	363
West Klondike	11.70%	0	7	1	12	7	18
Abita	20%	8	393	73	8	393	73
Total Reserves		315	748	440	400	748	531
Contingent Resources							
		High Estimate 1C			Mid to Low Estimate 2C		
Reserves							
USA							
Dugas & Leblanc #3	55.50%		833			278	46
Desiree	39.65%						
West Klondike	11.70%	55	1,362	282	18	454	94
Abita	20%						
Total Contingent Resources		55	2,195	282	18	732	140
Total Reserves and Resources		370	2,943	722	419	1,480	671
⁽¹⁾ 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 1.6-2TCF

- Proven Productive Trend, Tuscaloosa Sands & Column Height
- Syncline separated from Freeport McMoran's 2014 "Highlander" "3.0 TCF" Discovery, tested at 75 MMCFD
- 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)

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 of interest to a large US GOM Oil and Gas Company. This initial test well will be drilled to a total depth of 29,500ft.

Over the last 12 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).

Yellowfin follows Freeport McMoran's "Highlander" Jeanerette #1 Discovery which establishes 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 large, similar sized feature situated on the adjacent structure to the Discovery. The Freeport McMoran well was recently tested at 75 mmcfd (42/62" choke) and has been on production at over 25,000 mcf per day since February. The facilities are awaiting additional amine units to remove Co². Based on the production test in February 2015, Freeport McMoran can anticipate production of in-excess of 100,000 mcfg per day.

An NPV10 of the project based on a 10 well program and recovering 1.6 TCF will generate in excess of US\$2 billion dollars before income tax.

Highlander and Yellowfin are characterized by and analogous to the sub-salt, compressional structural style and sand depositional setting comparative to the ultra-deep offshore deep water sub-salt play and discoveries being developed by major oil companies.

Following recent completion of the seismic depth conversion work, the Company recommenced marketing efforts in July 2015 and, based on feedback and interest in what can only be described as a very challenging exploration market, we continue to be impressed with the interest received.



PRODUCTION

Desiree Field

Desiree, Assumption Parish, Louisiana, Non Operator 39.65%WI*

The Hensarling #1 well (Desiree Field) has produced over 287,000 barrels of oil with production rates of over 400 barrels per day being maintained. Remaining P1 reserves are estimated at 737,000 barrels and P1/P2 are 916,000

In June 2015 a partner in Desiree sold its 17% WI in Desiree for US\$2.5m valuing GGE's interest at -US\$6,000,000 (A\$7.8m). This represents a \$3.5m premium to the Company's current market capitalisation.

Production from the CRIII 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 matter was removed from court and will be dealt with in private arbitration with a hearing set for August 2015.

Dugas & Leblanc Field

Napoleonville- Dugas & Leblanc #3 Well, Assumption Parish, Louisiana, Non Operator 55.5% WI*

The D&L#3 "M" sand was successfully perforated and placed on production on 18 October 2011. Production over the quarter averaged 75 bod, 38 mcf/d and 380 barrels of water per day from a 21/64 inch choke.

Remaining reserves are estimated at 139,000 boe.

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 was re-completed in the 17 sand in May 2015 and has since produced over 1 mmcf/d and 5bopd through a 7/64 inch choke.

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 awaiting water to recede at the well head to enable a rig to re-complete in the upper member of the L Nod Blan. Whilst the JV does not expect significant production from the Upper Nod Blan the cost of perforation to be -US\$3,000.

Following depletion in the L Nod Blan the well will be completed and produced from the upper Nod Blan.

The third, and 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

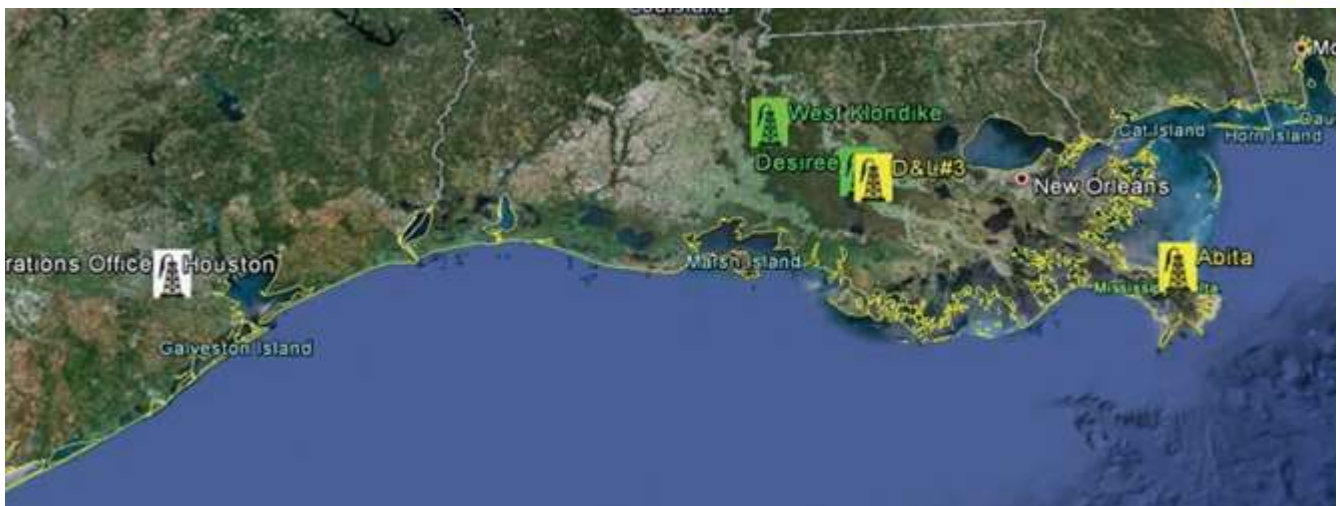
The Company provides the following Schedule of lease interest held by the Company for the quarter 30 June 2015 as required by ASX Listing Rule 5.3.

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	55.8%	55.8%
Dugas & Leblanc	Assumption Parish, Louisiana	CL-0110	55.8%	55.8%
Napoleonville 3-D	Assumption Parish, Louisiana	CL-0119	22%	22%
Desiree/Louise	Assumption Parish, Louisiana	CL-0130	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-031A (CL-0131)	39.6%	39.6%
Desiree	Assumption Parish, Louisiana	12S14E52-031B (CL-0131)	39.6%	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	56.8%	56.8%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-001	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-003	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-004	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-005	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-006	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-007	39.6%	39.6%
Desiree	Assumption Parish, Louisiana	12S14E52-008	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-009	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-010	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-011	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-013	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-014	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-015	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-016	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-017A	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-019	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-020	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-022A	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-022B	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-012	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-002	39.6/22.0%	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	39.6/22.0%	39.6/22.0%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-021B	39.6/22.0%	39.6/22.0%

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Desiree/Louise	Assumption Parish, Louisiana	12S14E52-024	39.6/22.0%	39.6/22.0%
Desiree	Assumption Parish, Louisiana	12S14E52-023	39.6%	39.6%
Desiree	Assumption Parish, Louisiana	12S14E51-001A	39.6%	39.6%
Desiree	Assumption Parish, Louisiana	12S14E51-001B	39.6%	39.6%
Louise	Assumption Parish, Louisiana	12S14E52-025	39.6%	39.6%
Desiree/Louise	Assumption Parish, Louisiana	12S14E52-026	39.6/22.0%	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%
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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)	39.6%	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	11.7%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#1B	11.7%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#1C	11.7%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#2	11.7%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#3A	11.7%	11.7%
West Klondike	Iberville Parish, Louisiana	WK#3B	11.7%	11.7%



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")

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	1,453	6,731
1.2 Payments for (a) exploration & evaluation	(444)	(2,760)
(b) development	(145)	(700)
(c) production	(686)	(2,933)
(d) administration	(198)	(808)
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)	-	-
Net Operating Cash Flows	(20)	(470)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(691)	(691)
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)	-	-
Net investing cash flows	(691)	(691)
1.13 Total operating and investing cash flows (carried forward)	(711)	(1,161)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(711)	(1,161)
	Cash flows related to financing activities		
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	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(711)	(1,161)
1.20	Cash at beginning of quarter/year to date	1,747	1,810
1.21	Exchange rate adjustments to item 1.20	(73)	313
1.22	Cash at end of quarter	962	962

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	106
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
Total	1,025

* 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	962	1,747
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	962	1,747

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			
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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 <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	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	+Convertible debt securities <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			
7.7	Options		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: 31/07/2015
(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.

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