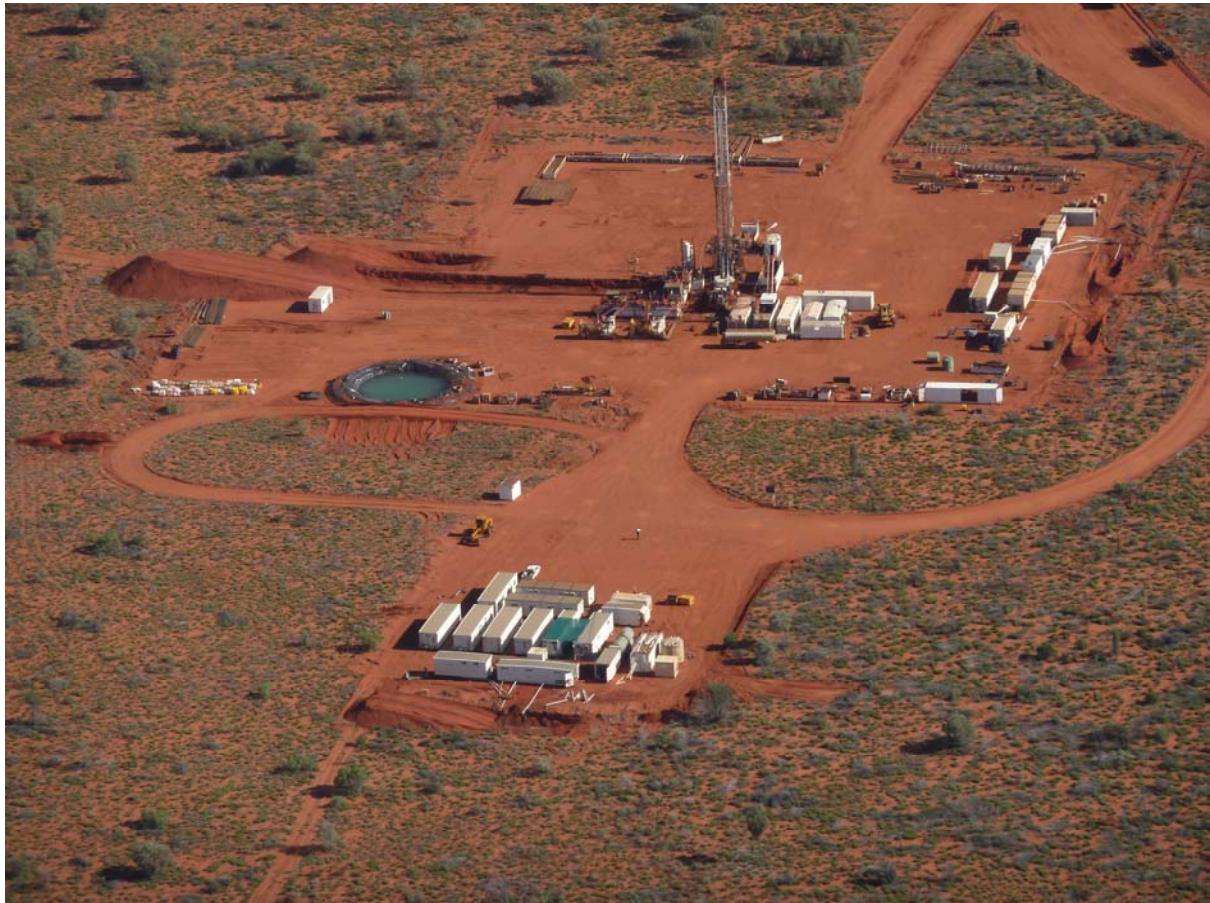


CENTRAL PETROLEUM LIMITED
ABN 72 083 254 308

DECEMBER 2010 QUARTERLY REPORT

OPERATIONS REPORT AND ASX APPENDIX 5B FOR THE QUARTER ENDED 31 DECEMBER 2010



Surprise -1 wellsite in EP115 Northern Territory

For personal use only

REVIEW OF OPERATIONS

Corporate Objectives

The Company's main goal is to discover and produce hydrocarbons and helium, thereby maximising shareholder returns by enhanced share value and potentially by dividend payments. It aims to operate a central Australian oil and gas hub connected to appropriate infrastructure to allow the export to domestic and overseas markets of both primary energy resources and value added hydrocarbon and helium products. Significantly, recent developments in the worldwide coal sector and recent coal discoveries by the Company in its vast Pedirka Basin mineral leases have led to interest from various groups in the Company's wholly owned subsidiary, Merlin Coal Pty Ltd concerning potential coal resources in this area.

At the time of completion of this report, the Company had attained a milestone in its corporate objectives by the discovery of significant oil shows in the Surprise-1 well within EP 115 in the north western Amadeus Basin. Although the well has been suspended for re-entry and deepening into the main target zone due to problems with the drilling rig, a core was taken in the Lower Stairway Sandstone, a primary target above the main objective zone, the deeper Pacoota Sandstone. The core ended in sandstone which exhibited close to 100% fluorescence attributed to the presence of oil, with the base of the Lower Stairway Sandstone yet to be reached.

During the September 2010 quarter, the Johnstone West-1 well failed to flow oil to surface on test, but the oil shows here and at Surprise-1 have pushed the most westerly occurrence of oil within the Amadeus Basin much further west than any other occurrence of oil. The discovery of a "live" petroleum system this far west has potentially opened up a new petroleum exploration province. This development together with gas encountered at Ooraminna-2 in the Amadeus Basin and the significant coal intersections recorded in the Pedirka Basin have underscored the credibility of the Company's original philosophy of putting together large areas of prospective ground in a counter-cyclical acquisition strategy.

Subject to discovery success, within the constraints of current and potential future Joint Ventures, and access to relevant acreage, the Company plans to prioritise oil exploration and to potentially capitalise on early cash flow from any oil discoveries initially via trucking to port facilities at either of Port Darwin or Port Bonython. Early cash flow may also be possible from helium and "mini" LNG production and sales and this is regarded as an intrinsic part of the Company's overall strategy for relatively short term cash flow. In the longer term the Company is seeking to build gas resources to a threshold point where value-adding processes such as LNG and/or GTL for example can be brought into play. Apart from conventional oil and gas reservoir potential, the Company has significant areas prospective in unconventionally reservoired oil and gas. DSWPET Pty Ltd, an independent consulting group has a report in preparation on prospective recoverable resources of the Lower Larapinta Group sediments in permits and applications operated by the Company within the Amadeus Basin. A similar type of study by DSWPET Pty Ltd is underway on the Company's Southern Georgina Basin permit applications.

A concept appraisal report by Holt Campbell and Payton Pty Ltd completed since the end of the quarter has concluded that, based on production parameters similar to the Palm Valley field in the Amadeus Basin, the capital cost of a 3 MTPA (3 million tonnes per annum) LNG plant at Darwin could be \$300/TPA less than the LNG plants proposed at Gladstone in Queensland.

As a result of the negotiated withdrawal of Petroleum Exploration Australia Pty Ltd (BG Group (Australia) company), Red Sky Energy (NT) Pty Ltd, and the termination of farmin agreement with Trident Energy Limited (TRI) the Company now retains 100% of all permits and applications other than EPA 130, EP97, and the Mt Kitty and Magee prospect blocks within EP125 and EP82 respectively.

The Company is seeking potential joint venture participants with the financial capacity and the will to explore the vast prospective acreage at its disposal and is focussing its efforts here on state controlled Chinese majors in a deliberate move away from smaller partners who have demonstrated in the past the inability to fund their share of various joint ventures the Company had entered in to.

This year, subject to funding the various contingencies, the Company hopes to continue with an active programme of oil well drilling including the re-entry and deepening into the main target zone of Surprise-1 as well as further coal drilling and the drilling of the 400 km² Mt Kitty gas/condensate and helium prospect.

The Company started the quarter with \$30.2 million in cash and cash equivalents and at 31 December 2010 held \$17.7 million, both amounts inclusive of its share of cash held in Joint Venture bank accounts. Since the end of the quarter the various joint ventures have continued with their drilling and seismic programmes. A Share Purchase Plan announced during the quarter was allowed to expire and it has since been announced that all funds received will be returned to shareholders.

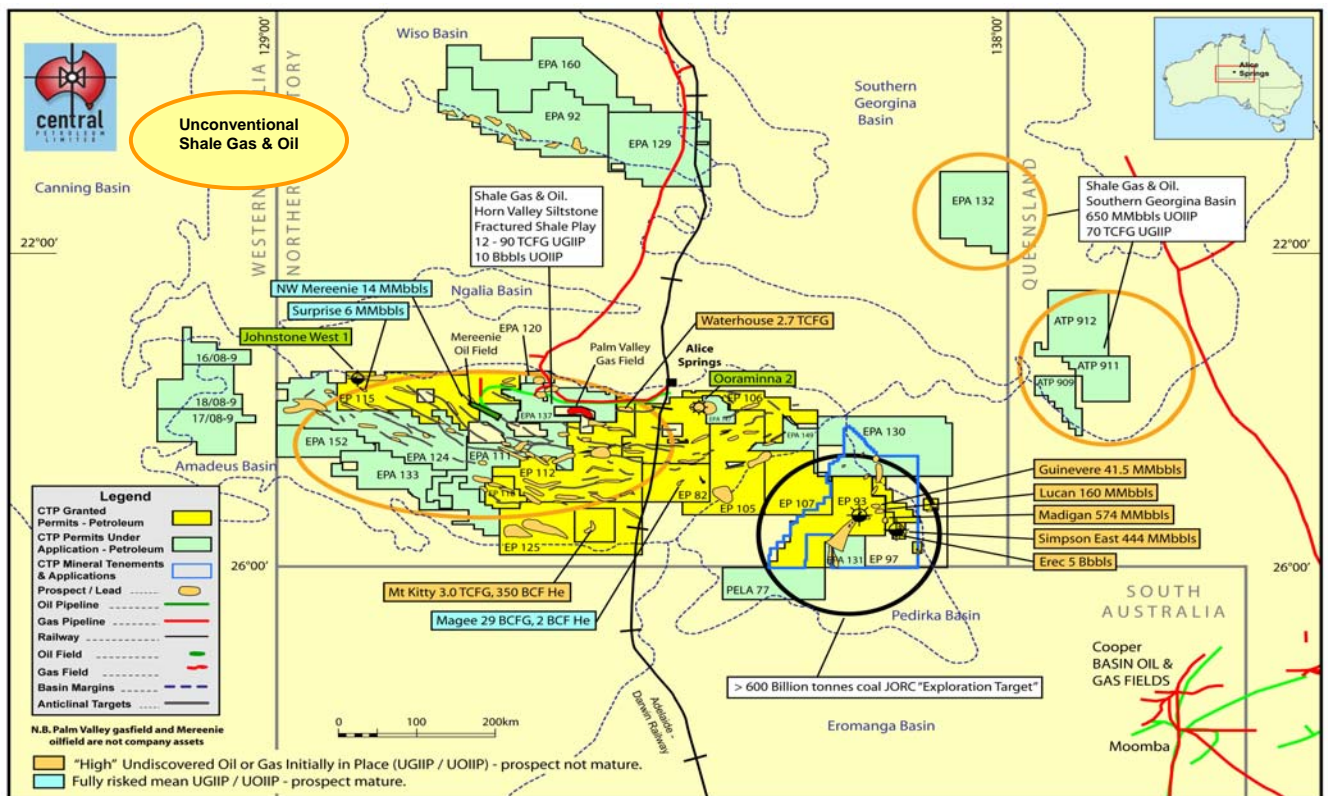
For personal use only

Exploration, Joint Venture Activities and Highlights of the Quarter

The logistics of petroleum exploration in central Australia has proved difficult during the quarter, and indeed throughout the year, due to unseasonal rainfall resulting in widespread flooding and difficult ground conditions preventing access and severely restricting ground vehicle movements over widespread areas of central Australia.

Phase One 2009/2010 Seismic

During the September 2010 quarter, a major 2D seismic regional and prospect oriented acquisition programme of over 1,300 km was interrupted by unseasonal and monsoonal rain. It was completed except for part of the uphole (weathered surface layers) survey in the Pedirka Basin and seismic acquisition within EPs 105 and 106 which will remain a work in progress. Results have been very successful with many new leads being developed for oil, gas, condensate and helium and some spectacular potential salt related structures being revealed. A number of established leads, particularly for oil, are anticipated to be matured into drillable prospects as soon as all the data has been processed, interpreted and mapped.



Petroleum and Mineral License Interests of Central Petroleum Limited

Phase Two 2010 Programme

Despite problems with Joint Venture participants PXA (Petroleum Exploration Australia Limited) and ROGNT (Red Sky Energy NT Pty Ltd), the Operator pressed ahead with the drilling of Ooraminna-2 and Johnstone West-1 during the previous quarter to ensure the continued good standing of the permits.

Ooraminna-2 (EP 82)

The 2010 Phase Two Programme commenced in June 2010 with the spudding and drilling of Ooraminna-2, a large gas prospect close to Alice Springs which had flowed gas to surface already in a previous well drilled in 1963. Ooraminna-2 was designed to have a deviated hole section through the main Pioneer Sandstone target in an attempt to intersect an anticipated vertical fracture system. Although structural analysis remains to be completed based on drilling information and image logs acquired from this well, it appears that no significant fractures were intersected in this well. The structural analysis will assist in determining optimal locations for the intersection of fracture systems in other well sections yet to be drilled.

For personal use only

The Ooraminna-2 well reached a true vertical depth (TVD) of 1,622.2m and the MB Century Rig 7 was released on 7 August 2010 to be deployed at the Johnstone West-1 drilling location in EP 115. The drilling of Ooraminna-2 was a "technical success" with a stabilised gas flow to surface of 152,000 standard cubic feet of gas per day from a tight reservoir zone. The total area of the prospect structure may be over 1,000km² extending in to the contiguous permit application EPA 147 and the Company believes it may have potential for additional exploration and development, possibly employing horizontal drilling and/or fracking techniques. It is possible that there is potential for free flowing gas without well stimulation from other parts of the prospect remaining virtually unexplored to date. The granting of EPA 147 has been initially refused by the Central Land Council but the Company is hopeful of re-commencing negotiations within the moratorium period.

Subsequent to drilling the well and within the relevant quarter, gas analyses of samples taken during the drilling of Ooraminna-2 (EP82) showed a helium content of 0.22% and a nitrogen content of 10.5%. Such an analysis result may point the way to commercial helium production. If this helium were to be extracted with the nitrogen from the total gas composition then the resultant extracted gas would have a nitrogen content of 97.9% and a helium concentration of around 2.1%. Helium extracted at the BOC-Linde Group helium plant at Port Darwin has a reported average helium concentration of c.3% after commercial quantities of natural gas are extracted.

Johnstone West -1 (EP 115)

The Johnstone West-1 well was spudded on 19 August 2010 with a planned total depth (TD) of 1,367m in the Goyder Formation. The well reached a TD of 1,666.0m in the lower Pacoota Sandstone and following flow testing the MB Century Rig 7 was released on 5th October. There were multiple oil targets as well as shale oil/gas targets. The well penetrated a total gross hydrocarbon column of 128m based on show descriptions. Prior to flow testing, electric log analysis and drilled cuttings analysis on site showed an approximate net "pay" zone of 15m from 1,470m to 1,485m which was thought likely to flow to surface. Excellent oil shows with evidence of good porosity, live visible oil in samples, oil slicks mixed with drilling mud and very high oil saturation in fluoroscopic and visual examination in natural light over this interval were recorded and there were other shows of lesser significance within the hydrocarbon column. The results of flow testing however were profoundly disappointing and not anticipated. The formation fluids did not flow to surface but 18 barrels of saline formation fluid without significant hydrocarbons were recovered from the production tubing. The conclusion reached thus far is that the well had been drilled at the edge of potential closure and the oil shows tested represented an oil-water transition zone.

Further downhole pressure analysis will be conducted on downhole pressure gauges recently retrieved.

The most significant result of the well is that it confirmed the presence of "live" oil in an area previously undrilled. Johnstone West-1 was the first exploration well to be drilled west of the Central Ridge which is a major basement feature in the Amadeus Basin. The well confirmed the Johnstone Trough as a productive source kitchen area and a conservative estimate of the incremental Horn Valley Siltstone kitchen area is 1400 km², west of the Central Ridge. The oil shows at JW-1 are possibly the most geologically significant oil shows encountered in the Amadeus Basin since the original oil discovery well at the Mereenie Field, West Mereenie-1 drilled in 1963.

It is planned to remap the Johnstone structure to examine potential for oil in other parts of the feature including on the northerly side of the main east-west trending thrust fault and inclusive of the Johnstone East structure.

Surprise-1 (EP 115)

The processing of new seismic acquired in early 2010 allowed the Company to develop a second oil target and mature it to drilling readiness, Surprise-1, a test of the same objectives in Johnstone West-1 in a deeper portion of the trough and oil kitchen some 8 km to the southwest of Johnstone West-1.

Although the prospect is considerably smaller than the Johnstone West-1 prospect in anticipated areal closure, with an estimated "high" UOIIP of 50 MMbbls and an estimated mean fully risked UOIIP of 6 MMbbls, it is located in what is thought to be in a geologically more favourable location with much shorter postulated migration distances.

The well spudded on 11 October 2010 with a planned TD of 3,016m (extendable subject to drilling results). A core that was successfully retrieved from 2546.2 – 2554.4 mRT (depth below rotary table) is currently being analysed to determine the relevant properties particularly porosity and permeability. Major fractures were observed in the zones 2547 – 2550 m and 2551 – 2554 m RT, the uppermost

For personal use only

zone showing an abundance of light brown free oil, the lower containing black sticky oil. Significantly, the core ending in sandstone exhibited close to 100% fluorescence attributed to the presence of oil, with the base of the Lower Stairway Sandstone yet to be reached.

The rig and associated equipment together with service companies were successfully demobilised from site.

Future planning entails the re-entry of the well, coring of the Horn Valley Siltstone (a potential shale gas/shale oil target of wide spread distribution in the Amadeus Basin) and deepening through the main Pacoota Sandstone objective to at least the top of the Neoproterozoic section. Depending on results, additional cores will be acquired for detailed analysis.

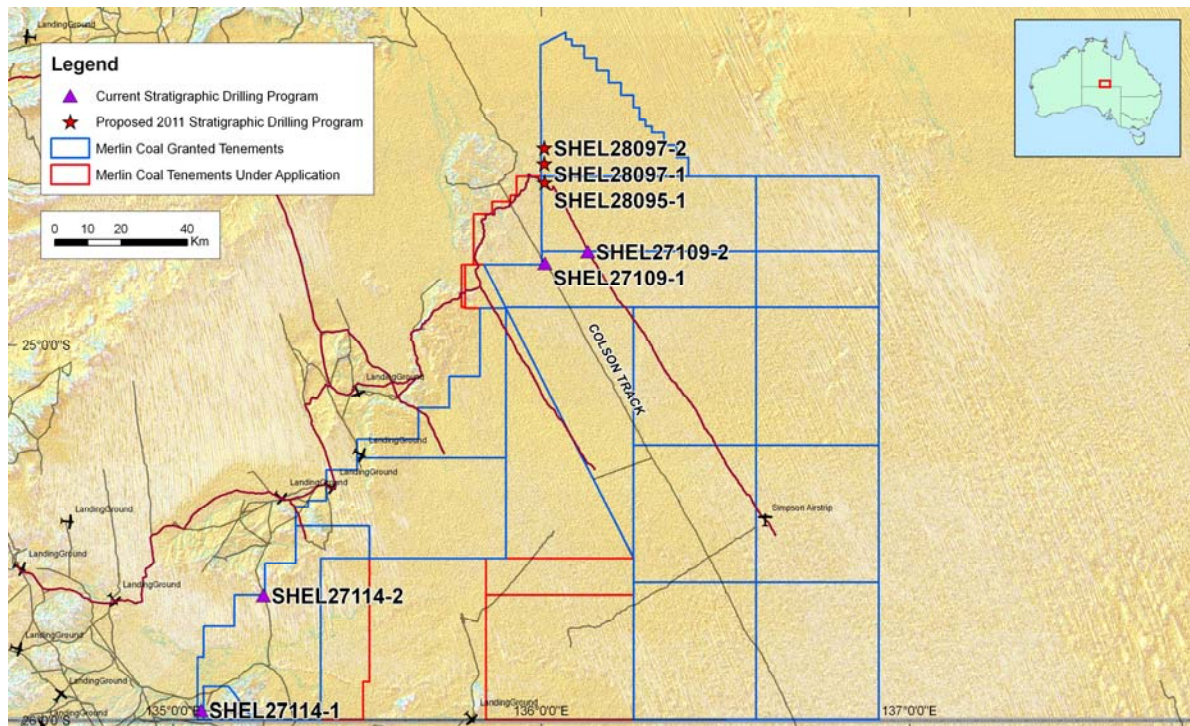
Magee-2 (EP 82)

This deep test of the Arumbera Sandstone and the Heavitree Formation at the base of the Neo-Proterozoic for gas, condensate and helium was planned to be carried out during the fourth quarter of 2010 but the positive results of the Johnstone West-1 well and the maturity of the Surprise-1 well, a promising oil prospect, resulted in a decision to postpone the drilling of Magee-2 until a later drilling campaign. Helium Australia Pty Ltd, a wholly owned subsidiary of the Company is in joint venture with Oil and Gas Exploration Limited (previously He Nuclear Limited) in the Magee Prospect Block within EP 82.

Pedirka Basin Coal

The Company commenced the drilling of the first of four planned stratigraphic coal exploration wells in its mineral tenements in the Pedirka Basin in the quarter. These are depicted in the following map. The results of the previous drilling campaign for coal seam gas (CSG) were examined by internationally renowned independents Netherlands Sewell and Associates Incorporated who reported that although there remained some potential for biogenically derived CSG, they saw little chance of there being any thermally derived CSG in the Pedirka Basin.

The intersections of coal however throughout both the 2008 and the 2009/10 drilling campaigns were singularly impressive with individual seams up to 35m in thickness over widespread areas of the basin being apparent.



Three new mineral tenements (EL's 28095, 28096 and 28097) were offered for grant and accepted during the December (current) quarter. As a result, the current planned 4 well programme as outlined above was modified to incorporate at least one hole into what is interpreted to be shallower coal areas (SHEL 28095-1). Further shallow coal holes are contemplated and the programme is contingent upon results gained from time to time.

CENTRAL PETROLEUM LIMITED
ABN 72 083 254 308

At the time of preparation of this report three coal holes had been drilled. Coal hole SHEL27109-2 was completed and intersected approximately 33 m of net coal seams greater than 1 m in thickness. Coal hole SHEL27109-1 was completed and intersected approximately 70m of coal greater than 1m in thickness. Coal hole SHEL 28095-1, a step out to relatively unexplored parts of a frontier coal basin, was completed but failed to intersect a coal seam. It is anticipated that the drilling rig will now be moved to the fourth location.

The coal, where tested to date, has preliminary indicative qualities as follows :

- Specific Energy 5 - 6,000 kcals/kg, or 20 - 25 GJ/tonne
- > 600 Billion tonnes 1-1,000m - UG and open cut potential
- Ash 8-19% (average 11%)
- Moisture (air dried) 8-19% (av. 14%)
- Single seams up to 35m in thickness

This prima facie means that the coal is comparable to many other "steaming" or thermal coals being exported from Queensland and New South Wales.

Merlin Energy Pty Ltd Petroleum Tenements*	Low	High
(wholly owned CTP subsidiary)	Billion tonnes	Billion tonnes
Tonnes coal above 1000m contour	1,110	1,385
Tonnes coal below 1000m contour	690	865
	1,800	2,250
Merlin Coal Pty Ltd Mineral Tenements*		
(wholly owned CTP subsidiary)	Billion tonnes	Billion tonnes
Tonnes coal above 1000m contour	635	795
Tonnes coal below 1000m contour	825	1,030
	1,460	1,825

Coal tonnages in a viable JORC "Exploration Target" (AusIMM) – the potential quantity and grade of the coal is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource

There may be several ways to monetise any reserves which, subject to further exploration success, may be demonstrated. The strategies under examination include beneficiation, pelletising and export, mining and surface coal gasification to provide gas for a gas to liquids plant (CTL) or underground coal gasification (UCG) to provide feedstock for a gas to liquids plant ("GTL"). It must be noted that any potential monetisation of coal that may be proven in the Pedirka Basin is necessarily a long term and capital intensive process. Whilst cognizant of the inherent logistical difficulties associated with major coal operations in such a remote area, the Company is equally cognizant of the potentially vast energy reserves that may be proven, subject to exploration success. In the context of an energy hungry world, with the booming economies of countries such as China, India and Korea in relatively close proximity to Australia, the Company is hopeful that in time, ways will be devised to monetise such a vast potential storehouse of energy.

Farm-ins /Farm-outs

Rawson Resource Limited Farmin Agreement

Since October 2007, the Company's wholly owned subsidiary Merlin Energy Pty Ltd, has been farming in to Rawson Resources Limited's (Rawson) EP 97 Simpson, Bejah and Dune Prospect Blocks to earn an 80% interest in each of the blocks thought to be prospective for oil. Simpson-1 drilled by the Company in 2008 encountered interesting oil shows and limited coal intersections. As a result of the study of these results and both recent and older vintage seismic, the Company identified a prospective new trend, the Pellinor trend and on 6 August 2010 announced a new farmin agreement with Rawson to allow it to acquire an 80% interest in the Pellinor Prospect Block. The

For personal use only

Company has completed the seismic requirements of the farmin concerned and now is to drill a well to earn an 80% interest in the prospect block concerned.

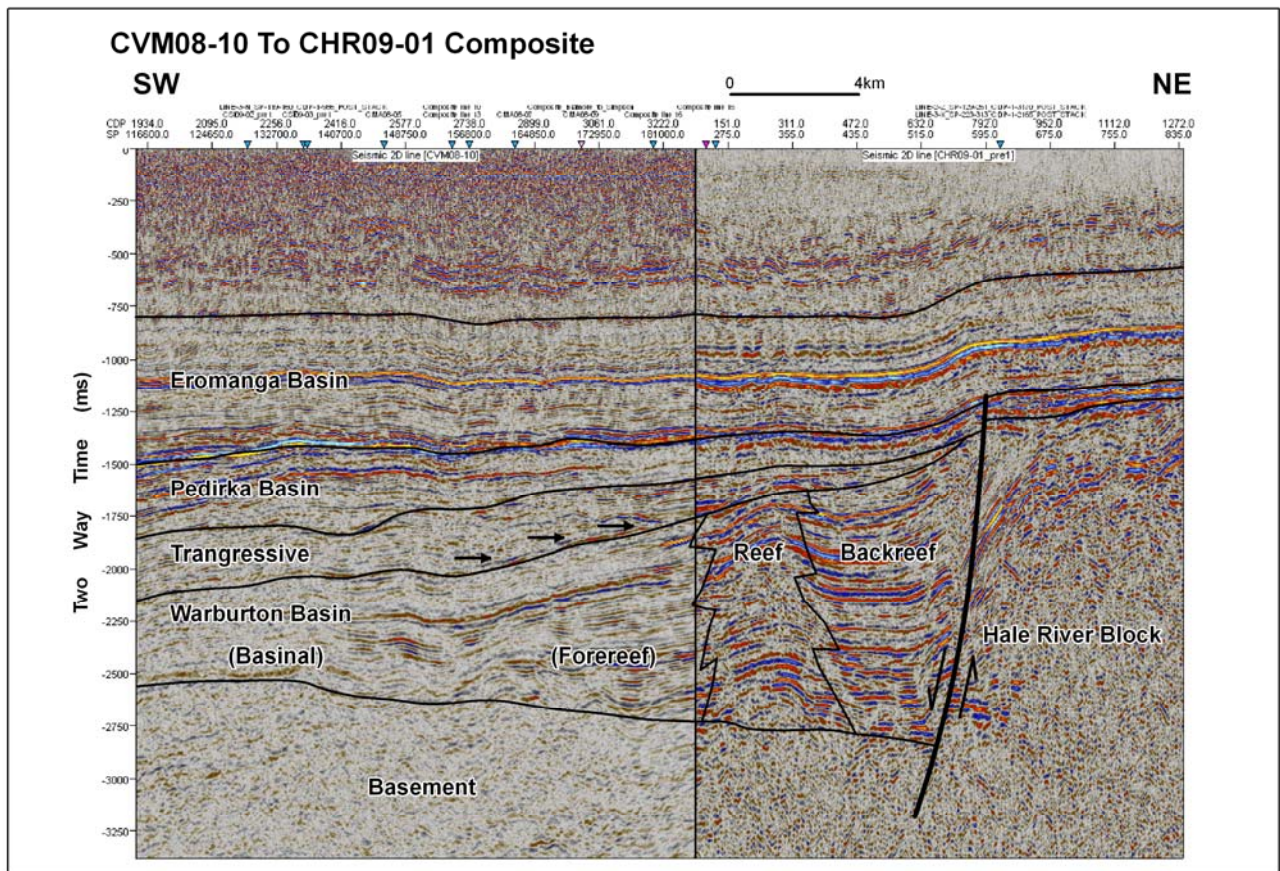
New Devonian Reef Oil Play

A study of seismic acquired in the Pellinor Block during the quarter resulted in the interpretation of a new Devonian reefal complex play with over 1,500m of vertical extent potential where examined. How widespread this may be will depend on the results of further interpretation. The clear seismic signature at the interpreted Pellinor Reef structure adds credence to the regional model previously described at the Erec and Lucan Prospects. These interpretations indicate the possibility of such play types extending from the northern margins of the Pellinor prospect block to the Simpson/Colson areas – a distance of nearly 100 km.

The Company announced to the ASX, in August 2008, that the Erec and Lucan leads, largely within the Simpson prospect block, were thought to represent a Devonian carbonate platform reefal complex based on preliminary interpretation. Further seismic acquired during 2010 is now being processed and analysed.

The Erec and Lucan leads have combined potential to host large volumes of Undiscovered Oil (or Gas) Initially in Place (UOIP or UGIIP) up to a cumulative total in excess of about 5 Bbbls (billion barrels) oil equivalent at “high” estimate. (SPE definition)

The Erec prospect is a stand alone carbonate platform prospect mapped on diagnostic seismic features with aerial closure of c.185 km² at top carbonate platform level. Additional plays target lobate slope fans and carbonate platform rim facies. The Lucan prospect is a similar play located on the Madigan Nose with four way dip closure (4wdc) potential at the top carbonate platform level of 160 MMbbls UOIP oil equivalent “high” estimate. The gross vertical extent of closure potentially available in the Erec and Lucan plays varies between 50 to 300m across these two structures.



Seismic profile and interpretation of the new Devonian Pellinor Reefal Complex associated with the Hale River Fault Trend in the Pellinor Prospect Block

For personal use only

Trident Energy Limited Farmin Agreement

As a result of Trident Energy Limited's (TRI) inability to pay certain cash calls to cover its commitments within EP 115 TRI has withdrawn from any interest in the Company's acreage. TRI had previously withdrawn from EPA 111.

General Disclaimer and explanation of terms

Potential volumetrics of gas or oil may be categorised as Undiscovered Gas or Oil Initially In Place (UGIIP or UOIIP) or Prospective Recoverable Oil or Gas in accordance with AAPG/SPE guidelines. Since oil via Gas to Liquids Processes (GTL) volumetrics may be derived from gas estimates the corresponding categorisation applies. Unless otherwise annotated any potential oil, gas or helium UGIIP or UOIIP figures are at "high" estimate in accordance with the guidelines of the Society of Petroleum Engineers (SPE) as preferred by the ASX Limited but the ASX Limited takes no responsibility for such quoted figures.

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 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 have not been necessarily been approved by relevant Joint Venture partners and accordingly constitute a proposal only unless and until approved.

Competent Persons Statement

Al Maynard & Associates

Information in this announcement or attached report or notification which may relate to Exploration Results of coal tonnages in the Pedirka Basin is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG") and a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and an independent consultant to the Company. Mr Maynard is the principal of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in this Report or announcement of the matters based on his information in the form and context in which it appears.

Mulready Consulting Services

The Mulready Consulting Services Report on UCG and CSG which may be referred to in this report or announcement or notification was prepared by their Associate Mr Roger Meaney, who holds a BSc (Hons) from Latrobe University and has over 30 years experience in the petroleum exploration and production industry with 8 years experience in the field of Coal Seam Gas.

For personal use only

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

Central Petroleum Limited

ABN

72 083 254 308

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(11,585) - - (1,032)	(23,431) - - (2,905)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	80	569
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(12,537)	(25,767)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (1)	- - (85)
1.9 Proceeds(net) 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	-	-
Net investing cash flows	(1)	(85)
1.13 Total operating and investing cash flows (carried forward)	(12,538)	(25,852)

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(12,538)	(25,852)
Cash flows related to financing activities			
1.14	Proceeds (net) from issues of shares, options.	(21)	6,004
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(21)	6,004
	Net increase (decrease) in cash held	(12,559)	(19,848)
1.20	Cash at beginning of quarter/year to date	30,241	37,530
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	17,682	17,682

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	218
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions	
	Directors' remuneration and expenses	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--

+ See chapter 19 for defined terms.

For personal use only

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 (Convertible Rolling Bond Facility)*	70,000	-
3.2 Credit standby arrangements		

*Bonds are issued in tranches of \$1,000,000 each. Each tranche must be fully converted into shares of the Company before subscription and issue of the next tranche can be completed.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	8,572
4.2 Development	0
4.3 Production	0
4.4 Administration	1,500
Total	10,072

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	17,682	29,108
5.2 Deposits at call	-	1,133
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	17,682	30,241

+ See chapter 19 for defined terms.

For personal use only

Changes in interests in petroleum permits and 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 Nil			
6.2	Interests in mining tenements acquired or increased	All equity or working interests		
	Petroleum Permits <u>Northern Territory Licences</u> EP 115		90%	100%
	Mining Licence Applications <u>Northern Territory</u> ELA-28468 ELA-28472		0% 0%	100% 100%

+ See chapter 19 for defined terms.

For personal use only

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	982,298,842	982,298,842		
7.4 Changes during quarter (a) Increases through issues (b) Increases through exercise of options (b) Decreases through returns of capital, buy-backs	- 1,000 -	- 1,000 -	\$0.16	\$0.16
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

7.7	Options (description and conversion factor)			<u>Exercise price</u>	<u>Expiry date</u>
		274,310,525	274,310,525	\$0.16	31 Mar 2014
		7,000,000	0	\$0.20	20 Feb 2011
		11,000,000	0	Various	03 Jan 2012
		1,450,000	0	\$0.30	31 Mar 2011
		200,000	0	\$0.33	31 Jul 2011
		500,000	0	\$0.30	31 Aug 2011
		666,666	0	\$0.25	17 Nov 2011
		1,000,000	0	\$0.25	19 Jan 2012
		250,000	0	\$0.25	16 Feb 2012
		200,000	0	\$0.25	23 Feb 2012
		7,500,000	0	Various	31 Mar 2014
		8,366,666	0	\$0.20	31 Mar 2014
		6,340,000	0	\$0.122	31 May 2015
		800,000	0	0.11	31 Oct 2015
7.8	Issued during quarter	800,000	0	0.11	31 Oct 2015
7.9	Exercised during quarter	1,000	1,000	\$0.16	31 Mar 2014
7.10	Expired during quarter	1,800,000	0	\$0.30	30 Nov 2010
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 (see note 4).
- 2 This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.



Sign here:
 (Joint Company Secretary)

Date: 31 January 2011...

Print name: ..Bruce Elsholz.....

+ See chapter 19 for defined terms.

For personal use only

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.
- 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.

= = = = =

For personal use only