

Quarterly Report

Period ended 31 December 2014



ASX:BRU

The Directors of Buru Energy Limited ("Buru Energy") are pleased to provide the report for the quarter ended 31 December 2014.

Highlights

- **Ungani test program** - The test program for the Ungani wells continued with additional key reservoir data being obtained. 106,536 barrels of oil were produced during the test during the quarter.
- **Drilling of the Commodore 1 exploration well** - This Apache funded well was drilled on time and on budget. No significant hydrocarbons were encountered, but a fully cored section provides valuable information on prospectivity.
- **Completion of TGS (Laurel Formation Tight Gas Pilot Exploration Program) Phase 1** – This program included wellsite preparation and civil works, well conditioning, cement bond logging and conducting of Diagnostic Fracture Injection Tests.
- **Completion of the Jackaroo 3D seismic program** – The survey was completed on time and on budget between the existing Yulleroo and Ungani 3D seismic grids over a very prospective conventional oil trend, with encouraging results.
- **Corporate re-organisation** - A program of internal re-organisation including a significant reduction in staff numbers, and the review of programs and budgets to ensure they are appropriate for the current global oil price and share market conditions was continued.

Production and Development

Ungani EPT

The Ungani field has been producing under an EPT regime to gather the data needed to prepare a development plan for the field. The DMP has approved the continuation of the test program at Ungani for a maximum of three months to 31 March 2015, subject to a number of conditions in regard to the format of the testing program.

The field has been intermittently shut-in due to recent heavy rains affecting the access road, and for well maintenance and servicing. During the quarter the test production from the wells totaled 106,536 barrels.

The data acquisition program under the EPT is now nearing completion, and it is intended to shut-in the field when this is concluded to allow for the completion of the Production Licence application process and the necessary upgrades to the facility to allow full field production under the Production Licence. As part of the full field development process, investigations and planning for access to the Port of Broome for export of oil were progressed.

Negotiations with Nyikina Mangala and Yawuru Native Title Parties in relation to the Production Licence agreements for Ungani have continued to progress.

Ungani North 1

During the quarter, a production test of the Ungani North 1 well was undertaken. The Ungani North 1 well is located some six kilometres north of the Ungani Production Facility. The first stage of the production test was completed using DDH1 Rig 31 and the operation included conditioning the fluid in the well and running the testing tubing completion string.

Subsequent to the running of the completion string in the well with DDH1 Rig 31, some 30 metres of Ungani Dolomite section over the interpreted oil column of approximately 46 metres was perforated for production testing. The perforation was carried out with the well underbalanced with a nitrogen cushion. The nitrogen lift operations established fluid influx into the well at relatively low rates. The fluid recovered was indicative of drilling fluid filtrate from the original drilling operations and is therefore not diagnostic as to potential reservoir recovery. The results need to be fully evaluated before further testing, and consequently the well was temporarily suspended while the results are evaluated and a forward program agreed with the Joint Venture. The forward program is likely to include pumping the well to attempt to remove the drilling fluid and ascertain the nature and flow characteristics of the formation fluid.



DDH1 Rig 31 on location at Ungani North 1



Ungani North 1 well testing operations

Blina and Sundown Oil Fields

The Blina and Sundown oil fields remained shut-in during the quarter with a review of forward operations at the fields being continued.

Remediation of this area which has been under the previous ownership of seven different companies since the discovery of oil in the area in 1981 was continued. The Company took the decision to cease production from the area in 2013 in order to address the legacy issues, including the rehabilitation of interceptor and evaporation ponds. The Company has worked with DMP to prepare and implement an Environment Plan to address these legacy issues, and during 2014 continued the remediation work across the sites. An ongoing comprehensive water monitoring program has not detected any evidence of groundwater contamination in the area.

The full remediation program is expected to take up to two years to complete and the field remediation operations will be recommenced as soon as practicable in the dry season in the second quarter of this year.

The Company has made adequate provision for the costs of this work.

Exploration

The principal exploration activities during the quarter included:

- Drilling of the Commodore 1 exploration well.
- Completion of TGS (Laurel Formation Tight Gas Pilot Exploration Program) Phase 1.
- Completion of the Jackaroo 3D seismic program.

Exploration drilling

Drilling operations at the Commodore 1 well commenced on 21 November 2014 and were completed on 23 December. Commodore 1 was the first well to be drilled as part of the Apache Onshore Holdings Pty Ltd (Apache) farm out announced in November 2013. The cost of the well was fully funded by Apache under the terms of the farmout which includes a commitment by Apache to fund a \$25 million exploration program on EP 390, 438, 471 and 473.

The Commodore 1 well is located in exploration permit EP 390. Buru Energy and Mitsubishi Corporation (Mitsubishi) both have a 25% equity interest in the well and in EP 390, with Apache having the remaining 50% equity interest. The well is located some 140 kilometers to the south of Broome and some 100 kilometers inland from the Great Northern Highway.

The well was drilled to a total depth of 1,600 metres. Open-hole wireline logs acquired in the Lower Grant Formation objectives confirmed no significant hydrocarbons had been encountered in that section. The full section of the Carribuddy Formation, the Bongabinni Shale and the Nita Formation was then cored with excellent core recovery. Although oil shows were noted in cores at several intervals, both inspection of the cores and interpretation of the wireline logs indicated there were no zones with producible hydrocarbons. Consequently the well was plugged and abandoned.

Following the completion of the Commodore 1 well, the DDH1 Rig 31 was mobilised to the Sunbeam 1 well and drilling operations at that well commenced on 25 January 2015.

The Sunbeam 1 well is located in exploration permit EP 129 and completion of the well will satisfy the Year 4 work commitment on that permit. Buru Energy has a 100% equity interest in the well and in EP 129. The well is located some 85 kilometres south east of Derby and some 18 kilometres south of the Gibb River Road.

The well has a maximum programmed total depth of 1,200 metres and is expected to take some 16 days to drill. The Sunbeam 1 well primary objective is conventional oil reservoirs in the early Permian Grant Formation.

It is currently anticipated that the rig will be stacked at the conclusion of the Sunbeam 1 well and the drilling program will resume in the next quarter once the dry season commences.

TGS (Laurel Formation Tight Gas Pilot Exploration Program)

During the quarter, the Phase 1 activity for the Laurel Formation Tight Gas Pilot Exploration Program was completed for the Asgard and Valhalla North wells. This phase of the program involved:

- Wellsite preparation and civil works: These works included the construction of the water holding and flowback water retention ponds, flare pits, and associated civil works. These civil works are to support the frac program planned for this year.
- Well conditioning: A coil tubing unit was used to condition the well fluid in the well bore to an operationally appropriate brine solution.

- Cement bond logging: This was undertaken as a condition of the approvals for the program to confirm previously obtained data.
- Conducting of “mini fracs” or Diagnostic Fracture Injection Tests (DFIT’s): DFIT’s are routinely conducted as part of frac program design and consist of fracs of a single zone which involves perforating the zone, injecting brine and then observing the resultant pressure responses. The data from these mini-fracs will be used to optimise the design of the main fracs to ensure they provide definitive results at the lowest cost.

The program was carried out with no operational or environmental incidents.

The Yungngnora People at Noonkanbah were very supportive of this program of work and provided assistance with all phases of the activities including:

- Cultural inductions: All Buru Energy personnel and contractors working on site attended cultural inductions and a welcome to country from the Yungngnora people.
- Site activities: Up to 10 Yungngnora people were involved in all operational aspects of the program including site construction, well interventions and data gathering.
- Groundwater monitoring: Four Yungngnora and three Yawuru environmental cadets assisted with all groundwater monitoring on their country during the program. The cadets graduated with a Certificate II in Conservation and Land Management at Kimberley Training Institute in early December 2014.
- TO rangers: Koolkariya rangers from Noonkanbah provided access control and coordination onsite during operations at both well sites.

Members of the Yungngnora community will remain actively involved in the program including during the main frac program planned for this year.



Yungngnora community members inspecting coil tubing operations



Koolkariya rangers undertaking access control



Community workforce at 5am toolbox meeting

The completion of the program at Valhalla North and Asgard was later than planned due to the late arrival of contractor equipment and subsequent mechanical and electrical issues with this contractor equipment. This later timing meant the window for utilisation of the coil tubing unit and the wireline logging unit from this particular contractor had the potential to be affected by the onset of the wet season and were demobilised. Consequently preparatory works in the Yulleroo area requiring this equipment have been deferred to the 2015 dry season. This will not affect other operations in the Yulleroo area and will also not affect timing of the planned Yulleroo fracs in this year.

Seismic program

Acquisition of the Jackaroo 3D seismic survey commenced on 20 October 2014 and was completed on 30 November 2014. The completed survey is some 224 sq km in area and it was completed with no safety or environmental incidents.

The survey is located between the existing Yulleroo and Ungani 3D seismic grids and joins the two grids to give seamless 3D coverage from Yulleroo to Ungani. It covers the currently identified Jackaroo and Praslin prospects and a number of other conventional oil prospects along trend.

Initial processing of the data has indicated that the data quality of the 3D survey is good to excellent, and the anticipated structural trends and prospects have been properly imaged. Processing of the data is being conducted by a US based processing house, with the aim of having a preliminary data cube available early in 2015. This will allow early selection of prospects for commencement of approvals processes for planned drilling in the 2015 dry season.

The survey was acquired along survey lines that had been heritage cleared by senior Yawuru, Nyikina Mangala and Karajarri cultural advisers who physically inspected the survey lines in their particular cultural areas.

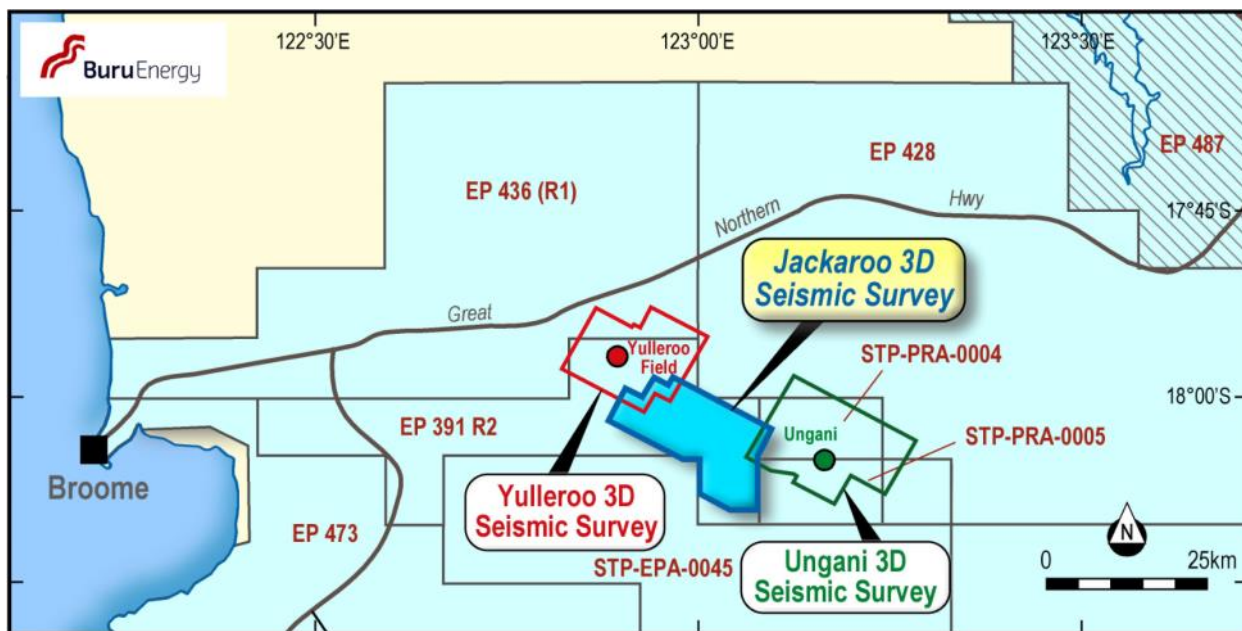
The survey lines were prepared using techniques that minimise disturbance to vegetation. Buru Energy staff and management, together with the seismic contractor for the survey, Terrex Seismic, have developed and refined these techniques over many years of operations in Western Australia and they have been recognized as leading practice in environmental management. Current assessments indicate that the Company's seismic lines have strong regrowth after two wet seasons. The operations are also overseen by the Western Australian Department of Mines and Petroleum who require submission and approval, and subsequent adherence to, a rigorous environment plan which is then monitored and audited during operations. These environment plans are publicly available documents.



Jackaroo seismic operations – Terrex line crew



Jackaroo seismic operations – Seismic vibrators



3D Seismic survey location

Corporate

Capital Raising and Share Purchase Plan

The Share Purchase Plan (“SPP”) accompanying the September placement to Coogee Chemicals and other sophisticated investors closed on 17 October 2014 with a total of 3,986,550 new shares issued to 376 shareholders at the same price of the placement at \$0.75 per share, raising \$3.0m. The combined share placement and SPP raised a total of \$31.1m before costs, ensuring the Company is now fully funded for its 2015 program.

Acreage Management

The Company has commenced a review and rationalisation of its acreage portfolio in response to the current market and oil price environment. This has included the application for relinquishment of permits in remote areas of high operating costs (EP 474) and the renegotiation of permit work commitments, where appropriate, to ensure exploration can be carried out in a systematic and orderly manner.

The Company’s agreement with Backreef Oil Pty Limited for the acquisition of a 50% interest in EP 487 came to an end on 31 December 2014. The parties originally executed the agreement on 25 September 2012 with a requirement that the transfer proceed by 31 December 2013, a date which was subsequently extended to 31 December 2014. The transfer of the 50% interest in EP 487 did not occur and the parties did not agree to further extend the date for transfer, therefore the agreement came to an end.

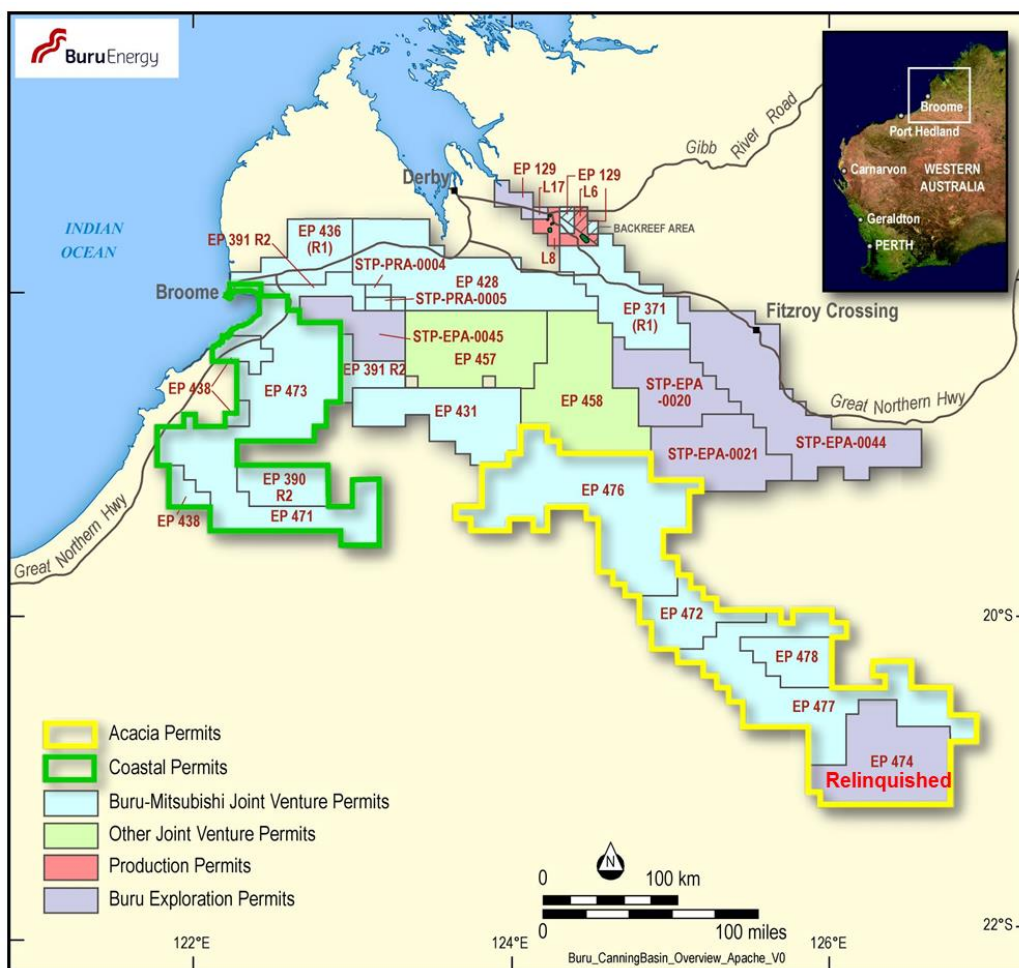
The removal of this permit from Buru Energy’s portfolio has no material effect on its previously stated prospective tight gas resources given their overall size. However, it also reduces Buru Energy’s contingent funding obligations by the \$3.5 million purchase price, any costs associated with the current litigation, and the costs of early stage exploration activity on this permit.

Apache Acacia Option

In 2013, Apache was granted an option to earn a 40% interest in exploration permits 472, 476 and 477, up to a 40% interest in exploration permit 478 and up to a 50% interest in exploration permit 474 (“Acacia Permits”) in return for a non-refundable option fee equal to the greater of \$7.2 million, and 80% of the costs of various exploration activities

on these permits. The option fee was received by Mitsubishi and Buru Energy and was expended on the exploration activity including seismic and aerogravity acquisition.

Buru Energy has been informed by Apache that it does not wish to exercise the option and consequently will not earn an interest in the Acacia Permits. The agreement with Apache in the Coastal Blocks is not affected by this decision.



Permit Location Map

Yakka Munga Pastoral Station

During the quarter the Company was successful in a tender for the Yakka Munga pastoral lease that covers the area of the Ungani facility. Settlement took place subsequent to end of the quarter on 16 January 2015. The Company intends to enter into an arrangement with an experienced local cattle station operator to manage the station and assist in co-ordination of the station's operations and the on-ground activity of the Joint Venture. It has also been approached by parties interested in participating in the lease and is considering these approaches.

General Corporate

The Company has continued its program of internal re-organisation and review of programs and budgets to ensure they are appropriate for the current global oil price and share market conditions. This process has included a significant reduction in staff numbers and a streamlined management reporting structure.

The Company is very cognisant of the requirement to restore and continue to add value during these current difficult times and looks forward to an active and cost efficient exploration program during 2015, the details of which will be released once alignment is reached with joint venture partners.

Financial

The ASX Appendix 5B attached to this report contains the Company's cash flow statement for the quarter ended 31 December 2014. The material elements of the cash flow in the period were:

- Exploration expenditure of \$6.3m for the quarter (September 2014 \$3.9m), comprised costs associated with the acquisition of the Jackaroo 3D seismic survey, residual costs associated with the 2D seismic program, Phase 1 activity for the Laurel Formation Tight Gas Pilot Exploration Program and the Ungani North 1 production test. Commodore 1 was also drilled during the quarter with the cost of this well being fully funded by Apache. Apache cash call receipts for the well were received during the quarter, but a proportion of the cash outflows as operator of the well will be paid in the March 2015 quarter.
- Ungani development expenditure of \$1.3m for the quarter (September 2014 \$1.3m), the majority of which were costs associated with Ungani 1ST1 wireline operations, field facilities engineering and the ongoing negotiations with Traditional Owner groups for the agreement related to the grant of a Production Licence.
- Ungani production operating expenditure of \$2.4m for the quarter (September 2014 \$2.2m). Cash inflows were received for three shipments of Ungani crude during the quarter totalling \$5.3m (September 2014 \$4.0m from two shipments) giving a net cash inflow from Ungani production of \$2.9m (September 2014 \$1.8m).
- Corporate, administration and community costs of \$2.3m for the quarter (September 2014 \$2.8m), reflecting the continued effect of staff and cost reduction initiatives.

The Company recorded a net cash outflow of \$2.2m for the quarter (September 2014 net cash inflow \$24.3m) and at the end of the quarter had net cash reserves of \$59.9m.

The Company is forecasting the following cash outflows in the March 2015 quarter:

- **Exploration** - \$6.5m of exploration costs are estimated to be payable in the March 2015 quarter, including the planned drilling of Sunbeam 1 well, TGS Phase 2 operations and ongoing Geological and Geophysical costs, as well as residual costs associated with TGS Phase 1, Jackaroo 3D seismic survey and the Commodore 1 well (JV cash calls for Commodore 1 were received in the December 2014 quarter, but a proportion of the cash outflows as operator of the well will be paid in the March 2015 quarter).
- **Development** - \$3m is estimated to be payable in the March 2015 quarter including costs associated with the implementation of Traditional Owner Agreements (subject to final agreements being reached and authorised by all parties), and preparations for the Ungani full field development.
- **Production** - \$1m of costs associated with the production testing program at Ungani are estimated to be payable in the March 2015 quarter. This is expected to be offset by cash receipts from production and prior quarter receivables.
- **Corporate, administration and community** - \$2.5m is estimated to be payable in the March 2015 quarter. A further \$7m cash outflow is forecast for the settlement of the Yakka Munga pastoral station including taxes and third party costs associated with the purchase.

Visit www.buruenergy.com for information on Buru Energy's current and future activities.

For inquiries please contact Buru Energy:

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About Buru Energy

Buru Energy Limited (ASX: BRU, S&P/ASX300) is a Western Australian oil and gas exploration and production company headquartered in Perth with an operational office in Broome. The Company's petroleum assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia. Its flagship high quality conventional Ungani Oilfield project is owned in 50/50 joint venture with Mitsubishi Corporation. As well as Ungani, the Company's portfolio includes potentially world class tight gas resources.

The company's goal is to deliver material benefits to its shareholders, the State of Western Australia, the Traditional Owners of the areas in which it operates, and the Kimberley community, by successfully exploring for and developing the petroleum resources of the Canning Basin in an environmentally and culturally sensitive manner.

Competent Persons Statement

Information in this release related to exploration and production results and petroleum resources is based on information compiled by Eric Streitberg who is the Executive Chairman of Buru Energy Limited. Mr Streitberg is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors, and a member and Certified Petroleum Geologist of the American Association of Petroleum Geologists. He has over 38 years of relevant experience. Mr Streitberg consents to the inclusion of the information in this report.

Schedule of interests in permits as at 31 December 2014

PERMIT	TYPE	OWNERSHIP	OPERATOR	LOCATION
L6	Production license	100.00%	Buru Energy Ltd	Canning Basin, WA
L8	Production license	100.00%	Buru Energy Ltd	Canning Basin, WA
L17	Production license	100.00%	Buru Energy Ltd	Canning Basin, WA
EP129	Exploration permit	100.00%	Buru Energy Ltd	Canning Basin, WA
EP371	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP390	Exploration permit	25.00%	Buru Energy Ltd	Canning Basin, WA
EP391	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP428	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP431	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP436	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP438	Exploration permit	25.00%	Buru Energy Ltd	Canning Basin, WA
EP457	Exploration permit	37.50%	Buru Fitzroy Pty Ltd	Canning Basin, WA
EP458	Exploration permit	37.50%	Buru Fitzroy Pty Ltd	Canning Basin, WA
EP471	Exploration permit	25.00%	Buru Energy Ltd	Canning Basin, WA
EP472	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP473	Exploration permit	25.00%	Buru Energy Ltd	Canning Basin, WA
EP474*	Exploration permit	100.00%	Buru Energy Ltd	Canning Basin, WA
EP476	Exploration permit	50.00%	Buru Energy Ltd	Canning Basin, WA
EP477	Exploration permit	50.00%	Buru Energy (Acacia) Pty Ltd	Canning Basin, WA
EP478	Exploration permit	50.00%	Buru Energy (Acacia) Pty Ltd	Canning Basin, WA
PL7	Onshore pipeline license	100.00%	Buru Energy Ltd	Canning Basin, WA

* EP 474 was relinquished subsequent to the end of the quarter

Glossary

2D	Two Dimensional
3D	Three Dimensional
bbls	Barrels of oil
Bopd	Barrels of oil per day
Buru Energy or the Company	Buru Energy Limited (ASX code: BRU)
DMP	Western Australian Department of Mines and Petroleum
EPT	Extended Production Test
FID	Final Investment Decision
TGS	Laurel Formation Tight Gas Pilot Exploration Program
Mitsubishi or MC	Mitsubishi Corporation

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 1/6/10, 17/12/10, 1/5/13

Name of entity

BURU ENERGY LIMITED

ABN

71 130 651 437

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

	Current quarter \$A ('000)	Year to date (12 months) \$A ('000)
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	5,278	15,732
1.2 Payments for (a) exploration & evaluation	(6,334)	(27,006)
(b) development	(1,300)	(3,912)
(c) production	(2,395)	(9,566)
(d) administration	(2,270)	(11,668)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	473	1,451
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net operating cash flows	(6,548)	(34,969)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) fixed assets	(16)	(955)
1.9 Proceeds from sale of:		
(a) fixed assets	-	-
(b) shares	-	750
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Withdrawal of cash held in escrow	1,918	4,633
Net investing cash flows	1,902	4,428
1.13 Total operating and investing cash flows (carried forward)	(4,646)	(30,541)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,646)	(30,541)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2,433	30,062
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Loan pursuant to the employee share acquisition scheme	-	-
Net financing cash flows		2,433	30,062
Net increase (decrease) in cash held		(2,213)	(479)
1.20	Cash at beginning of quarter/year to date	61,945	60,251
1.21	Exchange rate adjustments to item 1.20	161	121
Cash at end of quarter		59,893	59,893

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
1.23	Aggregate amount of payments to the parties included in item 1.2	260,402
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
N/A		

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
<p>In August 2013, Buru Energy Ltd (“Buru”) and Alcoa of Australia Ltd (“Alcoa”) entered into an agreement for up to \$20,000,000 of the escrowed funds to be applied to fund the next phase of the appraisal program for the Laurel wet gas accumulation. The balance will be retained in the escrow account. As part of this agreement, Alcoa has the right to extend the gas sales contract final investment decision (FID) date on an annual basis until 1 January 2018. If a FID is not reached by 1 January 2018, Buru will be obliged to repay the \$40,000,000 gas prepayment in three tranches on 31 December 2018, 31 December 2019 and 31 December 2020 respectively. The second drawdown of \$1.9m has been made during the quarter. The remaining escrowed cash balance and interest of \$22,073,147 is not included in the cash balance at the end of the quarter.</p>	

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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
	N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

		\$A ('000)
4.1	Exploration and evaluation	(6,500)
4.2	Development	(3,000)
4.3	Production (net of cash inflows)	(0)
4.4	Administration (including \$7m outflow for settlement of pastoral lease and associated costs)	(9,500)
	Total	(19,000)

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	18,380	35,489
5.2	Deposits at call	41,513	26,456
5.3	Bank overdraft	-	-
	Total: cash at end of quarter	59,893	61,945

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	No change in interest		
6.2	Interests in mining tenements acquired or increased	No change in interest		

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)	Amount paid up per security (see note 3)
7.1	Preference + securities <i>(description)</i>	N/A	N/A	N/A
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -	- -	- -
7.3	+Ordinary securities	339,997,078	339,997,078	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	3,986,550 -	3,986,550 -	\$0.75 -
7.5	+Convertible debt securities <i>(description)</i>	N/A	N/A	N/A
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -
7.7	Options (description and conversion factor)	6,400,000	-	<i>Exercise price</i> \$1.12
7.8	Issued during quarter	6,400,000	-	<i>Expiry date</i> 31 Dec 2016
7.9	Exercised during quarter	-	-	-
7.10	Expired during quarter	602,800	-	\$4.04
7.11	Debentures (totals only)	N/A	N/A	
7.12	Unsecured notes (totals only)	N/A	N/A	

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 5).
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date: 30 January 2014
 Shane McDermott
 General Manager Finance and Company Secretary

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 and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities; the issue price and amount paid up are not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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