

## **OPERATING ACTIVITIES REPORT AND ASX APPENDIX 5B For The Quarter Ended 30 September 2016**

---



*Figure 1: Western McDonald Ranges near Mereenie and Palm Valley.*

---

### **HIGHLIGHTS**

- The Council of Australian Governments (“COAG”) Energy Council met on 19 August 2016 with Ministers agreeing on a package of measures designed to deliver better functioning and competitive energy markets. As a result, a Gas Market Reform Group led by Dr Michael Vertigan AC was formed to implement the gas reform package.
- Testing of the Stairway Sandstone at Mereenie from the previously drilled West Mereenie-15 continues free flowing gas at sustainable rates with a low nitrogen content of 2.6%. Additional recompletion opportunities have been identified.
- Cash balance at the end of the quarter was \$7.2 million.
- Restructuring costs of approximately \$700,000 incurred during the quarter saves well over \$400,000 this fiscal year with ongoing benefits of nearly \$700,000 annually thereafter.
- Crude oil prices for oil production during the quarter was up 5% from the previous quarter.
- “Free Carry” obligations under the Mereenie Acquisition were concluded during the quarter with a final payment of \$3.3 million to Santos to account for underspend.

## MANAGING DIRECTOR'S REPORT TO SHAREHOLDERS FOR THE QUARTER

During this quarter, a final payment of \$3.3 million was made to Santos Ltd due to the underspend on the "Free-Carry" component of the Mereenie Acquisition. The Owen Springs Power Station consumed less than its contractual commitment for the quarter meaning that in January next year an estimated \$4.6 million will be paid to Central under the Take or Pay provisions of our Gas Sales Agreements. As the Ron Goodin Power Station is presently being decommissioned and the Owen Springs Power Station is being upgraded, there are indications that the gas offtakes next calendar year should approach the contractual Take or Pay levels.

During the quarter we achieved our objective of having the majority of our workforce locally based. This caused some redundancy payments to be made which will be more than offset during the remainder of this fiscal year by the lower ongoing employment costs. As a further restructuring measure to ensure the Company remains net positive on an Earnings before Interest, Taxes, Depreciation, Amortisation and Exploration ("EBITDAX"), the Company relocated to our present premises at Level 7, 369 Ann Street, Brisbane. Whilst this quarter's results were affected with relocation expenses, the cash benefit over the remaining nine months of this fiscal year is very positive. In total, these restructuring measures should contribute over \$400,000 to the bottom line by the end of this fiscal year with ongoing benefits of nearly \$700,000 annually thereafter.

The Company's realised price for sales of crude oil in the quarter was more than 5% higher in \$A terms than in the prior quarter and crude oil sales in October being higher than the average price realised in the quarter just ended. With crude oil production last quarter being higher than the forward model which formed part of the Company's recent annual report, the Company remains on track to perform in accordance with that model.

As shareholders in Central would readily attest, Central has been active on a number of fronts critical to the future of the Australian domestic gas industry. To counter the "FIFO fractivist's" claims in the Northern Territory, Central has been trying to embed the following facts into the conversation the country is having around fracking and the importance of expanding domestic gas supplies:

1. Nearly 50 per cent of the natural gas consumed in Australia is consumed in industries (and chemicals) where gas is an important feedstock, where electricity is no substitute, and around one million Australians are directly employed; and
2. Australia in the east coast market is facing a critical shortage of gas, accompanied by a dramatic rise in pricing. Notwithstanding this, the ABS recorded a 69.5 per cent drop in onshore drilling in the year ending 30 June 2016. Clearly the price signal is not stimulating new supplies.

These two points appear are generally supported by the ACCC which is recommending supportive regulatory changes to the Council of Australian Governments (COAG) and possibly a more general recognition by the Australian public over time.

This augers well for the industry and Central, in particular as Central will be in a position to supply the east coast market upon the commissioning of the NGP in 2018. The NGP hit a major milestone on Tuesday, 18 October, with the steel pipes being unloaded in Darwin.

It is all full steam ahead.

**Richard Cottee**  
**Managing Director**

For personal use only

## REVIEW OF OPERATIONS AND OTHER JOINT VENTURE ACTIVITIES FOR THE QUARTER ENDED 30 SEPTEMBER 2016 (“THE QUARTER”)

### EXPLORATION/DEVELOPMENT ACTIVITIES:

#### **ATP 909, ATP 911 and ATP 912, Southern Georgina Basin – Queensland** (Joint Venture between CTP - 90% interest [Operator] and Total – 10% interest [earning])

Central and Total have suspended work this drilling season expecting to restart in March 2017, to minimise capital expenditure in times of low oil prices. No further activity in this quarter.

#### **Santos Stage 2 Farmout – Southern Amadeus Basin, Northern Territory**

The Operator (Santos) has completed analysis of integrated seismic, gravity, and historic well data and selection of line locations for Stage 2. The final Land Access and Compensation Agreement for the Amadeus 2D seismic survey is completed and pending ministerial approval seismic data acquisition is anticipated to commence in November 2016.

Central is actively reviewing data in these permits, seeking to upgrade a variety of exploration play types and targets, which could be prospective for hydrocarbons and/or helium.

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

The joint venture’s exploration endeavours in this and surrounding permits will focus on maturing large sub-salt leads to drillable status by acquiring further seismic in Phase 2. The primary reservoir objective is the Heavitree Quartzite. Secondary reservoir objectives in the Neoproterozoic units include the Areyonga Fm and Pioneer Ss which are gas bearing in the Ooraminna field.

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

Central’s evaluation of inventory of leads and prospects is now completed. Play types and leads have been developed for the under-explored section underlying the proven Larapintine system, which is believed prospective for gas.

#### **Other Exploration and Application Areas**

No significant developments occurred in Central’s other exploration and application areas during the quarter. However, Central continues to work with stakeholders and progress discussions pertaining to grant of application areas and rationalisation of low prospectivity areas.

EPA296 in the Wiso Basin is emerging from moratorium.

**PRODUCTION ACTIVITIES:****Mereenie Oil and Gas Field (OL4 and OL5) – Northern Territory***(CTP-50% interest [Operator], Santos-50% interest)***During the Quarter:**

- Central continued to work extensively on the Development Planning for Mereenie to provide additional supply into the Northern Territory or the Northern Gas Pipeline (NGP) in 2018. A brief summary of the work done to date is as follows:
  - The Static model of the field is being updated with improved porosity and permeability data derived from special core analysis, expected completion of the analysis by December 2016.
  - The Dynamic model of the field continues to being updated with the refined parameters from the Static model.
  - Continue to identify key production areas in the field concentrating on programs for the optimisation of the existing P1 and P3 Gas caps. Static gradient surveys have been executed providing reservoir pressure data in support of the modelling work. In addition, a mobile test separator is production testing individual wells to aid in water and hydrocarbon allocation, and production optimization. A detailed gas sampling program is underway for gas compositional analysis to further assist production optimization.
  - Large volumes of Contingent Resources have been identified in the Stairway and P4 formations. Operational programs for the conversion of Stairway and P4 Contingent resources to Reserves are being prepared. One Stairway completed well West Mereenie 15, was put on an extended production test to ascertain long term deliverability. Sustainable flow rates have been achieved with a low nitrogen content of 2.6%. Additional opportunities have been identified for Stairway recompletion and production testing, West Mereenie 14 and West Mereenie 19.
- Central continued to increase contracts and employment opportunities in the Northern Territory for Northern Territorians and Traditional Owners and has reached over 50% local employment.
- Process Flow Diagrams and Piping and Instrument Diagrams are in a stage of final ensuring that all operations are conducted in compliance with the appropriate State, Territory and Federal legislative requirements.

**Health, Safety and the Environment**

- Central continues to operate Mereenie without a lost time injury (LTI), without recordable or reportable safety incident and without a recordable or reportable environmental incident.
- Central is developing a comprehensive training program to up-skill current capabilities and competencies.
- Central had its Field Environment Management Plan accepted by the Northern Territory Department of Mines and Energy (compliant with new legislation). Subsequent consultation with the NT EPA has resulted in minor revisions.
- Low Ecological Services from Alice Springs, our independent auditor for environmental compliance, has carried out soil sampling at Mereenie and pipeline right of way inspection on the Dingo to Brewer Estate pipeline.
- Low Ecological services has also been contracted to monitor compliance with the Field Environment Management Plan.
- Central continues the close out of operations transition projects. Projects this quarter included repair of erosion around buried pipelines.

For personal use only



**Figure 2: Eastern Satellite Station flaring while performing routine maintenance.**



**Figure 3: Mereenie; Preparation for pressure testing to recommission plant.**

For personal use only



**Figure 4: Mereenie; Maintenance at Central Treating Facility.**

For personal use only

## Dingo Gas Field (L7) and Dingo Pipeline (PL30) – Northern Territory

(CTP – 100% Interest)

### During the Quarter:

- Central renegotiated several service contracts to reduce operating costs at Dingo.
- Central continued to increase contracts and employment opportunities in the Northern Territory for Northern Territorians and Traditional Owners. Most of the Dingo staffing is now based in Alice Springs.



Figure 5: Cleaning Heat Exchanger Core.

### Health, Safety and the Environment

- Central operated Dingo without a recordable or reportable environmental, safety or lost time incident (LTI) during all phases from construction, commissioning and ongoing operations.
- Central is developing a comprehensive training program to assist and enhance current capabilities and competencies.

## Palm Valley Gas Field (OL3) – Northern Territory

(CTP - 100% Interest)

Palm Valley was brought on line to provide our customers with gas while the Dingo and Mereenie plants were shut-down for annual maintenance.

## Surprise Production License (L6) – Northern Territory

(CTP - 100% Interest)

Surprise West remained shut-in during the quarter. The well has been temporarily shut-in to gather pressure data to assess the re-charge potential of the field. Should oil prices recover significantly, production can re-commence after assessing the pressure build-up. Fluid level monitored regularly.

For personal use only

**INTERESTS IN PETROLEUM PERMITS AND LICENCES AT 30 SEPTEMBER 2016****Petroleum Permits and Licences Granted**

Tenement	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
EP 82 (excl. EP 82 Sub-Blocks) <sup>1</sup>	Amadeus Basin NT	Santos	60	60	Santos	40
EP 82 Sub-Blocks	Amadeus Basin NT	Central	100	100		
EP 93	Pedirka Basin NT	Central	100	100		
EP 97 <sup>2</sup>	Pedirka Basin NT	Central	100	0		
EP 105 <sup>1</sup>	Amadeus/Pedirka Basin NT	Santos	60	60	Santos	40
EP 106 <sup>1</sup>	Amadeus Basin NT	Santos	60	60	Santos	40
EP 107 <sup>4</sup>	Amadeus/Pedirka Basin NT	Central	100	0		
EP 112 <sup>1</sup>	Amadeus Basin NT	Santos	60	60	Santos	40
EP 115 (excl. EP115 North Mereenie Block)	Amadeus Basin NT	Central	100	100		
EP 115 North Mereenie Block	Amadeus Basin NT	Santos	60	60	Santos	40
EP 125	Amadeus Basin NT	Santos	30	30	Santos	70
OL 3 (Palm Valley)	Amadeus Basin NT	Central	100	100		
OL 4 (Mereenie)	Amadeus Basin NT	Central	50	50	Santos	50
OL 5 (Mereenie)	Amadeus Basin NT	Central	50	50	Santos	50
L 6 (Surprise)	Amadeus Basin NT	Central	100	100		
L 7 (Dingo)	Amadeus Basin NT	Central	100	100		
RL 3 (Ooraminna)	Amadeus Basin NT	Central	100	100		
RL 4 (Ooraminna)	Amadeus Basin NT	Central	100	100		
ATP 909 <sup>1</sup>	Georgina Basin QLD	Central	90	90	Total	10
ATP 911 <sup>1</sup>	Georgina Basin QLD	Central	90	90	Total	10
ATP 912 <sup>1</sup>	Georgina Basin QLD	Central	90	90	Total	10

**Petroleum Permits and Licences under Application**

Tenement	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
EPA 92	Lander Trough NT	Central	100	100		
EPA 111 <sup>3</sup>	Amadeus Basin NT	Central	100	100		
EPA 120	Amadeus Basin NT	Central	100	100		
EPA 124 <sup>3</sup>	Amadeus Basin NT	Central	100	100		
EPA 129	Lander Trough NT	Central	100	100		
EPA 130	Pedirka Basin NT	Central	100	100		
EPA 131	Pedirka Basin NT	Central	100	100		
EPA 132	Georgina Basin NT	Central	100	100		
EPA 133	Amadeus Basin NT	Central	100	100		
EPA 137	Amadeus Basin NT	Central	100	100		
EPA 147	Amadeus Basin NT	Central	100	100		
EPA 149	Amadeus Basin NT	Central	100	100		
EPA 152	Amadeus Basin NT	Central	100	100		
EPA 160	Lander Trough NT	Central	100	100		
EPA 296	Lander Trough NT	Central	100	100		

**Pipeline Licences**

Pipeline Licence	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
PL 2	Amadeus Basin NT	Central	50	50	Santos	50
PL 30	Amadeus Basin NT	Central	100	100		

**Notes**

- Santos' and Total's right to earn and retain participating interests in the permit is subject to satisfying various obligations in their respective farmout agreement. The participating interests as stated assume such obligations have been met, otherwise may be subject to change.*
- On 20 June 2016 Central submitted an application to the NT Department of Mines and Energy for consent to surrender Exploration Permit 97.*
- Central has granted Santos the right to acquire a 50% interest in EPA 111 and EPA 124.*
- On 23 September 2016 Central submitted an application to the NT Department of Mines and Energy for consent to surrender Exploration Permit 107.*

For personal use only

**CORPORATE:****Cash Position**

The Company began the Quarter with \$15.1 million in cash and at 30 September 2016 held \$7.2 million. Both cash positions are inclusive of the Company's share of cash held in Joint Venture bank accounts.

The reduction in cash over the quarter was largely generated by the following non-recurring items in excess of \$500,000:

	<b>\$M</b>
Final balancing payment to Santos in respect of the Mereenie acquisition	(3.3)
Take or Pay receipts deferred (due after end of calendar year)	(1.0)
Restructuring Expenses	(0.7)
Cash recoveries from joint ventures deferred to next quarter	(0.5)

In July 2016, a final balancing payment of \$3.3 million was made to Santos in accordance with the Mereenie sale and purchase agreement in relation to the "Free Carry" underspend.

During the Quarter the Company made a principal repayment in respect of its expanded loan facility with Macquarie Bank amounting to \$1 million. In addition, quarterly interest payments totalling \$1.6 million were made.

**Forecast cash position**

The Company forecasts that its cash position will improve from \$7.2M (quarter ended September 2016) to approximately \$8.7M at the start of the 2017 calendar year.

This cash position consists of a forecast cash balance at the end of the December 2016 quarter of \$4.1M plus an estimated \$4.6M in take or pay amounts due under gas supply agreements.

The Company constantly reviews its costs in order to prudently manage its cash position.

**Issued Securities of the Company**

At 30 September 2016 the Company had 433,197,647 ordinary shares on issue, 10,122,293 share rights expiring on various dates and 67,391,618 unlisted options exercisable at various prices and with various expiry dates.

During the quarter, a total of 1,269,334 unlisted options expired.

**Richard Cottee**



**Managing Director**  
**31 October 2016**

For personal use only

**General Legal Disclaimer**

As new information comes to hand from data processing and new drilling and seismic information, preliminary results may be modified. Resources estimates, assessments of exploration results and other opinions expressed by the Company in this announcement or report have not been reviewed by any relevant joint venture partners, therefore those resource estimates, assessments of exploration results and opinions represent the views of the Company only. Exploration programmes which may be referred to in this announcement or report may not have been approved by relevant Joint Venture partners in whole or in part and accordingly constitute a proposal only unless and until approved.

This document may contain forward-looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. These risks, uncertainties and assumptions include (but are not limited to) commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statement in this document is valid only at the date of issue of this document. Subject to any continuing obligations under applicable law and the ASX Listing Rules, or any other Listing Rules or Financial Regulators' rules, the Company and its subsidiaries and each of their agents, directors, officers, employees, advisors and consultants do not undertake any obligation to update or revise any information or any of the forward looking statements in this document if events, conditions or circumstances change or that unexpected occurrences happen to affect such a statement. Sentences and phrases are forward looking statements when they include any tense from present to future or similar inflection words, such as (but not limited to) "forecast", "believe," "estimate," "anticipate," "plan," "predict," "may," "hope," "can," "will," "should," "expect," "intend," "is designed to," "with the intent," "potential," the negative of these words or such other variations thereon or comparable terminology, may indicate forward looking statements.

The Company is not the sole source of the information used in third party papers, reports or valuations ("Third Party Information") as referred herein and the Company has not verified their content nor does the Company adopt or endorse the Third Party Information. Content of any Third Party Information may have been derived from outside sources and may be based on assumptions and other unknown factors and is being passed on for what it's worth. The Third Party Information is not intended to be comprehensive nor does it constitute legal or other professional advice. The Third Party Information should not be used or relied upon as a substitute for professional advice which should be sought before applying any information in the Third Party Information or any information or indication derived from the Third Party Information, to any particular circumstance. The Third Party Information is of a general nature and does not take into account your objectives, financial situation or needs. Before acting on any of the information in the Third Party Information you should consider its appropriateness, having regard to your own objectives, financial situation and needs. To the maximum extent permitted by law, the Company and its subsidiaries and each of their directors, officers, employees, agents and representatives give no undertaking, representation, guarantee or warranty concerning the truth, falsity, accuracy, completeness, currency, adequacy or fitness for purpose of the any information in the Third Party Information.

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

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

CENTRAL PETROLEUM LIMITED

**ABN**

72 083 254 308

**Quarter ended ("current quarter")**

30 SEPTEMBER 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	6,141	6,141
1.2 Payments for		
(a) exploration & evaluation	(829)	(829)
(b) development	-	-
(c) production	(4,096)	(4,096)
(d) staff costs	(1,714)	(1,714)
(e) administration and corporate costs	(573)	(573)
1.3 Dividends received (see note 3)		
1.4 Interest received	59	59
1.5 Interest and other costs of finance paid	(1,653)	(1,653)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	21	21
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,644)</b>	<b>(2,644)</b>

For personal use only

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(695)	(695)
	(b) tenements (see item 10)	–	–
	(c) investments	–	–
	(d) other non-current assets – Security Bonds	(268)	(268)
	(e) Final balancing payment for interest in Mereenie oil and gas assets	(3,342)	(3,342)
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	–	–
	(b) tenements and applications (see item 10 for tenements)	80	80
	(c) investments	–	–
	(d) other non-current assets – redemption of security bonds	170	170
2.3	Cash flows from loans to other entities	–	–
2.4	Dividends received (see note 3)	–	–
2.5	Other (provide details if material)	–	–
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(4,055)</b>	<b>(4,055)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	–	–
3.2	Proceeds from issue of convertible notes	–	–
3.3	Proceeds from exercise of share options	–	–
3.4	Transaction costs related to issues of shares, convertible notes or options	–	–
3.5	Proceeds from borrowings	–	–
3.6	Repayment of borrowings	(1,172)	(1,172)
3.7	Transaction costs related to loans and borrowings	–	–
3.8	Dividends paid	–	–
3.9	Other (provide details if material)	–	–
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(1,172)</b>	<b>(1,172)</b>

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	15,116	15,116
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,644)	(2,644)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,055)	(4,055)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,172)	(1,172)
4.5	Effect of movement in exchange rates on cash held	–	–
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>7,245</b>	<b>7,245</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances <sup>1</sup>	7,244	15,115
5.2	Call deposits	–	–
5.3	Bank overdrafts	–	–
5.4	Other (Cash on hand)	1	1
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,245</b>	<b>15,116</b>

<sup>1</sup> Includes share of Joint Venture bank accounts, and cash held with Macquarie Bank Limited (Current Quarter \$2,670,764; Previous Quarter \$4,981,343) to be used for allowable purposes under the Facility Agreement.

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	279
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	–
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Includes Salaries, Directors fees and Superannuation contributions

For personal use only

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	–
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	–
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end <sup>2</sup> \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	85,809	85,809
8.2 Credit standby arrangements	–	–
8.3 Other (please specify)	–	–
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Represents the Macquarie Bank Facility which is a secured 5 year partially amortising term loan maturing 30 September 2020 with quarterly principal and interest repayments. The weighted average interest rate at end of the current quarter was 7.33% (floating interest rate).

<sup>2</sup> Amortised remaining Facility limit. Original facility limit was \$90 million.

9. <b>Estimated cash outflows for next quarter<sup>3</sup></b>	\$A'000
9.1 Exploration and evaluation	(207)
9.2 Development	–
9.3 Production	(3,886)
9.4 Staff costs (net of recoveries)	(459)
9.5 Administration and corporate costs (net of recoveries)	(230)
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>(4,782)</b>

<sup>3</sup> Outflows only, does not reflect proceeds from product sales or other income

For personal use only

## Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EP 107, NT	Petroleum Exploration Permit (relinquished)	100%	Nil
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: ..31 October 2016.....

Print name: .....Joseph Patrick Morfea.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

For personal use only