

QUARTERLY REPORT for the period ended 31 December 2014

FINANCIAL HIGHLIGHTS

- The company's debt facility was increased to US\$19 million and the interest rate reduced to a 90 day LIBOR plus 3.25%, currently the effective rate is approximately 3.48%. During the quarter, Samson drew down US\$4.5 million against this facility, with a further drawdown of US\$2.0 million in January 2015, bringing the outstanding loan balance to US\$17.5 million. Given the curtailment of the North Stockyard drilling program, no further drawdowns are planned.
- Samson has curtailed its development drilling program in the North Stockyard field after the completion of the Ironbank 6 well. The Frontier 24 rig was laid down without contractual penalty.
- The Company's G&A cost was reduced by 43% from US\$3.3 million expensed for the six months to 31 December 2013, to US\$2.3 million for the corresponding period in 2014. Further reductions in this expense are expected to be finalized in the first quarter of 2015 in response to the recent slide in the oil price.
- Estimated oil and gas revenue was US\$2.7 million for the quarter (there is generally a two to three month delay between production and the receipt of funds).
- Lease operating, exploration, valuation of derivatives and administration expense for the quarter was US\$0.3 million.
- A net US\$8.8 million was spent on development during the quarter, related to Samson's share of the North Stockyard project drilling program.
- The closing cash balance for the quarter was US\$3.8 million.
- During the quarter 36,600 barrels for 2016 production were added to the company's hedge book. The total volume currently hedged is 97,449 barrels for 2015 and 2016 and is valued at US\$2.6 million as at 26 January 2015.

OPERATIONAL HIGHLIGHTS

- The North Stockyard field is being developed from several drill pads on which multiple wells are located. As the program is one of infill drilling both between and beneath existing well bores, a large part of the field was shut in during the December quarter to allow this activity to occur. The pad drilling and the intertwining well bores provides two operational issues: one is that it would be unsafe to be drilling on a pad that contained a flowing well bore in close proximity, and accordingly that producing well is shut in while those pad operations are underway; second, where a well is being fracked in close proximity to an existing well bore, industry practice is to remove the pump and plug the well temporarily such that the pressure pulse seen from conducting the adjacent fracture stimulation does not push proppant ("frack sand") into that well bore and damage the completion.
- As a result of these operational constraints, during the quarter only 820 "well days" of the available 2,208 "well days" were on production during the quarter.
- Given that the drilling program has been curtailed, the North Stockyard field is being returned to full production, and, as of this report date, 11 wells are on stream. The remaining 13 wells are expected to be back on line by the end of February.
- The Gladys well, which has been on free flow for four months, has had an electrical submersible pump (ESP) installed and the well has responded with two days of daily oil production exceeding 950 BOPD. While this is early in terms of establishing a stable production rate, the initial production rate from this ESP configuration is very encouraging. Gladys has produced 34,721 BBLs on free flow and was a modest producer - however the installation of the ESP may change that perception based on the early response of the well to artificial lift.

- In North Stockyard four producing intervals are recognized. These are the Middle Bakken (MB), and Three Forks 1 through 3. (TF 1, TF2 and TF3). Fully developed, this would represent 33 wells of which 20 have been drilled. The Middle Bakken and TF1 intervals are considered fully developed with 11 and 8 wells drilled respectively.
- During the quarter Bootleg 8-14-15TFH ("Bootleg 8") was the first well to be drilled and fracked in TF2. This well has yet to be put on production because of the operational issues outlined above however the flowback of this well was very encouraging with an oil rate of 785 BOPD established. No wells have been drilled in the TF3, however 8 wells can be contemplated in the TF2 based on the early results of Bootleg 8. This development will be dependent on an improved and stabilized oil price, but provides additional production capacity for the future.
- Aside from Bootleg 8, during the quarter 5 TF1 wells were drilled and 3 fracked; the remaining 2 wells were fracked in the early part of January.
- In the Hawk Springs project in Wyoming a cased hole testing program has been conducted in the Permian Hartville 9500' sand on the Bluff #1-11 well. This test produced nitrogen rich gas (97%) at a steady rate of 8 MMscf/D. Technical data recovered from the test is been analyzed to determine what the next operational step will be taken to evaluate the discovery.

Production for the December quarter increased from the September quarter as a result of the infill development program in North Stockyard despite the operational restraints outlined above.

	Q1	Q2	Q3	Q4
OIL, BO	29,430	53,317	34,863	43,652
GAS, MCF	48,049	47,998	45,536	39,043
BOE	37,494	59,041	42,453	50,169
BOEPD	416	656	471	557

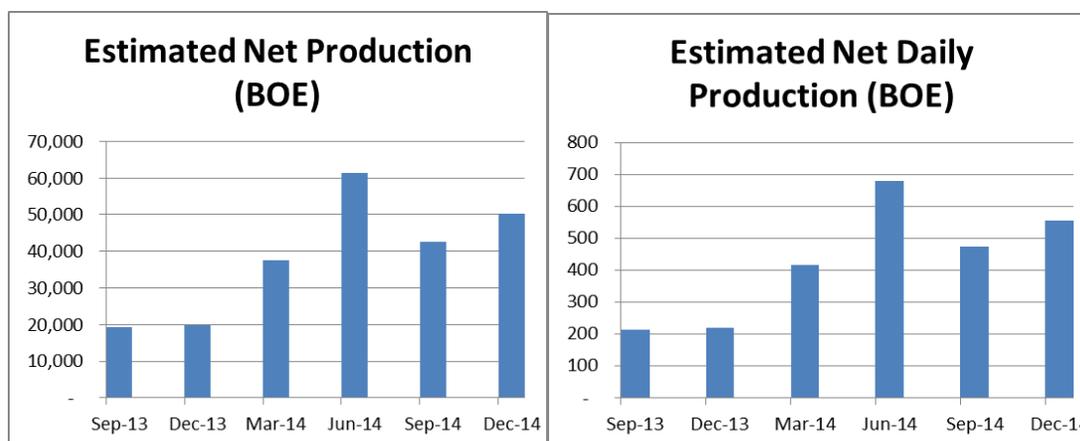
	October	November	December
OIL, BO	6,772	17,824	19,055
GAS, MCF	11,000	13,687	14,539
BOE	8,606	20,106	21,478
BOEPD	277	648	692

Note:

Production information (volumes and prices) may differ from previously advised information as there is generally a two to three month lag between production and receipt of sales and cash from the field operators. Prior to receiving the final sales information, production is estimated from information provided by the operator and in some instances, third parties.

As a result of this program Samson's 2014 production has shown a significant increase over the corresponding 12 month period:

	2013	2014
OIL, BO	51,994	161,262
GAS, MCF	174,300	180,626
BOE	81,044	191,366
BOEPD	222	524



LAND

PROJECT	BASIN	STATE	COUNTY	NET ACRES
Hawk Springs	DJ	Wyoming	Goshen	20,733
Roosevelt	Williston	Montana	Roosevelt	29,983
North Stockyard	Williston	North Dakota	Williams	531
Rainbow	Williston	North Dakota	Williams	950
South Prairie	Williston	North Dakota	Renville	6,690
State GC	Delaware	New Mexico	Lea	130

DRILLING PROGRAMME 2014

North Stockyard Oilfield, Williams County, North Dakota Mississippian/Devonian Bakken & Three Forks Formations, Williston Basin *Bakken infill wells*

Samson ~25% Working Interest

Nine Three Forks Formation wells have now been drilled in the North Stockyard Oilfield. These wells were drilled as 8,000 foot laterals in a west-east orientation. Multistage hydraulic fracturing operations have been completed on the Bootleg 4-14-15TFH, Bootleg 5-14-15TFH, Bootleg 6-14-15TFH, Bootleg 7-14-15TFH and Bootleg 8-14-15TFH wells during the quarter. In January of 2015, the Ironbank 6 & 7 wells were both fracture stimulated.

The Billabong 2-13-14HBK well was successfully worked over and the well is scheduled to be fracture stimulated this month.

Rainbow Field, Williams County, North Dakota Mississippian Bakken Formation, Williston Basin *Gladys 1-20H*

Samson 23% and 52% Working Interest

During the quarter the Gladys 1-20H well produced 24,390 barrels of oil (gross). This well is the first in the Rainbow project and is expected to support a drilling program of up to 14 wells, comprised of 8 wells in the middle Bakken and 6 in the Three Forks. Despite having an extensive drilling inventory in this project, Samson has no further drilling planned until there is a sustained recovery in the oil price.

Hawk Springs Project, Goshen County, Wyoming
Wildcat (Exploratory) Permo-Penn Hartville Formation, Northern D-J Basin
Bluff #1-11 well

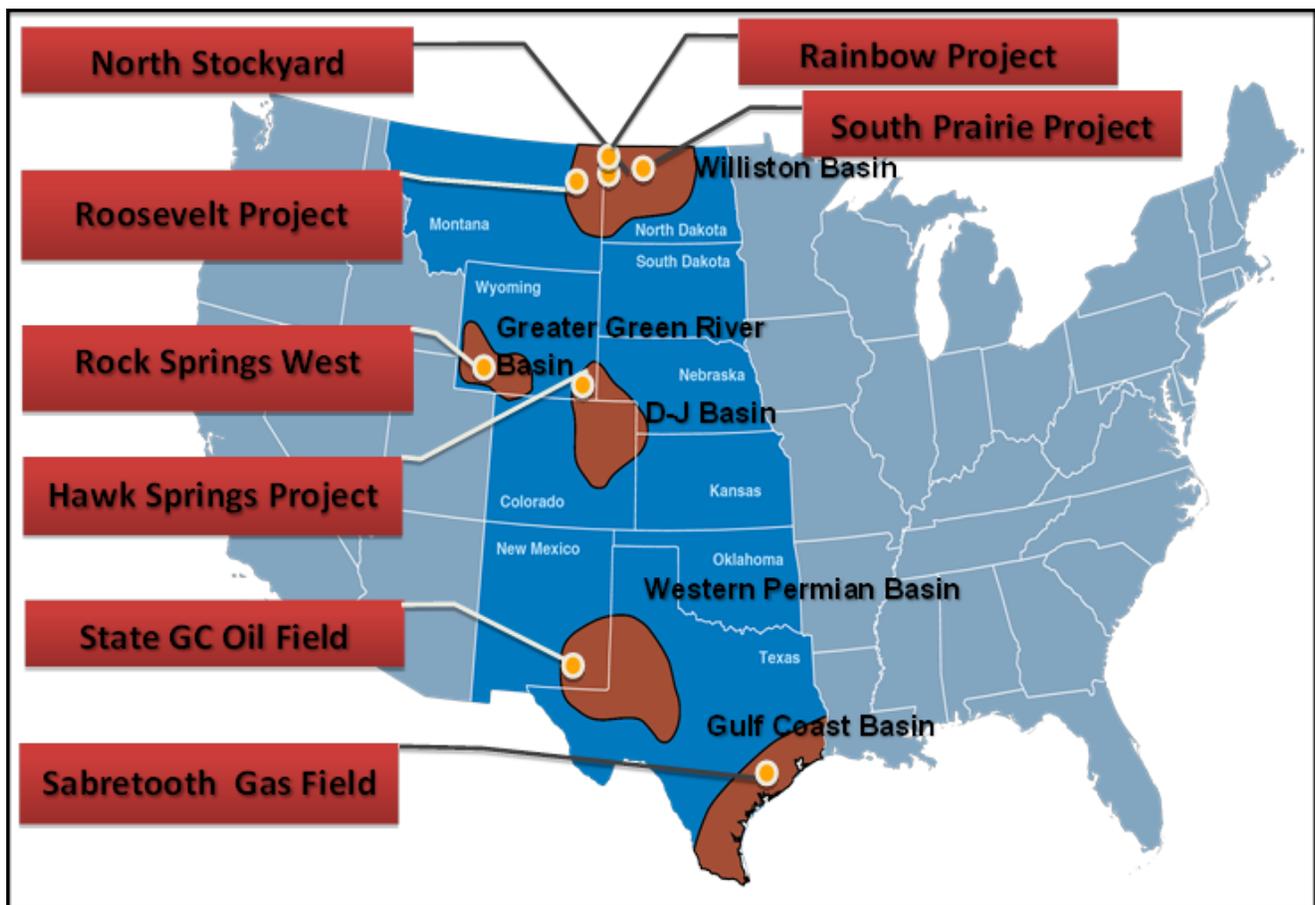
Samson 25% Before Tanks Paying Interest, 35.41% After Tanks Working Interest in the Bluff #1-11 well

A cased hole testing program was conducted during the quarter to determine the productivity of the Permian Hartville 9500' sand. The Permian Hartville 9500' sand was tested at a rate of 8 MMscf/D on a 21/64" choke during a 40 hour flow test. Additional data is currently being analyzed to determine if the fluid below the gas cap is oil and thus a downdip well may be drilled to recover oil below the gas-oil interface.

South Prairie Project, North Dakota
Mississippian Mission Canyon Formation, Williston Basin
Birch Prospect Samson 25% Working Interest

Samson has recently elected to participate in our proportionate 25% working interest in 900 net acres in the Birch prospect. The target zone is the Wayne zone of the Mississippian Mission Canyon Formation to be found at an expected depth of around 4,800' MD.

PROJECTS



PROJECTS LOCATION MAP

North Stockyard Oilfield, Williams County, North Dakota
Mississippian Bakken Formation, Williston Basin

Samson has seventeen producing wells in the North Stockyard Oilfield.

The Harstad #1-15H well (34.5% working interest) was shut in for 90 days during the quarter due to downhole problems and production activities on offset wells. Cumulative gross production to December 31, 2014 was approximately 94 MSTB.

The Leonard #1-23H well (10% working interest, 37.5% after non-consent penalty) was down for 12 days during the quarter due to an electrical malfunction. . The well averaged 37 BOPD and 67 Mscf/D during the quarter. Cumulative gross production to December 31, 2014 was approximately 129 MSTB and 142 MMscf.

The Gene #1-22H well (30.6% working interest) was down for approximately 1 day during the quarter due to an electrical malfunction. The well produced at an average daily rate of 60 BOPD and 108 Mscf/D during the quarter. Cumulative gross production to December 31, 2014 was approximately 182 MSTB and 222 MMscf.

The Gary #1-24H (37% working interest) well was down for for the entire quarter due to offset production activity. Cumulative gross production to December 31, 2014 was approximately 180 MSTB and 285 MMscf.

The Rodney #1-14H (27% working interest) well was down for the entire quarter due to planned shut-in periods while completing the offset wells. Cumulative gross production to December 31, 2014 was approximately 139 MSTB and 195 MMscf.

The Earl #1-13H (32% working interest) well was down for the entire quarter due to planned shut-in periods while completing the offset wells. Cumulative gross production to September 30, 2014 was approximately 225 MSTB and 327 MMscf.

The Everett #1-15H (26% working interest) well was down for 24 days during the quarter due to planned shut in periods while completing the offset wells. The Everett well produced at an average daily rate of 366 BOPD and 519 Mscf/D during the quarter. Cumulative gross production to December 31, 2014 was approximately 159 MSTB and 211 MMscf.

The Sail & Anchor 4-13-14HBK well was down for the entire quarter due to planned shut in periods while completing offset wells. Cumulative gross production to December 31, 2014 was approximately 55 MSTB and 32 MMscf.

The Coopers 1-23-13HBK well was down for 64 days during the quarter due to planned shut in periods while completing offset wells. The well averaged 78 BOPD during the quarter. Cumulative gross production to December 31, 2014 was 54 MSTB.

The Little Creature 1- 15-14H well was down for the entire quarter due to planned shut in periods while completing offset wells. Cumulative gross production to December 31, 2014 was 73 MSTB.

The Tooheys 4-15-14HBK well was down for 58 days during the quarter due to planned shut in periods while completing offset wells. The well averaged 110 BOPD during the quarter. Cumulative gross production to December 31, 2014 was 68 MSTB

The Blackdog 3-13-14HBK well was down for the entire quarter due to planned shut in periods while completing offset wells. Cumulative gross production to December 31, 2014 was 110 MSTB and 77 MMscf.

The Matilda Bay 1-15HBK well (32.97% working interest) was down for 29 days during the quarter due to planned shut in periods while completing offset wells. The well averaged 113 BOPD and 83 Mscf/D during the quarter. Cumulative gross production to December 31, 2014 was 110 MSTB and 7 MMscf.

The Matilda Bay 2-15HBK well (32.97% working interest) was down for 48 days during the quarter due to planned shut in periods while completing offset wells. The well averaged 46 BOPD and 119 Mscf/D during the quarter. Cumulative gross production to December 31, 2014 was 30 MSTB and 3 MMscf.

The Bootleg 4-14-15TFH well was down for 19 days during the quarter due to Ironbank 6 & 7 operations. During the quarter it averaged 449 BOPD. Cumulative gross production to December 31, 2014 was 55 MSTB.

The Bootleg 5-14-15TFH well was down for 26 days during the quarter due to Ironbank 6 & 7 operations. During the quarter it averaged 411 BOPD. Cumulative gross production to December 31, 2014 was 48 MSTB.

The Bootleg 7-14-15TFH well was successfully fracture stimulated during the quarter, however flowback operations have been delayed while offset activities continue on offset wells.

The Bootleg 8-14-15TFH well was successfully fracture stimulated during the quarter, however flowback operations have been delayed while offset activities continue on offset wells.

**Rainbow Project, Williams County, North Dakota
Mississippian Bakken Formation, Williston Basin**

Samson holds 950 net acres in two 1,280 acre drilling units located in the Rainbow Project, Williams County, North Dakota. The Rainbow Project is located in Sections 17, 18, 19 and 20 in T158N R98W.

The project is expected to support drilling 14 wells; eight wells in the middle Bakken and six wells in the first bench of the Three Forks. These wells will be configured as north-south orientated 10,000 foot horizontals.

In the western drilling unit of the acquired acreage, Samson holds a 52% working interest. In the eastern drilling unit, Samson's interest is 23%. Continental Resources has been designated as Operator, due to their larger working interest.

The first well in this project area, the Gladys 1-20H well (SSN 23% WI), has been drilled and completed. The well was down for 2 days during the quarter due to bad weather. The well averaged 268 BOPD & 250 Mscf/D during the quarter. Cumulative gross production to December 31, 2014 was 34 MSTB and 32 MMscf. The well was shut in January 1, 2015 and an electric submersible pump was installed. The pump was activated January 23rd 2015 producing in excess of 950 BOPD.

**Roosevelt Project, Roosevelt County, Montana
Mississippian Bakken Formation, Williston Basin**

Samson 100% working interest in Australia II & Gretel II wells, 66.7% in any subsequent drilling

Samson has an interest in approximately 45,000 gross acres (30,000 net acres) in the Roosevelt project. Samson entered into a farm-out agreement with Momentus Energy in 2014. The transaction required Momentus Energy to acquire a 20 square miles 3-D seismic survey, and drill a horizontal Bakken well in exchange for a 50% interest in the entire project area. The 3-D seismic survey has been shot, processed, and interpreted. The agreement required Momentus to drill a Bakken horizontal by November 15, 2014, and as this did not occur negotiations have proceeded and now Momentus has until March 15, 2015 to pay Samson \$100,000 to extend the farm-out agreement to December 31, 2015. If Momentus fails to pay Samson \$100,000 by March 15, 2015, the farm-out will terminate.

The Australia II well (SSN 100%) has produced a cumulative 9,782 barrels of oil at an average rate of approximately 18 BOPD. The well is currently shut in.

The Abercrombie #1-10H well (SSN 2.82% working interest) has produced a cumulative 70,135 barrels of oil while producing at an average rate of approximately 30 BOPD during the quarter.

**South Prairie Project, North Dakota
Mississippian Mission Canyon Formation, Williston Basin**

Samson 25% working interest

Samson has a 25% working interest in 26,758 acres, which is located on the eastern flank of the Williston Basin in North Dakota. The target reservoir for the project is the Mississippian Mission Canyon Formation. Seventy-six square miles of 3-D seismic data have been shot, processed, and interpreted. Two wells have been drilled in the project to date, the Matson #3-1 and the York #3-9 wells. Both wells were plugged and abandoned. Samson has recently elected into purchasing the leases underneath Birch prospect, which has a better defined

4-way structural closure than the two previously drilled prospects. The 4-way structure displays an isochron thin above the targeted Wayne interval, which means it was a positive feature immediately after deposition of the Wayne interval to current present time. This means that any hydrocarbons migrating through the reservoir during Cretaceous/Tertiary time would have been trapped by the 4-way structure that was already in place. The Birch prospect would not be drilled until oil prices recover.

Sabretooth Gas Field, Brazoria County Texas
Oligocene Vicksburg Formation, Gulf Coast Basin
Samson 9.375% Working Interest

Production for the Davis Bintliff #1 well averaged 2.7MMscf/D and 22 BOPD for the quarter. Cumulative production to December 31, 2014 is approximately 7.8 Bscf and 84.7 MSTB.

State GC Oil and Gas Field Lea County New Mexico
Permian Bone Spring Formation, Western Permian Basin
Samson 27% Working Interest

The State GC oil and gas field is located in Lea County, New Mexico, and includes two wells, which produced at an average rate of 30 BOPD and 50 Mscf/D during the quarter.

Hawk Springs Project, Goshen County, Wyoming
Permo-Penn Project, Northern D-J Basin
Samson currently has a 37.5% Working Interest

The Bluff Prospect was drilled in June to test multiple targets in the Permian and Pennsylvanian sections in a 4-way structural trapping configuration. The Bluff #1-11 well reached a total depth of 8,900 feet after intersecting the pre-Cambrian basement on June 13th, 2014.

Various oil shows were observed in the Cretaceous, Jurassic, Permian, and Pennsylvanian intervals while drilling. After running drill-pipe conveyed logging tools in the deeper portion of the well below the intermediate casing, the Pennsylvanian zones, were deemed to be too thin and uneconomic to produce. The Permian target zone (from 7738'-7756') displayed excellent porosity (up to 29% density porosity), with resistivity measured of 2.5 ohms. Further analysis of the Permian target zone proves that it is the source of the nitrogen gas kicks. The presence of nitrogen in the Permian target zone validates the trap in the Bluff prospect and has the potential to host an oil leg below the gas cap. This evidence led the partners to make the decision to drill out the cement plug, set and cement a 5" liner 100 feet beneath the Permian target sand.

The Permian target sand was recently flow tested at a rate of 8 MMscf/D on a 21/64" choke during a 40 hour flow test and then shut-in for a 10 day build-up using down-hole gauges. The buildup data has determined that the original reservoir pressure within the 9500 ft. sand is 3,459 psi. A chromatographic analysis of the gas samples indicated that the majority of the gas was composed of nitrogen (97.5%), with some helium (0.15%), carbon dioxide (0.15%), and the rest hydrocarbons (2.2%). A pressure transient analysis has confirmed that the 9500' sand is highly permeable (around 500 md) and also identified a movable fluid boundary (oil or water) downdip of the well. When the results are received from the isotope geochemistry analysis of the gas samples, it may give us an understanding as to the whether the source of the gas is organic or inorganic. If it is determined to be an organic source, it would be more likely that the fluid below the gas cap is oil and thus a downdip well may be drilled to determine this. The gas-oil interface is currently being identified through the integration of the pressure transient test data with newly processed inverted seismic data.

If it is determined to not drill the downdip well, three zones in the Jurassic and Cretaceous sections, which are behind the intermediate casing, will subsequently be perforated and flow-tested. Log pay was determined in the both the Dakota and Morrison Formations. Using a 60% water saturation as a cut-off to determine oil productive zones, 23.5 feet of log pay was indicated in the Dakota (from 6,393 to 6,485 feet) and 3.5 feet in the Morrison (from 6,605 to 6,625 feet). The Jurassic Canyon Springs Formation could also be productive. When comparing the Canyon Springs reservoir characteristics in the Bluff well to analog producing fields in the southern Powder River Basin, there are similarities between the two.

Pierce 44-27 Oilfield, Campbell County, Wyoming
Permo-Pennsylvanian Minnelusa Formation, Powder River Basin
Samson 100% working interest

The Pierce 44-27 Unit well is off production due to mechanical issues.

BO: Barrels of oil

BOE: Barrels of oil equivalent (gas converted at its heating value)

BOPD: Barrels of oil per day

BOEPD: Barrels of oil equivalent per day

Mscf: Thousand cubic feet

MSTB: Thousand stock tank barrels

MMscf: million cubic feet (of natural gas)

MMscf/D – million standard cubic feet per day

PRODUCTION

Estimated net production by Project for the December 2014 quarter is as follows:

	OIL– Bbls	GAS – Mscf	BOE
North Stockyard	36,825	18,268	39,870
Rainbow	4,323	-	4,323
Other	2,504	20,775	5,966
Total	43,652	39,043	50,160

Estimated daily net production by Project for the December 2014 quarter is as follows:

	OIL– Bbls	GAS – Mscf	BOE
North Stockyard	409	202	443
Rainbow	48	-	48
Other	28	230	66
Total	485	433	557

Estimated net production and revenue:

	OIL Bbls	OIL US\$	GAS Mscf	GAS US\$	TOTAL US\$
September 2014 Quarter	34,863	3,001,611	45,536	235,561	3,237,172
December 2014 Quarter	43,652	2,609,734	39,227	147,908	2,757,642

Average commodity prices:

	GAS US\$/Mscf	OIL US\$/Bbl
September 2014 Quarter	\$5.17	\$86.10
December 2014 Quarter	\$3.77	\$59.78

In some cases revenue is yet to be received and is therefore an estimate.

LIQUIDITY

Sources of cash for the next quarter are as follows:

	US\$'000's
Current cash on hand	3,881
Cash receipts from September quarter oil and gas sales	3,000
Further debt drawdown	3,500
Proceeds from hedging	600
Receipts from JIB receivables	815
TOTAL	11,796

* Estimate based on realized December quarter production and \$59 oil price (indicative of current Bakken oil pricing), allowing for a two month delay between production and cash receipt

FINANCIAL

Cash Distribution

Bank of the West (Samson's trading bank)	US\$1,936,607
Bank of New York Mellon	US\$17,946
Mutual of Omaha	US\$436,556
National Australia Bank	A\$1,783,746

Foreign Exchange Rates

The closing A\$:US\$ exchange rate on 31 December 2014 was \$0.8202 The average A\$:US\$ exchange rate for the quarter was \$0.8504.

The Company's cash position at 31 December 2014 was as follows:

Cash at bank and on deposit	: <u>US\$ ('000's)</u> 3,881
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Hedging

Samson has the following hedging in place with respect to WTI pricing:

Hedging put in place in February 2014

	Volume – BBLs (annual total)	Floor	Ceiling
2015	18,270	85.00	89.85
2016	2,788	85.00	89.85

Hedging put in place in May 2014

	Volume – BBLs (annual total)	Average Swap Price
2015	39,791	92.465

Hedging put in place in October 2014

In October 2014, Samson entered into a deferred put spread arrangement with respect to 36,600 barrels from production in 2016. These options have a floor of \$82.50 and a sub floor of \$67.50 with a cost of \$5.50 per barrel which is deferred until the settlement of the hedge.

Samson also has \$105 call options in place with respect to 31,531 barrels of oil over the 2014, 2015 and 2016 calendar years.

As at 31 December 2014 the value of Samson's hedging program was \$2,604,514. As at 26 January 2015, the hedging portfolio is worth \$2,682,420.

For and on behalf of the Board of
SAMSON OIL & GAS LIMITED



For further information please contact
Denis Rakich, Company Secretary, on 08 9220

TERRY BARR
Managing Director

30 January 2015

Information contained in this report relating to hydrocarbon reserves was compiled by the Managing Director of Samson Oil & Gas Ltd., T M Barr a Geologist who holds an Associateship in Applied Geology and is a fellow of the Australian Institute of Mining and Metallurgy who has 30 years relevant experience in the oil & gas industry.

Appendix 5B

Mining 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

Name of entity

Samson Oil and Gas Limited

ABN

25 009 069 005

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$US'000	Year to date (6 months) \$US'000
1.1	Receipts from product sales and related debtors	2,141	7,010
1.2	Payments for		
	(a) exploration & evaluation	(1,026)	(3,710)
	(b) development	(3,425)	(8,833)
	(c) production	(1,543)	(2,889)
	(d) administration	(1,280)	(2,703)
	Dividends received		
	Interest and other items of a similar nature received	11	20
	Interest and other costs of finance paid	(143)	(173)
	Income tax(payment) refund	-	(107)
	Other (provide details if material) Costs to abandon old wells	(733)	(926)
	Receipts from derivative instruments (hedges)	229	229
	Net Operating Cash Flows	(5,769)	(12,082)
	Cash flows related to investing activities		
	Payment for purchases of:	(22)	(24)
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-

	Loans to other entities		
	Loans repaid by other entities		
	Other (provide details if material)		
	Net investing cash flows	(2)	(24)
	Total operating and investing cash flows	(5,771)	(12,106)
	Cash flows related to financing activities		
	Proceeds from issues of shares, options, etc.	-	1
	Proceeds from sale of forfeited shares		
	Proceeds from borrowings	4,500	9,500
	Repayment of borrowings		
	Dividends paid		
	Other (provide details if material) loan expenses	(8)	(84)
	Costs of equity issued	(45)	(45)
	Net financing cash flows	4,447	9,372
	Net increase (decrease) in cash held	(1,324)	(2,734)
	Cash at beginning of quarter/year to date	5,305	6,846
	Exchange rate adjustments to item 1.20	(100)	(231)

	Cash at end of quarter	3,881	3,881
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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 \$US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	201
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Monies paid to Directors for salary and fees

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

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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

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Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$US'000	Amount used \$US'000
3.1	Loan facilities	19,000	15,500
	Credit standby arrangements	-	-

*In January 2014 a reserve based debt facility was entered into for \$25 million. The current borrowing base as at 30 December 2014 was \$19.0 million of which \$15.5 million was drawdown. An additional \$2.0 million was drawdown in January 2015. Due to the curtailment of drilling activity in our North Stockyard field, no additional drawdowns are planned.

Estimated cash outflows for next quarter*

		\$US'000
4.1	Exploration and evaluation	50
	Development	5,900
	Production	981
	Administration	1,300
	Total	8,231

**These outflows are expected to be funded through current cash reserves, cash received during the quarter from the sale of oil and gas and a further drawdown of our credit facility together totaling US\$11.3 million.*

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 \$US'000	Previous quarter \$US'000
5.1	Cash on hand and at bank	3,881	5,305
5.2	Deposits at call	-	-
	Bank overdraft	-	-
	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	3,881	5,305

Changes in interests in mining tenements

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

Issued and quoted securities at end of current quarter – all reference to option exercise price is in AUSTRALIAN DOLLARS

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	2,837,782,022	2,837,782,022		
7.4 Changes during quarter	1,064	1,064		
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities				
(<i>description</i>)				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options (<i>description and conversion factor</i>)	4,000,000 229,634,519 4,000,000 87,033,246	- 229,634,51 - -	<i>Exercise price</i> 15.5c 3.8c 3.9c 3.3c	<i>Expiry date</i> 31.10.2015 31.03.2017 30.11.2017 30.04.2018
7.8 Issued during quarter				
7.9 Exercised during quarter	1,064	1,064	3.8c	31.03.2017

7.10	Expired during quarter	29,000,000	-	8c	31.10.2014
		31,500,000	-	8c	31.12.2014
		4,000,000	-	16.4c	31.12.2014
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)	NIL	NIL		

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 does give a true and fair view of the matters disclosed.



Sign here: Date: 30 January 2015
(Company secretary)

Print name: **Denis Rakich**

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 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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