

QUARTERLY ACTIVITY REPORT

31 DECEMBER 2014

EneGex NL (**ASX Code: ENX**) holds a working interest in a petroleum retention lease located in the Browse Basin (WA-54-R). Details of the lease and the work activities undertaken during the quarter are provided below.

OPERATIONAL MATTERS

WA-54-R – Cornea Retention Lease

The Cornea Joint Venture consists of the following interests:

EneGex NL	14.875%
Octanex Group. (ASX Code: OXX)	18.750%
Others	66.375%

The WA-54-R Retention Lease (**Lease**) was formally granted for an initial 5-year term on 6 May 2014.

The Lease is located in the Caswell Sub-basin of the Browse Basin, offshore from Western Australia, and covers an area of approximately 497 km². The Lease covers six graticular blocks located within the WA-342-P permit and incorporates the Cornea oil and gas accumulations (**Greater Cornea Fields**). The Greater Cornea Fields include the Cornea (Central and South), Focus and Sparkle Oil Fields and the Cornea North (Tear) Gas Field – see the Figure 1 Cornea Retention Lease Location Map.

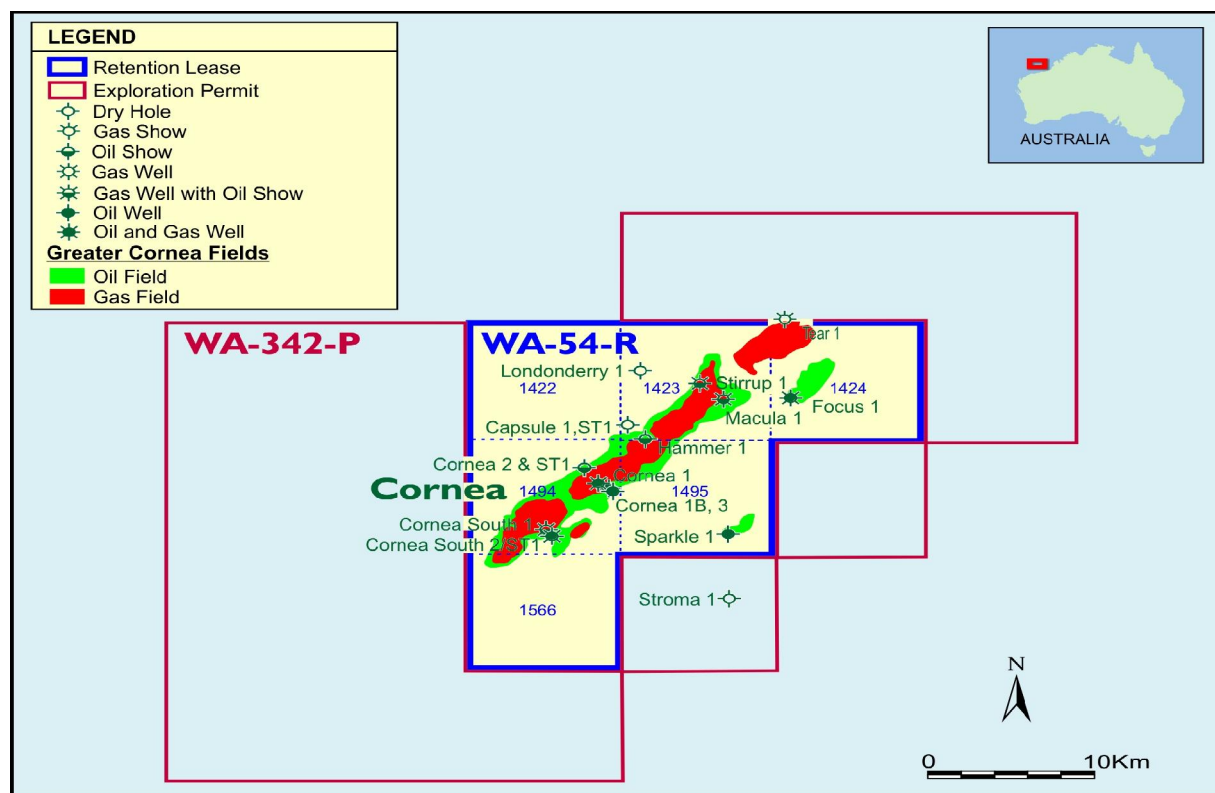


Figure 1: Cornea Retention Lease and WA-342-P Location Map

Work Programme designed to achieve early commercial production

The Greater Cornea Fields are seen as an economic value opportunity and the path to early development is to overcome the technical challenges to unlock that value as quickly as possible. The work programme calls for extensive engineering and complementary studies in the first three years. In the main, the studies are a lead up to drilling of a production test well in Year 4.

The studies have been structured to overcome the technical challenges likely to be faced in bringing the Greater Cornea Fields into commercial production. The oil and gas volumes in the Greater Cornea Fields are such that, if threshold production flow rates can be demonstrated, the economics should be immediately attractive and provide a reasonable expectation of commercial development.

Details of Contingent Oil Resources

Table 1 below presents the probabilistically derived *In-place and Contingent Oil Resources for the Cornea Central and South Oil Fields*, with no development risk having been applied in deriving these volumes.

	Low Estimate	Best Estimate	High Estimate	
Middle Albian B & C Sands	(P90)	(P50)	(P10)	Units
Total Oil In-place	298.0	411.7	567.2	mmbbl
Recovery Factor (RF)	2	7	25	%
Contingent Oil Resources	7.9	28.8	101.9	mmbbl
Prospective Eneget Economic Interest*	1.16	4.28	15.16	mmbbl

* Based on Eneget's 14.875% Participating Interest in WA-54-R.

Table 1: *In-place and Contingent Oil Resources for Cornea Central and South Fields*

Vic/P47 – Gippsland Basin

The permit interest in Vic/P47 previously held by the company was transferred to Oil Basis Limited; effective 20 November 2014.

WA-409-P – Carnarvon Basin

As previously announced Eneget is progressing the formalisation of it's withdrawal from the Permit.

By Order of the Board



R J Wright
Company Secretary

Melbourne, Australia
30 January 2015

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, 01/06/10, 17/12/1, 01/05/2013.

Name of entity

ENEGEX NL

ABN

28 160 818 986

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(21)	(26)
	(b) development		
	(c) production		
	(d) administration	(87)	(159)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received		1
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other		
Net Operating Cash Flows		(108)	(184)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material) –		
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(108)	(184)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(108)	(184)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Share issue costs		
Net financing cash flows			
Net decrease in cash held		(108)	(184)
1.20	Cash at beginning of quarter/year to date	681	757
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	573	573

Payments to directors of the entity and associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	27
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

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

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

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	20
4.2 Development	
4.3 Production	
4.4 Administration	80
Total	100

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	73	81
5.2 Deposits at call	500	600
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	573	681

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 and petroleum tenements relinquished, reduced or lapsed		See Activity Report Section		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

6.2	Interests in mining tenements and petroleum acquired or increased		See Activity Report Section		
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	53,666,491	53,666,491		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	7,357,105	7,357,105	<i>Exercise price</i> 10 cents	<i>Expiry date</i> 30/06/2015
7.8	Issued during quarter				
7.9	Exercised during quarter				

+ See chapter 19 for defined terms.

7.10	Expired during quarter	-	-		
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Company Secretary)

Date: 30/01/2015

Print name: R .J. WRIGHT

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, 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* apply 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.

+ See chapter 19 for defined terms.