

# Quarterly Activities Report

For the period ended 30 June 2014



NEW STANDARD  
ENERGY

Date: 31 July 2014

## Summary

### Atascosa Project

- New Standard successfully drilled and hydraulically fracture stimulated two wells in the Atascosa Project, the Peeler Ranch-5H and 6H wells
  - Wells completed on time and under budget, at less than US\$6.5 million each
  - 30-day Initial Production (**IP**) rates for Peeler Ranch-5H and 6H of 417 and 374 BOEPD respectively, with oil cuts in excess of 90 per cent
  - More than 27,000 barrels of oil equivalent (**BOE**) have been produced from the two wells to end of June
- Gross production for the quarter from the seven Atascosa Project wells was 41,882 BOE
  - Net production to New Standard of 28,153 BOE
- Estimated net revenue for the quarter was US\$2.43 million (after payment of all royalties)
- Next wells to be spudded in October 2014

### Cooper Basin

- Cooper Basin progress was impacted by the possible corporate takeover of joint venture partner Ambassador Oil and Gas Limited (**ASX: AQO, Ambassador**). The regulator has granted New Standard a six month suspension of its entire PEL570 program and a deferral from Year One to Year Two of its seismic program.

### Canning/Carnarvon Basins

- The Southern Canning Joint Venture (**SCJV**) agreed to delay drilling the Brooke North-1 well until late 2015. As a result, New Standard decided to defer all of its Canning and Carnarvon Basin drilling activity until 2015 to ensure maximum efficiency and reduced drilling costs.

### Corporate

- Cash position of \$9.1 million at 30 June 2014
- Agreement finalised to establish an enhanced debt facility with Credit Suisse to fund the Company's production development at its Atascosa Project, Texas, USA.
  - Debt facility providing for up to US\$45 million
  - Initial draw of US\$9 million of the senior secured facility funded the remaining unpaid costs for the completion and production tie-in costs of Peeler Ranch-5H and 6H wells
- Jeffrey Swanson and Greg Channon appointed as Non-Executive Directors



## Strategic overview

New Standard's June quarter activities focused on the development of the Company's Atascosa Project in Texas, USA, as the Company seeks to grow its US reserves base and production while strategically progressing longer term assets in Australia.

Following the substantial diversification of its asset portfolio in January, New Standard continued the transformation from explorer to developer and producer, with a clear strategic focus on the following three areas:

- Grow the business and generate value through effective execution of an ongoing drilling program in the Eagle Ford, funded through debt and revenue, to drive up reserves and acreage value, and seek opportunities to grow the position to 8,000-10,000 net acres and accelerate the drilling program over the next twelve months
- Work with Magnum Hunter Resources to develop a revised unconventional program for PEL570 in the Cooper Basin, mitigate commitments over the next 12 months and explore opportunities to partner with other parties
- Retain the large acreage position in Western Australia and actively seek partners to provide funding and mitigate risk over the coming 12 months

New Standard continued to make significant progress in all three major areas of strategic focus during the quarter, paving the way for short term growth to be driven by the Eagle Ford program whilst value is added to the mid and long term Australian portfolio.

## Portfolio and activities overview

### Atascosa Project, Eagle Ford, Texas, USA

New Standard has made its newly acquired Atascosa Project the core focus of its operations, successfully drilling, hydraulically fracturing and bringing into production the Peeler Ranch-5H and 6H wells on time and under budget.

The program was operated by strategic business partner and now largest New Standard shareholder, Magnum Hunter Resources Corporation (**NYSE: MHR, Magnum Hunter**), using its existing technical skillset and local knowledge base to advance the development and production project.

New Standard Managing Director Phil Thick said that the Company was focused on drilling more wells in its Eagle Ford acreage, targeting locations with the capacity to increase the Company's reserves base. In addition, the Company will continue with its focused approach to increase its Eagle Ford acreage position to between 8,000 and 10,000 net acres over time.

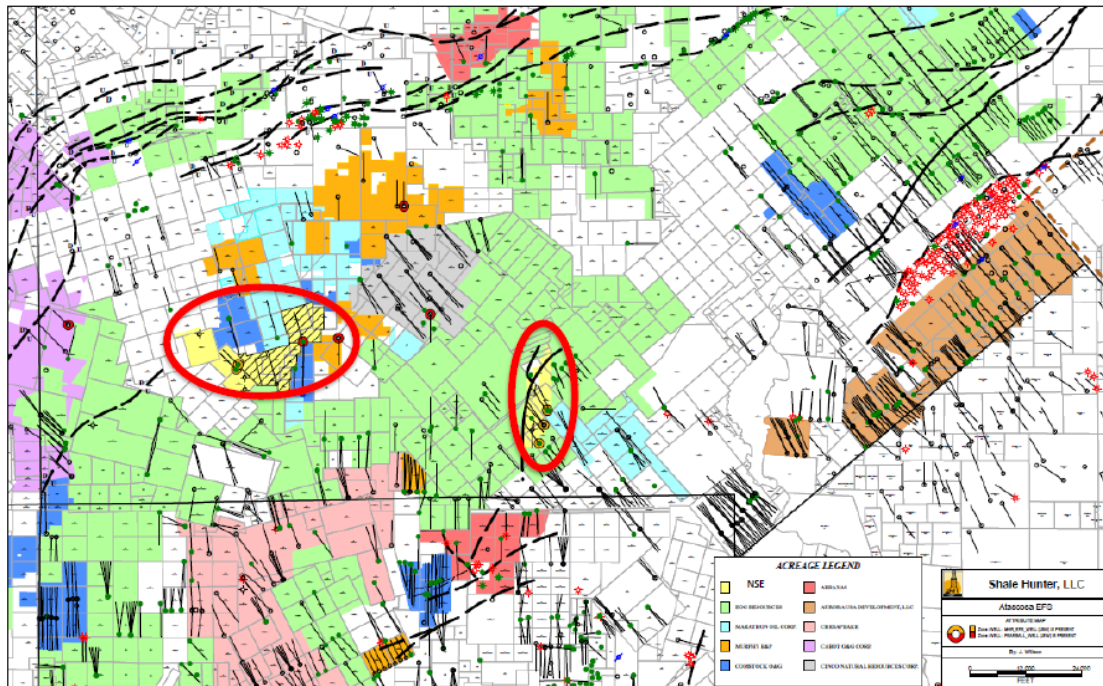
"We plan to drill at least six wells over the next 18 months, but we will look for opportunities to accelerate this program. We have a total of 50 to 60 well locations identified across our existing acreage at Atascosa, but it is our intention to initially target those locations that will provide maximum production and reserves uplift while meeting our exploration or production retention commitments. This is consistent with New Standard's broader strategy to increase the overall value of our Eagle Ford acreage with a focus on ensuring the acreage position can be held by production (HBP) as quickly as possible," Mr Thick said.

Consistent with that strategy, New Standard is also continuing to seek additional acreage with a focus on securing leases:

- Adjacent to existing leases in order to increase potential wells and/or lateral lengths



- Located in attractive areas on the right financial terms
- That can provide maximum reserves impact for minimum drilling commitments



*New Standard's Atascosa Project and offset operator acreage*

The Peeler Ranch-5H and 6H wells recorded 24-hour Initial Production (**24IP**) of 705 and 758 BOEPD respectively, incorporating 656 and 716 barrels of oil. In comparison, the previous well drilled on the acreage, the Peeler Ranch-4H, which was drilled in August 2013, delivered 24IP of 735 BOEPD (615 barrels of oil).

Following on from the 24IP results, the 30-day Initial Production (**30IP**) rates for the Peeler Ranch-5H and 6H wells were 417 and 374 BOEPD respectively, with oil cuts in excess of 90 per cent, which is in line with the Company's expectations for the wells.

Total gross production from the Atascosa Project during the quarter was 41,882 BOE with more than 27,000 BOE produced from the Peeler Ranch-5H and 6H wells.

**Table 1: Atascosa Project production and revenue overview – three months ended 30 June 2014**

	Gross	Net (NRI)
<b>Oil Production</b>	34,868 bbls	24,038 bbls
<b>Gas Production</b>	42,080 mcf	24,690 mcf
<b>Total Production</b>	41,882 boe	28,153 boe
<b>Estimated Revenue (US\$)</b>	\$3.24m	\$2.43m



New Standard Managing Director Phil Thick said the results from the Company's first two operated wells were pleasing given their high oil content and an increasing oil price in addition to the lower than expected well costs.

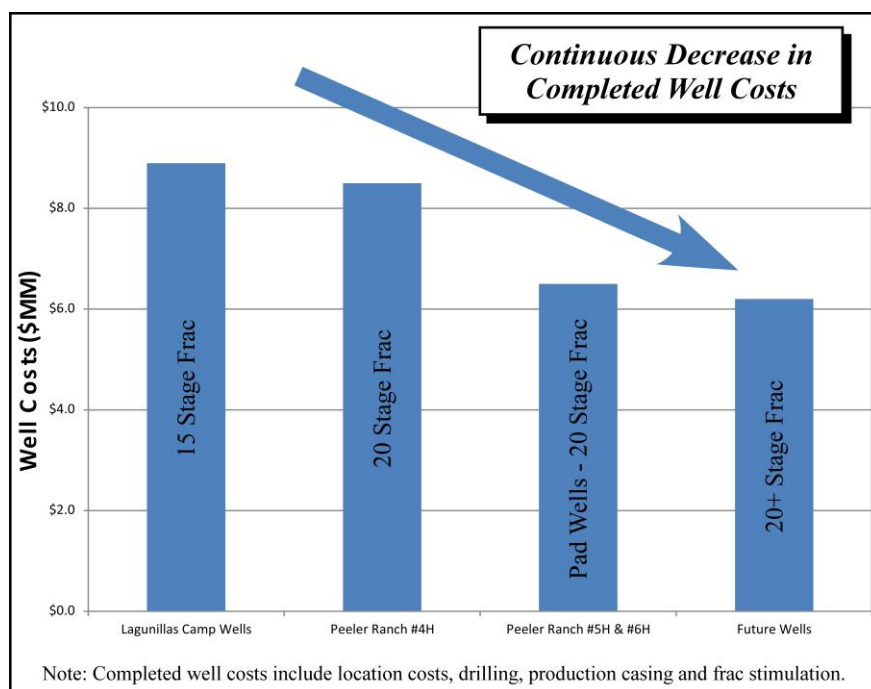
"We are encouraged by the successful results and low costs associated with our first Eagle Ford drilling campaign and we are eager to continue that success with additional drilling activity planned to commence within the next six months," Mr Thick said.

"We plan to continue the success from Peeler Ranch-5H and 6H by targeting wells with similar IPs and with high oil percentages in future. We also want to continue to drive down our well costs and are aiming to keep drilling and completion costs to under \$6.5 million per well.

"In the current quarter we expect to delineate a revised reserves base, and these two recent wells will be important components in that number."

Total costs for the Peeler Ranch wells, including all site preparations, drilling and completion costs, came in substantially lower than previous drilling costs at under US\$6.5 million per well, significantly enhancing the expected internal rate of return for the wells.

**Chart 1: Atascosa Project trend in completed well costs**



Funding of the next wells planned at the Atascosa Project will be provided through a combination of cashflow from production and additional debt drawdown based on updated reserves.

New Standard's minority interest in the Colorado County Project (consisting of an interest in four wells) recorded a gross production of 38,341 thousand cubic feet of gas and 1,703 barrels of condensate. No material activity occurred during the quarter and these assets remain a non-core focus within the Company's portfolio.



## PEL570 Project, Cooper Basin, South Australia

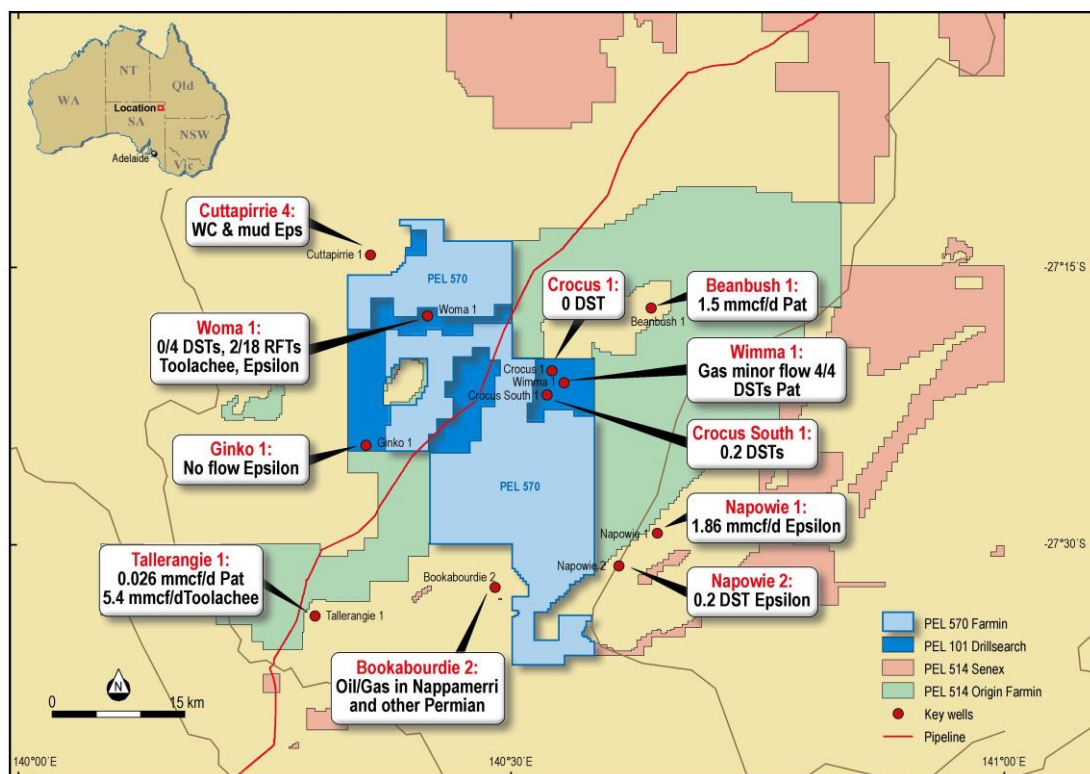
As a result of significant delays and complications arising from the corporate takeover of Ambassador, New Standard sought and received approval for amendments to its five year work program in PEL570 in the Cooper Basin subsequent to the quarter end. As part of the revised program, New Standard now has seismic and drilling to commence in Year Two before the new deadline of March 2016, with only minor expenditure on geological studies in Year One required before then.

New Standard received notification from the South Australian State regulator, the Department of State Development (**DSD**, formerly DMITRE) that the Company was successful in its application, resulting in:

1. suspension of all work commitments in its five year work program at PEL570 in the Cooper Basin for six months; and
2. deferral of the requirement to undertake a seismic program from Year One to Year Two of the work program, which moves the target completion date for New Standard's PEL570 seismic survey back 18 months from September 2014 to March 2016.

New Standard holds a 52.5 per cent operator position of PEL570, subject to completion of required exploration activities under a farm-in agreement with Ambassador.

New Standard Energy Managing Director Phil Thick said the six month whole of program suspension and the seismic deferral minimised New Standard's exploration expenditure in PEL570 for the next 12 months, a postponement New Standard would use to plan and enhance its exploration program to commence drilling in Year Two of the program.



PEL570 showing surrounding permits and wells





## Western Australian Projects

On 4 June, New Standard advised that the Southern Canning Joint Venture (**SCJV**) agreed to delay drilling of the Brooke North-1 well until late 2015. In line with this, the Company plans to defer all of its Canning and Carnarvon Basin drilling activity until 2015.

As announced, delays in receiving various stakeholder approvals required for the drilling of the Brooke North-1 well have made it impossible to drill the well prior to this year's wet season. As a result New Standard, with the support of its SCJV partners (ConocoPhillips and PetroChina), has been in discussions with the State Government and the Department of Mines & Petroleum (**DMP**) to ensure these delays are understood and that it retains tenure of the SCJV permits.

New Standard is also finalising the renegotiation of the Drilling Services Agreement with Enerdrill to re-program the drilling of its Western Australian wells until 2015.

## Corporate and financial review

### Financial position

The Company ended the quarter with a cash position of approximately \$9.1 million. Sales revenue net of royalties from the US operations for the quarter was US\$2.43 million.

New Standard expects minimal short term expenditure on the Company's assets in Western Australia and South Australia, with the revised program in PEL570 in the Cooper Basin pushing expenditure there back to late 2015. Activity in the Eagle Ford will also be limited to the back end of the next quarter and focused on planning and preparation for the next wells to be spudded in October 2014.

Revenue for the coming quarter will benefit from three months production of the new Peeler-5H and 6H wells. The Company expects to complete a new reserves report around September to be in a position to draw the next tranche of debt from Credit Suisse. This debt combined with the revenue from the Company's seven wells will fund the next wells to be drilled in the fourth quarter of 2014.

New Standard finalised an agreement to establish an enhanced debt facility, with Credit Suisse's middle market direct lending group in May, to fund the Company's production development at its Atascosa Project, Texas, USA.

The facility was used to fund the remaining costs on the recently completed Peeler Ranch-5H and 6H wells, as well as to supplement ongoing cashflow to fund the additional wells planned for later in 2014 and beyond.

New Standard Managing Director Phil Thick said: "The facility provides additional funding flexibility and allows New Standard to continue driving its development and production growth in the US and provides shareholders a level of confidence in the company's ability to continue that growth and development.

"By funding a large part of our US operations and growth through a combination of debt and production revenue, we remain well funded to meet our current Australian commitments."

The original term sheet offered a US\$32.5 million maximum for the debt facility, however subsequent negotiations regarding intended drilling programs and growth in associated reserve levels resulted in the facility providing for up to US\$45 million subject to increased reserve levels to be booked post drilling activities.



## **Board changes**

In June, New Standard appointed Jeffrey Swanson and Greg Channon as Non-Executive Directors of the Company.

Mr Swanson brings to New Standard and its Board of Directors more than 34 years of oil and gas experience, with strong commercial and operational experience in both conventional and shale oil and gas exploration and production in the US, as well as extensive knowledge of the service provider sector.

Mr Channon is a geologist with more than 29 years of experience in the oil and gas industry and will be able to provide New Standard vast technical and operational knowledge and experience, particularly in the Cooper Basin.

New Standard Energy Chairman Arthur Dixon said he was looking forward to working alongside Mr Swanson and Mr Channon as their professional backgrounds and skills complemented the existing Board expertise.

The appointment of Jeff and Greg to the New Standard Board bolsters the Board's technical expertise and experience and is in line with the rights to Board positions agreed with Magnum Hunter and Pathfinder Energy as part of the transaction approved by shareholders in January 2014.



**Table 3: Current petroleum tenements as at 30 June 2014**

Permit	Percentage held	Joint Venture Partner
<b>Australian acreage</b>		
<b>Cooper Basin, South Australia</b>		
PEL 570	52.5%	Ambassador Oil & Gas Ltd
<b>Canning Basin, Western Australia</b>		
EP 443	25% Operated Interest	ConocoPhillips (Canning Basin) Pty Ltd PetroChina International Investment (Australia) Pty Ltd
EP 450	25% Operated Interest	ConocoPhillips (Canning Basin) Pty Ltd PetroChina International Investment (Australia) Pty Ltd
EP 451	25% Operated Interest	ConocoPhillips (Canning Basin) Pty Ltd PetroChina International Investment (Australia) Pty Ltd
EP 456	25% Operated Interest	ConocoPhillips (Canning Basin) Pty Ltd PetroChina International Investment (Australia) Pty Ltd
STP-EPA-006	100% with option to dilute to 25%	ConocoPhillips (Canning Basin) Pty Ltd PetroChina International Investment (Australia) Pty Ltd
STP-EPA-007	100% with option to dilute to 25%	ConocoPhillips (Canning Basin) Pty Ltd PetroChina International Investment (Australia) Pty Ltd
STP-EPA-010	100% with option to dilute to 25%	ConocoPhillips (Canning Basin) Pty Ltd PetroChina International Investment (Australia) Pty Ltd
STP-EPA-0092	100%	-
EP 417	100%	-
STP-EPA-0109	100%	-
<b>Carnarvon Basin, Western Australia</b>		
EP 481	100%	-
EP 482	100%	-
<b>United States acreage</b>		
<b>Eagle Ford</b>		
Project area	Gross acres	Company's working interest
Eppright Prospect (includes 1 lease)	2,285.95	96.88%
Alright Prospect (includes 37 leases)	3,108.56	35.40%
Peeler Ranch Prospect (includes 2 leases)	1,895.25	100%
<b>Colorado County Project</b>		
Well	Percentage held	Joint Venture Partner
Heintschel-1	32.5%	Burleson Energy Ltd, AKG Energy LLC & minority interests
Heintschel-2	32.5%	Burleson Energy Ltd, AKG Energy LLC & minority interests
D Truchard-1	32.5%	Burleson Energy Ltd, AKG Energy LLC & minority interests
Joann-1	33.68%	Burleson Energy Ltd, AKG Energy LLC & minority interests

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**About New Standard:** New Standard Energy is an onshore hydrocarbon producer, developer and explorer with a commitment to develop and realise the oil and gas potential of the most prospective shale and tight gas basins across the US and Australia.

The Company's exploration and production program is active, well-funded and extensive. It is underpinned and complemented by targeted corporate activity to take advantage of opportunities and to build an extensive pipeline of prospective projects. New Standard's Board has substantial technical and commercial experience in the oil and gas sector.

The Company operates in four primary basins: Eagle Ford, Texas, USA; Cooper, South Australia; and the Canning and Carnarvon, Western Australia.

The Eagle Ford acreage is a development and production project. It contains seven existing production wells, in the oil window of the Eagle Ford shale, which are currently producing and generating revenue that provides immediate monthly cash flow to the Company. New Standard is currently drilling and evaluating additional wells.

The Cooper Basin Project is later stage exploration and development, to take advantage of existing infrastructure and the domestic and export opportunities available in the Australian East Coast gas market.

The Canning and Carnarvon Projects are frontier basins, providing New Standard's investors with exposure to high risk, high reward exploration.

New Standard benefits from a strategic alliance with its major shareholder, the US-based Magnum Hunter Resources Corporation, to efficiently develop the Atascosa Project in the Eagle Ford; to develop the Cooper Basin; and to explore in the Canning and Carnarvon Basins. The Company's portfolio includes:

#### **Texas**

- Working interests ranging from 35.4% to 100% Working Interest across 5,128 net acres in the Eagle Ford shale, onshore Texas, USA
- 32.5% working interest in the Colorado County Project, onshore Texas, USA

#### **South Australia**

- 52.5% operated interest in the PEL 570 acreage area in the Cooper Basin, South Australia

#### **Western Australia**

- 25% operated interest in the Southern Canning Project (EPs 443, 450, 451, 456), Canning Basin, Western Australia
- 100% operated interest in the Southern Canning Project (application areas STP-EPA-006, STP-EPA-007 and STP-EPA-010), Canning Basin, Western Australia
- 100% operated interest in the Laurel Project (EP 417 and Exploration Permit Application STP-EPA-0109), Canning Basin, Western Australia
- 100% operated interest in the Merlinleigh Project (EPs 481 and 482), onshore Carnarvon Basin, Western Australia
- 100% operated interest in application area STP-EPA-0092

In addition to the above portfolio, New Standard has a 28.2% equity interest in ASX listed Elixir Petroleum (**ASX: EXR**) and has formed a strategic alliance with Magnum Hunter Resources Corporation (**NYSE: MHR**) to deliver expertise and corporate growth. New Standard is also continuing to actively assess other opportunities to complement and expand its exploration portfolio.

**New Standard Energy Ltd.** | ACN 119 323 385

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## 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, 01/05/2013

Name of entity

**NEW STANDARD ENERGY LIMITED**

ABN

**20 119 323 385**

Quarter ended ("current quarter")

**30 June 2014**

### Consolidated statement of cash flows

		Current quarter \$A'ooo	Year to date (12 months) \$A'ooo
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	1,570	2,102
1.2	Payments for (a) exploration & evaluation	(680)	(7,574)
	(b) development	(11,255)	(12,940)
	(c) production	(965)	(1,134)
	(d) administration	(1,244)	(4,921)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	68	1,105
1.5	Interest and other costs of finance paid	(64)	(76)
1.6	Income taxes paid	-	-
1.7	Other (R&D tax offset claim)	-	6,031
<b>Net Operating Cash Flows</b>		<b>(12,570)</b>	<b>(17,407)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	(1,200)	(22,968)
	(b) equity investments	-	(1,004)
	(c) other fixed assets	(8)	(75)
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)	-	-
<b>Net investing cash flows</b>		<b>(1,208)</b>	<b>(24,047)</b>
1.13	Total operating and investing cash flows (carried forward)	(13,778)	(41,454)

+ 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)	(13,778)	(41,454)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	152
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	9,135	9,135
1.17	Repayment of borrowings	(17)	(73)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	<b>9,118</b>	<b>9,214</b>
	<b>Net increase (decrease) in cash held</b>	<b>(4,660)</b>	<b>(32,240)</b>
1.20	Cash at beginning of quarter/year to date	13,843	41,538
1.21	Exchange rate adjustments to item 1.20	(114)	(229)
1.22	<b>Cash at end of quarter</b>	<b>9,069</b>	<b>9,069</b>

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

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	238
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors fees and salaries

### 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

N/A

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

+ See chapter 19 for defined terms.

### **Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities	USD 45,000,000	USD 9,000,000
3.2 Credit standby arrangements	-	-

### **Estimated cash outflows for next quarter**

	\$A'ooo
4.1 Exploration and evaluation	550
4.2 Development	4,000
4.3 Production (net of production revenue)	(2,700)
4.4 Administration (net of recharges)	1,600
<b>Total</b>	<b>3,450</b>

### **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'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	8,843	11,116
5.2 Deposits at call	226	2,727
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>9,069</b>	<b>13,842</b>

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+ See chapter 19 for defined terms.

## 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 and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

#### 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	<b>Preference + securities</b> (description)	N/A		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	<b>386,169,603</b>	<b>386,169,603</b>	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -	
7.5	<b>+Convertible debt securities</b> (description)	N/A		

+ See chapter 19 for defined terms.

**Appendix 5B**

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

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	500,000	-		22.5c	30 June 2015
	500,000	-		27.5c	30 June 2015
	6,250,000	-		38.5c	20 December 2014
	3,750,000	-		43.0c	20 December 2014
	150,000	-		81.0c	24 April 2015
	150,000	-		90.5c	24 April 2015
	375,000	-		74.5c	10 August 2015
	375,000	-		83.5c	10 August 2015
	300,000	-		39.0c	12 December 2015
	300,000	-		44.0c	12 December 2015
	1,000,000	-		40.0c	02 April 2016
	1,000,000	-		50.0c	02 April 2016
	100,000	-		51.9c	13 February 2017
	100,000	-		58.1c	13 February 2017
	75,000	-		22.4c	27 May 2017
	75,000	-		24.8c	27 May 2017
7.8	Issued during quarter	75,000	-	22.4c	27 May 2017
		75,000	-	24.8c	27 May 2017
7.9	Exercised during quarter	-	-	-	-
7.10	Expired/lapsed during quarter	-	-	-	-
7.11	<b>Retention Rights</b>			<i>Issue price</i>	<i>Measurement date</i>
	212,000	-		49.97c	14 September 2015
	880,000	-		16.89c	14 September 2016
7.12	Issued during quarter	-	-	-	-
7.13	Vested during quarter	-	-	-	-
7.14	Expired during quarter	-	-	-	-
7.15	<b>Performance Rights</b>			<i>Issue price</i>	<i>Measurement date</i>
	848,000	-		49.97c	14 September 2015
	5,120,000	-		16.89c	14 September 2016
7.16	Issued during quarter	-	-	-	-
7.17	Vested during quarter	-	-	-	-
7.18	Expired during quarter	-	-	-	-
7.19	<b>Debentures</b> (totals only)	-	-		

+ See chapter 19 for defined terms.



## Appendix 5B

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

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7.20	<b>Unsecured notes (totals only)</b>	-	-
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## 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.



David Hansen-Knarhoi  
Joint Company Secretary  
31 July 2014

## 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 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.

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+ See chapter 19 for defined terms.