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QUEST OPERATIONS UPDATE

Quest Petroleum NL (Quest) provides the following update on operations as at the end of September 2014.

Ranau PSC, South Sumatra Indonesia

Following a tender process Quest executed an agreement with environmental consultants PT Widya Cipta Buan to perform an Environmental Baseline Assessment (EBA) on the Ranau Block.

The EBA is required under Indonesian Law for all mining and Oil and Gas related activities.

The EBA will be conducted over the planned seismic and drilling areas identified by the Company. This survey is expected to commence within 7 days and is expected to take approximately 3 months to complete. The survey takes into account the impact that the company's activities may have on the local waterways, farmland, wildlife and local communities.

The EBA is required under the existing Work Program and Budget with SKKMigas and forms part of further risk mitigation work to be conducted including an Environmental Management and Monitoring Assessment (UKL/UPL) which is planned to follow.

Uncertainties still remain in the oil and gas industry in Indonesia in the post-election political environment. Media outlets report that the incoming administration is considering disbanding SKKMigas and other industry related bodies amidst corruption allegations. The proposed new department will form part of the new Energy Ministry. The planned date for this is 1st January 2015. Quest continues to monitor the situation.

Near Term Production Acquisition Opportunities

As previously reported Quest is actively reviewing acquisition opportunities in different geographic regions that would provide the Company with attractive, near term appraisal development projects or existing producing asset(s) with further development potential. In particular, management is focusing on lower risk jurisdictions such as North America.

Technical due diligence on opportunities is well advanced and the Company is working to advance and accelerate the process.

Yours Sincerely

Anthony Milewski
Managing Director

For any further information in respect to the transaction, please contact the Company on +618 9380 9920 or by email info@qpnl.com.au

For and on behalf of the Board