

KEY
PETROLEUM LIMITED

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QUARTERLY REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2014

ACN 120 580 618

UPDATE ON PETROLEUM EXPLORATION ACTIVITIES HIGHLIGHTS IN THE QUARTER



During an active quarter, Key Petroleum Limited (“Key” or “Company”) successfully commenced and completed the drilling of the Dunnart-2 commitment well in exploration permit EP437, Perth Basin on behalf of Joint Venture participants Caracal Exploration Pty Ltd (“Caracal”) and Rey Resources Limited (“Rey”).

Dunnart-2 drilling operations were conducted without incident and under budget.

Ongoing technical evaluations on the remainder of the permit continue in order to mature follow-up prospects including Wye Knot and Conder South, in addition to Dunnart.

Planning activities in Key’s frontier Canning Basin permits have continued, however due to the limited availability of the EP448 Native Title Parties, negotiations have been delayed, with agreement on a Heritage Survey, budgets and clearance work yet to be reached.

Concurrently, good faith negotiations with the Traditional Owners of the L12-10 permit in the Canning Basin continue as Key works its way towards a mutually beneficial Heritage Protection Agreement.



DCA Rig 7 during Perth Basin drilling operations at Dunnart-2 (top), and Managing Director Kane Marshall (bottom right) viewing wellsite geological ditch cuttings during wireline testing operations at Dunnart-2.

Discussions with Native Title parties for both permits are expected to continue into the next quarter.

Following recent discussions with the Department of Mines and Petroleum (“DMP”) addressing remediation of entry causeways to Point Torment-1 and Stokes Bay-1 in Retention Lease R1, the Company intends to inspect viable access points to both wells. Additionally, the West Kora-1 well in Production Licence L15 will be inspected to determine feasible work programs to be conducted in 2015.

Activities for the coming quarter include:

- Conclude a technical evaluation over EP437;
- Commence formal discussions with land owners over the Conder South and Wye Knot prospects;
- Progress planning and funding discussions with Joint Venture participants and potential farmin partners for the production testing of Dunnart-2;
- Planning and commencement of remediation activities for two areas in R1 and one in L15;
- Commence planning of workover and exploration activities in R1 and L15;
- Progress negotiations with Traditional Owners in EP448 and L12-10;
- Continue discussions with potential farmin partners in EP448, R1 and L15 for 2015; and
- Finalise 2015 coordinated exploration campaigns.

EP437, PERTH BASIN, WESTERN AUSTRALIA

KEY PETROLEUM LIMITED (via wholly owned subsidiary) (OPERATOR)
 REY RESOURCES LIMITED (via wholly owned subsidiary)
 CARACAL EXPLORATION PTY LIMITED

43.47%
 43.47%
 13.06%

EP437 - DUNNART-2 DRILLING OPERATIONS

Subsequent to earthworks and rig mobilisation Dunnart-2 drilling operations commenced on 14 July 2014.

Live oil shows were encountered in the first 2.87 metres of the primary reservoir in the Bookara Sandstone after drilling through the Kockatea Shale.

An open hole Drill Stem Test ("DST") was carried out on 20 August 2014 to test a section from 614 - 616.87 metres to confirm reservoir quality and oil recoverability.

Results from the first DST were invalid as the test tool had become plugged with shale fill from the overlying Kockatea Shale Formation.

Following the circulation and conditioning of the hole, the Company drilled ahead a further 11 metres into the Bookara Sandstone before running a second open hole DST over the interval from 614 – 627 metres.

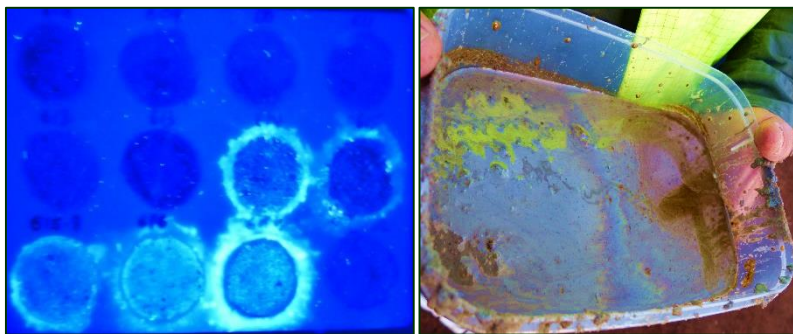
On this occasion the DST tool encountered a mechanical failure and again the results from this reservoir section were invalid. Following the second failed attempt the decision was made to drill to Total Depth ("TD") and log the well.



DCA Rig 7 and personnel drilling into the Bookara Sandstone.



Managing Director Kane Marshall (centre) overseeing the second DST test at Dunnart-2.



Live oil shows under fluoroscope (left) and live oil from the Bookara Sandstone (right).

Good quality Bookara Sandstone samples were retrieved from the second DST test and were found to fluoresce under fluoroscope (UV light) indicating live oil (see photos left and below). Production testing will definitively address these findings.

Cuttings from the 11 metre interval drilled prior to the first DST indicated an additional two metres of live oil at 625 metres, which was similar to that of the previously drilled interval.

Similar oil shows in smaller intervals were observed within the Bookara Formation and additional shows were observed during the drilling to TD, including a lower reservoir quality interval above the basement.

Wireline logging and formation evaluation undertaken by Crocker Group yielded results that suggested the existence of reservoir quality sands at the top of the Bookara Sandstones. Formation fluid samples were collected for assaying but these results proved inconclusive with a combination of water, mud filtrate and oil emulsion recovered in two small sample chambers.

Upon completion of formation evaluation operations, the DMP granted an approval to suspend the well with 7" production casing, which was run to a total depth of 657 metres and cemented to surface with a 'B' section production wellhead installed.

Drilling at Dunnart-2 was carried out without incident and under the joint venture approved budgets for both drilling and suspension of the exploration well.



Wellsite Geologist Len Diekman (above) collecting live oil samples from the shale shakers during drilling operations (left).

PRODUCTION TESTING OPERATIONS

On 2 October 2014, Key announced that the Dunnart-2 post well analysis and interpretation suggested there had been a possible invasion of drilling fluids into the top of the Bookara Sandstones during testing. This circumstance may explain the results of the wireline formation sampling as a mix of mud filtrate, formation water and oil emulsion.

Real time operational wellsite formation evaluation interpretations indicated that there were oil shows over a 20 metre interval down into the basement. Data also indicated a minimum of five metres of good quality reservoir sand with porosities in excess of 20% at the top of the Bookara Formation, which is interpreted to be oil bearing at Dunnart-1.



Crocker Group personnel with Key's Wellsite Geologist rigging up for wireline logging.

These interpretations are in line with assumptions used to estimate previously announced prospective resource volumes.

The EP437 Joint Venture has agreed to production test Dunnart-2 from an interval which is yet to be determined. Production testing will require running and setting of a completion string. This will entail running smaller 2 7/8" or 3 1/2" diameter tubing and an artificial lift system (such as a nodding donkey) in the well with a suitable rig.

This work programme will require regulatory approvals of both the completion design and the testing program.

Discussions are still being held to clarify whether it is more viable to carry out the production test in the short term using a workover (completion) rig, or to include the test as part of a wider exploration campaign in the Perth Basin using a fit for purpose smaller exploration oilfield rig, which can drill both exploration wells and run completions for production testing.

EP437 EXPLORATION AND PROSPECTIVITY REVIEW

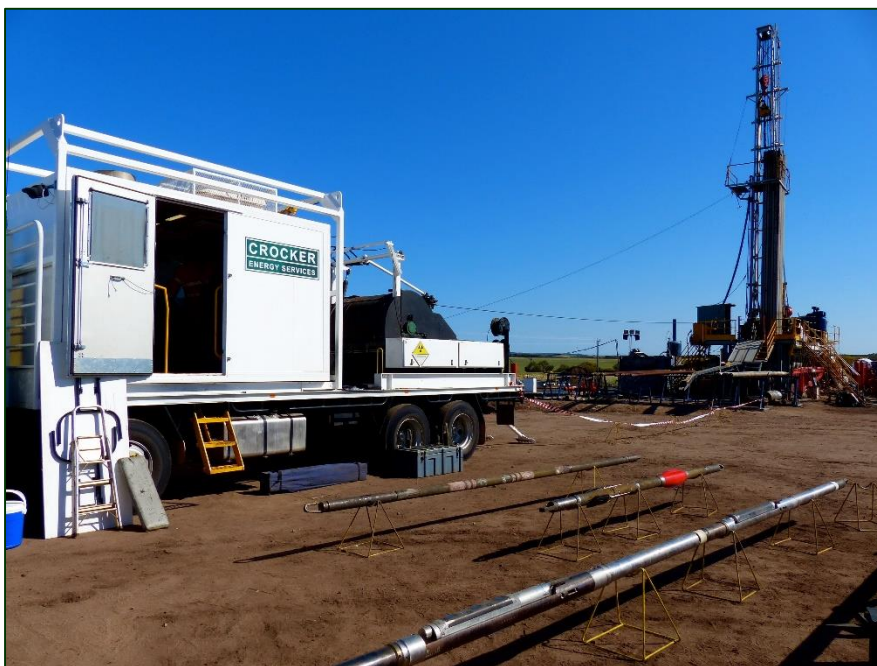
The encouraging results throughout the Bookara Formation at Dunnart-2 has provided confidence in the prospectivity in the north of the permit. Data from both Dunnart-1 and Dunnart-2 is now being utilised to determine the forward exploration and development activities to be carried out in the permit.

Throughout the year, technical studies have been conducted in order to identify further prospects for drilling. To date a number of high impact leads have been identified and matured to drill-ready status. In addition to the Dunnart structure, these prospects include Wye Knot and Conder South. All structures are less than 750 metres in vertical depth to the primary Bookara objectives.

The continual section of oil shows in Dunnart-2 is encouraging and important in proving the existence of an oil migration path to the north of the permit. Oil migration stems from mature source rocks to the south, specifically in the hydrocarbon producing area of the Dongara Oil and Gas Field.

The Conder South structure (map below) is the largest structure in the permit, having a mid-case spatial closure of 11 square kilometres, much larger than the Dunnart structure.

The Wye Knot prospect, located nearly 10 kilometres west of the Mount Horner Oilfield, is a three way dip closed anticline with a fault seal with a best estimate prospective resource of five million barrels¹.



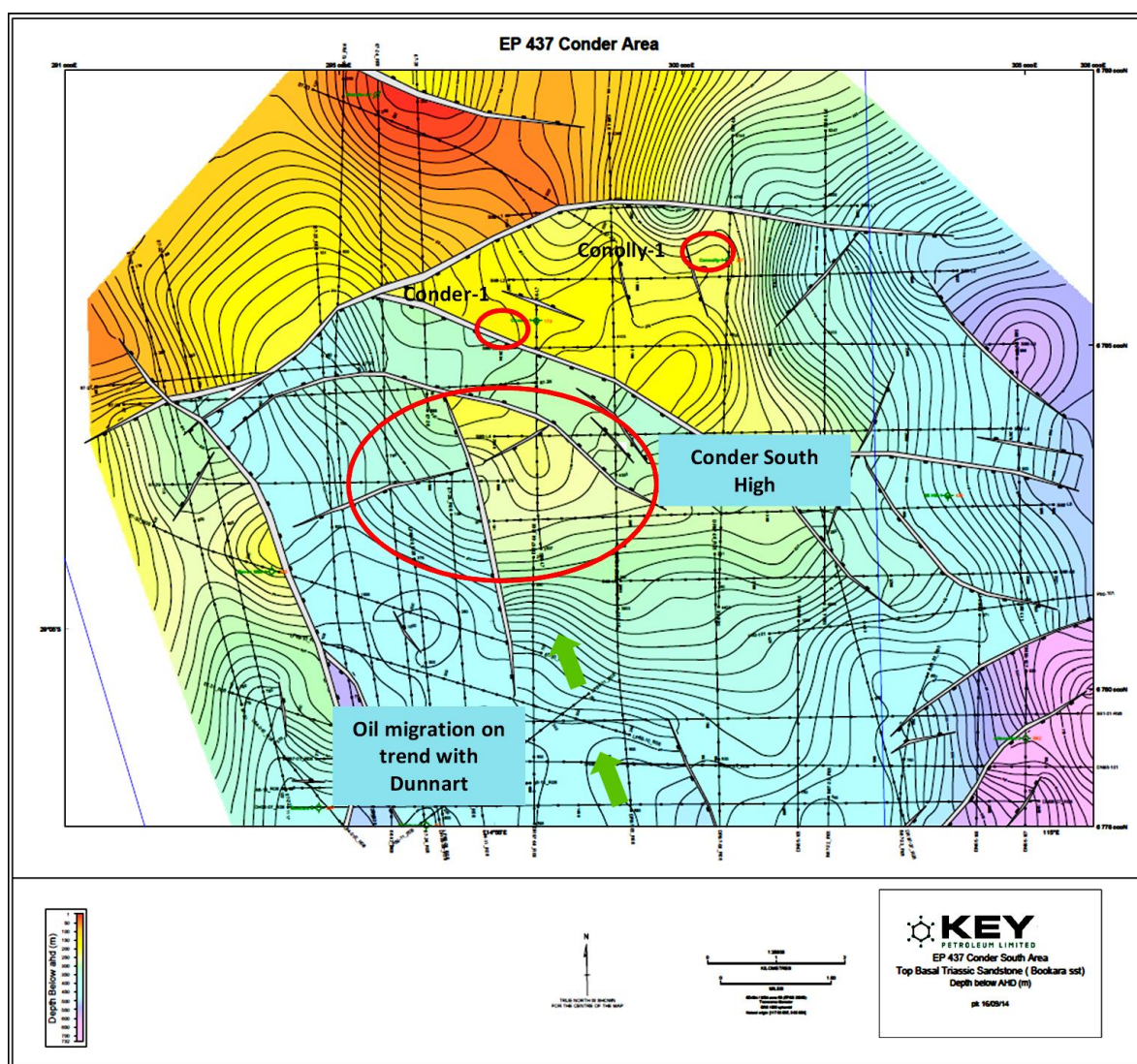
Wellsite data collected from Dunnart-2 is being utilised in a wider permit review.

Conder South is on trend with the Dunnart structure and is interpreted to be up-dip of the main oil migration pathway from Dunnart. Previous drilling around the Conder South area at Conolly-1 and Conder-1 yielded oil shows in the Bookara sequence.

¹ As defined in ASX announcement dated 15 April 2014 under SPE_PRMS guidelines

Conder-1 was drilled to test an up-thrown fault block immediately to the north of the Conder South prospect. Significant live oil shows were encountered in Basal Triassic sands from 199 – 211 metres. Oil would have had to migrate through the Conder South structure to charge the oil shows encountered at Conder-1.

To the east of the main Conder structure, Conolly-1 was drilled to test an up-thrown fault block north of the main east-west fault that confines the Conder South prospect. The well encountered minor oil shows in Basal Triassic sands at 410 metres. Good oil shows were seen in the overlying Cadda Formation at 215 metres indicating some early migration of oil in Basal Triassic sands and then later migration into the upper Cadda Formation. This could be indicative of oil being leaked off from both the Dunnart and Conder South structures.



The Conder South high depicted in the middle of the map is on trend with the Dunnart structure and interpreted to be on the main oil migration pathway from both the Dunnart structure and the producing Dongara Oil and Gas Field.

In light of these results and evaluation of the offset wells, the technical team is determining the prospective resource size of the Conder South structure and discussions have been held with the land owner with a view to a drilling in early 2015.

Key has continued discussions with several parties to determine what drilling activities should be undertaken within these three structures and any additional prospective areas in the vicinity.

The focus in the Perth Basin is on shallow oil prospects that can be drilled with a small rig capable of drilling up to 1,000 metres. The Company is evaluating options for rigs which are smaller, more mobile and purpose fit for these depths and has the ability to conduct similar programs to drill shallow conventional oil exploration wells in EP448 in the Canning Basin.

With Key's low operating costs and further substantial cost savings envisaged, as demonstrated in past exploration campaigns, this campaign represents an attractive opportunity with large upside to potential farminee partners.

EP448 and L12-10, CANNING BASIN, WESTERN AUSTRALIA

EP448

KEY PETROLEUM LIMITED (via wholly owned subsidiary (OPERATOR)
INDIGO OIL PTY LTD

78.00%
22.00%

L12-10

KEY PETROLEUM LIMITED (via wholly owned subsidiary) (PREFERRED BIDDER)

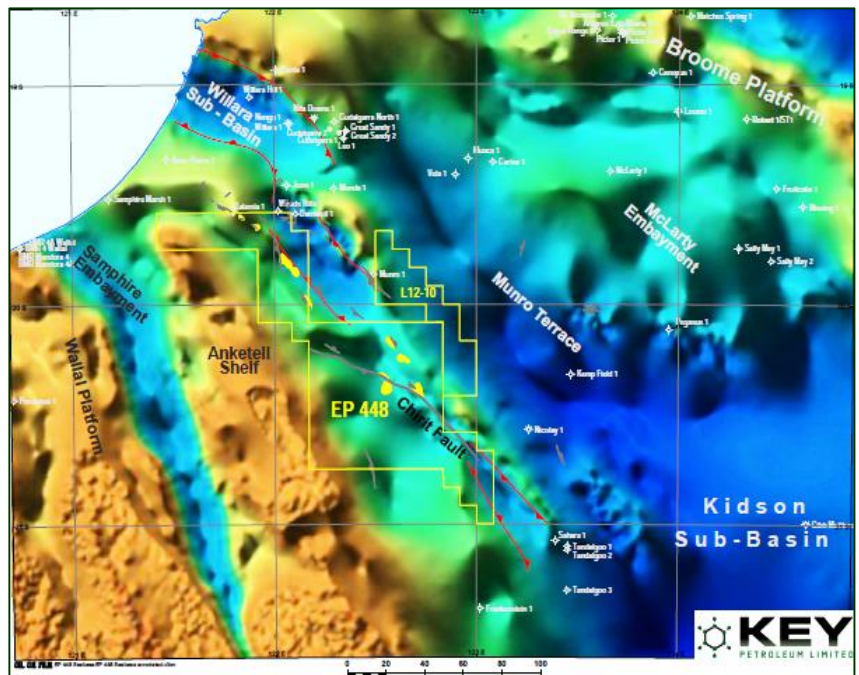
100.00%

Discussions continue with Traditional Owners as Key negotiates and assesses the potential for either a one or two well exploration campaign in the northern part of EP448, named the Darriwell Project.

The area of proposed exploration involves complex negotiations with two separate Native Title parties. Agreement on the timing, duration, budgets and participants in a Heritage Survey over the proposed wellsite and required infrastructure locations within the Griffith and Paterson structures is yet to be reached.

Additionally the limited availability of the parties during the quarter will see the Heritage Survey delayed until 2015 at the conclusion of both the wet season and cultural season.

The Company successfully carried out the required flora and fauna surveys in April 2014 and a comprehensive Environment Plan ("EP") will be lodged with the DMP as part of the exploration activity approvals process.



The EP448 permit includes two well locations, Griffith and Patterson, which form part of the Darriwell Project.

Furthermore, the Company has determined that no extensive native vegetation clearance permits will be required around the sites. This is due to access being coordinated through the Anna Plains Pastoral Lease (Anna Plains Station).

Good Faith Native Title discussions for the L12-10 permit have continued during the quarter with Traditional Owners and the Company progressing negotiations with a view to Key being granted land access for future surveys and exploration activities.

EP104 TREND, CANNING BASIN, WESTERN AUSTRALIA

EP104

| | |
|--|--------|
| KEY PETROLEUM LIMITED (via wholly owned subsidiary) (OPERATOR) | 53.97% |
| PANCONTINENTAL OIL AND GAS NL | 19.59% |
| FAR LIMITED | 15.67% |
| INDIGO OIL PTY LTD | 10.77% |

R1

| | |
|--|--------|
| KEY PETROLEUM LIMITED (via wholly owned subsidiary) (OPERATOR) | 65.23% |
| PANCONTINENTAL OIL AND GAS NL | 11.11% |
| FAR LIMITED | 8.89% |
| INDIGO OIL PTY LTD | 14.77% |

L15

| | |
|--|--------|
| KEY PETROLEUM LIMITED (via wholly owned subsidiary) (OPERATOR) | 61.40% |
| PANCONTINENTAL OIL AND GAS NL | 12.00% |
| FAR LIMITED | 12.00% |
| INDIGO OIL PTY LTD | 14.60% |

Planning of the workover in R1 and L15 continued during the quarter with the Company notifying the DMP that remediation of existing causeways to Point Torment-1 and Stokes Bay-1 will be required prior to exploration workover of these wells occurring.

The remediation of these sites and planning for access to West Kora-1 will be required to determine the work program and budgets for 2015.

Planning will continue while timing of the work will be reliant on resourcing and scheduling of the Company's other exploration campaigns.

As the areas are also located in tidal flats the work will now take place in the next quarter or late in the following quarter at the end of the wet season.



The original causeway at Stokes Bay-1. The remediation of this causeway and at Point Torment-1 will be required before any workover campaign.

OTHER BUSINESS

Good Oil Conference 2014

Key featured prominently at the recent Good Oil Conference held in September at the Esplanade Hotel in Fremantle.

In front of a large audience, Managing Director Kane Marshall gave a well-received presentation expanding on the Company's focus on its strategic exploration campaigns in Western Australia's Perth and Canning Basins. In addition to the recent drilling results and future production testing of Dunnart-2 and the workover plans for the EP104 permits, Kane highlighted Key's accomplishments as an active junior explorer during challenging times in Australia's current economic climate.

Key's technical consultant, Dr John Connolly, was recognised for his contribution to geology and frontier exploration within Australia, presenting a Keynote speech. His involvement in Australian exploration has included numerous wells drilled in the Canning Basin during his tenure as Managing Director of Sydney Oil Company. John's presentation focused on the use of geochemical surveys and other exploration techniques as a tool to identifying hydrocarbon potential in frontier basins and the application of those techniques to the projects he is currently working on with Key.

Feedback from the Conference has been positive with a surge in interest in the Company's forward exploration programs in both the Canning and Perth Basins.



Managing Director Kane Marshall (left and middle) discussed Key's exploration strategy and results at Dunnart-2 at the 2014 Good Oil Conference while technical consultant Dr John Connolly (right) gave a keynote speech highlighting his career milestones and the exciting developments at Key Petroleum.

Other

Key has continued to remain a lean and focused exploration company following the successful completion of the Dunnart-2 commitment well under budget and without any health, safety or environmental incidents. The Company has the ability to move quickly on any commercial opportunity and execute exploration projects at a relatively low cost when compared to its peers and competitors. This message was strongly conveyed at the Good Oil Conference and well received by investors visiting Key's booth to discuss the Company's projects.

The audit of the full year financials, attendance at the Good Oil Conference and detailed assessment of new opportunities led to an increase in administrative overhead costs for the quarter, however it is expected that these overheads will be reduced to fall back in line with previous overhead estimates during the next quarter.

Since 2012 the Company has continued its commitment to shareholders in delivering value while retaining a strong financial position during a time where there is a noticeable shortage of liquidity in small equity markets. The Company is still exceptionally well placed financially having \$3 million in capital reserves at the end of the quarter and the ability to further farm down all of its projects.

The Company has again proved its ability to remain active in the oil industry at a time when there is little activity in Western Australia and as a successful operator with the drilling of two exploration wells coming in under budget.

Key's prospects remain positive with production testing and exploration activities currently being planned in the Perth Basin whilst discussions continue for its exploration and coordinated workover campaigns in its Canning Basin permits.

CURRENT OUTLOOK FOR KEY PETROLEUM

The Key Board continues to maintain a solid technical and financial foundation while firming up continued growth with a cash position of in excess of \$3 million.

The focus for the Company is to determine the suitability of further joint venture partners to unlock value in all of its exploration projects and make small changes to the structure of the Company to resource elements of the Company's business as it looks to a growth period in 2015.

PETROLEUM PERMIT SCHEDULE

| Petroleum Permit | Location | Interest at Beginning of Quarter | Interest at End of Quarter | Acquired during Quarter | Disposed during Quarter | Joint Venture Partner/Farmin Party |
|------------------|-------------------|----------------------------------|----------------------------|-------------------------|-------------------------|------------------------------------|
| L12-10 | Canning Basin, WA | 100% | 100% | - | - | |
| EP448 | Canning Basin, WA | 78% | 78% | - | - | |
| EP104 | Canning Basin, WA | 53.97% | 53.97% | - | - | |
| R1 | Canning Basin, WA | 65.23% | 65.23% | - | - | |
| L15 | Canning Basin, WA | 61.40% | 61.40% | - | - | |
| EP437 | Perth Basin, WA | 43.47% | 43.47% | - | - | |

ASX Listing Rule 5.4.3

IAN GREGORY
COMPANY SECRETARY



Dated: 29 October 2014
Perth, Western Australia

The Resources assessment follows guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS). The Resource estimates used in this presentation were compiled by Mr Kane Marshall (Member SPE, AAPG, SPWLA, FESAus and PESGB), who is a qualified person as defined under the ASX Listing Rule 5.11 and has consented to the use of Resource figures in the form and context in which they appear in this presentation.

COMPETENT PERSON'S STATEMENT

The Information in this ASX Release relates to exploration data and results that are based on information compiled by Mr Kane Marshall who is a full time employee of Key Petroleum Limited. Kane Marshall is a Practicing Petroleum Engineer and Geoscientist who is a member of the SPE, AAPG, PESGB, FesAus and SPWLA.

DISCLAIMER

The information in this report is an overview and does not contain all information necessary for investment decisions. In making investment decisions, investors should rely on their own examination of Key Petroleum Ltd and consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of securities.

Prospective oil in place and recoverable reserve estimates have been made under the Society of Petroleum Engineers Petroleum Resources Management System (SPE-PRMS). Mr Marshall has compiled the information in this release as a Practicing Petroleum Engineer and Geoscientist who consents to the release of the information. The Company is compliant with recent listing rule changes for reporting of estimates as defined in Chapter 5 of the ASX Listing Rules.

The information contained in this presentation has been prepared in good faith by Key Petroleum Ltd. However, no representation or warranty, expressed or implied, is made as to the accuracy, correctness, completeness or adequacy of any statement, estimates, opinions or other information contained in this document.

Certain information in this document refers to the intentions of Key Petroleum Ltd, but these are not intended to be forecasts, forward looking statements, or statements about future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties, and other factors that may cause Key Petroleum Ltd's actual results, performance or achievements to differ from those referred to in this document. Accordingly, Key Petroleum Ltd, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of events referred to in this presentation will occur as contemplated.



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

Key Petroleum Limited

ABN

50 120 580 618

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|--|----------------------------|---------------------------------------|
| 1.1 | Receipts from product sales and related debtors | - | - |
| 1.2 | Payments for (a) exploration & evaluation | (101) | (101) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) administration | (315) | (315) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | 28 | 28 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other (provide details if material) | - | - |
| | Net Operating Cash Flows | (388) | (388) |
| Cash flows related to investing activities | | | |
| 1.8 | Payment for purchases of: (a) prospects | - | - |
| | (b) equity investments | - | - |
| | (c) other fixed assets | (22) | (22) |
| 1.9 | Proceeds from sale of: (a) prospects | - | - |
| | (b) equity investments | 35 | 35 |
| | (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 | 13 | 13 |
| 1.13 | Total operating and investing cash flows (carried forward) | (375) | (375) |

+ 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) | (375) | (375) |
| | 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 | Other (provide details if material) Share issue transaction costs | - | - |
| | Net financing cash flows | - | - |
| | Net increase (decrease) in cash held | (375) | (375) |
| 1.20 | Cash at beginning of quarter/year to date | 3,410 | 3,410 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 3,035 | 3,035 |

Payments to directors of the entity, 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 | 123 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

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 | Nil | Nil |
| 3.2 Credit standby arrangements | Nil | Nil |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 200 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 250 |
| Total | 450 |

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 | 505 | 406 |
| 5.2 Deposits at call | 2,530 | 3,004 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 3,035 | 3,410 |

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 | | | |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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 (description) | | | | |
| 7.2 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 | +Ordinary securities | 567,427,487 | 567,427,487 | | |
| 7.4 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | | | | |
| 7.5 | +Convertible debt securities (description) | | | | |
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 | Options (description and conversion factor) | 500,000 2,000,000 2,000,000 7,000,000 2,000,000 7,000,000 7,000,000 | - - - - - - - | <i>Exercise price</i> 2.5 cents 4.4 cents 5.2 cents 5.5 cents 5.9 cents 6.4 cents 7.4 cents | <i>Expiry date</i> 12 March 2017 6 August 2017 6 August 2017 6 August 2017 6 August 2017 6 August 2017 6 August 2017 |
| 7.8 | Issued during quarter | | | | |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | | | | |
| 7.11 | Performance Rights | 3,250,000 3,250,000 | - - | <i>Classification</i> Performance Rights A Performance Rights B | |

+ See chapter 19 for defined terms.

| | | | | |
|------|-------------------------------|--|--|--|
| 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 ~~/does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here:



Company Secretary

Date: 29 October 2014

Print name: **Ian Gregory**

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.