

## ASX ANNOUNCEMENT

31 January 2017

### December 2016 Quarterly

Interpose Holdings Limited (**ASX:IHS**) is pleased to provide an update of its activities for the quarter ending 31 December 2016

### Non-Renounceable Rights Issue Completed

As announced 23 September 2016 the company carried out a non-renounceable rights issue, to issue 1 new fully paid ordinary share for every 2 fully paid ordinary shares held on the records date at \$0.02. The rights issue was to issue up to a total of 42,296,064 new shares and raise up to \$845,921 (subject to no options being exercised). The rights issue offer document was released 23 September 2016 and the offer closed 19 October 2016.

Post close of the Non-Renounceable Rights Issue a total of 19,054,402 entitlement shares and all 23,241,662 Shortfall shares were issued.

### Corporate Activity

The directors of the Company continued to investigate opportunities from within the oil and gas sector. As announced on 18 April 2016, the Company executed a corporate advisory mandate with Cygnet Capital Pty Limited (**Cygnnet Capital**). Pursuant to the mandate Cygnet Capital will assist the Company with the identification and introduction of new business opportunities.

Following the disposal of the Company's main undertaking the Company has a 6 month period in which to comply with ASX Listing Rule 12.1, in that the Company's operations, must in ASX's opinion be adequate to warrant quotation and continued listing.

### Asset Acquisition and Director Changes

Post the December 2016 Quarter and as announced on 10 January 2017 the company has acquired a 7.5% Working Interest (WI) in the Gallatin gas/condensate project located in central Cherokee County, in the southern portion of the East Texas Basin from BMNW Resources LLC of Dallas Texas. BMNW are an accomplished geological group and the generator of the Gallatin Project. The project will test the possibility of a potentially productive section of the Pettit formation that lies across the prospect area, and will be operated by F.W Rabalais Inc from Fort Worth, Texas. Rabalais operate wells in multiple counties across Texas.

This same formation produces at approximately 9,000 feet from the Anne Field (discovered in 2010) and Buffkin Field (discovered in 2009) which lie directly to the south-east of the Gallatin Prospect. Wells in these fields produce from 6-10ft zones with 18% porosity at rates up to 1.3 mmcfpd and 15 bopd.

Key terms of the transactions:

- 7.5% working interest with a 25% back in after payout to the project generator;
- IHS dry hole cost estimated at USD\$73,762;
- Completion costs USD\$23,000 if a successful well;
- IHS will earn a 7.5% WI in 1,074 acres covering the project; and
- Net Revenue Interest of 75%.

Currently the well pad and access roads are under construction. The rig is scheduled for the first week of February subject to timing of completion of a current well being drilled by the rig.

# INTERPOSE HOLDINGS LIMITED

The company's forward looking strategy is to remain in the oil and gas sector and pursue low risk project participation with reputable and proven operators to build a portfolio of producing projects while asset values remain depressed due to the oil price cycle. The Gallatin project provides a first step in building on this approach at a reasonable entry and risk cost.

The company would like to welcome Mr Justin Barton to its board as a non-executive director. Mr Barton is an experienced CFO in the mining and energy sector and brings with him invaluable experience.

The company would also like to confirm the resignation of Mr Marcus Gracey from the company's board. We would like to thank Mr Gracey for his tireless contribution to IHS and its predecessor Sunbird Energy. Mr Gracey, an experienced corporate lawyer and company director, was more recently instrumental in unwinding the company from its previous South African assets in order to revitalise it to a stage where it could pursue alternative assets. We wish Mr Gracey all the best in the future and thank him for his service.

**\*\* ENDS \*\***

## **For further information please visit contact:**

Barnaby Egerton-Warburton      Director      Tel: +61 (0)8 9467 4220

## **About Interpose Holdings Ltd**

To pursue low risk oil & gas projects and partner with reputable and proven oil & gas sector operators to build a portfolio of producing projects and at a reasonable entry and risk cost to the company's shareholders.

The information in this announcement has been reviewed by David Brewer (a Certified Petroleum Geologist with the AAPG) who has over 30 years' experience in petroleum geology, and geophysics, prospect generation and evaluations, and prospect and project level resource and risk estimations. Mr Brewer reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any estimated hydrocarbon resources in the form and context in which they appear. Any resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at [spe.org](http://spe.org).

## Appendix 5B

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

**Name of entity**

Interpose Holdings Ltd (formerly Sunbird Energy Ltd)

**ABN**

21 150 956 773

**Quarter ended ("current quarter")**

31 December 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(181)	(500)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(179)</b>	<b>(497)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	802
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>802</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	513	513
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>513</b>	<b>513</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	722	238
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(179)	(497)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	802
4.4	Net cash from / (used in) financing activities (item 3.10 above)	513	513
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,056</b>	<b>1,056</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	7	3
5.2	Call deposits	1,049	719
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,056</b>	<b>722</b>

**6. Payments to directors of the entity and their associates**

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
28
-

28 - Directors fees

**7. Payments to related entities of the entity and their associates**

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

n/a

**8. Financing facilities available**

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

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

n/a

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>100</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
(Director/Company secretary)

Date: .....

Print name: .....

## 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.