

KEY
PETROLEUM LIMITED

Suite 3, Churchill Court
331-335 Hay Street
Subiaco WA 6008

T: + 61 (0) 8 9381 4322

F: + 61 (0) 8 9381 4455

investors@keypetroleum.com.au

Quarterly Report

For the Period Ending 31 December 2017



ACN 120 580 618

Update on Activities

Highlights for the Quarter

- Commencement of seismic reprocessing in WA-481-P along trend from the Xanadu oil discovery in the adjacent Permit;
- Execution of the L7 Sale and Purchase Agreement for the acquisition of the Mount Horner Oil Field and Production Facility;
- Title transfers for ATPs 783, 920 and 924 located in the Cooper Eromanga Basin in Queensland have been approved by Department of Natural Resources and Mining ("DNRM");
- Geological studies over ATPs 783, 920 and 924 have identified numerous oil leads analogous to the Inland, Cook and Bodalla Oil Fields;
- Continuing geological studies have identified conventional gas potential in the Permian and Triassic gas fairway extending into the ATP 920/924 area with additional potential in ATP 783;
- The EP437 joint venture has implemented action by which to gain access to the Wye Knot-1 proposed location, as part of the Year 3 work commitment;
- Commenced formal process of divestment of Canning Basin assets;
- Annual care and maintenance of suspended/shut-in wells in L15 and R1 has been completed.

Activities Subsequent to the Quarter

- An extension of the EP437 Year 3 commitment well and EIS grant awarded to the EP437 JV by Department of Mines, Industry, Resources and Safety for the drilling of Wye Knot-1;
- Preparation of relevant approval documentation required to carry out select remediation operations within the Mount Horner Production Facility;
- Foreign Investment Review Board Approval for the acquisition of L7;
- Received initial expressions of interest for acquisition of Canning Basin assets from multiple third parties; and
- Processing and interpretation of AEM-PTP survey results carried out over R1 commenced with the aim of defining the 2018 exploration program.

Activities for the Upcoming Quarter

- Utilise the studies over the Cooper Eromanga Basin assets to facilitate discussions with DNRM on the forward work programs for ATPs 783, 920 and 924 and finalise work commitments;
- Progress divestment of Canning Basin interests;
- Set up of operations base and personnel relocation from Port Denison to Mount Horner Oilfield and commence planning of decommissioning activities;
- Commence drilling and workover rig enquiries and tenders for North Perth Basin activities in second half of 2018;
- Commence rig enquiries for Cooper Basin drilling in later half of the year including potential collaboration with other Operators in the Basin; and
- Undertake a detailed prospectivity review of L7 and integrate data with the current EP437 geological models to define field activities in the area for 2018.

Cooper Eromanga Basin, Queensland

ATP 920, ATP 924 and ATP 783

Key Petroleum Limited (Key Cooper Basin Pty Ltd)

100.00%

The Company has now received notification from the Department of Natural Resources and Mines ("DNRM") that the transfer of ATP 783, ATP 920 and ATP 924 to Key is complete. The Company is continuing its geological studies over the Cooper Eromanga Basin assets in anticipation of discussions with DNRM pertaining to the future work programs of all ATPs and is intending to formalise the work programs for the terms of the respective ATPs during the current quarter. The Company has been conducting activities pertaining to the permits in line with the Queensland Gas Supply and Demand Action Plan, and following discussions with DNRM, has been working with the Department of State Development on avenues for development of future gas discoveries and development in areas which are not environmentally sensitive. Key also plans to discuss the possibility of making application for the Collaborative Drilling Initiative which would allow the Company to potentially receive a grant to drill in the underexplored area in ATP 924 which has been mapped for potential for both Triassic and Permian gas. The same formation rocks will also be the target of pilot wells by Real Energy to the east in its Tamarama Basin centred gas play. Key has been examining whether mobilisation and de-mobilisation costs can be shared with other Operators in 2018.

In addition to State level discussions, the Company is assessing the benefits of making application for the Federal Government Gas Acceleration Program ("GAP") to facilitate the bid to fast track new east coast gas projects. This initiative is administered by the Department of Industry, Innovation and Science and is directed at projects that can secure new and significant gas volumes for domestic gas consumers located in target markets. Eligible activities can include:

- ◆ Deployment of new technologies or techniques to lift existing and new well productivity;
- ◆ The opening of new gas pilot and/or production or exploration wells that are either in proximity to existing gas infrastructure or can demonstrate a path to market;
- ◆ Better utilisation of existing, or the establishment of, new gas processing, storage and transport facilities; and
- ◆ Design, construction and engineering activities directly related to bringing forward new gas supply.

The Company has also commenced preliminary assessment of nearby infrastructure and commercial offtake arrangements. Potential offtake routes and joint venture participation in drilling of conventional gas targets will be the focus of the next quarter as the title work program commitments are formalised.

ATP 924

- ◆ The most recent exploration activities undertaken in the region are the Taj and Hurron 3D seismic surveys together with several 2D seismic surveys which subsequently resulted in the drilling of Maroochydhore-1 well which yielded gas shows;
- ◆ Captures a large part of the north-west Eromanga (Inland – Cook) Oil Fairway;
- ◆ Excised Marengo and nearby Barrolka Gas Fields. Permian 'basin centred' gas fairway with potential for large prospective resources. Importantly the basin centred gas play to the west extends into this area of the Cooper Eromanga Basin and is interpreted to be a conventional gas play that is trapped structurally and stratigraphically in this northern extent of the Basin;
- ◆ The Permian play fairway (depicted overleaf) also includes the Mount Howett Gas Field operated by Santos south-east of Whanto-1;

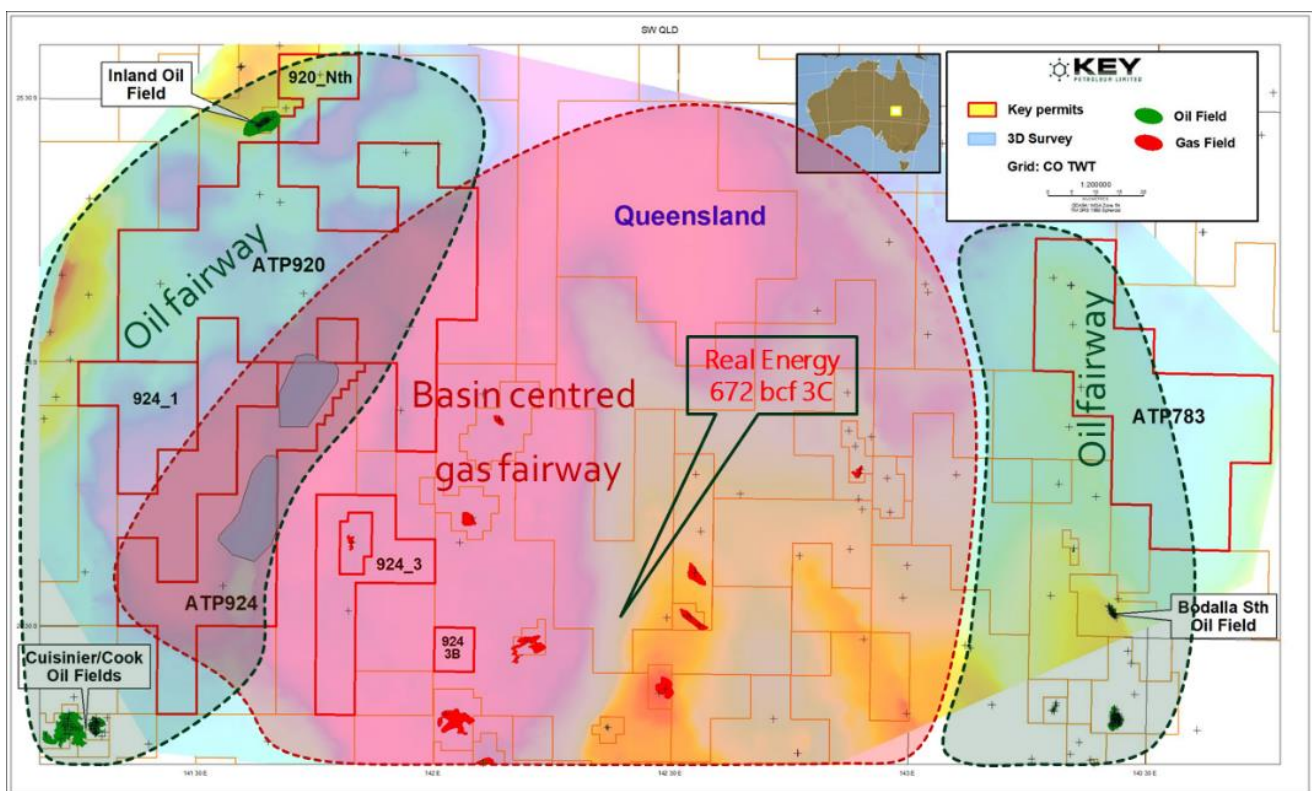
- ◆ Whanto-1 flowed at 3.8 mmcf/d from the Permian which extends to Marengo South-1 and then into Gilpepee-2 and to Maroochydoore-1 lying in ATP 924; and
- ◆ Gas shows were encountered at Gilpepee-2 in ATP 924 and more advanced reservoir or similar technologies could commercialise gas discoveries in this area.

ATP 920

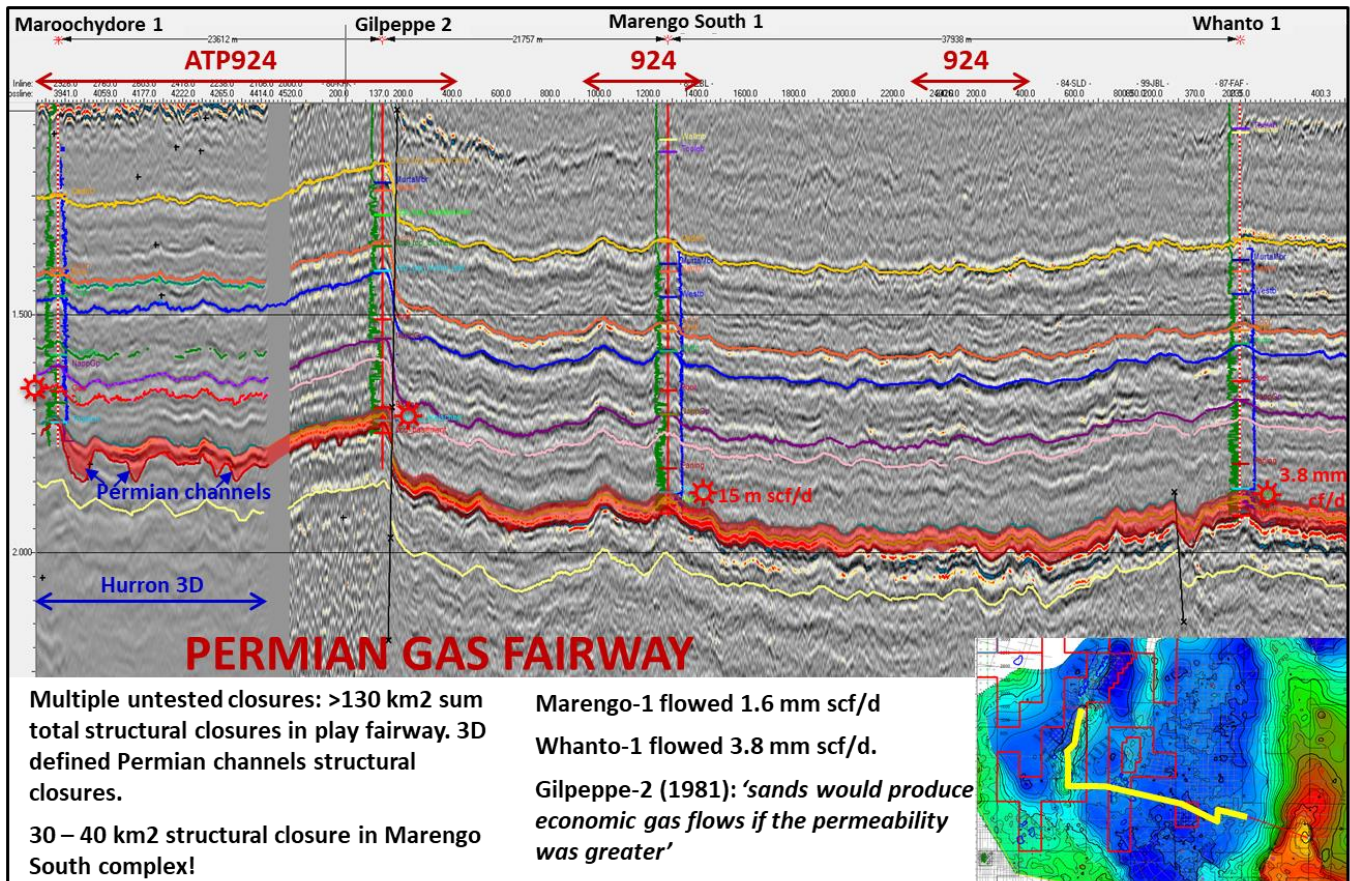
- ◆ Overlies the north-west edge of the Jurassic Eromanga (Inland – Cook) oil fairway;
- ◆ Near field exploration potential to producing Inland Oil Field (adjacent to the northern block boundary);
- ◆ Four local wells (Tanbar North-1, Cuddapan-1, Morney-2 and 3) have recovered oil on test; and
- ◆ Preliminary work has identified that the Permian gas fairway could extend into south-eastern part of block.

ATP 783

- ◆ Captures a significant portion of the Eromanga 'Eastern Flank' oil fairway;
- ◆ Oil recovered on test from four local exploration wells in the area both within and around ATP 783, including wells Earlstoun-1, Chandos-1, Cumbroo-1, Cooloo-1 with material up-dip potential identified; and
- ◆ Near commercial oil fields are Byrock (12 km south-west), Bargie (17 km south-east), Bodalla South (25 km south) and Bunaya Gas field (50 km south-west).



ATPs 783, 920 and 924 located in the Cooper Eromanga Basin near oil and gas infrastructure as well as known discovered oil and gas fields



Composite seismic section (yellow line to the right) through key wells in southern Permian gas fairway (orange)

Acquisition of L7 (R1), Onshore Perth Basin

Key Petroleum Limited (via wholly owned subsidiary) (Operator)

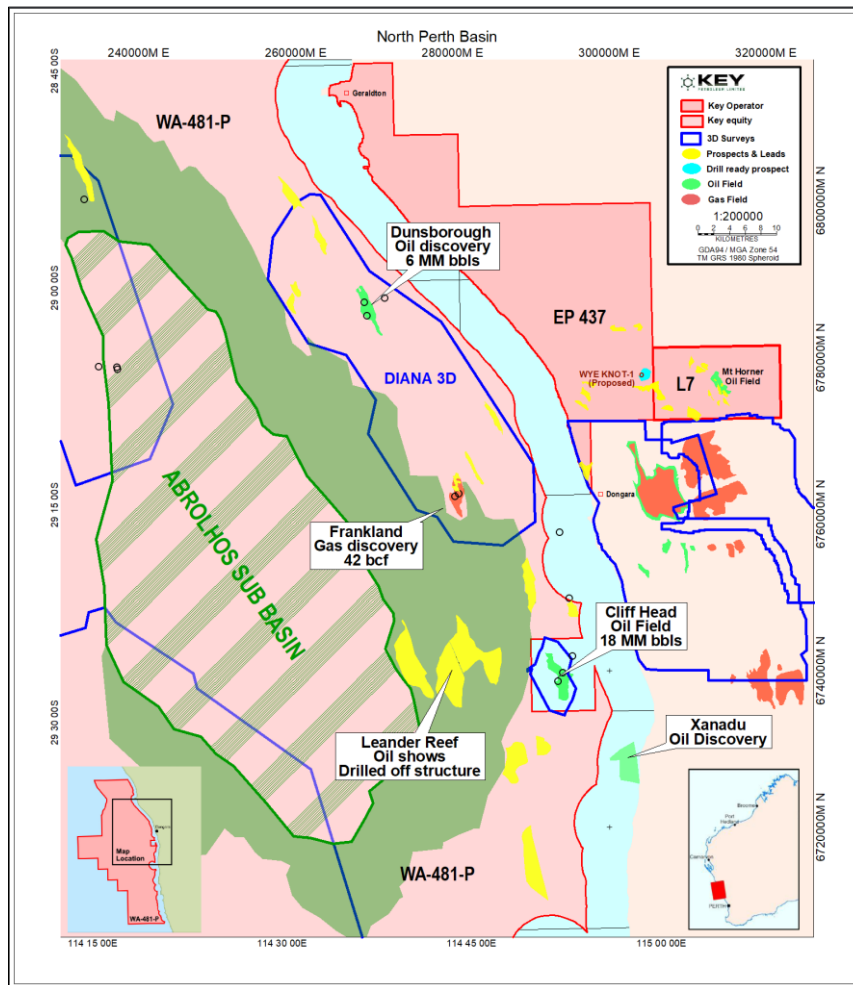
100%

Key announced during the quarter execution a Sale and Purchase Agreement for the acquisition of AWE Perth Pty Ltd's ("AWE") 100% interest in Production Licence L7 (R1) via its wholly owned subsidiary, Key Petroleum (Australia) Pty Ltd ("Key Australia").

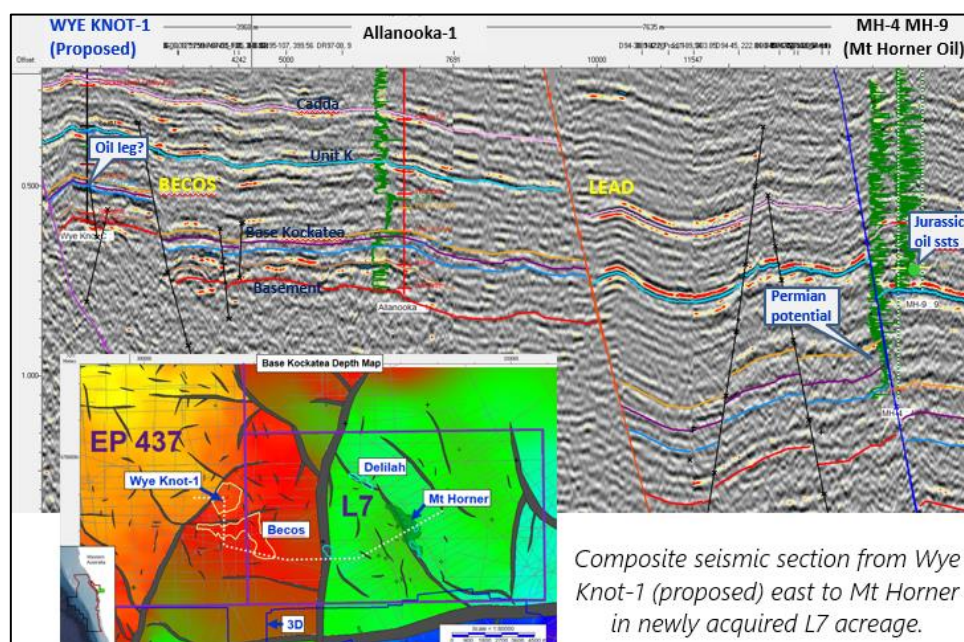
L7 (Mount Horner) Summary

- ◆ Production Licence L7 is to be renewed in 2027 with no firm work commitments on the licence;
- ◆ L7 contains the discovered Mount Horner oil pool with potential for further development;
- ◆ Foreign Investment Review Board Approval for the acquisition was received subsequent to the end of the quarter;
- ◆ Discussions with both the previous and present landowners are ongoing in conjunction with AWE to allow a smooth transition into operational activities in 2018;
- ◆ The Mount Horner Field, which was shut-in during 2011 due to high water cut and aged infrastructure, has previously produced approximately more than 1.7 mmbbls of oil, outperforming initial volumetric estimates when the field was first discovered and developed;
- ◆ Preliminary mapping has identified a Mount Horner lookalike prospect called Delilah, which is on trend and north of the existing Mount Horner Field with prospectivity at both the Jurassic and Permo-Triassic levels;
- ◆ The Becos structure/lead in EP437, down-dip of the Wye-gas discovery, a similar downthrown fault play as identified in areas in L7, is now mapped to be much larger and spills into L7 based on current 2D seismic;
- ◆ Much of the Mount Horner oil was produced from the Jurassic level and importantly the Permian and Triassic prospectivity in the northern part of the basin appears to have been overlooked;
- ◆ Permian and Triassic level oil prospectivity represents an underexplored oil play in the northern margin of the Perth Basin;
- ◆ Oil was recovered at Mount Horner-3 and 5A on the downthrown side of the Mount Horner Fault from Permian objectives;
- ◆ The Permian prospectivity has been the focus of gas exploration south at the Dongara and Waitsia Fields by AWE but overlooked for oil exploration onshore in the Perth Basin;
- ◆ Importantly the Dongara and Hovea Fields are interpreted to be dual charge systems where the majority of initially charged oil has been expelled into structures in the northern part of the basin on trend from the Dandaragan Trough which encompasses Key's EP437 and L7 interests. This opportunity represents a significant expansion of Key's Australian assets, consistent with a well-defined exploration and commercial strategy which now includes a portfolio of lower risk oil prospects in the onshore Perth Basin coupled with larger higher risk undrilled structures offshore;
- ◆ The majority of infrastructure at Mount Horner is planned to be decommissioned and this will form part of field work in 2018 that will be potentially incorporated with drilling in the area resulting in overall reduced costs to Key's Perth Basin activities;
- ◆ Key has undertaken discussions with two other operators in the area with a view to potentially contracting a rig that is suitable for drilling down to the Permian in L7 and also meeting the criteria of the other operators for their drilling programs. Mobilisation and demobilisation costs could be significantly reduced for each of the parties should a rig meeting the respective specifications be engaged; and

- Initial assessment of L7 opportunity identified that new discoveries would be more commercial if oil was trucked to alternative oilfield facilities located in the Perth Basin thereby unlocking potential partner synergies with other Perth Basin Operators.



Location of L7 (R1) in Key Perth Basin portfolio



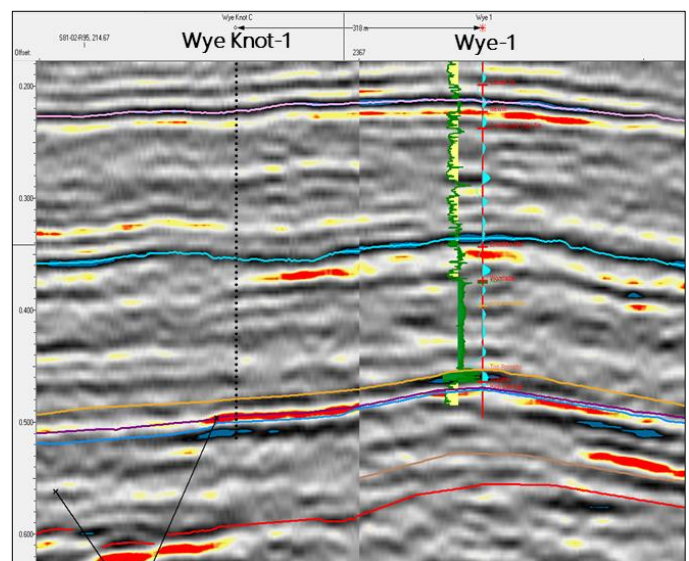
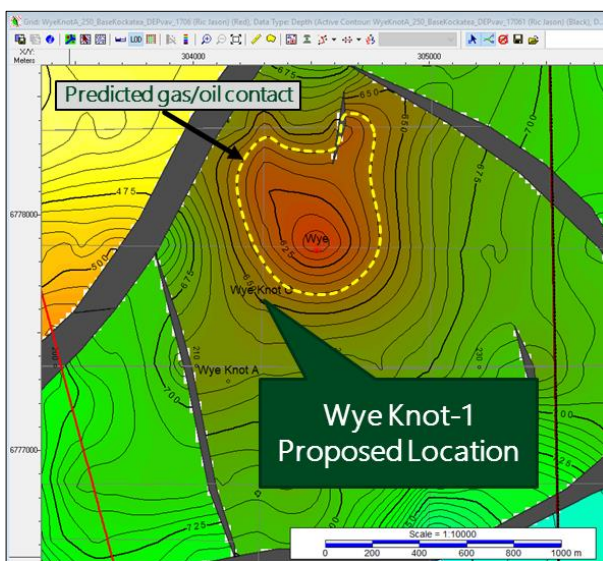
Composite seismic section from Wye Knot-1 (proposed) east to Mt Horner in newly acquired L7 acreage.

Composite seismic line (yellow dashed) from Wye Knot-1 proposed, Becos lead through to the Mount Horner oil pool

Onshore Northern Perth Basin Project, EP437, Perth Basin

Key Petroleum Limited (via wholly owned subsidiary) (Operator)	43.47%
Rey Resources Limited (via wholly owned subsidiary)	43.47%
Pilot Energy Limited	13.06%

As recently announced Key has identified a preferred drilling location for the proposed Wye Knot-1 well. Discussions with landowners in the area have concluded and at present the Company has moved to an alternative approach to gain access and meet the work program commitment in Year 3 on behalf of the EP437 Joint Venture. Additionally, the Exploration Incentive Scheme grant of \$200,000 was reapplied for, and subsequently awarded again, in light of the extended delays with access.



Location of the Wye Knot oil prospect is located down-dip from the Wye-1 gas discovery, drilled in 1996 at the crest of a four-way dip closed structure that benefits from additional closure via faulting to the north-east and north-west

Wye-1 tested gas at commercial rates from two good quality reservoirs, with the Bookara and the Arranoo Sandstone reservoirs flowing 4.4 MMscf per day and 2.5 MMscf per day, respectively. Neither of the reservoirs indicated the presence of a water leg and both exhibited good, live oil shows during drilling. The presence of oil shows indicates that the reservoirs were originally oil-filled at the Wye location, with the oil being displaced to a down-dip rim by subsequent gas migration in to the crest of the structure. This dual-charge model is evident elsewhere in the north Perth Basin, including at the nearby Dongara Gas Field, where the Dongara-8 well produced at an initial rate of 8,000 bbls per day from an oil rim.

The exploration well to test the Wye Knot Prospect is to be positioned at a step out distance sufficient to investigate the potential for an oil leg below the gas pay encountered in Wye-1 in the Triassic Bookara and Arranoo Sands, and also test the potential of the deeper Permian sequence which was not fully intersected at Wye-1. This step out location is at a distance which suggests the gas cap does not extend outward from Wye-1 at a depth greater than 650 m subsea.

Offshore Northern Perth Basin, WA-481-P, Perth Basin

Key Petroleum Limited (via wholly owned subsidiary)

40%

Pilot Energy Limited (Operator)

60%

The WA-481-P Joint Venture notes with keen interest the recovery of oil in reservoir quality sands of the Irwin River Coal Measures ("IRCM") through the Xanadu-1 well in TP/15, as announced by Norwest Energy NL on 25 September 2017 and subsequent results and studies.

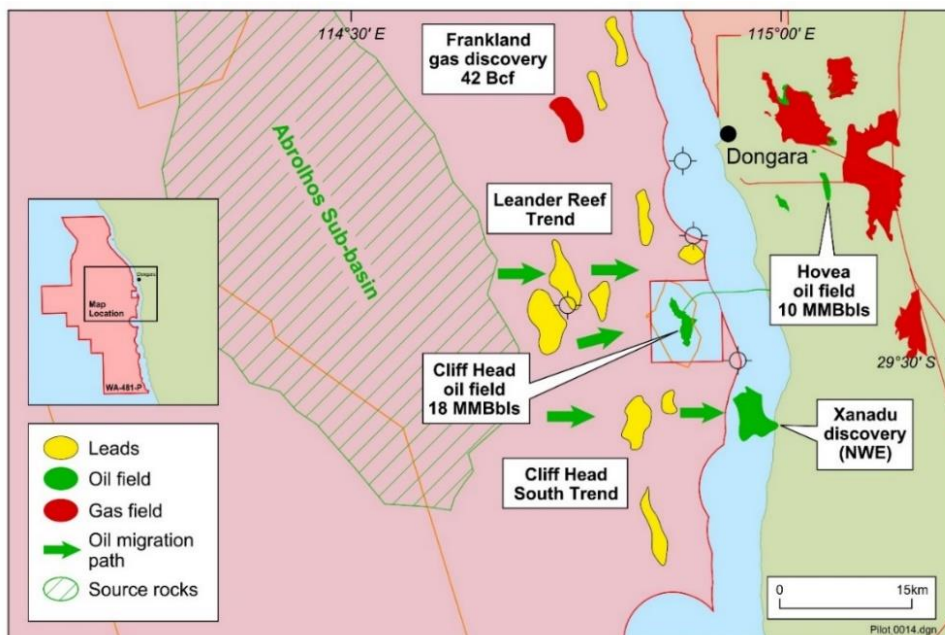
The recovery of oil at Xanadu-1 is significant as it appears to validate the interpreted oil migration pathways from the known oil sources of the Kockatea Shale and the IRCM in the Abrolhos Sub-Basin in the central portion of WA-481-P. Oil from the source kitchen is interpreted to have migrated up-dip through the southern portion of WA-481-P into the Cliff Head and Xanadu structures located in the adjacent permit to the east.

The Xanadu-1 technical success has reduced a key risk of migration for both the Cliff Head South Oil Trend and the Leander Reef Trend. Together the Cliff Head South and Leander Reef Trends comprise over 80% of the currently assessed 247.8 MMbbl best case (148.7 MMbbl net Pilot Energy, 99.1 MMbbl net Key Petroleum) prospective resources for the permit.

The current exploration permit commitments for WA-481-P comprise seismic data reprocessing and geological/geophysical studies. As announced on 3 July 2017, these studies are designed to address the primary geological risks associated with each of the various prospects and leads, such that a prioritised inventory of drill-ready prospects can be finalised to facilitate joint venture participation in a drilling program.

The Joint Venture has commenced seismic reprocessing (pre-stack depth migration, or PSDM) of the existing seismic data to improve the chance of success of future drilling activities. The reprocessing work is likely to take six months to complete with

the Joint Venture participants working cooperatively to ensure a quality reprocessing product and subsequent interpretation are undertaken to support additional participation in the permit and drilling activities as soon as is practicable.



Northern Canning Project, Canning Basin

EP104

Key Petroleum Limited (via wholly owned subsidiary) (Operator) 89.23%

Indigo Oil Pty Ltd 10.77%

R1

Key Petroleum Limited (via wholly owned subsidiary) (Operator) 85.23%

Indigo Oil Pty Ltd 14.77%

L15

Key Petroleum Limited (via wholly owned subsidiary) (Operator) 85.40%

Indigo Oil Pty Ltd 14.60%

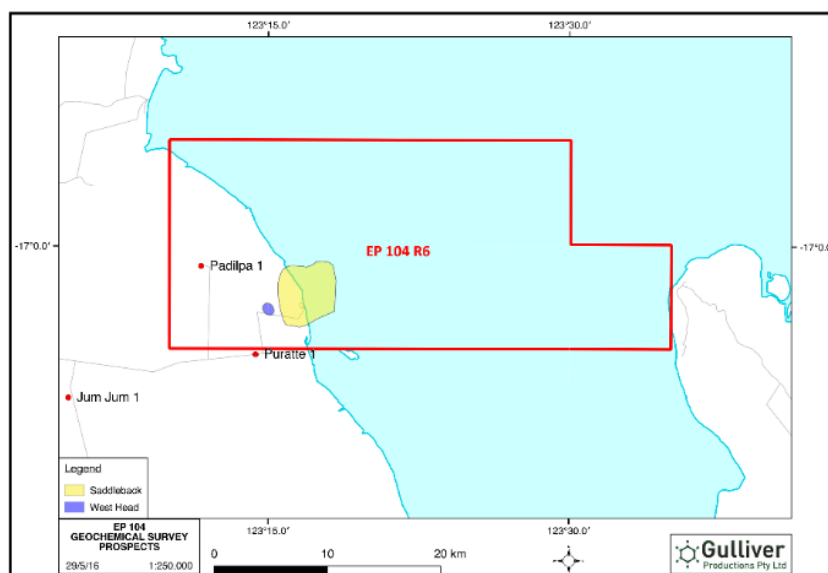
With the onset of the wet season and all care and maintenance activities completed, the Company has now commenced discussions around the divestment of the Canning Basin assets. The divestment of the Canning Basin assets comes after the decision was taken to focus on near term oil production in the Perth Basin and exploration for gas to supply the strained east coast gas markets, particularly in light of the Federal Government's National Energy Guarantee. It is anticipated that the divestment process will be formalised in the coming quarter. The application for suspension and extension of the EP104 Permit and the associated work program has been granted and discussions with the Department of Aboriginal Affairs to align access agreements with the new Permit anniversary are ongoing and expected to be concluded shortly.

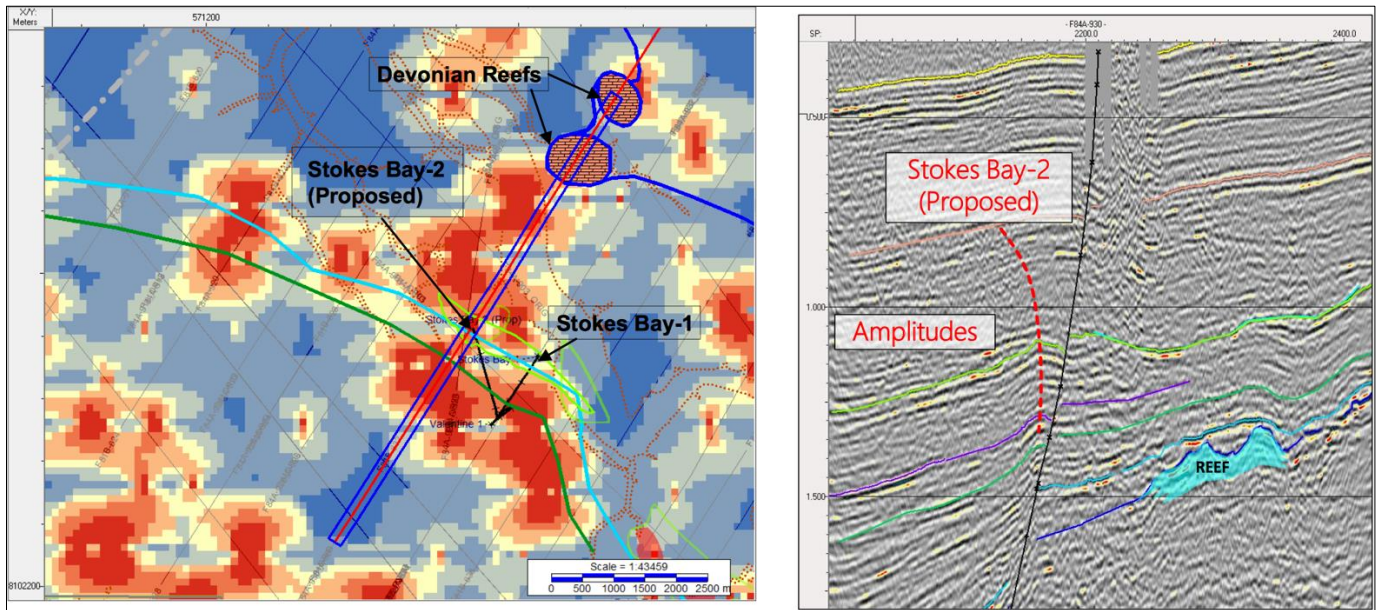
EP104

Planning and discussions with the Land Access Division of the Department of Mines, Industry Regulation and Safety, Kimberley Land Council and Department of Aboriginal Affairs pertaining to permit access continues. In the meantime, the Company's application for a suspension and extension of the Year 2 work program commitment has now been granted. Discussions with the Department of Aboriginal Affairs around the alignment of access agreements are expected to conclude during the current quarter.

R1 and L15

The Stokes AEM-PTP Arial Survey was conducted in the previous quarter. The survey was designed to cover the entire lease and to test for hydrocarbon anomalies that may provide further insight into the economic potential of the area or additional prospectivity. Preliminary results at various frequencies highlight AEM anomalies centred over the Stokes Bay-2 proposed exploration well location, which maps the Anderson Formation in closure. The original Stokes Bay-1 well path is now known to have penetrated an erosional Grant Formation channel. The results of the survey will also be incorporated into environmental, geological and commercial studies to better understand the path forward to value add any resource in R1.





AEM anomalies present over Stokes Bay-2 proposed location (left) and previously mapped reefs have also observed AEM anomalies over these features (right)

Current Outlook for Key

At the end of the quarter the Company had \$1.096 million cash on hand.

Exploration spend for the quarter was \$0.251 million due to activities pertaining to geological studies of the Cooper Basin Assets, completion of the Cooper Basin transaction, due diligence costs associated with finalising the Sale and Purchase Agreement to acquire L7 and the acquisition of Canning Basin airborne AEM-PTP survey.

Forecast exploration expenditure for the current quarter is anticipated to be \$0.250 million comprising of Wye Knot-1 landowner and land access costs, L7 studies, studies and work on Cooper Basin assets to be used for discussions with DNRM of the forward work program commitments and marketing of the Company's activities.

During the period the Company continued to generate revenue from its consulting services with the addition of a new client and increased work from its existing project. The total cash received for the period was \$0.114 million which included the receipt of an option fee relating to the Company's interest in the WA-481-P licence.

The Company incurred additional consultants' costs during the period to assist in undertaking the consulting services projects (\$43,000) and on administration costs (\$29,000) in addition to the increased costs for year end compliance, AGM and travel (\$35,000).

Subsequent to the end of the quarter Key relocated its registered office to Subiaco. With the recent downturn in the commercial rental market the Company has been able to negotiate favourable lease terms and will realise a saving on overhead costs going forward.

Petroleum Permit Schedule

Petroleum Permit	Type	Location	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during Quarter	Disposed during Quarter
EP104	Exploration Permit	Canning Basin, WA	89.23%	89.23%	-	-
R1	Retention Lease	Canning Basin, WA	85.23%	85.23%	-	-
L15	Production Licence	Canning Basin, WA	85.40%	85.40%	-	-
L7	Production Licence	Perth Basin, WA		100.00%*	100.00%*	
EP437	Exploration Permit	Perth Basin, WA	43.47%	43.47%	-	-
WA-481-P	Exploration Permit	Offshore Perth Basin, WA	40.00%	40.00%	-	-
ATP924	Authority to Prospect	Cooper Eromanga Basin, QLD	100.00%	100.00%	-	-
ATP920	Authority to Prospect	Cooper Eromanga Basin, QLD	100.00%	100.00%	-	-
ATP783	Authority to Prospect	Cooper Eromanga Basin, QLD	100.00%	100.00%	-	-

ASX Listing Rule 5.4.3

*Legal beneficial interest – awaiting transfer from DMIRS

IAN GREGORY
COMPANY SECRETARY

Dated: 31 January 2018
Perth, Western Australia

COMPETENT PERSON'S STATEMENT

Except where otherwise noted, information in this release related to exploration and production results and petroleum resources is based on information completed by Mr JL Kane Marshall who is an employee of Key Petroleum Limited. Mr Marshall is a Practising Petroleum Engineer and Petroleum Geologist and holds a BSc (Geology), a BCom (Inv & Corp Fin) and a Masters in Petroleum Engineering. He is a member of the Society of Petroleum Engineers (SPE), American Association of Petroleum Geologists (AAPG), Petroleum Exploration Society of Great Britain (PESGB), Formation Evaluation Society of Australia (FESAus) and Society of Petrophysicists and Well Log Analysts (SPWLA) and has over 15 years of relevant experience. Mr Marshall consents to the inclusion of the information in this document.

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 Practising Petroleum Engineer and Geoscientist who consents to the release of the information. The Company is compliant with reporting of estimates as defined in Chapter 5 of the ASX Listing Rules.

The information contained in this report 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 Limited'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, 01/05/13, 01/09/16

Name of entity

Key Petroleum Limited

ABN

50 120 580 618

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	114	119
1.2 Payments for		
(a) exploration & evaluation	(251)	(590)
(b) development	-	-
(c) production	-	-
(d) staff costs	(105)	(217)
(e) administration and corporate costs	(185)	(283)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	7
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(1)	1
1.9 Net cash from / (used in) operating activities	(426)	(965)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(6)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1)	(6)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,000
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	-	(60)
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)	-	-
3.10	Net cash from / (used in) financing activities	-	940

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,523	1,127
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(426)	(965)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(6)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	940
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,096	1,096

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	519	969
5.2 Call deposits	577	554
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,096	1,523

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

**Current quarter
\$A'000**

(112)

-

Included at 6.1 are amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

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

**Current quarter
\$A'000**

-

-

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(250)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(110)
9.5 Administration and corporate costs	(130)
9.6 Other	-
9.7 Total estimated cash outflows	(490)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced			N/A	N/A
10.2 Interests in mining tenements and petroleum tenements acquired or increased	ATP 783, 920 & 924	Direct Interest	Nil	100%

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: 31 January 2018

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 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.