



ABN 90 147 370 312

## 30 SEPTEMBER 2018 QUARTERLY REPORT

Black Star Petroleum Limited ("BSP" or the "Company") is pleased to present its September 2018 quarterly report.

### Activities/Corporate

The Board continues to actively consider recapitalisation strategies and has reviewed a number of opportunities for the Company during the quarter.

The Company has been investigating prospective oil permits in the USA. Discussions have been held with the vendors and the Company is undertaking due diligence. The market will be kept informed of developments at the appropriate time.

BSP relinquished its one remaining lease under the Nebraska Oil Project held by its subsidiary, Constellation Resources LLC.

### Finance

During the quarter, the Company completed a capital raising via a placement of shares to raise \$152,484, as announced to ASX on 6 August 2018.

The Company also raised \$493,000 through the issue of 493 redeemable convertible notes with a face value of \$1,000 each, as announced to ASX on 13 August 2018.

The funds were raised for working capital purposes and part repayment of existing debt.

Since the end of the quarter the Company has executed a loan agreement with Dr Wei to fund on-going working capital requirements of the Company. The loan is up to \$1 million and to date \$120,000 has been drawn. The loan is repayable in 24 months (due 1 October 2020) with an interest rate of 7% per annum.

**Nicholas Ong**

Non-Executive Chairman

31 October 2018

## Appendix 1 - Interest on Leases Held

Tenure Reference	Location	Interest at beginning of quarter	Interest at end of quarter	Acquired during the quarter	Disposed of during the quarter
Nebraska Oil Project: 1 lease totalling approximately 333 acres held in Constellation Resources LLC 18/56 - 1	Banner County, Nebraska, USA	73.07%	-		73.07%

## Appendix 2 – Summary of Expenditure Incurred Per Project

Project	\$'000
Nebraska Oil Project:	-
<b>Total</b>	-

## 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

BLACK STAR PETROLEUM LIMITED

### ABN

90 147 370 312

### Quarter ended ("current quarter")

30 SEPTEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<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	(104)	(104)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
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>(104)</b>	<b>(104)</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	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	152	152
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	17	17
3.6	Repayment of borrowings	(549)	(549)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – proceeds from convertible note	493	493
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>113</b>	<b>113</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	6	6
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(104)	(104)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	113	113
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>15</b>	<b>15</b>

<b>5. 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	15	6
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>15</b>	<b>6</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

**Current quarter  
\$A'000**

555

-

\$6,000 – Director fees

\$549,000 – Repayment of loan plus interest to Chin Han Tan

**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**

-

-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<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.		

9. <b>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	65
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>65*</b>

\* Estimated cash outflows for next quarter are higher than the closing cash balance as post quarter end the Company has secured loan funding for working capital purposes.

10. <b>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	Nebraska: 18 / 56 - 1	Relinquished 1 lease totalling 333 acres	73.07%	-
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: 31 October 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.