

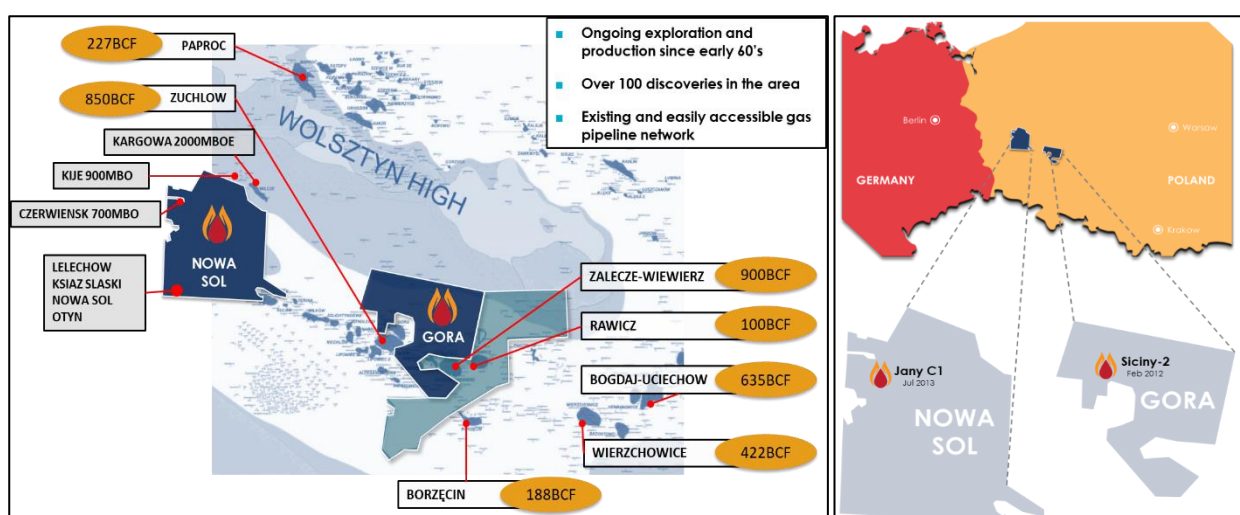
Quarterly Report

For the period ended 31 December 2019

GORA AND NOWA SOL CONCESSIONS, ONSHORE POLAND (ANSILA 35% AND NON-OPERATOR)

The Gora concession (693 km²) (**Figure 1**) covers a Carboniferous unconventional gas play, discovered with the Siciny-2 well drilled in 2012 and estimated to contain 2C contingent resources of 1.6 trillion cubic feet (Tcf) of gas according to Netherland Sewell & Associates, Inc (**NSAI**)¹. The licence also hosts a conventional Rotliegendes gas play, containing multiple exploration prospects, yet to be drilled.

The Nowa Sol concession (1,165 km²) (**Figure 1**) contains the Jany-C1 unconventional Zechstein Dolomite oil discovery drilled in 2013 and estimated to contain 2C contingent resource of 36 million¹ barrels of oil according to NSAI.



During the quarter, Ansila Energy NL (formerly “Pura Vida Energy NL”) (**Ansila** or the **Company**) continued operations at the Gora licence and then to be followed by operations at Nowa Sol (together the Projects, and acquired from Gemini Resources Limited (**GRL**) in September 2019) to earn a 35% interest by spending a total of £3.38 million on those concessions.

During the quarter the Company re-entered the Siciny-2 well and successfully undertook a fracture stimulation of the Carboniferous interval. The appraisal well operations confirmed hydrocarbon gas in the reservoir with free gas (methane) coming to surface. The Company has recently run pressure gauges into the well for the long term transient pressure build-up test. The test will provide valuable data on the reservoir characterisation in terms of the permeability of the system, pore pressure and also the formation water encountered following the flow-back of frac fluid. The data from the pressure build-up test will be integrated into the significant amount of data acquired during the initial phase of appraisal operations to develop our understanding of the tight Carboniferous reservoir across the Gora licence with the post-operational analysis

¹ Volume estimates are from Netherland, Sewell & Associates, Inc, report entitled “Estimates of Reserves and Future Revenue and Contingent Resources and Cash Flow to the Gemini Resources Ltd Interest and Gross (100%) Prospective Resources in Certain Oil & Gas Properties located in the Nowa Sol and Gora Concessions Permian Basin, Onshore Poland as of May 1, 2019” (Report or CPR).

of Siciny-2. The following operational timeline highlights the wellsite operations at Siciny-2. The operations to date have been completed on schedule and within the agreed budget.

MONTH	OPERATIONS
October 2019	Site preparation - Completed
12 November 2019	Install isolation valves/lower Frac Tree - Completed
25 November 2019	Mobilisation of Coiled Tubing Unit to wellsite - Completed
27 November 2019	Well clean out - Completed
28 November 2019	Perforation of Carboniferous reservoir - Completed
1-2 December 2019	Casing Integrity Test/Cement Bond Log (CBL) - Completed
9 December 2019	Mini-frac of the Carboniferous reservoir – Completed
10 December 2019	Pump of hydraulic frac of the Carboniferous reservoir - Completed
10 – 15 December 2019	Frac fluid flow-back through casing - Completed
15 – 30 December 2019	Rig up well for well test operations – Completed
January 2020	Continued well clean up through production tubing – Completed
January 2020	Isochronal and well flow tests - Omitted
January - February 2020	Long-term transient pressure build-up test – In Progress

POLAND PROJECT PORTFOLIO:

Gora Concession:

- **Siciny-2 Appraisal Well:** Targeting 2C contingent resources of 1.6 Tcf¹ (circa 270 MMboe²) of unconventional gas in an extensive Carboniferous structure with operations undertaken in December 2019 – February 2020;
- **Conventional Prospects:** At Gora, Ansila has the option to drill several conventional prospects, targeting the Rotliegendes reservoir, with aggregate prospective (P50) resources of 210 Bcf¹. These prospects are located adjacent to the proven Rawicz (c.94 Bcf – 2P reserves) and Zalecze-Wiewierz (900 Bcf) gas fields and offer Ansila additional upside on the Gora Concession. The prospect inventory is partially covered by 3D seismic coverage and lies within a proven petroleum system demonstrated by information from surrounding well control from the adjacent Rotliegendes gas fields. Estimated completed well costs attributable are US\$0.85 million net to Ansila.

Nowa Sol Concession:

- **Jany-C1:** Targeting 2C contingent resources of 36 MMbbls¹ of oil within tight Zechstein Dolomite formation scheduled for operations in Q2 2020.

² The conversion factor used to convert gas (Tcf) to oil (MMboe) is 5.8:1 – this conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency.

NKEMBE BLOCK, OFFSHORE GABON (ANSILA 100%³ AND OPERATOR)

The Nkembe block covers an area of 1,210 km² in water depths of 50-1,100 metres approximately 30 km off the coast of Gabon (**Figure 2**).

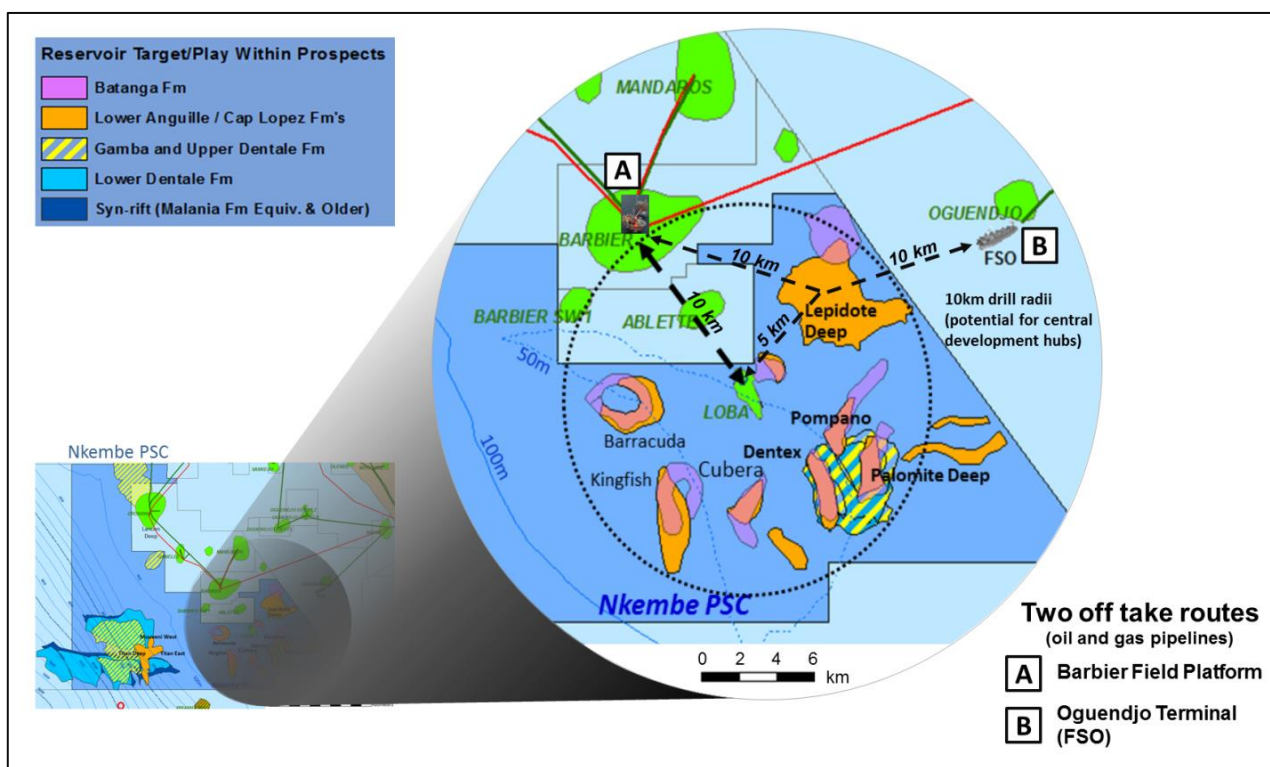


Figure 2 – Shallow water area of the Nkembe block and prospects

During the quarter the Company maintained its claim of force majeure on the Nkembe Production Sharing Contract (**PSC**), suspending all obligations. In accordance with Ansila's legal advice, Ansila has asserted that the PSC start date is the date of the issue of the Presidential Decree (4 December 2014) and that, based on this start date, no funds contributions are outstanding as at the date of the force majeure. Ansila has committed substantial investment over a number of years in Gabon, including a US\$9,000,000 signing bonus paid in January 2013 and accordingly has reserved all its rights in relation to the PSC, including the right to seek recovery of the signing bonus.

In the circumstances Ansila does not intend to commit any further resources to the Nkembe Project unless and until Ansila reaches a resolution with the Directorate General for Hydrocarbons, that enables Ansila to obtain third party funding to conduct further exploration under the PSC.

³ Ansila's interest is subject to the right of the State of Gabon to participate in any development for up to a 20% interest under the Nkembe PSC

AMBILOBE BLOCK, OFFSHORE MADAGASCAR (ANSILA 100% AND OPERATOR)

The Ambilobe block is located in the Ambilobe Basin, offshore north-west Madagascar covering an area of 17,650 km² (Figure 3).

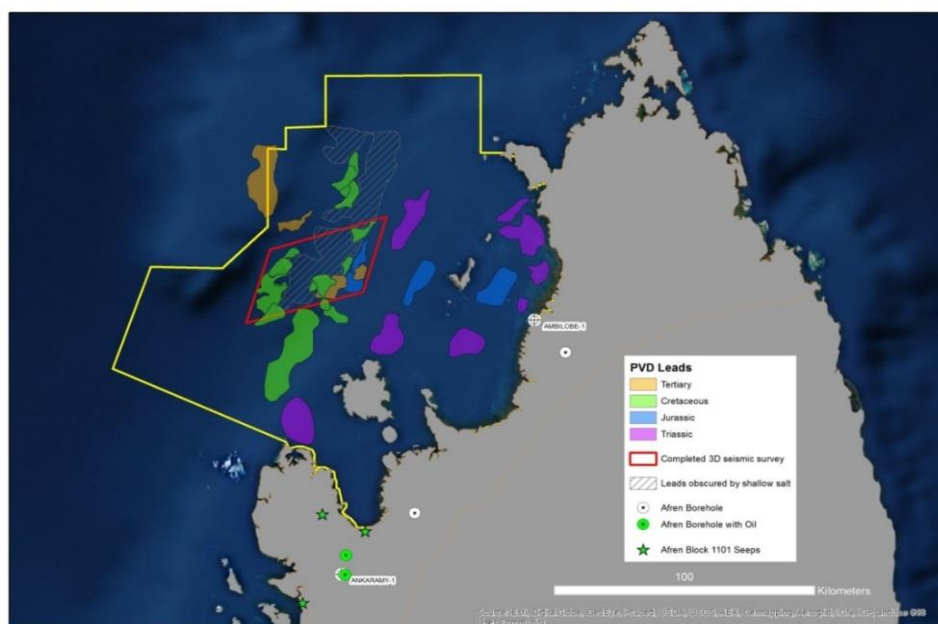


Figure 3 – The Ambilobe block (yellow boundary) showing area of 3D seismic survey (red boundary)⁴

An independent Ambilobe block evaluation report highlighted the potential, interpreted from the 3D seismic data acquired during 2015/16, for significant prospectivity within the block and recommended that Ansila undertake a systematic phased work program to further process and interpret the 3D seismic data for the purposes of improving the definition of and then ranking three previously identified leads. In addition, under the production sharing contract, the Company's subsidiary that holds the block is required to relinquish a portion of the Ambilobe block.

The Company has completed an independent review of a relinquishment proposal of a portion of the block resulting in a proposal for Ansila to retain a continuous area which amounts to 11,480 km².

During the quarter the Company concluded a farm-out process with no interested parties willing to earn an interest in the Ambilobe block via committing funds to advance the project. The Company will keep shareholders updated on further advancements with the project.

As stated in the previous quarter, a representative of the Company's subsidiary has presented the final relinquishment proposal to the Madagascan Government (OMNIS) and the Company has applied for the 2nd special two (2) year extension of the Ambilobe PSC. Discussions with OMNIS are ongoing and at the date of this report. The Company has not reached agreement with OMNIS on the terms of the 2nd special two (2) year extension of the Ambilobe PSC.

⁴ Subject to relinquishment and extension of term for a further 2 years as per the terms of the Ambilobe PSC

CORPORATE & FINANCIAL

During the quarter the Company continued to earn into the Gora and Nowa Sol projects for a 35% interest by spending a total of £3.38 million on those concessions. Mr Bruce Lane and Mr David Sanders resigned from the Board at the Company's Annual General Meeting in November 2019.

During the quarter the Company completed a fully underwritten non-renounceable entitlements issue to offer a total of 151,783,212 Shares to shareholders on a 1:2 basis at an issue price of A\$0.018 per Share, raising A\$2,732,098 (before costs) with the entitlement issue completing on 14 October 2019.

In addition, Ansila holds 102,387,595 ordinary shares and has an option on 10,611,411 shares for 14.7% of the total voting power in Jacka Resources Limited (ASX: **JKA**), being the largest shareholder of JKA. Jacka continues to assess oil and gas opportunities and we await further market updates.

Ansila holds 69,637 shares in the capital of GRL (carrying value of A\$459,533), equating to 2.1% ownership in GRL as a result of the automatic conversion of the exclusivity fee payment (£250,000) at completion of the transaction.

The Company continues to look at additional corporate and project level opportunities in the oil and gas sector. On 18 July 2019⁵, the Company invested £184,000 into a UK private entity, Hartshead Resources Ltd, which has applied for seven contiguous blocks in the UK North Sea, offshore United Kingdom, which contains multiple fields with undeveloped gas resources and a number of drill ready exploration prospects in the recent UK 32nd Offshore Licensing Round. The Company expects to hear the result of the application in mid-2020 and looks forward to making an announcement at that time.

Ansila's closing cash at the end of the quarter was AU\$2.77 million with the Company holding an additional ~AU\$1.1m in financial investments and listed ASX securities based on market prices as at 31 December 2019.

PETROLEUM TENEMENTS HELD AS AT 31 DECEMBER 2019

	% Interest	Tenement	Location
Held at end of the quarter	100% ⁶	Nkembe Block	Offshore Gabon
	100% ⁷	Ambilobe Block	Offshore Madagascar
Acquired during the quarter	35%	Gora Concession	Onshore Poland
	35%	Nowa Sol Concession	Onshore Poland
	-	-	-

⁵ See disclosures in the Company's Entitlement Issue Prospectus dated 10 September 2019, FY19 Annual Report released on 25 September 2019 and Quarterly Report released on 30 October 2019

⁶ Ansila's interest is subject to the right of the State of Gabon to participate in any development for up to a 20% interest under the Nkembe PSC

⁷ Subject to relinquishment as per the terms of the Ambilobe PSC

CORPORATE DIRECTORY

Directors

Bevan Tarratt	Chairman
Nathan Lude	Executive Director
Andrew Matharu	Executive Director
Christopher Lewis	Technical Director

Company Secretary

Ben Secrett

Registered Office and Principal Place of Business

Level 1, 89 St Georges Terrace
PERTH WA 6000
Telephone: +61 8 9226 2011
Facsimile: +61 8 9226 2099
Web: www.ansilaenergy.com.au
Email: info@ansilaenergy.com.au

Share Registry

Computershare
Level 11, 172 St Georges Terrace
PERTH, WA 6000
Telephone: 1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

The Board of Directors of Ansila Energy NL authorised this announcement dated 31 January 2020 to be given to ASX.

PETROLEUM REPORTING STATEMENTS

Please refer to the qualified person's statement relating to the reporting of contingent resources on the Gora and Nowa Sol concessions in Ansila's ASX Announcement dated 4 July 2019 (see Schedule 2). The Company is not aware of any new information or data that materially affects the about contingent resource estimates included in this announcement and all the material assumptions and technical parameters underpinning those estimates in this announcement continue to apply and have not materially changed.

Contingent Resources		1C	2C	3C
Jany-C1	MMbbls	9.3	36.1	85.8
	Ansila 35% Interest	3.3	12.6	30.0
Sicity-2	Tcf	0.7	1.6	3.2
	Ansila 35% Interest	0.25	0.56	1.1

Contingent resources reported herein have been estimated and prepared using the probabilistic method.

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

ANSILA ENERGY NL

ABN

11 150 624 169

Quarter ended ("current quarter")

31 DECEMBER 2019

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	-	-
1.2 Payments for ⁽¹⁾		
(a) exploration & evaluation	(5,086)	(5,868)
(b) development	-	-
(c) production	-	-
(d) staff costs	(179)	(306)
(e) administration and corporate costs	(286)	(542)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	12
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)	-	-
1.9 Net cash from / (used in) operating activities	(5,549)	(6,704)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	(300)
(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	355	355
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	355	25

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,732	3,732
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	(164)	(224)
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	-	-
3.10	Net cash from / (used in) financing activities	2,568	3,508

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,250	5,795
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,549)	(6,704)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	355	25
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,568	3,508
4.5	Effect of movement in exchange rates on cash held ⁽²⁾	141	141
4.6	Cash and cash equivalents at end of period	2,765	2,765

(1) Includes a classification adjustment between payments for Exploration & evaluation and Administrative & Corporate Costs for \$145,000, identified in the September quarter. There has been no change to the opening or closing cash positions.

(2) Foreign exchange movements result from the translation of cash held in foreign currencies, predominantly British Pound denominated balances.

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	2,659	5,210
5.2 Call deposits	40	40
5.3 Bank overdrafts	-	-
5.4 Other – refund to be received	66	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,765	5,250

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**

265

-

Payments of Directors fees and salaries \$265,757.

Payments made on normal commercial terms and conditions to associated parties during the quarter for:

- Legal services to Bennett + co \$ 5,709 (exc GST)
- Office and Administrative costs to Advantage Ventures Pty Ltd \$ 3,737 (exc GST)

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. 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.		
N/A		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	360
9.2 Development	-
9.3 Production	-
9.4 Staff costs	180
9.5 Administration and corporate costs	110
9.6 Other	-
9.7 Total estimated cash outflows	650

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	-	-	-	-
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: *[signed electronically by Ben Secrett]*
(Company Secretary)

Date: 31 January 2020

Print name: Ben Secrett

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.