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ABN: 50 120 580 618

30 April 2020

The Manager
The Australian Securities Exchange
The Announcements Office
Level 4/20 Bridge Street
SYDNEY NSW 2000

QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

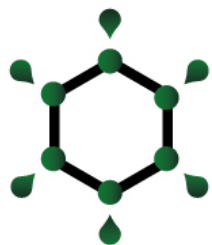
Key Petroleum Limited attaches herewith Quarterly Activities Report and Appendix 5B for the period ended 31 March 2020.

This announcement has been authorised by the Board of Directors.

For more information please contact:

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Key Petroleum Limited

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KEY
PETROLEUM LIMITED

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Quarterly Report

For the Period Ended 31 March 2020



ACN 120 580 618

Update on Activities

Highlights for the Quarter

- ◆ Encouraging early preliminary findings since receiving the seismic inversion results conducted by Qeye Labs on the PSDM reprocessed (2018) Diana 3D located in WA-481-P, offshore northern Perth Basin as announced on 24 February 2020.
- ◆ Results from the seismic inversion indicate close lithology ties to the existing wells, giving higher confidence in determining the distribution of the known sandstone reservoirs, including the deeper Permian High Cliff and Kingia Reservoirs where large gas discoveries have been made in the nearby onshore region of the Basin. The identified fairway potential, which includes the recently announced Dunsborough SW Prospect and other nearby leads, has been captured in the renewal application for WA-481-P.
- ◆ The Company continues to mature its evaluation of the High Cliff and Kingia plays on the Bookara Shelf (EP 437/L7) and the broader prospectivity of the northern Perth Basin. Key has already identified several material structural features at the Kingia level (as previously announced). Investigations will focus on the eastern part of EP 437 and the L7 area.
- ◆ Infrastructure rehabilitation activities continued at the Mount Horner Oil Field with costs being reimbursed to Key pursuant to the Sale and Purchase Agreement for acquisition of L7 between Key Petroleum and AWE Perth Pty Ltd, now Mitsui E&P Australia (MEPAU). Receipts for Key Services Pty Ltd in the Interim Financial Year for client oilfield services work now exceeds \$1,250,000.
- ◆ Due to the directives of both the State and Federal Governments in response to the COVID-19 pandemic, Key has made application on behalf of the EP 437 Joint Venture for a 12-month Suspension and Extension for Permit Year 3 in which Wye Knot-1 was to be drilled. The logistics of acquiring interstate hardware components, mobilising personnel from both intra and interstate and the necessity to accommodate the social distancing mandate implemented by Government within the short time frame in which drilling was due to commence has proven to present an unacceptable level of risk to personnel and regional communities.
- ◆ The Company is in receipt of feedback from the state regulator on its Perth Basin drilling programs in respect of Environment Plan and Safety and Management System submissions which Key is incorporating into revised applications to be submitted during the next quarter. The program was being planned based on contracting Refine Energy Rig 1 which was to also conduct the Mount Horner abandonment activities as part of an inclusive operational program in order to minimise costs. A review of these activities is being undertaken in light of the COVID-19 pandemic and the many uncertainties associated with conducting such operations.
- ◆ The Company continues to monitor weather conditions and Government directives within the State of Queensland during this period of uncertainty. With significant flooding at Windorah and the Queensland border shutdown, activities have ceased in the short term however Key remains excited about the Cooper Eromanga Basin Prospects and looks forward to recommencing activities in accordance with the Company's safety requirements.

Activities Subsequent to the End of the Quarter

- ◆ Terms have been finalised for drilling contracts within the Bookara Shelf for an exploration campaign in EP 437 (firm and contingent) and abandonment contracts within L7 with Refine Energy Rig 1. Logistics planning will be carried out to determine whether abandonment work can still be carried out in conjunction with drilling to minimise costs.
- ◆ Submission of further revisions and requested feedback to the Western Australian State Regulator on Key's Environment Plan and Health and Safety Management System for Wye Knot-1; and
- ◆ Key Services presented tenders to two potential clients on proposed decommissioning and rehabilitation programs.

Activities for the Upcoming Quarter

- ◆ Finalise drilling contracts for abandonment and drilling programs within the Bookara Shelf Project.
- ◆ Completion of the current planned Mount Horner four well abandonment program.
- ◆ Planning of Heritage Surveys around the Cooper Eromanga Basin Ace, Taj-1 and Alfajour-1 proposed well locations pending COVID-19 impacts and associated risks with remote communities.
- ◆ Continue to monitor the COVID-19 pandemic and associated restrictions, with a view to revert to previously planned operational schedules should conditions improve.

Cooper Eromanga Basin, Queensland

ATP 920

Key Petroleum Limited (Operator) (via wholly owned subsidiary) 80.00%

Pancontinental Oil and Gas NL *20.00%

*Pancontinental is to earn an undivided 20% participating interest in ATP 920 in accordance with Farmin Agreement dated 30 October 2019

ATP 924

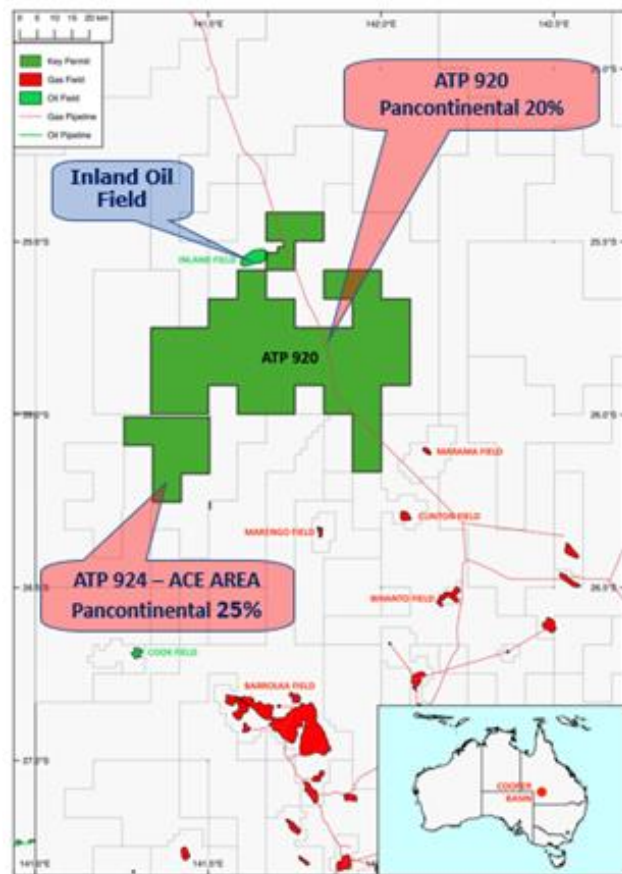
Key Petroleum Limited (Operator) (via wholly owned subsidiary) 75.00%

Pancontinental Oil and Gas NL *25.00%

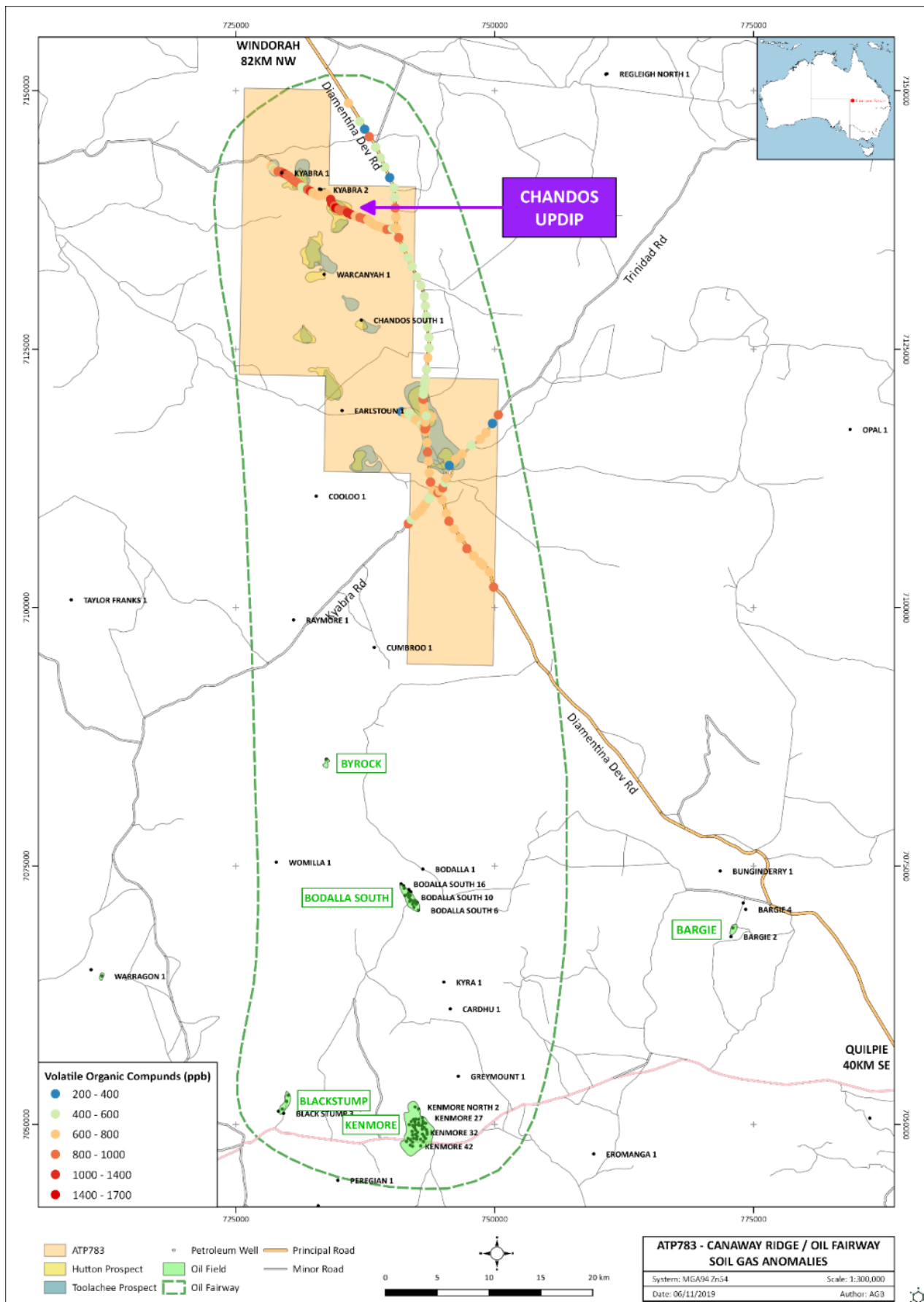
*Pancontinental is to earn an undivided 25% participating interest in the Ace Area of ATP 924 in accordance with the Farmin Agreement dated 30 October 2019

ATP 783

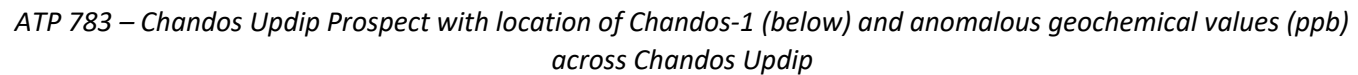
Key Petroleum Limited (Operator) (via wholly owned subsidiary) 100.00%



- ◆ During 2019, Pancontinental formalised the farmin to the Meeba Project, Onshore Queensland comprising ATP 920 and the Ace area of ATP 924.
- ◆ All ATPs have recently been renewed for four years to 2023 which provides joint ventures ample time to seek out the objectives planned.
- ◆ The Eastern States of Australia were recently affected by a series of natural disasters, including record temperatures and severe, widespread flooding. This occurred prior to the COVID-19 pandemic.
- ◆ Key as Operator continues to monitor the weather conditions and Government directives within the State of Queensland during this period of uncertainty. With significant flooding at Windorah and with the Queensland border restrictions, activities have ceased.
- ◆ Heritage survey clearance is currently being coordinated to commence after the conclusion of the wet season and lifting of non-essential work restrictions considering the COVID-19 pandemic.
- ◆ The Company significantly de-risked the Chandos Updip Prospect area in 2019 within Key's Canaway Ridge Project by integrating primary term work commitments, being a geochemical survey and seismic reprocessing:
 - ◆ The prospects lie on the Canaway Ridge trend, a prolific oil producing trend demonstrated by the presence of the producing Bodalla South and Kenmore Oil Fields to the south; and
 - ◆ The Company considers Chandos Updip as a drillable prospect including forming part of the proposed contingent drilling program for Ace-1 with Refine Energy Rig 2.



ATP 783 Jurassic (yellow) and Permian (blue) prospects with analogous oilfields (green) to the south



Bookara Shelf Oil Project (Onshore Perth Basin – EP 437 and L7)

L7 (Mount Horner) Summary

Key Petroleum Limited (Operator) (via wholly owned subsidiary) 50%

Triangle Energy (Global) Limited (via wholly owned subsidiary) *50%

* Triangle is to earn 50% by completing the Farmin Programme consisting of a minimum of 50 square kilometres of 3D seismic and the drilling a minimum of two (2) wells

- On 31 October 2018 Key announced that it had entered into a Farmout Agreement with a subsidiary of Triangle (Global) Energy Limited (ASX:TEG) to acquire a 50% participating interest in Production Licence L7(R1) and on 2 October 2019, the Company announced that the Farmout Agreement had completed with all approvals received.
- Subsequent to the end of the quarter, the L7 Joint Venture agreed to investigate the deeper High Cliff and Kingia exploration potential and incorporate this into Key's understanding of this area located in EP 437 (see overleaf).
- In preparation for well abandonment activities (below), all wells were pressure tested to the satisfaction of the State Regulator. During the quarter, regulatory approval was granted for the full abandonment of three wells and accordingly, accommodation was mobilised and infrastructure maintenance was conducted in preparation for these activities.
- All decommissioning and rehabilitation activities to date have continued without incident at L7, all costs to date have been fully reimbursed by Mitsui with operations expected to be completed by end 2020.



Pressure testing of wells and preparation and maintenance of infrastructure were conducted during the quarter

EP 437

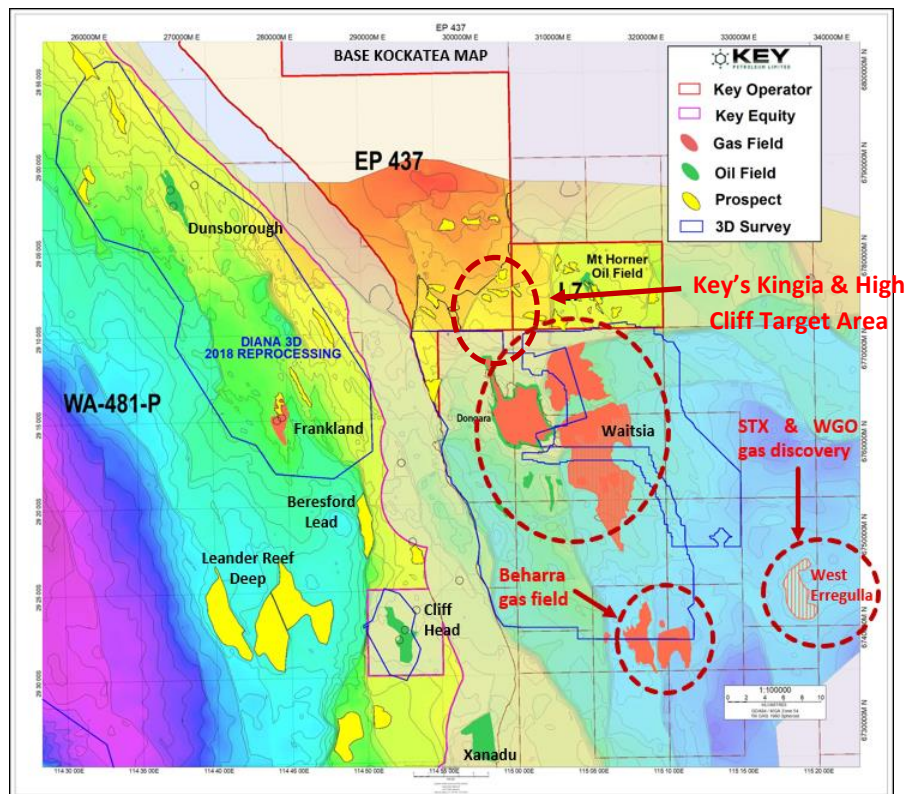
Key Petroleum Limited (Operator) (via wholly owned subsidiary)

86.94%

Pilot Energy Limited

13.06%

- Drilling terms with Refine Energy for use of Rig 1 (based in close proximity to the Jingemia Oil Field) were being formalised during the quarter prior to the COVID-19 pandemic. Accordingly, as Operator, Key has submitted a 12 month Suspension and Extension Application for Permit Year 3. This will allow for enhanced flexibility in logistics planning for drilling with current uncertainties and the coordination of other operational programs with Rig 1, including any contingent well such as Parce-1.
- In late 2019 a Land Access and Compensation Agreement ("Parce Agreement") was executed between the Landowner and Key that includes compensation terms for all activities from exploration, appraisal, development and production to be undertaken.
- The Parce Agreement covers the Becos, Parce and Porque (Becos South) Prospects which are considered multi-level objectives, including at the Kingia and High Cliff level, and in the next quarter the Operator will propose options for potential contingent drilling objectives, such as Parce-1, and will have a better understanding of this potential in light of geological work of the Kingia and High Cliff within L7.
- The current prospects are located adjacent to the Mount Horner Oil Field and south of the Wye Discovery and importantly the entire trend consisting of the Becos, Parce and Wye Knot prospects now have agreed access terms for drilling activities.
- All prospects are located in close proximity to the Mount Horner Oil Field providing flexibility for development and importantly all have access for drilling and majority production, a major hurdle in monetising discoveries in the Perth Basin in light of lower oil prices.



EP 437 Permian Parce Agreement area and relevance to Waitsia, Dongara, West Erregulla and Beharra Fields

Northern Perth Basin (Offshore)

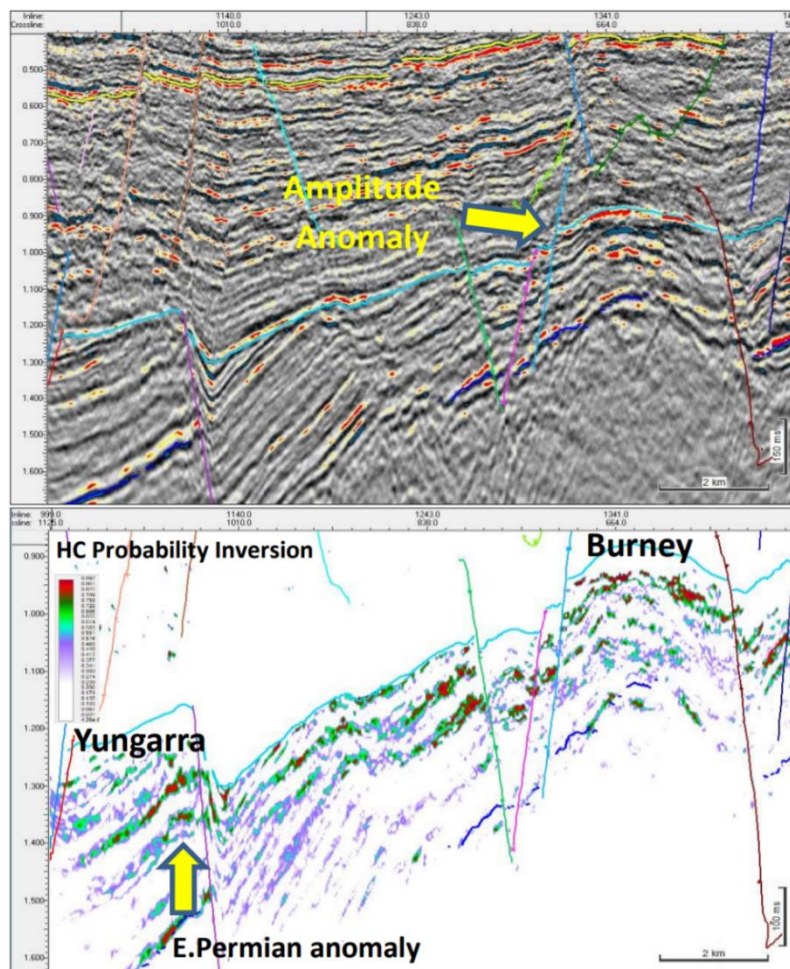
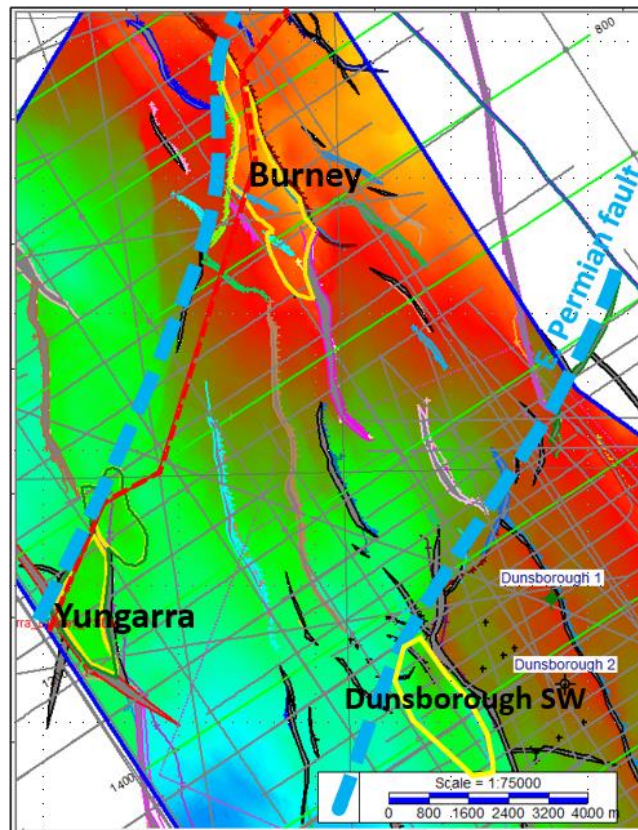
WA-481-P

Key Petroleum Limited (via wholly owned subsidiary) 40%

Pilot Energy Limited (Operator) 60%

- ◆ Incorporated some of the earliest preliminary findings since receiving the seismic inversion results conducted by Qeye Labs on the recently reprocessed (2018) Diana 3D located in WA-481-P, offshore northern Perth Basin.
- ◆ Results from the seismic inversion indicate close lithology ties to the existing wells, giving higher confidence in determining the distribution of the known sandstone reservoirs, including the deeper Permian High Cliff and Kingia Reservoirs where large gas discoveries have been made in the nearby onshore region of the Basin.
- ◆ Dunsborough SW (overleaf) has low side fault rollover with similar characteristics to the onshore Waitsia Gas Discovery and is in close (tieback) proximity (2.5 kilometres) from the existing Dunsborough Oil Discovery, presenting a new low risk step out target to determine field commerciality in this part of the Basin.
- ◆ The Prospective Resource Estimates¹ determined at Dunsborough SW are from only three levels from multiple targets identified. Combined distribution is determined as 3.95 mm bbls (1U and low case), 11.58 mm bbls (2U and base case) and 22.03 mm bbls (3U and high case)¹. The Geological chance of success is calculated as between 24% and 36%.
- ◆ Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) and relate to undiscovered accumulations. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
- ◆ Results and learning have been incorporated into a Renewal Work Program, maturing targets, including the Yungarra and Burney Prospects and other identified leads along the prospective fairway that extends to the south beyond the Xanadu discovery.

¹ See Prospective Resources Notes



Direct hydrocarbon Indicators over the Yungarra and Burney prospects are associated with an early Permian structural trend

Corporate and Current Outlook for Key

At the end of the quarter the Company had \$363,000 cash on hand with reimbursement of rehabilitation funds of \$261,000 and receipts of \$49,000 (Sections 2.5 and 1.1 of the 5B respectively). Importantly, incorporating these receipts going forward, Key's funding availability would be greater than two quarters prescribed by the 5B.

Exploration costs for the quarter were \$215,000 with a significant portion of the expensed costs relating to decommissioning costs which have been recovered through rehabilitation refunds. During the coming quarter, and in line with the previous quarter, Key expects to complete further rehabilitation work to the value of approximately \$250,000, which will be recovered. This part of the business continues to expand, and the Company is proactively engaged with several potential clients with a view to expanding this revenue stream.

As announced after the end of the quarter, the Company had pre-empted the impacts of COVID-19 and had introduced significant cost reduction measures including reductions of 30% to wages of staff, contractors and senior management. Further measures including the freezing of payment of non-executive director fees and other temporary cost reduction measures were implemented and will be reassessed when the impact of COVID-19 on oilfield operations can be better understood.

Petroleum Permit Schedule

| Petroleum Permit | Type | Location | Interest at Beginning of Quarter | Interest at End of Quarter | Acquired during Quarter | Disposed during Quarter |
|------------------|-----------------------|----------------------------|----------------------------------|----------------------------|-------------------------|-------------------------|
| L7 | Production Licence | Perth Basin, WA | 50% ■ | 50% | - | - |
| EP437 | Exploration Permit | Perth Basin, WA | 86.94% | 86.94% | - | - |
| WA-481-P | Exploration Permit | Offshore Perth Basin, WA | 40.00% | 40.00% | - | - |
| ATP924 | Authority to Prospect | Cooper Eromanga Basin, QLD | 100% ▲ | 100% | - | - |
| ATP920 | Authority to Prospect | Cooper Eromanga Basin, QLD | 100% ◆ | 100% | - | - |
| ATP783 | Authority to Prospect | Cooper Eromanga Basin, QLD | 100% | 100% | - | - |

■ Triangle is to earn 50% by spending US\$3 million, subject to the Farmout Agreement announced 31 October 2018

▲ Pancontinental is to earn an undivided 25% participating interest in the Ace Area of ATP 924 in accordance with the Farmin Agreement dated 30 October 2019

◆ Pancontinental is to earn an undivided 20% participating interest in ATP 920 in accordance with Farmin Agreement dated 30 October 2019

ASX Listing Rule 5.4.3

IAN GREGORY
COMPANY SECRETARY

Dated: 30 April 2020
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 and is a qualified petroleum reserves and resources evaluator. Resources reported in this presentation and previous reports are based on representative information and supporting documentation. Mr Marshall is a Practising Petroleum Engineer and Petroleum Geologist and holds a BSc (Geology), a BCom (Investment and Corporate Finance) and a Masters in Petroleum Engineering. He is a member of the Society of Petroleum Engineers (SPE), American Association of Petroleum Geologists (AAPG), The Geophysical Society of Houston (GSH), Petroleum Exploration Society of Great Britain (PESGB), Formation Evaluation Society of Australia (FESAus), South East Asia Petroleum Exploration Society (SEAPEX), Society of Petrophysicists and Well Log Analysts (SPWLA), Petroleum Exploration Society of Australia (PESA) and has over 20 years of relevant experience. Mr Marshall consents to the inclusion of the information in this document.

CAUTIONARY STATEMENT

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.

Prospective Resources

Notes:

- Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) and relate to undiscovered accumulations. These estimates have both an associated risk of discovery and development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons;
- The WA-481-P prospectivity includes a range of geological chances of success as previously announced and are largely based on the existing 2D and 3D seismic data coverage. This data is of enough quality, with high signal to noise ratio to give confidence in the structural closures and therefore the resulting defined prospects. The evaluation date for Dunsborough SW is 25 February 2020;
- The estimate of Prospective Resources included in the announcement have been prepared in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System ("PRMS") as revised in June 2018 by the Society of Petroleum Engineers. The PRMS defines prospective resources as those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations;
- Key has applied a range of volumetric parameters based on regional data including all wells in WA-481-P for the Dunsborough SW prospect;
- Recovery efficiencies were estimated using generalised recovery factors which Key assessed as reasonable and benchmarked from production data from Dongara, Cliff Head and Hovea fields;
- The prospective resource parameters for the prospect were combined probabilistically and then the volumes for each prospect were summed arithmetically to give each category of prospective resource;
- Gross Prospective Resources are 100% of the on-block volumes that are estimated to be recoverable from the Prospects in the event that a discovery is made and subsequently developed; and
- The volumes reported are "Unrisked" in the sense that the Geological Chance of Success (GCoS) factor has not been applied to the designated volumes

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Key Petroleum Limited

ABN

50 120 580 618

Quarter ended ("current quarter")

31 March 2020

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 49 | 137 |
| 1.2 Payments for | | |
| (a) exploration & evaluation (if expensed) | (163) | (523) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (49) | (126) |
| (e) administration and corporate costs | (160) | (465) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | 1 |
| 1.5 Interest and other costs of finance paid | (5) | (8) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (328) | (984) |

| | | |
|--|------|-------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation (if capitalised) | (52) | (627) |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | 150 |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) 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) | - | - |
| | Payment for rehabilitation expenses | (91) | (318) |
| | Reimbursement of rehabilitation expenses | 261 | 1,085 |
| 2.6 | Net cash from / (used in) investing activities | 118 | 290 |

| | | | |
|-------------|---|----------|------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 655 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (45) |
| 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 | - | 610 |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 573 | 447 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (328) | (984) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 118 | 290 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|--|------------------------------------|--|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 610 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 363 | 363 |

| 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 | 348 | 558 |
| 5.2 Call deposits | 15 | 15 |
| 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) | 363 | 573 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter \$A'000 |
|------------------------------------|
| 105 |
| - |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Item 6.1 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| | | | |
|-----|---|---|--|
| 7. | Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A’000 | Amount drawn at quarter end \$A’000 |
| 7.1 | Loan facilities | Nil | Nil |
| 7.2 | Credit standby arrangements | Nil | Nil |
| 7.3 | Other (please specify) | Nil | Nil |
| 7.4 | Total financing facilities | Nil | Nil |
| 7.5 | Unused financing facilities available at quarter end | | |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |

| 8. | Estimated cash available for future operating activities | \$A'000 |
|-----|---|----------------|
| 8.1 | Net cash from / (used in) operating activities (Item 1.9) | (328) |
| 8.2 | Capitalised exploration & evaluation (Item 2.1(d)) | (52) |
| 8.3 | Total relevant outgoings (Item 8.1 + Item 8.2) | (380) |
| 8.4 | Cash and cash equivalents at quarter end (Item 4.6) | 363 |
| 8.5 | Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.6 | Total available funding (Item 8.4 + Item 8.5) | 363 |
| 8.7 | Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 0.95 |

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: As in 1.1 and 2.5 above, the Company continues to have receipts and reimbursement of rehabilitation activities to maintain operating cash flows for the time being. As announced on April 1st, the Company has also introduced significant cost reduction measures to reduce the level of net operating cash flows.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company has not taken any formal steps so far to raise further cash considering 1) above, however, major shareholders have in the past and continue to be supportive of any further funding if required.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company expects to continue its operating field services business providing revenue receipts offsetting lower than peer benchmark operating costs associated with the E&P business. The overall cost reductions measures as in 1) going forward further complements this as a sustainable business model to meet its objectives.

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.

Date: 30th April 2020

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.