

KEY
PETROLEUM LIMITED

Ground Floor
39 Stirling Highway
Nedlands WA 6009

T: + 61 (08) 6389 0322
F: + 61 (08) 6389 0697

investors@keypetroleum.com.au

QUARTERLY REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2014

ACN 120 580 618

UPDATE ON PETROLEUM EXPLORATION ACTIVITIES HIGHLIGHTS IN THE QUARTER

During the quarter, Key Petroleum Limited (“Key” or “Company”) completed provisional planning for flow back testing operations of Dunnart-2 and evaluated a number of follow up prospects to drill in EP437. The corporate team has been strengthened with the appointment of Mr Rob Ierace as Chief Financial Officer. Rob is responsible for all joint venture financial matters and in parallel is also working on a number of commercial matters in relation the Company’s current exploration portfolio of interests.



Key’s operational team surveyed a number of the Company’s projects in the Canning Basin to assess future requirements for preparation of Environment Plans and logistics. As the projects are located over tidal flats and are currently inaccessible due to the wet season the survey was conducted by air.

Discussions have been held with the Department of Mines and Petroleum (“DMP”) and relevant local Shires in preparation for 2015 activities. Assessment and remediation of any access causeways cannot be conducted until such time as the Company can gain access to the land.



Looking north-east (top) and east (bottom) at one of the access causeways surveyed by air during the Quarter in R1.

During the quarter, notification was received from the DMP of acceptance of the EP104 renewal program consisting of seismic reprocessing in Year 1 of the renewed work program. Notification was also received for the renewal work program for EP437 in which the Year 1 work program includes cased hole testing at Dunnart-2.

Additional EP437 seismic and well data has been acquired and a number of additional shallow leads have been identified. Reassessment of seismic around the Wye Knot area has indicated a Wye West lead on trend from the Dunnart structure. Key, as Operator, has finalised the preliminary completion design for Dunnart-2 testing program. Three rigs have been assessed as being capable to undertake this operation. Key will award a rig services contract in the coming quarter with flow back testing to be undertaken shortly thereafter.

Concurrently, Key is conducting good faith negotiations with the Traditional Owners of Discrete Area L12-10 in the Canning Basin and continues consultation with the DMP with regard to the negotiation process.

The Company has also held preliminary discussions with the Geological Survey of Western Australia (“GSWA”) whereby the GSWA may potentially undertake to drill a stratigraphic well in the EP448 area in order to obtain geological and scientific information on the Ordovician sequence in this part of the Canning Basin.

Activities for the coming quarter include:

- Execution of a rig contract for the running of a completion string in the Dunnart-2 well for testing and, if warranted, suitable contract options for follow up drilling either on the Dunnart structure or on mature ready to drill prospects such as Wye Knot;
- Complete Dunnart-2 site remediation in preparation for the flow back testing phase;
- Lodge testing and completion programs with the DMP together with bridging documentation for the current Dunnart-2 Environment Plan and Health and Safety Management System;
- Award tenders to service companies including rig contractors, wireline services, completion, perforating, logistical and transportation services required at Dunnart-2;
- Execute testing program of Dunnart-2 within budget to establish the true mobile fluid in the Bookara Sandstone reservoir with sufficient flexibility for future extended testing;
- Assess, with the assistance of the DMP, the appropriate access mechanisms for R1 and L15 to allow inspection of the projects to take place during the Canning Basin dry season;
- Evaluate financing options should any purchase of properties in the Dunnart area be undertaken in the event of a successful production flow back test at Dunnart-2; and
- Continue Native Title negotiations with Traditional Owners of L12-10 and EP448.

EP437, PERTH BASIN, WESTERN AUSTRALIA

KEY PETROLEUM LIMITED (via wholly owned subsidiary) (OPERATOR)
 REY RESOURCES LIMITED (via wholly owned subsidiary)
 CARACAL EXPLORATION PTY LIMITED

43.47%
 43.47%
 13.06%

EP437 – FLOWBACK TESTING OPERATIONS

Rehabilitation and site works were carried out at Dunnart-2 in preparation for the upcoming testing program. This included provision of a fire break around the site as a number of fires have occurred around the area. Any testing program that has the potential to flow significant volumes of hydrocarbons was always planned to take place towards the end of peak fire season.



Key's oilfield services company, Key Petroleum Services Pty Ltd, with loader and trucks preparing site for flow back testing at Dunnart-2

The primary objective of the flow back testing is to establish the mobile phase of

fluid, being oil or water. Interpretations undertaken by Key indicated free oil and not residual oil within porous sandstones near the wellbore had been pushed away from the area adjacent to the wellbore and replaced by mud filtrate during open hole drill stem testing operations.



Key Services tidying up the ramp against the wellhead (box) in preparation for rig mobilisation

The open hole drill stem test tools included packers which have a larger outside diameter than the rest of the tool configuration and Key's interpretation is that these packers acted as a syringe against swollen clays in the Kockatea Shale above the reservoir pushing drilling fluid into the well ahead of it and into the porous Bookara Sandstone, pushing the free oil away from the invaded wellbore area.

Subsequent wireline logging tools run in the Dunnart-2 well therefore indicated a mix of oil and water adjacent to the well in this good quality Bookara Sandstone interval.

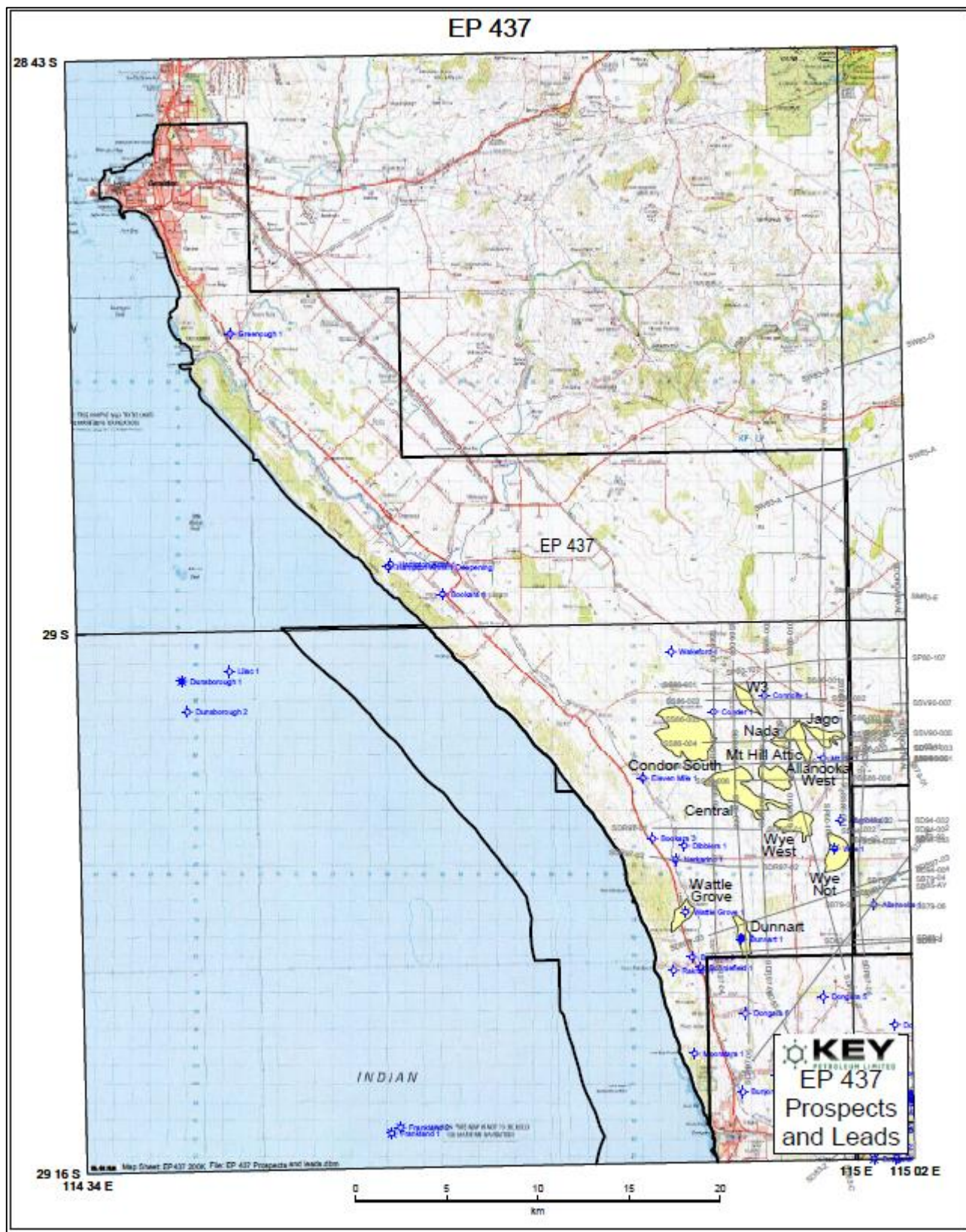
A flow back test, inside casing with a 2^{7/8}" or 3^{1/2}" tubing string, will be run in the well and the perforating guns will penetrate the casing and beyond the invaded zone, with subsequent flow up the completion string through a production 'Christmas Tree' to tanks where the true mobile formation fluid will be contained and provide indications of productivity.

The completion design will include adequate flexibility so that at a later date, pressure gauges and surveys can be run in the well to obtain reservoir data required to assess any potential reserves during any extended production testing ("EPT") phase. Configurations within the completion have been incorporated to either run beam pumps (nodding donkeys) or other artificial lift mechanisms to pump the well. This may be required during any production phase for both reservoir pressure depletion and water cut development.

EP437 – PERTH BASIN TECHNICAL EVALUATION

Acceptance of the EP437 Joint Venture's renewal program by the DMP was received during the quarter consisting of the cased hole flow back program in the first year of the five year renewal program. In addition to the preparation of the testing phase of its Perth Basin operations, Key has acquired missing vintage seismic lines over EP437 in the northern part of the permit, east of the Conolly-1 and Conder-1 wells which has identified a number of additional shallow Bookara leads including the W3, Jago and Nada leads. These leads lie on trend with the main interpreted oil migration pathway and importantly all of the prospects identified by Key as Operator are in areas that are both under drilled and under explored.

It is the view of the Company that in most sedimentary basins around the world that the least risky structures are drilled first. In the instance of the North Perth Basin, these structures include the Jingemia, Hovea and Dongara oil and gas discoveries with little focus on the margins of the basin that are generally not as well defined by seismic and are more geologically complex. With Key having the vast majority of the Bookara Sandstone play, it is an exciting time for shareholders as the Company could potentially unlock this play which in turn could be exploited and developed at higher crude oil prices than have been experienced recently. If successful Key could be one of the few oil juniors that increases its activity in the sector at a time when peers are reducing capital expenditure, staff and remuneration levels.



A map of the renewed permit area of EP437 and mapped prospects and leads, particularly the new W3, Jago, Wye West and Nada prospects in light of additional vintage seismic data and preliminary mapping

EP448 and L12-10, CANNING BASIN, WESTERN AUSTRALIA

EP448

KEY PETROLEUM LIMITED (via wholly owned subsidiary (OPERATOR)
INDIGO OIL PTY LTD

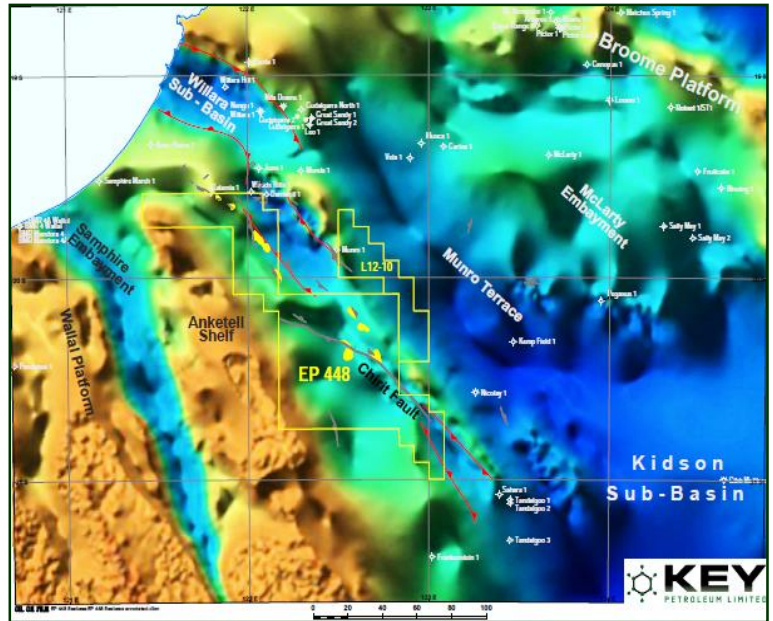
78.00%
22.00%

L12-10

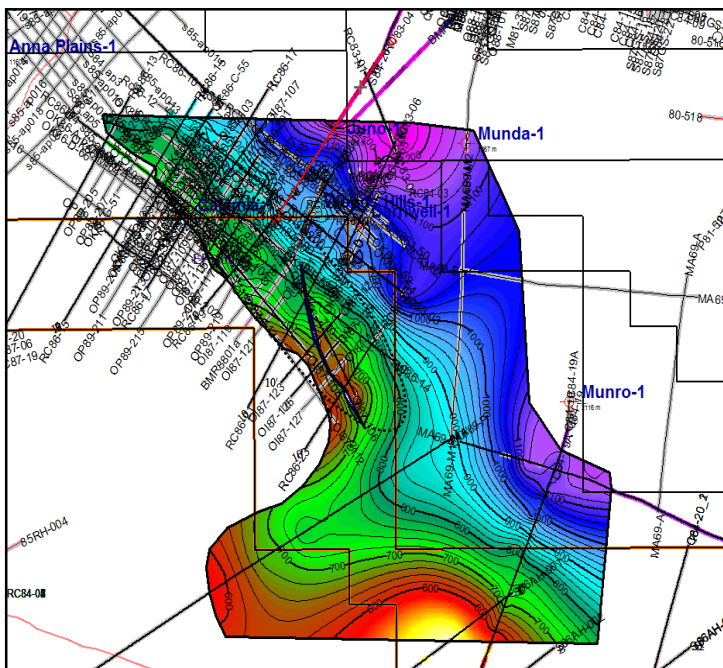
KEY PETROLEUM LIMITED (via wholly owned subsidiary) (PREFERRED BIDDER)

100.00%

Technical geological and geophysical interpretation and mapping data has been compiled into data packs and montages for the upcoming NAPE conference in February 2015. During the quarter, subsequent to the Good Oil Conference, Key undertook discussions with the GSWA regarding potential synergies for data acquisition. The aim of GSWA is to acquire data in a stratigraphic well to obtain a better geological understanding of the area, including that of the Nambett Formation which has been penetrated in other wells in the area of EP448 and L12-10 including Calamia-1.



Location map of EP448 and L12-10 in the Southern Canning Basin



Top Nita Formation colour contours (blue deep and green/red higher) with area of interest (red circle) indicating structural highs against bounding faults. These could be potential traps with migration of hydrocarbons up faults and carrier beds from the trough to the east and north-east where on the other side of the trough there have been discovery wells in the Admiral Bay Fault Zone

Subsequent to the conclusion of the cultural season in the Kimberley, Key has resumed discussions around the area identified by previous survey work conducted around the proposed exploration well Griffith-1 in order to agree a budget for proposed heritage clearance work. Discussions with determined Traditional Owners as part of the good faith negotiations process over Discrete Area L12-10 have been referred to the DMP who will provide assistance with the ongoing negotiations process to facilitate award of the area as an exploration permit.

EP104 TREND, CANNING BASIN, WESTERN AUSTRALIA

EP104

KEY PETROLEUM LIMITED (via wholly owned subsidiary) (OPERATOR)	53.97%
PANCONTINENTAL OIL AND GAS NL	19.59%
FAR LIMITED	15.67%
INDIGO OIL PTY LTD	10.77%

R1

KEY PETROLEUM LIMITED (via wholly owned subsidiary) (OPERATOR)	65.23%
PANCONTINENTAL OIL AND GAS NL	11.11%
FAR LIMITED	8.89%
INDIGO OIL PTY LTD	14.77%

L15

KEY PETROLEUM LIMITED (via wholly owned subsidiary) (OPERATOR)	61.40%
PANCONTINENTAL OIL AND GAS NL	12.00%
FAR LIMITED	12.00%
INDIGO OIL PTY LTD	14.60%

EP104

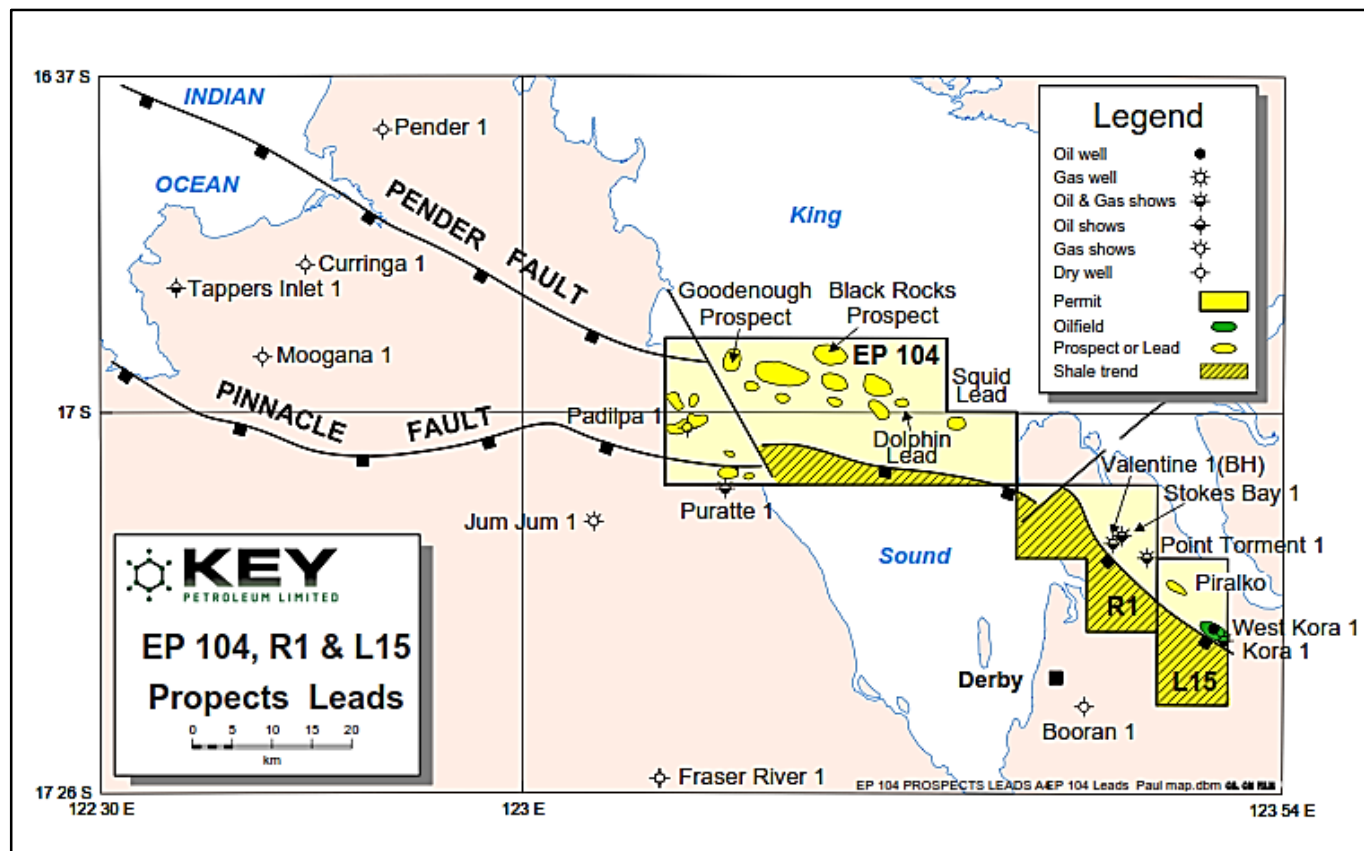
During the quarter, the EP104 joint venture received DMP notification that the permit had been renewed for a further period of five years. The work commitment for 2015 comprises seismic reprocessing focusing on mainly the offshore component of the permit where several prospective Permo-Carboniferous plays and very large Devonian reef plays, including the Black Rocks and Goodenough prospect areas which have never been



Looking north-east west from R1 towards the area across King Sound where EP104 covers a portion of this area which is regarded as highly prospective for a number of Devonian, Anderson and Grant formation plays

drilled. These prospects are located in the offshore portion of the permit and have attracted significant interest from potential farminees following success offshore with the Phoenix South-1 discovery.

Key will now carry out some preliminary remapping over the most prospective areas and then identify potential service companies to carry out the reprocessing work in the current permit year with a view towards drilling exploration wells in 2016.



The EP104, R1 and L15 prospects and leads map, includes the highly prospective Pinnacle Fault trend where many oil and gas discoveries have been made to the south. The offshore component in EP104 includes the Black Rocks and Goodenough prospects as well as the Squid and Dolphin leads.

R1 and L15



The Kora-1 wellhead plate surveyed by air drilled by Esso in 1982 in the L15 Production Licence. The well encountered several oil and gas shows which are currently being evaluated as part of a technical evaluation of L15.

The Company conducted aerial surveys on a number of projects during the quarter to plan for on ground activities in 2015. These activities will be conducted during the dry season as the project areas are located on tidal flats which are currently treacherous and inaccessible due to the onset of the wet season. On ground assessment will dictate which surveys will be required in order to implement environment plans and assess logistical requirements not only for

mobilising rigs for future intervention work but for access to the gravel required for any remediation of access causeways.

Work in R1 and L15 during the quarter also focused on the prospectivity of these permits and the logistics of developing any oil or gas pools. Geological mapping has identified potential bypassed hydrocarbon bearing zone at Stokes Bay-1 in the deltaic member of the Carboniferous Anderson Formation. In addition a stratigraphic prospect called the Piralko Prospect has been mapped in the L15 Production



View looking north across the mud flats from West Kora-1 in L15 towards the area in R1

Licence. Drilling of the Piralko Prospect from the existing Point Torment-1 drilling pad is currently being assessed as it would facilitate not only a cheap entry into the Canning Basin but significant cost savings for any potential development, with tie back of such a discovery to the West Kora-1 tank farm.



Managing Director Kane Marshall sampling source rock intervals from offset wells in R1 and L15 that have been sent to a laboratory in Utah, USA

Other technical studies conducted have included various source rock studies from offset wells which have been initiated and coordinated by Dr John Conolly, Managing Director Kane Marshall and the Energy Geological Institute (“EGI”) in Utah, United States of America prior to Key’s attendance at the NAPE conference in Houston, Texas next month.

Further north, any oil discovery from the Stokes Bay-1 area could potentially be tied back to the L15 production licence facilities with any crude oil offtake from either Piralko or Stokes Bay sent by road tanker to either Wydham or Broome. Any discovered oil could be exported to Singapore to reach a premium at TAPIS oil prices. In the instance of a gas discovery this could be used for local power generation or offtake by several mining projects in the Kimberley.

OTHER BUSINESS

CORPORATE

The Company will move offices next month to a tenancy with lower overheads but twice the amount of space to accommodate any growth the Company may experience in 2015. This is in contrast to Key's peers who are reducing staff levels through redundancy. Key has kept a ceiling on overheads and project costs putting it in a strong position to capitalise on any opportunities during more difficult economic climates. This includes acquiring any projects that are not economically feasible to other exploration or production companies with their corporate overhead structure and lower commodity prices.

The Company sees the current decline in crude oil prices as a time of opportunity, particularly with a falling Australian Dollar which makes foreign investment into certain projects in the Perth and Canning Basins more economically attractive than, for example, unconventional shale oil or gas projects in the United States. Compared to Key's projects which are adjacent to infrastructure, these are economically appealing even during increased competition for risk capital at low periods of the commodity cycle. Australia is also seen as politically stable and low in sovereign risk when compared to many other countries.

An advantage for Key and its shareholders, is that the Company is in the exploration phase only and is not distracted by sub-economic oil production, contractors, project managers and undertaking lifting cost reduction strategies allowing it to focus on the longer term goal of discovering resources and maximising shareholder returns when the commodity cycle turns. Perth Basin oil production typically has lifting costs in the range of AU\$ 5-10 per barrel which also underpins the Company's strategy that if successful in its Perth Basin projects, these projects will be profitable at most phases of the commodity cycle.

The view of the Board on these commodity cycles, is that even though the global economy is experiencing lower crude oil prices making it more difficult to attract risk capital, any exploration conducted during this phase should be at a lower cost with more competition for oilfield services and in turn future discoveries can be monetised in the upturn of the commodity cycle. This would maximise the benefits to the State of Western Australia and Key's shareholders.

OTHER

The Board anticipates an increase in available exploration and production opportunities due to current economic climate where many energy companies have significant debt, high overheads or are unable to raise sufficient capital to meet immediate work commitments. The Board also considers that resources should be committed to current projects rather than being distracted by opportunities which may be currently overvalued.

Contrary to other small oil and gas explorers, Key has several major shareholders who support the simple strategy in place that the majority of capital is committed to projects and where possible exploration costs de-risked via farmout. This strategy is coupled with modest Director and staff remuneration levels and low overheads which are represented and reported in the Quarterly Appendix 5B cash flow statements. Key's overheads are currently among the lowest of any ASX listed onshore oil and gas Exploration Company conducting operations in Western Australia.

CURRENT OUTLOOK FOR KEY PETROLEUM

At the end of the quarter, the Company had \$2.3 million in working capital. The focus for the Company in the next quarter, following any Canning Basin farmout discussions in February, will be the flow back test of the Dunnart-2 well and conducting this program under budget and without incident. The test will definitively determine the movable fluid in the Bookara reservoir sands and if the test outcome is positive then assessing the impact that result will have on not only the Dunnart structure but other prospects and leads in EP437.

Overheads for the quarter were limited to \$250,000 of which the majority was attributed to costs associated with meetings to be held with potential farmin partners in February 2015. Other costs included, the assessment of international opportunities and the engagement of consultants to assist in the review of other Australian ventures. Expenditure costs of \$442,000 for exploration were generally attributed to Dunnart-2 as the well was suspended with production casing and a B section wellhead for the testing phase.

The forecast expenditure for overheads in the next quarter is expected to be in line with this quarter and include the office relocation and provision for additional costs associated with the interim financial audit. Forecast exploration costs are based on anticipated costs associated with the Dunnart-2 testing program and geological work scheduled for Key's Canning Basin assets. This work will be pivotal to the future of the company and the creation of shareholder value.

PETROLEUM PERMIT SCHEDULE

Petroleum Permit	Location	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during Quarter	Disposed during Quarter	Joint Venture Partner/Farmin Party
L12-10	Canning Basin, WA	100%	100%	-	-	
EP448	Canning Basin, WA	78%	78%	-	-	
EP104	Canning Basin, WA	53.97%	53.97%	-	-	
R1	Canning Basin, WA	65.23%	65.23%	-	-	
L15	Canning Basin, WA	61.40%	61.40%	-	-	
EP437	Perth Basin, WA	43.47%	43.47%	-	-	

ASX Listing Rule 5.4.3

IAN GREGORY
COMPANY SECRETARY



Dated: 30 January 2015
Perth, Western Australia

The Resources assessment follows guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS). The Resource estimates used in this presentation were compiled by Mr Kane Marshall (Member SPE, AAPG, SPWLA, FESAus and PESGB), who is a qualified person as defined under the ASX Listing Rule 5.11 and has consented to the use of Resource figures in the form and context in which they appear in this presentation.

COMPETENT PERSON'S STATEMENT

The Information in this ASX Release relates to exploration data and results that are based on information compiled by Mr Kane Marshall who is a full time employee of Key Petroleum Limited. Kane Marshall is a Practicing Petroleum Engineer and Geoscientist who is a member of the SPE, AAPG, PESGB, FesAus and SPWLA.

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 Practicing Petroleum Engineer and Geoscientist who consents to the release of the information. The Company is compliant with recent listing rule changes for reporting of estimates as defined in Chapter 5 of the ASX Listing Rules.

The information contained in this presentation 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 Ltd'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, 01/05/2013

Name of entity

Key Petroleum Limited

ABN

50 120 580 618

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(442)	(543)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(251)	(566)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	8	36
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(685)	(1,073)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(41)	(63)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	35
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(41)	(28)
1.13	Total operating and investing cash flows (carried forward)	(726)	(1,101)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(726)	(1,101)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share issue transaction costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(726)	(1,101)
1.20	Cash at beginning of quarter/year to date	3,035	3,410
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,309	2,309

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	109
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	-
4.3 Production	-
4.4 Administration	270
Total	620

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	179	505
5.2 Deposits at call	2130	2,530
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,309	3,035

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	567,427,487	567,427,487		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	500,000 2,000,000 2,000,000 7,000,000 2,000,000 7,000,000 7,000,000	- - - - - - -	<i>Exercise price</i> 2.5 cents 4.4 cents 5.2 cents 5.5 cents 5.9 cents 6.4 cents 7.4 cents	<i>Expiry date</i> 12 March 2017 6 August 2017 6 August 2017 6 August 2017 6 August 2017 6 August 2017 6 August 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Performance Rights	3,250,000 3,250,000	- -	<i>Classification</i> Performance Rights A Performance Rights B	

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)			
------	-------------------------------	--	--	--

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here:



Company Secretary

Date: 30 January 2015

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.