

ASX Announcement

30 JUNE 2015 QUARTERLY ACTIVITIES REPORT

30 June 2015

Highlights

Projects

- Alberta Oil Sands Project Update
- Review of other acquisition opportunities

Corporate

- Cash and Cash Equivalents as at 30 June 2015 \$1.86m

Projects

Alberta Oil Sands Project

As previously advised, in November 2014, Indus Energy NL (**Indus or Company**) executed a binding Term Sheet with First Nations Exploration Company, Keyano Pimee Exploration Company Limited (**KPECL**), to farm in to 82,290 acres of Cold Lake oil sands in Alberta, Canada (**Project Area**). KPECL is a company owned by the indigenous Saddle Lake and the Whitefish Lake Cree Nations and is currently involved in long standing gas production in the Cold Lake region, 200 kilometres north-east of Edmonton in Alberta, Canada.

The joint venture presents Indus with an exclusive opportunity to partner with a Cree First Nations oil exploration and gas production company holding a large scale, multi target, drill-ready land position in a significant oil and gas producing location in Canada's first ranking oil production province.

Negotiations over the past months with the Cree Nations Chiefs were focused on finalising the Joint Operating Agreement (JOA) which would enable Phase 1 operations to be conducted. Phase 1 of the work program consists of low cost re-entries of four historic wells within the Project Area where oil occurrences have been encountered during gas exploration and production activities.

The aim has been to conclude these negotiations as soon as possible. However the Board is reluctant, particularly in the current market of depressed oil prices, to commit the Company and its funds to the partnership with the Cree Nations until it is confident that the JOA project economics are suitably attractive to warrant such investment.

In addition, the Company notes that the due diligence process, which is still ongoing, has identified some uncertainty with regard to the oil and gas rights currently held by [KPECL]. In particular, Indus is seeking clarification and confirmation that free and clear title exists on some of the oil rights to which the JOA contemplates.

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Share Price: \$0.007
Shares: 157,453,599
Market Cap: \$1.1m

BOARD & MANAGEMENT

Mr John (Gus) Simpson
Non-Executive Chairman

Mr Anthony Milewski
Managing Director

Mr Marcus Gracey
Non-Executive Director

Mr Ken Bull
Chief Operating Officer

Mr Jonathan Whyte
Company Secretary

ABN
22 009 171 046

ASX CODE
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The Company is still working through this matter but unfortunately this has led to the stalling of the negotiation process that Indus was undergoing. As soon as satisfactory clarification of this and any other key due diligence matters has been achieved the Company will provide a further update to the market.

Other Opportunities

In parallel to the above, Indus has been presented with two other potentially attractive acquisition opportunities, both in oil and gas sectors, which it is currently reviewing with a view to engaging in more complete due diligence. In addition to the above the Board has remained active in its search for other opportunities for Indus and this broadened search has identified a small number of compelling propositions that warrant further consideration.

Corporate

Cost Reduction Measures

The Indus Board believes it is paramount to preserve the healthy cash position and has therefore reduced all corporate and other overhead to a minimum. The Managing Director has reduced his fees for the quarter to levels commensurate with non-executive director fees, the Chief Operating Officer is not charging any fees and the Company is rationalising all other discretionary expenditure. This is reflected in the very low burn rate for the quarter and will be maintained until such point as the Company is fully engaged in operational activity.

Cash and Liquid Assets

At 30 June 2015 the Company held cash and equivalents of \$1.86m.

On behalf of the Board of Directors

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Schedule of Interest in Joint Ventures at 30 June 2015

Location/Project Name	Tenement	Percentage held	Percentage disposed of during Quarter
<p><u>Alberta Oil Sands Project</u></p> <p>Indus have executed a binding Terms Sheet with Keyano Pimee Exploration Company Limited (KPECL) for a phased farm-in to develop 82,290 acres of highly prospective acreage with verified oil shows located in the Cold Lake oil sands region of Alberta, Canada. At present Indus is negotiating the Joint Operating Agreement with KPECL which will govern the operation of the Joint Venture.</p>	N/A	0%	N/A