

Rule 5.5

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

HRL HOLDINGS LIMITED

ABN

99 120 896 371

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from services and related debtors	1,112	2,350
1.2 Payments for:		
(a) geothermal exploration & evaluation	-	-
(b) geothermal development	-	-
(c) geothermal production	-	-
1.3 Payments to suppliers and employees:		
(a) environmental services and corporate	(1,193)	(2,306)
(b) acquisition related expenses	-	(80)
1.4 Interest and other items of a similar nature received	10	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
Net Operating Cash Flows	(71)	(25)
Cash flows related to investing activities		
1.7 Payment for purchases of:		
(a) geological prospects	-	-
(b) other fixed assets	(33)	(39)
1.8 Net inflow of cash arising from acquisition	-	1,731*
1.9 Loans to other entities	-	-
1.10 Loans repaid by other entities	-	-
1.11 Other – security deposits	-	-
Net investing cash flows	(33)	1,692
1.12 Total operating and investing cash flows (carried forward)	(104)	1,667

+ See chapter 19 for defined terms.

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Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(104)	1,667
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	105	105
1.15	Proceeds from share applications	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – securities issue costs	(22)	(22)
Net financing cash flows		83	83
Net increase (decrease) in cash held		(21)	1,749
1.20	Cash at beginning of quarter/year to date	1,779	8*
1.21	Exchange rate adjustments to item 1.20	4	4
1.22	Cash at end of quarter	1,762	1,762

* On 15 September HRL Holdings (HRL) shareholders approved the acquisition of OCTIEF Pty Ltd. The acquisition resulted in OCTIEF Pty Ltd shareholders holding a controlling interest in HRL after the transaction.

The consolidated statement of cash flows of the Combined Entity represents a continuation of the financial statements of OCTIEF Pty Ltd, based the principles and guidance on reverse acquisitions as set out in AASB 3.

Cash at the beginning of the year represents the cash reserves of OCTIEF Pty Ltd at that time. *Net inflow of cash arising from acquisition* represents the recognition of HRL cash balances on the acquisition date 15 September 2014. This amount is inclusive of the proceeds received by HRL from the rights issue in September.

Payments to directors of the entity and associates of the directors

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.3	95
1.24	Aggregate amount of loans to the parties included in item 1.17	-

1.25 Explanation necessary for an understanding of the transactions

Executive and Non-Executive Directors remuneration and fees.

Rental payments to a Director related entity.

Software consulting payments to a Director related entity.

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

Nil

- 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

Nil

Financing facilities available

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration and Corporate	300
Total	300

On 15 September Hot Rock Limited shareholders approved the acquisition of OCTIEF Pty Ltd. The Company anticipates that cash inflows from OCTIEF Pty Ltd will be sufficient to fund the above estimated cash outflows. The outflows listed above relate to the geothermal and administrative function of the consolidated entity only.

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	1,482	1,778
5.2 Deposits at call	280	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,762	1,778

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

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

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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 <i>(description)</i>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	848,765,471	848,765,471		
7.4 Changes during quarter (a) Increases through issues: Rights issue shortfall OCTIEF performance shares (b) Decreases through returns of capital, buy-backs	17,539,914 96,226,306	17,539,914 99,226,306	0.6 cents NA	0.6 cents NA
7.5 +Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i> Director/Employee Options	21,000,000		<i>Exercise price</i> 4 cents	<i>Expiry date</i> 30/11/2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired/lapsed during quarter Employee Options				
7.11 Debentures <i>(totals only)</i>	Nil			
7.12 Unsecured notes <i>(totals only)</i>	Nil			

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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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Paul Marshall

Sign here: Date: 30 January 2015
Paul Marshall
(Company Secretary)

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 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, 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 Accounting 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.

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