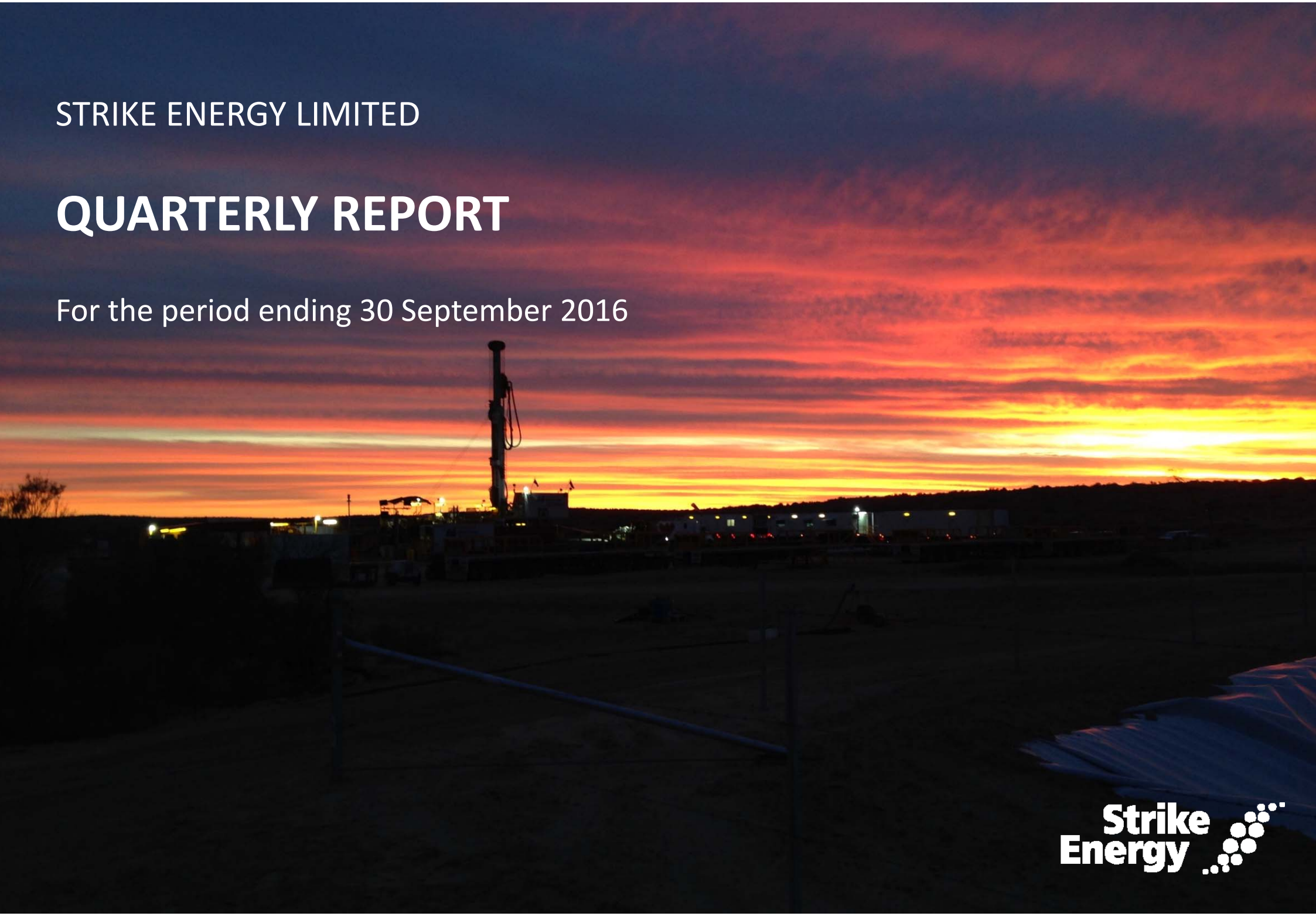


STRIKE ENERGY LIMITED

QUARTERLY REPORT

For the period ending 30 September 2016

Strike Energy

Key Highlights

Southern Cooper Basin Gas Project Highlights

- Second 300Q pump successfully installed and commissioned
- Phase 1 of site distributed power completed
- Test activities continued with minimal interruption
- Analysis of production data confirms key reservoir parameters

The quarter has been active with positive progress on de-watering. The focus of ongoing field operations remains on maintaining safe and reliable pumping operations. No reportable safety incidents occurred during the period.

Further reservoir engineering work to history match performance and confirm the pilot status has been undertaken during the period. The work is ongoing but the results to date provide management with continued confidence that the current pilot will provide results sufficient to support the conversion of the existing Contingent Resource to our maiden Reserve.

US Operations

Progressing near term divestment strategy of remaining assets which will also see the transfer of the associated funding facilities reducing the Company's net debt position.

Finance and Commercial

- SA Government announces $24 million grant program to encourage new gas supply into South Australia
- FY 16 R&D rebate of $ 6.3 million received, with $4.0 million of the proceeds used to repay and extinguish the Macquarie Facility.
- $4.4 million cash on hand with new R&D facility for up to $3.8 million being finalised.

Managing Director's Outlook

I am pleased to report on another active quarter for Strike Energy.

Production Testing

Our pilot production testing at the Klebb location has benefited from a major facilities upgrade with additional pumping capacity and power generation to ensure uninterrupted water production from the single coal seam in the Patchawarra coals that we are currently evaluating. Production during the quarter has been steady, with all wells on test demonstrating high availability apart from minor outages. As online performance is critical to achieving commercial flow rates, we comment on this more fully in the Operations Report.

History matching water and pressure data from the pilot has confirmed key reservoir parameters that are in turn essential to provide a basis for forecasts as to the reservoir pressure profile that we need for commercial gas initiation. We now have an empirical basis for projecting the period of uninterrupted de-watering required to achieve the required pressure profile. This analysis indicates a period of 1-4 months until material gas flows re-initiate and start to build, with the key variable being the maintenance of low bottom hole pressure. We have been confident of this outcome for some time but have recognised that with each prolonged shut in, the drainage area expands. We now have an empirical basis for estimating the current drainage areas for each well.

We remain confident that we will achieve gas desorption at a rate and for a sustained period which will be sufficient to support the conversion of our contingent resource estimates to reserves.

Our forward planning is now focused on the enhancements that we can deploy at the Klebb pilot to realise and sustain the gas desorption events we expect to see in the coming months. We are now in a position where development planning can further advance and this work will continue in parallel with the ongoing operations, responding to additional production data obtained from the pilot testing program.

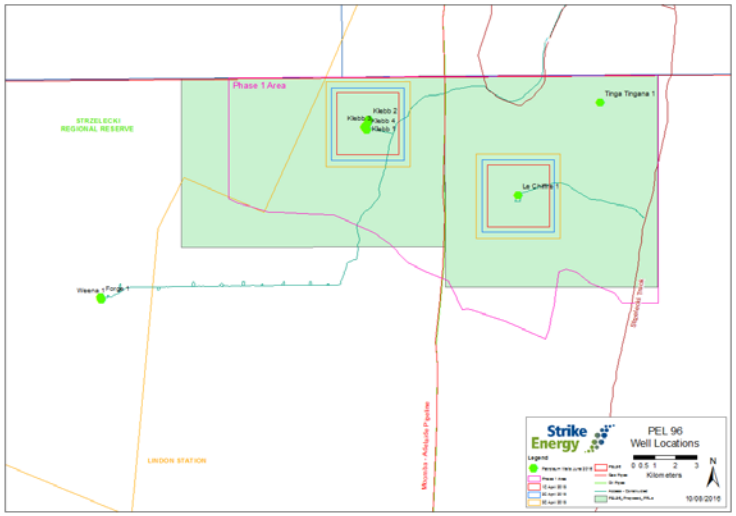
Appointment of Tony Papinczak

We are delighted to announce that Tony Papinczak has joined Strike as our Strategic Technical Advisor. Tony has a wealth of experience in upstream coal seam gas development, having held senior positions in Origin's CSG team and project management of in field infrastructure layout for the APLNG Project and associated production facilities.

Production Retention Licence

The PEL 96 Joint Venture will shortly apply to the South Australian Department of State Development to upgrade the Phase One Area (essentially a 200 km² area surrounding the Klebb and Le Chiffre test well locations) to a Production Retention Licence (PRL). The new PRL, representing ~10% of the PEL 96 acreage position, will be effectively excised from PEL 96, reflecting the advanced appraisal status of the area and in preparation for conversion to a Production Licence.

The PRL will provide Strike with additional funding options that support our focus on commercialising the SCBGP with the least possible dilution for our shareholders.



The South Australian Government recently announced a $24 million PACE Gas Grant Program to support projects with the greatest likelihood of securing new and significant gas supplies to the State's customers by year-end 2019. We are able to present a compelling case in each of the key criteria and we are confident that we will be in a position to submit a competitive bid for a portion of the funds available.

Recent events in South Australia continue to reinforce the opportunity for Strike's gas project in a supply constrained east coast gas market.

David Baker Managing Director

Southern Cooper Basin Gas Project: Quarterly Activities

Southern Cooper Basin Gas Project Highlights

- Second 300Q pump successfully installed and commissioned at the Klebb location
- Phase 1 of site distributed power completed
- Test activities continued with minimal interruption
- Analysis of production data confirms key reservoir parameters

The quarter has been active with positive progress on de-watering. The focus of ongoing field operations remains on maintaining safe and reliable pumping operations. No reportable safety incidents occurred during the period.

Further reservoir engineering work, to history match performance and confirm the pilot status, has been undertaken during the period. The work is ongoing but the results to date provide management with continued confidence that the current pilot will provide results sufficient to support the conversion of the existing Contingent Resource to our maiden Reserve.

Well Performance

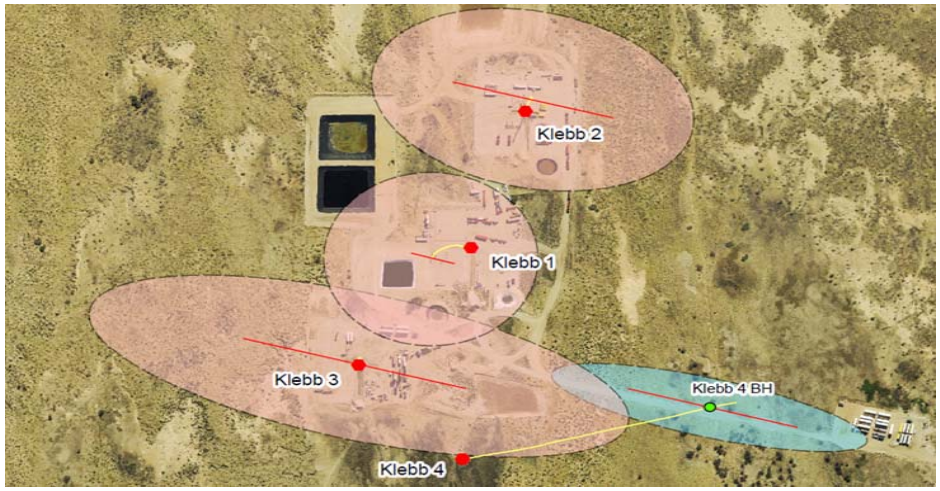
Performance of the Klebb 1 beam-pump has continued stably, with our operators maintaining a target fluid level that resulted in a regular (but not yet continuous) small flare. As the reservoir pressure around the well continues to be reduced, we expect the volume of gas and the size of the flare to substantially increase, although its immediate potential will be limited by the modest size of the original frac in the 35m thick Vu Upper zone currently being tested. With this limitation in mind, the potential benefits of re-fracing Klebb 1 and drilling out the plug to the Vu Lower zone are being actively considered. The purpose of these initiatives would be to increase productivity of the existing zone and expand the volume which can be booked as Contingent Resource and matured to Reserves.

The performance of Klebb 2 has been more consistent, with sporadic flaring, following the workover in mid-August and the commissioning of the second high-pressure surface pump in early-October. A series of minor interruptions during the period have somewhat inhibited progress in de-watering Klebb 2 which we had hoped to realise during the period. Klebb 3 continues to outperform the other wells in the pilot and is providing significant dewatering assistance to the other wells with some sporadic flaring also being noted. During much of September, the well was pumped utilising a back-up low-pressure surface pump due to a generator failure.

A series of road closures related to several minor weather events delayed the installation of a replacement power unit, but an electrical switch room and redundant generator pair were placed in service as part of commissioning the second high-pressure surface pump. We plan to reticulate power from this new generator pair such that fully redundant power will be in place for all equipment at the Klebb site as we seek to improve reliability and fuel efficiency.

During the period, the performance of Klebb 4 has declined. Whilst gas flaring is regularly noted, water flows are now at the low end of the design envelope for the ESP. The productivity of Klebb 4 is lower than planned due to the premature screen-out of the stimulation, but continues to contribute to the dewatering effort. Strike has pumped seven fracture stimulation stages in the Patchawarra coals of the Southern Cooper Basin Gas Project, six of which have been successfully pumped to design. We are confident that the contributing factors of this less successful job have been identified and will not be repeated.

As a result of the lower than planned performance for Klebb 4, some high-temperature issues have recently been encountered with the ESP, which had been performing with no material issues to that point. We are working closely with the vendor to resolve the issue and have already implemented some solutions, which are having a positive impact. Contingency plans are currently being developed as part of our risk management process, but it is important to note we are not reliant on any individual well to realise our goal of commercial gas flows.



Southern Cooper Basin Gas Project: Quarterly Activities

Klebb Pilot Status

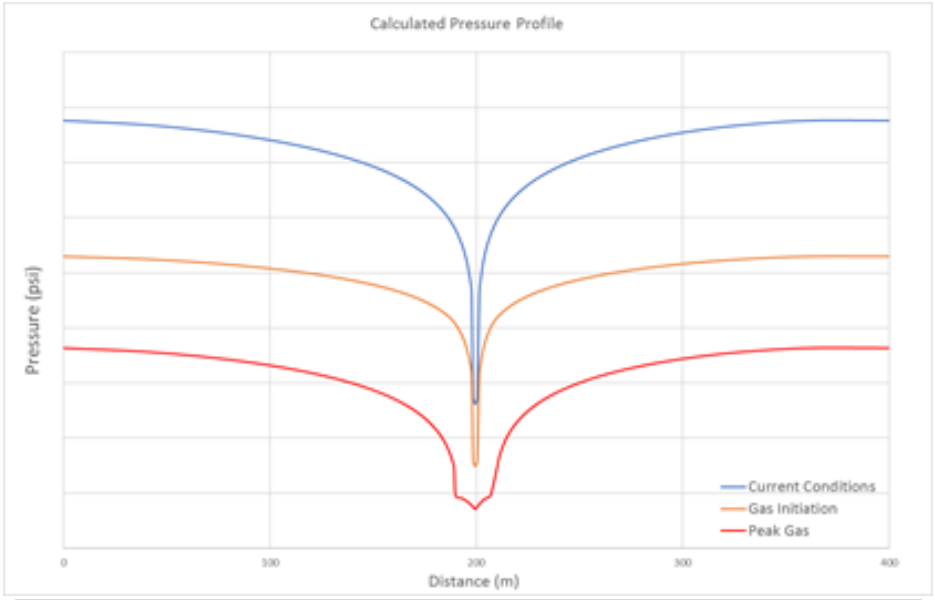
In prior quarters, mechanically limited desorption events have been observed from Le Chiffre 1, Klebb 1, Klebb 2 and Klebb 3, providing a desorption pressure which, when combined with the coal isotherm, provides an initial estimate of the gas content and saturation. Gas content is an important parameter in the calculation of resource, but the desorption pressure on which it is determined may be affected by a well's completion efficiency (the size and quality of the fracture stimulation).

Recent history matching of the water and pressure data from the single 35m coal currently being tested by the Klebb wells has confirmed the range of several key reservoir parameters, such as permeability and porosity of the coal matrix and drainage area. This provides an initial basis for forecasts to understand and optimise the number of wells required to economically develop the resource as well as the period and volume of water required to be produced as part of the initial de-watering process.

This recent history matching work has also clearly highlighted changes to the drainage area for each of the wells, which have taken place during the various testing periods. For instance, Klebb 3's drainage area doubled following the shut-in for upgrades in March 2016, whilst Klebb 1 drainage area was constrained by the adjacent wells.

Changes to the drainage area have been interpreted following previous shut-in periods and the increase in Klebb 3's drainage area was not unexpected. The upgrades conducted earlier this year were required to progress the project and the improved performance of Klebb 3 in particular are positive for our longer term goals, but the trade off for this improvement has been a short delay in achieving these goals.

When the scope of the history matching work is expanded to include the observed mechanically limited desorption events, a potentially higher gas content than the initial estimate can be interpreted.



By combining these key reservoir parameters, it is possible to calculate a pressure profile within the reservoir at various points in time and generate a forecast of gas and water for each of the current test wells. The pressure profile is illustrative as to the requirement for consistent and reliable pumping as the current pilot wells progress through the de-watering period to re-initiate gas flows and subsequently lead to peak-gas production for the current completions.

Forecasts of water and gas for the existing wells suggest that a period of several months of uninterrupted water production may be required to re-initiate gas desorption. A period of sustained gas flows, sufficient to history match, will then be required to further mature the gas resource and obtain independent certification of a maiden Reserve for the project.

The combination of these key reservoir parameters can not only be used to forecast the future performance of the existing wells, but also be extrapolated to potential future (multi-zone) development wells. Forecast performance of future multi-zone development wells, based on statistical distributions which honour the range of reservoir data and utilising Monte Carlo simulation methods, provide a probabilistic range of gas and water forecasts which support our continued confidence in the commercial potential of this prolific gas resource.

US Operations: Operations Update & Asset Disposal

US Production

Strike currently produces oil and gas from three independent assets. Total oil production for the quarter was 2,233 bbls, down 18% on the prior quarter and gas production was 54,264 Mcf, down 9% on the prior quarter.

The Eagle Landing Joint Venture (Strike 40% WI) produced 51,422 Mcf of gas and 936 bbls of oil net to Strike during the quarter, down 9% for gas and down 12% for oil on the previous quarter. The decrease in production for the quarter is a result of short term underperformance of the well which is expected to improve in the future.

The Permian Basisn Joint Venture (Strike 25% WI) produces oil from 20 conventional Permian Basin wells in Martin County, Texas. During the quarter, the Joint Ventutre produced 2,492 Mcf of gas and 831 bbls of oil net to Strike, down 9% for gas and down 29% for oil from the previous quarter. The significant reduction in production for the quarter is due to continuing equipment failures from prior periods which continue to be an area of focus for the operator.

The Eagle Ford Shale project (Strike 27.5% WI) produces oil and gas from the Bigham 1H well in Fayette County, Texas. The well produced 350 Mcf of gas and 466 bbls of oil net to Strike during the quarter, up 41% for gas and down 5% for oil on the previous quarter. The higher gas production for the quarter is due to the prior quarters equipment issues.

Average realised prices during the quarter were US$41.67/Bbl, up 10% from US$37.91/Bbl in the previous quarter for oil and US$2.67/Mcf, up 19% from US$2.25/Mcf for gas in the previous quarter.

US Asset Disposal

During the September quarter, Strike advanced discussions with a number of parties in respect of a full or partial disposal of its remaining production assets in the United States.

Subsequent to the end of the quarter, Strike along with the participants to the Eagle Ford Joint Venture, entered into and completed a transaction to divest the Bigham-1 production unit. The proceeds on sale, net of transaction costs under the terms of the US Group's financing arrangements were applied to pay down a portion of the principal under the BlueRock facility (~ US$ 31 K).

Separately, Strike has been engaged in negotiations with a third party to dispose of its remaining US production asset interests. Under the terms of the transaction (which are currently being documented), Strike will transfer together with these assets the remaining obligations under the terms of the BlueRock facility (~ US$ 2.5 Million at 30 September 2016) to the acquirer. On completion of this transaction (which is expected to occur in the coming weeks), Strike will have fully divested its US production assets as well as reducing its third party indebtedness.

	SEP QTR 2016	JUN QTR 2016	QUARTERLY CHANGE
EAGLE LANDING JOINT VENTURE			
Gas (Mcf)	51,422	56,625	(9%)
Oil (Bbl)	936	1,060	(12%)
Total Revenue (USD'000)	174	167	4%
PERMIAN BASIN JOINT VENTURE			
Gas (Mcf)	2,492	2,741	(9%)
Oil (Bbl)	831	1,166	(29%)
Total Revenue (USD'000)	44	51	(14%)
EAGLE FORD SHALE - BIGHAM 1H			
Gas (Mcf)	350	249	41%
Oil (Bbl)	466	491	(5%)
Total Revenue (USD'000)	20	19	5%
TOTAL			
Gas (Mcf)	54,264	59,615	(9%)
Oil (Bbl)	2,233	2,717	(18%)
Total Revenue (USD'000)	238	237	0%
Total Revenue (AUD'000)	313	317	(1%)

Based on industry convention energy equivalence 6 Mcf of gas = 1 Bbl of oil

Finance and Commercial Update

Corporate Office

120B Underwood Street
Paddington NSW 2021

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Registered Office

120B Underwood Street
Paddington NSW 2021
T: 61 2 9195 5600

Securities Exchange

ASX: STX

Securities on Issue

Shares: 900,330,946
Options: 11,200,000
Performance Rights: 17,950,000

Analyst Coverage

Firm	Analyst
Taylor Collison	Andrew Phillips
Euroz	Jon Bishop
Bell Potter	Peter Arden

During the September quarter, the Company continued to advance a number of its financial and commercial initiatives.

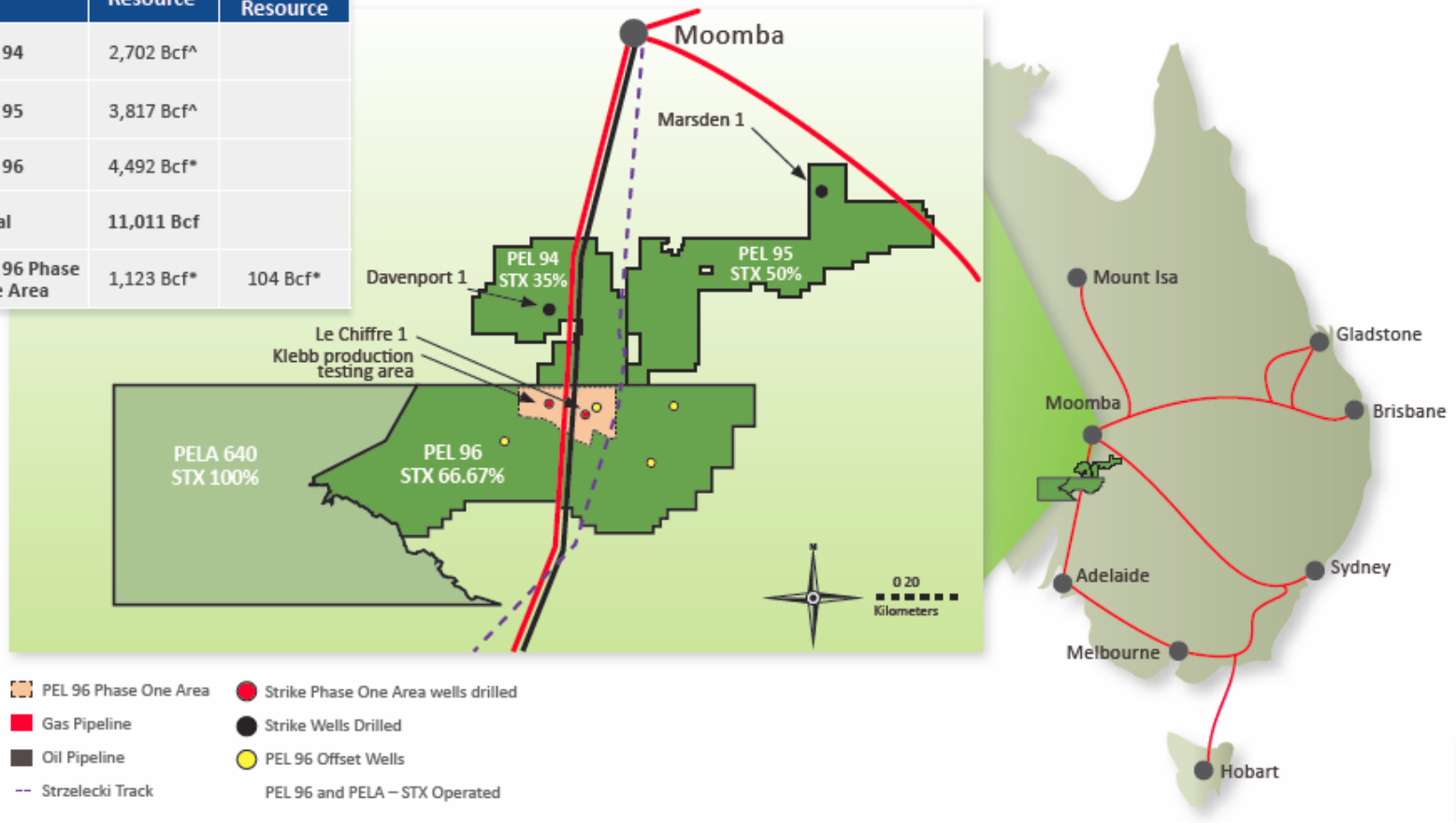
Key Highlights include:

- On 1 September 2016, the Company received final confirmation and payment of the $6.3 million refund from the Australian Taxation Office (ATO) relating to eligible research and development activities undertaken in the year ended 30 June 2016. The Group repaid the $4.0 million principal outstanding and subsequently extinguished the R&D facility with Macquarie.
- The Company is in the final stages of agreeing a 2017 R&D Facility for funding of up to $3.8 million in respect of its current financial year eligible R&D activities and expenditure.
- The Annual General Meeting of the Company will take place on Friday 11 November 2016 from 9.00 am at the office of Piper Alderman. In addition to the resolutions as outlined in the notice of meeting recently dispatched to shareholders, a presentation will be provided by David Baker, Managing Director of the Company.
- On 8 September 2016, the South Australian Government announced the commitment of $24 million towards a program to incentivise companies to extract more gas and supply it to the local market. Eligibility criteria have been released and Strike is ideally positioned to participate in the program with a significant prospective gas resource in close proximity to existing infrastructure and the ability to transport gas to the Adelaide market on a competitive basis.

The Company completed the quarter with $4.4 million of cash on hand.

Eastern Australia Gas Market: Substantial Opportunity

	Prospective Resource +	2C Contingent Resource
PEL 94	2,702 Bcf^	
PEL 95	3,817 Bcf^	
PEL 96	4,492 Bcf*	
Total	11,011 Bcf	
PEL 96 Phase One Area	1,123 Bcf*	104 Bcf*



PEL	Net STX Acres
PEL 94	77,925
PEL 95	160,248
PEL 96	443,880
PELA 640	850,786
Total	1,532,839

* Mean estimate (net to Strike determined on a probalistic basis) per ASX announcement dated 19 Feb 2014 and adjusted for announced contingent resource estimate per ASX announcement dated 27 April 2015.

^ Mean estimate (net to Strike determined on a probalistic basis) per ASX announcement dated 19 September 2012.

+ The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.

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Statements contained in this presentation, including but not limited to those regarding the possible or assumed future costs, performance, dividends, returns, production levels or rates, oil and gas prices, reserves, potential growth of Strike Energy Limited, industry growth or other projections and any estimated company earnings are or may be forward looking statements.

Such statements relate to future events and expectations and as such involve known and unknown risk and uncertainties, many of which are outside the control of Strike Energy Limited. Actual results, actions and developments may differ materially from those expressed or implied by the statements in this presentation.

Subject to any continuing obligations under applicable law and the Listing Rules of ASX Limited, Strike Energy Limited does not undertake any obligation to publicly update or revise any of the forward looking statements in this presentation or any changes in events, conditions or circumstances on which any such statement is based.

Contingent Resource Estimate

DeGolyer and MacNaughton was engaged by Strike to undertake an Independent Review of the gas resource in PEL 96 based on the data and information acquired to date by Strike from the drilling and flow testing programs carried out at the Le Chiffre 1 and Klebb 1, Klebb 2 and Klebb 3 wells.

DeGolyer and MacNaughton has estimated a contingent gas resource on a probalistic basis for the initial zones that have been flow tested within the Le Chiffre 1 and Klebb 1 wells. As these zones only represent a portion of the net coal encountered at these locations, successful flow testing of additional zones will enable an increased contingent resource to be booked.

The table below summarises the Contingent Resource Estimates.

	Contingent Gas Resource Estimates – PEL 96[1]		
Well	1C[2]	2C[2]	3C[2]
Productive area (acres)	2,171	2,938	3,931
Le Chiffre 1 – Patchawarra Vu Upper and Vu Lower zones (bcf)	62.9	93.2	132.4
Klebb 1 – Patchawarra Vu Upper zone 9 (bcf)	42.1	62.2	93.3
Total Gross Contingent Resource (bcf)	105.00	155.4	225.7

1. Contingent Resource Estimates have been prepared in accordance with the Petroleum Resources Management System "PRMS". Contingent Resource Estimates are those quantities of gas (produced gas less carbon dioxide and fuel gas) that are recoverable from known accumulations but which are not yet considered commercially recoverable.
2. 1C, 2C and 3C estimates in this table are P90, P50 and P10 respectively for each well and have been summed arithmetically
3. Net to Strike's 66.7% interest in PEL 96

Important Notice: continued

Competent Persons Statement

The information in this presentation that relates to the PEL 96, PEL 95 and PEL 94 contingent resources estimate has been taken from the independent reports as prepared by DeGolyer and MacNaughton, a leading independent international petroleum industry consultancy firm, and has been reviewed by Mr Chris Thompson (Chief Operating Officer of the Company). All other reported resource and or reserves information in this presentation is based on, and fairly represents, information prepared by, or under the supervision of Mr Thompson.

Mr Thompson holds a Graduate Diploma in Reservoir Evaluation and Management and Bachelor of Science Degree in Geology. He is a member of the Society of Petroleum Engineers and has worked in the petroleum industry as a practicing reservoir engineer for over 20 years. Mr Thompson is a qualified petroleum reserves and resources evaluator within the meaning of the ASX Listing Rules and consents to the inclusion in this release of the resource and or reserves information in the form and context in which that information is presented.

About DeGolyer and MacNaughton

The information contained in this release pertaining to the PEL 96 contingent resources estimate is based on, and fairly represents, information prepared under the supervision of Mr Paul Szatkowski, Senior Vice President of DeGolyer and MacNaughton. Mr Szatkowski holds a Bachelor of Science degree in Petroleum Engineering from Texas A&M, has in excess of 40 years of relevant experience in the estimation of reserves and contingent resources, and is a member of the International Society of Petroleum Engineers and the American Association of Petroleum Geologists. Mr Szatkowski is a qualified petroleum reserves and resources evaluator within the meaning of the ASX Listing Rules and consents to the inclusion of the contingent resource estimate related information in the form and context in which that information is presented.

While not yet commercial, these results confirm that the coals will be capable of substantial gas production rates and highly economic per well recoveries as the reservoir pressure is reduced at increasing distances from the wells.

+Rule 5.5

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

STRIKE ENERGY LIMITED

ABN	**Quarter ended ("current quarter")**
59 078 012 745	**30 September 2016**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	315	315
1.2	Payments for		
	(a) exploration & evaluation	(3,783)	(3,783)
	(b) development	-	-
	(c) production	(607)	(607)
	(d) staff costs	(852)	(852)
	(e) administration and corporate costs	(338)	(338)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	30	30
1.5	Interest and other costs of finance paid	(158)	(158)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	6,334	6,334
1.8	Other (provide details if material)	288	288
1.9	**Net cash from / (used in) operating activities**	**1,229**	**1,229**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(6)	(6)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) 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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(6)**	**(6)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(4,030)	(4,030)
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**	**(4,030)**	**(4,030)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	7,214	7,214
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,229	1,229
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(6)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4,030)	(4,030)
4.5	Effect of movement in exchange rates on cash held	(16)	(16)
4.6	**Cash and cash equivalents at end of period**	**4,391**	**4,391**

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	2,555	3,555
5.2	Call deposits	1,000	3,300
5.3	Bank overdrafts	-	-
5.4	Other – Share of JV bank accounts	836	359
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,391**	**7,214**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	382
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

In addition to the respective salary and fee payments made to Directors in item 6.1, during the quarter, the Group also made payments to M H Carnegie & Co Pty Ltd (a director related entity via Mr M Carnegie) under the terms of an office leasing agreement ($29,242).

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
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

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	5,768	5,768
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.

Lender	Interest rate	Secured/Unsecured	Balance Outstanding at Quarter end
Orica Australia Pty Ltd	Interest Free	Unsecured	A$ 2,500,000
BlueRock Energy Capital	9.5%	Secured - limited to US Production Assets only	US$ 2,488,260
Ricoh Australia Pty Ltd	11%	Secured against asset only	A$ 6,808

For further details on the Company's financing facilities, please refer to the 30 June 2016 Annual Report.

As outlined in the attached quarterly activities update, the Company is in the process of finalising its negotiations for a new funding facility in respect of its anticipated FY 17 eligible R&D activities. Once finalised, the terms and conditions of this facility will be made available to the market.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	1,727
9.2	Development	-
9.3	Production	60
9.4	Staff costs	718
9.5	Administration and corporate costs	285
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**2,790**

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	N/A			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A			

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: ..... Date: 27 October 2016

Sean McGuinness

Print name: .....

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.