



ACCLAIM EXPLORATION N.L.

ABN 99 009 076 233

Quarterly Activities Report

For the Quarter Ended 30 June 2009

Denny Dalton Project

No progress was made on the Denny Dalton Project during the quarter.

As previously reported, the Company has been having ongoing discussion with the Department of Minerals and Energy (DME) for the granting of license applications lodged on the farms to the east of the initial drilling program. The Company has engaged solicitors in South Africa in an attempt to finalise the grant of licenses. Once these licenses have been authorised it is the company's intention to expand the drilling campaign on these adjoining properties. At the date of this report and as previously reported, the DME has still not provided the company solicitors with a likely date for a decision on these licences.

As previously reported, the Company has placed on hold discussion with potential joint venture partners on the Denny Dalton Project until resolution of license applications. As a result, the company has deferred a proposed RC drilling program in and around the old mine site (in close spacing to the previous holes reported to the market) pending an outcome of these discussions.

Farm-in - Oil and Gas Prospects

As previously reported, on 27 November 2008 shareholders approved the acquisition of all the issued share capital of Benelux Developments Limited, inclusive of all rights, title and interest in or to the Leases on three prospects named Maria, Gemini and South Sprint; or at the sole discretion of Acclaim, direct interest in the Leases by way of assignment or such other means as shall deliver good title. In the event that Acclaim is not satisfied with the terms of contractual documents evidencing the respective leasehold and working interests of one or more of the prospects, it may by mutual agreement with the Vendors enter into a farm-in agreement over an alternative prospect in substitution thereof.

Acclaim has not been able to satisfy itself on the terms of contractual documents evidencing the respective leasehold and working interests or on the delivery of good title in respect to all of these prospects and has been in ongoing discussion, as provided within the acquisition agreement, for possible substitution prospects. In the current economic climate, it is evident that sourcing suitable substitute prospects within the parameters of the initial consideration offered will be difficult.

Following further discussion with Benelux Developments Limited in relation to substitute prospects or possible revision of terms of the agreement it has been mutually agreed to terminate the agreement.

Corporate

During the quarter, the company allotted and issued a total of 105,000,000 fully paid ordinary shares ("Shares") at \$0.004 per Share raising \$420,000.

Subsequent to the end of the quarter, the company announced that it has entered into a Binding Term Sheet with Arturus Capital Limited ("**AKW**"), to acquire the right title and interest to a 12% (15% of 80%) royalty stream over shallow gas projects located in Jackson County, Texas, USA. AKW holds the right title and interest to 80% of all income in relation to the projects.

Your directors believe that the acquisition of this royalty stream will provide significant US dollar income going forward from producing wells.

Key terms of the acquisition are:

- **Property:** An assignment of 15% of AKW's income ("Royalty Stream") derived from all of the shallow gas projects from time to time located on the lands known as the Sandy, Slazenger and Wagner Prospects in Jackson County, Texas, USA.
- **Consideration:** US\$1.5 million comprising:
 - US\$100,000 payable on execution of the binding term sheet;
 - US\$1,000,000 payable on 7th August 2009; and
 - The balance to be paid with 60 days from execution.
- **Term:** For the life of the Projects
- **Expansion Projects:** AKW may from time to time request that AEX provide further funding for any expansion to the Projects (including further test drilling). AEX may accept or reject any such request in its absolute discretion.

The acquisition of the royalty stream is subject to:

- (i) completion of due diligence to the satisfaction of AEX; and
- (ii) AEX shareholder approval.

Full details of the acquisition will be provided in the explanatory memorandum to shareholders.

The company is continuing to actively pursuing other project opportunities.

Craig Willis
Director
Acclaim Exploration