

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

BLACKSTAR PETROLEUM LIMITED

ABN

90 147 370 312

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(931)	(1,177)
(b) development	-	-
(c) production	-	-
(d) administration	(274)	(499)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	41
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Environmental bond	(24)	(24)
Net Operating Cash Flows	(1,220)	(1,659)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities:		
- Black Star Oil (pre-acquisition)	-	(1,000)
- Repayment of loan acquired from Black Star Oil	(1,100)	(1,100)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)		
- Cash acquired on acquisition of subsidiary	218	218
Net investing cash flows	(882)	(1,882)
1.13 Total operating and investing cash flows (carried forward)	(2,102)	(3,541)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(2,102)	(3,541)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,220	2,220
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 costs paid	(261)	(261)
	Net financing cash flows	1,959	1,959
	Net increase (decrease) in cash held	(143)	(1,582)
1.20	Cash at beginning of quarter/year to date	1,107	2,546
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	964	964

Payments to directors of the entity and associates of the directors

Payments to 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	\$191
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments for Directors consulting fees and salaries - \$105k Payments for serviced office and corporate advisory fee - \$75k Re-imbursement for administration, accounting and secretarial staff at cost - \$11k
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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

The Company acquired Black Star Oil Pty Ltd through the issue of 55,000,000 ordinary shares and 36,666,664 20c listed options. The acquisition results in the Company acquiring a 73.07% interest in 114 petroleum leases in Nebraska in the USA (Nebraska Project).
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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

+ 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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	500

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	964	1,107
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	964	1,107

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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	Nebraska Project	-	73.07%

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>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	99,100,000	50,785,000	
7.4	Changes during quarter (a) Increases through issues: - Placement - Interest shares - Acquisition of subsidiary (b) Decreases through share consolidation	10,000,000 1,100,000 55,000,000	10,000,000 - 20,020,000	\$0.20 \$0.20 -
7.5	+Convertible debt securities <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			

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- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: 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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