

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

ENEABBA GAS LIMITED

ABN

69 107 385 884

Quarter ended ("current quarter")

31 March 2010

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 customers - proceeds from sale of gas - GST component	- -	- -
1.2 Payments for (a) staff costs	(263)	(754)
(b) advertising and marketing	(11)	(52)
(c) power station feasibility costs	(2)	(38)
(d) exploration costs	(20)	(1,511)
(e) purchase of gas inventory	(5)	(1,156)
(f) other working capital *	(94)	(411)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	14	71
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other items*	66	125
Net operating cash flows	(315)	(3,726)

* See attachment for a breakdown of key items

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(315)	(3,726)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(1)	(6)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other – sale of gas	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(316)	(3,732)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	18	276
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other – securities issue costs	-	(20)
Net financing cash flows	18	256
Net increase (decrease) in cash held	(298)	(3,476)
1.21 Cash at beginning of quarter/year to date	1,566	4,744
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	1,268	1,268

+ See chapter 19 for defined terms.

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
1.24	Aggregate amount of payments to the parties included in item 1.2	148
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	i) Executive directors remuneration	70
	ii) Directors fees and consulting charges	78

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

Not applicable

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Not applicable

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

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

+ See chapter 19 for defined terms.

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
4.1	Cash on hand and at bank	23	7
4.2	Deposits at call	445	459
4.3	Bank overdraft	-	-
4.4	Other (Term deposit)	800	1,100
Total: cash at end of quarter (item 1.23)		1,268	1,566

The Company also has a deposit amount of \$25,000 which is pledged as a security deposit for a company credit card facility. This deposit amount is not included as part of the quarter end cash balances shown above.

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Not applicable	Not applicable
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
 Print name: Company Secretary
 Simon Robertson

Date: 9 April 2010

+ See chapter 19 for defined terms.

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 definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **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.

+ See chapter 19 for defined terms.

SUMMARY OF KEY ACTIVITIES DURING THE QUARTER

As advised in February 2010, the Company has applied for Global CCS Institute (“GCCSI”) Project Funding and Support for geo-sequestration. A May 2010 decision deadline for initial successful applicants is expected. GCCSI was created by the Australian Government in 2009 to accelerate the deployment of large-scale CCS projects. It expects to directly fund suitable projects to assist them through the critical stages of project development to operation. Support will be allocated to projects on an ongoing basis, and for single or multiple years depending on the project.

During March 2010, the Company became a member of the Association of Mining and Exploration Companies Inc (“AMEC”). AMEC is the pre-eminent *voice of the mineral exploration industry in Australia* with a full membership almost three times larger than its nearest national counterpart. AMEC members are represented at both the national and state level on matters pertaining to encouraging mineral exploration in Australia.

Also during March, the Company became a member of the Global Underground Coal Gasification Partnership (“UCGP”), which is internationally based out of the UK. The UCGP represents the interests of UCG organizations, academics, scientific and technical staff globally. In particular, the UCGP is a founder member of GCCSI. At the same time, the Company is fully supportive of the action taken by the Department of Mines and Petroleum (“DMP”) during March in regard UCG in Western Australia. The DMP has released a background consultation paper for stakeholder comment. DMP is of the recommended view that the *Mining Act 1978* should be amended to enable UCG process to be used in WA.

The Company’s strategic position is to convert the coal in its highly prospective tenement package in the Mid West Region of Western Australia into UCG Syngas for fuel. While UCG is the gasification of burning coal underground, it is the Company’s intention to capture the resultant CO₂ (geo-sequestration), which may potentially be injected into an existing geological formation. This process will significantly reduce the total carbon footprint of the project, farming of land will remain relatively uninterrupted and water resources will be preserved. In other words, energy in the coal is extracted without the environmental impacts associated with traditional coal-mining.

These latest actions support the Company’s commercial position as it continues to develop its Sargon Tenements in the Mid West as part of its strategic review. The Company is well on its way in its strategic review and is focussed to be the first commercial UCG operator within Western Australia.

+ See chapter 19 for defined terms.

	Current Quarter \$'000	Cumulative for the year \$'000
1.2 (f) Other Working Capital		
Key items included in “Other Working Capital” are:		
Occupancy and insurances	41	143
Legal and professional fees	30	122
ASX Listing fees	2	36

1.7 Other items

Key items included in “Other items” are:

GST	3	56
Lease income	-	3
Other - compensation agreements	-	6
Other - drilling costs recovered	50	50
Other - refunds	13	13

+ See chapter 19 for defined terms.