

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")

30 June 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
1.1 Receipts from customers - proceeds from sale of gas	-	-
- GST component	-	-
1.2 Payments for (a) staff costs	(251)	(1,005)
(b) advertising and marketing	(22)	(74)
(c) power station feasibility costs	(1)	(39)
(d) exploration costs	(100)	(1,611)
(e) purchase of gas inventory	-	(1,156)
(f) other working capital *	(149)	(560)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	14	85
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other items*	38	163
Net operating cash flows	(471)	(4,197)

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	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
1.8 Net operating cash flows (carried forward)	(471)	(4,197)
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	-	(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	-	(6)
1.14 Total operating and investing cash flows	(471)	(4,203)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	82	358
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	82	338
Net increase (decrease) in cash held	(389)	(3,865)
1.21 Cash at beginning of quarter/year to date	1,268	4,744
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	879	879

+ 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	132
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	72
	ii) Directors fees and consulting charges	60

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	-	-

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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	32	23
4.2 Deposits at call	347	445
4.3 Bank overdraft	-	-
4.4 Other (Term deposit)	500	800
Total: cash at end of quarter (item 1.23)	879	1,268

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: 29 July 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.

SUMMARY OF KEY ACTIVITIES DURING THE QUARTER

In April 2010, the Company announced that as a result of recently completed drilling, identified significant additional coal mineralisation that could significantly increase existing resources within its 100% owned Sargon Tenements in the Mid West Region of Western Australia. Evaluation of these extensions to existing coal schemes confirm they are shallower than those previously identified, indicating they are suitable for Underground Coal Gasification ("UCG") development in a highly economic fashion.

In mid April 2010, the Company signed an MoU with Cougar Energy Limited (ASX: CXY);

Key points:

- Eneabba Gas has signed a MoU with Cougar Energy in regard to development of its UCG coal resources at its Sargon Tenements in Mid West WA,
- Cougar Energy to have a 50% interest in the tenement upon completion of the formal Joint Venture Agreement,
- Exploration drilling and requirements to establish a pilot plant for UCG near Dongara Western Australia will begin in mid 2010, and
- The UCG technology of Ergo Exergy Technologies Inc (Cougar Energy's partner in its other UCG projects) will be utilised in this project

By early June Cougar Energy Limited and Eneabba Gas Limited signed a Binding UCG Joint Venture Terms Sheet to develop the Sargon Coal tenements in Mid West Region of Western Australia.

Highlights;

- Cougar Energy Limited will initially have a 50% interest in tenement E 70 / 2758 and an option for further interest in the remaining Sargon Tenements,
- The UCG technology of Ergo Exergy Technologies Inc (Cougar Energy's partner in its other UCG projects) will be utilised in this project,
- Eneabba's strategic review is nearing completion, with the Sargon Tenement E 70 / 2758 review of the hydrogeology now ready for supporting final planning of a UCG pilot plant in the area, and
- Eneabba is the proponent of a 168MW Centauri 1 gas-fired Power station in the Mid West Region of W.A. capable of meeting the power needs of the majority of larger mining projects in the region.

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