

# 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

**KUTh Energy Limited**

ABN

**33 125 694 920**

Quarter ended ("current quarter")

**31 December 2011**

### Consolidated statement of cash flows

#### Cash flows related to operating activities

	Current quarter 31 Dec 2011 \$A'000	Year to date (6 Months) 31 Dec 2011 \$A'000
1.01 Receipts from product sales and related debtors	0	0
1.02 Payments for <b>Vanuatu project</b> (a) exploration and evaluation	(119)	(254)
<b>Australian projects</b> (a) exploration and evaluation	(11)	(36)
<b>Corporate/Management</b> (d) administration *	(102)	(298)
1.04 Interest and other items of a similar nature received	31	50
1.05 Interest and other costs of finance paid	0	0
1.06 Income tax refund received	0	0
1.07 REDI Grant funds repaid	0	(248)
<b>Net Operating Cash Flows</b>	<b>(201)</b>	<b>(786)</b>
<b>Cash flows related to investing activities</b>		
1.08 Payment for purchases of: (a) prospects	0	0
(b) equity investments	0	0
(c) other fixed assets	0	0
1.09 Proceeds from sale of: (a) prospects	0	0
(b) equity investments	0	0
(c) other fixed assets	0	0
1.10 Loans to other entities	0	0
1.11 Loans repaid by other entities	0	0
Security deposit recovered/(paid)	0	5
1.12 Other (provide details if material)	0	0
<b>Net investing cash flows</b>	<b>0</b>	<b>5</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(201)</b>	<b>(781)</b>

\*Note: Admin costs contain the portion of corporate management costs apportioned to the activities of the listed entity.

1.13	Total operating and investing cash flows (brought forward)	(201)	(781)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	0	1,875
1.15	Proceeds from sale of forfeited shares	0	0
1.16	Proceeds from borrowings	0	0
1.17	Repayment of borrowings	0	0
1.18	Dividends paid	0	0
1.19	Other – share issue costs	0	(124)
	<b>Net financing cash flows</b>	0	1,751
	<b>Net increase (decrease) in cash held</b>	(201)	970
1.20	Cash at beginning of quarter/year to date	2,221	1,050
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	<b>Cash at end of quarter</b>	2,020	2,020

**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 1.02	125
1.24	Aggregate amount of loans to the parties included in item 1.10	0

## 1.25 Explanation necessary for an understanding of the transactions

1.23 – Consulting fees as per normal commercial rates to Director related entities \$98K  
Director's remuneration as per contract \$27K

**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

N/A

- 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

N/A

**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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation - Vanuatu project	330
Exploration and evaluation - Australian project	30
4.2 Administration	180
<b>Total</b>	<b>540</b>

**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	320	521
5.2 Deposits at call	0	0
5.3 Bank overdraft	0	0
5.4 Other – Bank bills, bank term deposits	1,700	1,700
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,020</b>	<b>2,221</b>

**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	SEL 15/2010			Surrender in full approved 26 /9/ 2011.
	SEL 26/2005		Partial surrender application August 2011. Retained area is 7,570km <sup>2</sup>	Partial surrender approved.

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6.2	Interests in mining tenements acquired or increased	SEL 26/2005			Licence extended to 6/8/2016.
		GTPL 29001			Licence extended 17 months until 1/10/2013

6.3 A full list of KUTH Energy Limited tenements is included as an attachment to this report.

**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.*

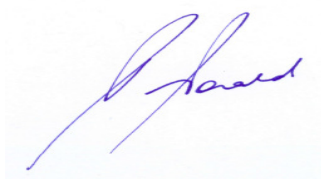
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference<sup>+</sup>securities</b> <i>(description)</i>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	111,135,300	111,135,300	Fully Paid	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,099,533*	2,099,533		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b>	333,333 1,000,000 1,000,000 1,000,000 500,000 100,000 100,000 100,000 1,000,000 1,500,000 3,000,000	0 0 0 0 0 0 0 0 0 0 0	<i>Exercise price</i> 30 25 27.5 30 25 30 30 30 25 8.1 9.5	<i>Expiry date</i> 30 Sep 2012 5 Jan 2014 5 Jan 2015 5 Jan 2016 31 Dec 2012 31 Dec 2015 31 Dec 2016 31 Dec 2017 30 Nov 2013 30 Sep 2014 30 Sep 2014
7.8 Issued during quarter	1,500,000 3,000,000	0 0	8.1 9.5	30 Sep 2014 30 Sep 2014
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 <b>Debentures</b> <i>(totals only)</i>	Nil			
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	Nil			

\* Of 1,935,483 shares issued in lieu of 2011/2012 Director's fees following approval at the AGM, 75% (1,451,613 shares) were voluntarily escrowed with release dates as follows; 31 Dec 2011, 483,871 shares (now released); 31 March 2012, 483,871 shares; 30 June 2012, 483,871 shares. Also issued were 164,050 shares, approved at the AGM, not subject to escrow.

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: \_\_\_\_\_ Date: 19th January 2012  
(Director/~~Company Secretary~~)

Print name: David McDonald

## 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 "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 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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**Schedule of Tenements as at 31 December 2011**

<b>Tenement Name</b>	<b>Number</b>	<b>Holder</b>	<b>Expiry</b>	<b>Comment</b>
<b>Tasmania</b>				
	SEL 26/2005	KUTh Exploration Pty Ltd	6 Aug 2016	Licence extended
	SEL 45/2007	KUTh Exploration Pty Ltd	18 Dec 2012	
	SEL 57/2008	KUTh Exploration Pty Ltd	12 May 2014	
	SEL 18/2009	Mineral Ventures Pty Ltd	12 May 2015	Granted 13 May 2010
<b>Queensland</b>				
	EPG 7	KUTh Exploration Pty Ltd	31 Dec 2013	Granted 1 Jan 2010
	EPG 91	KUTh Exploration Pty Ltd		Application 12 Feb 2010
<b>Vanuatu</b>				
	GTPL 29000	KUTh Energy (Vanuatu) Ltd	31 Mar 2012	Granted 1 April 2009
	GTPL 29001	KUTh Energy (Vanuatu) Ltd	1 Oct 2012	Licence extended
	GTPL 210003	KUTh Energy (Vanuatu) Ltd	1 Apr 2013	Granted 1 April 2010
<b>Fiji #</b>				
	CX712 (Sabeto)	KUTh Exploration (Fiji) Ltd		Application 15 Jul 2008
	CX713 (Vatukoula)	KUTh Exploration (Fiji) Ltd		Application 15 Jul 2008
	CX714 (Namosi)	KUTh Exploration (Fiji) Ltd		Application 15 Jul 2008
	CX715 (Nabalebale)	KUTh Exploration (Fiji) Ltd		Application 5 Sep 2008
<b>Papua New Guinea ##</b>				
	ELA 1671 (Talasea)	KUTh Energy (PNG) Ltd		Application 6 Aug 2008
	ELA 1672 (Salamo)	KUTh Energy (PNG) Ltd		Application 6 Aug 2008
	ELA 1673 (Iamelele)	KUTh Energy (PNG) Ltd		Application 6 Aug 2008

# Fiji Government has advised CX712 (Sabeto) and CX713 (Vatukoula) applications will be considered if KUTh submits exploration programs. New programs lodged 18th January 2012. CX714 and CX715 are still not being progressed by Mines Department at this time.

##Company has announced MOU with KULA Energy to advance the licence applications.

SEL = special exploration licence  
 EPG = geothermal exploration permit  
 CX = licence application  
 ELA = exploration licence application  
 GTPL = geothermal prospecting licence