

## **OPERATING ACTIVITIES REPORT AND ASX APPENDIX 5B For the Quarter Ended 30 June 2018**

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**Figure 1:** *Ensign 932 – Drilling WM26*

### **HIGHLIGHTS**

- Central and Incitec Pivot Limited (“IPL”) entered into a Gas Sales Agreement whereby Central will deliver at least 20 TJ/d of gas to IPL on an ex-field basis from its Palm Valley and Mereenie fields from commencement of commercial operations of the Northern Gas Pipeline (anticipated to be December 2018) until 31 December 2019.
- Central and IPL have agreed a 50:50 joint venture arrangement for ATP(A) 2031 in Queensland whereby IPL will contribute up to \$20 million for appraisal drilling costs during the initial exploration period.
- A webinar presentation was held by the Managing Director on 9 May 2018 to discuss the Quarterly Report for the Quarter Ended 31 March 2018.
- Mr. Martin Kriewaldt was appointed the new Chairman of Central Petroleum Limited effective 14 May 2018 following Mr. Robert Hubbard’s retirement from the Central Board.
- The West Mereenie 26 well spudded at 7:45pm on 22 May 2018 with the Stairway formation as the primary target.
- Cash balance at the end of the quarter was \$27.2 million.

## **MANAGING DIRECTOR'S REPORT TO SHAREHOLDERS FOR THE QUARTER**

Over the June quarter, the Company spent \$1.6 million on capital projects (primarily in relation to facilities upgrade) and \$2 million on the drilling of West Mereenie-26 ("WM-26"), finishing the period with a cash balance of \$27.2 million (down \$1.6 million from the previous quarter).

The Mereenie joint venture drilled WM-26 in the Lower Stairway Formation as an under-balanced air drilled horizontal well, with the work carried out professionally and coming in under budget. While the results were disappointing they confirmed the fracture modelling. The fractures were closed by mineralisation, a phenomenon probably caused by heated water coursing through the fractures throughout geologic time. Even though over 60 wells provided data on the Mereenie Stairway Formation, the field itself has an area greater than 100 square kilometres. Mineralisation is notoriously difficult to predict with the prime diagnostic tool being FMI logs, of which only 18 data points existed for the whole stairway structure. The well has been suspended to enable the Company to potentially explore avenues to enhance well productivity.

In the quarter, the Company executed a Gas Sales Agreement ("GSA") with Incitec Pivot Limited ("IPL") to supply 7.9 PJ over 13 months. The supply of gas under this contract is totally sourced from existing reserves. During this period, the joint venture carried out further exploration efforts on ATP(A) 2031 with IPL in Queensland (the "Queensland joint venture"). The exploration schedule is targeting 2019 for drilling activities. The IPL GSA has enabled the Gibson Island Plant to remain open with the intent that the equity gas from the Queensland joint venture could ensure the long-term viability of the facility.

The restart of Palm Valley has commenced and work is being carried out to enable Palm Valley to supply 5.5 PJ p.a. from existing reserves from 1 December this year. Similarly, the work at Mereenie continues to ensure that it is able to process 16 PJ p.a. (CTP's share 8 PJ p.a.) from 1 December from existing reserves.

On 15 May, Chairman Hubbard stepped down and Mr Martin Kriewaldt moved into the role. The Company thanks Mr Hubbard for his support in ensuring the excellent strategic position Central Petroleum is currently in. Management was strengthened by a number of appointments with Ross Evans assuming the role of Chief Operating Officer, Robin Polson becoming Chief Commercial Officer and Ben Visser accepting the role of General Manager Operations. These changes have ensured that the management has the requisite skillset to oversee the plant upgrade, the tripling of production and taking advantage of any growth opportunities that the resultant strong revenue growth may allow the company to participate.

**Richard Cottee**  
**Managing Director**

## REVIEW OF OPERATIONS AND OTHER JOINT VENTURE ACTIVITIES FOR THE QUARTER ENDED 30 JUNE 2018 (“THE QUARTER”)

### EXPLORATION/DEVELOPMENT ACTIVITIES:

#### **ATP 909, ATP 911 and ATP 912, Southern Georgina Basin – Queensland** (CTP - 100% interest)

Central Petroleum continues to work with the Queensland, Department of Natural Resources and Mines (“DNRM”) on the Project Status submission. Central will continue to consult with DNRM in Q3, 2018 on this application and to progress renewal applications for the next term for the three permits.

#### **Santos Stage 2 Farm out, Southern Amadeus Basin – Northern Territory**

Santos in April completed acquisition of 403 km of seismic data, infilling the previous 932 km of seismic acquired in 2016 and bringing the total to 1,335 km, meeting the requirements of the Stage 2 Farm-in. The additional seismic lines reduce dip line spacing over the Dukas prospect to ~5km between dip lines over the central prospect area, and ~10km towards the flanks. Processing of the acquired seismic data has commenced and progresses well.

In addition to seismic data coverage, Santos have also undertaken multi 1D modelling and gravity inversion studies over the Southern Amadeus to further understand the structural history, magnitude of missing section and their implications on present-day structure. The structural model continues to be refined with the addition of these new learnings.

The joint venture’s exploration endeavours on these permits focus on maturing large sub-salt leads. The primary reservoir objective is the Heavitree Quartzite. Secondary reservoir objectives in the Neoproterozoic post-salt units include the Areyonga Formation and Pioneer Sandstone, which are gas bearing in the Dingo and Ooraminna fields, respectively.

Central continues to monitor data in these permits, seeking to upgrade a variety of exploration play types and targets, which could be prospective for hydrocarbons and/or helium.

During the reporting period, Central Petroleum signed Amendment 8 to the farmout agreement extending the Second Obligation Period (seismic) by 7 months to 3 October 2018 and the Third Obligation Period (drilling) was also extended 7 months to 3 November 2019.

Southern Amadeus Area	Total Santos Participating Interest after completion of Stage 1	Total Santos Participating Interest after completion of Stage 2
EP 82 (excluding EP 82 Sub-Blocks)	25%	40%
EP 105	25%	40%
EP 106 *	25%	40%
EP 112	25%	40%
EP 125	70%	70%

\* Santos (as Operator) has continued the process of an application with the NT Department of Primary Industry and Resources for consent to surrender Exploration Permit 106.

#### **Amadeus Basin (includes EP 115 North Mereenie Block) – Northern Territory**

No tenures comment.

## Other Exploration and Application Areas

### Ooraminna Field

*(CTP - 100% interest)*

During the reporting period Central Petroleum, on behalf of Helium Australia Pty Ltd, applied for renewal of Northern territory Retention Licences 3 and 4. On 5 July 2018, Central received formal notification of an 'offer to grant the renewal' from the Northern Territory government. Central intends to formally accept the offer of renewal.

## PRODUCTION ACTIVITIES:

### Mereenie Oil and Gas Field (OL4 and OL5) – Northern Territory

*(CTP-50% interest [Operator], Macquarie Mereenie Pty. Ltd -50%.*

#### During the Quarter:

Production continued during the Quarter with gas being delivered into the Northern Territory gas distribution network and crude oil being trucked to Port Bonython in South Australia. The field produces from the Pacoota formation and the overlying Stairway Sandstone.

The key development project underway is the Mereenie Expansion Project to increase the capacity of the facilities to deliver 44 TJ/d of sales gas. The project scope includes installation of additional inlet separation, installation of a new Field Boost Compressor (FBC), restaging of the existing FBCs and refurbishment of the 'Plant 3' liquids recovery plant.

#### Project Activities during the Quarter:

- Front End Engineering Design (FEED) was completed and a Final Investment Decision (FID) was taken to deliver the project in order to satisfy the Incitec Pivot Contract.
- Fabrication of the new FBC continued with delivery to site expected early in the fourth Quarter.
- The contractor for the major construction works was selected with final negotiations nearing completion at the end of the Quarter.
- The contractor for the refurbishment works was selected and the construction contract was finalised soon after the end of the Quarter.

#### Other Activities during the Quarter:

- Planning is underway for a number of wireline well reconfigurations in preparation for the increased production rates.
- Engine overhauls were conducted in preparation for increased production rates.
- A series of in well wireline work programs were completed. The program consisted of static gradient surveys, sliding sleeve position checks, well head servicing and well integrity verification.

#### Stairway Sandstone at Mereenie

Natural fracture data gathering and modelling of the Upper and Lower Stairway formations has been completed to determine areas with the greatest natural fracture density which subsequently are targets for the sub-horizontal well West Mereenie 26. Subsurface lateral intervals were being drilled in West Mereenie 26 in the Quarter. Workovers to convert existing wells will also be utilized where possible in order to significantly reduce capital associated with converting resources to reserves.

### Palm Valley - Northern Territory

*(CTP-100% interest)*

#### Palm Valley Stairway and Pacoota

The field remained shut-in during the Quarter with no gas being produced. When in operation, the field produces from the Pacoota formation and the overlying Stairway Sandstone.

The key development project underway is the optimisation and restart and of the Palm Valley field and facilities to deliver 15 TJ/d of sales gas.

**Project Activities during the Quarter:**

- Coming out of concept review stage, it was determined that the optimal concept was to restart the plant in its current configuration
- The existing field and plant were inspected and a detailed work plan was compiled to refurbish and restart the field

**Dingo Gas Field (L7) and Dingo Pipeline (PL30) – Northern Territory**  
**(CTP – 100% Interest)**

Production continued during the Quarter with gas being delivered to the Owen Springs Power Station on the outskirts of Alice Springs. The field produces from the Arumbera Sandstone.

**During the Quarter:**

- Installation of the Water Bath Heater continued. Once complete, this will improve consistency of gas supply and reduce methanol consumption.
- A pre-concept study was commissioned to review options to expand the facility.

**Surprise Production Licence (L6) – Northern Territory**  
**(CTP - 100% Interest)**

The field remained shut-in during the Quarter, pending good re-charge and improved oil prices. When in operation, the field produces from the Lower Stairway Sandstone.

**During the Quarter:**

- Routine inspections undertaken.
- An independent Environmental Audit was successfully completed.

**2018 Drilling Campaign Mereenie Stairway (CTP – 50% Interest), Palm Valley Stairway/Pacoota and Ooraminna Pioneer Commitment well (both CTP 100% Interest)**

During the quarter, the drilling team finalised the planning and programming for the current drilling campaign at Mereenie, Palm Valley and Ooraminna. West Mereenie 26 was spud on 22 May 2018 and was suspended on 6 July 2018. Palm Valley 13 location is currently being prepared and is expected to spud in August.

The planning activities included:

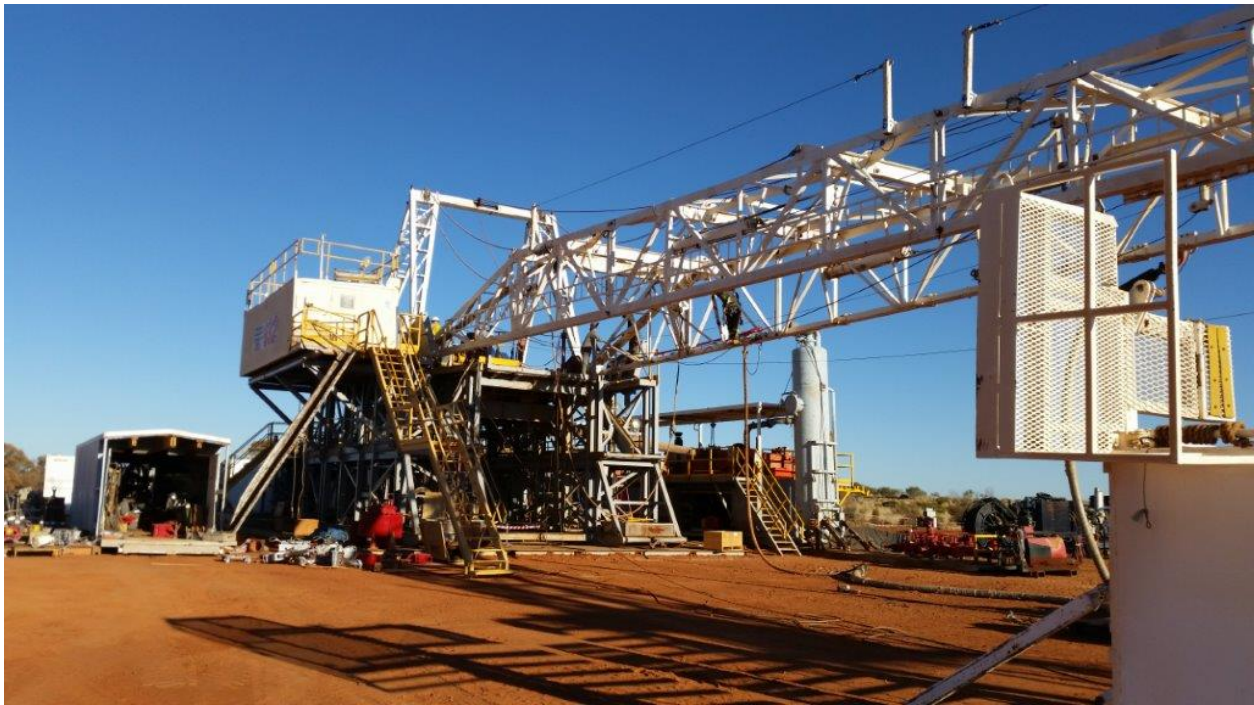
- Final site surveys for all sites
- Preparation of detailed drilling programs for the four wells and submission of these to the DPIR
- Preparation of Environment Management Plans for all programs
- Securing approval for the Mereenie and Palm Valley wells.
- Awarding contracts for all drilling operations and associated services.

**WM 26 Successfully drilled cased and suspended:**

Once the drill pad was completed the rig mobilised, a detailed 3<sup>rd</sup> party safety audit conducted on the rig and the well spudded on the 22 May, 2018. The execution and drilling of the well was as per program and was conducted without a reportable safety or environmental incident. An overview of the well construction is as follows:

- Made up 24" BHA with 9 5/8" fluid hammer
- Spudded well. Drilled 24" hole to 23.5mRT

- Ran 20" conductor #1
- Drilled 17 1/2" hole from 23.5m to 309mRT
- Ran and cemented 13 3/8" conductor #2
- Drilled 12 1/4" Hole from 309mRT to 548mRT
- Ran and cemented 9 5/8" Surface casing to 544.8mRT
- Nippled up and pressure tested BOP's
- Directionally drilled 8 1/2" Hole from 548mRT to 1498mRT(1002m TVD)
- Ran and cemented 7" Liner to 1495mRT
- Drilled 6 1/8" hole from 1498mRT to 2388mRT (1117m TVD) well total depth (TD)
- Well logged
- Well Suspended in accordance with the NT regulations
- Rig released 06:00 Hrs on 6 July, 2018.



**Figure 2:** Ensign 932 – rigging up at WM26





**Figure 3:** Ensign 932 - raising the mast at location WM26



**Figure 4:** Drilling Operations underway at WM26.

### **Ooraminna Appraisal Drilling Update**

The well Environmental Management Plan and Drilling Plans were processed in the Quarter.



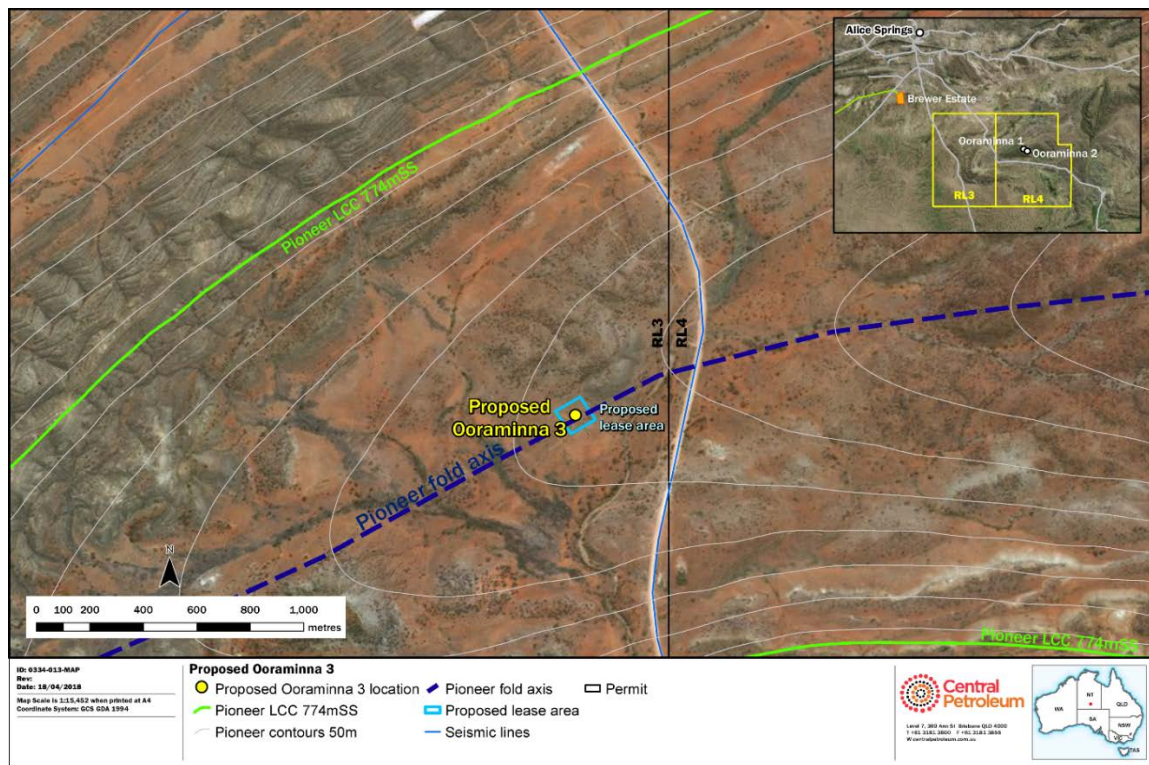


Figure5: Ooraminna 3 surface location and reservoir trajectory projection

## Palm Valley Appraisal Drilling Update

Both the Environmental Management Plan (EMP) and Drilling Plan were approved by the DPIR in the quarter.

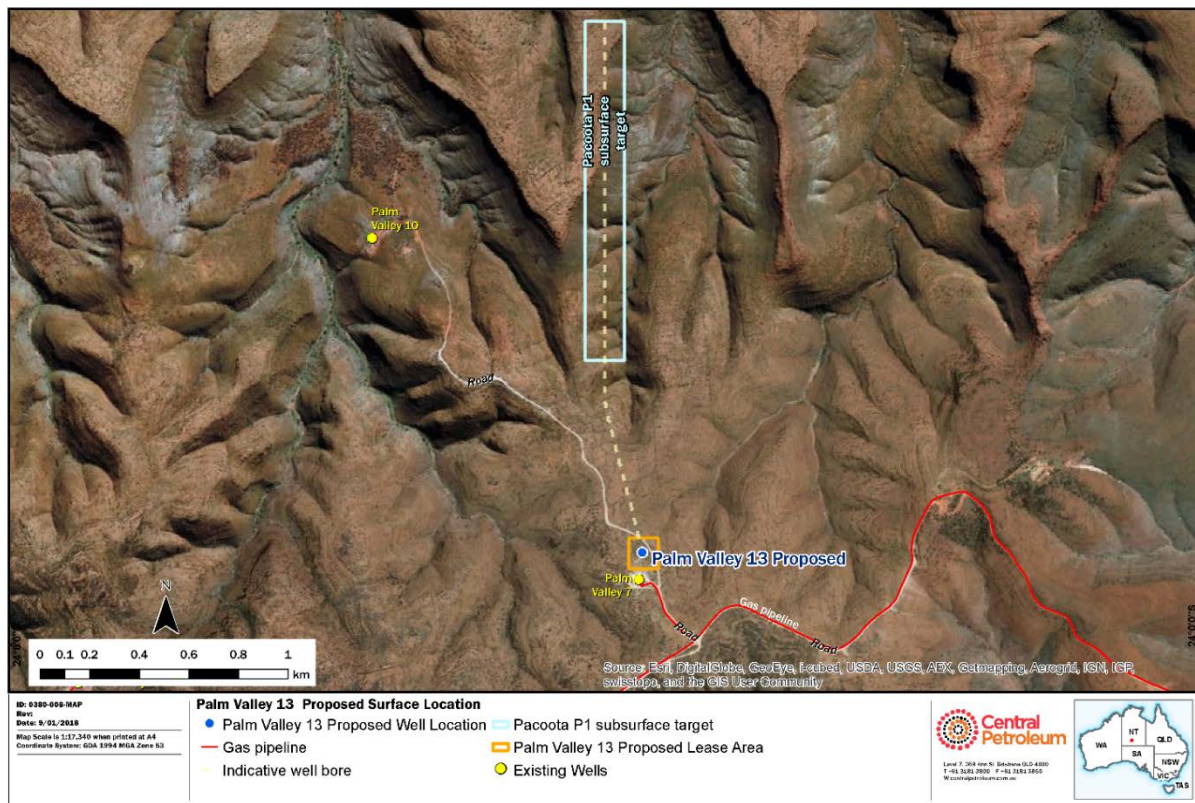


Figure 6: Palm Valley 13 surface location and reservoir trajectory projection.



## SALES – CENTRAL PETROLEUM EQUITY ADJUSTED SHARE

### Sales Volumes

Product	Unit	Q4 2017/18	Q4 2016/17	YTD 2017/18	YTD 2016/17
Gas	TJ	1,189	866	4,842	3,321
Crude and Condensate	bbls	25,634	28,296	105,619	111,380

### Sales Revenue

Product	Unit	Q2 2017/18	Q2 2016/17	YTD 2017/18	YTD 2016/17
Gas, Crude and Condensate	\$'000	8,235*	5,918	25,908	18,558

\*Includes take or pay revenue of \$439,000 (2016/17 - \$469,000)

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## INTERESTS IN PETROLEUM PERMITS AND LICENCES AT 30 JUNE 2018

### Petroleum Permits and Licences Granted

Tenement	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
EP 82 (excl. EP 82 Sub-Blocks) <sup>1</sup>	Amadeus Basin NT	Santos	60	60	Santos QNT Pty Ltd ("Santos")	40
EP 82 Sub-Blocks	Amadeus Basin NT	Central	100	100		
EP 93 <sup>4</sup>	Pedirka Basin NT	Central	100	0		
EP 97 <sup>4</sup>	Pedirka Basin NT	Central	100	0		
EP 105 <sup>1</sup>	Amadeus/Pedirka Basin NT	Santos	60	60	Santos	40
EP 106 <sup>3</sup>	Amadeus Basin NT	Santos	60	60	Santos	40
EP 107 <sup>4</sup>	Amadeus/Pedirka Basin NT	Central	100	0		
EP 112 <sup>1</sup>	Amadeus Basin NT	Santos	60	60	Santos	40
EP 115 (excl. EP 115 North Mereenie Block)	Amadeus Basin NT	Central	100	100		
EP 115 North Mereenie Block	Amadeus Basin NT	Santos	60	60	Santos	40
EP 125	Amadeus Basin NT	Santos	30	30	Santos	70
OL 3 (Palm Valley)	Amadeus Basin NT	Central	100	100		
OL 4 (Mereenie)	Amadeus Basin NT	Central	50	50	Macquarie Mereenie Pty Ltd ("Macquarie Mereenie")	50
OL 5 (Mereenie)	Amadeus Basin NT	Central	50	50	Macquarie Mereenie	50
L 6 (Surprise)	Amadeus Basin NT	Central	100	100		
L 7 (Dingo)	Amadeus Basin NT	Central	100	100		
RL 3 (Ooraminna)	Amadeus Basin NT	Central	100	100		
RL 4 (Ooraminna)	Amadeus Basin NT	Central	100	100		
ATP 909	Georgina Basin QLD	Central	100	100		
ATP 911	Georgina Basin QLD	Central	100	100		
ATP 912	Georgina Basin QLD	Central	100	100		

### Petroleum Permits and Licences under Application

Tenement	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
EPA 92	Lander Trough NT	Central	100	100		
EPA 111 <sup>2</sup>	Amadeus Basin NT	Santos	100	50	Santos	50
EPA 120	Amadeus Basin NT	Central	100	100		
EPA 124 <sup>2 &amp; 5</sup>	Amadeus Basin NT	Santos	100	50	Santos	50
EPA 129	Lander Trough NT	Central	100	100		
EPA 130	Pedirka Basin NT	Central	100	100		
EPA 131 <sup>4</sup>	Pedirka Basin NT	Central	100	0		
EPA 132	Georgina Basin NT	Central	100	100		
EPA 133	Amadeus Basin NT	Central	100	100		
EPA 137	Amadeus Basin NT	Central	100	100		
EPA 147	Amadeus Basin NT	Central	100	100		
EPA 149	Amadeus Basin NT	Central	100	100		
EPA 152 <sup>5</sup>	Amadeus Basin NT	Central	100	100		
EPA 160	Lander Trough NT	Central	100	100		
EPA 296	Lander Trough NT	Central	100	100		
ATP(A) 2031 <sup>6</sup>	Surat Basin QLD	Central	100	50	Incitec Pivot Queensland Gas Pty Ltd	50

### Pipeline Licences

Pipeline Licence	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
PL 2	Amadeus Basin NT	Central	50	50	Macquarie Mereenie	50
PL 30	Amadeus Basin NT	Central	100	100		

#### Notes

- <sup>1</sup> Santos' right to earn and retain participating interests in the permit is subject to satisfying various obligations in their farmout agreement with Central. The participating interests as stated assume such obligations have been met, otherwise may be subject to change.

- 2 *Effective 1 May 2017, Santos exercised its option to acquire a 50% participating interest in and be appointed operator of EPA 111 and EPA 124, which was granted as part of Central's acquisition of a 50% interest in the Mereenie oil & gas field.*
- 3 *Santos (as Operator) has continued the process of an application with the NT Department of Primary Industry and Resources for consent to surrender Exploration Permit 106.*
- 4 *These exploration permits and exploration permit applications and have been disposed, with transfers for the granted exploration permits undergoing the process of registration with the NT Department of Primary Industry and Resources.*
- 5 *On 22 March 2018 (in respect EPA 124) and on 23 March 2018 (in respect of EPA 152) Central received notice from the NT Department of Primary Industry and Resources that EPA 124 and EPA 152, as applicable, had been placed in moratorium for a period of 5 years from 6 December 2017 until 6 December 2022.*
- 6 *As per Central's announcement dated 1 March 2018, Central was the preferred bidder for Queensland Government's tender for acreage (PLR201718-1-1) dedicated to domestic market. This ATP is yet to be granted and is numbered ATP(A) 2031. As per Central's announcement dated 25 June 2018 ATP(A) 2031 is subject to a 50:50 joint venture with Incitec Pivot.*

## CORPORATE

### Cash Position

The Group began the Quarter with \$28.8 million in cash and at the end of the quarter held \$27.2 million. Cash positions are inclusive of the Group's share of cash held in Joint Venture bank accounts and funds held with Macquarie Bank to be used for allowable purposes under the Facility Agreement.

Net cash inflow from Operations for the quarter was \$0.6 million, after payment of \$1.5 million of interest charges relating to the Macquarie debt facility, and \$2.4 million of exploration costs (of which \$2.1 million relates to the current drilling program).

Receipts from customers were \$8.9 million for the quarter, compared to \$8.3 million in the previous quarter.

Cash outflows for the June quarter comprise normal operational and administrative expenditures.

Cash expenditure on capital projects (non-exploration) amounted to \$1.6 million and included \$1.0 million on facilities expansions at Mereenie.

A further \$1 million principal repayment was made in respect of the Macquarie Bank loan facility together with the quarterly interest payment of \$1.5 million.

The Company has \$5 million in undrawn debt available under the Macquarie debt facility and a further \$5 million available under a partial pre-payment in relation to the recently announced IPL GSA.

The Company constantly reviews its costs in order to prudently manage its cash position.

### Issued Securities of the Company

At 30 June 2018 the Company had 707,115,793 ordinary shares on issue, 30,037,765 share rights expiring on various dates and 30,000,000 unlisted options exercisable at \$0.20 per option and with an expiry date of 1 September 2019.

During the quarter, 33,827 ordinary shares were issued as a consequence of share rights exercised by employees in accordance with the Company's Employee Rights Plan and 1,510,685 share rights previously granted to employees were cancelled and 6,666 share rights were granted to employees.

### Richard Cottee



**Managing Director**  
**30 July 2018**



**General Legal Disclaimer**

*As new information comes to hand from data processing and new drilling and seismic information, preliminary results may be modified. Resources estimates, assessments of exploration results and other opinions expressed by the Company in this announcement or report have not been reviewed by any relevant joint venture partners, therefore those resource estimates, assessments of exploration results and opinions represent the views of the Company only. Exploration programmes which may be referred to in this announcement or report may not have been approved by relevant Joint Venture partners in whole or in part and accordingly constitute a proposal only unless and until approved.*

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## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

CENTRAL PETROLEUM LIMITED

### ABN

72 083 254 308

### Quarter ended ("current quarter")

30 JUNE 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	8,882	39,285*
1.2 Payments for		
(a) exploration & evaluation	(2,389)	(5,251)
(b) development	—	—
(c) production	(3,447)	(17,061)
(d) staff costs	(888)	(4,286)
(e) administration and corporate costs (net of recoveries)	(203)	(2,047)
1.3 Dividends received (see note 3)	—	—
1.4 Interest received	140	494
1.5 Interest and other costs of finance paid	(1,527)	(5,987)
1.6 Income taxes paid	—	—
1.7 Research and development refunds	—	—
1.8 Other	6	26
<b>1.9 Net cash from / (used in) operating activities</b>	<b>574</b>	<b>5,173</b>

\*Includes proceeds under Take or Pay contracts of \$5,418,771

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1,646)	(3,000)
	(b) tenements (see item 10)	—	—
	(c) investments	—	—
	(d) other— Security Bonds	374	(2,438)
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	—	34
	(b) tenements and applications (see item 10 for tenements)	120	430
	(c) investments	—	—
	(d) other non-current assets — redemption of security bonds	—	71
2.3	Cash flows from loans to other entities	—	—
2.4	Dividends received (see note 3)	—	—
2.5	Other (refunded deposit to Joint Venture partner on withdrawal from Joint Venture)	—	—
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,152)</b>	<b>(4,903)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	—	27,250
3.2	Proceeds from issue of convertible notes	—	—
3.3	Proceeds from exercise of share options	—	—
3.4	Transaction costs related to issues of shares, convertible notes or options	—	(1,775)
3.5	Proceeds from borrowings	—	—
3.6	Repayment of borrowings	(1,000)	(4,000)
3.7	Transaction costs related to loans and borrowings	—	—
3.8	Dividends paid	—	—
3.9	Other (provide details if material)	—	—
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(1,000)</b>	<b>21,475</b>



<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	28,801	5,478
4.2	Net cash from / (used in) operating activities (item 1.9 above)	574	4,599
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,152)	(3,751)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,000)	22,475
4.5	Effect of movement in exchange rates on cash held	—	—
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>27,223</b>	<b>27,223</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances <sup>1</sup>	27,222	28,800
5.2	Call deposits	—	—
5.3	Bank overdrafts	—	—
5.4	Other (Cash on hand)	1	1
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>27,223</b>	<b>28,801</b>

<sup>1</sup> Includes share of Joint Venture bank accounts, and cash held with Macquarie Bank Limited (Current Quarter \$3,540,969; Previous Quarter \$2,323,958) to be used for allowable purposes under the Facility Agreement.

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	284
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	—
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Includes Salaries, Directors fees and Superannuation contributions		

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	—
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	—
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end <sup>2</sup> \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	83,809	78,809
8.2 Credit standby arrangements	—	—
8.3 Other (please specify)	—	—
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Represents the Macquarie Bank Facility which is a secured 5 year partially amortising term loan maturing 30 September 2020 with quarterly principal and interest repayments. The weighted average interest rate at end of the current quarter was 7.67% (floating interest rate).

<sup>2</sup> Amortised remaining Facility limit. Original facility limit was \$90 million.

9. Estimated cash outflows for next quarter <sup>3</sup>	\$A'000
9.1 Exploration and evaluation	(13,084)
9.2 Development	—
9.3 Production	(5,095)
9.4 Staff costs (net of recoveries)	(916)
9.5 Administration and corporate costs (net of recoveries)	(374)
9.6 Other	
- Payments for property, plant & equipment	(7,121)
- Interest and debt repayments	(2,506)
<b>9.7 Total estimated cash outflows</b>	<b>(29,096)</b>

<sup>3</sup> Outflows only, does not reflect proceeds from financing, product sales, take or pay, or other income

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Director/Company secretary)

Date: ..30 July 2018.....

Print name: .....JOSEPH MORFEA.....

### 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.