

Quarterly Report

For Quarter ending 30 June 2014



HIGHLIGHTS

- Quarterly net production was 15,392 bbls of oil and 27,574 Mcf of gas with gross revenue of A\$1,993,907.
- After royalties, production and development costs the Company delivered over \$1.1m to fund exploration and administration costs for the quarter. The majority of Louise dry hole well costs were prepaid in the June quarter.
- Louise Prospect (22.5% WI)** - The Energy Drilling rig, which has been contracted to drill Templet #1, has been delayed on its current well and is expected to be on the Templet location in early August. The Templet #1 well is targeting 600,000-800,000 bbls of oil in an updip segment of a proven oil bearing compartment.
- Desiree Production (35.6% WI)** - Hensarling #1 produced a total of 37,126 bbls of oil during the June quarter at an average rate of 400 bbls per day. During the period, net revenue (after operating costs) averaged -\$290,000 per month.
- Dugas & Leblanc #3 (40% WI)** - This well is presently producing at gross production rates of 85 bopd and 332 bswpd, through a 21/64" choke. During the period, net revenue (after operating costs) averaged -\$75,000 per month.
- West Klondike (11.7% WI)** - The Operator has advised that production is to commence end of July 2014 and the project continues to be within budget. The well tested flow rates above 2mmcfg/d and associated condensate.
- Abita (20% WI)** - The SL 19706 #1 well was recompleted in the upper 18 sands and is presently producing 970 Mcfpd, 10 bcdpd and nil bswd through a 7/64" choke. As the flow rates continue to maintain stability the Operator is expected to increase the choke size.

| | | | |
|-------------|-------|---------|---------|
| ASX Codes | GGE | Shares | 748m |
| Share Price | 1.1 c | Mkt cap | \$8.25m |

DRILLING & EXPLORATION PROGRAM

| Program | Date | P50 Oil (net Mbo) | P50 Gas (net Bcf) |
|---------|------|-------------------|-------------------|
| Louise | 2014 | 135-180 | - |

PRODUCTION AND DEVELOPMENT PROJECTS

| Well # | Status | PUD Oil (net Mbo) | PUD Gas (Net Bcf) |
|--------------|------------|-------------------|-------------------|
| D&L#3 | Prod. | 30 | .1 |
| Abita | Prod. | 10 | .56 |
| Desiree | Prod. | 296 | - |
| W. Klondike* | Completing | 12-60 | 0.05-0.15 |
| Total | | 483-576 | 0.7-0.8 |

* W Klondike is yet to be classified as a PUD reserve.

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Directors

Executive Chairman
Mr Charles Morgan

Managing Director
Mr Mark Freeman

Director
Mr Stephen Keenihan

Executive Director
Mr Allan Boss

Energy Prices

Brent US\$107.61 (BBL)
Nymex US\$3.86 (MMBTU)

Major Shareholders

Charles Morgan 21.5%
Craig Burton 22.4%





PRODUCTION AND DEVELOPMENT

| | Sep Qtr | Dec Qtr | Mar Qtr | Jun Qtr |
|------------|---------|---------|---------|---------|
| Oil (bbls) | 13,295 | 17,689 | 15,999 | 15,392 |
| Gas (mcf) | 16,078 | 35,366 | 29,272 | 27,574 |
| % Oil Equ. | 96% | 93% | 94% | 94% |

Desiree Field

Desiree, Assumption Parish, Louisiana, Non Operator 35.6%

The Hensarling #1 well (Desiree Field) commenced production on 3 July 2013 and is presently producing at around 400 bbls oil per day using a jet pump. The operator anticipates the well will sustain production rates between 350 to 400 bbls per day through a 25/64 inch choke until depleted or water production becomes excessive.

Post drill, gross prospect reserves are estimated to be 952,000 bbls oil in the Cris R II & III. The well is producing from the thicker Cris R III following which the overlying Cris R II will be completed for production. At these production rates the Desiree Field contributes cash flow to the Company of US\$265,000-\$295,000 per month (US\$3.2-\$3.54 million per year).

Dugas & Leblanc #3 "M" Sand

Napoleonville- Dugas & Leblanc #3 Well, Assumption Parish, Louisiana, Non Operator 40% WI

The D&L#3 was placed on jet pump in December 2013 and is producing at flow rates of 85 bopd and 332 bswpd from a 21/64 inch choke. Monthly revenue net to the Company is estimated at around \$75,000 after royalties and operating costs.

During the period, the Operator attempted to convert the D&L #2 well into a salt water disposal well, but unfortunately failed. The Operator is working with partners to identify an alternative water disposal solution.

The gross proven behind pipe reserves (PDP) at 31 December 2013 was estimated at 63,000 bbls of oil and 178,800 mcf of gas.

Abita

Abita, Plaquemines Parish, Louisiana, Non Operator 20%WI (15% after payout)

The field is being operated by Clayton Williams Energy Inc in Plaquemines Parish, Louisiana. The well commenced producing on 18 March 2012.

The Company is pleased to advise that the Abita recompletion has been finalised in the upper 18 sands. The choke has just been increased. The well is presently cleaning up and producing at 970 Mcfd, 10 bopd and nil bswd through a 7/64 inch choke. The upper 18 sand is likely to contain 400,000 Mcf and 8,000 bbls oil.

Reserve update: At 31 December 2013 the proved developed behind pipe reserves (PDB) were estimated to be 2,397 MMcf and 48 Mbc for the "Upper 18", "17", and "15" Sands.

West Klondike Development

Wilbert Sons LLC #1 well, West Klondike, Iberville Parish, Louisiana, Non Operator 11.7% WI

Installation of production facilities are progressing well at West Klondike. The operator has advised of minor delays and anticipates production to commence end of July 2014 and the project continues to be within budget. The well tested flow rates above 2MMcfd and associated condensate in the lower Nod Blan.

Due to non-participation by one of the JV partners in the facilities and pipeline program, the Company has a working interest to 11.7%. The increased interest (1.2%) will revert back to the original owner following 400% recovery of the associated incremental cost to the Company. Electric logs of Wilbert Sons #1 indicate hydrocarbons in three reservoir horizons. A summary of the characteristics of each reservoir is provided below:

| Depths | Sand | Net Pay | Hydrocarbons | Description |
|---------------|------------|---------|----------------|-------------------------------|
| 10,330-10,350 | Lario | 4ft | Oil | 18-20% porosity appears tight |
| 10,518-10,524 | U Nod Blan | 6ft | Condensate/gas | Good porosity |
| 10,616-10,661 | L Nod Blan | 35ft | Oil/gas | Good porosity |



EXPLORATION

Napoleonville Salt Dome

Templet #1 well, Louise Prospect, Assumption Parish, Louisiana, Non Operator 22.57%

The Company is pleased to confirm that it has finalised its position in the Louise prospect (Templet#1 well). The Company owns a 22.57% WI and will be paying 19.26% of the dry hole well costs. The Energy Drilling rig, which has been contracted to drill Templet #1, has been delayed on its current well and is now expected to be on the Templet location early August. The delays in the rig arriving at location are unfortunately unavoidable.

This prospect was developed using proprietary 3D seismic data by the Company's in-house Geological and Geophysical team. The prospect follows the same style as Desiree and is located to the immediate south.

A well to test the Louise prospect is expected to penetrate an accumulation of oil in a 3D-defined, normally pressured, block updip from a productive well where an equivalent target interval has produced 2.2 Mbbl oil and 10.5 Bcf gas. The Louise well is expected to be drilled in the June 2014 quarter and is targeting an estimated resource of between 600,000 to 800,000 bbls of oil. This well is considered low risk both from drilling operations and geological and geophysical perspectives.

Napoleonville Salt Dome

Over the last quarter the Company has commenced reprocessing work aimed at improving the fidelity of the 3D seismic data and, with further refinement using frequency extraction and attribute work, expects the new data to assist with the identification of additional drilling targets. Grand Gulf's Prospect team now includes an experienced Gulf Coast geophysicist, Scott Sechrist.

The Company is encouraged by the preliminary results of the reprocessing work and is working towards maturing up to 3 further targets for drilling over the next 12 months.

CORPORATE MATTER

Legal Action

The Company has been advised that a previous JV partner in the Desiree Project is suing two Texas based subsidiaries, Grand Gulf Energy, Inc. and GG Oil & Gas 1, Inc. ("GGE") seeking a 5.3% WI (4.63% WI net to GGE) in the Desiree Project and leases. The partner formally withdrew from the project in December 2011 and, subsequent to the well having commenced drilling, thereafter demanded its interest be reinstated. GGE intends to vigorously defend its right to the additional forfeited interest as attempts to settle the matter have been rejected.

LEASE SCHEDULE

The Company provides the following Schedule of lease interest held by the Company for the quarter 31 December 2013 as required by ASX Listing Rule 5.3.

| Project | Location | Lease | Interest at Beginning of the Quarter | Interest at the end of the Quarter |
|-------------------|------------------------------|-------------------------|--------------------------------------|------------------------------------|
| Abita | Plaquemines Parish | 16990 | 20% | 20% |
| Abita | Plaquemines Parish | 16991 | 20% | 20% |
| Abita | Plaquemines Parish | 16992 | 20% | 20% |
| Abita | Plaquemines Parish | 16993 | 20% | 20% |
| 14-149 | Assumption Parish, Louisiana | CL-0102 | 40.5% | 40.5% |
| 14-149 | Assumption Parish, Louisiana | CL-0110 | 40.5% | 40.5% |
| Napoleonville 3-D | Assumption Parish, Louisiana | CL-0119 | 22% | 22% |
| Desiree/Louise | Assumption Parish, Louisiana | CL-0130 | 35.6/22.0% | 35.6/22.0% |
| Desiree | Assumption Parish, Louisiana | 12S14E52-031A (CL-0131) | 35.6% | 35.6% |
| Desiree | Assumption Parish, Louisiana | 12S14E52-031B (CL-0131) | 35.6% | 35.6% |
| Napoleonville 3-D | Assumption Parish, Louisiana | CL-0121 | 22% | 22% |
| Napoleonville 3-D | Assumption Parish, Louisiana | CL-0122 | 22% | 22% |

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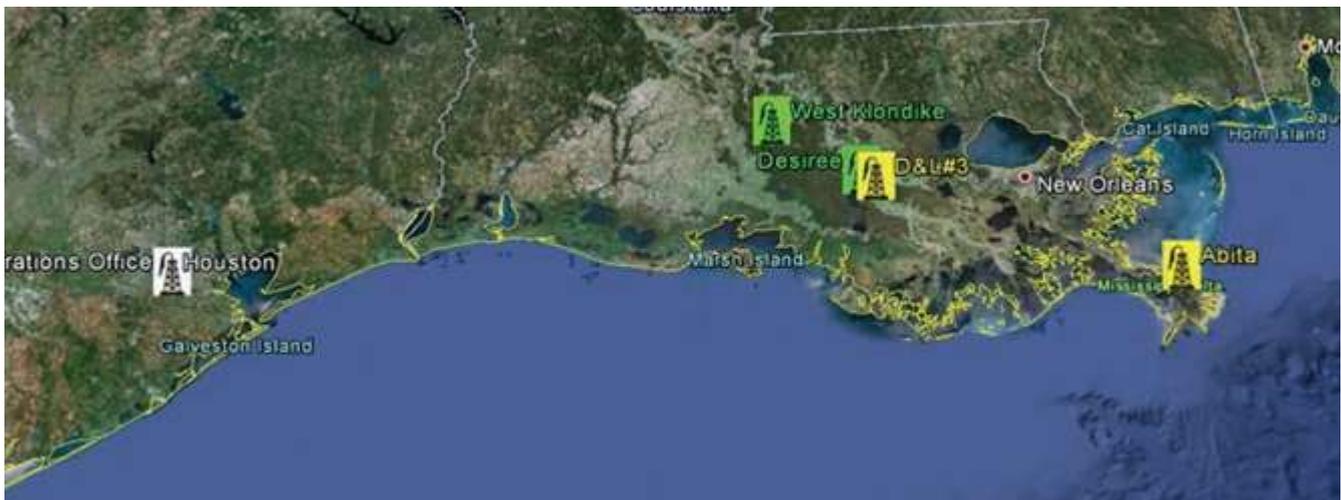


| | | | | |
|-------------------|------------------------------|---------------|------------|------------|
| Napoleonville 3-D | Assumption Parish, Louisiana | CL-0123 | 22% | 22% |
| Louise | Assumption Parish, Louisiana | CL-0124 | 22% | 22% |
| Napoleonville 3-D | Assumption Parish, Louisiana | CL-0134 | 22% | 22% |
| Napoleonville 3-D | Assumption Parish, Louisiana | CL-0137 | 22% | 22% |
| Napoleonville 3-D | Assumption Parish, Louisiana | CL-0138A | 22% | 22% |
| Napoleonville 3-D | Assumption Parish, Louisiana | CL-0138B | 22% | 22% |
| Napoleonville 3-D | Assumption Parish, Louisiana | CL-0135 | 22% | 22% |
| Napoleonville 3-D | Assumption Parish, Louisiana | CL-0136 | 22% | 22% |
| Dugas & Leblanc | Assumption Parish, Louisiana | CL-0139 | 40.5% | 40.5% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-001 | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-003 | 35.6/22.0% | 35.6/22.0% |
| Desiree | Assumption Parish, Louisiana | 12S14E52-004 | 35.6% | 35.6% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-005 | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-006 | 35.6/22.0% | 35.6/22.0% |
| Desiree | Assumption Parish, Louisiana | 12S14E52-007 | 35.6% | 35.6% |
| Desiree | Assumption Parish, Louisiana | 12S14E52-008 | 35.6% | 35.6% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-009 | 35.6/22.0% | 35.6/22.0% |
| Desiree | Assumption Parish, Louisiana | 12S14E52-010 | 35.6% | 35.6% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-011 | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-013 | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-014 | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-015 | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-016 | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-017A | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-019 | 35.6/22.0% | 35.6/22.0% |
| Desiree | Assumption Parish, Louisiana | 12S14E52-020 | 35.6% | 35.6% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-022A | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-022B | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-012 | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-002 | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-018 | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-021A | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-021B | 35.6/22.0% | 35.6/22.0% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-024 | 35.6/22.0% | 35.6/22.0% |
| Desiree | Assumption Parish, Louisiana | 12S14E52-023 | 35.6% | 35.6% |
| Desiree | Assumption Parish, Louisiana | 12S14E51-001A | 35.6% | 35.6% |
| Desiree | Assumption Parish, Louisiana | 12S14E51-001B | 35.6% | 35.6% |
| Louise | Assumption Parish, Louisiana | 12S14E52-025 | 35.6% | 35.6% |
| Desiree/Louise | Assumption Parish, Louisiana | 12S14E52-026 | 35.6/22.0% | 35.6/22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E52-027 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E52-028 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-001 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-002A | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-002B | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-003 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-004 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-005 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-006 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-007 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-008 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-009 | 22.0% | 22.0% |

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| | | | | |
|---------------|------------------------------|----------------------------------|-------|-------|
| Louise | Assumption Parish, Louisiana | 12S14E53-010 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-011 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-012 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-013 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-014 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-015 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-016 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-017 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-018 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-019 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-020 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-021 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-022 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-023 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-024 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-025 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E53-026 | 22.0% | 22.0% |
| Desiree | Assumption Parish, Louisiana | 12S14E52-032 (CL-0068 & 0106) | 35.6% | 35.6% |
| Louise | Assumption Parish, Louisiana | 12S14E52-029 | 22.0% | 22.0% |
| Louise | Assumption Parish, Louisiana | 12S14E52-030 | 22.0% | 22.0% |
| West Klondike | Iberville Parish, Louisiana | WK#1A | 10.5% | 11.7% |
| West Klondike | Iberville Parish, Louisiana | WK#1B | 10.5% | 11.7% |
| West Klondike | Iberville Parish, Louisiana | WK#1C | 10.5% | 11.7% |
| West Klondike | Iberville Parish, Louisiana | WK#2 | 10.5% | 11.7% |
| West Klondike | Iberville Parish, Louisiana | WK#3A | 10.5% | 11.7% |
| West Klondike | Iberville Parish, Louisiana | WK#3B | 10.5% | 11.7% |



COMPETENT PERSONS STATEMENT: *The information in this report has been reviewed and signed off by Mr KC Whittemore (Registered Geologist, Texas USA), and Kevin Kenning (Registered Reservoir Engineer) with over 37 and 31 years relevant experience respectively within oil and gas sector. This report contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.*

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

GRAND GULF ENERGY LTD

ABN

22 073 653 175

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date \$A'000 |
|---|----------------------------|-------------------------|
| 1.1 Receipts from product sales and related debtors | 1,994 | 6,947 |
| 1.2 Payments for (a) exploration & evaluation | (651) | (1,571) |
| (b) development | (101) | (1,229) |
| (c) production | (773) | (2,470) |
| (d) administration | (245) | (834) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | - | - |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Insurance pre-payment (refundable) | - | - |
| 1.7 Other (escrow of revenue) | - | - |
| Net Operating Cash Flows | 224 | 843 |
| 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 | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (provide details if material) | - | - |
| Net investing cash flows | - | - |
| 1.13 Total operating and investing cash flows (carried forward) | 224 | 843 |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|-------|-------|
| 1.13 | Total operating and investing cash flows (brought forward) | 224 | 843 |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | - |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Costs of Capital | - | - |
| | Net financing cash flows | - | - |
| | Net increase (decrease) in cash held | 224 | 843 |
| 1.20 | Cash at beginning of quarter/year to date | 1,595 | 1,006 |
| 1.21 | Exchange rate adjustments to item 1.20 | (9) | (39) |
| 1.22 | Cash at end of quarter | 1,810 | 1,810 |

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 | 139 |
| 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 include consulting and directors fees, and provision of a Legal Secretary.

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

Nil

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 | 300 |
| 4.2 Development | 50 |
| 4.3 Production* | 700 |
| 4.4 Administration | 125 |
| Total | 1,175 |

* Production costs are primarily a fixed % of revenue and reflect royalties and state taxes. The balance are production costs.

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 | 1,810 | 1,595 |
| 5.2 Deposits at call | | |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | | |
| Total: cash at end of quarter (item 1.22) | 1,810 | 1,595 |

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 | | | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

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 | 747,998,870 | 747,998,870 | | Fully paid |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | | | | |
| 7.5 +Convertible debt securities <i>(description)</i> | | | | |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 Options Unlisted Options | | | Exercise price | Expiry date |
| Listed Options | | | | |

+ See chapter 19 for defined terms.

| | | | | | |
|------|-------------------------------|------------|--|------|------------|
| 7.8 | Issued during quarter | | | | |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | 15,000,000 | | .045 | 6 May 2014 |
| 7.11 | Debentures (totals only) | | | | |
| 7.12 | Unsecured notes (totals only) | | | | |
| 7.13 | Partly paid shares | | | | |
| | | | | | |

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: 22/7/2014
(Director/Company secretary)

Print name: Mark Freeman

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.

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

- 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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