

QUARTERLY ACTIVITY REPORT

For the period ending 30 September 2015

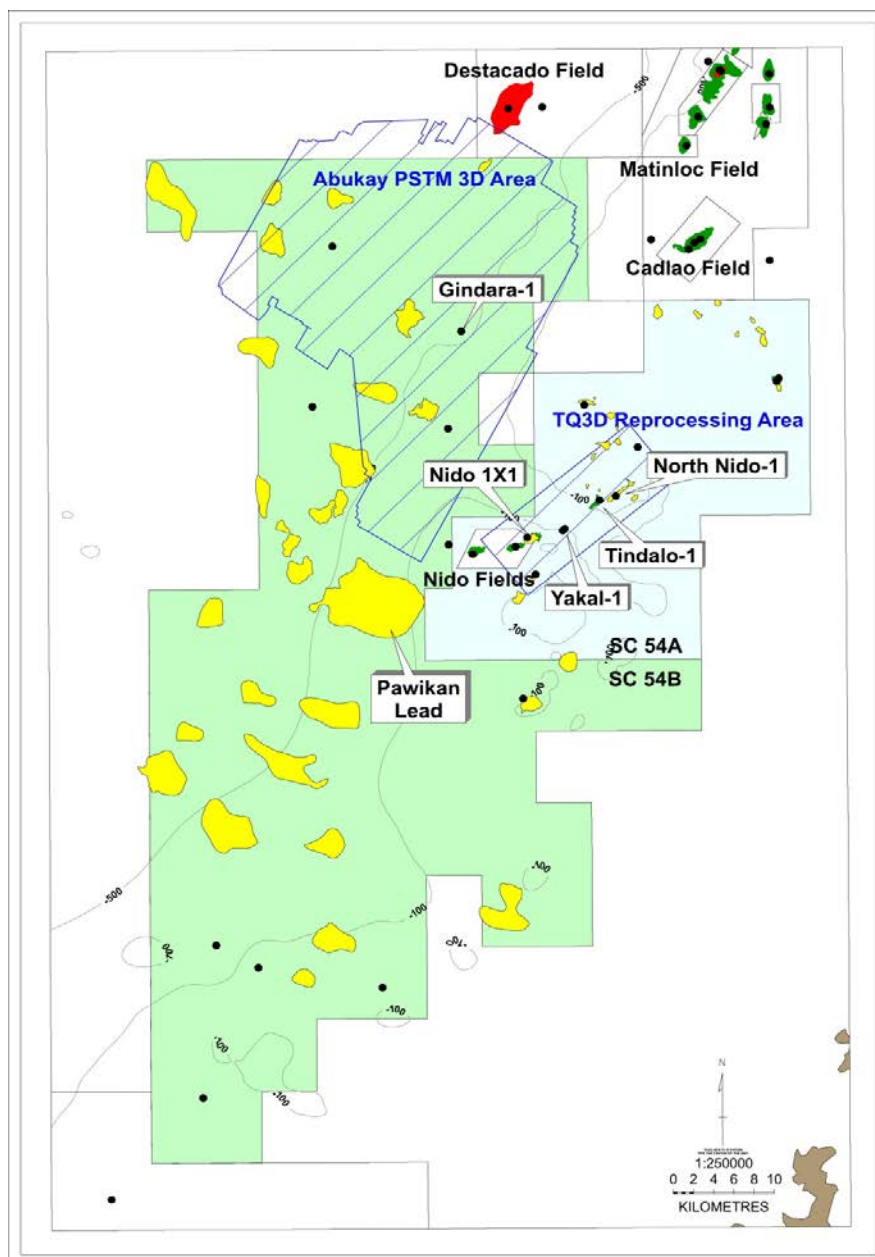


The Directors wish to report the following activities for the quarter ended 30 September 2015:

Oil & Gas Activities

Philippines Offshore Oil and Gas Permit

- SC 54A - 30.1% Participating Interest
- SC 54B - 40% Participating Interest

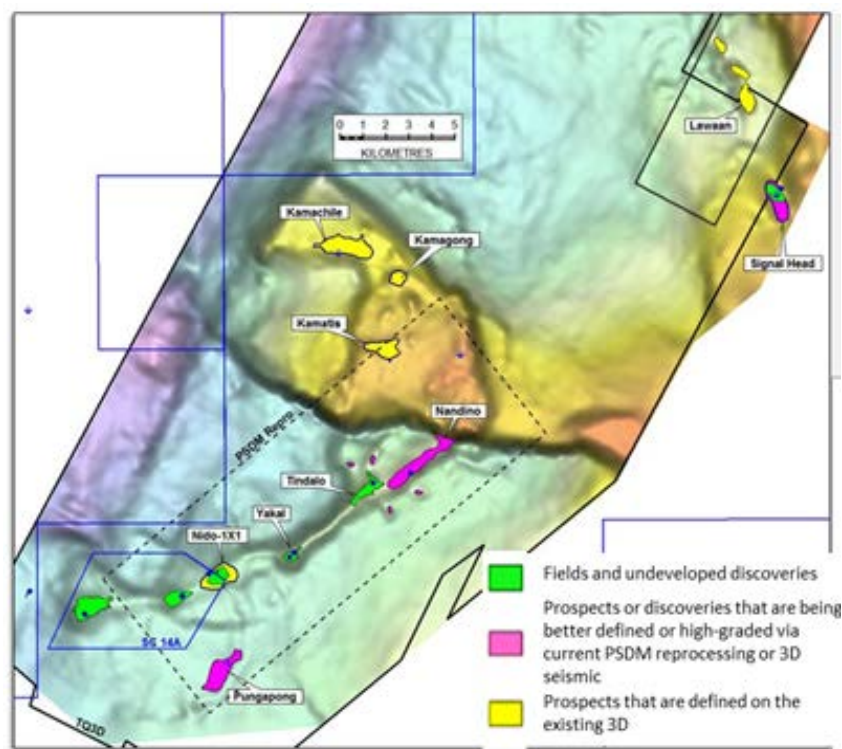


Location map – Blocks SC 54A & SC 54B

The Philippines Department of Energy has granted a moratorium on Service Contract 54 from 5 August 2014 to 5 August 2017 to give the joint venture sufficient time to study the development of the discovered marginal resources in the block. At the end of the moratorium period, the joint venture should elect to enter sub-phase 7 with a commitment to drill one well. If the Joint Venture elects to continue into the production period, the 3 year moratorium period will be automatically deducted to the initial production period.

SC 54A

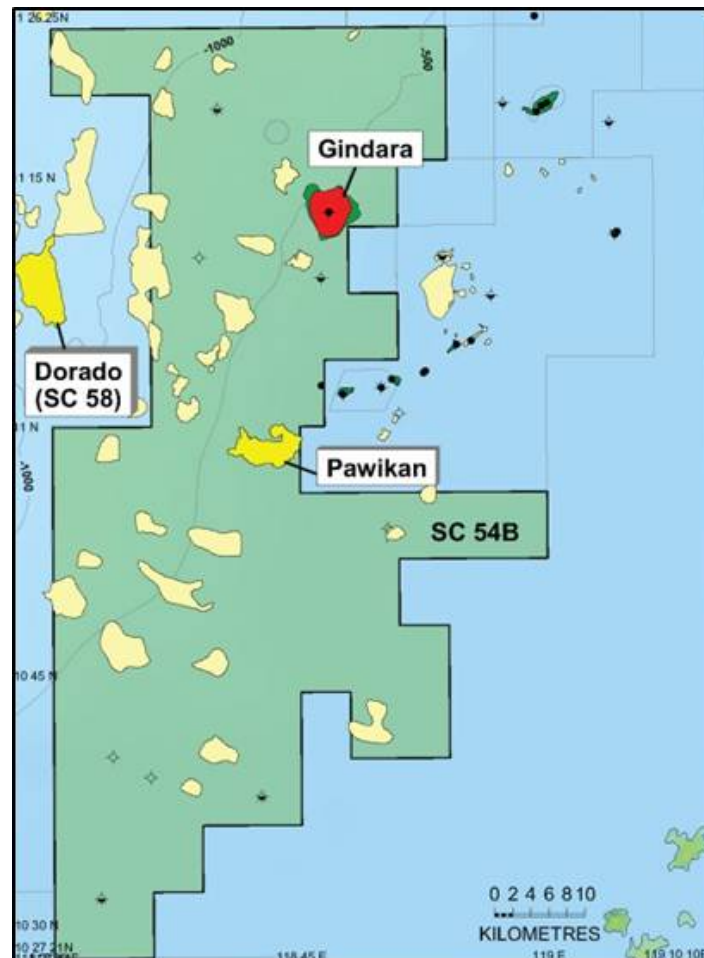
No work was carried out by the Joint Venture during the quarter.



Location Map and Portfolio Inventory – SC 54A

SC 54B

No further technical work was carried out by the Joint Venture during the quarter.





Corporate Summary

Disposal of Interest in Service Contract 54A and 54B

During the quarter, shareholders approved the disposal of the company's interest in the share capital of Yilgarn Petroleum Philippines Pty Ltd (**Yilgarn**) to IMC Oil & Gas Investments Ltd (**IMC**). Yilgarn is the holder of the Company's interest in Service Contract 54A and 54B in the Philippines.

The consideration to be paid by IMC for the disposal comprises:

- (a) forgiveness of debt due to IMC of an amount of \$488,000 under a Finance Facility Agreement;
- (b) the payment of an amount of \$221,000 to cover the Company's existing indebtedness; and
- (c) an amount of \$75,000 to cover the costs of implementing the proposed Disposal.

The Company and IMC are currently working through the completion process.

New Ventures

During the quarter, the Company continued to review new project opportunities.

Yours faithfully

N J Bassett
Company Secretary