



A.C.N. 004 247 214

Lakes Oil N.L.

ASX

Announcement
and Media
Release

27 October 2017

Quarterly Activities Report

For the three months ended
30 September 2017

Highlights:

- The Company's legal proceedings against the Victorian Government are continuing. The proceedings have been listed for trial on 14 March 2018.
- On 9 October the Victorian opposition announced an "Onshore Gas Policy". Among other things the coalition, should it be elected to Government in 2018, has committed to allow onshore conventional gas exploration on a case-by-case basis.
- On 5 October 2017 the Company made an open, formal offer to the Victorian Minister for Resources presenting an opportunity for Government to work cooperatively with the Company to address gas supply and pricing issues that are burdening Victorian industry and households. Features of the proposal included:
 - The Company would undertake specified conventional onshore drilling activity, within the parameters of the state's existing petroleum legislation as recently amended by Government, to confirm gas can be produced from the Company's known onshore gas fields.
 - Gas from the Company's onshore Victorian fields will be supplied to Victorian consumers and industry as a first priority.
 - The Company will commit to payment of a proportion of gas sales revenue to landowners upon whose land, and to communities within which, gas production activities are carried out.
 - The Company offered to relinquish its sensitive surf-coast exploration permit, PEP163, subject to agreement on consideration.
- Over the period 13th to the 18th of October 2017 the Company issued 1,321,454,547 fully paid ordinary shares by way of placement to professional and sophisticated investors, raising a total of \$1,924,000 before costs
- The Company subdivided and sold off a portion of a property it owns in Gippsland. The net proceeds from the sale were \$386,695. The portion of the property that has been retained houses the location of the Wombat -5 well.

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CORPORATE ACTIVITIES:

Victorian Onshore Exploration Ban

- The Victorian Government's unprecedented and unsubstantiated ban on all onshore petroleum exploration activity remains in place. In March 2017 the Victorian Government amended the *Petroleum Act 1998* to empower Government to enforce the ban and to avoid liability for any consequent damages.
- However, section 17A(2) of the *Petroleum Act 1998* specifically provides that requirements or obligations imposed upon the holder of an exploration tenement are not subject to the exploration ban. Accordingly, the Company's binding obligations to undertake specified exploration activities are not subject to the ban.
- The Victorian Department of Economic Development, Jobs, Transport and Resources has attempted to circumvent the legislative carve-out for existing requirements and obligations. The Department has proposed amendments to the Company's obligations under its exploration tenements. The Company does not accept the Department's proposed amendments as they are contrary to state legislation.

Open Offer to Work With Victorian Government

- On 5 October 2017 the Company submitted an open offer to the Victorian Minister for Resources offering to work cooperatively with Government to carry out conventional drilling activity within the parameters of the state's petroleum legislation and in consultation with the state's onshore gas program. The objective of the drilling activity would be to confirm that gas that has already been demonstrated to exist can be produced commercially, and to then deliver the gas to market as quickly as possible to mitigate gas supply and pricing problems presently faced by Victorian industry and households.
- The drilling programme proposed by the Company would involve the Wombat-1 gas well, the Otway-1 gas well and two proof-of-concept wells within Petroleum Exploration Permit PEP 175.
- Other key components of the Company's proposal to Government include:
 - The Company has offered a firm commitment to pay a percentage of gas sales revenue to landowners upon whose land, and to communities within which, gas production activities are carried out. This payment is in addition to royalties that will be paid to Government, access fees that will be paid to landowners and community benefits flowing from goods and services sourced locally by Lakes Oil.
 - The Company will commit to supplying gas to Victorian consumers and industry as a first priority.
 - The Company is prepared to relinquish its sensitive surf-coast exploration permit, PEP 163, subject to agreement on consideration.
- The Company also proposed the concept of an at-cost loan from Government to allow development of gas production facilities to be expedited. The loan would be secured by contracts for sale of gas, and would only be established once recoverable reserves are confirmed and contracts put in place.
- The Company has not yet received any response from the Minister for Resources.

Legal Proceedings

- The Company's legal proceedings against the Victorian Government are continuing. The proceedings, launched to protect the interests of the Company and its 11,000+ long-standing shareholders, initially involved:

- an application (filed on 27 October 2016) for Judicial Review of the Victorian Minister for Resources' decisions to refuse to consider or accept applications to conduct petroleum exploration operations; and
- civil proceedings (launched in the Supreme Court of Victoria on 6 December 2016) asserting that the actions of the Victorian Minister for Resources, in depriving the Company of its opportunity to use its exploration permits ('grants') constitutes a derogation from those grants. Damages were sought for the losses suffered by the Company as a result of the Minister's conduct.
- By way of an Amended Statement of Claim, filed in the Supreme Court of Victoria on 27 February 2017, the Judicial Review and civil proceedings, as described above, were combined into one proceeding.
- On 2 May 2017 the Victorian Government filed an application to have the Company's legal proceedings summarily dismissed on the grounds that the Fracking Ban Act (referred to above) prevents the proceedings from being successful.
- On 14 June 2017 the Company amended its statement of claim to recognise the existence of the *Resources Legislation (Fracking Ban) Act 2017* (which amended the *Petroleum Act 1998* and which was not in place when the legal proceedings were initiated). The Company's amended claim asserts that the *Petroleum Act 1998* (as amended) does not empower Government to refuse to allow exploration companies to fulfil obligations and commitments under exploration permits or retention leases. Rather, the Act specifically provides that existing obligations and commitments are not subject to the moratorium.
- Following agreement between the Company and the Victorian Government, by Order ratified on 13 July 2017 the Victorian Government withdrew its application to have the Company's legal proceeding summarily dismissed and agreed to file its Defence by 21 July 2017. This arrangement meant that a Directions Hearing, otherwise scheduled for 17 July 2017, was not required and was adjourned until 11 August 2017.
- On 21 July 2017 the Victorian Government filed its Defence. The Defence appears to concede that the Company's interpretation of the Fracking Ban Act is correct.
- On 10 October the Company filed with the Victorian Supreme Court some further material upon which the Company will rely in the course of proceedings.
- The Victorian Government is required to file any further material upon which it will rely by 24 November 2017. The proceedings have been listed for trial on 14 March 2018. It is estimated the proceedings will take 2 to 3 days to be heard.
- Lakes Oil's discussions with parties ('litigation funders') regarding potential provision of funding for the Company's legal proceedings have not been fruitful.

Other Corporate Initiatives

- Over the period from 13th to 18th of October 2017 the Company issued 1,321,454,547 fully paid ordinary shares by placement to institutional and sophisticated investors. With the exception of 145,454,545 shares issued at 0.11 cents per share, all shares were issued at 0.15 cents per share. The placements raised \$1,924,000 before costs.
- The Company subdivided and sold off a portion of a property it owns in Gippsland. The net proceeds from the sale were \$386,695. The portion of the property that has been retained houses the location of the Wombat -5 well.

EXPLORATION ACTIVITIES

Onshore Victoria

PEPs 163, 167 and 175, Otway Basin (Lakes Oil: Operator, 100% interest)

PEP 169, Otway Basin (Lakes Oil: Operator, 49% interest)

PRL 2, Gippsland Basin (Lakes Oil: Operator, varying interest across permit - subject to reserved rights)

PRL 3, Gippsland Basin (Lakes Oil operator, 100% interest)

PEP 166, Gippsland Basin (Lakes Oil: Operator; 75% interest)

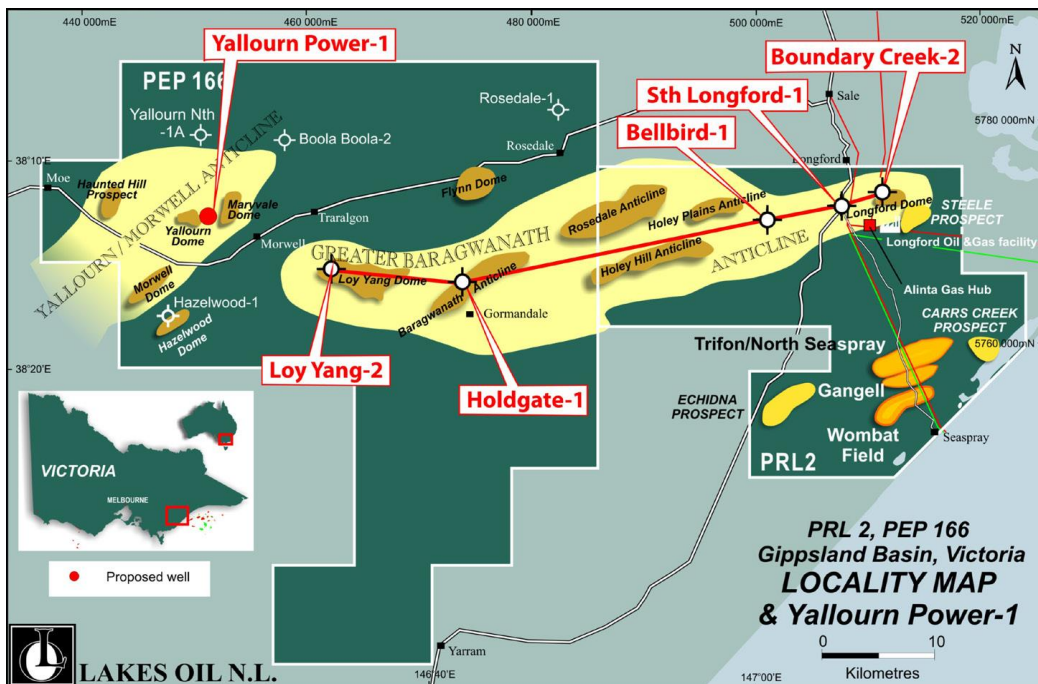
- In view of the Victorian Government's onshore exploration ban there was no new exploration activity within Victoria during the current Quarter
- The exploration drilling activity that the Company's proposed to the Minister for Resources is based upon are:
 - Wombat-5 Gas Well (Petroleum Retention Lease 2)

The Wombat-5 well is a conventional, lateral well that will target the upper, permeable section of the Strzelecki Formation. The well, which will cost around \$4m, has an independently estimated gas production potential of around 10 TJ/d. The well was first proposed in 2012, at which time all regulatory and access requirements were fully satisfied (as advised in writing by the Victorian Department of Economic Development, Jobs, Transport and Resources).

The independently estimated contingent recoverable gas resource of the Wombat and adjoining Trifon-Gangel gas fields is 329 PJ and 390 PJ, respectively, at the 50% probability level. (Source of estimate: Gafney, Cline and Associates, as reproduced on pages 24-25 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016. (Refer to page 11 for cautionary statement).

The Company's envisages an integrated approach to development of the Wombat and Trifon-Gangel gas fields. Sales gas production would initially be from the Wombat gas field with the Trifon-Gangel gas field developed to support steady gas sales over a 20 year period. On this basis the estimated conventional sales gas potential of the fields is at least 20 PJ/a.

Figure 1: Location of Wombat and Trifon-Gangel Gas Fields



- Otway-1 Gas Well (Petroleum Exploration Permit 169)

The Otway-1 gas well is a conventional, vertical well targeting both the Waarre Sandstone and the Eumeralla Formation. The well will be located about 400 metres from the existing Iona gas storage field and associated facilities. The well was first proposed in 2013, at which time all regulatory and access requirements were fully satisfied (as advised in writing by the Victorian Department of Economic Development, Jobs, Transport and Resources).

The Waarre Sandstone is very productive, with gas flow rates up to 50 TJ/d having previously been achieved at other nearby locations. The Waarre Sandstone is the basis of historic gas production at the Iona gas field.

The Eumeralla Formation is known to contain gas and has previously, at the Skull Creek-1 well location (nearby to Otway-1), flowed gas at a rate of 7.5 TJ/d.

Figure 2: Location of Otway-1 Gas Well



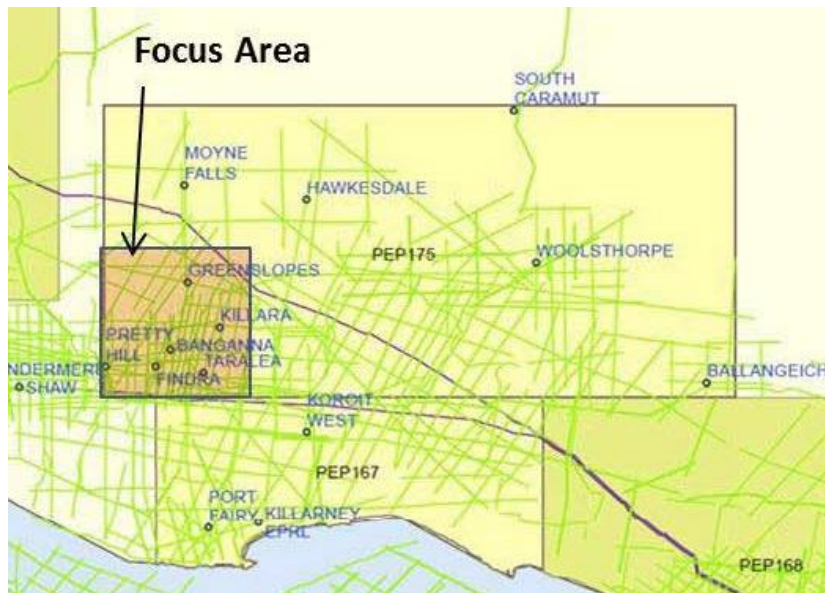
- Greenslopes-2 and Portland Energy-1 Gas Wells (Petroleum Exploration Permit 175)

The proposed Greenslopes-2 and Portland Energy-1 gas wells are proof-of-concept wells, designed to confirm the conventional gas production potential of the Eumeralla Formation within a 'Focus Area' on the southwestern corner of Petroleum Exploration Permit 175.

14 wells have been historically drilled without incident in the Focus Area region and, without exception, the Eumeralla Formation was shown to contain gas. Historically, this gas was of no interest since the search at the time was for oil. There was no market for gas, nor was there infrastructure through which it could be delivered.

An indication of the significant potential of the Focus Area can be gleaned from work undertaken by SRK Consulting on behalf of Lakes Oil. In May 2015 SRK used available information (essentially historic well logs and seismic data) to estimate the recoverable resources of gas within the Focus Area. SRK concluded (at a 50% confidence level) that there may be 8.3 Tcf of gas recoverable from the Eumeralla Formation and 3.2 Tcf recoverable from deeper Formations. (Source of estimate: SRK Consulting (Australasia) Pty Ltd, as reproduced on page 29 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016. (Refer to page 11 for cautionary statement).

Figure 3: Location of Focus Area Within PEP 175



Near-shore Victoria (Gippsland Basin)

VIC/P43(V) and VIC/P44(V) (Lakes Oil: Operator, 100% interest)

- For cost efficiency reasons it is desirable that work within these permit areas be coordinated with onshore activity.
- In view of the Victorian Government's onshore exploration ban there was no new exploration activity within Victoria during the current Quarter.

Queensland, Eromanga Basin

ATPs 642P and 662P (Lakes Oil: Operator, 100% interest)

- Lakes Oil is seeking a joint venture partner for pursuit of its western Queensland opportunities.

Queensland, Roma Shelf Project

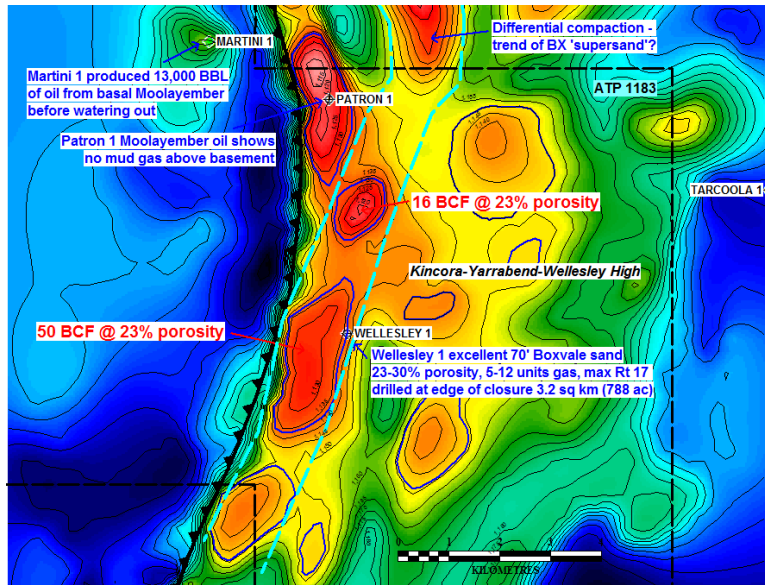
ATP 1183 (Lakes Oil: Operator, 100% interest)

- ATP 1183 is highly prospective for oil, gas and condensate discoveries, and is within close proximity of established production facilities and infrastructure. The tenement area itself surrounds the Riverslea Oil Field and Major Gas/Condensate Field.
- Since acquiring ATP 1183 the Company has undertaken extensive review of exploration prospects within the permit area. A number of compelling opportunities have been assessed in detail and the Company aims to carry out an exploration well drilling campaign in the near-term. Given the proximity of ATP 1183 to existing oil and gas production infrastructure, any discoveries within the permit area can be brought on line quickly to provide cashflow to support ongoing Company operations.
- The key exploration prospects that the Company proposes to drill are:

- Wellesley Dome

The Wellesley Dome is a fault bound, three way dip closure approximately 4.4km² in area, lying on the Kincora-Yarrabend-Wellesley High to the south of the productive Kincora Gas Field.

Figure 4: Wellesley Dome



A well (Wellesley-1) drilled by BHP in 1979 intersected in excess of 20 metres of thick clean Boxvale Sand. Although the well had fair gas shows and good porosity (average 28%) it was at the time not considered to be of commercial interest. Apart from the Wellesley-1 well, the extensive Wellesley Dome prospect is underexplored. With modern production techniques and at prevailing gas prices, the Company considers the Wellesley Dome to be a compelling exploration opportunity.

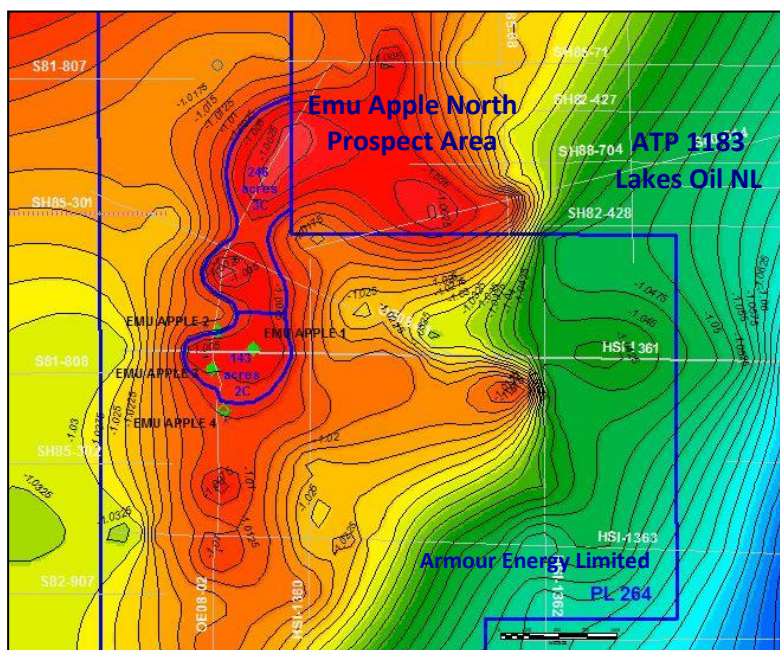
The Company proposes to drill an exploration well approximately 880 metres southwest of Wellesley-1 to a depth of around 1,650 metres.

The Wellesley Dome has a prospective gas resource of 41 BCF. (Refer to page 11 for cautionary statement).

- Emu Apple North

The Emu Apple North prospect comprises the northern extension of the Emu Apple oilfield, an oilfield recently brought back into commercial production by Armour Energy Limited.

Figure 5: Emu Apple North Prospect



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The prospect is a broad, low relief, anticlinal structure separated by a small saddle from the main Emu Apple Field. The entire Emu Apple area has been charged with hydrocarbons from Permian source rocks to the southeast.

The Hutton Sandstone and Boxville Sands, both of which are productive in the Emu Apple-3 well, are the main reservoir targets. The reservoir units will be intersected at shallow depths, between approximately 1350 and 1430 metres, which means drilling the Emu Apple North prospect will be low cost. The Company's proposed well location is readily accessible by existing road infrastructure and is close to Armour's Emu Apple production facilities (meaning any discovery can be quickly developed).

The Emu Apple North prospect covers an area of approximately 382 acres and is estimated to hold up to 3.4 million barrels of oil. (Refer to page 11 for cautionary statement).

Initial oil production rates from existing Emu Apple wells were around 100 barrels per day, with Armour Energy's Emu Apple-3 well currently producing around 40 barrels per day.

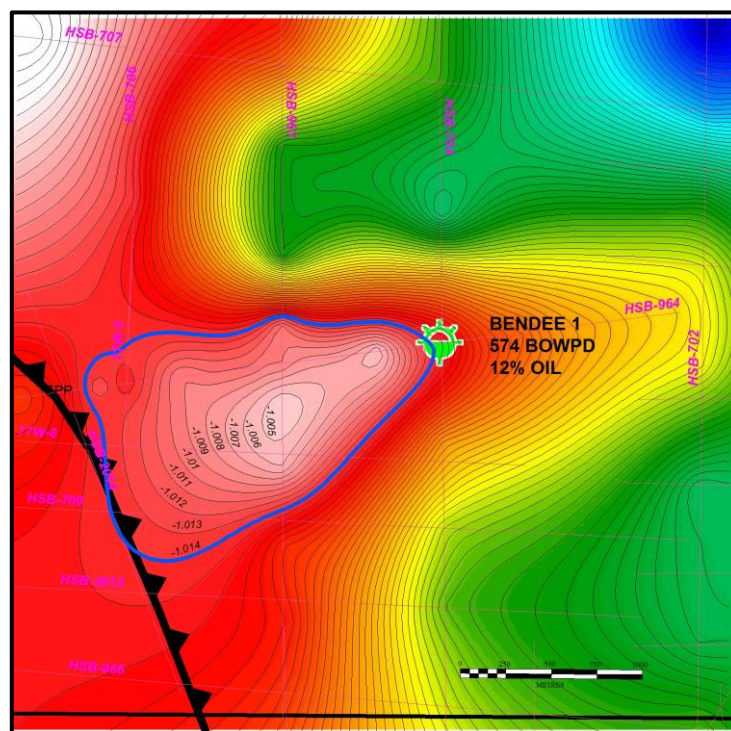
In addition to the prospects outlined above, the Company has also identified the following exploration opportunities:

- Bendee Prospect

The Bendee Prospect is a four-way dip closure located just to the west of the producing Thomby Creek Oil Field. An historic (Bendee-1) well flowed oil and water to surface, demonstrating that the structure contains oil. However, using currently available data the Company has identified that the Bendee-1 well was drilled on the edge of closure, at the level of oil-water contact. Considerable up-dip potential exists.

The Bendee Prospect covers an area of approximately 2 square kilometres and could contain approximately 1 million barrels of oil. (Refer to page 11 for cautionary statement).

Figure 6: Bendee Prospect

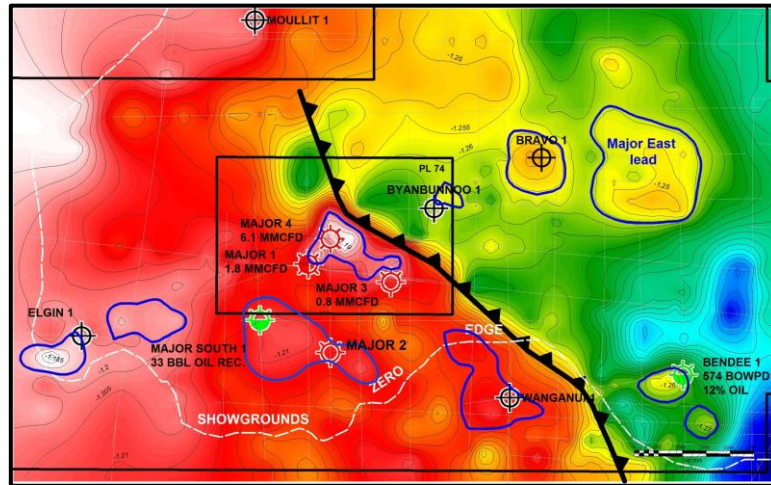


- Major East Lead

The Major East Lead is four way dip closure approximately 5km² in area, located to the east of the producing Major Gas Field.

The Major East Lead has a prospective gas resource of 13.8 BCF. (Refer to page 11 for cautionary statement).

Figure 7: Major East Lead



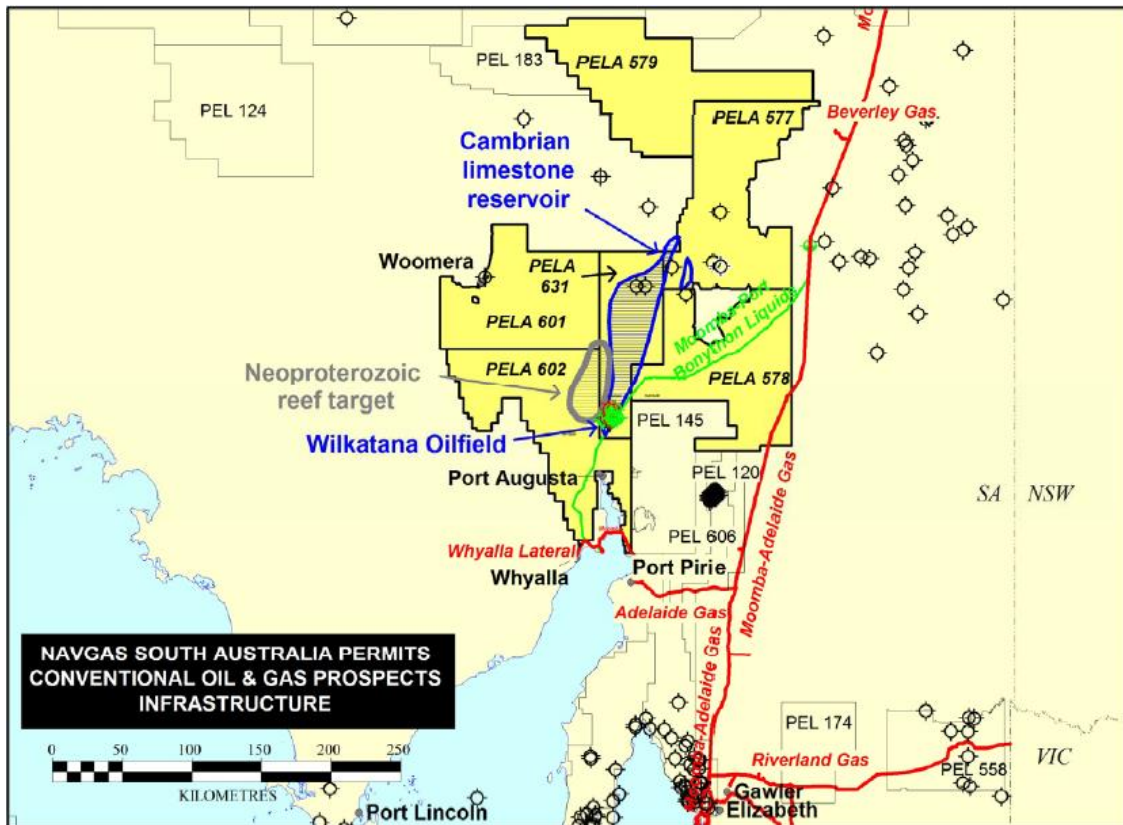
The estimates for the Queensland, Roma Shelf Project have been prepared on a deterministic basis. They are sourced from page 17 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016.

South Australia, Pirie Torrens Oil & Gas Project

PELAs (Lakes Oil: Operator, 100% interest)

- The Pirie Torrens Oil and Gas Project incorporates six Petroleum Exploration Licence Applications (PELAs) located in South Australia and covering approximately 53,000km² as outlined in Figure 5. Petroleum exploration activities in the general area first commenced in 1956, when Santos was established to drill for oil at Wilkatana. This work, and subsequent drilling by other companies, historically confirmed the presence of oil and gas across the area of interest.
- Lakes Oil proposes to review and reprocess historic data, including more recent seismic information gathered by Geoscience Australia, and to investigate potential for drilling of a stratigraphic corehole to further geological knowledge of the basin.
- Of particular near-term interest to the Company are:
 - the potential for oil production to the north of Wilkatana (in an area of closure, associated with the Torrens Hinge Zone, that can be identified on modern seismic data but which has not yet been drilled); and
 - the potential for production of gas from the Tindelpina Shale, which has been demonstrated to contain gas but has not been explored using modern techniques.

Figure 8: South Australian Licence Application Areas



Eagle Prospect, Onshore California, USA

(Lakes Oil: 17.97% interest. Operator: Strata-X Inc.)

- The Eagle Prospect contains the Mary Bellochi-1 well, which was drilled in 1986 by Lakes and its joint venture partners, and flowed oil to surface for several weeks before withering out. Indications at the time were that failure of the well was the result of a mechanical problem, rather than oil ceasing to be present.
- The Company is seeking to dispose of its Eagle Prospect interest.

Roland Sleeman
Chief Executive Officer

Lakes Oil NL Tenement holding summary

Below is a listing of the tenements held by Lakes Oil NL as at the date of this report:

Joint operation or Permit name	Location (basin name)	Interest owned %	Interest acquired/farmin during the quarter	Interest disposed/farmout during the quarter
PEP 163	Otway	100.00	-	-
PEP 167	Otway	100.00	-	-
PEP 169	Otway	49.00	-	-
PEP 175	Otway	100.00	-	-
PRL 2-Overall Permit	Gippsland	100.00	-	-
PRL 2 - Trifon Field	Gippsland	57.50	-	-
PRL 3	Gippsland	100.00	-	-
PEP 166	Gippsland	75.00	-	-
VIC/P43(V)	Gippsland	100.00	-	-
VIC/P44(V)	Gippsland	100.00	-	-
ATP 642P	Eromanga/Cooper E	100.00	-	-
ATP 662P	Eromanga/Cooper E	100.00	-	-
ATP 1183	Surat/Bowen	100.00	-	-
Eagle Prospect	California USA	17.96	-	-
PELA 577*	Pirie Torrens, SA	100.00	-	-
PELA 578*	Pirie Torrens, SA	100.00	-	-
PELA 579*	Pirie Torrens, SA	100.00	-	-
PELA 601*	Pirie Torrens, SA	100.00	-	-
PELA 602*	Pirie Torrens, SA	100.00	-	-
PELA 631*	Pirie Torrens, SA	100.00	-	-
EL 5690	Pirie Torrens, SA	100.00	-	-
EL 5693	Pirie Torrens, SA	100.00	-	-
EL 5694	Pirie Torrens, SA	100.00	-	-
EL 5695	Pirie Torrens, SA	100.00	-	-
EL 5700	Pirie Torrens, SA	100.00	-	-

*Tenements in application phase only, remain subject to government approvals.

Cautionary statement

The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and confirms that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons).

Directors

Chris Tonkin B.Sc (Hons.), BA, MBA, GAICD
Barney I. Berold B.Com, MBA
Nicholas Mather B.Sc (Hons. Geology), MAusIMM
Prof Ian R. Plimer B.Sc (Hons), PhD
William R. Stubbs LLB
Kyle Wightman B.Com, MBA, FAICD, CFTP(Snr)

CFO/Company Secretary

Melanie Leydin CA

Chief Executive Officer

Roland Sleeman B.Eng (Mech), MBA, MAICD

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Pitcher Partners
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Share Registry

Computershare Investor Services Pty Ltd
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Victoria 3067

Lakes Oil NL is a no-liability company incorporated in Australia. Unless otherwise stated references to 'Lakes Oil' or 'the company' or 'the Group' refer to Lakes Oil NL and its controlled entities as a whole. Lakes Oil operates a web site which Directors encourage you to access for the most recent company information.

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

LAKES OIL NL

ABN

62 004 247 214

Quarter ended ("current quarter")

30 SEPTEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 month's) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5	5
1.2 Payments for		
(a) exploration & evaluation	(76)	(76)
(b) development	-	-
(c) production	-	-
(d) staff costs	(104)	(104)
(e) administration and corporate costs	(200)	(200)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(375)	(375)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

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Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 month's) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (proceeds from trustee investment)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (interest on borrowings)	(31)	(31)
3.10	Net cash from / (used in) financing activities	(31)	(31)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	593	593
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(375)	(375)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(31)	(31)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	187	187

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	77	483
5.2 Call deposits	110	110
5.3 Bank overdrafts	-	-
5.4 Other (funds held on trust)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	187	593

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	-
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	

Nil

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	

Nil

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,000	1,000
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.		

On 5 April 2016, Lakes Oil NL fully owned subsidiary drew down a \$1,000,000 loan secured by a mortgage over land that it owns. The company negotiated an extension of the mortgage noted above, the loan is now repayable during January 2018.

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Mining exploration entity and oil and gas exploration entity quarterly report

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	70
9.2	Development	-
9.3	Production	-
9.4	Staff costs	150
9.5	Administration and corporate costs	500
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows*	720

*During October 2017 the company completed share placements raising a total of \$1.924 million (before costs) in order to fund ongoing working capital requirements.

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:



Date: 27 OCTOBER 2017

Company Secretary

Print name: MELANIE LEYDIN

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.