



A.C.N. 004 247 214

Lakes Oil N.L.

ASX

**Announcement
and Media**

Release

26 April 2018

Quarterly Activities Report

For the three months ended
31 March 2018

Highlights:

- The Company's legal proceedings against the Victorian Government were heard by Justice Macaulay in the Victorian Supreme Court on 14 and 15 March 2018. Justice Macaulay has reserved his decision.
- On 17 April 2018 the Northern Territory Government lifted its 18-month moratorium on fracking. Lifting of the moratorium followed receipt by the Government of the findings of an independent scientific inquiry, led by Justice Rachel Pepper. The Victorian Government stands alone with its ban on *all* onshore petroleum exploration activity.
- Preparatory work is under way for exploration drilling in Queensland and, potentially, for a resumption of exploration activity in Victoria.



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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.

CORPORATE ACTIVITIES:

Victorian Onshore Exploration Ban

- The Victorian Government's unprecedented and unsubstantiated ban on *all* onshore petroleum exploration activity remains in place.
- In contrast, following receipt by the Northern Territory Government of a the findings of an independent scientific inquiry led by Justice Rachel Pepper, on 17 April 2018 the Northern Territory Government announced the lifting of its 18-month moratorium on fracking. Justice Pepper found that the risks associated with fracking can be reduced to an acceptable level, or eliminated altogether.

Legal Proceedings

- The Company's legal 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 *Resources Legislation (Fracking Ban) Act 2017*, passed on 7 March 2017, prevented the proceedings from being successful. The Fracking Ban Act permanently banned fracking, introduced a moratorium on new exploration activity and provided that Government would not be liable for any consequent damages.
- On 14 June 2017 the Company amended its statement of claim to take into account the Fracking Ban Act which, of course, was not in place when the legal proceedings were initiated. The Company's amended claim asserted that the Petroleum Act 1998 (as amended) does not empower Government to refuse to allow exploration companies to fulfil existing 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 appeared to concede that the Company's interpretation of the Fracking Ban Act is correct.
- The legal proceedings were heard by Justice Macaulay in the Victorian Supreme Court on 14 and 15 March 2018. Justice Macaulay has reserved his decision.

EXPLORATION ACTIVITIES

Onshore Victoria

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

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

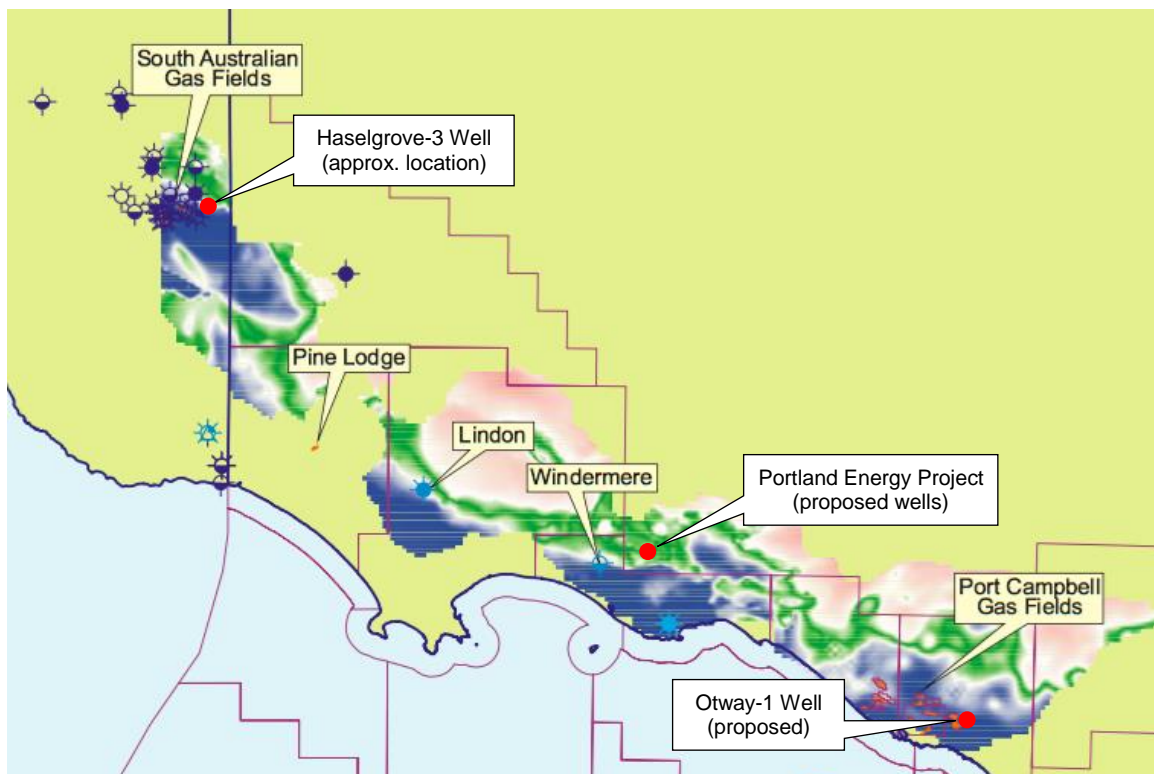
PRL 2, Gippsland Basin (Lakes Oil: Operator, varying interest across permit - subject to reserved rights)

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.
- On 11 January 2018 Beach Energy Ltd announced a significant, commercial gas discovery at its Haselgrove-3 well, in the South Australian section of the Otway Basin, just across the border from Victoria. Gas was discovered in the Sawpit Sandstone and the Pretty Hill Formation, both of which are part of what is known as the 'Crayfish Subgroup'. On test, the well produced 25 million cubic feet of gas per day (about 25 TJ/d) from the Sawpit Sandstone. The gas flow rate was constrained by the size of equipment used in the well.
- Beach Energy's discovery is an indication of the hydrocarbon potential of the onshore Otway Basin and of Lakes Oil's proposed Portland Energy Project.
- The Crayfish Subgroup that was targeted by Beach Energy extends across much of the Otway Basin, as shown in Figure 1. Figure 1 has been reproduced from Figure 10 of 'VIMP Report 90' ("A Technical Assessment of the Yet-to-find Hydrocarbon Resource Inventory, Offshore and Onshore Otway Basin, Victoria, Australia", Geological Survey of Victoria, June 2007). Figure 1 shows the extent of the Austral 1 petroleum system (the predominant source rock within the Crayfish Group), with the best potential areas for gas production being in proximity to the green shaded areas of peak hydrocarbon generation.

Figure 1: Extent of Astral 1 Petroleum System
(showing location of Haselgrove-3 well and Lakes Oil's proposed wells)



- The Portland Energy Project will target the Crayfish Subgroup and the overlying Eumeralla Formation, both of which have been shown to contain gas. For example, the Killara-1 gas well (1992) and the Greenslopes-1 gas well (1986) encountered gas but were untested (as the

search at the time was for oil). The Portland Energy Project is estimated to hold up to 3 Tcf of conventional gas.

- The Otway-1 well will primarily target the Waarre Sandstone and the Eumeralla Formation, which are shallower than the Crayfish Subgroup. The Otway-1 well, located adjacent to existing gas production facilities, could be quickly brought on line to produce gas.
- Further details of the Company's proposed Victorian exploration drilling activity are set out below:
 - Portland Energy Project (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 and the underlying Crayfish Subgroup within a 'Focus Area' on the southwestern corner of Petroleum Exploration Permit 175, as depicted in Figure 2.

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. 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)*

Figure 2: Location of Focus Area Within PEP 175



- 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, as shown in Figure 3. 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 which is now utilised as a gas storage reservoir.

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 3: Location of Otway-1 Gas Well



- o Wombat-5 Gas Well (Petroleum Retention Lease 2)

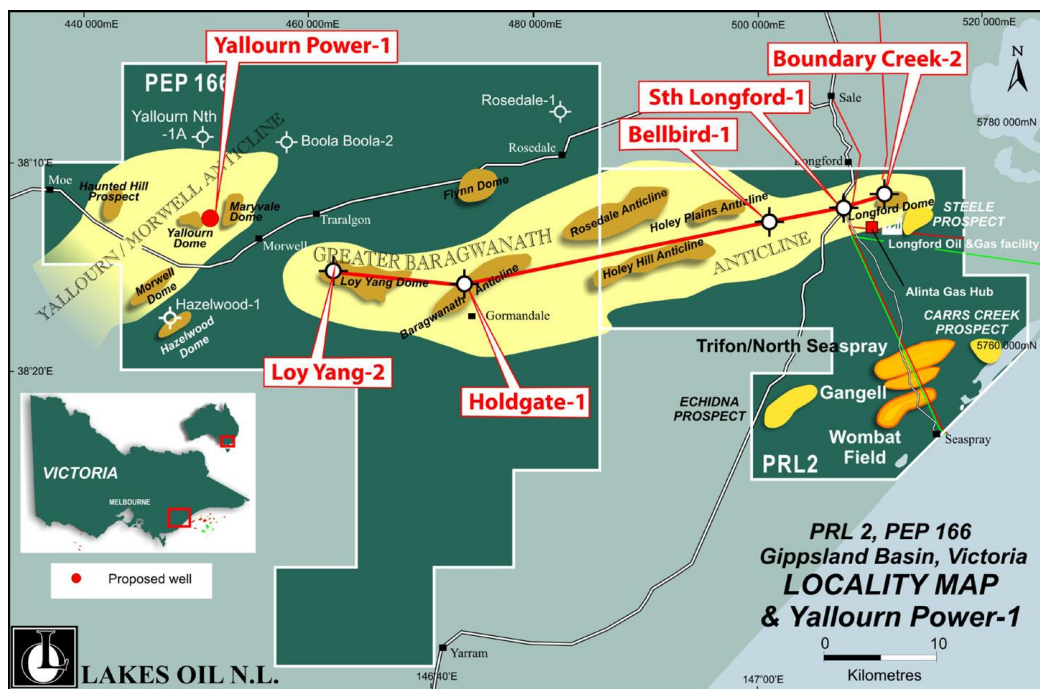
The Wombat-5 well is a conventional, lateral well that will target the upper, permeable section of the Strzelecki Formation. The well, which will cost around \$4m, has an independently estimated gas production potential of around 10 TJ/d. The well was first proposed in 2012, at which time all regulatory 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-Gangell 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. 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).*

The Company envisages an integrated approach to development of the Wombat and Trifon-Gangell gas fields. Sales gas production would initially be from the Wombat gas

field with the Trifon-Gangell 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 4: Location of Wombat and Trifon-Gangell Gas Fields



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.

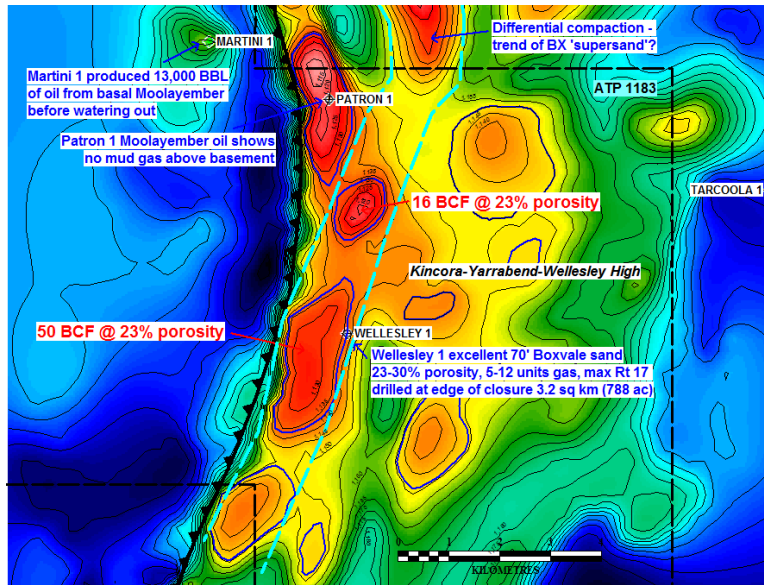
Queensland, Roma Shelf Project

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 is now progressing planning and approvals for an exploration well drilling campaign. 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 5: 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.

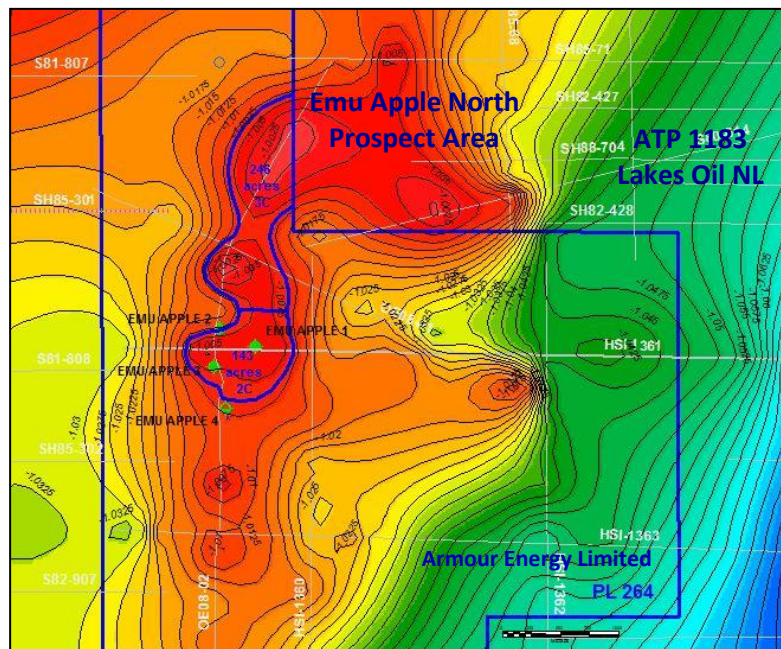
The Company proposes to drill an exploration well approximately 880 metres southwest of Wellesley-1 to a depth of around 1,650 metres, with preparatory work (notably, development of land access arrangements) presently under way.

The Wellesley Dome has a prospective gas resource of 41 BCF (*This is a best estimate prepared on a deterministic basis. It is 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. 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.*)

- 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 6: Emu Apple North Prospect



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. *(This is a best estimate prepared on a deterministic basis. It is 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. 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)* 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:

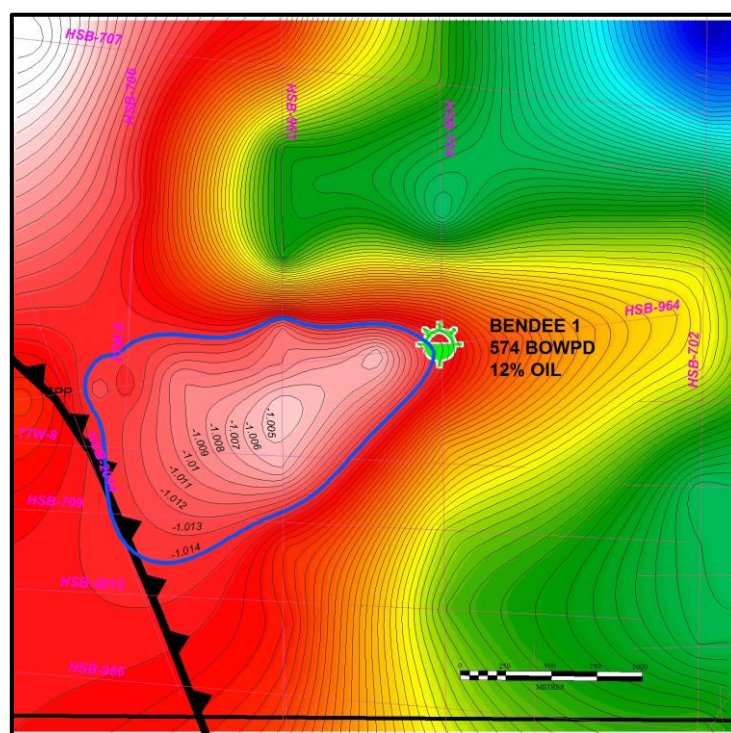
- Bendee Prospect

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. *(This is a best estimate prepared on a deterministic basis. It is 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. 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)*

Figure 7: Bendee Prospect

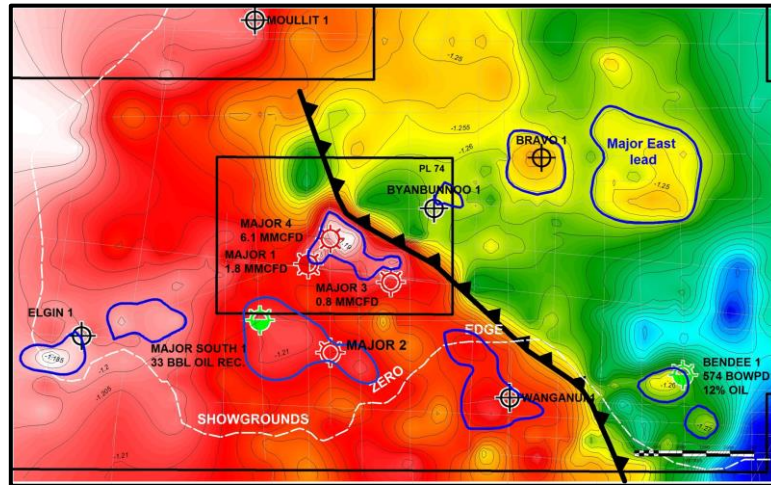


- Major East Lead

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 *(This is a best estimate, determined by Mr Peter Bubendorfer, Exploration Adviser to Navgas Pty Ltd, who is an AAPG member, qualified in accordance with the requirements of ASX Listing Rule 5.42, and who has consented to the use of the estimate in the form and context in which it appears in this report. The estimate was finalised on 3 February 2015 and was published on the ASX Announcements Platform by the Navgas Pty Ltd then owner Dark Horse Resources Limited (known at that time as Navaho Gold Limited). 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).*

Figure 8: Major East Lead

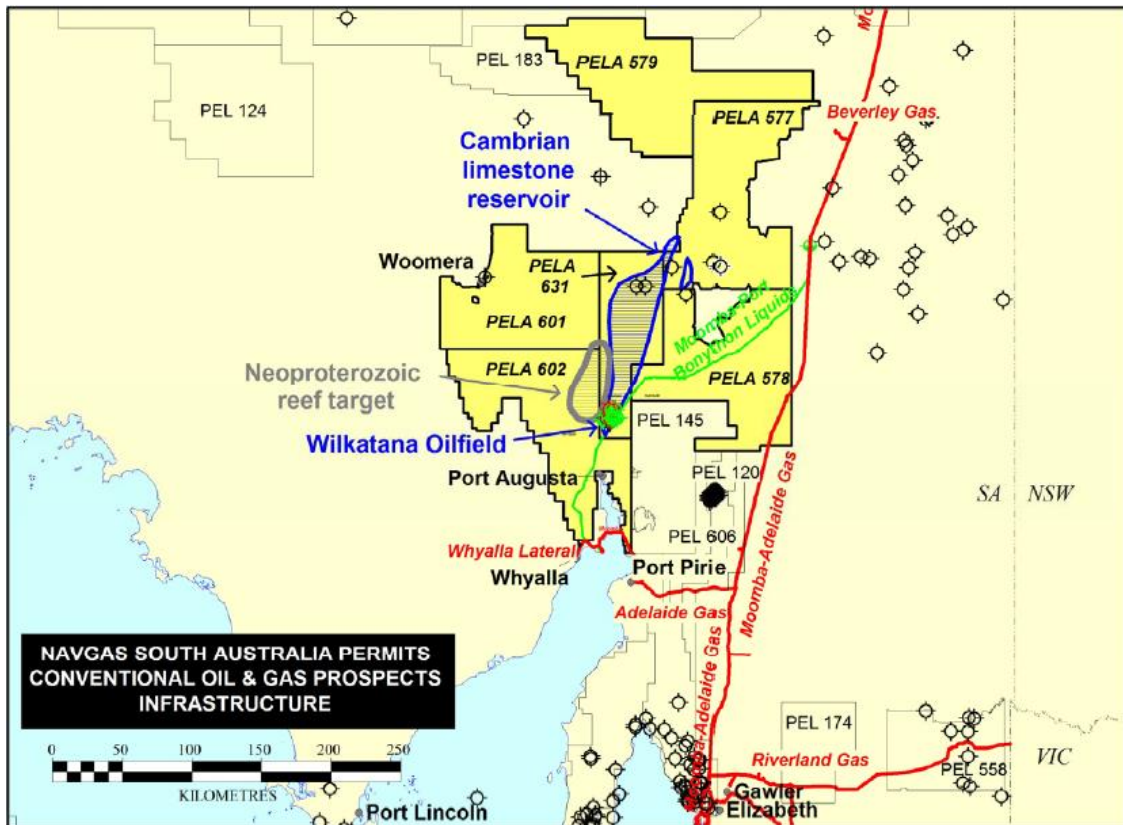


South Australia, Pirie Torrens Oil & Gas Project

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 9: 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 31 March 2018:

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%
EL 5693	Pirie Torrens, SA	-	-	100%
EL 5694	Pirie Torrens, SA	100.00	-	-
EL 5695	Pirie Torrens, SA	-	-	100%
EL 5700	Pirie Torrens, SA	-	-	100%

*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).

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")

31 MARCH 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 month's) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	6
1.2 Payments for		
(a) exploration & evaluation	(30)	(185)
(b) development	-	-
(c) production	-	-
(d) staff costs	(169)	(409)
(e) administration and corporate costs	(499)	(1,367)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	5
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	(695)	(1,950)

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 (9 month's) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	387
	(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	-	387
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2	3,895
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	(64)	(116)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1,000)	(1,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (interest on borrowings)	(10)	(71)
3.10	Net cash from / (used in) financing activities	(1,072)	2,708
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,505	593
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(695)	(1,950)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	387
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,072)	2,708
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,738	1,738

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	1,667	3,410
5.2 Call deposits	71	95
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)	1,738	3,505

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	67
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	

Payments to directors and director related entities during the March 2018 quarter.

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	-	-
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.		

Nil

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	20
9.2	Development	-
9.3	Production	-
9.4	Staff costs	130
9.5	Administration and corporate costs	400
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	550

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	EL5690 EL5693 EL5695 EL5700	Direct interest relinquished during the quarter	100% 100% 100% 100%	- - - -
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: 26 APRIL 2018

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.