

Quarterly REPORT



THREE MONTHS ENDED 31 DECEMBER 2013

QUARTERLY HIGHLIGHTS

Corporate:

- Closing cash position of US\$16.067 million.
- Final Galoc Phase II debt balance of US\$35.923 million after last drawdown.
- Regular oil cargo liftings in 2014 to fund forthcoming exploration, development and production activities.

Production:

- Galoc production averaged 5,985 BOPD through the full quarter after planned shutdown for Phase II upgrades; revenue of US\$10.305 million from oil sales realised.
- Safety and integrity of FPSO and subsea facilities maintained despite Super Typhoon Haiyan passing directly over the Galoc field.

Development:

- Galoc Phase II project successfully completed and flowed first oil on 5 December 2013 at initial rate of 14,500 BOPD. First offtake delivered with Cargo 34 lifted on 4 January 2014.

Exploration:

- Tanzania - seismic program completed with over 500 km of new 2D seismic acquired. 'Kito' prospect identified in Kilombero basin with joint venture evaluating options to accelerate drilling.
- Philippines - BHPB advised intention to not participate in the Cinco well and to withdraw from SC55. Letter of Intent executed to terminate farm-in agreement and BHP Billiton to pay Otto US\$3m upon DOE approval of re-assignment and a further US\$24.5m upon drilling of a well.

PRODUCTION & FINANCIAL SUMMARY

		Dec 2013 Quarter	Sept 2013 Quarter	Change %
Production (net to Otto)	bbl	181,721	106,582	70.50%
Liftings (net to Otto)	bbl	100,539	124,630	(19.33%)
Revenue	US\$m	10.305	12.897	(20.09%)
Closing Cash Position	US\$m	16.067	19.843	(19.03%)
Expenditure	US\$m	24.62	32.20	(23.54%)

SIX-MONTH OUTLOOK

- Maintain safe and reliable production from the Galoc field to deliver significant revenue stream through regular scheduled cargo offtakes.
- Review results from 2D seismic acquisition in Tanzania and finalise work program for forthcoming year with consideration of drilling the Kito prospect.
- Complete reassignment of BHP Billiton's working interest in SC55 to Otto and undertake farm-out of high working interest. Concurrent planning has commenced for the drilling of the Hawkeye-1 exploration well.
- Evaluate further exploration and appraisal opportunities at the Galoc field.

PRODUCTION AND DEVELOPMENT ASSETS

SERVICE CONTRACT 14C – GALOC OIL FIELD

Location: Palawan Basin, Philippines
Area: 163 km²
Otto's Interest: 33% - Operator Otto Energy Group

Production

Production operations continued through the quarter in conjunction with the final tie-in of the G-5H and G-6H wells and completion of Galoc Phase II commissioning activities.

Super Typhoon Haiyan passed directly through the Galoc field area through the night of 8th November and early hours of 9th November. Sea states and wind speeds were the most severe experienced at the Galoc field. All personnel were safe and unharmed. A thorough inspection of both the FPSO and the subsea infrastructure confirmed that only minor damage was sustained. Production from the field was suspended as a precautionary measure on 8th November. Following system checks to confirm system integrity, production subsequently re-commenced on 11 November 2013.

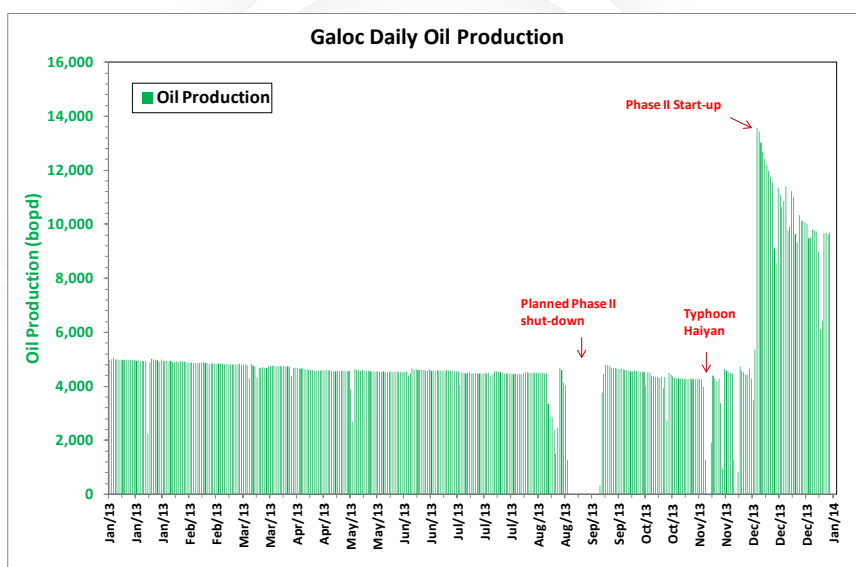
Production averaged 5,985 bbls per day during the quarter. G-5H and G-6H commenced production 5 December 2013. An initial flow rate of 14,500 BOPD was achieved and subsequent production has been managed in line with pre-start-up expectations, averaging between 10,000 and 12,000 bbls per day. This includes effects of planned well deliverability tests that were conducted in December.

These tests will continue through January as the four well system is stabilised and optimal production rates established.

Cargo 33 offtake was delivered on 29 November 2013 with 304,665 bbls sold into a South Korean refinery with pricing at US\$110.496 per bbl.

Cargo 34 offtake has been sold into a South Korean refinery and was delivered on 4 January 2014. Cargo 35 has been sold into a South Korean refinery and is expected to be delivered in late January 2014. Cargo 36 has been sold into a South Korean refinery and is expected to be delivered in late February 2014.

	Production (bbls)		Liftings (bbls)	
	Gross	Net	Gross	Net
1 st Qtr 2013	434,801	143,484	365,621	120,655
2 nd Qtr 2013	414,614	136,823	340,379	112,325
3 rd Qtr 2013	322,977	106,582	377,668	124,630
4 th Qtr 2013	550,671	181,721	304,665	100,539



PRODUCTION AND DEVELOPMENT ASSETS (CONTINUED)

SERVICE CONTRACT 14C – GALOC OIL FIELD (CONTINUED)

Galoc Phase II

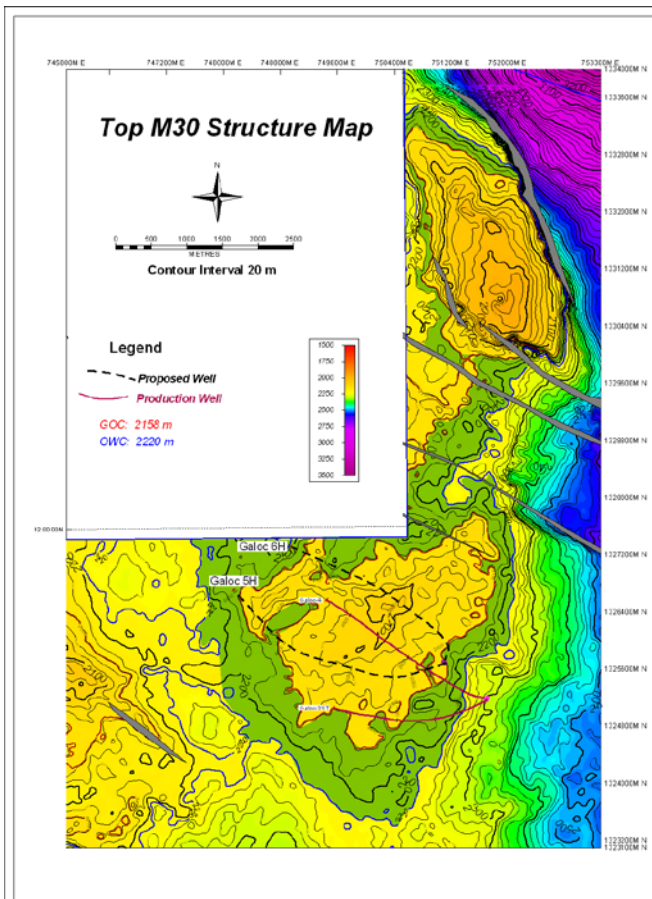
The Final Investment Decision (FID) for the Galoc Phase II development was approved by the joint venture in September 2012. Otto's share of the final development costs is US\$68 million. The development involved drilling and completion of two subsea wells tied into the existing infrastructure. First oil was delivered on 5 December 2013.

Otto funded its share of the development costs from a combination of cash, ongoing production revenue and a project finance debt facility secured with BNP Paribas, with a facility limit of US\$36.5 million. The last drawdown of the debt facility has been made.

Commissioning of the Galoc Phase II project represents a major achievement for the DOE, Otto Energy (the Operator) and the other partners within the Galoc Joint Venture.

Galoc has produced more than 11 million barrels of oil since it was commissioned in 2008. Ultimate recovery from the field, with the addition of Galoc-5H and 6H, is expected to be approximately 25 million barrels of oil with end-of-field life extended beyond 2020.

Otto, as operator, has delivered Phase II from sanction to commencement of production in just over 14 months. Phase II has been delivered safely and close to both the original budget and schedule set in August 2012. The project has experienced many challenges including maintaining safe operations during the recent Super Typhoon Haiyan and successful drilling of the horizontal wells through the Galoc reservoir.



Galoc field map, showing planned development wells Galoc-5H and Galoc-6H



FPSO Rubicon Intrepid, MODU Ocean Patriot and Tug Pacific Battler in Galoc Oil Field, June 2013

EXPLORATION ASSETS**SERVICE CONTRACT 55**

Location:	Offshore Palawan, Philippines
Area:	9,880 km ²
Otto's Interest:	33.18% - Operator BHP Billiton

The final regulatory approval, the Strategic Environmental Plan Clearance, required to drill the Cinco-1 exploration well was received during the quarter from the Palawan Council for Sustainable Development.

The SC55 joint venture will seek confirmation from the DOE of the revised work program timing following the suspension due to Force Majeure.

Otto executed a letter of intent with BHP Billiton proposing to terminate the farm-out agreement between the two parties over Service Contract 55 (SC55), offshore the Philippines. The letter of intent contemplates the re-assignment of BHPB's 60% working interest to Otto, taking Otto's working interest to 93.18%, subject to approval of the re-assignment by the Philippines Department of Energy (DOE).

A binding termination agreement is expected to be executed early in 2013. The key terms of the letter of intent are as follows:

- Upon approval of the re-assignment by the DOE, Otto will accept the re-assignment of BHPB's 60% working interest and BHPB will pay US\$3.0m to Otto;
- Otto undertakes to lodge a Sub-Phase 4 work program and budget with the DOE; and
- BHPB will pay a further US\$24.5m to Otto upon drilling the first exploration well in SC55.
- BHPB has no enduring rights to any future exploration outcomes or obligations.

Otto notes that it has access to all 3D seismic data that has been acquired in the permit to date and has commenced a handover process for work undertaken by BHPB as the former operator of SC55.

Upon execution of a definitive agreement, Otto intends to submit a 2014 work program and budget to the DOE outlining the intention to undertake drilling of the 3D seismically defined and DHI (Direct Hydrocarbon Indicator) supported Hawkeye-1 exploration well in Sub-Phase 4. Hawkeye is a turbidite clastic reservoir target in 1,690 metres of water with top reservoir prognosed to be at 2,732 metres.

SC55 contains a number of distinct exploration play types including the carbonate gas/condensate trend, that has the potential for an oil charge, and the turbidite clastic prospects. The permit provides material opportunity and a series of possible drilling targets in an exploration campaign that will be undertaken during the remaining term of the service contract.

The Cinco prospect was identified as part of the 2010 1,800 km² 3D seismic program undertaken by BHPB that focused on a trend of carbonate prospects and leads with Cinco being analogous to the Malampaya producing gas/condensate field in the Philippines. There is also the potential for an oil charge in the Cinco prospect that is yet to be quantified into a resource estimate. Cinco contains a 'Best Estimate' GIIP of 2.4 Tscf with a 'Best Estimate' Net Prospective Resource of 1.3 Tcf of gas and 45 MMbbl of associated condensate (Condensate Gas Ratio 35 bbls/MMscf). The Net Prospective Resources assumes working interest post re-assignment of 93.18% for Otto and excludes Government Share of profit oil.

The arithmetically aggregated gas/condensate prospect and lead inventory, including Cinco, contains a 'Best Estimate' GIIP of ~ 17 Tscf with a 'Best Estimate' Net Prospective Resource of ~ 9 Tscf of gas and 320 MMbbl of condensate.

The Hawkeye prospect was identified on 2D seismic originally acquired by Otto in 2007 and further defined with the 600 km² 3D seismic acquisition in late 2009. Hawkeye contains a 'Best Estimate' STOIP of ~ 480 MMbbl of oil and a 'Best Estimate' Net Prospective Resource of 89 MMbbl of oil.

Otto will undertake drilling planning preparations in the coming months, including development of well designs and the necessary equipment procurement required to undertake this programme. Otto will also commence a farm-out process intended to introduce a new partner into the joint venture to participate in this program.

EXPLORATION ASSETS (CONTINUED)

SERVICE CONTRACT 51

Location: Onshore Leyte, Philippines
Area: 1,660 km²
Otto's Interest: 80% - Operator Otto Energy Group

Duhat-2 Exploration Well

The presence of the high pressure, water bearing, permeable section intersected at the Duhat-2 well location in July 2013 was not seen at a similar depth in the Duhat-1 well located only 440 metres away. Seismic data through both the Duhat-1 and Duhat-2 wells provided no warning of the presence of the overpressure interval. Accordingly, this significant new information is being reviewed in detail and will be considered in any future decisions regarding forward work programmes on SC51.

SERVICE CONTRACT 73

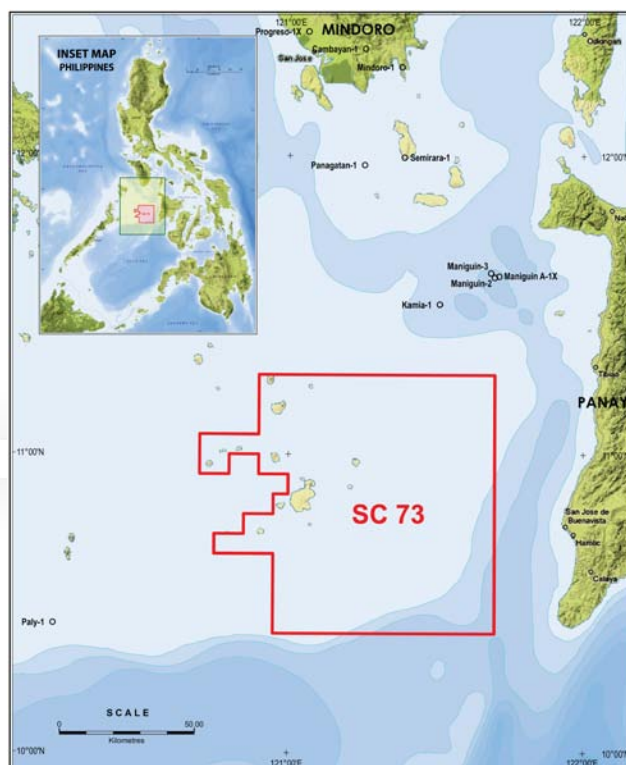
Location: Offshore Mindoro-Cuyo, Philippines
Area: 8,440 km²
Otto's Interest: 100% - Operator Otto Energy Group

Otto has committed to reprocessing the existing seismic study with a minimum financial commitment of US\$0.5 million within an initial period of 18 months.

Service Contract 73 is an offshore block located in the southern part of the Mindoro Basin – Cuyo Platform, a continental rift basin located offshore the Philippines. It covers around 8,440 km² with water depths ranging from 100 metres to 1,300 metres. There is an existing 2D seismic data set of over 3,000 kilometres covering the block.

The petroleum play types identified in Service Contract 73 are reef build-ups, fault blocks and anticlines. The reservoir intervals are Early Miocene to Pliocene carbonates and Early to Late Miocene carbonates and clastics. Source rocks are coaly and organic-rich claystones of Eocene to Middle Miocene. Middle Miocene carbonates and clastics provide the seal for the system.

Oil has been discovered with an Extended Production Test conducted in 1994 at the Maniguin wells near the block. The occurrence of oil seepages in the Mindoro Island region also confirms the presence of an active petroleum system in the area.



EXPLORATION ASSETS (CONTINUED)

KILOSA-KILOMBERO AND PANGANI

Location: Onshore, Tanzania
Area: ~34,000 km²
Otto's Interest: 50% - Operator Swala Oil and Gas (Tanzania) Ltd

The Joint Venture has entered the second year of the contract term and over 500 km of new 2D seismic data had been acquired in 2013.

Results of the seismic program will be fully reviewed before the Joint Venture decide on commitment to a firm well in both exploration licence areas.

Kilosa-Kilombero Permit

A total of 130km of 2D seismic was acquired over the Kilosa basin.

A total of 143km of 2D seismic was acquired over the Kidatu basin. The initial results based on preliminary processed data indicate the presence of large-scale structures along the edges of the basin together with a major intra-basin high identified on dip and strike lines. The structure may be as large as 30 to 60 square kilometres.

A total of 110km of 2D seismic was acquired over the Kilombero basin. Initial results suggest the presence of a thick, Neogene-age basin with a maximum depth to basement in excess of 3,000m. The age of the sediments recorded (based on low seismic velocities) appears to be similar to that of sediments observed in the now proven oil basins of Lokichar (Kenya), and Lake Albert (Uganda), where Africa Oil (TSX.V:AOI) and Tullow Oil (LSE: TLE) have had significant success.

Dip lines across the basin suggest the presence of both structural traps and traps against the main basin-bounding fault with possible Direct Hydrocarbon Indicators (DHIs or 'Flat Spots') observed at several levels at the crest.

Otto's partner Swala Oil & Gas (Tanzania) Limited announced results from a prospective resource assessment over the "Kito" prospect in the Kilosa-Kilombero Licence in Tanzania

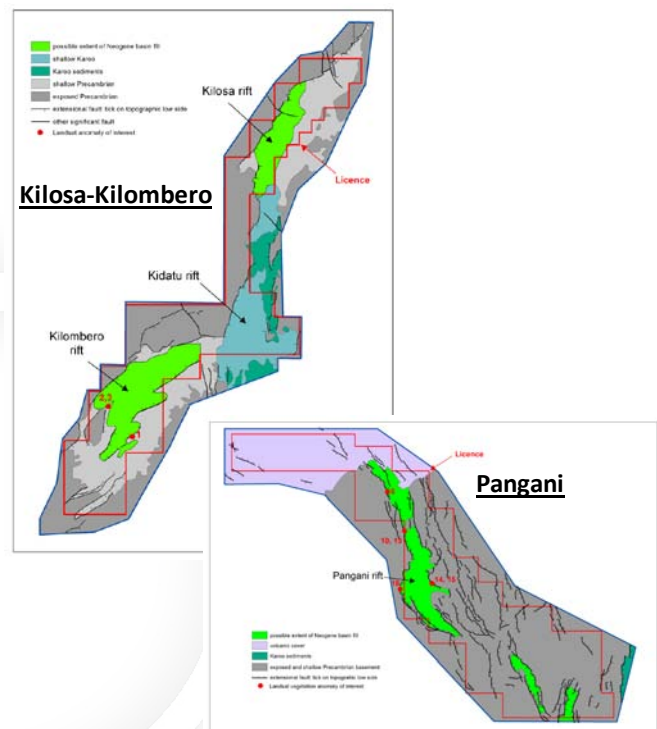
The prospective resource assessment indicates a net prospective resource of between 19.2 million barrels and 169.6 million barrels to Otto with a best estimate of 60.4 million barrels.

Pangani Permit

A total of 200 km of 2D seismic has been acquired over the Mvungwe and Moshi basins.

The results from the survey show that the Moshi basin, to the north of the licence area, appears to be a basin with sedimentary fill of probable Neogene age. Further evidence from the seismic survey suggests that the basin is fault-bounded, some 25km wide, and with basin fill to between 2,000 and 3,000m depth.

The Mvungwe basin, to the south of the licence area, is still being processed but initial results suggest that the basin is shallower, at less than 1,000m deep, and contains sediments of probable Neogene age. Shallow basins may be quite productive with the right heat flows (the Pakwach basin in Uganda's Lake Albert, where six discoveries have been made to date, has a depth of some 900m) and the Company will now continue with its planned basin modelling programme to determine whether the regional high heat flows would allow hydrocarbon generation in Mvungwe at these relatively shallow depths of burial.



CORPORATE
CASH OUTFLOWS

Otto's free cash reserve at the end of the quarter was US\$16.067 million (Sept: US\$19.843 million).

Historic and expected cash outflows in the coming quarter are shown below:

	Mar 13 Qtr US\$m Forecast	Dec 13 Qtr US\$m Actual	Sep 13 Qtr US\$m Actual	Jun 13 Qtr US\$m Actual	Mar 13 Qtr US\$m Actual
Philippines					
SC 14C					
Production	6.52	5.20	4.98	6.84	2.95
Development ⁽¹⁾	4.11	13.48	21.97	20.04	1.65
Exploration	0.25	-	-	-	-
SC 51	-	1.24	3.24	1.13	0.50
SC 55	1.00	-	-	-	-
SC 69	-	0.09	-	-	-
SC 73	-	0.14	-	-	-
Tanzania	1.71	2.62	1.32	0.54	0.47
Business Development	-	-	-	-	-
Administration	2.84	1.85	0.69	0.90	1.55
Total	16.43	24.62	32.20	29.45	7.12

⁽¹⁾ SC14C Galoc Phase II Development Expenditure (excluding financing costs):
US\$m

Cumulative to date (FID to 31 December 2013) 63.25

Forecast expenditure:

- March 2014 quarter 4.11

Total Forecast Cost 67.36

CORPORATE (CONTINUED)**SHAREHOLDERS**

Otto's issued capital as at 31 December 2013:

	Number
Fully paid ordinary shares	1,149,290,071
Unlisted Options ¹	11,750,000
Performance Rights	30,500,000

¹ Exercisable between 11.13 and 12.0 cents per share with expiration dates from October 2014 to December 2016.

Otto's Top 20 Holders as at 6 January 2014:

TOP 20 SHAREHOLDERS AS AT 6 JANUARY 2014

Rank	Name	Units	% of Units
1	MOLTON HOLDINGS LTD	241,910,757	21.05%
2	SANTO HOLDING AG	241,910,757	21.05%
3	ACORN CAPITAL LIMITED	86,717,074	7.55%
4	CITICORP NOMINEES PTY LIMITED	37,402,308	3.25%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,727,744	1.80%
6	JOHN JETTER (CONSOLIDATED RELEVANT INTEREST)	19,089,175	1.66%
7	J P MORGAN NOMINEES AUSTRALIA LIMITED	18,993,793	1.65%
8	RICK CRABB (CONSOLIDATED RELEVANT INTEREST)	17,495,052	1.52%
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,305,051	1.42%
10	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	14,020,833	1.22%
11	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	13,254,129	1.15%
12	CITICORP NOMINEES PTY LIMITED <CWLTH BANK OFF SUPER A/C>	12,801,550	1.11%
13	PAN PACIFIC PETROLEUM NL	10,565,000	0.92%
14	ESCOT FINANCE LTD	8,150,000	0.71%
15	NAVIGATOR AUSTRALIA LTD	7,946,695	0.69%
16	FORSYTH BARR CUSTODIANS LTD <FORSYTH BARR LTD-NOMINEE A/C>	7,211,319	0.63%
17	MR BRIAN LESLEIGH WILLIAMS & MRS VALERIE RUBY DAWN WILLIAMS	6,000,000	0.52%
18	NATIONAL NOMINEES LIMITED	5,122,741	0.45%
19	MR GREGOR MCNAB	5,000,000	0.44%
20	IAN MACLIVER (CONSOLIDATED RELEVANT INTEREST)	4,549,721	0.40%
TOTAL TOP 20 SHAREHOLDERS		795,173,699	69.19%
TOTAL REMAINING SHAREHOLDERS		354,116,372	30.81%
TOTAL SHARES ON ISSUE		1,149,290,071	100.0%

OTTO AT A GLANCE

- ASX-listed Oil and Gas Company with assets in Southeast Asia and East Africa
- Focus on conventional oil and gas exploration and production
- Operator of the producing Galoc Oil Field, which is currently being expanded in the Phase II development
- High impact offshore deepwater exploration well in SC55 in the Philippines.

DIRECTORS

Chairman:

Rick Crabb

Non-Executive Directors:

Ian Boserio

Ian Macliver

John Jetter

Rufino Bomasang

OFFICERS

Chief Executive Officer:

Gregor McNab

Chief Financial Officer/ Company Secretary:

Matthew Allen

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Definitions

(1) "\$m" means millions of dollars

(2) "bbl" means barrels per day

Competent Person Statement

The Reserve and Contingent Resource estimates outlined in this report have been compiled by Mr Nick Pink. Mr Pink is the Senior Reservoir Engineer of Otto and a full time employee. Mr Pink has more than 15 years of relevant experience and is qualified in accordance with ASX Listing Rule 5.11. Mr Pink has consented to the form and context of this statement.

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, 01/05/2013

Name of entity

Otto Energy Ltd

ABN

56 107 555 046

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$US'000	Year to date (6 months) \$US'000
1.1 Receipts from product sales and related debtors	10,305	23,202
1.2 Payments for		
(a) exploration & evaluation	(4,095)	(8,646)
(b) development	(13,475)	(35,444)
(c) production	(4,432)	(9,407)
(d) administration	(1,831)	(2,516)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	10
1.5 Interest and other costs of finance paid	(92)	(1,025)
1.6 Income taxes paid	(770)	(770)
1.7 Other	-	589
Net Operating Cash Flows	(14,386)	(34,007)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(23)	(144)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	1	3
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	(575)
Net investing cash flows	(22)	(716)
1.13 Total operating and investing cash flows (carried forward)	(14,408)	(34,723)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(14,408)	(34,723)
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	10,665	18,984
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		10,665	18,984
Net increase (decrease) in cash held		(3,743)	(15,739)
1.20	Cash at beginning of quarter/year to date	19,843	31,854
1.21	Exchange rate adjustments to item 1.20	(33)	(48)
1.22	Cash at end of quarter	16,067	16,067

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	107
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payment of Directors Fees 107	

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

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$US'000	Amount used \$US'000
3.1	Loan facilities	35,923	35,923
3.2	Credit standby arrangements	10,000	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$US'000
4.1	Exploration and evaluation	2,956
4.2	Development	4,106
4.3	Production	6,522
4.4	Administration	2,843
Total		16,427

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 \$US'000	Previous quarter \$US'000
5.1	Cash on hand and at bank	16,067	19,843
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (Term Deposit)	-	-
Total: cash at end of quarter (item 1.22)		16,067	19,843

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	SC69, Philippines	79%	0%
6.2	Interests in mining tenements and petroleum 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)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

7.1	Preference securities (description)	Nil	Nil		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil		
7.3	*Ordinary securities	1,149,290,071	1,149,290,071		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil	Nil	Nil
7.5	*Convertible debt securities (description)	Nil	Nil		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil		
7.7	Options (description and conversion factor)	11,750,000 Unlisted Options	Nil	1,250,000 Exercise Price \$0.12	On or before 13 October 2014
				2,500,000 Exercise Price \$0.12	On or before 5 January 2015
				8,000,000 Exercise Price \$0.1113	On or before 2 December 2016
		30,500,000 Unlisted Performance Rights	Nil	4,000,000 Performance Rights	On or before 31 December 2014
				2,000,000 Performance Rights	On or before 31 December 2014

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

			5,000,000 Performance Rights	On or before 1 April 2014
			5,000,000 Performance Rights	On or before 1 April 2015
			14,500,000 Performance Rights	On or before 1 April 2016
7.8	Issued during quarter	Nil	Nil	Nil
7.9	Exercised during quarter	Nil	Nil	Nil
7.10	Expired during quarter	Nil	Nil	Nil
7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Gregor McNab
Chief Executive Officer
15 January 2014

+ See chapter 19 for defined terms.

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 and petroleum 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 or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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