

Quarterly REPORT



THREE MONTHS ENDED 31 MARCH 2017

QUARTERLY HIGHLIGHTS

Corporate:

- Due diligence undertaken on a number of new business opportunities and investment proposals submitted for consideration by asset owners
- Screening of new assets secured by Byron Energy Ltd in Lease Sale 247 proximal to the SMI-71 discovery area in Gulf of Mexico over which Otto has a right of first refusal to participate one opportunity
- Closing cash balance of US\$15.04m

Appraisal/Development:

- Louisiana/Gulf of Mexico – South Marsh Island 71 – Activities associated with manned platform refurbishment progressing with installation expected in late 2017

Exploration:

- Louisiana/Gulf of Mexico – South Marsh Island 71 – Post drill inversion interpretation highlights prospective B65 sands which can be tested during additional SM71 development drilling - 2.3 MMboe Net Prospective Resource
- Louisiana/Gulf of Mexico – Bivouac Peak – Operator advises that pre-drilling surveys and permitting are being undertaken ahead of proposed drilling campaign
- Tanzania – Permit extended until February 2018

THREE-MONTH OUTLOOK

- Louisiana/Gulf of Mexico – South Marsh Island 71 – finalise approval for revised tripod platform design. Progress construction and permitting. Finalise drilling program for Q4 2017
- Louisiana/Gulf of Mexico – Bivouac Peak – Operator to progress permitting and submit well proposal to partners for first well
- Alaska – Operator to resolve outstanding exploration rebate credits and new equity investment ahead of drilling in early 2018
- Tanzania – Kilosa-Kilombero joint venture disputes to be dealt with via mediation and arbitration process pursuant to relevant joint venture agreement under English law
- Tanzania Litigation – progress through Federal Court processes
- Business Development – seek to secure one or more new investment opportunities with a focus on onshore/shallow water, high liquid content, amplitude supported Miocene plays in the Gulf of Mexico region.

APPRAISAL/DEVELOPMENT

LOUISIANA/GULF OF MEXICO – SOUTH MARSH ISLAND 70/71

Location: Offshore Gulf of Mexico
Area: 34.29 km²
Otto's Interest: 50.00% - Earning via staged farm-in with Byron Energy Ltd (Operator)

Otto exercised its option to participate in the drilling of one well in SM-70/71 which lies in a water depth of 131 feet. Combined production from the licences totals 5.9MMbbl and 16Bcf of gas.

Through the drilling of the SM-71 #1 well in April-May 2016, Otto has earned a 50% participating interest (equal to a 40.625% revenue interest) in the licences with net 2P reported reserves of 2,271 Mboe to Otto..

Drilling of SM-71 #1 intersected four separate hydrocarbon bearing sand intervals that have been completed and suspended awaiting tie-in to production infrastructure. Otto expects that first production will be delivered in Q4 2017 from SMI-71. Additional follow-up opportunities around this salt dome are being progressed.

In 2016 the joint venture procured a tripod platform to be modified for use at the SMI-71 location.

The manned structure will have the capacity to produce 4,500 Bopd and 5.0 MMcfpd of gas. Access to adjacent oil and gas sales trunk lines are available on SMI-71 and those lines will be utilized for oil and gas export once production commences. Refurbishment of the jacket section of the platform is almost complete and construction of the deck portions has commenced.

Otto, has indicated its in-principle support for the manned facility, subject to receiving Byron's final proposed authority for expenditure and development plan. The final development plan is subject to JV approval.

The joint venture plans to initially complete the SMI-71 #1 well in the D5 Sand with expectations of recording initial flow rates of 1500 to 2000 bopd (gross field production) similar to those recorded on the adjacent SMI-72 and SMI-73 blocks. After completion of the SMI-71 #1 well there is potential to drill up to four additional development wells, some of which will target Prospective Resources in the B65 interval which has scope to double the present on block reserves base. Interpretation of post drill seismic inversion data shows promising results defining the D5 sand extent and delineating the future B65 sand targets, the B65 sands contain a 2.3 MMboe Net Prospective Resource.



New Main Deck under construction.



Tripod Refurbishment Underway.

During the March quarter, progress has continued on the platform jacket and deck modifications at Laredo's onshore facility in Galveston, TX. Work to modify the jacket portion of the production platform is nearly complete. The next phase is to install the production equipment on each deck. All components of the production train have been ordered and are in fabrication at various vendors in south Louisiana and Texas. Once completed, the components will be transported to the construction yard and installed.

Byron advises that all permitting is underway with regulators and expectation is to complete the design, fabrication and installation and commissioning of the tripod and pipeline installation later in 2017.

EXPLORATION ASSETS

LOUISIANA/GULF OF MEXICO – BIVOUC PEAK

Location: Offshore Gulf of Mexico
Area: 10 km²
Otto's Interest: 45.00% - Earning via staged farm-in with Byron Energy Ltd (Operator)

Otto has the option to acquire a 45% working interest in the Bivouac Peak lease, which covers approximately 2,500 acres of highly prospective acreage in the transitional zone onshore southern Louisiana. Byron has identified multiple prospects at both the Middle and Lower Miocene levels demonstrating stacked amplitude and AVO (amplitude versus offset) support. Follow-up drilling options have been identified at the Lower Miocene level that could increase the scale of the overall opportunity.

An independent resource estimate for Bivouac Peak was prepared by Collarini Associates, which assigned a Prospective Resource net to Otto's proposed 45% working interest (33.525% net revenue interest) of 5,361 Mbbbl of oil and 59,562 Bcf of gas.

Significant production exists in the adjacent Miocene sequence at the Little Bay field (>45 Bcf gas and 5 MMbbl condensate) and the Atchafalaya Bay field (>100 Bcf gas and 0.6 MMbbl condensate).

With nearby production infrastructure already in place, any successful well at Bivouac Peak would be capable of being brought into production within 6-12 months.

Otto has the ability to earn a 45% working interest (33.525% net revenue interest) through the funding of 60% of the cost of the first well drilled at Bivouac Peak. Any costs above US\$6 million (Otto share) in respect of the first well and all future expenditure will be in accordance with Otto's participating interest (45%).

Forward Plan

Operator has commenced the well permitting process and Otto is awaiting a well proposal from Operator prior to committing to participate in the first exploration well.

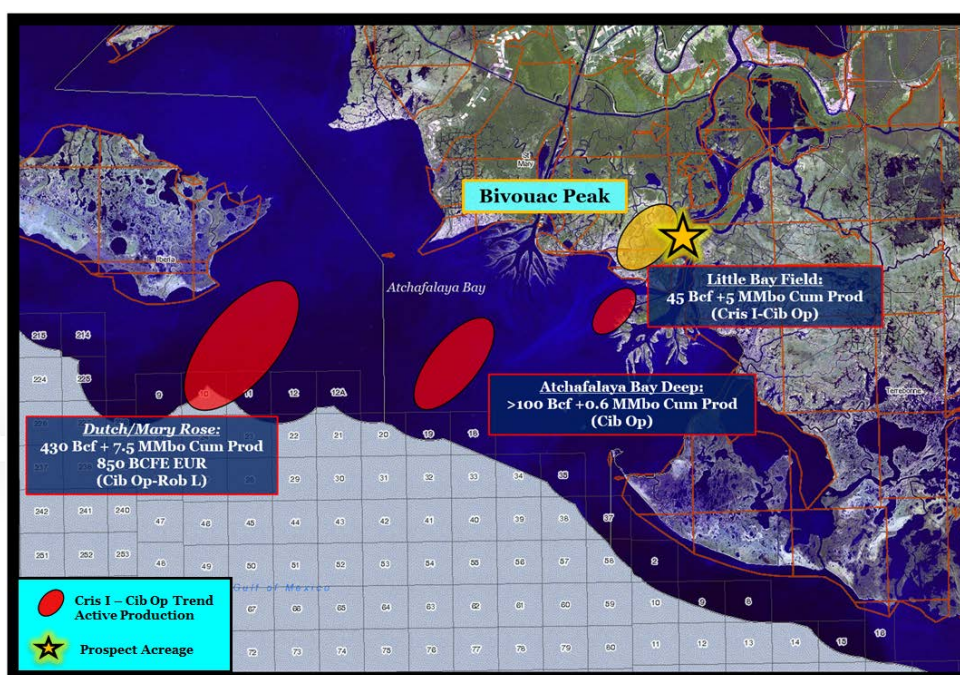
Otto expects Operator to defer drilling until the SMI-71 development is completed and producing.

OTTO BIVOUC PEAK NET PROSPECTIVE RESOURCES¹

GROSS		NET TO OTTO		NET TO OTTO
Oil (Mbbbl)	Gas (MMcf)	Oil (Mbbbl)	Gas (MMcf)	MBOE (6:1)
15,990	177,666	5,361	59,562	15,288

¹ Subject to election by Otto to participate in the first well drilled in the Bivouac Peak acreage.

Note: Mbbbl = thousand barrels; MMcf = million standard cubic feet; MBoe = thousand barrels of oil equivalent ("BOE") with a BOE determined using a ratio of 6,000 cubic feet of natural gas to one barrel of oil – 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency.



EXPLORATION ASSETS (CONTINUED)**ALASKA**

Location:	Onshore North Slope Alaska
Area:	2,259 km ²
Otto's Interest:	8%-10.8% – Great Bear Petroleum Operating (Operator)

Great Bear Acreage - Overview

Through its agreements with Great Bear Petroleum Operating ("Great Bear") in 2015, Otto acquired between an 8% and 10.8% working interest (equivalent to 56,712 net acres) in two areas of Alaskan North Slope exploration acreage held by Great Bear.

Great Bear is a private exploration company focused exclusively on exploring and developing conventional and unconventional resources on the North Slope of Alaska.

Great Bear is the dominant exploration acreage holder in this highly prospective basin; holding 574,716 gross acres in a major play fairway south of the Prudhoe Bay and Kuparuk giant oil fields. Great Bear has undertaken significant exploration work on the acreage since 2011 including:

- Acquisition and processing of approximately 2,970 km² of 3D seismic data (1,170 km² in 2016).
- Drilling of two unconventional stratigraphic test wells which cored three primary unconventional targets.
- Drilling of a conventional exploration well (Alkaid-1) which specifically targeted a 3D defined Brookian reservoir. The Alkaid well results are under evaluation.

The extensive, modern 3D seismic coverage, existing well control and proximity to the all-weather Dalton Highway and Trans-Alaskan Pipeline System (TAPS) means the acreage is well positioned for exploration.

Existing 3D seismic has allowed development of an extensive prospect portfolio which includes at least 4 well locations.

Otto's exposure on the first 3 wells is limited to US\$2.6M/well.

Nearby Alaska Activity

Adjacent to Otto Energy acreage, exploration success by other North Slope operators continues:

- In March 2017, the Repsol/Armstrong Horseshoe-1 well immediately to the west of Otto's acreage resulted in a significant conventional oil discovery which is estimated to contain approximately 1.2 billion barrels of recoverable light oil
- ConocoPhillips/Anadarko recently announced a Nanushuk Formation discovery of greater than 300 MMbbl.
- Caelus Energy discovered 2.4 Bbbl EUR light oil at Smith Bay in 2016.
- 88 Energy are drilling the exciting Icewine #2 unconventional HRZ well during H1 2017 to the immediate south of Otto's acreage.

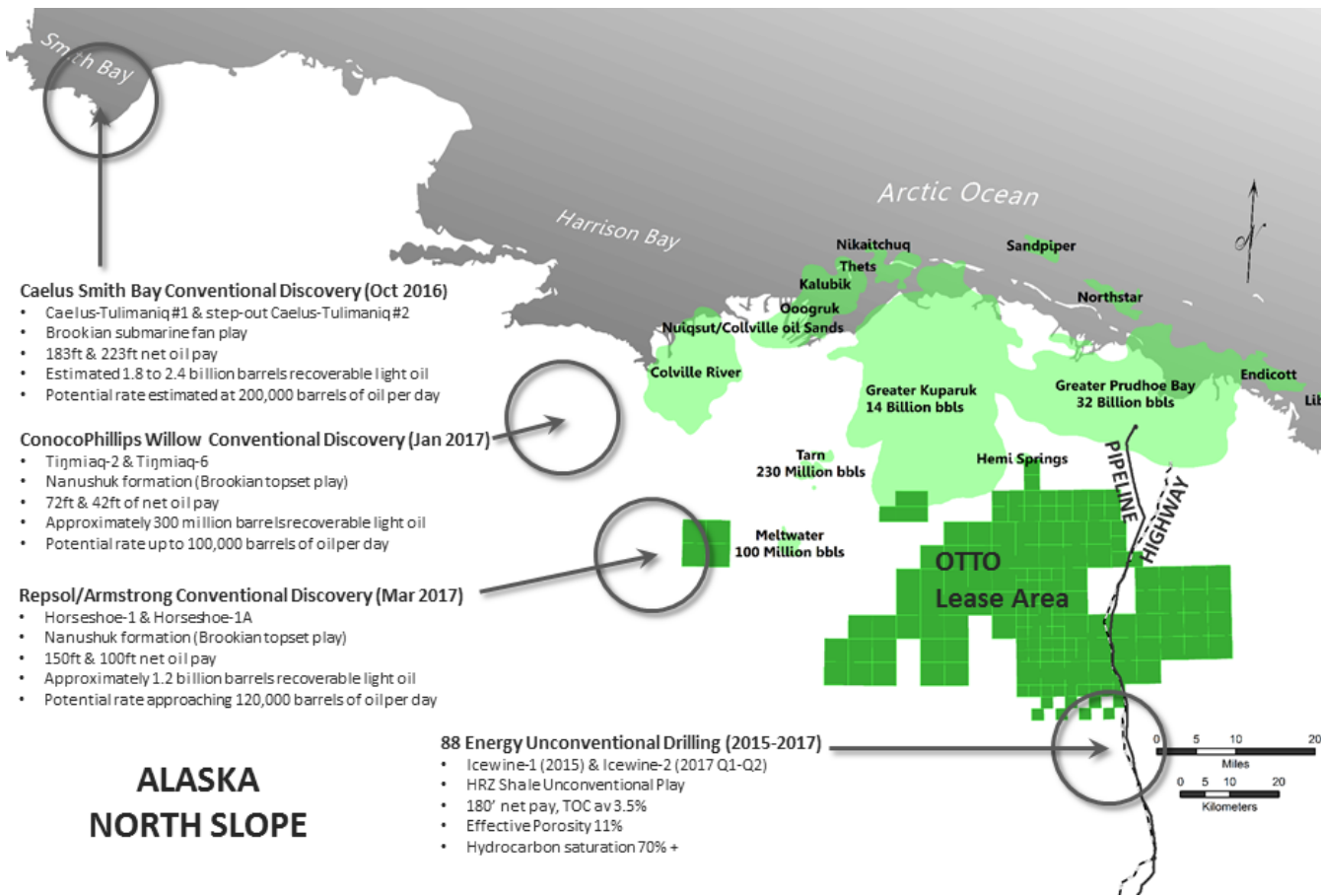
Forward Plan

Great Bear are resolving outstanding exploration rebate claims with the Alaska government and sourcing additional equity investment ahead of a planned drilling campaign in early 2018.

There are multiple permitted drilling locations which will form the basis of a significant conventional exploration campaign.

EXPLORATION ASSETS (CONTINUED)

ALASKA (continued)



EXPLORATION ASSETS (CONTINUED)**KILOSA-KILOMBERO**

Location:	Onshore, Tanzania
Area:	17,675 km ²
Otto's Interest:	50% - Swala Oil and Gas (Tanzania) Plc (Operator)

Joint Venture Operations

A total of 440 km of 2D seismic were acquired over the Kilombero basin in 2013 and 2014. Results suggest the presence of a 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).

The Kito-1 exploration well will target a Miocene aged basin bounding fault structure proximal to the prognosed basin source kitchen. The Kito structure has been estimated to contain a prospective unrisked resource of between 30 and 274 MMbbls net to Otto (50% working interest, pre government back in rights), with a best estimate of 97 MMbbls.

Success on the first exploration well in this basin would unlock significant additional follow-up potential.

The joint venture was preparing to undertake drilling of the Kito-1 exploration well in 2016, however, due to delays in obtaining necessary permits the 2016 weather window to drill the well was missed. During the quarter the Joint Venture sought and obtained a licence extension until 22 February 2018 to allow drilling to be planned for later this year.

Joint Venture Disputes

Otto issued dispute notices to Operator, Swala Oil & Gas (Tanzania) plc (SOGT), in respect of various issues under the relevant joint operating agreements, including SOGT's handling of joint venture funds, SOGT's position as operator. Subsequent to the notices issued by Otto, SOGT has issued a notice purporting to require Otto to withdraw from the Kilosa-Kilombero JOA and attempting to cash call Otto for the entire 2017 work program. Otto rejects that SOGT was entitled to take such actions and has issued further dispute notices in respect of the same.

Otto intends to vigorously defend its position via the dispute resolution provisions (including both mediation and/or arbitration mechanism) provided for under the Kilosa-Kilombero JOA. English law governs the JOA and will form the basis for dispute resolution processes.

Forward Plan

Until the outstanding joint venture disputes are resolved, Otto does not see that the joint venture can progress drilling planning with confidence.

CORPORATE**CASH OUTFLOWS**

Otto's free cash reserve at the end of the quarter was US\$15.04 million (December 2016: US\$16.95 million).

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

	Jun 17 Qtr US\$m Forecast	Mar 17 Qtr US\$m Actual	Dec 16 Qtr US\$m Actual	Sep 16 Qtr US\$m Actual
Louisiana/Gulf of Mexico				
Development	1.17	0.58	0.75	0.30
Exploration	0.13	0.28	0.18	-
Tanzania	-	-	-	-
Alaska	0.15	-	0.05	0.03
Administration	1.02	1.06	0.92	1.01
Refundable Security Bonds	0.60	-	-	0.18
Total	3.07	1.92	1.90	1.52

LEGAL DISPUTE

Otto has commenced legal action in the Federal Court against Swala Energy Ltd, Swala Oil & Gas (Tanzania) plc and current and former directors of those entities in respect of the Pangani Licence in Tanzania. The matter has progressed to court ordered mediation between the parties, held on 24 April 2017. No outcome was achieved in the mediation process.

Swala Oil & Gas (Tanzania) plc did not attend the mediation proceedings.

A further directions hearing is scheduled in the Federal Court on 27 April 2017.

CORPORATE (CONTINUED)**SHAREHOLDERS**

Otto's issued capital as at 31 March 2017:

	Number
Fully paid ordinary shares ¹	1,186,298,324
Options	-
Performance Rights ^{1,2}	7,986,665

¹ 4,390,001 fully paid shares were issued upon the vesting of employee performance rights.

² 2,041,666 employee performance rights lapsed during the quarter.

Otto's Top 20 Holders as at 31 March 2017:

Rank	Name	Units	% of Units
1	MOLTON HOLDINGS LIMITED	241,910,757	20.39%
2	SANTO HOLDING AG	241,910,757	20.39%
3	J P MORGAN NOMINEES AUSTRALIA LIMITED	43,208,372	3.64%
4	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	34,594,320	2.92%
5	CITICORP NOMINEES PTY LIMITED	20,861,479	1.76%
6	JOHN JETTER (CONSOLIDATED RELEVANT INTEREST)	16,589,175	1.40%
7	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD <CLIENT ACCOUNT>	14,020,833	1.18%
8	RICK CRABB (CONSOLIDATED RELEVANT INTEREST)	11,295,052	0.95%
9	SPHINX HOLDINGS LTD	10,227,361	0.86%
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,147,074	0.86%
11	STUART ANDREW PTY LTD <CAMPASPE FAMILY A/C>	8,927,942	0.75%
12	MR BRIAN LESLEIGH WILLIAMS & MRS VALERIE RUBY DAWN WILLIAMS <WILLIAMS S/F A/C>	8,400,000	0.71%
13	FORSYTH BARR CUSTODIANS LTD <FORSYTH BARR LTD-NOMINEE A/C>	7,315,342	0.62%
14	MR TIMOTHY FRANCIS CLIVE MCDONNELL & MRS MILA MCDONNELL <MCDONNELL SUPER FUND A/C>	5,829,358	0.49%
15	MATTHEW GERARD ALLEN (CONSOLIDATED RELEVANT INTEREST)	5,243,000	0.44%
16	IAN MACLIVER (CONSOLIDATED RELEVANT INTEREST)	4,549,721	0.38%
17	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	4,140,774	0.35%
18	TATTERSFIELD SECURITIES LIMITED	3,999,538	0.34%
19	MR CRAIG GRANT RADFORD & MRS SARAH JANE RADFORD <C AND S RADFORD A/C>	3,787,504	0.32%
20	MR ANDREW MCCREA COULTER & MS SALLY ANNE TRAVIS	3,590,000	0.30%
TOTAL TOP 20 SHAREHOLDERS		700,548,359	59.05%
TOTAL REMAINING SHAREHOLDERS		485,749,965	40.95%
TOTAL SHARES ON ISSUE		1,186,298,324	100.0%

OTTO AT A GLANCE

- ASX-listed company with a focus on high impact exploration for oil and gas with a regional focus on North America
- Drilling success sees return to production in late 2017
- Focus on proven basins with well-developed route to market
- Demonstrated commitment to shareholder value

DIRECTORS

Chairman:

John Jetter

Non-Executive Directors:

Ian Boserio

Ian Macliver

OFFICERS AND KEY MANAGEMENT

Managing Director & CEO:

Matthew Allen

Chief Financial Officer & Company Secretary:

David Rich

Vice President, Exploration and New Ventures:

Paul Senyacia

Commercial Manager:

Matthew Worner

CONTACTS

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Definitions

- | | |
|---|---|
| (1) "\$m" means USD millions of dollars | (5) "Mboe" means thousand barrels of oil equivalent ("BOE") with a BOE determined using a ratio of 6,000 cubic feet of natural gas to one barrel of oil – 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency |
| (2) "bbl" means barrel | (6) "MMcf" means million standard cubic feet |
| (3) "bbls" means barrels | (7) "MMboe" means million barrels of oil equivalent ("BOE") with a BOE determined using a ratio of 6,000 cubic feet of natural gas to one barrel of oil – 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency |
| (4) "Mbbbl" means thousand barrels | |

Competent Persons Statement

The information in this report that relates to oil and gas resources in relation to Alaska was compiled by technical employees of Great Bear Petroleum, the Operator of the Alaskan acreage, and subsequently reviewed by Mr Paul Senyacia BSc (Hons) (Mining Engineering), MAppSc (Exploration Geophysics), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Senyacia is a full time employee of the Company, with more than 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE). The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Senyacia. Mr Senyacia is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The reserve and contingent resource information in this report in relation to Tanzania is based on information compiled by Mr Paul Senyacia BSc (Hons) (Mining Engineering), MAppSc (Exploration Geophysics), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Senyacia is a full time employee of the Company, with more than 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE).

The reserve and contingent resource information in this report in relation to SMI70/71 is based on information compiled by technical employees of independent consultants Collarini and Associates, under the supervision of Mr Mitch Reece BSc PE. Mr Reece is the President of Collarini and Associates and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Evaluation Engineers (SPEE), Society of Petroleum Engineers (SPE), and American Petroleum Institute (API). The reserves and resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves and resources information reported in this Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Reece. Mr Reece is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The reserve and contingent resource information in this report in relation to Bivouac Peak is based on information compiled by Mr William Sack (BSc. Earth Sci./Physics, MSc. Geology, MBA), an Executive Director of Byron Energy Limited. Mr William Sack is a member of American Association of Petroleum Geologists. The reserves and resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves and resources information reported in this release are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Sack. Mr Sack is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Prospective Resources

Prospective resource estimates in this report are prepared as at June 2016. The resource estimates have been prepared using the internationally recognised Petroleum Resources Management System to define resource classification and volumes. The resource estimates are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at www.spe.org. The estimates are un-risked and have not been adjusted for both an associated chance of discovery and a chance of development. Otto is not aware of any new information or data that materially affects the assumptions and technical parameters underpinning the estimates of reserves and contingent resources and the relevant market announcements referenced continue to apply and have not materially changed.

Reserves cautionary statement

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward looking estimates.

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects 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

Otto Energy Limited

ABN

56 107 555 046

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(10)	(275)
(b) development	(844)	(1,889)
(c) production	-	-
(d) staff costs	(602)	(1,564)
(e) administration and corporate costs	(499)	(1,459)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	30	77
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)	7	18
- Refundable Security Bond	-	(175)
1.9 Net cash from / (used in) operating activities	(1,918)	(5,267)

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(4)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	2
	(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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(2)

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 (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	16,952	20,309
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,918)	(5,267)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	5	(1)
4.6	Cash and cash equivalents at end of period	15,039	15,039

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 \$US'000	Previous quarter \$US'000
5.1	Bank balances	15,039	16,952
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,039	16,952

6. Payments to directors of the entity and their associates

- 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

Current quarter \$US'000
148
-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors fees including superannuation where applicable

	<u>\$US'000</u>
Executive Director	93
Non-Executive Directors	<u>55</u>
Total	<u>148</u>

7. Payments to related entities of the entity and their associates	Current quarter \$US'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	

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

9. Estimated cash outflows for next quarter	\$US'000
9.1 Exploration and evaluation	(281)
9.2 Development	(1,170)
9.3 Production	-
9.4 Staff costs	(485)
9.5 Administration and corporate costs	(538)
9.6 Other (provide details if material)	-
- Refundable Security Bond	(600)
9.7 Total estimated cash outflows	(3,074)

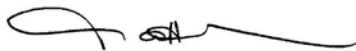
Mining exploration entity and oil and gas exploration entity quarterly report

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	N/A			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A			

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 April 2017

Managing Director & Chief Executive Officer

Print name: Matthew Allen

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.