31 July 2017

QUARTERLY ACTIVITIES REPORT
June 2017

Australis Oil & Gas
ABN: 34 609 262 937

ASX: ATS

Australis is an upstream oil and gas company seeking to provide shareholders value and growth opportunities through the acquisition and accumulation of quality onshore oil and gas assets within emerging and established oil fields in the United States of America and other jurisdictions.

The acreage now owned within the core of the oil producing TMS provides significant upside potential for ATS with over 100 million bbls of undeveloped 2C resource and 5 million bbls proved developed and producing reserves providing free cash flow.

The Company was formed by the founders and key executives of Aurora Oil & Gas Limited, a team with a demonstrated track record of creating and realising shareholder value.

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Australis holds a large strategic acreage position within a proved US oil shale with associated production and revenue.

Australis Oil and Gas Limited ("Australis" and "Company") is pleased to provide its quarterly activities report for the quarter ended 30 June 2017.

KEY ACTIVITIES AND HIGHLIGHTS

- On 13 April 2017 Australis completed the acquisition of all the Tuscaloosa Marine Shale ("TMS") assets of Encana Oil & Gas (USA), a subsidiary of Encana Corporation ("Encana").
- The final purchase price was US$68.3 million including adjustments of US$11.7 million reflecting net positive cash flow during the operating period between the effective date of 1 November 2016 and the completion date.
- Ryder Scott attributed 5 million bbls of net Proved Developed Producing reserves to the acquired producing wells and using the forward strip at 1st February 2017 allocated an NPV(10) of US$95 million[1].
- Australis has designated a TMS 'focus area' of 81,000 net acres which is entirely within a production delineated core of the TMS. This focus area was allocated 107 million bbls of 2C net Contingent Resources by Ryder Scott[1].
- Gross sales for the quarter were 148,900 bbls at an average price of US$47.21/bbl with gross revenue of US$7.0 million.
- As at 30 June 2017, Australis had cash of US$16.9 million, net working capital of US$19.3 million and no debt.

The Encana transaction delivers the type of opportunity for which Australis was established; proven production history, size of position, reserves, production, considerable upside and leverage to improving commodity prices and industry development practices. The position acquired is a dominant high quality asset within the TMS "core" or highest quality area based on actual production performance.

The Australis focus area of 81,000 net acres includes 22,000 net acres designated HBP by 31 operated and producing wells, a further 40,000 net acres purchased from Encana and 18,000 net acres held prior to the acquisition. Significant value can be derived from acreage that has flexibility in terms of the timing of development. Australis seeks to ensure that as much of its acreage position has long lead times before any requirement for development although at our discretion this can be accelerated. Accordingly, an active leasing program is underway within the newly acquired position with the aim to increase non HBP acreage lease life within the focus area on favourable commercial terms.

Significant operational and engineering data was secured as part of the acquisition. The subsurface and engineering workscope to interrogate and interpret this information is underway, with the goal of ensuring that the historical learning curve is fully integrated into Australis' plans going forward. The amount and quality of data collected and evaluated by Encana is of great value in planning future operations.

Well production performance has been in line with forecast. Total sales for the quarter following acquisition was 148,900 bbls at an average oil price of US$47.21/bbl, resulting in oil revenue of US$7.0 million. After royalties of US$8.87/bbl and direct field costs and production taxes of US$12.90/bbl, the field netback for the quarter was US$25.44/bbl.

TUSCALOOSA MARINE SHALE

TMS Background – Unconventional Oil Acreage Onshore USA

The Tuscaloosa Marine Shale is a Cretaceous shallow marine unconventional shale that is present across central Louisiana and southwest Mississippi. The play is the same geological age as the Eagle Ford Shale in South Texas and the Woodbine Shale in East Texas. It was well known through the 1980s as associated conventional sand horizons were developed through the area with vertical wells. With the advent of unconventional development activity, the TMS was explored from 2010 with localised success.

The play is deep, high pressured and oil weighted. As experienced in most unconventional plays, early results demonstrated variable production performance and relatively high well costs, driven by operational difficulties encountered whilst drilling and completing the wells. These challenges led to a modest appraisal activity level, with competing plays in the USA such as the Eagle Ford and Bakken offering lower risk development opportunities given their more advanced development. The activity that did take place however, delineated a relatively small core area of the play where production results were consistent and comparable to other, far more developed, unconventional plays. This area is shown in the blue oblong in Figure 1 and represents Australis' interpretation of the core of the TMS. Furthermore, there is a step change in well performance outside the core area which creates a relatively binary outcome. Whilst all other unconventional plays demonstrate a range of well performance, it is typically a graduated change and the step change observed in well results with in the TMS is unusual. This delineated core area only consists of approximately 650,000 acres or less than 10% of the known TMS geological setting. This relatively small area of high well performance and the step change observed throughout the rest of the play explains how the TMS developed a relatively poor reputation.

These circumstances and the 2014 fall in commodity price generated the opportunity for the two low cost acquisitions by Australis in the play and remain the basis for an ongoing cost effective leasing program where longer lease life is targeted together with improved commercial terms. Australis has remained very disciplined and focused only within the production delineated core of the play.

The appraisal activity by Encana and other participants in the TMS during 2013/2014 has also addressed many of the operational challenges they initially experienced. Costs and performance repeatability were improving and activity levels were increasing during 2014 until this evolution in the play was interrupted by the oil price drop in late 2014. As a direct result, no drilling activity has occurred since the beginning of 2015. Consequently, none of the numerous industry improvements that have continued to drive forward the economics of other unconventional plays during this extended period of lower oil price have been applied to the TMS.

A Large Strategic Core TMS Acreage Position

Australis has made two acquisitions in the TMS and has had an active leasing program underway in Louisiana since Q1 2016.

In early 2016 Australis acquired a 50% working interest in 33,000 gross acres in the core of the TMS from Paloma Resources ("Paloma"), a private equity backed entity well known and highly regarded by the Australis management team as a result of previous interactions in the Eagle Ford shale play. This acreage is shown in orange in Figure 1 below. Since early 2016, Australis and Paloma have worked to increase their combined TMS land position and to extend the term life of the leases. Extending the primary term of the leases allows greater flexibility and optionality for future TMS development activity with the initial focus to hold the leases by production ("Held by Production" or "HBP") and secondly for full in-field development.

Australis' net position in this area of focus with Paloma has now increased to approximately 18,000 net acres with a target by year end of approximately 22,500 net acres. Furthermore, the average lease term (duration prior to drilling activity being required to prevent lease expiry) has been significantly extended. When Australis entered the TMS, approximately 10% of the lease acreage positon had a primary term beyond 1 January 2020. As at the date of this report that figure now stands at approximately 77% of the Paloma acreage under lease that requires no drilling activity until after 1 January 2020.

On 28 February 2017 Australis announced its second acquisition transaction in the TMS by purchasing 31 producing wells and over 120,000 net acres within the delineated core fairway of the play from Encana, with a further 53,000 net acres outside that fairway. The position is shown in blue in Figure 1 below and can be seen to be contiguous with the previously acquired/leased acreage and remains focused in the core. No additional work will be undertaken on acreage outside the production delineated core.

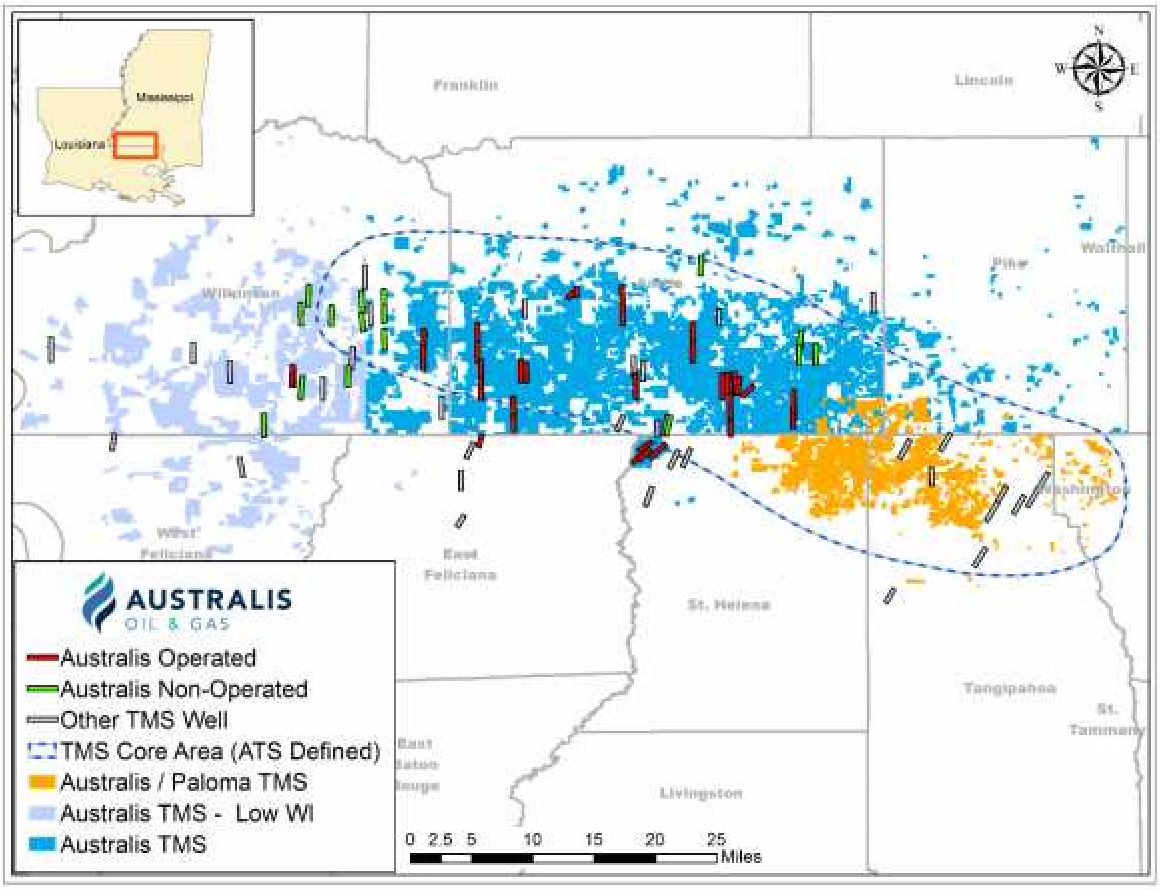

Figure 1: Overview of the TMS core area and Australis approximate lease hold position

The Company now holds a substantial land position, targeted in the production delineated core of the TMS, with existing production, revenue and reserves. Australis is operator of the acreage in dark blue and so has control of the timing of any capital expenditure program. The highly contiguous acreage provides a large strategic inventory of future well locations with defined and improving economics. Australis has the right to take operatorship of the acreage in orange in January 2018, until that point there is an agreed land leasing budget and hence expenditure is controlled.

Australis is initially focusing its activities on a subset of the acreage it owns within the core of the play. The focus area is a total of 81,000 net acres, including 22,000 net acres associated with the existing producing wells, deemed held by production and with lease obligations met. The balance of 59,000 net acres also lies within the core fairway, is contiguous and generally has longer existing lease life remaining. This position is summarised in Table 1 below together with the associated PDP Reserves and 2C Contingent Resources as estimated by Ryder Scott as at 1 February 2017[1].

Australis Net Focus Acreage		Australis PDP Reserves[1]	Australis 2C Contingent Resource[1]
HBP core acres	22,000	5.0 mmbbls	107 mmbbls
Undeveloped core acreage	59,000		
Total Focus Net Acres	**81,000**		

Table 1: TMS acreage, reserves and resource estimates

At present there is no allocation of reserve or resource to the acreage that Australis holds within the core area which is outside the focus area of 81,000 net acres.

Q2 Production, Sales, Revenue and Field Expenses

The Encana transaction closed on 13 April 2017, with all oil sales during the June 2017 quarter prior to that date being captured in the adjustment to the purchase price. The figures below in Table 2 relate to the period of 79 days from the 13 April 2017 to 30 June 2017.

Production and Sales	Barrels (bbls)	Barrels per day (bbls/d)
Gross Production (WI)	153,300	1,940
Net (after royalties) Production (NRI)	123,300	1,560
Gross Sales (WI)	148,900	1,885

Operating Revenue and Costs	US$ million	US$/bbl
Revenue (from Gross Sales)	$7.03	$47.21
Royalties	$1.32	$8.87
Production Taxes	$0.19	$1.28
Field Operating Costs	$1.73	$11.62
Field Netback	**$3.79**	**$25.44**

Table 2: Quarterly Production, Sales, Revenue and Costs

Field and Asset integration

Following the Encana acquisition the primary focus of Australis during this reporting quarter has been

- The safe and efficient assumption of existing production operations. Production has been maintained within operating targets of rate and uptime, without any reportable HSE or environmental incident. The Encana field operational staff who transferred to Australis have now been assimilated within our HR systems and the existing service contracts have been updated. A number of opportunities for incremental improvement in well performance and economics have been identified and are being assessed.

- The population of operational management and reporting systems including Land, Production and Wells, with information provided by Encana as part of the transaction is nearing completion. Production data capture, interpretation and allocation software was operational before the end of the quarter and oil was sold under Australis marketing arrangements from 1 June 2017. Land management and Accounting software is expected to be operational by the end of July, which fits with the cessation of transition services being provided by Encana.
- Leasing activity has commenced within Mississippi as the Company seeks to renegotiate lease terms and renew any expired leases on a favourable basis. This process has been successfully underway for 15 months in Louisiana in partnership with Paloma. During the reporting quarter Australis has successfully renewed 5 of the existing drilling units with interaction with the Mississippi Oil & Gas Board as well as local land owners within each unit.
- Subsurface and Operational Engineering activities are now underway to further interpret and interrogate the historical data now available from Encana. In addition, Australis is now able to access Schlumberger consortium data that is provided by a number of operators within the TMS. This information has provided further validation to our subsurface model. It also allows our well design planning process to incorporate all knowledge and experience gained from previous operations.
- During the quarter, as office leases expired, the Company moved to new office locations in both Perth and Houston. Additional staff have been recruited in line with the increase in operations and the final positions needed for the current stage of Australis' development will be sourced and in place during the next reporting quarter.

LUSITANIAN BASIN – CONVENTIONAL GAS & OIL ACREAGE ONSHORE PORTUGAL

In September 2015 Australis was awarded two onshore exploration concessions in the Lusitanian Basin (known as the Batalha and Pombal Concessions). The concessions cover a total area of 620,000 acres, are in the exploration phase and are presently in the 2nd of an 8 year valid term. They have a modest minimal commitment work program in the first 3 years. The Concessions are shown in Figure 2 below and are located to the north of Lisbon.

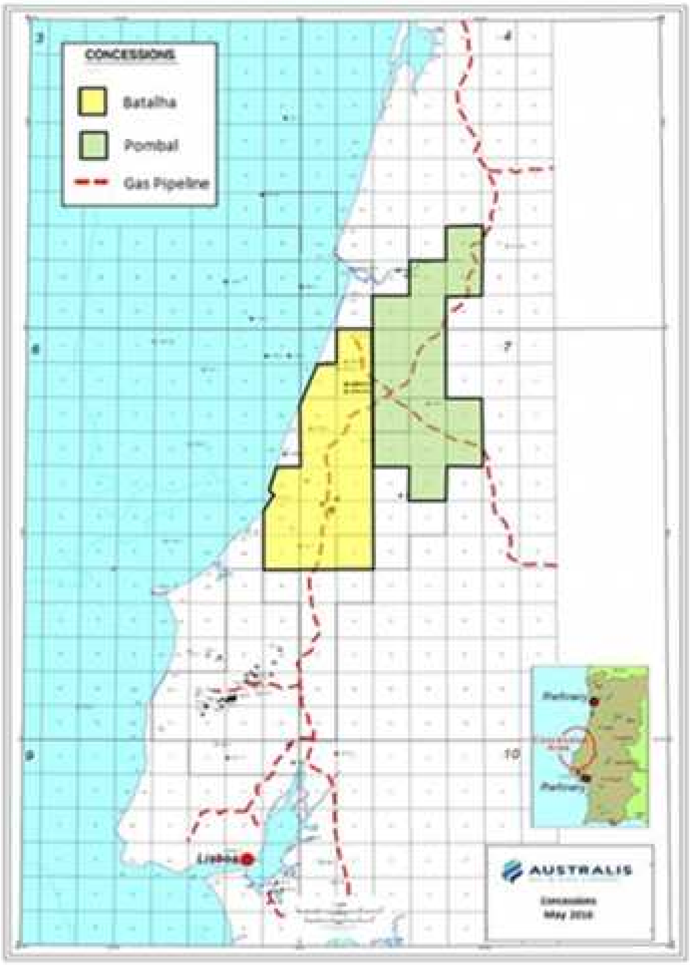

Figure 2: Overview of the Batalha and Pombal Concessions in the Lusitanian Basin

Australis has purchased from the Portuguese Government, at nominal cost, aeromagnetic data interpretation study, exploration well logs and 2D seismic lines across both concessions as well as a 3D survey that covers part of the Batalha concession. Australis activity during the first year of the concessions broadly consisted of data review and analysis of the 2D and 3D seismic[5] and other existing information relating to prior wells. This has allowed us to define a large gas discovery in the Jurassic formations and to identify likely production mechanisms that contributed to the observed 3 MMscf/d from the discovery well. Furthermore, Australis now has a preferred well design to achieve commercial flow which would allow the net 2C contingent resource of 459 Bcf be reassessed as a reserve.

Work has now moved to the deeper Triassic exploration opportunities in both Concession areas. Biostratigraphy analysis has been undertaken, in collaboration with the Universities of Lisbon and Coimbra in

Portugal, to look for correlations between the two existing well penetrations of the Silves formation within the Batalha Concession. This work is using cuttings samples gathered whilst drilling and early indications are positive that correlations can be made which support the existing basin model.

Additional work is also underway to improve the interpretation of the shallow seismic, using modern techniques. If successful then this updated interpretation can be applied to the 2D and potentially 3D data sets to deliver improved definition of both the Silves exploration targets and perhaps the shallower Jurassic discovery.

Site visits were carried out during the quarter scouting for potential future drilling locations in one of the prospective areas and these findings will be incorporated into our planning process.

Significant increase to independent Recoverable Resource Estimates

Based upon work carried out by Australis an update to the contingent resource associated with the two horizons was carried out at YE 2016 and this has led to a 96% increase in the estimated recoverable resource to a 2C figure of 458.5 Bcf. The full results of the contingent resource estimates from Netherland, Sewell & Associates, Inc ("NSAI")[2] are summarised in Table 3 below:

Net[6] Contingent Resource – Gas (97% WI & Post Royalties)			
	Low Estimate 1C (BCF)	Best Estimate 2C (BCF)	High Estimate 3C (BCF)
NSAI Resource Est – 31 Dec 2016[2]	217.4	458.5	817.7
NSAI Resource Est – 1 May 2016[3]	83.6	234.1	409.6

Table 3: Portugal Resource estimates

NSAI generated their independent contingent resource estimates using a combination of deterministic and probabilistic methods[4]. The material assumptions and technical parameters underpinning the contingent resource estimate were set out in the announcement made to the market on 25 January 2017[2].

FINANCE AND CORPORATE

At 30 June 2017 Australis had cash of US$16.9 million with no debt and net working capital, including cash, of US$19.3 million. The closing cash position does not include any revenue from oil sales during the quarter. Revenue from oil sales for April and May have been collected by Encana and will be paid to Australis in the current quarter. Revenue from June oil sales, which were marketed and sold directly by Australis, was received in July 2017.

The Appendix 5B attached to this Quarterly Activities Report includes operational cash flow information. Included within these cash flows are costs associated with the transitional arrangements for the management of the Encana assets acquired in April. These arrangements are duplicative or 'one-off' to ensure the seamless handover of the producing assets. The costs associated with these arrangements are reducing and will terminate in the current quarter.

Forecast net cash outflows for the September quarter of US$3.0 million as set out in the Appendix 5B attached includes, amongst other items, revenue from the expected oil sales in the quarter and capital expenditure for the expanded land leasing program of approximately US$4.9 million.

QUARTERLY CASH FLOW REPORT FOR THE PERIOD ENDED 30 JUNE 2017

The Appendix 5B for the period ended 30 June 2017 is attached.

The Appendix 5B has been presented in US dollars in line with the Company's adoption on 1 January 2017 of the US dollar as its presentational currency.

As the majority of the Group's income and expenditure is also denominated in US dollars, Australis has also adopted US dollars as its functional currency from 1 January 2017.

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Further Information:

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GLOSSARY

Unit	Measure	Unit	Measure
B	Prefix – Billions	bbl	Barrel of oil
MM	Prefix – Millions	boe	Barrel of Oil equivalent (1bbl = 6 mscf)
M	Prefix – Thousands	scf	Standard cubic foot of gas
/d	Suffix – per day	Bcf	Billion cubic feet of gas

Unit	Measure
Gross or WI	Company beneficial interest before royalties or burdens
Net or NRI	Company beneficial interest after royalties or burdens
C	Contingent Resources (1C/2C/3C equivalent to low/most likely/high)
NPV(10)	Net Present Value (@ discount rate)
EUR	Estimated Ultimate Recovery of a well
WTI	West Texas Intermediate oil benchmark price
LLS	Louisiana Light Sweet oil benchmark price
D, C&T	Drill, Complete and Tie - in
2D/3D	2 and 3 dimensional seismic surveys
Opex	Operating Expenditure
HBP	Held by production – within a formed unit a producing well meets all lease obligations within that unit. Primary term remains valid whilst well is on production.

Notes

1. All estimates have been taken from the independent Ryder Scott report, effective 1 February 2017 and announced on 28 February 2017 titled 'Australis agrees transformational US shale acquisition'. The report was prepared in accordance with the definitions and disclosure guidelines contained in the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), and Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management (SPE-PRMS).
2. All estimates have been taken from the independent Netherland, Sewell & Associates report, effective 31 December 2016 and announced on 25 January 2017 titled '2016 Year End Resource Update'. The report was prepared in accordance with the definitions and disclosure guidelines contained in the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), and Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management (SPE-PRMS).
3. Previous report contained in Section 8 (Technical Expert Reports) of the Company's prospectus dated 29 June 2016
4. The probabilistic range of uncertainty is represented by a low, best and high estimate such that:
    a. There should be at least a 90% probability (P90) that the quantities in place or actually recovered will equal or exceed the low estimate.
    b. There should be at least a 50% probability (P50) that the quantities in place or actually recovered will equal or exceed the best estimate.
    c. There should be at least a 10% probability (P10) that the quantities in place or actually recovered

will equal or exceed the high estimate.

The deterministic method is based on qualitative assessment of relative uncertainty using consistent interpretation guidelines. The independent engineers using a deterministic incremental (risk-based) approach estimates the quantities at each level of uncertainty discretely and separately.

5. Aljubarrota 3D Seismic Survey – 160 km^2 acquired December 2010 to March 2011 under permit issued by the Portuguese Divisao para a Pesquisa e Exploracao do Petroleo (“DPEP”).
6. Australis holds a 100% working interest in the Batalha and Pombal Concessions, however this interest is subject to a 3% working interest option granted to a contractor and the Net estimates provided by NSAI are prepared with the assumption that this option has been exercised. The Net estimates provided by NSAI also make an allowance for royalties payable to the Portuguese government. The actual royalties payable by Australis are detailed in Article 51 of Decree Law nr 109/94 of the 26th April,1994 and Article 19.2 of each concession contract. For oil there is a staged royalty of between 0 and 9% based on produced volumes and for gas there is a similar staged royalty of between 3 and 8% again based on produced volumes. As there is not a development plan and an associated production profile for either the contingent or prospective resource estimates, the royalty rate has been assumed to be 8 and 9% respectively.

Resource Estimates

The resource estimates for the TMS assets contained in this quarterly report are taken from the ATS announcement dated 28/2/17 and titled “Australis agrees transformational US shale acquisition.” The Company is not aware of any new information or data that materially affects the information included in the referenced market announcement and that all material assumptions and technical parameters underpinning the estimates in the referenced market announcement continue to apply and have not materially changed.

The resource estimates for Portugal assets contained in this quarterly report are taken from the ATS announcement dated 25/1/17 and titled “2016 Year End Resource Update”. The Company is not aware of any new information or data that materially affects the information included in the referenced market announcement and that all material assumptions and technical parameters underpinning the estimates in the referenced market announcement continue to apply and have not materially changed.

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Australis’ planned operation program and other statements that are not historic facts. When used in this document, the words such as “could”, “plan”, “estimate”, “expect”, “intend”, “may”, “potential”, “should” and similar expressions are forward looking statements. Although Australis believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

+Rule 5.5

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

AUSTRALIS OIL AND GAS LIMITED

ABN	**Quarter ended ("current quarter")**
34 609 262 937	30 June 2017

Consolidated statement of cash flows			**Current quarter** **$USD'000**	**Year to date (6 months)** **$USD'000**
1.	**Cash flows from operating activities**			
1.1	Receipts from customers*		-	-
1.2	Payments for			
	(a)	exploration & evaluation	(163)	(469)
	(b)	development	-	-
	(c)	production	(866)	(866)
	(d)	staff costs	(989)	(1,486)
	(e)	administration and corporate costs		
		- corporate costs	(846)	(1,354)
		- operational administrative costs	(886)	(936)
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)			
	Financial Advisor Fees		(22)	(95)
1.9	**Net cash from / (used in) operating activities**		**(3,772)**	**(5,206)**

* Oil sales revenue for current quarter all received in July 2017.

Consolidated statement of cash flows		**Current quarter $USD'000**	**Year to date (6 months) $USD'000**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(250)	(257)
	(b) land leases (see item 10)	(466)	(1,638)
	(c) investments	(61,795)	(69,795)
	(d) other non-current assets	(89)	(239)
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 (provide details if material)	15	61
2.6	**Net cash from / (used in) investing activities**	**(62,585)**	**(71,868)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	74,995	74,995
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	(2,961)	(2,961)
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**	**72,034**	**72,034**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	11,071	21,559
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,772)	(5,792)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(62,585)	(71,282)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	72,034	72,034
4.5	Effect of movement in exchange rates on cash held	122	351
4.6	**Cash and cash equivalents at end of period**	**16,870**	**16,870**

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 $USD'000**	**Previous quarter $USD'000**
5.1	Bank balances	16,870	11,071
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Work Program Guarantee)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**16,870**	**11,071**

6.	**Payments to directors of the entity and their associates**	**Current quarter $USD'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	236
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

Non -Executive and Executive Director salaries and fees.

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

N/A

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $USD'000**	**Amount drawn at quarter end $USD'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.

N/A

9.	**Estimated cash outflows for next quarter**	**$USD'000**
9.1	Exploration and evaluation	(220)
9.2	Development – Capital expenditure – Land program	(4,869)
9.3	Production (Sales less direct field expenses & taxes)	4,068
9.4	Staff costs – operation / US based	(508)
	Staff costs – board / head office based	(628)
9.5	Operational Administration costs - Houston	(337)
	Administration & Corporate - Perth	(366)
9.6	Other - IT and transitional arrangements	(110)
9.7	**Total estimated net cash outflows**	**(2,970)**

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	Tuscaloosa Marine Shale USA	Working Interest holder	19,000 net acres	81,000 net acres
		Batalha– Onshore Portugal	100% working interest holder in concession	307,480 acres	307,480 acres
		Pombal– Onshore Portugal	100% working interest holder in concession	312,866 acres	312,866 acres

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: 31 July 2017
(~~Director~~/Company secretary)

Print name: Julie Foster

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.