



31 January 2012

Manager of Company Announcements  
ASX Limited  
Level 8 Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

*By E-Lodgement*

---

## Quarterly Report Period Ended 31 December 2011

---

### Highlights for Quarter and Subsequent Events

- Orca to farm-out 22% of PEL 115 to JV partner Senex Energy Limited (ASX: SXY) to expedite unconventional gas exploration program in Cooper Basin
- Strategic Placement (19.99%) to Senex Energy raising approximately \$4 million
- Disposal of Non-Core Kyrgyz Uranium Project
- 1 : 20 Share Capital Consolidation

### Australian Projects – Cooper Basin

Orca Energy has an interest in two quality licences in the onshore Cooper Basin, which is a prolific onshore producer of oil and gas with significant shale gas potential.

#### PEL 115 - OGY 20%

Subsequent to the end of the quarter, Orca Energy Limited entered into an agreement to farm-out 22% of its Cooper Basin block, PEL 115, to joint venture partner and operator, Senex Energy Limited (ASX: SXY).

Pursuant to the farm-out agreement, Orca will be free carried in respect of its remaining 20% for a dedicated unconventional gas exploration well to be drilled later this year. The drilling of the well is scheduled to follow Senex's three planned wells in its 100% owned block, PEL 516, where drilling is currently underway. The free carry will include extensive coring and completion and at least two fracture stimulations.

The location of PEL 115 is significantly strategic as it is adjacent to the Cooper Basin "unconventional gas fairway" and surrounded by PEL 516, where Senex estimates a net gas-in-place resource of over 100 Tcf.

### BOARD & MANAGEMENT

Mr Greg Bandy  
EXECUTIVE DIRECTOR

Mr Jason Bontempo  
NON-EXECUTIVE DIRECTOR

Mr Jeremy King  
NON-EXECUTIVE DIRECTOR

Ms Rebecca Sandford  
Ms Shannon Robinson  
JOINT COMPANY SECRETARY

### REGISTERED OFFICE

Ground Floor  
1 Havelock Street  
West Perth WA 6005

### POSTAL ADDRESS

PO Box 1440  
West Perth WA 6872

### CONTACT DETAILS

Tel: +61 8 9488 5220  
Fax: +61 8 9324 2400

### WEBSITE

[www.orcaenergy.com.au](http://www.orcaenergy.com.au)

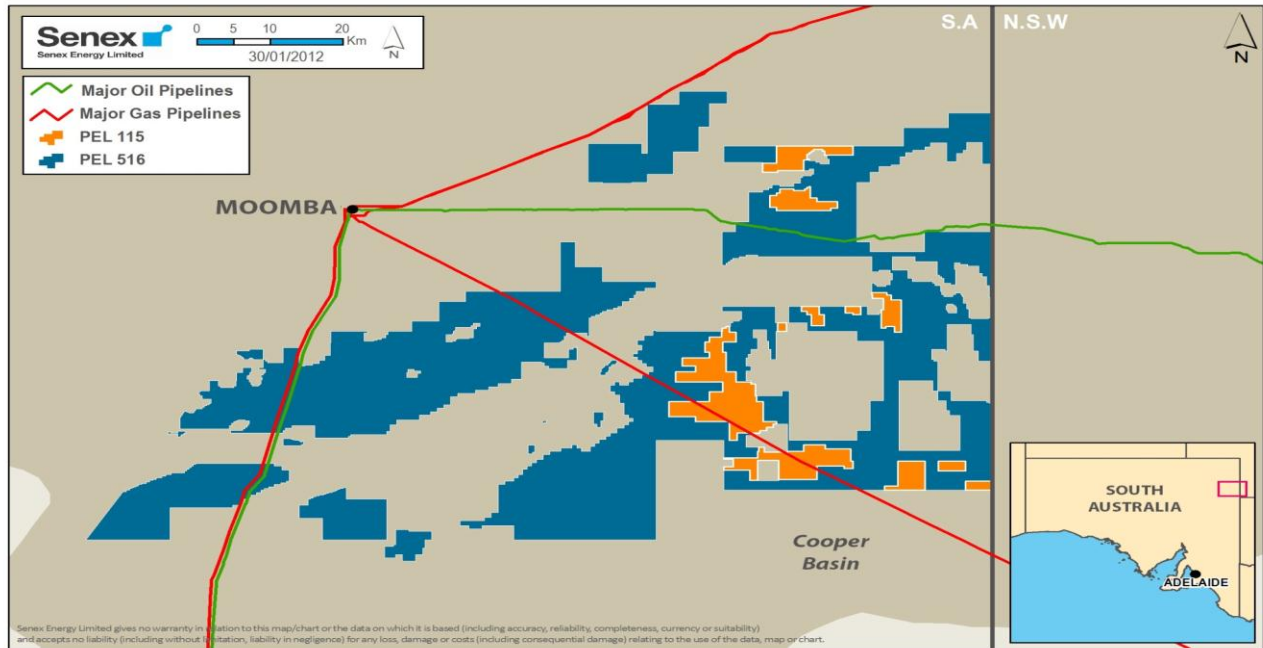
### SHARE REGISTRY

Advanced Share Registry  
150 Stirling Highway  
Nedlands WA 6009

### ASX CODE

OGY

For personal use only



PEL 115 has already had two wells drilled (Fury-1 and Airacobra-1) which both had oil shows. The commerciality of these oil shows is still yet to be defined.

#### PEL 110 (OGY 20%)

A seismic program is currently being prepared for PEL 110 and it is expected that Orca will be in a position to advise the market of the proposed program shortly. PEL 110 is considered to be in a valuable position on the western flank of the South Australian Cooper Basin and is majority owned by Senex Energy who holds a 60% interest in the block.

#### **Seabiscuit (Matagorda) Project**

Subsequent to the end of the quarter, Orca has been advised by its JV partner and operator, Dan A. Hughes Company, that the drilling of the Seabiscuit Prospect in East Texas, scheduled for next month, has been postponed until later in the year due to poor weather conditions. While this is obviously disappointing, it is prudent given the unnecessary operational risk that any drilling now could encounter. As a result of this delay, the AFE and subsequent cash call has been withdrawn.

#### **Kyrgyz Republic Projects**

During the quarter the Company disposed of its remaining Kyrgyz interests. The Company entered into an agreement to dispose its 22.5% interest in the Kyrgyz Republic Kashkasu II uranium project to its joint venture partner, Raisama Limited. The consideration for the sale was the issue of 870,000 fully paid shares in the capital of Raisama Limited. All associated expenditure commitments and obligations in association with the project have been extinguished.



## Corporate

During the quarter, the Company completed a consolidation of its share capital on a 1 for 20 basis following shareholder approval granted in December 2011. In addition the Company appointed Ms Shannon Robinson as joint company secretary.

## Placement

Subsequent to the quarter Orca has entered into a subscription agreement with Senex Energy Limited to raise approximately \$4 million. Pursuant to the agreement, Senex will subscribe for 115,000,000 shares at \$0.035 per share to acquire a 19.99% interest in Orca. The funds raised will be used for existing projects commitments and the development of opportunities.

Senex will be entitled to elect one board member to Orca's existing board of directors as a result of this transaction. It is also Orca's intention to seek a waiver from ASX Listing Rule 6.18 to grant Senex a "top up" right to maintain their percentage interest in Orca should the company undertake any future capital raisings. The rights attaching to a director appointment and "top up" fall away should Senex's shareholding in Orca drop below 15% for 30 consecutive days.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Greg Bandy', written over a horizontal line.

**Greg Bandy**  
**Executive Director**

## Appendix 5B

### Mining 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

Name of entity

ORCA ENERGY LIMITED

ABN

25 009 121 644

Quarter ended ("current quarter")

31 December 2011

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) administration (d) production	-  (373)	(31)  (474)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	11	15
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	4	13
	(358)	(477)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) project acquisition (b) equity investments (c) other fixed assets	-   	(1,219)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	  67	  122
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
	67	(1,097)
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(291)	(1,574)

+ See chapter 19 for defined terms.

For personal use only

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(291)	(1,574)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	2,000
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other Cost of Issue	-	(132)
	<b>Net financing cash flows</b>	-	1,868
	<b>Net increase (decrease) in cash held</b>	(291)	294
1.20	Cash at beginning of quarter/year to date	936	351
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	645	645

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

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	76
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Payments of Directors Fees and Remuneration	76
Payments to Director Related Companies	Nil

**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

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	
3.2 Credit standby arrangements	Nil	

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	
4.3 Production	
4.4 Administration	150
<b>Total</b>	<b>200</b>

### 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 \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	645	936
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>645</b>	<b>936</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		

+ See chapter 19 for defined terms.

For personal use only

**Appendix 5B**  
**Mining exploration entity quarterly report**

6.2 Interests in mining 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)
7.1	<b>Preference securities</b> <i>(description)</i>	Nil			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3	<b>+Ordinary securities</b>	460,033,775	322,533,775		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,000,000	5,000,000	\$0.024	
7.5	<b>+Convertible debt securities</b> <i>(description)</i>	Nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7	<b>Options</b> <i>(description and conversion factor)</i>	3,875,000 500,000		<i>Exercise Price</i> \$0.26 \$0.16	<i>Expiry Date</i> 31 Dec 12 3 Dec 14
7.8	Issued during quarter	Nil	Nil		Nil
7.9	Exercised during quarter	Nil	Nil		

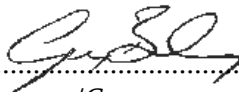
+ See chapter 19 for defined terms.

For personal use only

7.10	Expired during quarter	Nil	Nil		
7.11	<b>Debentures</b> (totals only)	Nil	Nil		
7.12	<b>Unsecured notes</b> (totals only)	Nil			

### 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.

Sign here:  ..... 31 January 2012  
 (Director/Company secretary) Date: .....  
 Greg Bandy  
 Print name: .....

### 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 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, 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.

== == == == ==

---

+ See chapter 19 for defined terms.

For personal use only