



30 April 2012

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

By E-Lodgement

Quarterly Activities Report and Appendix 5B for the Period Ending 31 March 2012

Highlights

- Farm-out of 22% interest in PEL 115 to Senex Energy Limited to expedite unconventional gas exploration program in Cooper Basin
- Strategic placement to Senex Energy Limited raising approximately \$4 million
- Appointment of Senex Energy Chairman as Non-Executive Director of Orca

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 unconventional (shale) gas potential.

PEL 115 (OGY 20%)

During the quarter the Company 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 for the second half of 2012 to follow Senex's three planned wells in its 100% owned block, PEL 516, where drilling is currently underway and preliminary results have been encouraging (see below). The free carry will include coring in the four target zones and casing 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 (Figure 1) where Senex has previously reported an independently estimated 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

Mr Denis Patten
NON-EXECUTIVE DIRECTOR

Mr Arthur Pitts
ALTERNATE DIRECTOR

Ms Rebecca Sandford
Ms Shannon Robinson
JOINT COMPANY SECRETARY

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SHARE REGISTRY
Advanced Share Registry
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Nedlands WA 6009

ASX CODE
OGY

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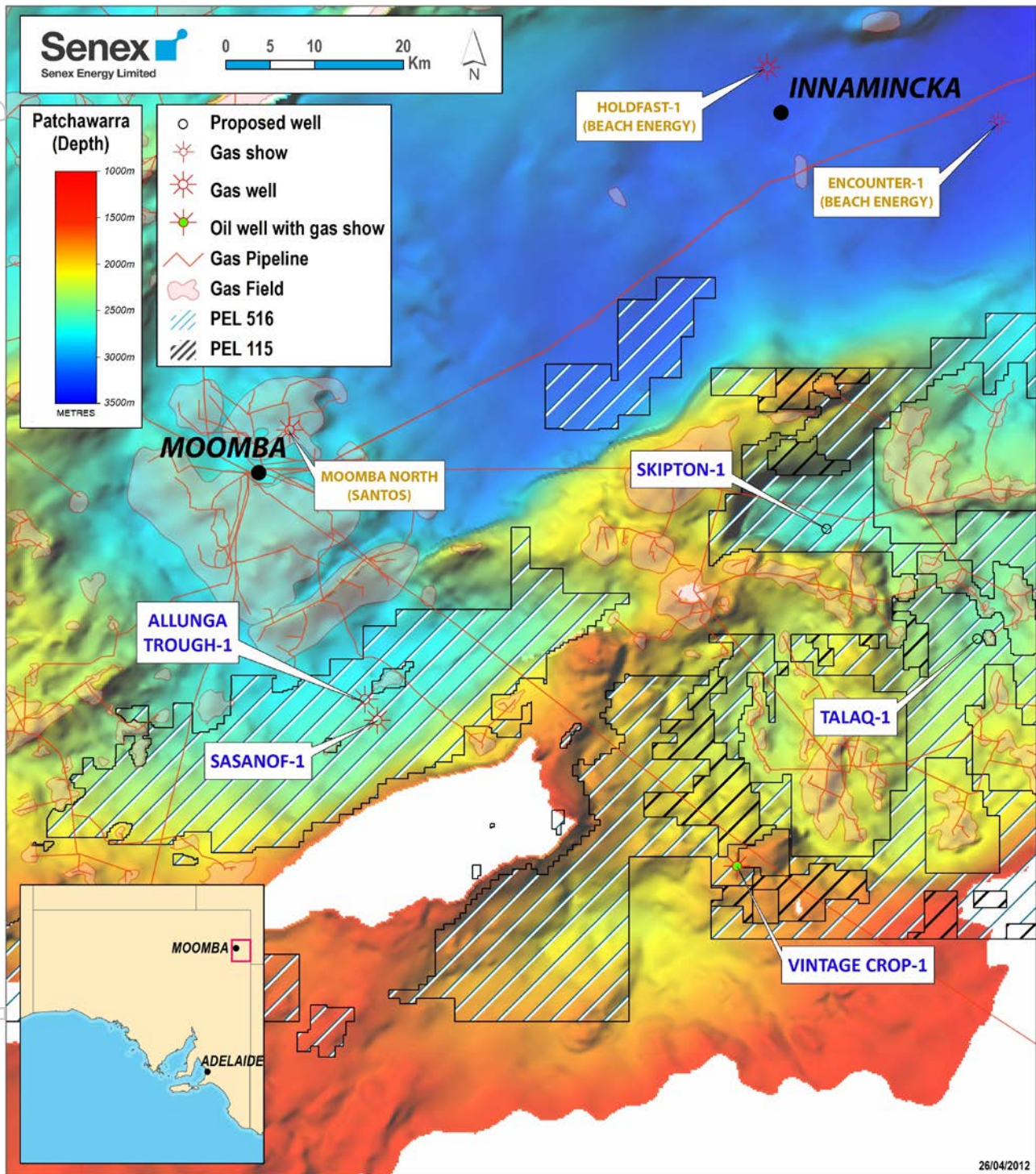


Figure 1: Unconventional Gas Interests in the Southern Cooper Basin

Quoting from Senex Energy's ASX Announcement on 11 April 2012, "Significant gas shows and the presence of liquids-rich gas during drilling and coring of the Sasanof-1 exploration well in South Australian permit PEL 516 are among several indicators that suggest the southern Cooper Basin could host a world-class unconventional gas resource according to Operator Senex Energy Limited (Senex)."



PEL 110 (OGY 20%)

The PEL 110 project is located north of the Keleary and Telopea oil fields and west of the James oil field. PEL 110 holds 7 leads and prospects identified in the Birkhead Formation, with good stratigraphic similarities to nearby discoveries along the margin. 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.

A work program and budget for the 2013 financial year is currently being reviewed by the Joint Venture and Orca expects to be able to update the market in the near term.

Seabiscuit (Matagorda) Project

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

Corporate

During the quarter and in addition to the PEL 115 farm-out agreement, Orca entered into a subscription agreement with Senex Energy Limited to raise approximately \$4 million. Pursuant to the agreement, Senex subscribed for 115,000,000 shares at \$0.035 per share to acquire a 19.99% interest in Orca.

Commenting on the farm-in and capital raising at the time, Managing Director Greg Bandy said: *"We are delighted to enter into these two agreements with Senex at this exciting time. There is an enormous amount of interest in the Cooper Basin at present and specifically in unconventional (shale) gas. With Senex's significant acreage and experience in the Cooper, it makes sense for us to form a closer relationship at this time. We look forward to keeping the market informed as we get closer to drilling again in the Cooper Basin."*

Following completion of the Placement, the Board appointed Mr Denis Patten as a non-executive director and Mr Arthur Pitts as his alternate director.

For and on behalf of the Board

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 March 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(153)	(184)
(b) development		
(c) administration	(123)	(597)
(d) production		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	30	45
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	-	13
	(246)	(723)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) project acquisition	-	(1,219)
(b) equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments	24	146
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
	24	(1,073)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(222)	(1,796)

+ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(222)	(1,796)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	4,025	6,025
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	(286)	(418)
	Net financing cash flows	3,739	5,607
	Net increase (decrease) in cash held	3,517	3,811
1.20	Cash at beginning of quarter/year to date	645	351
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,162	4,162

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	49
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	49
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	100
4.2 Development	
4.3 Production	
4.4 Administration	150
Total	250

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	4,162	645
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,162	645

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	PEL 115 Farm-out of 22% interest subject to Farm-out Agreement	42%	20%

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Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased

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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	Preference securities <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	+Ordinary securities	575,033,775	437,533,775		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	115,000,000	-	\$0.035	
7.5	+Convertible debt securities <i>(description)</i>	Nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7	Options <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		

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7.10	Expired during quarter	Nil	Nil		
7.11	Debentures <i>(totals only)</i>	Nil	Nil		
7.12	Unsecured notes <i>(totals only)</i>	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:
(Director/~~Company secretary~~)
Greg Bandy

30 April 2012
Date:

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.

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