



28 January 2015

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

*Via E-Lodgement*

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**QUARTERLY ACTIVITIES REPORT  
FOR THE PERIOD ENDING 31 DECEMBER 2014**

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The Board of Orca Energy Limited (**Orca** or the **Company**) is pleased to provide the following commentary and Appendix 5B for the period ending 31 December 2014.

### **Highlights**

**Production from Burruna for the quarter of 6,176 barrels net to Orca**

**Barrels of oil sold for the quarter 6,277 net to Orca, resulting in cash flow income in excess of \$500,000**

### **PPL 251 & PRL 117 - Cooper Basin, South Australia**

Production from the Burruna Field for the quarter was 6,176 barrels of oil, net to Orca, with the number of barrels sold, net to Orca, being 6,277. Income received from barrels sold was \$515,393 with total revenue for the quarter being \$684,252 which included payments for barrels sold the previous quarter.

Production continued from Burruna-2 and Burruna-3 wells during the quarter. Production from Burruna-2 is with an Electrical Submersible Pump (ESP) and production from Burruna-3 is with a Beam pump (nodding donkey).

As the water cut in the field has climbed the Operator has undertaken various facility modifications to increase the liquid handling capacity at the facility to maintain the gross oil production rate at over 300bopd. This capacity expansion will continue in the following quarter and should result effectively in only a modest decline in production rate net to Orca for the next quarter.

Orca is supporting the Operator to continue to maximise the production and optimise operating expenditures to maintain profitability in the current price environment.

#### **BOARD & MANAGEMENT**

Mr Greg Bandy  
MANAGING DIRECTOR

Mr Jason Bontempo  
NON-EXECUTIVE DIRECTOR

Mr Nathan Rayner  
NON-EXECUTIVE DIRECTOR

Mr Aaron Bertolatti  
COMPANY SECRETARY

#### **REGISTERED OFFICE**

Level 1  
35 Richardson Street  
West Perth WA 6005

#### **POSTAL ADDRESS**

PO Box 1440  
West Perth WA 6872

#### **CONTACT DETAILS**

Tel: +61 8 9212 0102

#### **WEBSITE**

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

#### **SHARE REGISTRY**

Advanced Share Registry  
150 Stirling Highway  
Nedlands WA 6009

#### **ASX CODE**

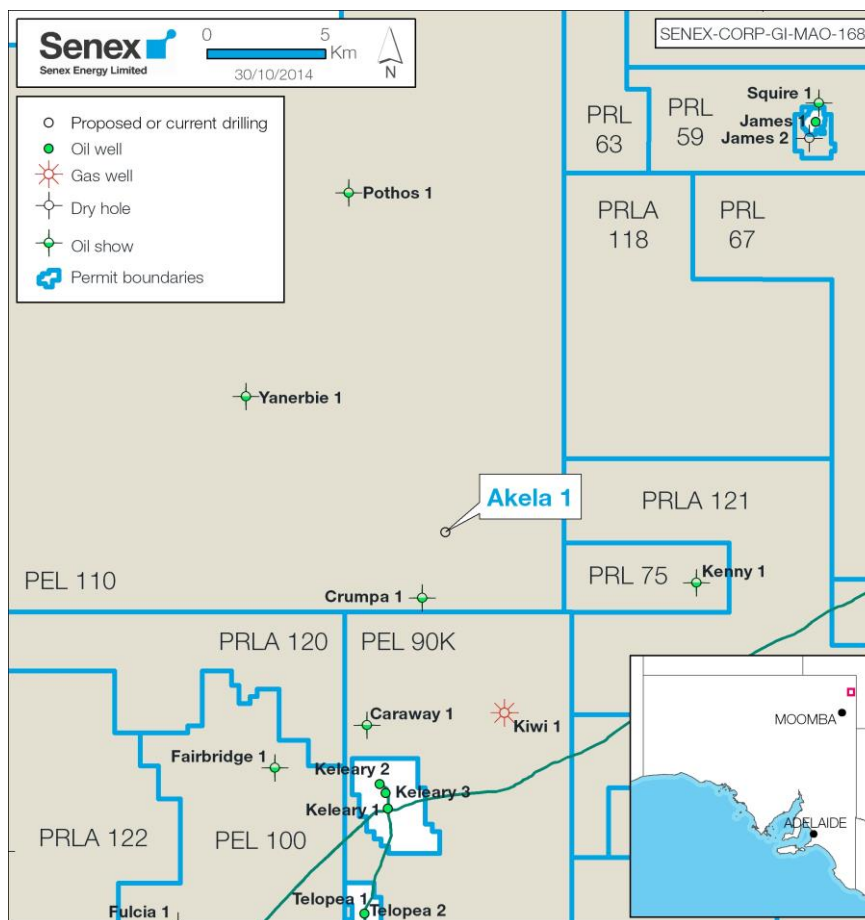
OGY



## **PEL 110 - Cooper Basin, South Australia**

The Akela-1 exploration well spudded on 29 October and was drilled to a total depth of 2,676 metres to evaluate stacked oil potential across an interpreted four-way dip-closed structure in the northern flank of the Cooper Basin. The well encountered trace to poor oil shows, with the best oil shows occurring in the Birkhead Formation. A basal sandstone in the Birkhead Formation was identified as a potential hydrocarbon bearing zone however several attempts to sample reservoir fluids from this formation were unsuccessful due to poor borehole conditions. The well was cased and suspended in mid-November for future evaluation, with no further drilling planned in PEL 110 for FY15. Additional review and analysis will be undertaken during the second half.

While both the Akela-1 well and Senex Energy Limited's (JV partner and Operator) regional Northern Cooper Basin campaign did not result in the discovery of commercially exploitable reserves, it did, according to Senex, provide for the collection of valuable technical data in this underexplored region of the Cooper Basin. Drilling on four-way dip-closed structures proved that oil has migrated into the region, however the structures drilled generally exhibited poor reservoir and/or uneconomic quantities of oil. Subject to JV approval, Senex's next phase of their campaign will involve applying AVO and inversion processes to the Cordillo and Dundinna 3D seismic surveys, using shear sonic data gained from the recent northern drilling program. The aim of these processes is to identify stratigraphic traps with favourable reservoir qualities and large reserves potential. Such traps have not previously been explored in this area as technologies have only evolved in recent years. Senex has successfully applied this same structured and focused two-phase approach on the western flank of the Cooper Basin.



**Figure 1 – PEL 110 Well Locations (Source Senex Energy Limited)**



## **Seabiscuit – Texas**

Orca has been advised by project generator, NEU Oil & Gas LLC (NEU), that they have initiated contact with a drilling contractor to explore the option of drilling the Seabiscuit prospect with a barge rig. This option was thought to be cost prohibitive in the past, but with the recent drop in commodity prices and drill rigs being stacked, it is believed that this logistically simpler approach may now be more cost effective than barging a rig out to the barrier island and transporting it along the beach.

NEU are also working with a geophysicist to remap the prospect on reprocessed 3D data. The reprocessed data seems to be m better than the original and fundamentally the prospect remains unchanged, with both the original and reprocessed data defining a large structural closure up-thrown to a major growth fault.

Whilst NEU has been approached by a number of investors wishing to invest in the prospect and its drilling, they are yet to find one willing to operate. Their focus, therefore, remains on finding an operator and maintaining the leases required to keep the prospect in order.

Realistically, it is unlikely that this prospect will be drilled until 4Q 2015 at the earliest, and it will most likely be drilled later, with Orca monitoring the current oil & gas environment and market to determine whether it will commit to a drill program should it eventuate.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Greg Bandy', written in a cursive style.

**Greg Bandy**  
**Managing Director**

## 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

ORCA ENERGY LIMITED

ABN

25 009 121 644

Quarter ended ("current quarter")

31 December 2014

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	684	2,246
1.2 Payments for (a) exploration & evaluation	(826)	(926)
(b) development	(162)	(760)
(c) production	(273)	(273)
(d) administration	(122)	(223)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(698)</b>	<b>68</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(698)</b>	<b>68</b>

+ 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)	(698)	68
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
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 (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(698)	68
1.20	Cash at beginning of quarter/year to date	3,642	2,769
1.21	Exchange rate adjustments to item 1.20	203	310
1.22	<b>Cash at end of quarter</b>	3,147	3,147

### Payments to directors of the entity, associates of the directors, 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	77
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payments of Directors Fees and Remuneration - \$77k

### 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

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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

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+ 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		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	25
4.2 Development	200
4.3 Production	-
4.4 Administration	150
<b>Total</b>	<b>375</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	3,147	3,642
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>3,147</b>	<b>3,642</b>

### 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	See additional information Appendix 1		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	See additional information Appendix 1		

+ See chapter 19 for defined terms.

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

**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>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	451,382,876	451,382,876		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> - <i>Unlisted Options</i>	28,000,000		<u>Exercise Price</u> \$0.03	<u>Expiry Date</u> 31 Dec 15
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter - <i>Unlisted Options</i>	500,000		<u>Exercise Price</u> \$0.16	<u>Expiry Date</u> 3 Dec 14
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## 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 /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:   
(Company secretary)

Date: 28 January 2015

Print name: Aaron Bertolatti

## 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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+ See chapter 19 for defined terms.



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

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**Appendix 1 – Interests in mining tenements held**

*Oil & Gas Beneficial percentage interests held in farm-in or farm- out agreement*

<b>Tenement Reference</b>	<b>Location</b>	<b>Working Interest at Beginning of Quarter</b>	<b>Acquired/ Disposed</b>	<b>Working Interest at End of Quarter</b>
PPL251 (Previously Fury JV of PEL 115)	Cooper Basin, South Australia	20%	N/A	20%
PRL117 (Previously Fury JV of PEL 115)	Cooper Basin, South Australia	20%	N/A	20%
PEL 110	Cooper Basin, South Australia	20%	N/A	20%
Seabiscuit (Matagorda) Project	Texas	20%	N/A	20%

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