

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

NuEnergy Gas Limited

ABN

50 009 126 238

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (nine months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(1,948)	(3,529)
(c) production	-	-
(d) staff costs	(192)	(595)
(e) administration and corporate costs	(88)	(331)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	8
1.5 Interest and other costs of finance paid	-	(258)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	(9)
1.9 Net cash from / (used in) operating activities	(2,227)	(4,714)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (nine months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

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	2,386	2,386
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	2,386	2,386

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	476	2,848
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,227)	(4,714)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,386	2,386
4.5	Effect of movement in exchange rates on cash held	(169)	(54)
4.6	Cash and cash equivalents at end of period	466	466

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 \$A'000	Previous quarter \$A'000
5.1 Bank balances	456	166
5.2 Call deposits	10	310
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)	466	476

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

**Current quarter
\$A'000**

89

-

Includes Directors fee and salary, rental and expense reimbursements.

7. Payments to related entities of the entity and their associates

- 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

**Current quarter
\$A'000**

67

-

Technical service fee paid to New Century Energy Resources Limited

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	2,384,753	2,384,753
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.		

On 23 January 2017, the Company entered into a loan agreement with the ultimate parent company, Globaltec Formation Berhad ("GFB") to raised US\$1,800,000 (\$A2,384,753) to fund part of the planned exploration expenditure for 2017. The loan from GFB was then novated to Globaltec Energy Resources Sdn Bhd ("GER"), a related party on 28 January 2017 with GER assuming all the obligations and rights which GFB may have in respect of the loan agreement with the Company.

The conditions of the loan agreement are:-

- 1) Unsecured and repayable on demand;
- 2) Loan shall be utilised for the drilling activities of the PSC; and
- 3) Interest charge at 10% per annum on the outstanding loan and calculated on a daily and non-compounding basis and to be serviced/repaid quarterly.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	1,200
9.3 Production	-
9.4 Staff costs	200
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,550

Subsequent to the quarter end on 13 April 2017, the Company announced a renounceable pro-rata Entitlement Offer of one (1) new share for every two (2) shares held on the Record Date of 20 April 2017 to Eligible Shareholders of the Company at the issue price of \$0.035 (3.5 cents) per share to raise \$20 million before transaction costs. The Rights Issue will complete mid May 2017.

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				

Note: The schedule of mining tenements is listed on Page 6 of this report.

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:
Company secretary

Date: 28 April 2017

Print name: Rozanna Lee

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.

Schedule of Mining Tenements

Area of Interest	Tenements	% Interest
Victoria, Australia	Fosterville and Eppalock exploration licence (EL 3211 and 3271)	2.5% gross gold royalty
Central Sumatra, Indonesia	Rengat PSC	100%
South Sumatra, Indonesia	Muara Enim PSC	40%
South Sumatra, Indonesia	Muara Enim II PSC	30%
South Sumatra, Indonesia	Tanjung Enim PSC	45%
South Sumatra, Indonesia	Muralim PSC	50%
East Kalimantan, Indonesia	Bontang Bengalon PSC	100%