

31 October 2012

Companies Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

COMPANY'S QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2012

OVERVIEW

We have pleasure presenting a summary of the Company's activities during the third quarter of 2012. The period continued to be a challenging environment, however the Board, management, and staff continued to make considerable progress towards laying the foundation for a strong and sustainable future for the Company.

PRODUCTION OPERATIONS

During the quarter the Dunn-McCampbell A4 well on Padre Island and three of the Sullivan City wells continued to flow a modest amount of 7,644Mcf of gas, generating revenue of approximately \$13,606 for the Company. Although, gas prices have recovered some ground over recent months they are still at very low levels, which is adversely affecting Company revenues.

ASSET REVIEW

Tomsk – Block 71-1

On 8 August 2012, the company announced it had entered an option agreement with Electrosecur Limited who have exclusive rights to obtain a seventy four (74%) percent equity interest in specialist Oil Company, OOO Bakcharneftegaz ("BNG"), a company duly incorporated under the laws of the Russian Federation and holder of License Block 71-1 in West Siberia.

Subsequently, the Company managed to renegotiate better terms with Electrosecur Limited in relation to the acquisition of BNG and as a result of this established relationship, other projects in the region were later offered to the Company.



Diagram 1: Major Russian Oil Basins (Image Sourced: Petroneft Resources plc¹)

During the quarter the Company undertook both technical and legal due diligence on the project. Subsequent to the quarter the Managing Director Mr Brad Boyle and Non-Executive Director Mr Jon Roestenburg, and Mr Torbjorn Ranta completed site visits in early October 2012 to assess the technical merits of the projects including reviewing access, support, logistics, infrastructure and funding requirements.

Mr Boyle and Mr Roestenburg met with Mikhail Malyarenko the owner of BNG who is a seasoned petroleum geologist with over twenty (20) years of experience with various oil projects including the Tomsk region.

¹ "West Siberian Oil Basin", <http://petroneft.com/operations/west-siberian-oil-basin/>, 4 August 2012

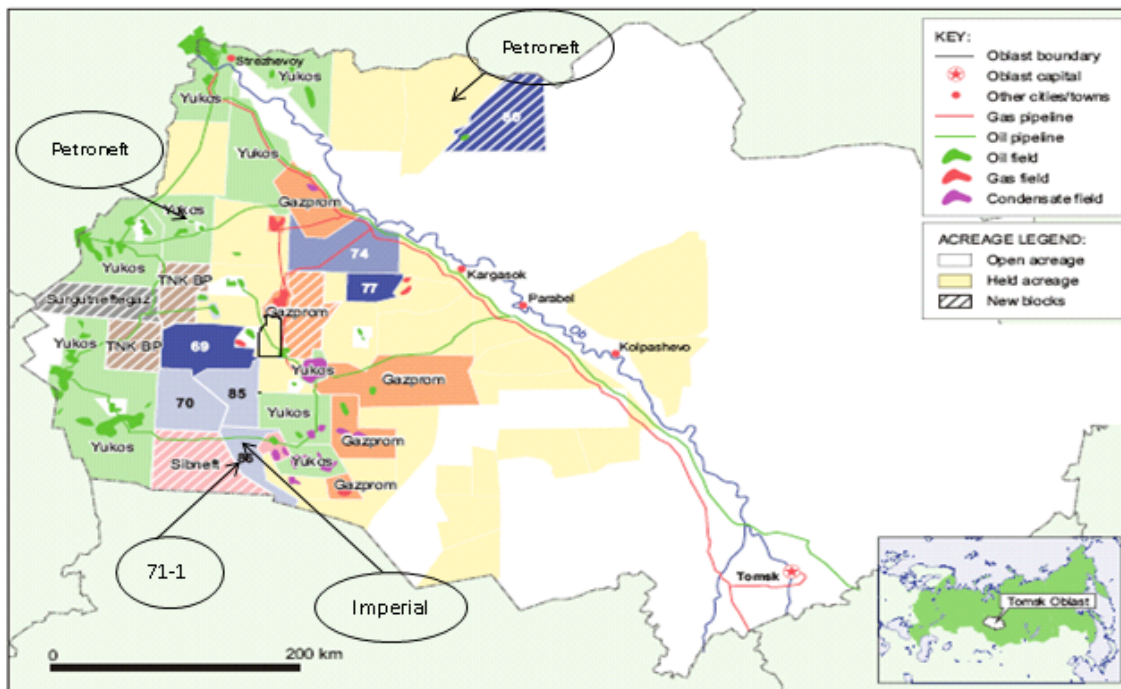


Diagram 2: License Blocks held in the Tomsk Basin (Image Sourced: Imperial Energy²)



Diagram 3: Arial overviews of Tomsk Region

The Company representatives attended Block 71-1 drill site to inspect Well #4 as part of the due diligence review to better understand the logistical, technical and funding requirements of the proposed re-entry of the well at the site.

² <http://www.imperialenergy.com/en/operations/ieatglance/>, 5 August 2012



Diagram 4: Block 71-1 drill site



Diagram 5: Mr Roestenburg inspecting Well # 4 at Block 71-1 drill site

Block 71-1, with a combined area of 34km² is located in a remote area of the south-western section of the Tomsk Basin and is surrounded by a cluster of oil production centres³. Also the block is well located in relation to existing infrastructure, namely gas and oil pipelines.



Diagram 6: Local oil production facility close to Block 71-1

Tomsk – Block 95-3

On 25 September 2012, the Company announced as a result of the established relationship with Mr Malyarenko, it had also executed an option agreement with Terra Ltd to acquire up to 75% equity interest in Terra, who is the 100% holder of the highly prospective license Block 95-3, in the prolific Nyurol Basin, Tomsk Region, Russian Federation.

³ Mikhail Malyarenko – Bakcharneftegaz – April 2012

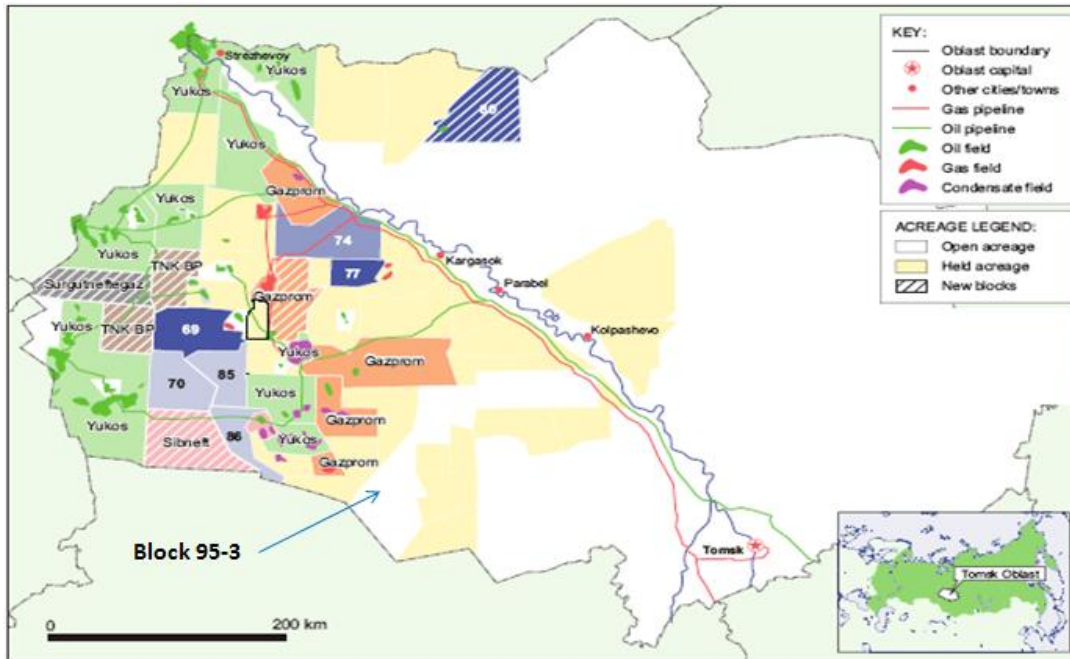


Diagram 7: Approximate location of the Block 95-3, Tomsk Region, Russia (Image Sourced: Imperial Energy⁴)

During the October 2012, site visit to Tomsk Mr Boyle and Mr Roestenburg also attended at Block 95-3 as part of the due diligence review to better understand the logistical, technical and funding requirements of getting the well into production early next year.



Diagram 8: Mr Roestenburg inspecting Well # 1 at Block 95-3

⁴ <http://www.imperialenergy.com/en/operations/ieatglance/>, 5 August 2012

Block 95-3 has a combined areas of 360km² is located in the southern section of the Tomsk Basin and is also within close proximity of established oil production centres and infrastructure. Block 95-3 is only eleven (11) kms from the nearest all weather road and plans are underway to construct an access road to Well No 1, to allow all year access once production is established at the site.



Diagram 9: Gas Flaring from Well # 1 at Block 95-3

Summary

As a result of the of the Tomsk site visit the Company has a better understanding of the technical and logistical requirements of both Block 71-1 and 95-3, whilst strengthening the current relationship with Mr Malyarenko and his specialist team.

During the trip the Company was able to obtain further technical data on both blocks and this new information is currently being reviewed as a part of the final phase of the due diligence process. The Company aims to make a decision on the merits of each project shortly once all data has been fully assessed.

Penza

On 25 September 2012, the Company announced it had executed a Heads of Agreement (HOA) with Burtasi Oil to acquire up to 70% interest in Burtasi Oil, who is the 100% holder of two highly prospective licenses called Shatkinsky and Pionersky in the prolific Volga-Urals Basin, Penza Region, Russian Federation.

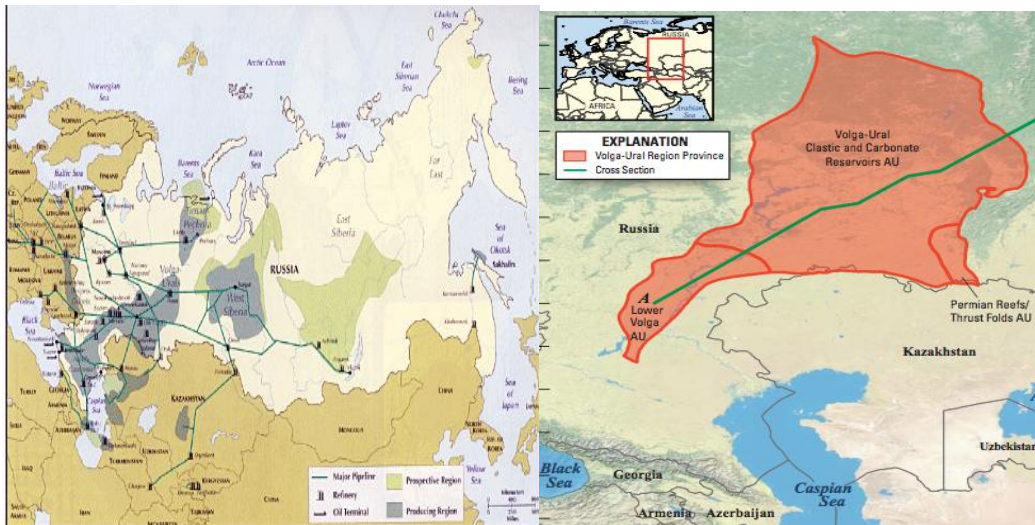


Diagram 10: Location of the Volga-Ural Basin, Penza Region, Russia.

Subsequent to completing the Tomsk site visit Mr Boyle and Mr Roestenburg also attend the Penza region to visit the Shatkinsky and Pionersky licenses as part of the due diligence review to better understand the logistical, technical and funding requirements of exploration and drilling at the proposed well sites.



Diagram 12: Old Well Head on Pionersky Licence

The Shatkinsky and Pionersky licenses are located close to major infrastructure, pipelines and markets and they have good all year access.



Diagram 12: Local Oil Refinery near Shatkinsky Licence

Summary

During the trip the Company was able to obtain further technical data on both licences and this new information is currently being reviewed as a part of the final phase of the due diligence process. The Company aims to make a decision on the merits of each project shortly once all data has been fully assessed.

Padre Island

During the quarter the Company was not in a position to move forward with applications to reacquire some of the lapsed leases on Padre Island and at this stage the Company will postpone this process to early next year. The Company will review these lease applications once the Company has a better understanding of the other proposed projects and relevant financial commitments associated with those projects.

The Company continued to review additional seismic and other technical data for Padre Island and with the intention of using this new information to assist in the process identifying the possible deep well potential on the project.

Additionally, the Company is looking at ways to increase the carrying value of the substantial infrastructure that Sprint owns on Padre Island, which may include engaging strategic partners to help fund some of the exploration and production activities on the project.

CORPORATE

Board Changes

During the quarter the Board welcomed the appointment of James Thompson as Non-Executive Director, on 30 July 2012. Also during the quarter Mr Craig Martin resigned as a Non-Executive Director of the Company.

Subsequent, to the quarter Mr Jon Roestenburg on 3 October 2012 was appointed as a Non-Executive Director of the Company.

On 9 October 2012, Mr Andrew Chapman was also appointed as Non-Executive Director of the Company and Mr Torbjorn Ranta was appointed as the Chief Operating Officer, Russian Federation. Also on that day Mr Boyle gave notice that he will resign as the Managing Director of the Company at the end of a three (3) month notice period.

Registered Office

On 24 July 2012, the Company relocated its registered office to 1186 Hay Street, West Perth.

Funding, Cash Flow and Creditor Management

During August 2012 the Company raised \$173,000 through the use of convertible loan.

The terms of the convertible loan were as follows:

1. The issue of the shares in satisfaction of loans are subject to shareholder approval
2. Interest is calculated daily at a rate of 6% and payable at 6 months intervals
3. Termination date is 1 August 2013
4. The issue price of the shares will be the lower of \$0.02 or 80% of the 5 day VWAP preceding the shareholders meeting.

On 6 September 2012 the Company announced that it had received commitments to raise a gross AUD\$3.0 million.

This raising was achieved through the placement of 100 million shares at 2 cents per share for \$2M to sophisticated and professional investors in Australia and internationally. A further \$1M has been raised through an unsecured convertible debt instrument. The debt is convertible at a twenty five (25)% premium to the raising price, with an interest rate of eight (8)% per annum and is over a two (2) year term.

Subsequent to the quarter the Company lodged a notice of the Annual General Meeting to be held on 30 November 2012.

Yours sincerely

Sprint Energy Ltd



Mr Brad Boyle

Managing Director

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About Sprint Energy Ltd: Sprint Energy Ltd is an independent oil and gas exploration and production Company, listed on the Australian Stock Exchange (ASX Code: SPS). Its primary focus of operations is Gulf Coast, USA and Russia.

Forward-Looking Statements:

This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to, statements concerning Sprint Energy Limited's planned exploration 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 Sprint Energy Limited believes that its expectations reflected in these 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.