



## **QUARTERLY REPORT – JANUARY- MARCH 2003**

### **Highlights**

- **European Coal Bed/Coal Mine Methane Farm-in Agreements Completed.**
- **Crude Oil Production of 8426 Barrels.**
- **Sale of Surplus Drilling and Production Equipment Continues.**
- **Continuing discussions on New Oil and Gas Opportunities, National and International.**

### **1. Coal Bed Methane and Coal Mine Methane Farm-in Agreements**

The Company recently announced it had entered two agreements with United Kingdom based Heritage Petroleum plc to farm-in to four prospective coal bed/coal mine methane projects (CBM/CMM) in Western Europe.

The four projects (three in France and one in Italy) total approximately 2.3 million hectares and cover major historical coal producing areas estimated to host several trillion cubic feet of coal derived methane.

The agreements, which are subject to the completion of due diligence and the granting of titles, represent a low cost entry point for the Company into the rapidly expanding CBM/CMM industry in Europe.

Refer to the Company announcement of 22 April 2003.

### **2. Crude Oil Production**

Production of 8,426 barrels of crude oil was achieved during the 3<sup>rd</sup> Quarter resulting in a year to date total of 23,528 barrels. During the quarter, the Company's crude oil sales revenue continued to benefit from fluctuating oil and currency prices. The Company's production operations remain cash flow positive.

### **3. Sale Program of Surplus Drilling and Production Equipment**

Subsequent to the end of the quarter, the Company achieved considerable success with the sale of its surplus drilling and production equipment. Sales to date have netted approximately \$550,000 to the Company. The proceeds will be utilised to advance current initiatives and provide the Company with sufficient exploration funding for the medium term.

#### **4. Seeking New Oil and Gas Opportunities, National and International**

The Company is evaluating a number of new oil and gas opportunities in several Australian sedimentary basins, as well as abroad. Particular emphasis is being paid to new gas opportunities close to existing oil and gas including coal fields which are proximate to significant markets.

#### **5. Re-evaluation of the Company's Canning Basin Acreage**

The re-evaluation of existing seismic and drilling data within the Company's Canning Basin acreage continues as part of an ongoing program to identify potential oil and gas production zones. Farmout negotiations were commenced, or are continuing, with a number of interested companies.

#### **6. Native Title Negotiations – 6/97-8 and 2/96-7**

Native Title discussions are continuing with the Kimberley Land Council (KLC) for the two exploration permit applications which cover extensions of the Company's Yulleroo structure. As at the end of March 2003 KLC were preparing ancillary agreements between the Company and the two native title groups with interests in the area of the applications.

#### **7. Oil Spill Remediation Process**

Discussions are continuing with interested parties, both national and international, to progress the oil spill remediation technology through test work and to an ultimate marketing position.

#### **8. Financials – Appendix 5B**

At 31 March 2003 the Company had available funds of approximately \$305,000. This cash position is exclusive of the recent sales of surplus drilling and production equipment which has netted approximately \$550,000 to the Company. The attached Appendix 5B highlights the Company's cash flow activities and other relevant information for the nine month period to end March 2003.

A J Flavelle  
Director

For further information on technical matters, please contact Alan Flavelle or John Karajas on 08-9330 8876 and for financial explanations contact Keith Spencer on 08-9330 9121.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**KIMBERLEY OIL NL**

ABN

**75 075 760 655**

Quarter ended ("current quarter")

**31 March 2003**

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter 3 months \$A'000	Year to date 9 months \$A'000
1.1 Receipts from product sales and related debtors	323	950
1.2 Payments for		
(a) exploration and evaluation	(38)	(90)
(b) development	(2)	(356)
(c) production	(219)	(614)
(d) administration	(120)	(387)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	9
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	1	1
<b>Net Operating Cash Flows</b>	<b>(55)</b>	<b>(490)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(108)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	32	60
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other ( )	-	-
<b>Net investing cash flows</b>	<b>32</b>	<b>(48)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(23)</b>	<b>(538)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(23)	(538)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	194
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings – Insurance financing	0	87
1.17	Repayment of borrowings – Insurance financing	(36)	(94)
1.18	Dividends paid	-	-
1.19	Other (Brokerage Consulting)	-	-
	<b>Net financing cash flows</b>	(36)	188
	<b>Net increase (decrease) in cash held</b>	(59)	(350)
1.20	Cash at beginning of quarter/year to date	364	655
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	305	305

**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	24
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	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
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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

Nil
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**Financing facilities available**

+ See chapter 19 for defined terms.

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	250	-
3.2 Credit standby arrangements	100	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	5
<b>Total</b>	<b>55</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	305	364
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>305</b>	<b>364</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		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining 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>	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	101,496,364	101,496,364		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,760,000	7,760,000		
7.5 <b>*Convertible debt securities</b> <i>(description)</i>	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> Employee Plan Employee Plan Director Options	1,000,000 900,000 1,000,000		<i>Exercise price</i> 20 cents 20 cents 20 cents	<i>Expiry date</i> 31/3/2005 23/5/2007 23/5/2007
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	1,000,000 1,000,000		20 cents 20 cents	31/3/2005 23/5/2007
7.11 <b>Debentures</b> <i>(totals only)</i>	Nil	Nil		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	Nil	Nil		

+ 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: ...30 April 2003.....  
(Director)

Print name: Alan J Flavelle

## 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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