

# 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

**ORPHEUS ENERGY LIMITED**

ABN

67 121 257 412

Quarter ended ("current quarter")

**DECEMBER 2011**

### 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	-	-
1.2 Payments for		
(a) exploration and evaluation	(90)	(90)
(b) development	-	-
(c) production	-	-
(d) administration	(508)	(1,669)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	57	59
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
- GST & Tax Refunds	(13)	(13)
- Other	-	-
<b>Net Operating Cash Flows</b>	<b>(554)</b>	<b>(1,713)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets	(8)	(8)
1.9 Proceeds from sale of:		
(a)prospects		
(b)equity investments		
(c)other fixed assets	-	-
1.10 Loans to other entities	(379)	(1,033)
1.11 Loans repaid by other entities	239	239
1.12 Other (provide details if material)		
<b>Initial Deposit re Papua Projects (Secured)</b>	<b>(2,000)</b>	<b>(2,000)</b>
<b>Net investing cash flows</b>	<b>(2,148)</b>	<b>(2,802)</b>
1.13 Total operating and investing cash flows (carried forward)	(2,702)	(4,515)

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1.13	Total operating and investing cash flows (brought forward)	(2,702)	(4,515)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc. Net of brokerage	-	5,893
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 -	-	-
	<b>Net financing cash flows</b>	<b>-</b>	<b>5,893</b>
	<b>Net increase (decrease) in cash held</b>	<b>2,702</b>	<b>1,378</b>
1.20	Cash at beginning of quarter/year to date	6,413	2,333
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>3,711</b>	<b>3,711</b>

**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	170
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- Opening Cash Balance amended to include cash held in subsidiary acquired during the quarter.

**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

Issue of 8,800,000 Convertible notes (Face value of \$2.2m and 25c each) in settlement of acquisition of 51% interest in Blocks 3 and 4 East Kalimantan.

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

+ 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	NIL
3.2 Credit standby arrangements	NIL	NIL

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	270
4.2 Development	-
4.3 Production	-
4.4 Administration	350
<b>Total</b>	<b>620</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	658	3,413
5.2 Deposits at call	3,053	3,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,711</b>	<b>6,413</b>

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**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	EPC1145 8 blocks of 17 at Hodgson Vale are being relinquished pursuant to regulatory changes and a request from Queensland Government Department responsible for mining and exploration (DEEPI) to "voluntarily" relinquish blocks within the new 2km residential buffer zone. This is a reduction of 47%. Remaining blocks represent approximately 25.92 square kilometres.	100%	100%
6.2	Interests in mining tenements acquired or increased	Blocks 3 and 4 Kalimantan Indonesia. Joint Venture agreement to acquire a 51% equity interest in the entities holding IUP licence. Pending acquisition there is a direct JV interest. This equity interest will crystallise when company holding the IUP is successfully converted to a PMA company allowing foreign ownership interests.	nil	Joint Venture agreement for acquisition of 51%

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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 <b>Preference +securities</b> (description)				
7.2 Changes during quarter				
(a) Increases through issues	-			
(b) Decreases through returns of capital, buy-backs, redemptions	-			
7.3 <b>+Ordinary securities</b>	114,847,993	95,067,641		Fully Paid
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> (description)	8,800,000 Convertible Notes issued in consideration for Equity Interest in Blocks 3 and 4 Kalimantan Indonesia. (Announced 25/11/2011) Maturity 31/12/2014. Interest at 9.0% pa.			
7.6 Changes during quarter				
(a) Increases through issues	8,800,000	nil	\$0.25	
(b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)				
	<b>Options</b>	<b>Quoted</b>	<b>Exercise price</b>	<b>Expiry date</b>
Unquoted	1,619,049	-	\$2.63	08/09/2012
	1,675,000	-	\$0.20	30/09/2014
Unquoted Escrowed until 17/08/2013	1,000,000	-	\$0.25	04/08/2014
	12,750,000	-	\$0.20	30/09/2014
Total Options	<b>17,044,049</b>	-		
7.8 Issued during quarter	<b>Options</b>	<b>Quoted</b>	<b>Exercise price</b>	<b>Expiry date</b>
	-	-	-	-
7.9 Exercised during quarter	-		-	-
7.10 Expired during quarter	<b>Options</b>	<b>Quoted</b>	<b>Exercise price</b>	<b>Expiry date</b>
Unquoted	47,620	-	\$2.63	15/12/2011
Unquoted Escrowed until 22/12/2011	10,125,000	10,125,000	\$0.20	31/12/2011
Unquoted Escrowed until 17/08/2013	18,018,750	-	\$0.20	31/12/2011
Quoted	9,488,731	9,488,731	\$0.20	31/12/2011
Total Options	<b>37,680,101</b>	19,613,731		

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7.11 <b>Debentures</b> <i>(totals only)</i>		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>		

## 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: 31 January 2012

Print name: Nathan Bartrop

## 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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