Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

TNG LIMITED

ACN or ARBN	Quarter ended ("current quarter")
000 817 023	31 December 2011

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date $A'000
1.1	Receipts from customers	143	205
1.2	Payments for (a) exploration and evaluation	(1,182)	(2,726)
	(b) development	–	–
	(c) production	–	–
	(d) administration	(598)	(1,148)
1.3	Royalties received	–	–
1.4	Interest and other items of a similar nature received	21	66
1.5	Interest and other costs of finance paid	–	–
1.6	Income taxes (paid)/refunded net	–	–
1.7	Other	75	75
	Net Operating Cash Flows	(1,541)	(3,528)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) tenements	–	–
	(b) equity investments	–	(100)
	(c) other fixed assets	(33)	(120)
1.9	Proceeds from sale of: (a) tenements	–	–
	(b) equity investments	179	330
	(c) controlled entity	–	–
	(d) other fixed assets		
1.10	Loans to other entities	–	–
1.11	Loans repaid by other entities	–	–
1.12	Other	–	–
	Net investing cash flows	146	110

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,395)	(3,418)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. (net of expenses)	(21)	(54)
1.15	Payment for shares	–	–
1.16	Proceeds from borrowings	–	2,000
1.17	Repayment of borrowings	–	–
1.18	Dividends paid	–	–
1.19	Other	–	–
	Net financing cash flows	(21)	1,946
	Net increase (decrease) in cash held	(1,416)	(1,472)
1.20	Cash at beginning of quarter/year to date	3,292	3,348
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	**1,876**	**1,876**

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 these parties included in item 1.2	178
1.24	Aggregate amount of loans to the parties included in item 1.10	–

1.25 Explanation necessary for an understanding of the transactions

1.1 – Receipts from an Administrative shared services agreement are offset against administrative costs (1.2)

1.23 – Payments include director and consulting fees paid to entities associated with Mr Biddle, Mr Crow and Mr Turkington along with the remuneration of the Managing Director.

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

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

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	2,000,000	2,000,000
3.2	Credit standby arrangements	–	–

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	750
4.2	Development	–
4.3	Production	–
4.3	Administration	550
	Total	**1,300**

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	1,733	3,149
5.2	Deposits at call	–	–
5.3	Bank overdraft	–	–
5.4	Other – security deposits	143	143
	Total: cash at end of quarter	**1,876**	**3,292**

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				

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	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	284,803,062	284,803,062		
7.4	Changes during quarter (a) Increases through issues (b) Increase through exercise of options (c) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** A – Director, Consultant and Employee Options	21,100,000	-	Exercise Price $0.15	Expiry Date 31 December 2012
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	1,800,000	-	$0.32	15 December 2011
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 31 January 2012

Managing Director

Print name: Paul E Burton