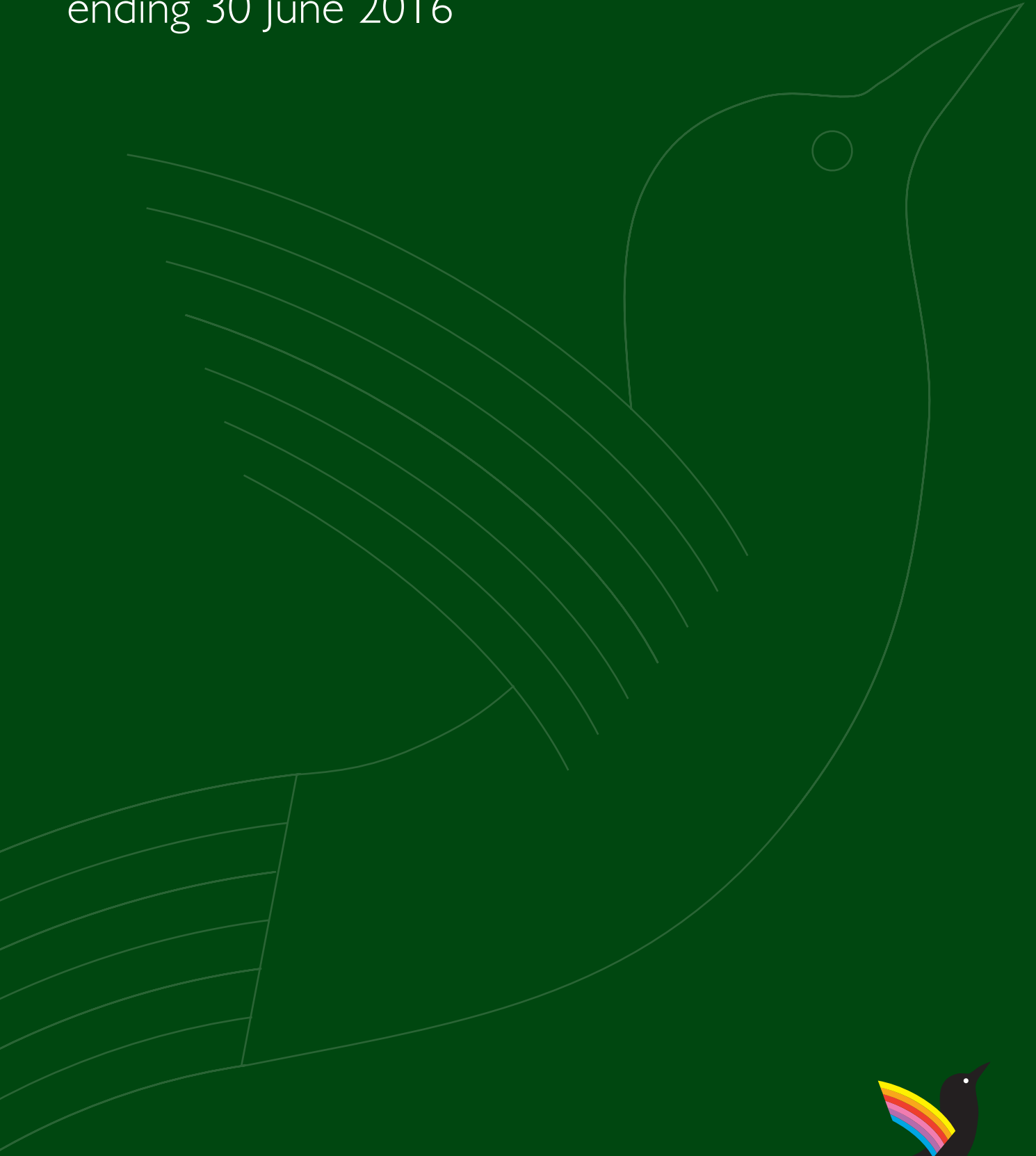


NEW GUINEA ENERGY LTD

Quarterly Report for the period
ending 30 June 2016



Quarterly Activities Report
Period Ending 30 June 2016

29 July 2016

Market Announcements Office
ASX Limited

Quarterly Activities Report – Period Ending 30 June 2016

New Guinea Energy Ltd provides the following report on its activities for the period ending 30 June 2016 and its Appendix 5B for the period.

Any queries should be directed to the Company email address office@ngenergy.com.au or the Company Secretary on 03 9080 8854.

For and on behalf of the Board

Leslie Smith
Company Secretary

ACTIVITIES REPORT
QUARTER ENDED 30 June 2016

ACTIVITIES

Investments

During the June quarter New Guinea Energy Ltd (**NGE** or **Company**) (ASX:NGE) continued to actively look for and assess investment opportunities consistent with the new corporate strategy of shifting away from investing in few, high cost, high risk activities to more attractive investment opportunities aimed at maximising returns for shareholders. In line with this strategy, on 18 April 2016, the Company announced that it had invested approximately \$3.55M in Karoon Gas Australia Limited (ASX:KAR), representing approximately 18% of NGE's net assets.

Exploration Permits

PPL 269

During the quarter it was announced that the wildcat exploration well Strickland 2 had been plugged and abandoned after encountering a water bearing reservoir. It was further reported that the wildcat exploration well Strickland 1, which spudded on 16 June 2016, was drilling ahead.

NGE no longer has a working interest in this permit however the terms of the sale of its 50% interest to a subsidiary of Santos Limited in 2015 provided for the following consideration components in favour of NGE:

- Payment of US\$2 million in cash if a PRL is granted over any area of PPL 269; and
- Payment of a further US\$6 million cash if a PDL is granted over any area of PPL 269.
- However, if a PDL is granted prior to a PRL, a one-off payment of US\$8 million cash will be payable.

Corporate Developments

As announced to the market on 21 April 2016 the Company applied for voluntary delisting from the Port Moresby Stock Exchange (POMSoX). Trading on the POMSoX had been minimal since the Company listed and the Board took the view that ongoing listing and compliance costs were no longer justified. The delisting was formally concluded on 29 June 2016.

CASH AND LIQUID INVESTMENTS

At 30 June 2016 the Company held cash and liquid investments of \$19.34M.

The Company's cash balance at the end of June 2016 was A\$15.76M (comprising A\$12.38M, PGK7.26M and US\$0.22M), and the Company had \$3.58M of liquid investments.

CORPORATE

The Company's AGM was held on 24 May 2016, with all resolutions put to the meeting passing in favour.

RECENT DEVELOPMENTS – POST PERIOD END

Personnel Changes

On 13 July 2016 the Company announced, as part of a planned reorganisation, the appointment of Mr Leslie Smith as CFO and Company Secretary, replacing Mr Justin Mouchacca who resigned following the appointment and replacing Mr Eric Sam Yue who will transition the role of CFO over coming months.

Unmarketable Parcel Share Sale Facility

On 28 July 2016 the Company announced that it was implementing a share sale facility of fully paid ordinary shares for shareholders who hold less than a marketable parcel of shares (currently determined as any shareholding valued at less than \$500). The Company has a large percentage of shareholders holding less than marketable parcels and by divesting these parcels the Company reduces its administration and share registry costs.

INTERESTS IN PETROLEUM PROSPECTING (PPL) LICENCES

Petroleum Prospecting Licences	Location	Beneficial Percentage held	Interest acquired/farm-in during the quarter	Interest disposed/farm-out during the quarter
PPL 266*	Onshore Papuan Basin, Papua New Guinea	100%	-	-
PPL 267*	Onshore Papuan Basin, Papua New Guinea	100%	-	-

- *Note:* PPL 266 is due to expire on 15 Aug 2016
PPL 267 is due to expire on 14 Aug 2017

ABOUT NGE

CORPORATE DIRECTORY

Directors

David Lamm	Executive Chairman
Grant Worner	Non-Executive Director
Adam Saunders	Non-Executive Director
Sir Michael Bromley	Non-Executive Director

Company Secretary

Justin Mouchacca	Resigned 13 July 2016
Leslie Smith	Appointed 13 July 2016

Registered Office

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Facsimile:	03 7000 5077
Email:	office@ngenergy.com.au

Website

www.ngenergy.com.au

STOCK EXCHANGE LISTINGS

ASX Limited 20 Bridge St Sydney NSW 2000	OTC Markets 304 Hudson Street, 3rd Floor New York, NY 10013 USA
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ASX Code: NGE

OTC Code: NGELY

SHARE REGISTRY

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Telephone:	1300 737 760 02 9290 9600
Facsimile:	1300 653 459 02 9290 0644
Website:	www.boardroomlimited.com.au

AUDITORS

Grant Thornton Audit Pty Ltd
The Rialto Level 30
525 Collins Street
Melbourne VIC 3000

Disclaimer

Any forecast or other forward-looking statement contained in this announcement involves known and unknown risks and uncertainties and significant elements of subjective judgment and assumptions as to future events which may or may not be correct. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of New Guinea Energy, and may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

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, 01/05/2013

Name of entity

NEW GUINEA ENERGY LTD

ABN

31 112 618 238

Quarter ended ("current quarter")

JUNE 2016

Consolidated statement of cash flows

	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(35)	(72)
(b) development	-	-
(c) production	-	-
(d) administration	(214)	(657)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	81	183
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST)	(2)	-
Net Operating Cash Flows	(170)	(546)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	(3,687)	(3,979)
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	102	626
(c) other fixed assets	-	21
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (security deposit refunded)	-	22
Net investing cash flows	(3,585)	(3,310)
1.13 Total operating and investing cash flows (carried forward)	(3,755)	(3,856)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3,755)	(3,856)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
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 (payments for share buy-back)	-	(11)
	Net financing cash flows	-	(11)
	Net increase (decrease) in cash held	(3,755)	(3,867)
1.20	Cash at beginning of quarter/year to date	19,530	19,898
1.21	Exchange rate adjustments to item 1.20	(11)	(267)
1.22	Cash at end of quarter	15,764	15,764

Payments to directors of the entity, associates of the directors, 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	98
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Salaries, fees and superannuation contributions for directors.	

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

-

+ 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	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	44
4.2	Development	
4.3	Production	
4.4	Administration	266
Total		310

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	3,396	4,018
5.2	Deposits at call	12,368	15,512
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		15,764	19,530

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum 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	844,986,193	841,536,193	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities (description)			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	Conversion of one ordinary share per option		<i>Exercise price</i>	<i>Expiry date</i>
		8,000,000	-	5 cents	30 November 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	7,500,000	-	5 cents	30 November 2017: cancelled under EIP rules
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 29 July 2016
 Company Secretary

Print name: Leslie Smith

+ See chapter 19 for defined terms.

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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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