



Level 7, 1008 Hay Street  
Perth WA 6000

Tel: +61 8 9389 2000  
Fax: +61 8 9389 2099  
Email: info@tamaska.com.au  
www.tamaska.com.au



ASX Release

Date: 31 January 2017

## December Quarterly Activity Report

### Summary

Tamaska is currently debt free, with cash holdings of \$2.144 million at 31 December 2016 and production income from the Fusselman and West Klondike projects.

The Company is also evaluating new business opportunities.

### Tamaska Oil and Gas Projects

#### West Klondike Discovery, Louisiana - (TMK 11.36% WI)

Tamaska participated in the drilling of the West Klondike discovery well in late 2012. The well commenced producing gas from the lower Nod Blan on 4 September 2014. The lower gas zones have now been drained and the remaining unproduced zone is the Lario oil sand.

During the December quarter there has been significant activity in the project. The previous operator attempted to complete the Lario in August and whilst oil was recovered to surface the well failed to flow naturally. Following the failed recompletion, Oleum Operating LLC acquired 76.7% of the well and Operatorship. Oleum has significant operating experience in the area.

Oleum pulled the existing completion out of the hole, and determined that asphaltines had deposited in the formation near the wellbore in the Lario formation. Oleum performed an acid wash and attempted to flow the well naturally. Whilst the inflow performance improved and oil was recovered, the decision was made to perform a mini-frac and put the well on jet pump to optimise production.

The frac was performed in late December and appears to have increased the inflow into the well to approximately 9bbls per hour in a short test. The operator is currently sourcing the surface tanks and heater treater required to flow the well. It is anticipated that the well will be put back onto continuous production in January 2017. It is anticipated the gross production rate will be over 100 bopd.

	December 16 YTD	March 17 Quarter	June 17 Quarter
	Actual	Forecast	Forecast
<b>Net Produced Oil</b>	~20bbls	>700bbls	>700bbls
<b>Revenue net of sales tax and Royalty</b>	0	~\$25,000	~\$25,000

\*Subject to final sales off take figures

### Fusselman Project Well, Texas - (TMK 12.5%)

The Fusselman Well, Clayton Johnson #3F, operated by Marshfield Oil & Gas, was drilled to its total depth of 9,883 feet on 3 January 2013. Tamaska holds a 12.5% working interest in the Fusselman Project in Borden County, Texas.

Production commenced from the #3F well on 23 January 2013. Production from the well is with a pump jack (nodding donkey) and is a mixture of oil and formation water. The well has experienced some downtime in the last month or two due to cold weather. The Operator is working to minimise costs and maximise uptime.

	Sep16 Quarter	Dec16 Quarter	March Quarter
	Actual	Forecast*	Forecast
<b>Net Produced bbls</b>	27	23	50-
<b>Net Revenue after Royalty and well head taxes (US\$)</b>	875	800	1800

\*Subject to final costs and sales off take figures

### Tenement Summary

At 31 December 2016 the Company held the following interests in tenements:

Project	Percentage Interest	Number of Tenements
Fusselman Project	12.5%	7
West Klondike	11.36%	6

The Company has provided detailed tenement information in Schedule 1.

### Corporate

The Company's AGM was held on 30 November 2016 and all resolutions were duly passed by the shareholders.

The Company's Annual Financial Report has been released and is available on the Company website. Printed copies have also been dispatched to those shareholders who nominated to receive the printed version.

### Cash Position at 31 December 2016

The Company had a closing cash balance of \$2.144 million at 31 December 2016.

### Cost Control Measures

Due to the market conditions and commodity prices and to maintain the maximum working capital possible, the Board has agreed to continue at reduced hours and fees charged to Tamaska .

*For and on behalf of the Board*

## 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, 01/05/13, 01/09/16

**Name of entity**

TAMASKA OIL AND GAS LIMITED

**ABN**

66 127 735 442

**Quarter ended ("current quarter")**

31 December 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1	2
1.2 Payments for		
(a) exploration & evaluation	(55)	(55)
(b) development	-	-
(c) production	(22)	(22)
(d) staff costs	(21)	(48)
(e) administration and corporate costs	(16)	(46)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	34
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(94)</b>	<b>(135)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	4	4

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>4</b>	<b>4</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2243	2,284
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(94)	(135)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,144</b>	<b>2,144</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	126	243
5.2 Call deposits	2,018	2,000
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,144</b>	<b>2,243</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
(11)
-

Consulting fees and directors' fees and expenses

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

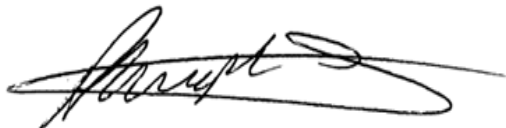
9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	
9.2 Development	-
9.3 Production	18
9.4 Staff costs	27
9.5 Administration and corporate costs	30
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>75</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Director/Company secretary)

Date: 31 January 2017

Print name: Alexander Parks

### 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

**West Klondike Project**

As at 31 December 2016, Tamaska has a 11.36% working interest in the following tenements in the West Klondike Prospect, located in Iberville Parish, Louisiana.

<b>Lease Number</b>
WK#1A
WK#1B
WK#1C
WK#2
WK#3A
WK#3B

**Fusselman Project Tenements**

As at 31 December 2016, Tamaska has a 12.5% working interest in the following tenements in the Clayton Johnson #3F well, located in Borden County, Texas.

<b>Tenement Location</b>
Northeast Quarter of Section 5, All in Block 32 T-4-N, T&P Railroad Co.
Northeast Quarter of Section 5, All in Block 32 T-4-N, T&P Railroad Co.
Northeast Quarter of Section 5, All in Block 32 T-4-N, T&P Railroad Co.
Northeast Quarter of Section 5, All in Block 32 T-4-N, T&P Railroad Co.
Northeast Quarter of Section 5, All in Block 32 T-4-N, T&P Railroad Co.
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