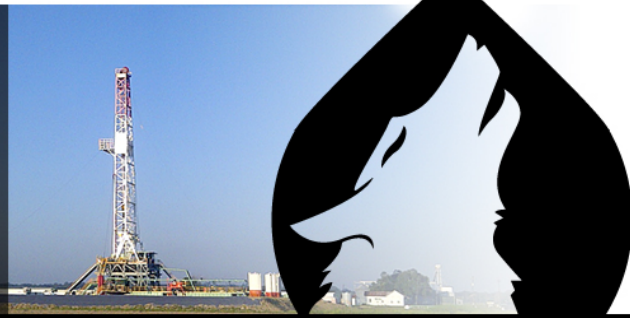




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ASX Release

Date: 26 April 2013

## March Quarterly Activity Report

### Highlights

- Production testing set to commence on West Klondike exploration well, Wilberts Sons LLC #1,
  - Electric logs confirm discovery in 2 separate target horizons
  - Logging confirmed net pay of 4ft in the Lario sands, 6ft in the Upper Nod Blan and 35ft in the Lower Nod Blan sands in the Wilberts Sons LLC #1 well
  - Flow testing Wilberts Sons LLC #1 is set to commence in late April
- Fusselman formation oil well, Clayton Johnson #3F, on production
  - Production commenced in early February
  - Operator to optimize initial flow rate
- Execution of Term Sheet to sell Duvernay Shale and Rock Creek oil acreage for cash consideration of approximately A\$3.6m before tax
- Board continuing review on complementary oil and gas asset investments

### West Klondike Prospect, Louisiana - (TMK 10.2% WI)

The Wilberts Sons LLC #1 exploration well on the West Klondike Prospect in Louisiana drilled to its total depth of 10,900ft on 13 December 2012. Electric logs confirmed it as a discovery well with material net pay in 2 separate target horizons, with 4ft in the Lario sands, 6ft in the U Nod Blan and 35ft in the Lower Nod Blan sands. A work over rig has now been contracted for the flow testing program, which is now scheduled to commence late April/ early May.

The West Klondike Prospect is a fault block closure which has been identified on 3D seismic data and is in close proximity to analogous offset production. The well has intersected pay in the Lario and Upper and Lower Nod Blan, all of which produce in the fields highlighted on the sub regional map. There is also a larger, separate, high pressure, deeper prospect in the leased area that will require a separate well. The target sands of this deeper structure (Bridas) have recently yielded a significant discovery approximately 2.5km to the NE.

An update on likely ranges of reservoir reserves will be provided once production testing has confirmed discoveries. A summary of the reservoirs characteristics is provided below:

| Depths          | Sand       | Net Pay | Hydrocarbons   | Description                   |
|-----------------|------------|---------|----------------|-------------------------------|
| 10,330-10,350   | Lario      | 4ft     | Oil            | 18-20% porosity appears tight |
| 10,518 - 10,524 | U Nod Blan | 6ft     | Condensate/gas | Good porosity                 |
| 10,616-10,661   | L Nod Blan | 35ft    | Oil/gas        | Good porosity                 |



Figure 1 - West Klondike field location and surrounding fields. Borden County, Texas.

Tamaska has earned its 10.2% working interest in the prospect and well through paying its 14% share of drilling and lease costs to date (~US\$460,000). Tamaska's share of completion costs is estimated to be a further US\$65,000. There will be additional costs to install long term production facilities.

#### Fusselman Formation Proved Undeveloped (PUD) 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 acquired a 12.5% working interest in the Fusselman Project in Borden County, Texas which includes another potential drilling location within the lease acreage.

Production commenced from the #3F well on 23<sup>rd</sup> January 2013. Production from the well is with a pump jack (nodding donkey) and is a mixture of oil and formation water. The well is currently averaging approximately 50bopd and 200bwpd. The formation water is believed to be flowing from the underlying Montoya formation behind the production casing. Subject to JV approval, the Operator is preparing to perform a cement squeeze below the Fusselman formation to eliminate (or substantially reduce) the water production.

Tamaska recently met with the Operator and fully supports the proposed squeeze operation.

The Clayton Johnson #3F tested the Fusselman on a combination structural and stratigraphic trap adjacent to the CML Muleshoe Ranch #1, which has produced over 124,000 barrels to date and offsets a recent completion by Raw Oil which had initial production rates of 228 barrels of oil per day. The Raw #4 Clayton has produced 35,800 barrels in less than a year and has an estimated ultimate recovery of 154,000 barrels. The Clayton Johnson #3F is structurally high to the Raw well, in the same reservoir. Additional potential remains in the overlying Canyon and Wolfcamp intervals.

### Duvernay Shale and Rock Creek Update

On 5 March 2013 the Company announced it had executed a Term Sheet with Canadian Pan Ocean Limited ("CPO") to sell its Alberta Joint Venture ("AJV") petroleum interests in the Duvernay Shale (TMK: 8% direct interest) and Rock Creek oil acreage (TMK: 16% direct interest) for cash consideration of approximately A\$3.6m before tax. Completion is conditional on the execution of a formal sale and purchase agreement and standard due diligence, which is expected to be finalised by the end of April.

Under the broader deal, CPO are also farming into Mako Hydrocarbons Ltd's (ASX: MKO) 50% holding in the same properties. CPO will become the Operator, with the ability to earn a total working interest of up to 87.5% in the AJV properties. Further detailed information on the farm-in terms is available in the MKO market releases to the ASX or their website.

The Duvernay and Rock Creek assets have been a profitable investment by Tamaska, with this sale to CPO following on from partial acreage sales and the farm out to Black Swan Energy during 2012. In total, including the completion of this final acreage sale to CPO, Tamaska will have received over \$5.5 million in cash proceeds against a cost base of approximately \$1.3 million on the Duvernay and Rock Creek acreage. After paying tax associated with the sales, Tamaska will hold approximately A\$2.8 million in cash net of liabilities, which together with income from the Fusselman production will be used to fund new asset acquisition opportunities in the oil and gas sector.

### New Project Opportunities

The Company is continuing to review conventional and unconventional oil and gas asset acquisition or investment opportunities. The recent appointment of Mr Alex Parks as CEO of the Company will help facilitate this process and corporate strategy.

### Corporate

Mr Alexander Parks was appointed as CEO of Tamaska Oil and Gas Ltd in February 2013. Mr Parks is a Petroleum Engineer with 15 years' experience in the oil industry. Prior to joining Tamaska Alex has held the positions of CCO at Cue Energy Resources Ltd, CEO of Mosaic Oil NL, CEO of Otto Energy Ltd and Technical Director at RPS Energy.

During the quarter the Company also lodged its audited Half Year Financial Statements on 11 March 2013.

### Cash Position at 31 March 2013

The Company had a closing cash balance of \$203k at 31 March 2013.

*For and on behalf of the Board*

## 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

Tamaska Oil & Gas Ltd

ABN

66 127 735 442

Quarter ended ("current quarter")

31 March 2013

#### Consolidated statement of cash flows

| Cash flows related to operating activities        |  | Current quarter | Year to date<br>(9 months) |
|---|--|-----------------|----------------------------|
|   |  | \$A'000         | \$A'000                    |
| 1.1   | Receipts from debtors                                      | -               | -                          |
| 1.2   | Payments for (a) exploration & evaluation                  | (105)           | (974)                      |
|   | (b) development  | -               | -                          |
|   | (c) production   | -               | -                          |
|   | (d) administration   | (104)           | (477)                      |
| 1.3   | Dividends received   | -               | -                          |
| 1.4   | Interest and other items of a similar nature received      | 1               | 4                          |
| 1.5   | Interest and other costs of finance paid                   | -               | -                          |
| 1.6   | Income taxes paid  | -               | -                          |
| 1.7   | Other – Royalty Payout on Acreage Sold                     | -               | (27)                       |
| <b>Net Operating Cash Flows</b>                   |  | <b>(208)</b>    | <b>(1,474)</b>             |
| <b>Cash flows related to investing activities</b> |  |                 |                            |
| 1.8   | Payment for purchases of:                                  |                 |                            |
|   | (a) prospects  | -               | -                          |
|   | (b) equity investments                                     | -               | -                          |
|   | (c) other fixed assets                                     | -               | -                          |
| 1.9   | Proceeds from sale of:                                     |                 |                            |
|   | (a) prospects  | -               | 177                        |
|   | (b) equity investments                                     | -               | -                          |
|   | (c) other fixed assets                                     | -               | -                          |
| 1.10  | Loan repayment to other entities                           | -               | -                          |
| 1.11  | Proceeds from loans  | -               | -                          |
| 1.12  | Other (net on disposal of subsidiaries)                    | -               | -                          |
| <b>Net investing cash flows</b>                   |  | <b>-</b>        | <b>177</b>                 |
| 1.13  | Total operating and investing cash flows (carried forward) | <b>(208)</b>    | <b>(1,297)</b>             |

+ See chapter 19 for defined terms.

|      |  |       |         |
|------|--|-------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (208) | (1,297) |
|      | <b>Cash flows related to financing activities</b>          |       |         |
| 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 (over subs & capital raising expenses)               | -     | -       |
|      | <b>Net financing cash flows</b>                            | -     | -       |
|      | <b>Net increase (decrease) in cash held</b>                | (208) | (1,297) |
| 1.20 | Cash at beginning of quarter/year                          | 413   | 1,485   |
| 1.21 | Exchange rate adjustments to item 1.20                     | (2)   | 15      |
| 1.22 | <b>Cash at end of quarter</b>                              | 203   | 203     |

**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<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 46                         |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | -                          |

1.25 Explanation necessary for an understanding of the transactions

Consulting fees and directors' fees

**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

None

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

None

### Financing facilities available

Add notes as necessary for an understanding of the position.

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | -                           | -                      |
| 3.2 Credit standby arrangements | -                           | -                      |

### Estimated cash outflows for next quarter

|                                | \$A'000    |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 97         |
| 4.2 Development                | -          |
| 4.3 Production                 | -          |
| 4.4 Administration             | 135        |
| <b>Total</b>                   | <b>232</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<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 203                        | 413                         |
| 5.2 Deposits at call                             | -                          | -                           |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (provide details)-held on trust        | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b> | <b>203</b>                 | <b>413</b>                  |

### Changes in interests in mining tenements

|     | Tenement reference  | Nature of interest<br>(note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|----------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed | None                             |                                  |                            |
| 6.2 | Interests in mining tenements acquired or increased           | None                             |                                  |                            |

+ See chapter 19 for defined terms.

### 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><br><i>(description)</i>  | 14,000        | Unquoted Class D |   |  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases-capital returns, buy-backs or redemptions |               |                  |   |  |
| 7.3 <b>*Ordinary securities</b>   | 6,396,006,280 | 6,396,006,280    |   | Fully paid                                       |
| 7.4 Changes during quarter<br>(a) Increases-through issues<br>(b) Decreases-capital returns or buy-backs              |               |                  |   |  |
| 7.5 <b>*Convertible debt securities</b><br><i>(description)</i>   |               |                  |   |  |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases-maturing or conversion of securities      |               |                  |   |  |
| 7.7 <b>Options</b><br><i>(description and conversion factor)</i>  | 3,260,000,000 | 3,260,000,000    | <i>Exercise price</i><br>0.5 cents            | <i>Expiry date</i><br>17 August 2015             |
| 7.8 Issued during quarter   |               |                  |   |  |
| 7.9 Exercised during quarter  |               |                  |   |  |
| 7.10 Expired during quarter   |               |                  |   |  |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>  |               |                  |   |  |
| 7.12 <b>Unsecured notes</b><br><i>(totals only)</i>   |               |                  |   |  |

+ 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: 26<sup>th</sup> April 2013

(Executive Director)

Print name: Brett Mitchell

## 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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