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ASX Release

28 January 2016

December Quarterly Activity Report

Summary

Tamaska is currently debt free, with cash holdings of \$2.415 million at 31 December 2015 and production income from the Fusselman and West Klondike projects.

The Company is evaluating new business opportunities.

On 20 October 2015, Tamaska announced completion of the demerger of its Canadian assets via an in-specie distribution of one TMK Montney Ltd share for every ten Tamaska Shares held.

Tamaska provided the maximum possible working capital to TMK Montney Ltd and consequently announced an Entitlement Issue to raise \$2.14 million on 19 October 2015. Due to oversubscription for the Shortfall shares the Directors approved to place a further 175 million shares at 0.2cents per share to raise \$350,000 and further augment working capital.

The resulting Company's capital structure is now:

1,960,000,000 Ordinary Shares
180,000,000 Unlisted Options (exercisable at 0.92 cents by 31 March 2019)

Tamaska Oil and Gas Projects

Montney Project, British Columbia - (TMK 40% WI)

On 20 October 2015, Tamaska announced completion of the demerger of its Canadian assets via an in-specie distribution of one TMK Montney Ltd share for every ten Tamaska Shares held. As of the demerger, Tamaska had acquired a total of 24,745 net acres at a cost of approximately A\$3.7 million (~A\$147/acre).

Whilst the Montney Resource Play is generally regarded as one of the most economically robust in North America, the Directors resolved that given the current market conditions and commodity prices the project would be better able to progress in a private company.

The Directors are of the view that the following advantages made the demerger attractive:

- Shareholders retain their current shareholding in Tamaska and also received a proportional share holding in TMK Montney with a book value of 0.68 cents per Tamaska Share held.
- Tamaska will be free to pursue new business opportunities likely to achieve greater recognition on the ASX, without diluting Shareholder's interests in the Montney Asset.

- In an unlisted structure, the underlying value of the Montney Asset can be unlocked over time and with low overheads and minimal dilution to shareholders. In particular TMK Montney is better positioned to be able to attract a partner to fund drilling and appraisal.

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. On steady production the oil rate is reasonably steady at approximately 17bopd on a gross basis and forecast to decline very slowly. The Operator is working to minimise costs and maximise uptime.

	September 15 Quarter	December 15 Quarter	March 16 Quarter
	Actual	Actual	Forecast
Net Produced bbls	190 bbls	~132 bbls	~120 bbls
Net Revenue after Royalty and well head taxes (US\$)	\$6,145	~\$4,588	~\$2,500

*Subject to final costs and sales off take figures

West Klondike Discovery, 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. Production from the Lower Nod Blan commenced in September 2014.

Due to non-participation by one of the JV partners in the facilities and pipeline program, Tamaska has increased its contributing and beneficial interest to 11.4%. This increase will revert back to the original owner following 400% recovery of the incremental programs cost to the Company.

The well was shut in on 15th June 2015. A recompletion attempt in September/October to restore production from the lowermost zone was not successful with the Zone having been fully depleted. A thin gas zone was put on production in November 2015 and depleted rapidly over December and January. The wet lands around the well site are currently close to flood level and due to limited site access the well is shut in. The Operator is planning to recomplete to the Lario oil zone in the coming quarter.

	September 15 Quarter	December 15 Quarter	March 16 Quarter
	Actual	Actual	Forecast
Net Produced Condensate	0 bbls	~150 bbls	~350 bbls
Net Produced Gas	0 MMscf	~2.1MMscf	~0 MMscf
Revenue net of sales tax and Royalty	~US\$0	~US\$125	~US\$2,700

*Subject to final sales off take figures

Duvernay Shale and Rock Creek

The remaining land was demerged with the Montney project to TMK Montney Ltd.

Tenement Summary

At 31 December 2015 the Company held the following interests in tenements:

Project	Percentage Interest	Number of Tenements
Fusselman Project	12.5%	7
West Klondike	10.2%	6

The Company has provided detailed tenement information in Schedule 1.

Corporate

Cash Position at 31 December 2015

The Company had a closing cash balance of A\$2.415 million at 31 December 2015.

Renounceable Rights Issue, Shortfall Placement and Placement

On 19 October 2015 the Company announced a renounceable entitlement issue of 3 Shares for every 2 Shares held by those Shareholders registered at the Record Date (27 October 2015) at an issue price of 0.2 cents per Share to raise up to \$2,142,000 (based on the number of Shares on issue as at the date of the Prospectus). The shortfall placement was completed on 20 November 2015.

Due to oversubscription for the Shortfall shares the Directors approved to place a further 175 million shares at 0.2cents per share to raise \$350,000 and further augment working capital. This was completed on 9 December 2015.

The resulting Company's capital structure is now:

1,960,000,000 Ordinary Shares
180,000,000 Unlisted Options (exercisable at 0.92 cents by 31 March 2019)

AGM

The Tamaska Annual General Meeting was held at 10am on 25 November 2015 on Level 7, 1008 Hay Street, Perth WA 6000. All Resolutions were passed on a show of hands.

Cost Control Measures

Due to the market conditions and commodity prices and to maintain the maximum working capital possible, the Board has agreed to further reduce hours and fees charged to Tamaska and TMK Montney by 1/3.

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 December 2015

Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	8	81
1.2	Payments for		
	(a) exploration & evaluation	-	(39)
	(b) development	-	-
	(c) production	(24)	(47)
	(d) administration	(155)	(245)
	(e) cash demerged	(168)	(168)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Warren Tax	-	-
	Net Operating Cash Flows	(337)	(415)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	(431)
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loan repayment to other entities	-	-
1.11	Proceeds from loans	-	-
1.12	Other- Perity Share of Acreage Sold	-	-
	Net investing cash flows	-	(431)
1.13	Total operating and investing cash flows (carried forward)	(337)	(846)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(337)	(846)
(509)	Cash flows related to financing activities		
	Proceeds from issues of shares, options, etc.	2,498	2,498
-	Costs of Shares	(14)	(14)
-	Proceeds from borrowings	-	-
-	Repayment of borrowings	-	-
-	Dividends paid	-	-
-	Other (over subs & capital raising expenses)	-	-
-	Net financing cash flows	2,484	2,484
	Net increase (decrease) in cash held	2,147	1,638
-			
(509)	Cash at beginning of quarter/year	268	802
802	Exchange rate adjustments to item 1.20	-	(25)
(24)	Cash at end of quarter	2,415	2,415
269			

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	41
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' and Consulting Fees and expenses

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 \$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	-
4.2 Development	-
4.3 Production	18
4.4 Administration	50
Total	68

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	2,415	268
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)-held on trust	-	-
Total: cash at end of quarter (item 1.22)	2,415	268

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 <i>(description)</i>	0			
7.2 Changes during quarter (a) Increases through issues (b) Decreases-capital returns, buy-backs or redemptions				
7.3 +Ordinary securities	1,960,000,000	1,960,000,000		Fully paid
7.4 Changes during quarter (a) Increases-through issues (b) Decreases-capital returns or buy-backs	1,246,000,000			
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases-maturing or conversion of securities				
7.7 Options <i>(description and conversion factor)</i>	180,000,000		<i>Exercise price</i> \$0.0092 each	<i>Expiry date</i> 31 March 2019
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	(3,300,000)	(3,300,000)	\$0.15 each	Cancelled 07 October 2015
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <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: 28 January 2016

(Director)

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 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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