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ASX Release

Date: 26 October 2012

September Quarterly Activity Report

Highlights

- Increasing exploration activity from majors on Duvernay Shale play in Alberta Canada
- Recent exploration discoveries highlight significant economic potential of Duvernay, with a high liquid content
- Tamaska retains an 8% interest in 103 sections of the Duvernay Shale and a 16% interest in 111 sections of Rock Creek acreage
- West Klondike Exploration well expected to spud in December quarter
- Board continuing to review new oil and gas investment opportunities

Duvernay Shale Update

During the quarter the Company announced that it had reached agreement with Black Swan Energy Ltd, and its other joint venture partners, to expand the joint lands included under their existing agreement. Black Swan are now well advanced to commence drilling on their first earn-in Duvernay well during the December quarter on the joint lands as recently advised.

The new agreement involves an expansion of the AMI to include Tamaska's interest in 6.25 new sections and incorporate an additional 7.75 recently acquired sections. The transaction price is based on the land values established by a Duvernay land sale on adjacent leases on July 25, 2012 and results in a net cash injection to Tamaska of C\$157,972. As a result of this transaction Tamaska currently holds a 1.6% carried interest in the Duvernay rights across 48 sections within the AMI area, and a 3.2% carried interest in the Rock Creek rights.

The Alberta Joint Venture holds a 100% interest in 105 sections of the Duvernay Shale acreage (TMK 8%) and 113 sections of the Rock Creek lands (TMK 16%). As detailed in previous releases, the Company holds an additional 8% interest in the Duvernay Shale acreage on trust for Perity Oil Ltd, a company controlled by the vendors of Warren Energy Ltd.

Tamaska's Duvernay and Rock Creek Acreage

Tamaska	Duvernay Shale Acreage 8%	Rock Creek Acreage 16%
Retained Interest	5,376 acres	11,571 acres
Tamaska	Duvernay Shale Acreage 1.6%	Rock Creek Acreage 3.2%
Farm-in Acreage	492 acres	985 acres

West Klondike Exploration Prospect

The West Klondike exploration prospect is now expected to be spudded in the December quarter following the completion of access rights and location works now well advanced. The Company is earning a 10.2% working interest in the project through paying 13.5% of the initial well and leasing costs.

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 risked resource potential is 2 million barrels of oil (mmbbl) and 6 billion cubic feet of gas (bcf), with unrisked potential of 4.8 mmbbl and 17 bcf of gas.

Tamaska's 10.2% working interest in the West Klondike Prospect covers an area of 640 acres in Iberville Parish, Louisiana. This prospect will be drilled to a total depth of 10,900ft. The Company's 13.5% share of the initial well's dry hole costs is estimated to be \$440,000, which includes approximately \$75,000 for the Company's share of location construction costs already paid.

Fusselman Formation Proved Undeveloped (PUD) Well

Tamaska Oil & Gas has secured the right to acquire 12.5% working interest in a US Permian Basin oil prospect operated by Marshfield Oil & Gas, Houston, Texas. The prospect involves drilling a Fusselman formation Proved Undeveloped (PUD) well offsetting existing oil production in Luck-Pot Field, Borden County, Texas. The Clayton-Johnson Prospect consists of 160 leased acres, with two PUD locations in the Fusselman and one possible Canyon location. Gross potential reserves range from 350,000 to 450,000 barrels of oil.

The initial well will test the Fusselman dolomite adjacent to the CML Muleshoe Ranch #1, which has produced over 124,000 barrels to date, and will be immediately up-structure to a recent completion by Raw Oil with initial production rates of 185 barrels of oil per day. The well will be drilled to a total depth of 9,900 feet and could commence drilling in December.

Tamaska will earn a 12.5% interest after casing point in the initial well and the prospect through funding the Company's share of dry hole cost being approximately \$200,000. This project represents a strategic entry into the Permian Basin, one of the most prolific oil producing provinces in North America.

Cash Position at 30 September 2012

The Company had a closing cash balance of \$1.35 m at 30 September 2012.

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")

30 September 2012

Consolidated statement of cash flows

		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from debtors	-	-
1.2	Payments for (a) exploration & evaluation	(156)	(156)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(165)	(165)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Royalty Payout on Acreage Sold	-	-
	Net Operating Cash Flows	(320)	(320)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	177	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)	-	-
	Net investing cash flows	177	177
1.13	Total operating and investing cash flows (carried forward)	(143)	(143)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(143)	(143)
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 (over subs & capital raising expenses)	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held			
		(143)	(143)
1.20	Cash at beginning of quarter/year	1,485	1,485
1.21	Exchange rate adjustments to item 1.20	14	14
1.22	Cash at end of quarter	1,356	1,356

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	83
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 \$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	325
4.2 Development	-
4.3 Production	-
4.4 Administration	165
Total	490

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	1,356	1,485
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)	1,356	1,485

+ See chapter 19 for defined terms.

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	T40-R5W5: 15 T40-R5W5: 22 T40-R5W5: 28 T40-R5W5: 32 T40-R6W5:NE12 T41-R5W5: 6 T41-R5W5: 7	Sale of 80% acreage interest to Black Swan	16% Rock Creek/ 8% Duvernay	3.2% Rock Creek/ 1.6% Duvernay
6.2	Interests in mining tenements acquired or increased	T38-R5W5: 28, 33 T38-6W5: 25, NE26 T38-6W5: 35, 36 T39-6W5: 1, E2, 12	Acquisition of 20% interest to Black Swan	Nil	3.2% Rock Creek/ 1.6% Duvernay
		T49-R9W5:S9 T49-R9W5:N&SW21, 22, 23 T50-R10W5:20 T50-R10W5:NW28 T50-R10W5:SW31 T51-R9W5:E8 T51-R9W5:32 T51-R10W5:N2, 11 T51-R10W5:SW4 T51-R10W5:SE5	Acquisition of new acreage by AJV during the quarter	Nil	16% Rock Creek/ 8% Duvernay

+ 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 Preference *securities (description)	14,000	Unquoted Class D		
7.2 Changes during quarter (a) Increases through issues (b) Decreases-capital returns, buy-backs or redemptions				
7.3 *Ordinary securities	6,396,006,280	6,396,006,280		Fully paid
7.4 Changes during quarter (a) Increases-through issues (b) Decreases-capital returns or buy-backs				
7.5 *Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases-maturing or conversion of securities				
7.7 Options (description and conversion factor)	3,260,000,000	3,260,000,000	Exercise price 0.5 cents	Expiry date 17 August 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
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 (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Executive Director)

Date: 26 October 2012

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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