



September Quarterly Activity Report

Highlights

- Tamaska has acquired a 20% working interest in the high impact, Rend Lake Oil Prospect (9,040 acres) located in Illinois, USA. The project has imminent drilling activity on a prospective recoverable resource of 67.5 million barrels (13.5 million barrels net to Tamaska).
- Monetisation of the Duvernay Shale and Rock Creek oil acreage continues with acreage sale completed with Black Swan Energy Ltd for a net consideration of C\$649,630. Progress continues towards finalising the acreage sale to CPO for cash consideration of ~ A\$3.6m before tax
- The Clayton Johnson 3F well remains on production at approximately 20bopd and 200bwpd.

Projects

Rend Lake Prospect, Southern Illinois, USA (TMK 20%)

On 26 September 2013, the Company announced it had executed a Sale and Purchase Agreement with Jupiter Oil and Gas Inc to acquire a 20% working interest in the Rend Lake Oil Prospect in Southern Illinois, USA (Rend Lake Prospect). The Rend Lake Prospect has the potential to contain over 200 million barrels of oil in place (with 67.5 million barrels potential recoverable resource), with the initial exploration well to be spudded no later than 31 December 2013 with Tamaska's 20% interest free carried on the drilling costs up to a \$500,000 cap. The entry cost to Tamaska is a 20% share of back costs - A\$320,000 plus a share of the well cost over and above the cap. Well is estimated to cost up to \$1.2 million.

The Rend Lake Prospect is situated in Southern Illinois and consists of what is interpreted to be a potential zone of high permeability hydrothermal dolomite which will be drilled prior to December 31st 2013 by the Operator, Anschutz Exploration Corporation (Anschutz).

The prospect is covered by five leases, Tamaska has a 20% working interest in each, with between 15% and 15.4% overall net revenue interest.

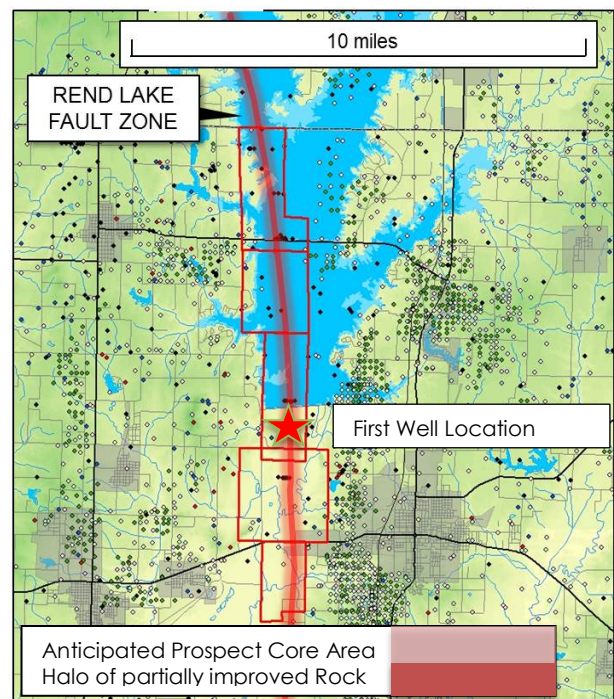


Figure 1 – Rend Lake Prospect

The target prospect is at a depth of approximately 6500ft and runs North-South for approximately 10 miles extending under Rend Lake to the North. The core area of the prospect is expected to be in the order of 400-600m wide, where permeability may be enhanced through hydrothermal leaching (Figure 1). A surrounding "halo" of partially dolomitized surrounding "Country Rock" or fractured carbonate may contribute to the overall reserve potential. The lateral seal is provided by the surrounding host (non-dolomitised) rock. The prospect will initially be tested with a vertical well drilled to the south of the reservoir as marked in Figure 1.

In the event of a discovery, the field will be appraised and delineated with 3D seismic and further appraisal drilling, likely to include horizontal drilling technology from pad locations south and west of Rend Lake.

Fusselman Formation 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 which includes another potential drilling location within the lease acreage.

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. After commencing production at 50bopd and 200bwpd, the well is currently averaging approximately 20bopd and 200bwpd. The formation water is believed to be flowing from the underlying Montoya formation behind the production casing. Subject to JV approval, and Operators availability constraints in the next couple of months there are plans to perform a cement squeeze below the Fusselman formation to eliminate (or substantially reduce) the water production.

	June 13 Quarter	September 13 Quarter	December 13 Quarter
	Actual	Estimated*	Forecast
Net Produced bbls	421 bbls	247	~240 bbls
Net Revenue after Royalty and well head taxes (US\$)	\$ 27,498.94	\$16,890	~\$ 17,000

*Subject to final costs and sales off take figures

The forecast production for the December quarter does not assume the squeeze occurs.

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.

As announced on 13 May, the Company advised that the Wilbert Sons LLC #1 well was perforated and flow tested successfully at over 2 MMcf gas per day from the lower Nod Blan. The well has been suspended pending installation of facilities. Due to the well site location, it is anticipated dedicated production facilities and the export pipeline will take approximately 4 months to install and the well is expected to go on production in the December quarter.

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

Depths (ft)	Sand	Net Pay	Content	Description	Contingent Resource Estimates
10,330 -10,350	Lario	4ft	Oil	18-20% porosity appears tight	100,000-520,000 bbls oil
10,518 -10,524	U Nod Blan	6ft	Condensate/gas	Good porosity	3-10,000 bbls oil / 100-135 MMscf
10,616 -10,661	L Nod Blan	35ft	Oil/gas	Good porosity	10-40,000 bbls oil / .35-1.3 BCF gas

Tamaska has earned its 10.2% working interest in the prospect and well through paying its 14% share of drilling and completions costs to date (~US\$525,000). There will be additional costs to Tamaska to install long term production facilities. The Operator is currently working on gaining pipeline route approval and the facilities design. We are told are the last of the approvals are imminent.

Duvernay Shale and Rock Creek Update

The Company announced on 11 October 2013 the completion of the sale agreement with the purchaser Black Swan Energy Limited of Calgary, and Tamaska, Transerv Energy Ltd (ASX:TSV) and Mako Hydrocarbons Ltd (ASX:MKE) as the sellers. Settlement has occurred and funds have been received by the sellers. Tamaska has received net consideration of C\$649,630 (approximately A\$662,000) before tax. The acreage sold was the retained 3.2% carried interest in the Rimbey, Alberta sections that Black Swan acquired in January 2012.

This sale is in addition to the Duvernay acreage sale the Company announced on 5 March 2013 with Canadian Pan Ocean ("CPO"). 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, due diligence and financing agreements.

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.

As of 29 October CPO has still not paid the deposit or signed the SPA. Mako and CPO have confirmed that they are making significant progress with their documentation and financing. Despite these further delays, Tamaska continue to support Mako and CPO to finalise their arrangements.

Corporate

Working Capital Funding and Convertible Notes

The Company has secured short term working capital funding from its major shareholders recently, as the Company has been significantly delayed in the completion of the Duvernay sale to CPO. The interim working capital funding provided has enabled the Company to continue its current operations and projects in the normal course of business.

This short term funding has been restructured into two Convertible Notes (Notes) with a face value of AUD\$300,000 each. At the election of the note holder, the Notes may be converted to Tamaska shares at an issue price of 0.05 cents each. The convertibility of the Notes is subject to shareholder approval at the next Tamaska shareholder meeting. If not converted, the Notes are repayable after 3 years. If repaid the Notes attract an annual interest rate of 8%, if converted to shares no interest is payable by the Company.

The note holders are entities related to Mr Charles Morgan (Chairman of Tamaska) and Mr Craig Burton (a major Tamaska shareholder with approximately 18% of the Company) respectively.

CEO Options

In line with the Company's remuneration policy, the Board has resolved to issue options to Alexander Parks, who has now completed six months with Tamaska as CEO. Mr Parks will be awarded 300 million options exercisable at 0.15 cents each within 4 years. A vesting period of 12 months will apply to half of the options and 24 months to the other half.

Cash Position at 30 September 2013

The Company had a closing cash balance of \$272,000 at 30 September 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")

30 September 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
1.1	Receipts from product sales and related debtors	23	23
1.2	Payments for (a) exploration & evaluation	(138)	(138)
	(b) development	-	-
	(c) production	(6)	(6)
	(d) administration	(226)	(226)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
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		(347)	(347)
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	-	-
	(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		-	-
1.13	Total operating and investing cash flows (carried forward)	(347)	(347)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(347)	(347)
	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	400	400
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (over subs & capital raising expenses)	-	-
	Net financing cash flows	400	400
	Net increase (decrease) in cash held	53	53
1.20	Cash at beginning of quarter/year	218	218
1.21	Exchange rate adjustments to item 1.20	1	1
1.22	Cash at end of quarter	272	272

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	40
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	600	600
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	252
4.2 Development	-
4.3 Production	-
4.4 Administration	300
Total	552

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	272	218
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)	272	218

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	None		

Appendix 5B
Mining exploration entity quarterly report



6.2 Interests in mining tenements acquired or increased	<p><u>T6S-R2E</u> Sec. 9: E/2 Sec. 10: All Sec. 11: W/2 Sec. 14: W/2 Sec. 15: All Sec. 16: E/2 <u>T5S-R2E</u> Sec. 27: S/2 Sec. 34: All <u>T6S-R2E</u> Sec. 3: All Sec. 10: N/2N/2N/2 <u>T6S-R2E</u> Sec. 22: All Sec. 27: N/2, N/2SW <u>T5S-R2E</u> Sec. 3: W/2 Sec. 4: E/2 Sec. 9: E/2 Sec. 10: W/2 Sec. 16: NE, N/2SE Sec. 15: N/2, N/2S/2 <u>T5S-R2E</u> Sec. 15: S/2S/2 Sec. 22: All Sec. 27: N/2 Sec. 16: SE Sec. 21: E/2 Sec. 28: NE</p>	Acquisition of working interest from Jupiter Oil and Gas Inc	Nil	20%
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+ 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 <i>(description)</i>	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 <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>	3,260,000,000	3,260,000,000	<i>Exercise price</i> 0.5 cents	<i>Expiry date</i> 17 August 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
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: 30 October 2013

(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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