



ASX Release

31 July 2020

June Quarterly Activity Report

Highlights – Parta Project 3D Acquisition Update

- TMK has acquired the right to earn a 50% interest in the Parta Licence, covering 1,155km² in a proven oil and gas province, onshore Romania
- TMK will fund the first US\$1.5 million of a new 3D seismic program to complete the farm-in
- Partner and licence operator ADX Energy (ASX:ADX) are finalising preparations for the acquisition of approximately 100 km² of 3D and 28 linear km of 2D seismic
- 3D seismic acquisition has been delayed by Covid-19, however is now expected in Q4 2020
- Acoustic Geophysical Services Ltd have been awarded the contract to carry out the seismic acquisition, and are on the ground in Romania making preparations for the 3D acquisition
- Acoustic Geophysical Services is a subsidiary of the Viking Group which has extensive experience in Central Europe, especially in the Pannonian Basin where the Parta Block is located
- The 3D seismic is likely to generate high quality targets with multiple stacked oil and gas pay zones (less than 2,500m depth), with intent to drill several targets following 3D seismic acquisition and analysis
- Recent track record of high success rates by other companies drilling on new 3D seismic in the province
- TMK has ~A\$2.9 million of working capital at 30 June 2020 (US\$1.3 million towards farm-in remaining)¹

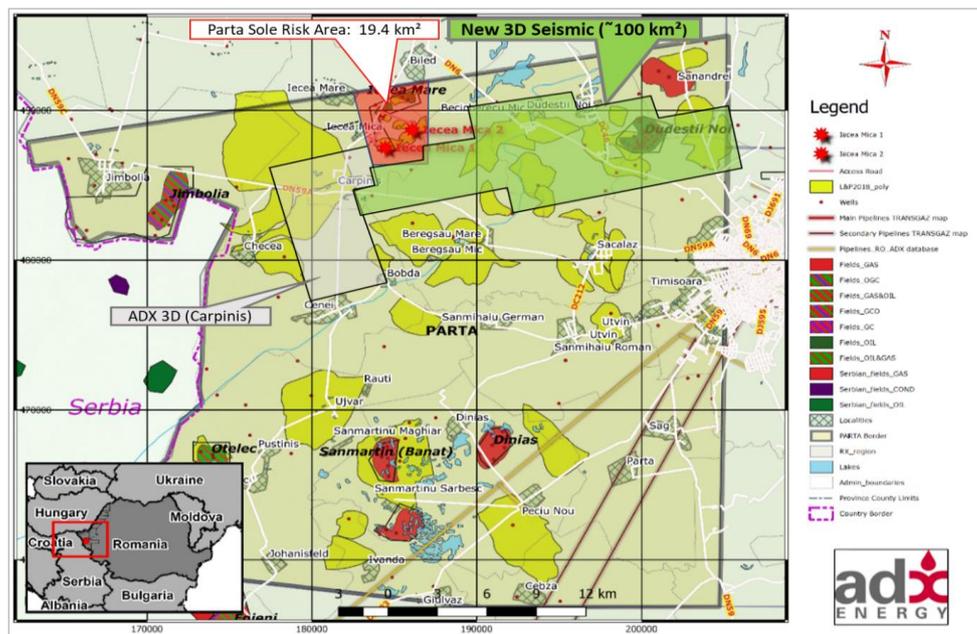


Figure 1: Map of the Parta Licence area and proposed new 3D seismic area

Image courtesy of ADX Energy (Farm-in Partner)

¹ See Cash Position section at the end of this report

Parta Project Farm-in Onshore Romania

NB: For further detail, please see the TMK ASX announcements of 16 August 2019, and 4 September 2019.

Parta Energy has entered into a farm-in agreement with ADX Energy Panonia Srl (ADX Panonia) under which it will earn a 50% interest in the Parta Licence excluding a small sole risk area. To complete the farm-in Parta Energy must pay US\$1.5 million (of which US\$200,000 has been paid) towards an agreed work program and budget which will fund approximately 100km² of 3D seismic. Upon completion of the farm-in, Parta Energy will hold its 50% participating interest under a JOA, with ADX Panonia as operator. ADX Panonia is a subsidiary of ADX Energy Ltd (ADX Energy).

Oil and Gas in Romania

Romania is one of the most hydrocarbon rich countries in Europe, with a long history of oil and gas production.

Romania is considered underexplored, largely due to all oil and gas rights being nationalised and held by the state oil company Petrom for over 60 years prior to 2004/05. With a single state-owned company holding all rights, exploitation of the in-country oil and gas opportunities was not maximised. Petrom used 2D seismic rather than 3D seismic for target identification, and drilled the larger or more obvious targets.

Romania has attractive fiscal terms, a fair and stable regulatory environment, and established infrastructure and industry service providers.

3D Seismic in the Pannonian

The Parta Licence is located in the Pannonian basin, one of the most prolific hydrocarbon provinces in Romania and Hungary.

The advent of 3D seismic technology has vastly improved the industry's ability to image the subsurface, and has resulted in better prospect identification and better resolution of prospects. This has typically increased the chance of success when prospects are drilled. The ability to identify more subtle traps in proven productive basins has achieved significant commercial outcomes for many operators globally.

The introduction of 3D seismic into the Pannonian basin has been instrumental in identifying new targets and has led to improved drilling success, as evidenced by local operators Aspect Energy, Horizon Energy, and Sandhill Petroleum.

Parta Energy Opportunity

Planned 3D seismic program

The planned 100km² of new 3D seismic in the Parta Licence is located as set out in Figure 1 above. The planned program covers a highly prospective area of the Parta Licence based upon current knowledge.

The operating partner, ADX Energy Ltd has finalised an agreement with Acoustic Geophysical Services Ltd (AGS) to carry out the seismic surveying program. Under the agreement with AGS, the company and its partners will acquire approximately 100 km² of 3D and 28 linear km of 2D seismic, with the goal of identifying high quality drilling targets.

The Parta JV is aiming to drill the most prospective targets generated by the seismic program following the acquisition and interpretation of new 3D seismic. The expected drilling cost is approximately US\$3 million per well.

The Parta Licence area targets are relatively shallow (less than 2,500m) with multiple stacked oil and gas pay zones. They are located nearby to existing infrastructure, enabling low cost access to markets, and a clear path to commercialisation.

ADX Energy – nearby well

Partner and licence operator ADX Energy have recently drilled in the Sole Risk Area (as shown in Figure 1 above) which is adjacent to the Parta Licence area. Under the Farmin Agreement, Parta Energy will have access to the well logs from this drilling program. These results will assist in the interpretation of analogue targets in the Parta Licence area and enable direct correlation of the seismic.

The ADX Energy announcement dated 9 September 2019 confirmed a significant gas and condensate discovery (based on logs), with petrophysical results indicating a combined 2C Contingent Resource of 20bcf. ADX are currently planning for well production testing.

Existing Projects

West Klondike Well, 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 were produced and depleted, and the remaining unproduced zone was the Lario oil sand.

The Operator performed a small hydraulic frac in the Lario oil sand in 2017. Initial workover results were encouraging with over 100 bopd in short term testing, and the well was placed back on production on 17 April 2017. The field is producing intermittently, and sales occur once the tanks fill.

	September 2019 Quarter	December 2019 Quarter	March 2020 Quarter	June 2020 Quarter
	<i>Estimate*</i>	<i>Estimate*</i>	<i>Estimate*</i>	<i>Estimate*</i>
Net Produced Oil	20 bbls	20 bbls	10 bbls	5 bbls
Revenue net of sales tax and royalty	\$900	~\$900	~\$350	~\$175

**The Company is awaiting final sales off take figures from the Operator.*

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Tenement Summary

NB: Detailed tenement information is in Schedule 1.

At 30 June 2020 the Company held the following interests in tenements:

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

Related Party Payments

During the quarter ended 30 June 2020, the Company made payments of \$33,000 to related parties and their associates. These payments relate to Directors fees.

Cash Position

TMK has ~A\$2.9 million of working capital at 30 June 2020. This will be used towards funding an agreed work program and budget for the Parta Project (including the remaining US\$1.3 million farm-in commitment) and provide the Company with general working capital.

For and on behalf of the Board

Brett Lawrence
Managing Director
Tamaska Oil and Gas Limited

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This announcement was authorised for release by:

*Brett Lawrence
Managing Director*

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Tamaska Oil & Gas Limited

ABN

66 127 735 442

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(42)	(149)
(e) administration and corporate costs	(86)	(233)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	13
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	10	10
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(117)	(359)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)	-	(375)
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) 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)		
2.6	Net cash from / (used in) investing activities	-	(375)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,987
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
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	In-specie Capital Distribution	-	-
3.10	Net cash from / (used in) financing activities	-	1,987
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,287	1,626
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(117)	(359)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(375)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,987

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(263)	28
4.6	Cash and cash equivalents at end of period	2,907	2,907

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	2,907	3,287
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,907	3,287

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

33

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	117
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	117
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,907
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,907
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	25

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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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.

Date: 31 July 2020

Authorised by: Brett Lawrence, Director

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.