GMP Securities Griffiths McBurney

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September 11, 2012

Otto Energy Ltd.[7] (OEL)

BUY

Last: $0.09

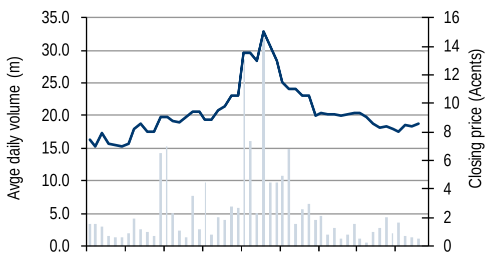
Target: $0.25↑

WHAT'S CHANGED	NEW	OLD
Rating	nc	BUY
Target	$0.25	$0.20
Production 2011A (boe/d) 6:1	nc	1,399
Production 2012E (boe/d) 6:1	nc	1,120
CFPS 2011A (f.d.d.)	nc	A$0.00
CFPS 2012E (f.d.d.)	nc	A$0.01

SHARE DATA	
Shares o/s (mm, basic/f.d.)	1138/1167
52-week high/low	$0.15/$0.07
Market capitalization (A$m)	$102
Enterprise value (A$m)	$75
Net debt (A$m)	($27)
Dividend yield	n/a
Projected return	178%

FINANCIAL DATA	2011A	2012E	2013E
Oil & NGLs (b/d)	1,235	1,120	1,867
Natural Gas (mmcf/d)	1	0	0
Total (boe/d) 6:1	1,399	1,120	1,867
Equivalent growth	(11%)	(20%)	67%
Brent (US$/b)	96.34	112.48	93.75
EPS (f.d.)	$0.01	$0.01	$0.02
CFPS (f.d.d.)	($0.00)	$0.01	$0.02
Net Debt (mm)	($36)	($28)	$9
Debt/CF	nm	nm	0.3x
P/CF	nm	14.2x	3.9x
P/CF (d'adj'd)	nm	14.5x	3.8x

All figures in USD unless otherwise stated



Galoc Phase II Development Approved

Galoc JV reached FID for a Phase II Development of the Field

OEL has announced that the Galoc JV has unanimously reached FID for approval of a Phase II development of the field. The development will consist of the drilling of an additional 2 subsea wells which will be tied back to the existing FPSO Rubicon Intrepid at a total project cost of US$188m and should increase production from ~4,000bopd in early 2014 to over 12,000bopd. OEL is targeting a timely development with drilling and installation in June Q and Sep Q 2013 and targeting 1st oil in 2H 2013. However the timeline has been significantly de-risked having commenced engineering and design works, ordered long lead items and secured a number of key service providers. This includes a contract with Diamond Offshore for the drilling of 2 wells and an optional 3rd well using the Ocean Patriot semi-sub. OEL also announced it has mandated BNP Paribas for a US$37.5m project debt facility to fund some of its $62m share of project development costs.

2P reserves upgraded 134% to 16mmbbls

The technical work completed for the Phase II decision has provided a greater confidence in the subsurface model for the field. As a result OEL commissioned RISC to perform a review of remaining reserves for the field, also incorporating the additional Phase II volumes, resulting in a 156% increase in gross 1P reserves to 10.2mmbbls and 134% increase in 2P reserves to 16mmbbls. Our previous Galoc 2P+2C valuation (11.3mmbbls) has been upgraded to account for a gross 16mmbbls of 2P reserves, resulting in an NPV of $124m ($0.11/sh), up from $75m ($0.07/sh).

3D seismic provides enhanced view of the northern Galoc area prospectivity

Interpretation of the recent 3D seismic survey has also provided an enhanced view of the northern Galoc area prospectivity with remaining exploration and appraisal upside estimated at ~17mmbbls. A decision to drill an exploration well immediately following development drilling should be made in Dec Q 2012.

Maintain BUY recommendation with an upgraded price target of $0.25/sh

OEL presents an asset backed, funded and highly leveraged exploration opportunity. Today's announcement is a further endorsement of OEL's ability as operator and the low risk development of these additional volumes should provide a strong cash flow to fund future growth. While the timing on Cinco-1 is uncertain, drilling should also provide a major catalyst. Outside the Philippines, early-stage exploration is underway onshore Tanzania, which we believe provides an exciting growth asset with significant potential upside.

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OEL Announces Galoc Phase 2 FID, a Significant Reserves Upgrade and More

OEL as operator of the Galoc Oil Field has announced that the JV has unanimously reached a Final Investment Decision (FID) to proceed with a planned Phase II development of the field. The announcement incorporates a number of highlights including details of the planned Phase II development; a significant reserves upgrade on the back of this Phase II commitment, enhanced subsurface modeling and field performance; the planned financing arrangements for its share of the US$188m development cost; and an enhanced view of the northern Galoc exploration prospectivity following interpretation of the recently acquired 3D seismic over the Galoc field. In a separate announcement OEL also announced it had increased its interest in SC51 to 80%.

The Phase II development will see the drilling of 2 development wells, which will be tied back to the existing FPSO Rubicon Intrepid at a gross development cost of US$188m. The project offshore scope should be completed in the June Q and Sep Q 2013, with production from the additional wells online some time in 2H 2013 (we have conservatively assumed Mar Q 2014). Once online the wells will boost production from ~4000bopd in early 2014 (based on our field modeling) to an estimated 12,000bopd, enhancing the economics of the field. The FID and planning for the development has been enabled by the acquisition and interpretation of a 3D seismic survey over the field and significant subsurface work which will allow for the optimal placement of the development wells. As a result of positive infield reservoir data, this more detailed subsurface modeling and the Phase II commitment, an independent review of the remaining reserves has resulted in an upgrade from the previous gross 6.79mmbbls of 2P and 4.5mmbbls of 2C CR to 16mmbbls of 2P reserves. OEL's net contractor entitlement reserves have increased from 1.9mmbls (and 1.5mmbbls 2C for Phase 2) to 2P reserves of 4.4mmbbls. Interpretation of the recent 3D seismic survey has also provided an enhanced view of the northern Galoc area prospectivity with remaining exploration and appraisal upside estimated at ~17mmbbls.

On the back of today's announcement we have upgraded our price target to $0.25/sh (previously $0.20/sh) which is set inline with our revised NAV of $0.25/sh (previously $0.20/sh). Our NAV has been increased after incorporating the increased gross reserves of 16mmbbls (previously 11.3mmbbls of 2P+2C) into our field model. Our revised valuation and target price is summarized below:

OEL's NAV and Target Price

Target Price Calculation		
Otto Energy Ltd	A$	A$/sh
Production Assets	124	0.11
Cash	27	0.02
Undeveloped Assets	14	0.01
Other Items incl G&A	-18	-0.02
Assumed Debt Drawdown	-18	-0.02
Core NAV	128	0.11
Risked Upside - Included from EMV Sheet	$	$/sh
Philippines - Galoc North	7	0.01
Philippines - SC 55 - Cinco	84	0.07
Philippines - SC 55 - Hawkeye	53	0.05
Philippines - SC 51 - Duhat	10	0.01
	154	0.14
Other		
Unpaid Capital	0	0.00
Total NAV	282	0.25
TARGET PRICE		0.25

Source: GMP Estimates

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Galoc Field Background

OEL hold a 33% stake and is operator of SC14C which contains the Galoc oil field. The Galoc oil field was discovered in 1981 and commenced production in 2008 averaging an initial 15kbopd over the first 20 days of production. The field is located in the north Palawan Basin in a water depth of 290m and produces via 2 horizontal development wells tied back to an FPSO. It has produced some 9mmbbls to date with remaining reserves now estimated at a gross 16mmbbls following the FID decision. The field produces a 35º crude oil from a turbidite sandstone reservoir at a depth of around 2,100m below mean sea level. OEL hold a 33% interest in the field via a 100% ownership of the Galoc Production Company W.L.L (GPC). Other JV participants include Risco Energy (26.84%), NDO (22.88%), the Philodrill Corporation (7.21%), Oriental Petroleum & Minerals Corporation / Linapacan Oil Gas & Power Corporation (7.79%) and Forum Energy Philippines Corporation (2.28%).

In July 2011 the JV approved an upgrade to the mooring system to improve the operational reliability of the field during production of the remaining reserves and with a view to extending the field life via the Phase II development and potential tie-in of the Galoc North prospect. In late November 2011 the field was shut-in and the FPSO dry-docked in Singapore for completion of the works which included the retro-fitting of a turret for connection to the new mooring system which was installed and laid down in the field. The field recommenced production on the 2nd of April following connection of the 9-point mooring system and production risers, close to pre shut-in rates at 6,300bopd and averaged 5,872bopd for the June Q. The non-disconnectable mooring system provides a significantly improved reliability of production compared to the previous single leg disconnectable system. We viewed the new system during a visit to site and found it to be a significant improvement to the previous system and fit-for-purpose.

Galoc JV Approve Phase 2 Development

OEL, as operator of the Galoc field has announced that the JV has unanimously reached FID for approval of a Phase II development of the field. The development will consist of the drilling of an additional 2 subsea wells which will be tied back to the existing FPSO Rubicon Intrepid at a total project cost of US$188m. The decision is the culmination of a significant amount of work which includes the earlier FPSO mooring upgrade; 3D seismic acquisition and interpretation, analysis of infield reservoir data and subsurface modeling; an updated reserves review; completion of FEED and commencement of detailed design and engineering work; commercial negotiations for key contracts; order of some long lead items; and progression of financing arrangements.

Subsurface Mapping for Optimal Well Placement

In order to proceed to FID, OEL has completed significant subsurface technical work to produce an updated subsurface model for the optimal development of the field. This has included analysis of in-field pressure data which was gathered during the shut-in period and the acquisition and interpretation of 3D seismic data over the field. At present the Galoc-4 well delivers 80% of production from the field with Galoc-3ST delivering only 20%. Seismic inversion work is being used to map the sands surrounding these wells to explain the variance and to position the two Phase II development wells optimally. OEL suggests that the development will boost production from the current 5,600bopd to over 12,000bopd. On our modeling the base field will be at ~4,000bopd when production comes online, suggesting guidance of ~4,000bopd per well. We believe that this is at the lower end of possibilities given the Galoc-4 performance to date and the targeted optimal placement of the wells utilizing the 3D seismic mapping. Hence we believe there is potential for production to significantly outperform this guidance but have taken this as the base case.

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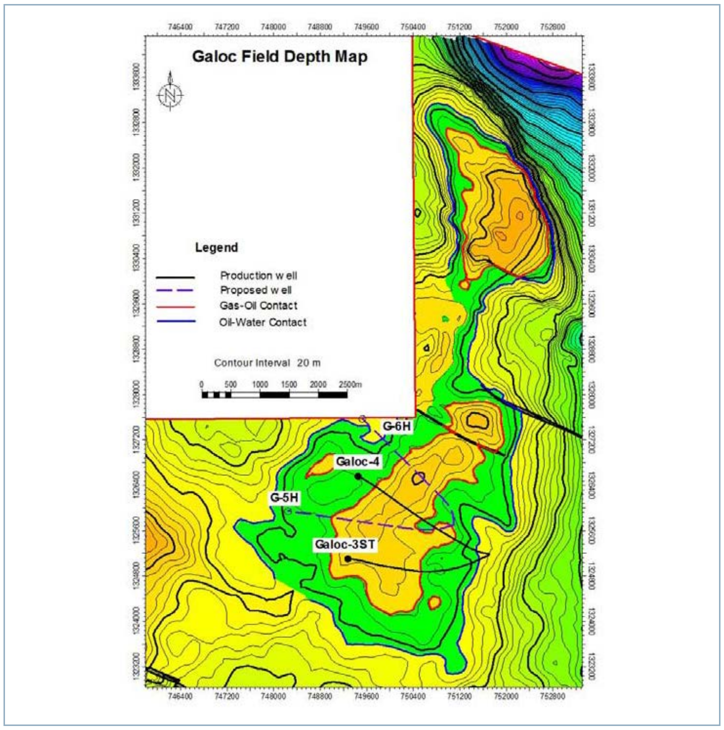
Placement of Galoc-5H and Galoc-6H



Source: OEL

Development Scope of Work

OEL is already sufficiently progressed through planning for the development having commenced FEED in the June Q which included detailed subsurface modeling, drilling and completion design, subsea engineering and tieback design. The development scope of work includes the drilling of 2 ~2,000m horizontal development wells; the EPIC (Engineering Procurement Installation and Commissioning) contract for supply and installation of a second riser and control umbilical; and the supply of subsea well heads and Christmas trees. While the development is targeting a timely schedule, the delivery of the project has been considerably de-risked by this work to date, the pre-order of key long lead items and the award of key contracts to industry recognized service providers. The drilling contract has been awarded to Diamond Offshore for a 2-firm well contract plus an optional well slot, using the Ocean Patriot. The optional well slot is to allow for the potential drilling of a well in the northern Galoc area, following further technical work. The EPIC work has been awarded to DOF Subsea and includes the installation of subsea tie-ins, plus an additional riser and control umbilical. Dril-Quip Asia has been awarded the contract for supply of the subsea well-heads and trees.

Costs and Timing

The total project capital cost is now estimated at US$188m, up from previous estimates of US$165m due to largely a more conservative allowance for testing of the new wells. We estimate that the drilling contract will comprise of ~US$100m and the EPIC contract ~US$30m of the total cost. Drilling and offshore construction works are scheduled to be conducted through the June Q and Sep Q with the timing dependent on closing mobilisation windows. First oil guidance is for the 2H 2013 due to these mob windows and we have conservatively allowed for first oil on the 1st January 2014.

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Galoc Reserves Upgrade

The significant technical work which was completed for the Phase II decision and reportedly pleasing infield pressure data has provided a greater confidence in the subsurface model for the field. As a result OEL commissioned RISC to perform a review of remaining reserves for the field, also incorporating the additional Phase II volumes, resulting in a 156% increase in gross 1P reserves to 10.2mmbbls and 134% increase in 2P reserves to 16mmbbls. The reserve upgrade is summarized below however it is worth noting that both the remaining reserves and the Phase 2 reserves were upgraded on an improved outlook for the field. As a result this has had a positive impact on our valuation for the field. Our previous Galoc 2P+2C case (11.3mmbbls) has been upgraded to account for gross 16mmbbls of 2P reserves, resulting in an NPV of $123m ($0.11/sh), up from $75m ($0.07/sh).

Galoc Reserves Upgrade

Estimated Ultimate Recovery (EUR) and Reserves	**1P Proved**	**2P Proved and Probable**
	MMbbl	**MMbbl**
EUR at 1 January 2012	12.6	15.3
EUR at 1 July 2012	19.2	25.0
Change in EUR	***53%***	***64%***
Cumulative Production to 1 July 2012	9.0	9.0
Gross Field Reserves at 1 July 2012	**10.2**	**16.0**
PSC Contractor Entitlement Reserves at 1 July 2012	8.9	13.4
Otto Net Entitlement Reserves at 1 July 2012	**2.9**	**4.4**

Reserves Reconciliation	**1P Proved**		**2P Proved and Probable**	
	Gross	**Net**	**Gross**	**Net**
	MMbbl	**MMbbl**	**MMbbl**	**MMbbl**
Entitlement Reserves 1 January 2012	3.5	1.1	5.7	1.9
Entitlement Production	(0.5)	(0.2)	(0.5)	(0.2)
Acquisitions	0.0	0.0	0.0	0.0
Additions				
- Upgrade to Phase I reserve	2.2	0.7	1.5	0.5
- Phase II reserve booking	3.7	1.2	6.6	2.2
Entitlement Reserves 1 July 2012	**8.9**	2.9	**13.4**	4.4
Reserve Replacement Ratio	**156%**	156%	**134%**	134%

Source: OEL

Financing Arrangements in Place

Based on our modeling of project cash flows, OEL could largely fund the project from cash flows with a net debt position of ~$10m in 2013 reflecting our estimated shortfall. However OEL plans to utilize a reserves based lending facility to optimize its cash utilization. OEL has announced an agreement with BNP Paribas to arrange a US$37.4m facility, representing 60% of its net capital costs over a 3-year term. Financial close is expected in the Dec Q 2012 with first draw down expected in Mar Q 2013. Under the PSC terms 2/3 of interest repayments can be included in the cost recovery pool.

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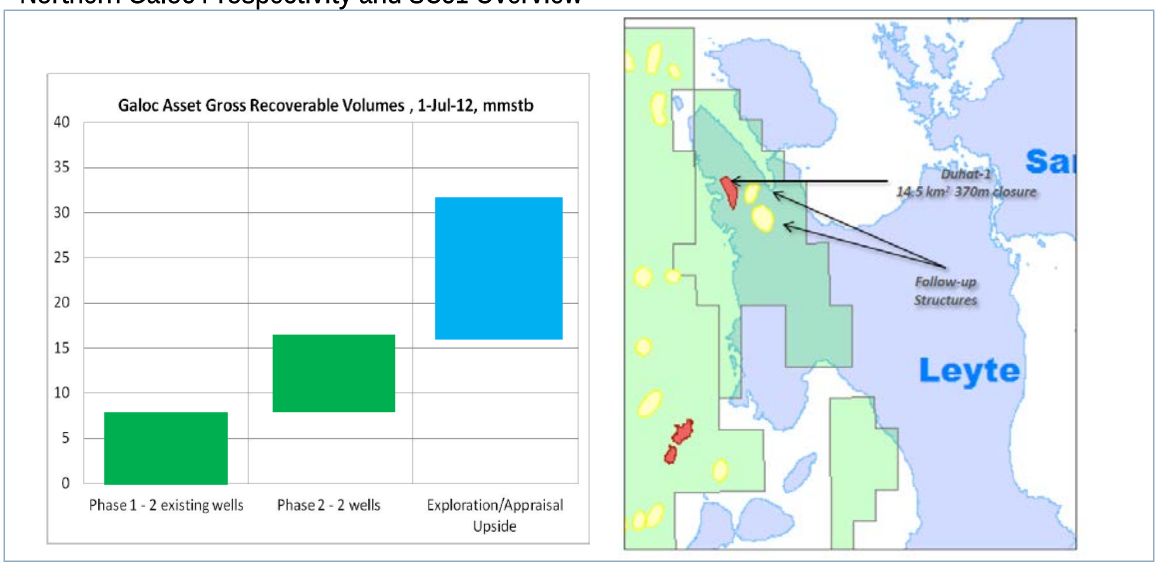
Enhanced Outlook on northern Galoc Prospectivity

OEL has more recently provided updated guidance on the exploration prospectivity to the north of Galoc, including the Galoc North Structure, following receipt of the full 3D seismic interpretation. The following slide from OEL's most resent presentation suggests exploration and appraisal upside in the northern Galoc area of 17mmbbls of recoverable oil. We understand this to comprise approximately 50/50 of appraisal potential in the northern Galoc area and the Galoc North structure which was previously estimated at 9 to 66mmbbls of oil in place (mid-case of 24mmbbls). This structure is located some 5km to the north in ready tie-back distance. The view of this area has been significantly enhanced following the seismic interpretation, however further analysis is required and a decision on the drilling of a well is expected to be made in the Dec Q 2012. Subject to approval the well would be drilled using the option with the Ocean Patriot in the Sep Q 2013 and if successful would be developed at a later date. Given the performance of Galoc to date we believe there is significant potential for additional exploration and appraisal upside which is a high-value opportunity given the profitable infrastructure already in place.

Northern Galoc Prospectivity and SC51 Overview



Source: OEL

Increased WI in SC51 North Block

OEL has also announced it has secured an additional 40% WI in SC51 North Block from Swan Oil & Gas for A$1.25m, taking its interest to 80%. Under the terms of OEL's farm-in, it will pay 100% of the upcoming Duhat-2 exploration well (estimated at US$5m) to earn its interest and will take no part in the South Block following its decision to exit in February 2011. As operator of the permit, OEL previously drilled the Duhat-1 well in 2011 which had oil and gas shows but was abandoned due to higher than anticipated pressures. OEL is currently acquiring 100km of 2D seismic over the structure and plans to drill a follow up well in June Q 2013. The acquisition of additional interest in SC51 provides a more material potential impact from the low cost test of a potential mean 76mmbbls of oil in place, with a working hydrocarbon system, trap and seal established via the Duhat-1 well. Intersecting quality reservoir remains a key risk.

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STATUS OF OTHER KEY ASSETS

SC 55 (OEL 33.18%)

During the June Q, the Philippines' Department of Energy (DOE) granted a 12-month extension to the sub-phase 4 for SC55, which required an exploration well to be drilled on the permit. The approval follows the previously announced request by the operator BHP, for an 18-month extension and allows until the 5th of August 2013 for the JV to drill an exploration well on the permit, which will be the Cinco-1 prospect. The extension has been approved to allow for BHP to secure a suitable ultra deep-water rig to drill the Cinco-1 prospect and also allows time for suitable post-drill analysis to be conducted prior to the commitment to any subsequent sub-phase. The well was delayed from a drilling slot early in 2012 as a result of BHP terminating the contract for the Transocean Deepwater Expedition rig when it failed to pass key acceptance tests. BHP is continuing its efforts to secure a suitable rig and there is no specific date proposed for the well at this stage.

The exercise of an option for BHP to farm-in to the permit was announced in May 2011. BHP is earning a 60% interest in the permit by funding the acquisition of 3D seismic (completed) and the drilling of 2 deepwater exploration wells. The first well to be drilled is the Cinco-1 prospect, targeting a mean prospective resource of 2.1tcf and 74mmbbls of condensate. Following drilling of Cinco-1 BHP may elect to fund a second well to secure its 60% interest or fall back to a 30% interest. The 3D seismic survey identified a large number of additional prospects and leads across the permit with total unrisked mean prospective resources estimated at 19tcf of gas and 670mmbbls of condensate in the Nido carbonate formation alone.

The Hawkeye prospect is another key target and provides additional prospectivity with an estimated 670mmbbls of mean prospective oil and its prospectivity is largely geologically independent from the result at Cinco. The Cinco and Hawkeye prospects are indicative of the scale and diversity of exploration opportunities in the permit.

Tanzania (OEL 50%)

During the June Q OEL completed its review of legacy gravity and magnetic data and recently commenced its airborne gravity and magnetic surveys over the Pangani and Kilosa-Kilombero PSA's onshore Tanzania. These surveys will be completed shortly and will facilitate initial mapping of basin sedimentation and allow for a commitment to be made on acquiring seismic, prior to committing to drilling. In the March Q OEL announced it had entered into an agreement with Swala Oil and Gas Ltd to assign a 50% interest in the Kilosa-Kilombero and the Pangani PSA's onshore Tanzania. The agreement provides a staged and low cost option on a large and potentially highly prospective acreage position. There is a significant amount of activity in Tanzania, both offshore, which has yielded large discoveries and in the onshore rift plays. While at an early stage of exploration, we believe that the PSA's provide a potentially highly prospective growth asset and work-up of this acreage could provide some very interesting catalysts in the medium term (2013-2014).

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MAINTAIN BUY RECOMMENDATION WITH AN INCREASED PRICE TARGET OF $0.25/SH

We maintain our BUY recommendation with an increased price target of $0.25/sh which is set inline with our NAV of $0.25/sh. Our Core NAV is comprised of a higher $0.11/sh for the Galoc production asset (previously $0.07/sh) and also incorporates risked appraisal upside of $0.01/sh for an additional 8mbbls of Galoc reserves upside in the northern Galoc area. Our core value also includes $0.02/sh in cash and we have conservatively deducted a $0.02/sh allowance for future debt drawdown which represents 50% of the US$37.4m facility. It is worth noting that as OEL draws down on this debt facility to meet capital commitments, the NPV of the project will increase by a similar amount. Hence although we have conservatively allowed for 50% of this debt now, there is a reasonable basis not to include this in the valuation at this point in time.

OEL's NAV and Target Price

Target Price Calculation

Otto Energy Ltd	A$	A$/sh
Production Assets	124	0.11
Cash	27	0.02
Undeveloped Assets	14	0.01
Other Items incl G&A	-18	-0.02
Assumed Debt Drawdown	-18	-0.02
Core NAV	128	0.11
Risked Upside - Included from EMV Sheet	$	$/sh
Philippines - Galoc North	7	0.01
Philippines - SC 55 - Cinco	84	0.07
Philippines - SC 55 - Hawkeye	53	0.05
Philippines - SC 51 - Duhat	10	0.01
	154	0.14
Other		
Unpaid Capital	0	0.00
Total NAV	282	0.25
TARGET PRICE		0.25
Share Price		0.09
Expected Return		178%

Notes:
All asset values are NPV10 After Tax and in AUD unless noted.
Five years of G&A NPV 10 are deducted to ensure 'going concern' costs are captured.

Source: GMP Estimates

A more detailed breakdown of our asset valuations is provided in the following EMV table. We have only included funded and short term exploration and appraisal upside in our NAV and on this basis we have also incorporated an 80% WI in the Duhat-2 well.

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OEL's EMV

Country	Property/Prospect	Gross Resource (mmboe)	Working Int. (%)	Overall COS (%)	Value/BOE (US$)	Net Risked Resources (mmboe)	Risked NAV (US$ mm)	Risked NAV ($A mm)	Risked A$/sh (FD)	Unrisked NAV (A$/sh)
Producing Assets										
Philippines	Galoc - incl. Phase II	16.0	33.0%	100%				123.61	0.11	0.11
						0.0	0.0	123.6	0.11	0.11
Undeveloped assets										
Philippines	Galoc - Upside to Reserves	8.0	33.0%	30%	$18.18	0.8	14.40	13.64	0.01	0.04
						0.8	14.40	13.64	0.01	0.04
Exploration										
Philippines	Galoc North	8.0	33.0%	30%	$18.18	0.8	7.47	7.08	0.01	0.04
Philippines	SC 55 - Cinco	424.0	28.2%	20%	$3.73	23.9	89.03	84.33	0.07	0.37
Philippines	SC 55 - Uno	166.5	28.2%	10%	$3.73	4.7	0.00	0.00	0.00	0.00
Philippines	SC 55 - Hawkeye	238.0	28.2%	10%	$8.26	6.7	55.43	52.50	0.05	0.46
Philippines	SC 51 - Duhat	11.4	80.0%	20%	$8.26	1.8	11.07	10.49	0.01	0.06
Philippines	SC 69 - Lampos	42.4	35.5%	10%	$7.51	1.5	0.00	0.00	0.00	0.00
Philippines	SC 69 - Lampos South	20.0	35.5%	10%	$7.51	0.7	0.00	0.00	0.00	0.00
						39.3	155.53	147.32	0.13	0.89
						40.1	169.9	284.6	0.25	0.93
Fully Diluted Shares Outstanding (mm)		1,138.29								
AUD:USD Exchange Rate		0.95								

Source: GMP Estimates

Over the coming 12 months, OEL has set-out a number of key milestone dates for the project which we have added to a number of other key catalysts, which include:

- Financial close for the project financing — Dec Q 2012
- Decision to drill an exploration well in the northern Galoc area — Dec Q 2012
- Key subsea equipment deliveries — Mar Q 2013
- Spudding of Duhat-2 — June Q 2013
- Phase II development drilling commences — June 2013
- Potential BHP drilling of Cinco-1 — Mar to June Q 2013
- Phase II First Oil — likely Dec Q 2013

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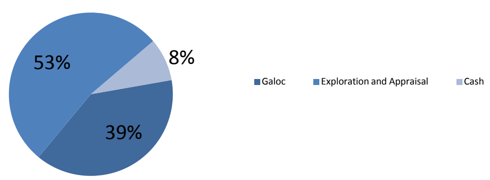
Otto Energy Ltd.

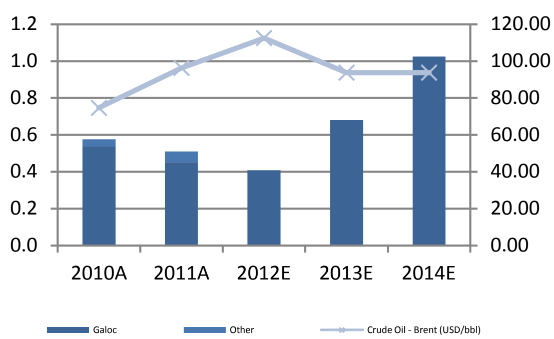
Valuation	A$m		A$/sh
Galoc	124		0.11
Exploration and Appraisal	168		0.15
Cash	27		0.02
Assumed debt drawdown	(18)		(0.02)
Corporate	(18)		(0.02)
Other	0		0.00
Total NAV	282		0.25
Price Target			0.25

Valuation Sensitivity	-10%	0%	+10%
Oil Price Sensitivity (A$/sh)	0.23	0.25	0.26
Exchange Rate Sensitivity (A$/sh)	0.26	0.25	0.24

Asset Valuation Summary



Production Summary (mmboe)



Reserves & Resources			
As at January 2012	Oil	Gas	Total
Reserves - 2P	(mmbbls)	(bcf)	(mboe)
Galoc	4.4	0.0	4.4
Total	4.4	0.0	4.4

Directors	
Name	Position
Rick Crabb	Non-Executive Chairman
Gregor McNab	Chief Executive Officer
Ian Macliver	Non-Executive Director
Rufino Bomasang	Non-Executive Director
Ian Boserio	Non-Executive Director
John Letter	Non-Executive Director
Matthew Allen	Company Secretary and CFO

Substantial Shareholders	Shares (m)	%
Molton Holdings	241.91	21.3
Santo Holdings	241.91	21.3
Acorn Capital	83.9	7.4

Year-end 30th June

Forecast Assumptions	2010A	2011A	2012E	2013E	2014E
Crude Oil - Brent (USD/bbl)	74.65	96.34	112.48	93.75	93.75

Production Summary (mmboe)	2010A	2011A	2012E	2013E	2014E
Galoc	0.5	0.5	0.4	0.7	1.0
Other	0.0	0.1	0.0	0.0	0.0
Total	0.6	0.5	0.4	0.7	1.0
Total (kbbl/day)	1.6	1.4	1.1	1.9	2.8

PROFIT & LOSS (A$m)	2010A	2011A	2012E	2013E	2014E
Sales Revenue	1.7	0.0	30.6	63.9	94.4
Other Income	7.6	24.4	19.2	0.9	0.8
Operating Costs	0.5	0.0	14.3	19.5	19.9
Royalties / Government take	0.3	0.0	4.5	4.3	6.4
Exploration Expensed	20.9	0.0	0.7	2.0	2.1
Corporate & Admin	6.5	11.0	6.2	5.0	5.1
Other	7.0	0.0	4.2	0.0	0.0
EBITDA	(26.0)	13.4	20.0	33.9	61.7
Depn & Amort	2.3	0.2	5.4	6.9	16.4
EBIT	(28.3)	13.1	14.6	27.0	45.3
Interest	0.0	0.0	0.0	1.0	2.3
Operating Profit	(28.3)	13.1	14.6	26.0	43.1
Tax expense	0.0	0.0	4.3	7.8	12.9
Minorites	0.0	0.0	0.0	0.0	0.0
Abnormals - Post Tax	0.0	(0.7)	0.0	0.0	0.0
NPAT	(28.3)	12.4	10.2	18.2	30.1
Normalised NPAT	(28.3)	13.1	10.2	18.2	30.1
EPS (basic) - A¢	(2.64)	1.09	0.87	1.56	2.72
EPS (diluted) - A¢s	(2.64)	1.09	0.84	1.52	2.65

CASH FLOW (A$m)	2010A	2011A	2012E	2013E	2014E
Adjusted Net Profit	(28.3)	13.1	10.2	18.2	30.1
+ Interest/Tax/Expl Exp	20.9	0.0	5.0	10.8	17.2
- Interest & Tax	0.0	0.0	6.2	8.0	11.4
+ Depn/Amort	2.3	0.2	5.4	6.9	16.4
+/- Other	(0.9)	(18.7)	(6.8)	0.0	0.0
Operating Cashflow	(6.0)	(5.3)	7.7	27.9	52.4
- Capex (Exp. and Dev.)	21.3	12.6	12.1	65.1	18.0
- Working Capital Increase	0.0	0.0	0.0	0.0	0.0
Free Cashflow	(27.3)	(17.9)	(4.4)	(37.3)	34.4
- Dividends	0.0	0.0	0.0	0.0	0.0
+ Equity raised	(0.0)	2.8	0.0	0.0	0.0
+ Debt drawdown (repaid)	0.1	(0.0)	0.0	33.0	(4.4)
+ Other	46.5	21.1	(2.9)	0.0	0.0
Net Change in Cash	19.2	6.0	(7.3)	(4.2)	30.0
Cash at End Period	29.6	35.6	28.3	24.1	54.1
Net Cash/(Debt)	29.6	35.6	28.3	(9.0)	25.4

BALANCE SHEET (A$m)	2010A	2011A	2012E	2013E	2014E
Cash	29.6	35.6	28.3	24.1	54.1
Total Assets	55.2	70.9	93.3	145.3	183.9
Total Debt	0.0	0.0	0.0	33.0	28.7
Total Liabilities	2.0	4.8	15.6	49.4	56.6
Shareholders Funds	53.2	66.1	77.6	95.8	126.0

RATIOS AND PROFITABILITY					
EBIT Margin, %	NM	53.7%	47.6%	42.2%	48.0%
ROA, (%)	NM	20.8%	12.5%	15.3%	18.3%
Net Debt/Equity, (%)	NM	NM	NM	9.3	NM
EV/EBITDA, X	NM	4.9	3.9	3.4	1.2

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