Quarterly Report

Quarter Ended:
31 March 2011

Introduction

The directors of Buru are pleased to present this report for the quarter ended 31 March 2011. Activities during the quarter focused on planning for the commencement of operations in the 2011 Canning Superbasin field season. All material approvals have now been received, or are expected to be received in short order, to allow drilling to commence in late May, subject to weather and the timing of mobilisation of Ensign Rig #32 to the Canning Superbasin.

Buru's 2011 Canning Superbasin exploration program will involve up to ten exploration and appraisal wells and the acquisition of approximately 1,250 kilometres of new 2D seismic and 250 square kilometres of new 3D seismic. This will be one of the largest continuous onshore exploration and appraisal programs ever undertaken in Western Australia. Its aim is to identify material new oil and gas resources and crystallise a pathway to commercialisation for the material wet gas resources Buru has already identified in the Canning Superbasin.

Overview

The key operational activities for the quarter were:

- continued flowback testing of the Yulleroo-2 well together with further analysis of the results to determine an optimum forward testing program;
- the assessment of final candidates for the wells to be drilled in the 2011 exploration program;
- the execution of a binding contract for the use of Ensign Rig #32 to drill up to six wells in the 2011 Canning Superbasin field season;
- commencement of negotiations with rig contractors for the supply of a second drilling rig to drill up to a further four wells in the 2011 Canning Superbasin field season;
- finalising arrangements with oil field service providers for the supply of all support services for the conduct of the 2011 exploration program and the purchase of long lead items for the 2011 exploration program;
- progressing the regulatory and Traditional Owner approvals process for the most likely candidates for drilling during the 2011 exploration program;
- continuing with the interpretation of the Yulleroo and Pijalinga 2D seismic surveys undertaken in 2010;
- planning for the substantial 2D and 3D seismic surveys to be undertaken as part of the 2011 exploration program; and
- commencing a formal, independent, third party review of the results of the Yulleroo-2 well and the Company's identified unconventional resources in preparation for the production of an independent resource estimate later in 2011, together with an independent review of the Company's extensive exploration prospect portfolio.

In recognition of the increased scale of the Company's activities, additional drilling, operational, technical, financial and corporate staff were engaged during the quarter to support the 2011 exploration program.

Financial

The ASX Appendix 5B attached to this report contains the Company's cash flow statement for the quarter. The material elements of the cash flow in the period were:

- exploration expenditure of $5,043,472 for the quarter (December 2010: $1,845,855), being payments for exploration costs incurred towards the end of the 2010 field season and the cost of the ongoing testing of the Yulleroo-2 well;

- cash payments of $2,698,000 were received from Mitsubishi Corporation ("**MC**") during the quarter in contribution towards MC's 80% share of the costs of the 2010 exploration program;

- interest income of $1,441,601 was received in the quarter on the maturation of a number of the Company's long term cash deposits;

- oil production from the Blina and Sundown oil fields was lower in the quarter as a result of mechanical problems with key wells and production interruption due to higher than average rainfall, together with ongoing natural production declines, resulting in a net cash outflow for the quarter of $61,907 (December 2010: net cash inflow of $302,520), with the full year expected to be net cash flow positive; and

- administration and other operating costs of $1,373,566 were incurred, an increase on previous quarters (September 2010: $1,181,013; December 2010: $1,130,717) reflecting the Company's growth in staff and organisational structures in preparation for the 2011 exploration program.

The Company recorded a net cash outflow of $5.2 million (before exchange rate adjustments) for the quarter, an increase on the previous quarter (December 2010: $2.7 million). The key contributors to the cash outflow are exploration costs incurred in the preceding quarter becoming payable and the continued testing of the Yulleroo-2 well during the quarter.

At the end of the quarter the Company had net cash reserves of $25.1 million available for exploration and development of the Canning Superbasin (December 2010: $30.9 million). These cash reserves, in conjunction with MC's $40 million contribution to the Company's 2011 exploration program, provide the Company with sufficient financial resources to fund its planned and committed exploration activities.

The Company is forecasting the following cash flows in the June 2011 quarter:

- **Exploration** - $4.2 million of costs are expected to be payable in the June 2011 quarter. This reflects the expected commencement of the Company's 2011 exploration program in late May.

- **Development** - $0.5 million in development costs, originally proposed for the March 2011 quarter, are planned for a workover and maintenance program at the Sundown and Blina oil fields during the June 2011 quarter (as discussed below).

- **Production** – Cash inflows in the June 2011 quarter will depend on the timing and success of the workover and maintenance program at the Sundown and Blina oil fields planned for the June 2011 quarter. If the workover and maintenance program cannot be undertaken for any reason the fields are expected to be breakeven in the period, and be net cash flow positive for the 2010/11 financial year. If the proposed workover and maintenance program is successfully completed it is expected that this will lead to a material increase in the positive net cash flow for the fields.

- **Administration** - $1.3 million in administration costs are expected to be payable in the June 2011 quarter, consistent with the last quarter, reflecting the staff and organisational structures required for the Company's 2011 exploration program.

Production and Development

Blina and Sundown Oil Fields

Sales from the Company's Blina and Sundown oil fields, in the L6 and L8 production licences averaged approximately 47 bopd for the quarter. Sales during the quarter were marginally below the previous quarter (December 2010: approximately 50 bopd) due to the ongoing natural decline at the producing oil fields, mechanical problems with key wells and production interruptions due to the higher than average rainfall during the period.

Planning and approvals for a workover program at the Sundown oil field were completed in the December 2010 quarter. The workover program could not be completed during the March 2011 quarter due to continued wet weather restricting access to well sites and preventing mobilisation of the Company's Fairway Rig. It is now planned to undertake the workovers during the June 2011 quarter, subject to weather. If successful, this program is expected to result in a material increase in production from the Sundown oil field. In addition, a maintenance program is planned to address the mechanical issues with key wells that are currently offline. If successfully implemented, this maintenance program will allow production to recommence from these wells. Subject to weather, it is expected that these repairs will be undertaken following completion of the workover program during the June 2011 quarter.

Oil production generated cash receipts during the quarter of $373,986 (September 2010: $554,531; December 2010: $582,677). The fields produced a net cash outflow of $61,907 for the quarter, a deterioration from previous quarters (September 2010: net cash outflow of $2,746; December 2010: net cash inflow of $302,520), although the March 2011 quarter cashflows incorporate payments for certain transportation costs relating to the preceding quarter. It is expected that the fields will be cash flow positive for the year to 30 June 2011.

Yulleroo-2 Well Test

During the quarter the Yulleroo-2 testing program was recommenced after a shut-in period during December 2010 and January 2011. This latest phase of the testing program saw the well opened to allow flow back and then shut-in to allow pressure build up on a regular basis. During the flow back period the well continued to flow gas and condensate at low rates together with high salinity fluid. Analysis of the results of the flow back test by the Company's consultants is consistent with Buru's interpretation that the high salinity fluid is stimulation flow back fluid, and that no formation water is present. This is an encouraging outcome.

After a continued flow test period the well was shut-in after gathering sufficient data to plan the next stage of the well testing program. A third party review of the flow test data suggests that, as originally planned, further clean-up of the well will require a different completion string to the original 4½ inch stimulation string. Accordingly, it is proposed, subject to joint venture approval, to install a 2⅜ inch tubing string which will increase lift efficiency and assist in the clean-up of the well. The completion will also be configured for both plunger lift and nitrogen lift if required. The workovers can be efficiently accomplished using the Company's Fairway Rig which is expected to be available to undertake the work in May, subject to weather conditions improving sufficiently.

Drilling

During the quarter the Company continued its operational preparations of the 2011 drilling program based on a program of up to ten wells. The main activities undertaken in the quarter were:

- assessment of final candidates for the wells to be drilled in the 2011 exploration program;
- execution of a drilling contract with Ensign Australia Pty Ltd ("**Ensign**") for the use of Ensign Rig #32 to drill up to six wells in the 2011 Canning Superbasin field season;
- commencement of negotiations with rig contractors for the supply of a second drilling rig to drill up to a further four wells in the 2011 Canning Superbasin field season;
- finalising arrangements with oil field service providers for the supply of all support services for the conduct of the 2011 exploration program and the purchase of long lead items for the 2011 exploration program; and
- progressing the regulatory and Traditional Owner approvals process for the most likely candidates for drilling as part of the 2011 exploration program.

Assessment of Drilling Candidates

During the quarter the Company actively progressed the assessment of candidates for drilling during the 2011 Canning Superbasin field season. This assessment is ongoing and is subject to review with the Company's joint venture partner, MC. The current indicative list of wells for 2011 includes the following:

- **Valhalla-2** – an appraisal of the Valhalla-1 well drilled in 2006 by ARC Energy that was not tested due to mechanical problems but which intersected two zones with interpreted gas pay and a very substantial section of interpreted unconventional gas pay, plus several zones with interpreted oil pay in an equivalent section to the oil shows encountered in the Paradise-1 well during 2010.

- **Paradise Deep** – a deepening of the Paradise-1 well to 3,200 metres to test the Laurel section for both conventional and unconventional potential prior to a decision on testing the shallower interpreted oil zone.

- **Ungani-1** - an exploration well to test one of several highly attractive large gas prospects in the Yulleroo Gas Province.

- **Pictor East-1** – a well to appraise the Pictor-1 oil and gas discovery to the south of the Yulleroo Gas Province.

- **Yulleroo Gas Province Well** - a further well in the Yulleroo Gas Province is planned, with the ultimate prospect being determined based on the results of ongoing testing at Yulleroo-2 and the Ungani-1 exploration well.

- **Acacia Wells** – two wells are planned in the Acacia Province targeting significant oil accumulations with the ultimate prospects being determined based on interpretation of the Pijalinga 2D seismic survey acquired in 2010.

With the number of rig slots available on Rig #32 and the additional drilling rig (if engaged) the Company is considering up to four further wells including the drilling of an additional well in the Paradise Oil Province, the drilling of Cyrene-1 in EP 438 and the deepening of the Lawford-1 well (operated by New Standard) in EP 417.

The ultimate number of wells drilled during the 2011 Canning Superbasin field season, and the order of those wells, is dependent on weather conditions. The Canning Superbasin has undergone an extended and above average wet-season which has delayed the commencement of drilling and continues to prevent access to the well sites. When well sites eventually become accessible will have a material impact on the commencement of drilling, well order and the number of wells to be drilled in 2011.

Under the terms of the farm-in agreement between Buru and MC, MC is required to pay for 80% of the costs of the 2011 exploration program agreed with MC.

Execution of a Drilling Contract for Rig #32

During the quarter the Company executed a binding contract with Ensign for the use of Rig #32 to drill up to six wells in the 2011 Canning Superbasin exploration program. Rig #32 will be mobilised to the Canning Superbasin on completion of its current drilling program. It is expected that this will allow the first well in the 2011 exploration program to be spudded, subject to weather, in late May.

It is expected that Rig #32 will drill continuously from the commencement of the program until the end of the field season, expected to be in late November or early December 2011.

Engagement of a Second Drilling Rig

The two exploration wells planned in the Acacia Province are targeting significant oil accumulations at relatively shallow depths of some 2,200 metres. These wells will require a sophisticated logistics operation to access due to the remote and sand dune dominated nature of the Acacia Province. Consequently, it is planned to use a smaller, more mobile rig than Rig #32 to drill these wells. This rig will also be suitable for the drilling of the Cyrene-1 exploration well in EP 438 (in which Buru and MC each has a 2.5% interest and the right to earn a further 35% interest) and deepening the Lawford-1 well in EP 417 (in which Buru holds a 35% interest), if agreement is reached with these joint ventures.

During the quarter the Company commenced an expression of interest process to ascertain rig availability and capability and is now well advanced in its negotiations with rig contractors for the supply of a suitable rig. The target commencement date for operations with the additional rig is now July 2011. It is expected that the rig will be contracted to drill up to four wells.

The mobilisation of two rigs with complementary operating capabilities into the Canning Superbasin provides Buru with enhanced operational flexibility and the scope to undertake a wider range of exploration and development activities during 2011.

Finalisation of Oil Field Services

During the quarter the Company selected preferred tenderers for all oil field services for the 2011 exploration program. Contracts with the majority of preferred tenderers have now been entered into, with the remaining contracts close to finalisation and expected to be entered into shortly. Subject to these contracts being finalised and entered into, the Company has now engaged all lead contractors required for the 2011 exploration program. Casing, wellhead and other necessary well equipment have also been ordered and are currently being mobilised to the Canning Superbasin in anticipation of the commencement of drilling operations in late May.

Approvals Process

During the quarter the Company commenced the approval processes required for the Company's 2011 exploration program. Detailed operational, environmental and health and safety management plans have been prepared and are under assessment by the DMP. In addition, drilling programs for the likely initial wells in the program are in preparation with the Valhalla-2 well program being the first submitted to the DMP for approval.

Discussions have continued with Traditional Owners on whose lands the 2011 drilling campaign is likely to be conducted. During the quarter the Traditional Owners of the Valhalla-2 and Paradise Deep well sites confirmed that they had no objections to these operations. Discussions are continuing with Traditional Owners in respect of the most likely additional wells to be drilled as part of the Company's 2011 exploration program.

Exploration

The Company's other exploration activities during the quarter focused on:

- continuing with the interpretation of the Yulleroo and Pijalinga 2D seismic surveys undertaken in 2010;
- planning for the substantial 2D and 3D seismic surveys to be undertaken as part of the 2011 exploration program; and
- commencing a formal, independent, third party review of the results of the Yulleroo-2 well and the Company's identified unconventional resources in preparation for the production of an independent resource estimate for the Company later in 2011.

Interpretation of the Yulleroo and Pijalinga 2D Seismic Surveys

The Yulleroo and Pijalinga 2D seismic surveys were acquired in the second half of 2010. A total of 761 kilometres of seismic was acquired as part of the two surveys.

The purpose of the Yulleroo survey was to firm up existing prospects and identify new leads and prospects in the Jackaroo and Ungani trends surrounding the existing Yulleroo accumulation. The interpretation of the survey will identify final candidates for drilling in the Yulleroo Province in the 2011 exploration program. The purpose of the Pijalinga survey was to mature to drillable status multiple leads in the Acacia Fairway to be followed by a process of high grading to identify the two best prospects for drilling as part of the 2011 exploration program.

During the quarter the processing of the data acquired from both the Yulleroo and Pijalinga surveys was substantially completed. Data quality has been confirmed as generally good to excellent. A number of existing prospects and leads have been substantially matured with a number of new leads identified. The results to date have been incorporated into the planning for the 2011 exploration program and will continue to be used to refine the final prospects for drilling.

Planning for the 2011 Seismic Program

The Company is proposing to acquire approximately 1,250 kilometres of new 2D seismic across the most prospective regions of the Canning Superbasin as part of the 2011 exploration program. In addition, the Company is planning to acquire approximately 250 square kilometres of new 3D seismic over the Yulleroo accumulation as part of the 2011 exploration program.

Acquisition is currently anticipated to commence in mid to late June with the Yulleroo 3D seismic survey using Terrex Seismic, who successfully acquired the Yulleroo and Pijalinga 2D seismic surveys for Buru in 2010. The Company is well advanced in its preparations for the conduct of these surveys and is currently in the process of securing all necessary approvals. Approval of the Traditional Owners for the conduct of the Yulleroo 3D seismic survey has already been received, with negotiations well advanced with Traditional Owners for the 2D surveys. Operational, health and safety and environmental management plans are currently being prepared in consultation with the DMP to ensure timely approvals are received prior to the commencement of acquisition.

Under the terms of the farm-in agreement between Buru and MC, MC is required to fund 80% of the costs of these seismic surveys.

Independent Resource Reporting

During the quarter the Company commenced a formal, independent, third party review process for the Yulleroo accumulation and the Company's identified unconventional resources:

- RISC Pty Ltd, a leading Australian provider of independent reserves assessment and certification, has been engaged to review the results of the Yulleroo-2 well test and provide an estimated volume of hydrocarbons.

- Netherland, Sewell & Associates Inc, a leading North American provider of independent reserves assessments, specialising in unconventional resources (shale gas, tight gas and shale oil), has been engaged to undertake a review of the extensive unconventional resource analysis undertaken by the Company over the past two years, including the results of coring of a number of shales during the 2010 drilling program, and the estimated volume of unconventional hydrocarbons contained within the Company's permits.

It is expected that these reviews will provide an independent verification of the Company's views of the significant volume of hydrocarbons already identified in the Canning Superbasin. The 2011 exploration program is being structured so that, if successful, it will allow these resources to be quickly converted to independently verifiable reserves and increase the overall volume of identified resources. The results of these reviews will also be used to optimise the Company's plans for the commercialisation of the identified hydrocarbon accumulations in the Canning Superbasin.

Preliminary results from these reviews are expected to be available during the upcoming quarter with these results to be made available in due course. Full reports from these reviews, including an estimate of contingent and prospective resources, are currently planned to be completed later in 2011.

In addition to the review of the resources in the Company's portfolio, Isis Petroleum Consultants have been engaged to undertake a review and validation of the Company's extensive exploration prospect portfolio. This review will assist in planning and review of the 2012 exploration program, and also provide assistance with portfolio management.

Executive Director's Comments

"The March quarter has seen us focus our efforts on preparing for the 2011 exploration program. We will be undertaking one of the largest continuous drilling and exploration programs ever undertaken in Western Australia this year with Buru participating in up to ten exploration and appraisal wells and acquiring very large seismic surveys. To put that in context, in the Perth Basin in 2010 five different operators drilled a combined total of only eight wells (exploration, appraisal and development).

We have undertaken a rigorous technical analysis of all of our potential drilling targets. Mitsubishi has been intimately involved in this process and adds a further level of peer review to the process. We are confident that the final wells selected for drilling will be the best possible prospects and have a robust chance of success. All of the prospects currently under consideration for drilling are also targeting material resources so that success at any well will have a transformative effect on the Company.

We are also mindful of the operational challenges posed by the scale of the exploration program and have substantially increased our in-house operational expertise to manage this process. The increase in operational personnel has been complemented by the appointment of additional technical, corporate and financial resources to ensure that all aspects of the exploration program are conducted safely and cost effectively.

The other major step we have taken this quarter is to start our transformation from a pure explorer, to a company with a recognised resource base and clear pathway to commercialisation. The first step in this process is to have RISC and Netherland Sewell provide an independent view on our already identified resources. We are confident that these reviews will support our views on the massive potential of the Canning Superbasin and provide a catalyst for appraisal and development drilling, potentially commencing in 2011.

We will shortly be finalising the first few wells for the 2011 exploration program and commencing drilling soon after. We will be keeping shareholders and the market updated as we move towards these goals."

Eric Streitberg
Executive Director

Glossary

2D	Two dimensional seismic survey
3D	Three dimensional seismic survey
ARC Energy	ARC Energy Limited
Bopd	Barrels of oil per day
Buru or the Company	Buru Energy Limited (ASX code: BRU)
DMP	Western Australian Department of Mines and Petroleum
Ensign	Ensign Australia Pty Ltd
MC	Mitsubishi Corporation
New Standard	New Standard Energy Limited (ASX code: NSE)
Rig #32	Ensign Rig #32

Buru Energy Limited
ABN 71 130 651 437

Address: Level 2, 97 Hay Street, Perth WA 6000
Postal Address: PO Box 7794, Perth Cloisters Square WA 6850

Communications: Free call: 1800 337 330 or Email: info@buruenergy.com

Rule 5.3

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

BURU ENERGY LIMITED

ABN	Quarter ended ("current quarter")
71 130 651 437	31 March 2011

Consolidated statement of cash flows

		Current quarter $A	Year to date (9 months) $A
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	373,986	1,511,194
1.2	Payments for (a) exploration & evaluation	(5,043,472)	(12,458,506)
	(b) development	-	(53,323)
	(c) production	(435,893)	(1,273,327)
	(d) administration	(1,373,566)	(3,685,296)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1,441,601	2,954,772
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Payments for restoration to existing producing assets	-	-
	Net operating cash flows	**(5,037,344)**	**(13,004,486)**
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) fixed assets	(122,871)	(561,640)
1.9	Proceeds from sale of: (a) fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (Investments)	-	(624,650)
	Net investing cash flows	**(122,871)**	**(1,186,290)**
1.13	Total operating and investing cash flows (carried forward)	(5,160,215)	(14,190,776)

1.13	Total operating and investing cash flows (brought forward)	(5,160,215)	(14,190,776)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	10,092
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Loan pursuant to the employee share acquisition scheme	-	-
	Net financing cash flows	**-**	**10,092**
	Net increase (decrease) in cash held	**(5,160,215)**	**(14,180,684)**
1.20	Cash at beginning of quarter/year to date	52,867,092	62,340,717
1.21	Exchange rate adjustments to item 1.20	(16,571)	(469,727)
	Cash at end of quarter including cash held in escrow	**47,690,306**	**47,690,306**
	Less cash held in escrow	(22,568,719)	(22,568,719)
1.22	**Cash at end of quarter**	**25,121,587**	**25,121,587**

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
1.23	Aggregate amount of payments to the parties included in item 1.2	120,500
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25	Explanation necessary for an understanding of the transactions
	N/A

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
	Buru Energy Ltd ("Buru") and Alcoa of Australia Ltd ("Alcoa") have agreed to escrow $20,000,000 and interest thereon in partial satisfaction of Buru's obligations to repay a $40,000,000 gas prepayment made by Alcoa to ARC Energy Limited prior to the demerger of Buru. These financial obligations crystallise if Buru does not deliver gas under the gas sales agreement between Alcoa and Buru from gas supplied from the Canning Basin or elsewhere, with repayment obligations being in three equal annual instalments commencing in 2013. This cash balance in escrow has received interest totalling $2,568,719 taking the total escrowed cash balance to $22,568,719.

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
	N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A	Amount used $A
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A
4.1	Exploration and evaluation	4,170,000
4.2	Development	460,000
4.3	Production	610,000
4.4	Administration	1,300,000
	Total	**6,540,000**

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	Previous quarter $A
5.1	Cash on hand and at bank	10,121,587	5,926,604
5.2	Deposits at call	15,000,000	25,000,000
5.3	Bank overdraft	-	-
	Total: cash at end of quarter (item 1.22)	**25,121,587**	**30,926,604**
	Cash held in escrow	22,568,719	21,940,488
	Total: cash at end of quarter including cash held in escrow	**47,690,306**	**52,867,092**

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	N/A			
6.2	Interests in mining tenements acquired or increased	EP476	Granted by the DMP*	Nil	50%

* Government of Western Australia – Department of Mines and Petroleum

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)*	N/A	N/A	N/A	N/A
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	 - -	 - -	 - -	 - -
7.3	**+Ordinary securities**	182,780,549	182,780,549	N/A	N/A
7.4	Changes during quarter (a) Increases through issues Options exercised (b) Decreases through returns of capital, buy-backs	 - -	 - -	 - -	 - -
7.5	**+Convertible debt securities** *(description)*	N/A	N/A	N/A	N/A
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	 - -	 - -	 - -	 - -
7.7	**Options** *(description and conversion factor)*	 5,000,000 10,241,000 5,000,000 3,780,000 290,000 24,311,000	 - - - - -	***Exercise price*** $0.25 $0.30 $0.35 $0.48 $0.75	***Expiry date*** 31 Dec 2011 31 Dec 2011 31 Dec 2011 31 Dec 2012 31 Dec 2012
7.8	Issued during quarter	290,000	-	$0.75	31 Dec 2012
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*	N/A	N/A		
7.12	**Unsecured notes** *(totals only)*	N/A	N/A		

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 gives a true and fair view of the matters disclosed.

Sign here: .... Date: 20 April 2011
Eric Streitberg
Executive Director

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 6****: Exploration for and Evaluation of Mineral Resources* and ***AASB 107****: Statement of Cash Flows apply to this report*.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.