

Appendix 5B

Mining exploration entity quarterly report

Name of entity:

Somerton Energy Limited

ACN or ARBN

089 956 150

Quarter ended
("current quarter")

30 September 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	YTD (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
[a] exploration and evaluation	(4)	(4)
[b] development	-	-
[c] production	-	-
[d] administration	(476)	(476)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid	(29)	(29)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(505)	(505)
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 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(505)	(505)

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1.13	Total operating and investing cash flows (brought forward)	(505)	(505)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	12,577	12,577
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	367	367
1.17	Repayment of borrowings	(748)	(748)
1.18	Dividends paid	-	-
1.19	Other (payment in relation to capital raising)	(420)	(420)
Net financing cash flows		11,776	11,776
Net increase (decrease) in cash held		11,271	11,271
1.20	Cash at beginning of quarter/year to date	25	25
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	11,296	11,296

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	184
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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

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.

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	140
4.2 Development	-
4.3 Production	-
4.4 Administration	600
Total	740

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	992	25
5.2 Deposits at call	10,304	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	11,296	25

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		
6.2		Interests in mining tenements acquired or increased		

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>				
7.2 Changes during quarter: (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities	141,486,642*	141,486,642*		
7.4 Changes during quarter: (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	96,749,158	96,749,158	13	13
7.5 Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter: (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Employee Options				
Unlisted Options				
7.8 Issued during quarter				
- Employee Options				
- Unlisted Options				
- Unlisted Incentive Rights converting on a one for one basis	3,000,000	-	-	30 June 2013
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(total only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

* On 27 July 2010 shareholders approved consolidation of share capital on a 30 to 1 basis which reduced the number of shares from 1,342,102,226 to 44,737,484

Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act, 2001 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:



(Director)

Date: 22 | 10 | 10 .

Print Name: **H M Gordon**

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.