

30 October 2015

Australian Securities Exchange
2 The Esplanade
PERTH WA 6000

ASX Code: PKO

QUARTERLY ACTIVITIES REPORT

30 September 2015

PROJECTS

SC6 (Cadlao) - Cadlao Oilfield Re-development Project, the Philippines

Peak's interests in relation to the SC6 Cadlao Oilfield re-development project are as follows:

1. A 25% Cadlao joint venture interest (held in trust by Cadlao Development Company Limited (Cadco)) or, alternatively, an entitlement to receive \$6.7 million as consideration for the buyback of the 25% interest (see Cadco Buyback Right on page 4); and
2. A prospective indirect economic interest held by way of a 40% shareholding held by our subsidiary, Energy Best Limited (EBL), in VenturOil Philippines Inc (VenturOil) (itself a 20% interest holder in the Cadlao Joint Venture) and a 5% interest in the Service Contract SC6 Cadlao held by VenturOil in trust for EBL. The 40% shareholding and subsequent associated funding obligation was intended to provide EBL with 75% dividend rights in respect to its 40% shareholding.
3. An aggregate 80% interest in overriding royalty interests relating to 3.3% of production held by Peak Royalties Limited
4. A loan receivable from VenturOil Philippines Inc for US\$736,188

SC6 Cadlao - project history and overview

The SC-6 Service Contract, located in the Palawan Basin, offshore the Philippines, was granted on 1 September 1973. The Cadlao Oil Field, which is located within the SC6 contract area, was discovered by Amoco in 1977. Between 1981 and 1991, 11.1 MMBBLs of oil was produced, based on sparse 2D seismic. The field was shut-in in 1991 in response to declining production, low oil price and escalating costs.

In 1996, 3D seismic data was acquired over the permit as part of a regional 'spec' 3D seismic survey. Interpretation of this seismic data identified additional 2P reserves of 6MMBBL (Gaffney Cline & Associates estimate) up-dip from the Amoco wells.

A 100% interest in the Cadlao permit acreage was secured by Blade Petroleum Philippines Ltd (BPPL) (now Cadco) from local interests in 2007 and 2008. BPPL assumed operatorship and acquired and remapped the 3D seismic recorded earlier to define up-dip structural potential for the field. BPPL subsequently transferred a 20% interest in SC6 Cadlao to VenturOil.



Figure 1 SC6 Cadlao Location Map

The proposed Cadlao oil project is a redevelopment project in shallow water (c.20m water depth). It is intended to be developed via drilling and production from a jack-up drilling rig with export of crude to a moored vessel.

DEPTH STRUCTURE MAP OF TOP NIDO LIMESTONE

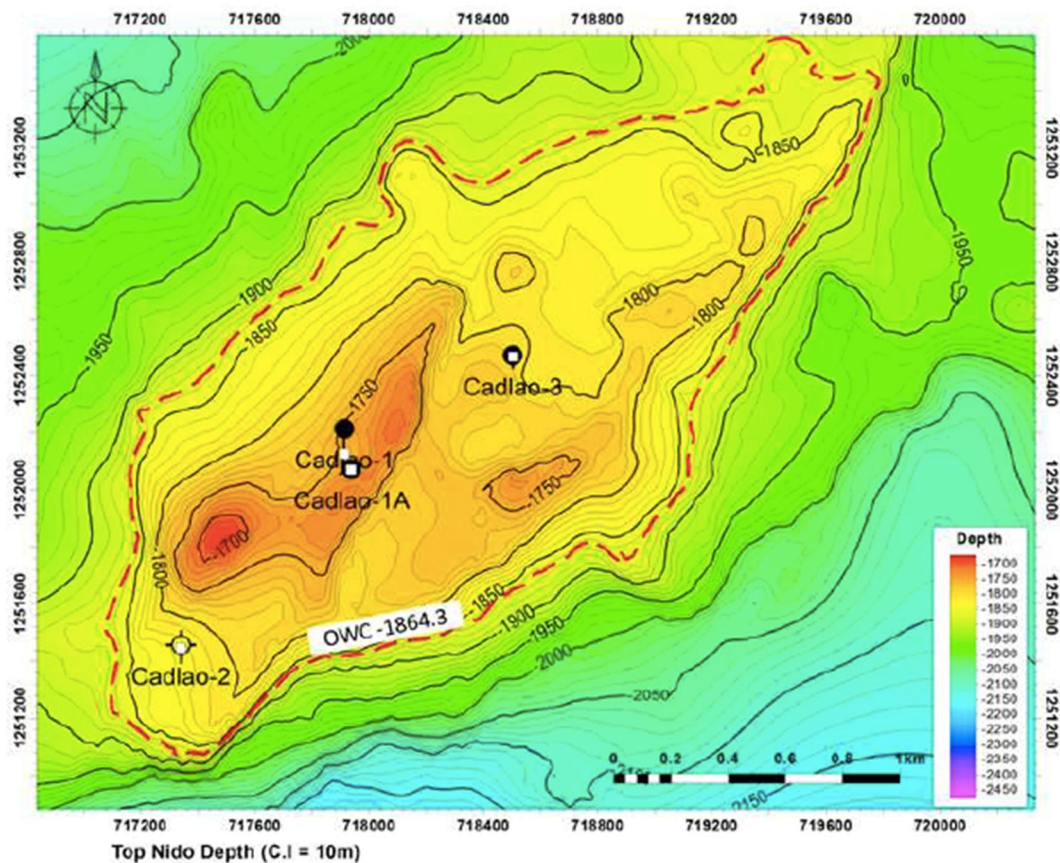


Figure 2 Cadlao Depth Map

SC6 Cadlao –Peak’s interests and involvements

In 2010, Peak entered a Farmin Agreement with BPPL, pursuant to which Peak would earn a 50% interest in SC6 Cadlao. An initial 25% was earned by satisfaction of certain conditions precedent and is held on trust for Peak by BPPL (now named Cadco). The further 25% was to be earned upon Peak securing funding for the development. In 2012, BPPL sought to terminate the Farmin agreement for noncompliance by Peak with the funding obligation provisions of the Farmin agreement. Peak disputed the validity of the termination and litigation and arbitration proceedings ensued. Arbitration proceedings are currently in abeyance. This interest is subject to a “Buy-back Right” – see below.

Prior to 2012, Peak also acquired an aggregate 80% interest in overriding royalty interests relating to 3.3% of production.

Peak, through a subsidiary, also acquired a prospective economic interest in SC6 Cadlao through a shareholding in VenturOil. The interest in VenturOil was effected through the acquisition of EBL, a 40% shareholder in VenturOil, from Clove Capital Partners Limited. Peak’s subsidiary, Peak Singapore, is obliged to pay further consideration of US\$2.8 million to Clove Capital Partners from the first two oil liftings, provided that Peak Singapore retains its economic interest in the Cadlao Project via VenturOil, unless it has lost that interest by virtue of gross negligence.

A subsequent agreement was entered into between EBL and VenturOil relating to the funding of VenturOil’s 20% interest. This involved a pre-condition requiring a variation allowing EBL’s 40% shareholding in VenturOil to provide 75% dividend rights in return for which EBL is required to fund VenturOil’s 20% share of development costs of the Cadlao Project. VenturOil is obligated to reimburse these costs to Cadco following the “spudding” of the first development well.

EBL also has the right to a 5% interest in SC6 Cadlao, held in trust for it by VenturOil, to be carved out of VenturOil's 20% interest. Under this agreement with VenturOil,

Peak and its subsidiaries have lent VenturOil US\$736,188 (A\$954,672) as shareholder loans. There is uncertainty regarding the practical ability of Peak to recover these funds.

In February 2015, VenturOil claimed to terminate unspecified agreements between VenturOil and Peak on the basis that Peak is in breach of non binding "pre-funding obligations" (retainer fees) in favour of VenturOil. Peak is of the firm opinion that neither it, nor any subsidiary of it, is in breach of any obligation under any binding agreement with either VenturOil or its related entity, Figurado Energy Investment Holdings, and that there are no grounds for termination of any binding agreement.

Cadco Buyback Right

As a result of the termination of the farmin agreement with BPPL (now Cadco), Peak has a right to receive buy-back funds of \$6.7million from Cadco. In May 2012, BPPL (now Cadco) gave notice to Peak of termination of the farmin agreement and in so doing, exercised the "buy-back" remedy under the farmin agreement. Pursuant to the farmin agreement, that remedy is for Cadco to pay the "Buy-back Price" (\$6.7 million) to Peak to buy back Peak's 25% working interest, held in trust by BPPL.

Peak has previously agreed terms for settlement of the Buyback Right with Cadco, with a final form of settlement agreement having been negotiated on a number of occasions, and in July 2014 a settlement agreement was executed. Cadco failed to make payment of the settlement amount under the settlement agreement. Peak accordingly recommenced arbitration action and is presently considering its options in relation to recovery actions in relation to the Cadco Buy-back Price.

SC6 Cadlao Project Status

Following the termination of the Peak farmin, in 2012 BPPL entered into funding agreements with Viking Energy Philippines Limited (Viking) at the corporate level with Viking joining Blade Petroleum Limited (Blade) as a shareholder in BPPL. BPPL then changed its name to Cadlao Development Company Limited (Cadco). Cadco assumed Operatorship of the Joint Venture and Viking assumed funding responsibility. Project funding from Viking has not eventuated and Peak understands that the ownership and control of Cadco is now subject to material dispute between Blade and Viking, neither in any way related to Peak.

Given the multi-dispute nature of both the Cadco interest and the VenturOil interest, Peak is presently not receiving copies of Department of Energy communication relating to SC6 Cadlao.

During the quarter Peak appointed SyCip Salazar Hernandez & Gatmaitan as Filipino counsel to advise and assist in relation to the VenturOil interest.

Minerals Exploration Interests – Western Australia

Peak has had applications afoot for a number of years over four Exploration Licences in the area of Sunday Creek and Mount Sears in the Rudall River area of the Paterson region of Western Australia. The Paterson region is well known for its uranium potential, hosting Australia's fifth largest uranium deposit at Kintyre. Uranium occurrences are known in both the Sunday Creek and Mount Sears prospects. Both prospects are polymetallic, containing copper and lead.

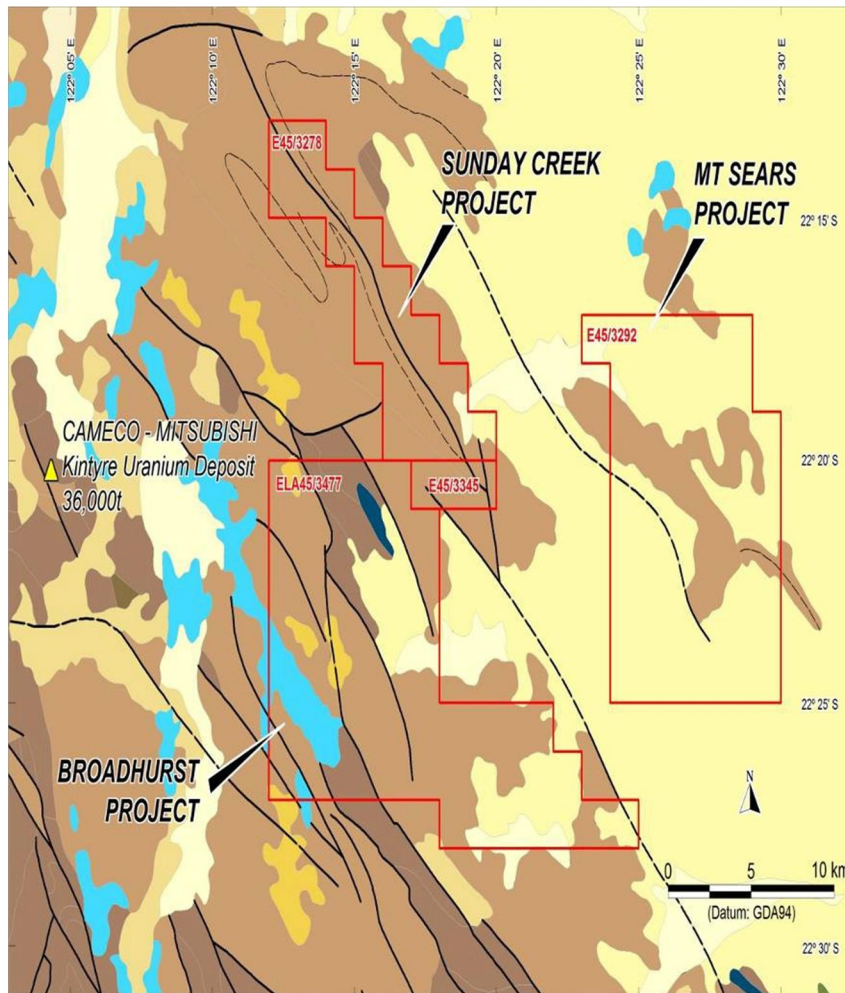


Figure 3 Peak Minerals Exploration Interests

Peak's 100% interest in the applications is shown in Table 1.

Prospect name	Tenement No	Size (km ²)	Application date
Sunday Creek	ELA45/3278	60.80	30 July 2008
Sunday Creek	ELA45/3345	9.60	15 December 2008
Broadhurst	ELA45/3477	182.40	10 August 2009
Mt Sears	ELA45/3292	150.40	30 June 2008

Table 1 Minerals Exploration Interests

The Sunday Creek and Mount Sears areas were first explored between 1978 and 1981. Exploration activities at Sunday Creek included geochemical sampling, field mapping, airborne and ground magnetic and radiometric surveying, 6 percussion holes for a total of 489 metres and 11 diamond holes (704 m in total). All but one (drill hole BR 8) are located within the applications.

The Sunday Creek Prospect was identified as a radiometric anomaly, with subsequent rock chip samples containing up to 7% U, 1.12% Pb and 0.85% Cu. Other radiometric anomalies were also followed up with soil geochemical surveys, which produced low assay responses mainly due to sand cover. Several weak anomalies were identified. Rock chip samples along the contact produced elevated copper and uranium responses and several of these anomalies were drilled, returning several mineralized intersections.

Reconnaissance drilling was done at very wide spacing of 4km (BR-5, 7, 9, 10) and the prospective contact of 20km strike length remains largely untested, with only four drill

holes completed. In addition, drill holes were generally shallow and possibly positioned outside the main target zone.

The lack of high resolution data available at the time (1978-1981) resulted in extremely limited structural interpretation by previous explorers. Also, the geological knowledge and the prospective validity of the region for uranium mineralization have increased considerably since the finding of the Kintyre ore deposit.

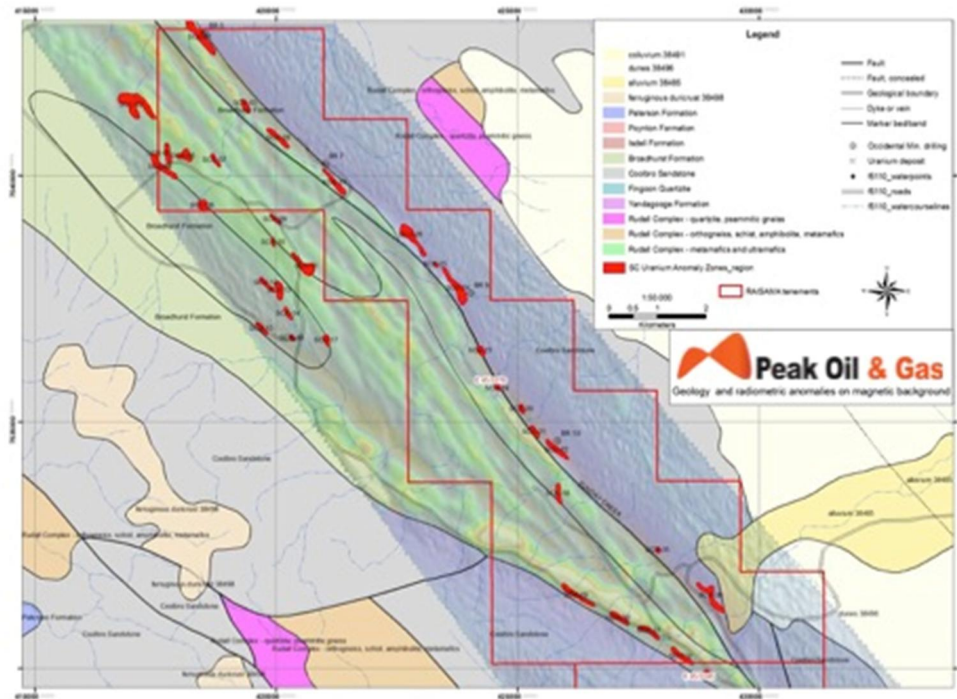


Figure 4 Sunday Creek Exploration Licence 45/3278 Application Area

CORPORATE

During the quarter Mr Jeff Steketee and Mr Jim Durrant resigned as directors of the Company and Mr Peter Armitage joined the board.

The sale of the Company's indirect 38.25% interest in the South Block A PSC that was disclosed in the previous quarterly activities report was completed early in the quarter, with corresponding reduction of the Octanex debt.

Rae Clark
Director and Company Secretary

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Peak Oil & Gas Limited

ABN

79 131 843 868

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(36)	(36)
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 (provide details if material) – return of bond	-	-
Net Operating Cash Flows		(36)	(36)
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	100	100
	(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) – Investment in associate	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	64	64

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	64	64
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	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase in cash held	64	64
1.20	Cash at beginning of quarter/year to date	52	52
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	116	116

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	-
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

\$440,000 proceeds received on 2 July 2015 by Octanex NL from Sale of South Block A interests applied to loan with Peak Oil & Gas Limited.

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

Nil

+ See chapter 19 for defined terms.

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 #	1,274	1,274
3.2 Credit standby arrangements	-	-

Net of \$440,000 proceeds received by Octanex NL on 2 July 2015 from Sale of South Block A interests and applied to loan with Peak Oil & Gas Limited.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	30
Total	30

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	116	52
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	116	52

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				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining
tenements acquired or
increased

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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.

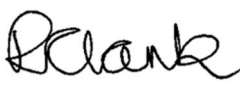
		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	680,253,247	680,253,247	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	*Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	20,000,000	-	Exercise price \$0.28	Expiry date 25/11/2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
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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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Director)

Date: 30 October 2015

Print name: Raewyn Clark

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.

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+ See chapter 19 for defined terms.