



**ASX
ANNOUNCEMENT**

RAMPART ENERGY LIMITED
(FORMERLY EARTH HEAT RESOURCES LIMITED)

Operations Report

April 1, 2013 to June 30, 2013

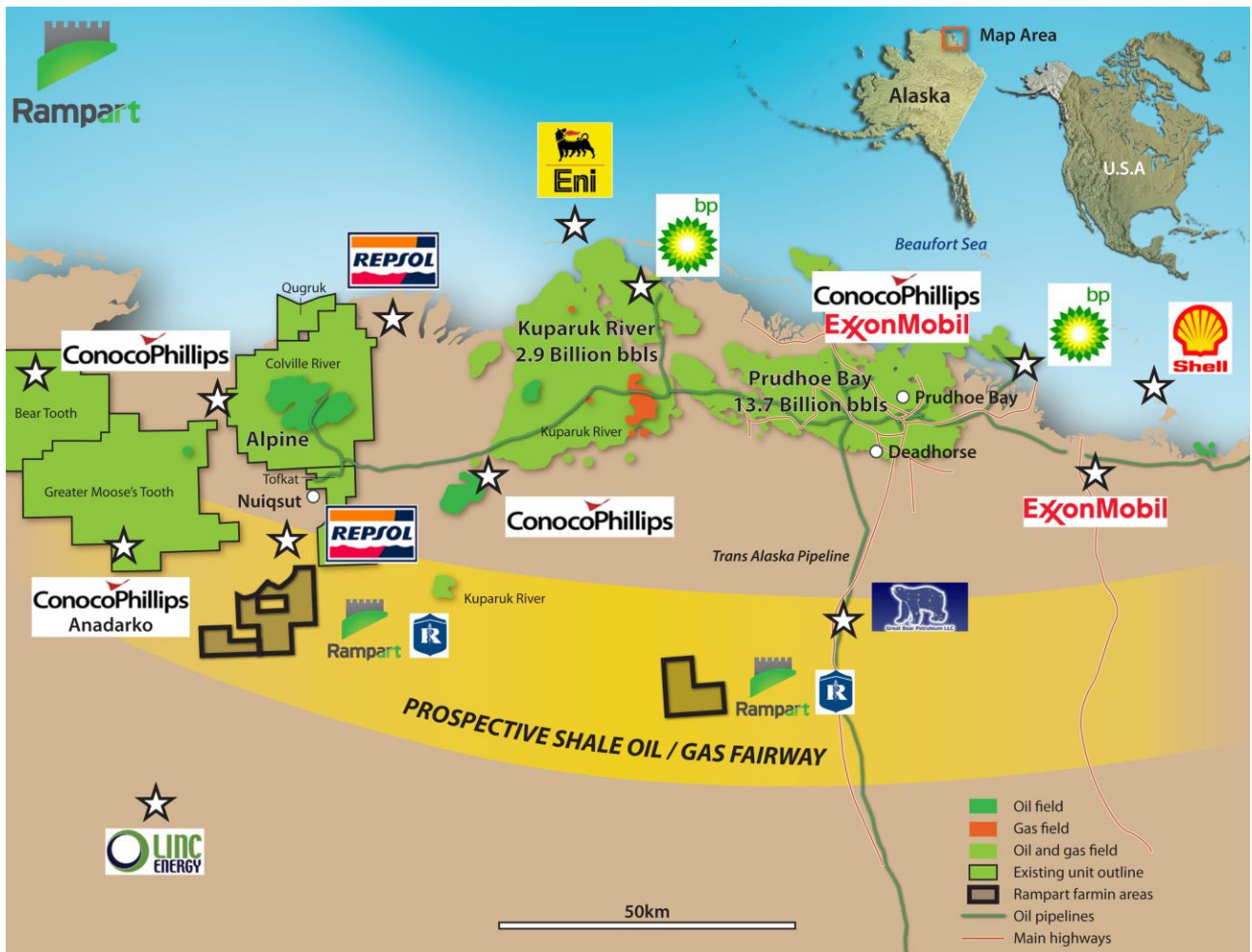
OPERATIONAL SUMMARY

General

Early this year the Company initiated an investigation of new venture opportunities involving broader energy projects both domestically and abroad. As a result of this work, the Company announced a major transaction whereby it farmed into two parcels of land held by NASDAQ listed Royale Energy Inc (NASDAQ:ROYL, 'Royale') on the North Slope of Alaska. The companies will jointly explore these areas for oil and gas.

Highlights:

- Agreement to earn up to 38,000 net onshore acres in the prolific petroleum producing North Slope of Alaska (75% WI);
- Acreage located in close proximity to the largest oil fields in the US (Prudhoe Bay);
- Significant conventional oil and gas play;
- Very substantial potential for both conventional hydrocarbon discoveries and unconventional and shale plays;
- Material acreage position provides leverage for appropriate monetisation strategies (e.g. farm-out);
- Manageable, staged entry and earning thresholds focused on "in-ground" expenditures;
- Extensive exploration and development activity in region provides potential accretive transactional value to Rampart;
- Rampart and Royale corporate objectives and synergies are symbiotic.



The North Slope of Alaska is a prolific oil province and home to the largest oil field in the United States; Prudhoe Bay (50 billion barrels OOIP). Bearing testament to it as a globally significant destination is the presence of 'top shelf' companies such as Shell, ExxonMobil, ConocoPhillips, BP, Statoil, ENI, Repsol and large independents such as Pioneer Natural Resources and Australia's Linc Energy.

The agreement with Royale provides a unique opportunity for Rampart to jointly explore a 50,000 acre (gross) area which has exceptional potential for the discovery of both conventional and unconventional oil fields.

Conventional prospectivity of the area to be explored is demonstrated by the Moose Tooth resource, estimated to be up to 600mmboe, which is circa 15km to the North West of the western farm-in block. Based on information available, the prospective Jurassic sands which host this resource, appear likely to extend into the area to be jointly explored and exploited by Rampart and Royale. Equally the proximity to the Nanuk and Meltwater oilfields, which are found in Brookian aged reservoirs add considerable potential for the same play type in the Western Block in particular.

The Unconventional oil prospectivity of the region is highlighted by the US Geological Survey ranking this as having the second highest estimated recoverable oil resource of all the US domestic shale plays, behind only the Bakken.

Transaction Summary

- Agreement to earn up to 38,000 net acres in the prolific North Slope of Alaska across two contiguous blocks
- To earn an initial 10% working interest in the Western Block:
 - Pay US\$3.4m in two tranches (\$100 per gross acre), half by June 3 2013 and half by December 1 2013
 - Issue Options to Royale to purchase US\$1.7m of RTD stock with a strike price of 150% of the VWAP prior to the signature on the agreement
- To earn an additional 20% working interest in the Western Block: acquire a 3D seismic survey over both the Western and Central Blocks by March 31 2014
- To earn a final 45% working interest in the Western Block: drill, test and complete two wells, including horizontal sections in target formations by March 31 2015
- To earn the 75% working interest in the Central Block: RTD must complete the 3D seismic survey above, and pay an additional US\$1.7m by June 30 2014

Activities

Subsequent to the announcement of the agreement, the Operator (Royale) has been seeking expressions of interest and pricing information from qualified groups in support of the program to be undertaken.

The core activities of the Operator were to initiate then continue:

- Independent resource estimate being undertaken, results due in the next quarter;
- Negotiations with seismic contractors continue, final agreements expected in the next quarter;
- Rampart and Royale had positive meetings in Alaska, inclusive of a meeting with Governor Sean Parnell;
- Engaged drilling contractors with a view to progressing a firm agreement on drilling slots;

Meetings held in Anchorage during late June between Rampart, Royale, various government bodies and high ranking officials built considerable confidence in the quality of Alaska as an investment destination. Central to the pending explosion in exploration activity in Alaska is the new augmented tax program which could repay up to 85% of allowable expenditures directly to the Joint Venture. Additional changes include the timeframes for the payment of allowable credits (dramatically shortened) and the process for receiving them being streamlined.

Pleasingly, a number of government initiatives have really added to the administrative attractiveness of Alaska as an investment destination. SB 21 changes, in particular the augmentation of the existing credit incentive program have become a centerpiece for risk reduction of exploration in this area. The Company expects this to be a key element for achieving funding certainty in a much shorter period of time than would otherwise be the case.

From an operational perspective, meetings with the Operator (Royale) were very positive with a number of critical path items being actively pursued. Progress has been made with seismic and drilling contractors to secure availability during the targeted time intervals in 2014, 2015 and 2016. The Operator expects that a binding agreement on seismic acquisition over the critical Western Block may be reached during the next quarter. Further agreements will be reached over the balance of 2013 with key contractors.

CORPORATE SUMMARY

During the Reporting Period the Company changed its name to Rampart Energy Ltd.

During the Reporting Period the Company investigated potential funding, both domestically, and internationally for its portfolio of projects. Responding to a broader lack of investor or overall market interest in the geothermal sector, the Company undertook an internal review of its business strategy and future funding requirements. One of its key outcomes was the recognition for an immediate need to broaden the spectrum of energy assets to provide more appropriate short, medium and long term investment drivers.

During the Reporting Period, it was announced that the Company had divested its interest in the Copahue project to Geothermal One Inc of Canada, consistent with conclusions of the Company's internal review.

In support of new Alaskan project acquisition, the Company announced (and subsequently completed) a circa \$1.15m convertible loan and \$580,750 placement through DJ Carmichael Pty Ltd.

Subsequent to the end of the quarter, a General Meeting held on July 25, 2013 approved the conversion of the outstanding loan into fully paid ordinary securities of the company.

A new acquisition of land was agreed with Royale subsequent to the end of the quarter, and in support of this a capital raising of \$1.75M was completed by the Company to sophisticated and institutional investors, through DJ Carmichael Pty Ltd.

The \$1.75 million placement to institutional and sophisticated investors will be made in two tranches, being:

- (a) Tranche 1 comprising the issue of 375,000,000 ordinary shares (approved by shareholders under ASX listing rule 7.1) at \$0.0035 per share which will raise \$1,312,500. Tranche 1 is scheduled to settle on Thursday 8 August 2013.
- (b) Tranche 2 comprising the issue of 125,000,000 ordinary shares at \$0.0035 per share to raise \$437,500 which will be subject to shareholder approval at an extraordinary General Meeting held in September 2013.

DJ Carmichael Pty Limited acted as Lead Manager to the placement.

Under the placement Rampart will also issue placement participants with one unlisted option with a \$0.005 strike and January 2014 expiry on the basis on one unlisted option for every three placement shares issued. The issue of the attaching options will be subject to shareholder approval at an extraordinary General Meeting held in September 2013.

CAPITAL

During the quarter \$580,834 was raised from the issue 232,300,000 special placement shares and the exercise of options. In addition, 10,326,871 shares were issued in lieu of \$27,883 Directors' fees.

The Company had the following securities on issue at June 30, 2013:

	Number
Ordinary shares quoted on the ASX	2,007,974,279
Ordinary shares not quoted on the ASX	3,113,757
Total ordinary shares	<u>2,011,088,036</u>
Stock Option on Issue:	
Quoted RTDO expiring 31/1/2016 exercise price \$0.007	1,092,624,983
Unquoted stock options expiring 31/1/2014 exercise price \$0.005	422,801,241
Unquoted stock options expiring 30/4/2016 exercise price \$0.004	30,000,000
Unquoted stock options on issue expiring various dates	<u>38,158,228</u>

FINANCIAL

Reconciliation of expenditure

This is the third quarterly report for Rampart Energy Limited (formerly Earth Heat Resources Limited) for the year ending September 30, 2013.

Exploration and evaluation

The estimated exploration and evaluation expenditure cash flows amounted to \$150,000, actual expenditure amounted to \$1,777,000. The increase is due to the initial acquisition costs of the North Slope Project.

Administration

The estimated administration expenditure cash flows included in the previous report amounted to \$50,000, actual expenditure amounted to \$459,000. The increase is due to the acquisition of the Royale Project and the resulting project costs of cash out flows for professional fees \$350,000 and travel costs \$15,000.

Cash at the end of the quarter

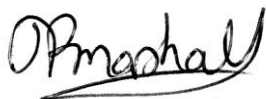
Cash at June 30, 2013 was \$223,588.

The Company notes that it deems the Socius facilities unusable and that the AGS Facilities remain undrawn from the previous quarter.

Subsequent to the June 30, 2013, the company raised \$1.15m from the conversion of the convertible loan and a further \$1.75m in a two tranche placement as described above.

Cash outflows for next quarter are estimated to be \$250,000 based on the current capital expenditure rates.

Attached is the Appendix 5B Consolidated Statement of Cash Flows for the period from April 1, 2013 to June 30, 2013.



Torey Marshall
Managing Director and Chief Executive Officer
BSc (Hons), MSc University of South Australia
Chartered Professional Member of AusIMM

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

RAMPART ENERGY LTD

ABN

ABN 86 115 229 984

Quarter ended ("current quarter")

30 JUNE 2013

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors –sale of project	-	-
1.2	Payments for (a) exploration & evaluation	(1,777)	(2,191)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(459)	(1,174)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(2,235)	(3,361)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(1)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	(143)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	(144)
1.13	Total operating and investing cash flows (carried forward)	(2,235)	(3,505)

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.

		Current quarter \$A'000	Year to date (9 months) \$A'000
1.13	Total operating and investing cash flows (brought forward)	(2,235)	(3,505)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	581	2,493
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)		
	Convertible Notes	1,150	1,150
	Share Issue costs	(97)	(258)
	Net financing cash flows	1,634	3,385
	Net increase (decrease) in cash held	(601)	(120)
1.20	Cash at beginning of quarter/year to date	825	344
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	224	224

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	106
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Cash payment in respect of directors' remuneration and superannuation.	

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.

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

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- 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

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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	Bank overdraft \$10,000 *	Nil
3.2 Credit standby arrangements	Nil	Nil

*During the quarter, the Company announced a circa \$1.15m convertible loan that was converted in July 2013.

*Subsequent to the end of the quarter, the Company announced a circa \$1.75m placement had been completed and is expected to settle on August 8th

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200,000
4.2 Development	-
4.3 Production	-
4.4 Administration	50,000
Total	250,000

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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	224	825
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	224	825

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.

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			
	Acquired:			
	Royale JV	Interest in JV	Direct	Nil%
				Nil% Earning up to 75% Working Interest in staged performance milestones
6.2	Interests in mining tenements acquired or increased	N/A		

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	Nil	Nil		
	Preference			
	+securities (description)			
7.2	Nil	Nil		
	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	2,011,088,036	2,007,974,279		
	+Ordinary securities			
	Includes 3,113,757 unquote shares held in Canada			
7.4				
	Changes during quarter			
	(a) Increases through issues			
	22/5/13	10,326,871	10,326,871	\$0.0027 each
	6/6/13	232,300,000	232,300,000	Issue in lieu of fees
	Exercise of Options	12,000	12,000	\$0.0025 each
				\$0.007 each
	(b) Decreases through returns of capital, buy-backs	Nil	Nil	
7.5	Nil	Nil		
	+Convertible debt securities (description)			
7.6	Nil	Nil		
	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through securities matured, converted			

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.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.7	Options (description and conversion factor)	Unquoted Various		
		23,500,000	Nil	<i>Exercise price</i>
		12,658,228	Nil	\$0.04
		2,000,000	Nil	\$0.079
		38,158,228	Total	\$0.03
		422,801,241	Nil	\$0.005
		1,092,624,983	1,092,636,983	\$0.007
		30,000,000	Nil	\$0.004
7.8	Issued during quarter	30,000,000	Nil	\$0.004
7.9	Exercised during quarter	(12,000)	Nil	\$0.007
7.10	Expired during quarter	Nil	Nil	
7.11	Debentures (totals only)	Nil	Nil	
7.12	Unsecured notes (totals only)	Nil	Nil	

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 does give a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 31 July 2013

Print name: Mr Malcolm Lucas Smith

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.

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 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.