



**ASX  
ANNOUNCEMENT**

**RAMPART ENERGY LIMITED**

**Operations Report and  
Appendix 5B**

**July 1, 2013 to September 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:

- Participation in the key areas with ROYL increased to 42,200 net 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.

Conventional prospectivity of the area to be explored is demonstrated by proximity to the Moose Tooth resource, estimated to be up to 600mboe, 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. The Company continues to work on a mechanism to better independently quantify the upside of this potential within the areas being explored

The Unconventional oil prospectivity of the region is highlighted by the completion of a report by Netherland Sewell and Associates ('NSAI') report which declared a prospective resource of between 0.8 billion and 9.5 billion barrels of original oil in place ('OOIP'). The table below summarises the numbers produced by NSAI (please see ASX dated 22/8/2013 for more information).

	<i>Low Estimate (mmbbl)</i>		<i>Best Estimate (mmbbl)</i>		<i>High Estimate (mmbbl)</i>	
	OOIP	Recoverable	OOIP	Recoverable	OOIP	Recoverable
<b>Gross</b>	810	36	3799	167	9485	481
<b>Net RTD</b>	608	27	2851	125	7119	361

Critically the work also determined the estimated ultimate recoverable ('EUR'), volumes of oil per acre of up to 8473 barrels, which corresponds with roughly 640,000 barrels per well based on a 160 acre spacing. Critically the comparisons with the NSAI derived EUR's needs to be viewed in the context of lower 48 'household' plays such as the Bakken and Eagleford. According to the US Energy Information Administration Annual Energy Outlook 2012, average EUR's for the Bakken were 550,000 barrels and for the Eagleford 280,000 barrels per well.

The table below summarises the EUR recovery estimates provided by NSAI, and further information is available from the ASX release dated 4/9/2013.

	<i>OOIP Total (BBL/Acre)</i>				<i>EUR Total (BBL/Acre)</i>			
	<b>Low</b>	Best	High	Mean	Low	Best	High	Mean
	<b>14288</b>	66965	167220	80473	632	2936	8473	3995

## Activities

Subsequent to the announcement of the agreement, the Operator (Royale) has continued the systematic processes of advancing the exploration program agreed to by the parties.

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

- Independent resource estimate being undertaken, and produced by NSAI;
- Negotiations with seismic contractors continue;
- Undertaking significant on ground activity inclusive of presenting work programs to the various government and community bodies;
- A trip to the North Slope has been completed by the Operator and the next visit is due in November of 2013
- Revision and oversight of forward budgets and cost estimates;
- Progress has been largely on target with expectations;

The Operator expects that a binding agreement on seismic acquisition may be reached during the next quarter. It has been delayed at times by the complications arising from considering multi-client surveys versus undertaking proprietary survey. The Operator has further advised that it has retained additional consultant service providers in Alaska to assist with the early and efficient application for critical path permits required by the parties over the next 2 years.

## CORPORATE SUMMARY

During the Reporting Period the Company investigated potential funding, both domestically, and internationally for its portfolio of projects. Pleasingly, international response to both the Rampart business plan, acreage portfolio and upside has been very promising. In particular the company notes that because of the ACES credit system, and recent changes under SB 21, there are a number of avenues being investigated that could substantially reduce the future equity cost to the company. These discussions are progressing as rapidly as possible though any specific outcome remains uncertain.

Two research reports have been completed on the Company, by DJ Carmichaels Pty Ltd, and by Arrowhead Business and Investment Decisions, which highlight the potential of the Company. These are accessible via the [www.rampartenergy.com.au](http://www.rampartenergy.com.au) website.

In support of new Alaskan project acquisition, the Company announced (and subsequently completed) a circa \$1.75m placement through DJ Carmichael Pty Ltd. The second tranche of the placement (circa \$455,000) received shareholder approval at the EGM held in late September, and proceeds received shortly thereafter.

At the same EGM, shareholders approved the consolidation of the company stock in the ratio of one share for every fifteen shares held. This process was completed subsequent to the end of the quarter, as approved by shareholders.

Also during the period the Company completed its transfer out of Canadian jurisdiction and became a company registered under the Corporations Act in Australia. At that point the unquoted common stock issued in Canada was transferred to fully paid ordinary shares quoted on the ASX in Australia. The completion of this and the consolidation is a considerable boost to the appeal of the company to institutional investors, particularly those domiciled in major investment hubs internationally.

## CAPITAL

Please note that as this Report relates to a period prior to the Company's securities consolidation all share and option numbers and prices are pre-consolidation.

During the quarter \$1,872,674 was raised from the issue 535,049,856 special placement shares at \$0.0035; in addition 159,940 options were exercised and the convertible loan was converted into 460,000,000 shares. 843,150,943 options were also issued during the period.

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

	Number
Ordinary shares quoted on the ASX	3,011,297,832
Ordinary shares not quoted on the ASX	-
Total ordinary shares	3,011,297,832
Stock Option on Issue:	
Quoted RTDO expiring 31/1/2016 exercise price \$0.007	1,322,465,043
Unquoted stock options on issue expiring various dates	1,342,110,442

## FINANCIAL

### Reconciliation of expenditure

This is the final quarterly report for Rampart Energy Limited for the year ending 30 September 2013.

### Exploration and evaluation

The estimated exploration and evaluation expenditure cash flows amounted to \$150,000, actual expenditure amounted to \$437,000. The increase is due to the expansion of the agreement with Royale Energy to include an additional 5,600 gross acres, and the initial JV costs in progressing the project.

### Administration

The estimated administration expenditure cash flows included in the previous report amounted to \$50,000, actual expenditure amounted to \$505,000. The increase primarily is due to the costs of acquiring additional areas to explore in Alaska, resultant capital raisings, advisory costs, due diligence and travel costs in marketing the company to potential equity and hybrid investors overseas; resulting in cash out flows for professional fees and shareholder costs \$250,000 and travel costs \$60,000.

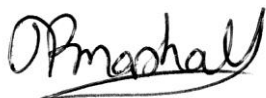
### Cash at the end of the quarter

Cash at 30 September 2013 was \$949,102

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

Cash outflows for next quarter are estimated to be \$550,000 based on the current capital expenditure rates and estimated rental payments for the central and western blocks due, but the Company notes it is working through a budget revision process with Royale Energy which could revise this figure.

Attached is the Appendix 5B Consolidated Statement of Cash Flows for the period from 1 July 2013 to 30 September 2013.

A handwritten signature in black ink, appearing to read 'T Marshall', with a horizontal line underneath the name.

Torey Marshall  
Managing Director  
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 SEPTEMBER 2013

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors –sale of project	-	-
1.2 Payments for (a) exploration & evaluation	(437)	(2,628)
(b) development	-	-
(c) production	-	-
(d) administration	(506)	(1,680)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(941)</b>	<b>(4,302)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(4)	(5)
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)	-	-
<b>Net investing cash flows</b>	<b>(4)</b>	<b>(148)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(945)</b>	<b>(4,450)</b>

## Appendix 5B

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		Current quarter \$A'000	Year to date (12 months) \$A'000
1.13	Total operating and investing cash flows (brought forward)	(945)	(4,450)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	3,024	5,517
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)	-
	Share Issue costs	(204)	(462)
	<b>Net financing cash flows</b>	<b>1,670</b>	<b>5,055</b>
	<b>Net increase (decrease) in cash held</b>	<b>725</b>	<b>605</b>
1.20	Cash at beginning of quarter/year to date	224	344
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>949</b>	<b>949</b>

### **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	96
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.
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## 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	Nil	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.

#### **Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	400,000
4.2 Development	-
4.3 Production	-
4.4 Administration	150,000
<b>Total</b>	<b>550,000</b>

#### ***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	949	224
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>949</b>	<b>224</b>



## 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	N/A		
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 (pre-consolidation)	Number quoted (pre-consolidation)	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Nil	Nil		
<b>*Preference securities</b> (description)				
7.2	Nil	Nil		
Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>3,011,297,832</b>	<b>3,011,297,832</b>		
<b>*Ordinary securities</b>				
7.4				
Changes during quarter (a) Increases through i - Issued - Conversion of Convertible Note - Exercise of Options - Transfer unquoted Canadian shares now included at 7.3 above  (b) Decreases through returns of capital, buy-backs	540,049,856  460,000,000 159,940  3,113,757  Nil	540,049,856  460,000,000 159,940  3,113,757  Nil	\$0.0035  \$0.0025 \$0.007 each  n/a	\$0.0035  \$0.0025 \$0.007 each  n/a
7.5	Nil	Nil		
<b>*Convertible debt securities</b> (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	<b>Options</b> (description and conversion factor)	Unquoted Various		
		23,500,000	Nil	Exercise price
		12,658,228	Nil	\$0.04
		<u>36,158,228</u>		\$0.079
		Sub total		Expiry date
		601,151,193	Nil	10/08/2015
		30,000,000	Nil	14/02/2016
		50,000,000	Nil	
		382,501,021	Nil	\$0.005
		<u>232,300,000</u>	Nil	\$0.004
	Total unquoted	1,332,110,442		\$0.008
	Total quoted	1,322,465,043	1,322,464,043	\$0.0045
7.8	Issued during quarter			\$0.0040
		230,000,000	230,000,000	20/11/2013
		50,000,000	Nil	
		178,349,952	Nil	\$0.007
		382,501,021	Nil	\$0.008
		232,300,000	Nil	\$0.005
		232,300,000	Nil	\$0.0045
7.9	Exercised during quarter	(159,940)	(159,940)	\$0.0040
7.10	Expired during quarter	(2,000,000)	Nil	20/11
7.11	<b>Debentures</b> (totals only)	Nil	Nil	30/09/2016
7.12	<b>Unsecured notes</b> (totals only)	Nil	Nil	

In September 2013 200,000,000 Performance Rights were issued to Torey Marshall (Managing Director). The issue of the Performance Rights was approved by the shareholders at the 26 September 2013 EGM.

#### 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 October 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.