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**RAMPART ENERGY LIMITED**

**Operations Report and  
Appendix 5B**

**1 April 2015 to 30 June 2015**

## QUARTERLY SUMMARY

- Assignment of interest in WA-503-P exploration permit approved by NOPTA
- Preliminary WA-503-P seismic interpretation confirms prospectivity
- Major industry 3D seismic program underway in vicinity of WA-507-P
- Receipt of US\$3.1 million exploration tax credit from State of Alaska
- Fully underwritten Rights Issue completed, raising \$1,056,984
- Board and management changes
- Mediation with Royale Energy regarding the Western Block project, in parallel with ongoing litigation by both parties
- Proposed change of company name, to Pilot Energy Limited

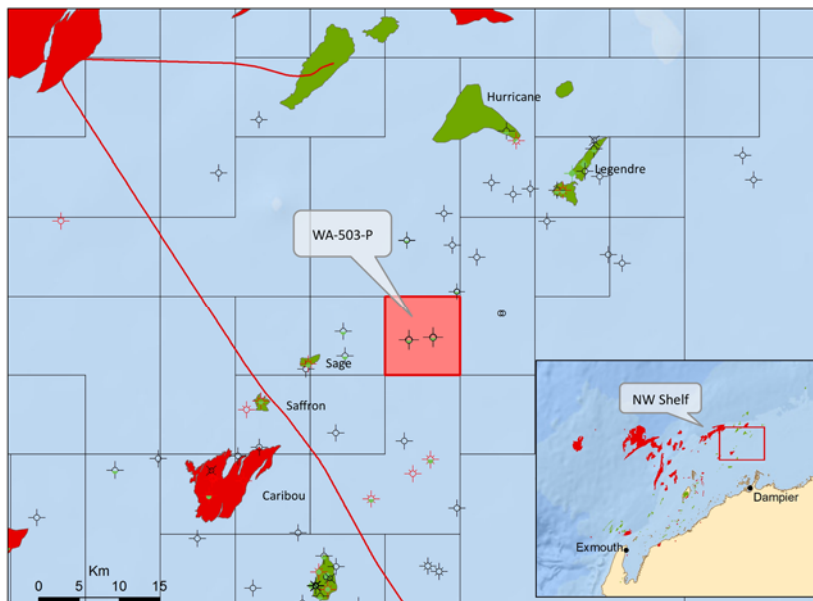
### Australia: WA-503-P Exploration Permit

In March 2015 Rampart Energy announced an agreement through which the Company has secured rights to an 80% working interest (as Operator) in exploration permit WA-503-P, from Neon Energy Ltd for nil consideration, in return for assuming Neon Energy's commitments pertaining to the permit. The assignment of Rampart Energy's interest in the permit was approved by the National Offshore Petroleum Titles Administrator (NOPTA) in June 2015.

Block WA-503-P is located offshore Western Australia within the Dampier Sub-basin, inboard of the giant Northwest Shelf complex and on trend with numerous oil and gas discoveries, including the Legendre and Hurricane fields. The shallow water depth across the block (maximum 70 metres) allows for drilling by lower cost "jack up" drilling rigs.

The WA-503-P exploration permit carries a three-year primary term that includes a commitment to acquire 80km<sup>2</sup> of new "Broadband" 3D seismic data and complete various geological and geophysical studies. The seismic commitment is incorporated in the first year of the permit, which expired in May 2015. Rampart Energy has applied to NOPTA for a Transitional Work Program Variation, which if approved will provide the Company with sufficient time to fulfil the seismic commitment before drilling a discretionary exploration well in permit year four.

The primary exploration focus of WA-503-P is Lower Cretaceous to Upper Jurassic sandstone reservoirs within the oil rich Legendre Trend, situated along the eastern flank of the Lewis Trough. Existing exploration wells within and adjacent to the block confirm the presence of a working oil system, having encountered oil shows and a 4 metre oil column. The decommissioned Legendre field is situated some 20 km to the northeast of the block, and produced over 40 MMbbl of oil from excellent quality sandstone reservoirs. The most recent discovery in the area, Hurricane, is believed to contain over 100 MMbbl of oil in place (plus associated gas and condensate) within a structural/stratigraphic combination trap. Rampart Energy has already identified four exploration prospects based on existing 3D seismic data, which will be further refined on the new broadband seismic data. The Company anticipates commissioning an independent assessment of prospective resources for the prospects, once geological and geophysical interpretation is complete.



### Australia: WA-507-P Exploration Permit

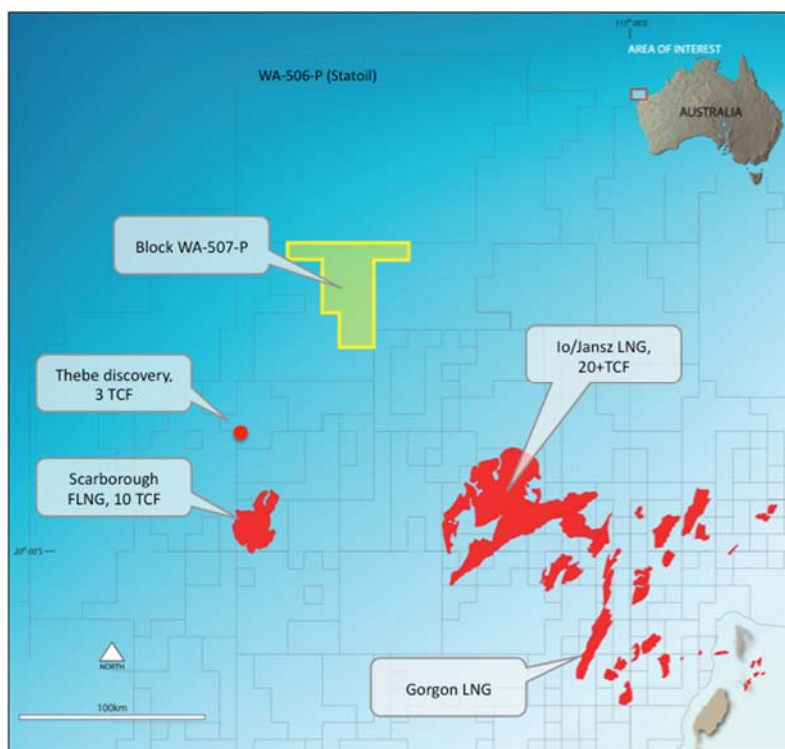
Rampart Energy holds an 80% working interest, as Operator, in the WA-507-P exploration permit. An independent prospective resource assessment by Gaffney Cline & Associates (GCA) has confirmed the potential for multi-Tcf gas/condensate discoveries within the permit (refer to ASX announcement dated 25 February 2015).

GCA's report on the three exploration leads delineated by the Company thus far determines the total gross prospective gas resources within the permit to be as follows:

Lead	Low (Bscf)	Best (Bscf)	High (Bscf)
<i>Dalia Updip</i>	1,644	4,734	9,639
<i>Beta</i>	1,010	2,436	5,674
<i>Gamma</i>	1,376	2,877	5,786

Block WA-507-P covers an area of 1,622 km<sup>2</sup> over the Exmouth Plateau, located some 300 km offshore Western Australia in water depths of 1,000 to 1,500 metres. The block is covered by an existing, high quality 3D seismic dataset, which reveals the presence of a number of large exploration leads, ranging from 60 km<sup>2</sup> to 280 km<sup>2</sup> in area. An emerging oil play exists in the block, based on hydrocarbon shows encountered in the Dalia South-1 well located in the south of the block. Further geological studies are required to mature the oil play, and therefore at this stage the Company has not commissioned an independent estimate of prospective oil resources for the block.

The WA-507-P permit carries a commitment to conduct three years of geological and geophysical studies, and license the existing 3D seismic data (balance of US\$1.2 million payable by February 2016). A discretionary well may be drilled at any time in or before year six. Adjacent permit WA-506-P was awarded to Statoil ASA with a \$50 million 2D and 3D seismic commitment, reflecting well on the prospectivity of WA-507-P, and a significant "multi-client" 3D seismic program is currently underway across the permits immediately north of WA-507-P.



### Alaska: Western Block Exploration Project

Following postponement of drilling of two exploration wells in the Western Block during the recent winter drilling season, Rampart Energy has been in dispute with partner Royale Energy. Rampart Energy and Royale Energy continue to seek a commercial resolution to the dispute, in parallel with the early stages of litigation initiated by both parties. That litigation was suspended for a period of 60 days in order to allow mediation to occur. A commercial settlement was not reached within that time, and as announced on 8 July 2015 the parties have resumed litigation. The Board of Rampart Energy remains committed to achieving a commercial settlement with Royale Energy.

In February 2015 Rampart Energy filed its application to receive an approximate US\$3.7 million reimbursement from the State of Alaska, in the form of a net operating loss (NOL) credit. This is in addition to the US\$3.1 million of reimbursements already applied for under the State of Alaska's exploration tax credit structure. Both reimbursements relate to the US\$7.8 million "Big Bend" 3D seismic program, completed in the Western Block, North Slope Alaska, in early 2014.

As announced on 16 July 2015, the Company has received the US\$3.1 million exploration tax credit, which has been allocated towards paying down the ACES credit facility. After payment of the principal and interest due, US\$92,380 has been retained by the Company and will be allocated towards working capital. The Company anticipates that the US\$3.7 million NOL credit will be received within the coming months.

## Corporate Summary

### Board & Management Changes

A number of Board and Management changes were implemented during and subsequent to the reporting period, as follows.

- Executive Director Mr Iain Smith has been appointed Managing Director of the Company, initially retained under a service contract with the Company. Mr Smith has agreed to an initial reduced salary of \$180,000 per annum, with cash incentives payable upon achieving certain performance targets possibly increasing remuneration by up to \$90,000. These performance targets include a variety of asset-based and corporate objectives, designed to create substantial shareholder value as the Company moves forward with its business plan. Mr Smith has 26 years' experience of the upstream oil and gas sector, in both technical and commercial roles within Australia and overseas. His particular areas of expertise include new ventures capture, farm-outs/divestment, marketing and joint venture management. He holds an MSc in Petroleum Geology and Geophysics from Imperial College London, and a Graduate Diploma in Business Administration from the University of Western Australia.
- Mr Rory McGoldrick has been appointed as a Non-Executive Director. Mr McGoldrick graduated from the University of Western Australia where he completed his law degree in 2003. He is admitted as a barrister and solicitor of the Supreme Court of Western Australia and has been practising as a lawyer for approximately 10 years. He has advised public companies on a wide range of corporate matters. He has broad experience in Corporations Act and ASX Listing Rules compliance, corporate governance matters, capital raisings, and mergers and acquisitions. Mr McGoldrick is also a director of Omega Resources Limited.
- Mr David McArthur has been appointed as Company Secretary of the Company.
- Executive Chairman Mr Gavin Harper assumed the role of Non-Executive Chairman, effective from 1 July 2015.

### Completion of Rights Issue

As announced on 9 July 2015, the Company has completed a pro rata renounceable Rights Issue for eligible shareholders to subscribe for two (2) new fully paid ordinary shares for every one (1) fully paid ordinary share held, at a price of \$0.001 per share. The Rights Issue has resulted in the issue of 1,056,984,557 new ordinary shares in the Company, raising \$1,056,984 before costs.

The Company solicited the assistance of PAC Partners Pty Ltd and Patersons Securities Ltd to act as Joint Lead Managers for the Rights Issue, with Patersons Securities Ltd acting as Underwriter. The funds raised will be allocated towards geological and geophysical studies for further assessment of the prospectivity of the company's recently acquired WA-507-P and WA-503-P exploration permits, in addition to funding farm-out programs for those assets. Funds will also be allocated towards the company's new ventures program, with the aim of securing additional oil and gas assets within the near-term, in a manner consistent with the company's strategy of developing a portfolio of quality assets on attractive commercial terms. The balance of funds raised will be allocated towards working capital.

### Director Underwriting of Rights Issue

The Board of Rampart Energy strongly believes that its strategy of counter-cyclical investment in quality oil and gas assets on attractive commercial terms will yield significant shareholder value over time. Each of the four directors of the Company therefore personally underwrote the Rights Issue, for an amount of \$50,000 per director, in addition to taking up their entitlements. This c. \$235,000 total commitment by the Company's directors is an indication of the Board's belief in the Company's strategy and new asset

### Strategy

The Company has implemented a new ventures program in order to expand and diversify the Company's oil & gas activities, such that the Company does not depend solely on any one particular project in order to create future shareholder value. This program rapidly resulted in acquisition of the WA-507-P and WA-503-P projects, both of which have been secured under favourable and achievable commercial terms. Importantly, Rampart Energy is Operator of these projects, thereby providing the Company control over expenditure. The Board of Rampart Energy regards the current industry and market environment as providing an excellent opportunity to build a project portfolio on favourable commercial terms, and continues to evaluate various opportunities with a view to further expanding its portfolio of projects in the near-term.

### Financial: Reconciliation of expenditure

This is the third quarterly report for Rampart Energy Limited, for the year ending 30 September 2015.

Exploration and evaluation expenditure amounted to \$181,000, with Administration expenditure amounted of \$221,000. Cash as at 30 June 2015 was \$180,000.

Attached is the Appendix 5B Consolidated Statement of Cash Flows for the period from 1 January 2015 to 31 March 2015.

### ASX Listing Rule 5.3.3 tenement details

Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
WA-503-P Western Australia	See (a)	-	80%
WA-507-P Western Australia	See (b)	80%	80%
North Slope Western Block Project Alaska USA	See (c)	30%	30%

#### Nature of interest

- (a) In March 2015 Rampart Energy secured the rights to an 80% working interest (as Operator) in the WA-503-P exploration permit. Assignment of the interest has been approved by NOPTA.
- (b) In November 2014 Rampart Energy secured the rights to an 80% working interest (as Operator) in newly awarded WA-507-P exploration permit.
- (c) The interests are held by Rampart Alaska LLC, and were earned through the Company's Participation Agreement with Royale Energy

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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, 30/9/01, 01/06/10, 17/12/10

Name of entity

RAMPART ENERGY LIMITED

ABN

86 115 229 984

Quarter ended ("current quarter")

30 JUNE 2015

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(181)	(437)
(b) development	-	-
(c) production	-	-
(d) administration	(221)	(620)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	8
1.5 Interest and other costs of finance paid	(1)	(559)
1.6 Income taxes received / (paid)	-	-
1.7 Other -	-	(18)
<b>Net Operating Cash Flows</b>	<b>(402)</b>	<b>(1,626)</b>
<b>Cash flows related to investing activities</b>		
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 - sale of exploration assets	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(402)</b>	<b>(1,626)</b>

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**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(402)	(1,626)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1	1
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	558
1.17	Repayment of borrowings	(11)	(1,394)
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	-	(6)
	<b>Net financing cash flows</b>	(10)	(841)
	<b>Net increase (decrease) in cash held</b>	(412)	(2,467)
1.20	Cash at beginning of quarter/year to date	591	2,629
1.21	Exchange rate adjustments to item 1.20	1	18
1.22	Cash at end of quarter	180	180

**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	4
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 - Includes salaries and fees paid to directors.

**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

None

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

None

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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	1. A\$ 65,496,463 <sup>(1)</sup> US\$ 50,000,000	A\$ 8,021,628 US\$ 6,123,710
3.2 Credit standby arrangements	-	-

During the year ended 30 September 2014, the Company completed its US\$ 50 million funding facility with a major international investment group for an ACES based credit facility designed to cover a significant portion of the upfront exploration program costs pertaining to the Alaskan Western Block project. At 30 June 2015, the company has drawn down US\$ 6,123,710 (including estimated interest charges) following a US\$ 124,500 interest repayment in March 2015, leaving US\$ 43,876,290 undrawn.

A tax credit payment of US\$3.1 million was received by the Company subsequent to the end of the reporting period, under the State of Alaska's exploration tax credit structure. The credit was applied for in relation to the US\$7.8 million "Big Bend" 3D seismic program completed in the Western Block, North Slope Alaska, in early 2014.

The funds have been used to pay back debt within the Company's ACES finance facility. After payment of the principal and interest due, Rampart has received a net payment of US\$92,380.

In February 2015 the Company also filed an application for an US\$3.7 million reimbursement from the State of Alaska, in the form of a Net Operating Loss (NOL) credit. Rampart Energy anticipates that this payment should be remitted to the ACES finance facility within the coming months, and will provide an update as soon as payment is received.

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	75
4.2 Development	-
4.3 Production	-
4.4 Administration	211
<b>Total</b>	<b>286</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	180	591
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>180</b>	<b>591</b>

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**Appendix 5B**  
**Mining exploration entity quarterly report**

**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 (description)	Nil	N/A	N/A	N/A
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A	N/A	N/A	N/A
7.3 +Ordinary securities **	528,492,277	528,492,277	N/A	N/A
7.4 Changes during quarter (a) Increases through issues * (b) Decreases through returns of capital, buy-backs	N/A	N/A	N/A	N/A
7.5 +Convertible debt securities (description)	Nil	N/A	N/A	N/A
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A	N/A	N/A	N/A

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**Appendix 5B**  
**Mining exploration entity quarterly report**

7.7	<b>Options</b> <i>(description and conversion factor)</i>	1,566,679 108,164,528 843,882 2,000,000 10,083,334 25,500,069 12,500,000 10,000,000	- 108,164,528 - - - - - -	<i>Exercise price</i> 60 cents 10.5 cents \$1.185 6 cents 12 cents 6.75 cents 12 cents 3 cents	<i>Expiry date</i> 10 August 2015 31 January 2016 14 February 2016 30 April 2016 30 September 2016 31 July 2016 31 October 2016 30 September 2017
	<b>Performance rights</b>	45,000,000	-		
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	N/A	N/A	N/A	N/A
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>	Nil	N/A		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	Nil	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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Company Secretary

Date: 21 July 2015

Print name: David M McArthur

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**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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