

BOSS ENERGY LIMITED
www.bossenergy.com

ASX: BOE and BOEO
ISSUED SHARES: 118m

PROJECTS

Latrobe Oil Shale Project,
(Tasmania) – Prospective
oil shale tenement in
Tasmania.

Greenvale Mining NL,
Boss Energy holds over 3.9
million shares in Greenvale
Mining NL giving the
Company an interest in
large oil shale projects in
Queensland

DIRECTORS AND COMPANY SECRETARY

Mr Robert Grover
Executive Chairman

Mr Joseph Obeid
Director

Mr Tom Grove
Director

Mr Winton Willesee
Company Secretary

CONTACT DETAILS

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ABN 38 116 834 336

13 October 2010

Quarterly Report for the Quarter Ended 30 September 2010

Fushun Mining Group

During the quarter **Boss Energy Limited (ASX: BOE)** announced that the samples sent to Fushun Mining Group have now been received at its production facility in China.

Fushun has invited Boss representatives to attend the Boss sample processing trial which is scheduled to commence in 18 October 2010.

On 19 May 2010 Boss Energy announced it had engaged Fushun Mining Group, a large Chinese state-owned coal and oil shale company located in Fushun, Liaoning Province, China to carry out a number of detailed tests on the shale from its Latrobe oil shale project in Tasmania. The Company has dispatched a 500kg test sample.

These tests are to;

- Characterise Latrobe oil shale to determine its physical and chemical properties;
- Evaluate the oil shale in the context of the Fushun Technology and to determine key operating parameters;
- The intent of the technology is to produce oil from oil shale. As part of the tests, the oil produced from oil shale will be analysed to determine its physical and chemical properties as well as an elemental analysis will also be performed.

West African Gold

Immediately following the end of the quarter the Company announced it has entered into a binding term sheet agreement to acquire the Tounte and Eastern Permits Projects in North Eastern Burkina Faso, West Africa, through the purchase of Askia Gold Pty Ltd.

The highlights of the transactions are;

- Acquisition of two new projects in Burkina Faso, West Africa totalling approximately 1000 km²
- The Projects are located in the Birimian Greenstone Belts of the West African Craton. The projects are situated in gold producing greenstone belts and both are considered prospective for the discovery of large gold deposits
 - The Tounte Project lies in the same greenstone belt that hosts the 1.7 million ounce Inata gold mine
 - The Eastern Permits Project lies in the greenstone belt which hosts the largest identified gold deposit in Niger, the 3 million ounce Simara Hills gold mine
- All script transaction
- Vendor and associates have experience in West Africa and will assist Boss with its transition and establishment in Burkina Faso
- Placement \$1.3m to sophisticated investors to fund new West African initiative

The full announcement is reproduced below.

Corporate

Placement

Following the end of the quarter, as part of the Askia Gold Pty Ltd transaction, the Company completed tranche one of the placement and issued 15,000,000 shares to raise \$300,000.

Investment in Greenvale Mining NL

Boss continued its activities in acting to maximise the value of the oil shale projects and assets of Greenvale.

Further Information:

Robert Grover
Executive Director
Boss Energy Limited
M: 0417 981 437

5 October 2010

Boss to transition to New West African Focus

- **Acquisition of 2 new projects in Burkina Faso, West Africa totalling approximately 1000 km²**
- **The Projects are located in the Birimian Greenstone Belts of the West African Craton. The projects are situated in gold producing greenstone belts and both are considered prospective for the discovery of large gold deposits**
 - **The Tounte Project lies in the same greenstone belt that hosts the 1.7 million ounce Inata gold mine**
 - **The Eastern Permits Project lies in the greenstone belt which hosts the largest identified gold deposit in Niger, the 3 million ounce Simara Hills gold mine**
- **All script transaction**
- **Vendor and associates have experience in West Africa and will assist Boss with its transition and establishment in Burkina Faso**
- **Placement \$1.3m to sophisticated investors to fund new West African initiative**

Boss Energy Limited (ASX: BOE, BOEO) is pleased to announce that it has entered into a binding term sheet agreement to acquire the Tounte and Eastern Permits Projects in North Eastern Burkina Faso, West Africa, through the purchase of Askia Gold Pty Ltd.

The Gold Projects are located in the Birimian Greenstone Belts of the West African Craton that hosts numerous multimillion ounce gold deposits. The Tounte Project is situated in the same greenstone belt that hosts the 1.7 million ounce Inata gold mine owned by Avocet Mining. The Eastern Permits Project is situated in the same greenstone belt that passes through Niger into Burkina Faso that hosts the 3 million ounce Simara Hills gold mine owned by Semafo Inc (see Figure 1).

Tounte Project

The Tounte Project is located approximately 400km north of the capital city, Ouagadougou, and consists of 1 permit approximately 141 km² in size. The Tounte Project is located within close proximity to Avocet Mining's 1.7 million ounce gold mine.

Eastern Permits Project

The Eastern Permits Project is located approximately 250km east of Ouagadougou and consists of 4 permits giving a holding of approximately 854 km² in size. The Project is in early stage green-fields Birimian gold project that is situated in the same greenstone belt as the 3 million ounce Simara Hills gold mine owned by Semafo Inc.

A geological consultant has been engaged by Boss and is currently in Burkina Faso conducting a review of the Tounte Project and Eastern Permits Project. Boss will update the market accordingly.

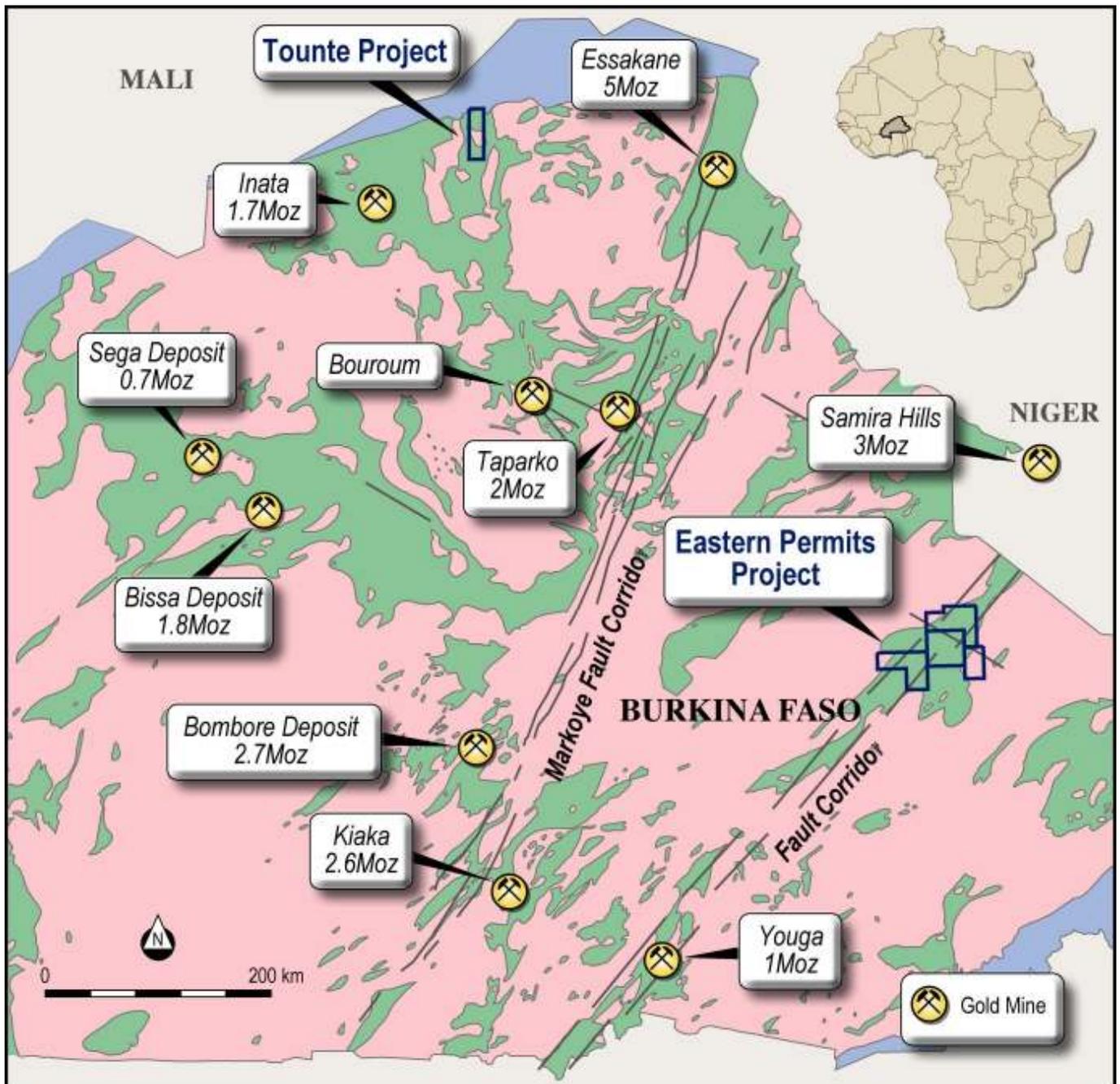


Figure 1. Location of the Projects

Details of the Acquisition Agreement

Boss will acquire a 100% interest in Askia Gold Pty Ltd (Askia). Askia, via a wholly owned Burkina Faso subsidiary company owns the Tounte and Eastern Permits Projects. Securities that are to be issued as consideration for the acquisition are 100m ordinary fully paid shares, 50m options exercisable at \$0.15 on or before 31 July 2012 and convertible securities.

The convertible or performance securities to be issued to the vendors will convert into ordinary fully paid shares on the achievement of certain project hurdles that will be subject to ASX approval. The primary milestone will be as follows:

- conversion into 10 million ordinary fully paid shares upon the definition of a JORC Code inferred mineral resource of 500,000 ounces of gold within the project permits; and
- conversion into 20 million ordinary fully paid shares upon the definition of a JORC Code inferred 1 million ounces of gold within the project permits.

The other effects of the transaction on the capital structure of Boss is 5 million options exercisable at \$0.15 on or before 31 July 2012 will be issued as an introductory fee to a party and the vendors will have the right to be issued with an option on the same terms as the existing options (exercise price of \$0.20 and expiry date of 30 November 2010) for every option that is exercised before the expiry date of 30 November 2010.

Completion of the acquisition (including the issue of the various securities) is subject to satisfaction of conditions precedent including shareholder approval, execution of a full form share sale agreement, due diligence and any necessary Burkina Faso government consents.

Further details of the transaction and securities to be issued will be provided in notice of meeting papers for a meeting that will be held by 30 November 2010. It is anticipated that the transaction will complete in early December 2010.

Private Placement

Boss will continue to develop its Latrobe oil shale resource in Tasmania but looks forward to completing the acquisition of the new West African gold projects. In order to initially fund the West African initiative, the Company will also raise up to \$1.3m to selected sophisticated investors. The Company will issue up to 65m shares at a price of \$0.02 in 2 tranches. An initial tranche of 15m shares will be placed pursuant to the directors 15% capacity under the Listing Rules and the remaining 50m shares will be subject to shareholder approval.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Boss Energy Limited

ABN

38 116 834 336

Quarter ended ("current quarter")

30 September 2010

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 and evaluation | (44) | (44) |
| (b) development | | |
| (c) production | | |
| (d) administration | (90) | (90) |
| 1.3 Dividends received | | |
| 1.4 Interest and other items of a similar nature received | 76 | 76 |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Other | (10) | (10) |
| Net Operating Cash Flows | (68) | (68) |
| 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) | (68) | (68) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|---|--|------|------|
| 1.13 | Total operating and investing cash flows (brought forward) | (68) | (68) |
| 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 (capital raising costs) | - | - |
| Net financing cash flows | | - | - |
| Net increase (decrease) in cash held | | (68) | (68) |
| 1.20 | Cash at beginning of quarter/year to date | 401 | 401 |
| 1.21 | Exchange rate adjustments to item 1.20 | | |
| 1.22 | Cash at end of quarter | 333 | 333 |

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 | 10 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

- Directors and associated fees

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

| |
|--|
| |
|--|

+ 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 | | - |
| 3.2 Credit standby arrangements | | |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 34 |
| 4.2 Development | |
| 4.3 Production | |
| 4.4 Administration | 185 |
| Total | 219 |

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 | 296 | 364 |
| 5.2 Deposits at call | 37 | 37 |
| 5.3 Bank overdraft | | |
| 5.4 Other | | |
| Total: cash at end of quarter (item 1.22) | 333 | 401 |

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 | | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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 | 102,748,796 | 102,748,796 | | |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | | | | |
| 7.5 +Convertible debt securities <i>(description)</i> | | | | |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 Options <i>(description and conversion factor)</i> | 74,297,890 | 74,297,890 | <i>Exercise price \$0.20</i> | <i>Expiry date 30 November 2010</i> |
| 7.8 Issued during quarter | | | | |
| 7.9 Exercised during quarter | | | | |
| 7.10 Expired during quarter | | | | |
| 7.11 Debentures <i>(totals only)</i> | | | | |
| 7.12 Unsecured notes <i>(totals only)</i> | | | | |

+ See chapter 19 for defined terms.

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: Date: 13 October 2010.....
(Company secretary)

Print name:
Winton Willesee

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.

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