



HIGHLIGHTS

TONNES PROCESSED SEPTEMBER QTR	426,338
DIAMONDS RECOVERED (CARATS) SEPTEMBER QTR	26,177
DIAMONDS SOLD (CARATS) SEPTEMBER QTR	23,450
FUNDS RECEIVED FROM SALES SEPTEMBER QTR	R24.844 million US\$2.51 million
AVERAGE PRICE PER CARAT SEPTEMBER QTR	R1,059 US\$107
DIAMONDS SOLD OCTOBER (CARATS)	8,473
FUNDS RECEIVED FROM OCTOBER SALES	R9.6 million US\$977,685

Figures are for 100% equity in Superkolong which is owned as to 50% by Emu.

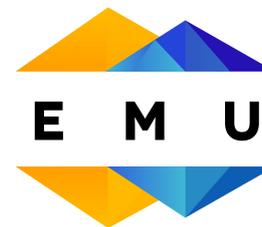
SUPERKOLONG DIAMOND OPERATION (50% EMU)

Diamond production for the quarter was 26,177 carats. Sales totalled US\$2.51 million. The average price per carat received continues to exceed budget.

The first phase of capital upgrades, including the purchase of earth moving equipment and new plant components, and plant modifications were completed and commissioned. The new screening plant operated within design parameters removing up to 50% of the -1.25mm fraction for some of the material being processed. This fraction has no diamonds of current commercial interest and the removal of it enables the plant to effectively process more material for minimal additional cost.

Diamond production was below budget due to continuing restricted water availability. Superkolong's access to its existing water supply - the 4 million dam provided by De Beers - was initially restricted then terminated.

The immediate solution, which was initially implemented at the end of June 2013, was for Superkolong to increase the quantity of water it was drawing directly from the Dutoitspan, a natural water reservoir which is, for the most part, replenished by rainfall and overflow from the 4 million dam. The pan is currently holding a low volume of water due to the unseasonably dry conditions. While Superkolong is able to source water directly from Dutoitspan, the supply as it is currently configured has not been sufficiently consistent to run the whole plant on a continuous basis, and, while the water quality is improving because of additional measures being undertaken, water quality has been very poor affecting the recovery section of the plant. The affects of the poor quality water are to blind some of the screens and to render the flowsorts inefficient as the material being processed becomes

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coated. This results in a loss of diamonds. Until the water quality improves, the tailings from the scavenger plant are being recycled. A filtering system is being investigated to supply clean water to the sort house.

The long term solution being undertaken jointly by De Beers, Petra Diamonds, Superkolong and Superstone, involving the upgrading of the existing water supply, is underway. Once completed, there should be sufficient water for all parties to operate at their desired capacities and should improve the quality of the water available for Superkolong's recovery section.

The recently installed screening plant operated well until 11 September at which time Superkolong was requested by De Beers to relocate certain parts of it which overlapped the plant lease site. The plant relocation is in progress with three of the four pieces of equipment now correctly located. The remaining equipment should be in place by the end of November and should be operational soon thereafter.

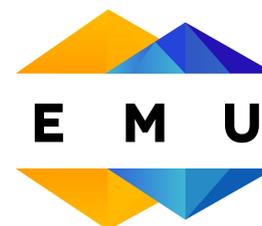
The boundary of Superkolong's lease has over time been subject to some uncertainty due to events subsequent to the 2007 Sale Agreement with De Beers. The northeast boundary was originally semi-coincident with the conveyor CV10 but has since been repositioned to a position away from that line. When De Beers sold part of its operations to Petra Diamonds, the Superkolong lease area was included in the title transfer such that now Superkolong's plant is located on Petra land. During the sale process to the current owners, there was a misunderstanding between the vendors and the purchasers as to the position of this boundary. Rather than dispute the matter, the parties have agreed to a four month extension to the final two payment instalments as a consequence of the delay in fully implementing the plant upgrade. Superkolong and Petra are documenting the various matters each has inherited from their respective transactions with De Beers.

Superkolong's tailings consist of fine slimes (nominally < 1.25mm) and coarse tailings. The slimes are pumped to the tailings dam operated by Petra and Petra reuse the water reclaimed from the tailings. The coarse tailings are currently placed adjacent to Superkolong's plant on land owned by De Beers. This site has limited capacity and is also required for future use by De Beers for their coarse tailings. Superkolong has been investigating alternate sites which are subject to ongoing engineering studies. The work to date has identified three locations that may be suitable. These studies are as yet incomplete; however, it is likely that a combination of sites will be required to meet the various operational and regulatory sign offs as at least one of the sites will require an amendment to De Beers EMP. Superkolong is working closely with De Beers and its consultants to achieve a timeously suitable solution for all parties.

For more information on the company visit www.emunl.com.au

29th October 2013

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<p>Directors: Peter Thomas Chairman Greg Steemson Managing Director George Sakalidis & Gavin Rutherford Non-Executive Directors</p> 		<p>FORWARD LOOKING STATEMENT</p> <p>This report contains forward looking statements concerning the projects owned by Emu NL. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management’s beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.</p>