ALLIGATOR ENERGY LIMITED

ACN 140 575 604

31 December 2016
HALF YEAR FINANCIAL REPORT

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

CONTENTS

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The information in this report should be read in conjunction with the Annual Report for the year ended 30 June 2016 which is available from the Alligator Energy Limited website: www.alligatorenergy.com.au

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

DIRECTORS' REPORT

The Directors of Alligator Energy Limited (the 'company', 'Alligator') and its controlled entities (the 'Group') present their report, together with the financial statements of the Group, for the half-year ended 31 December 2016.

Directors

The following persons were Directors of Alligator Energy Limited ('**Alligator**') during the half-year and up to the date of this report, unless stated otherwise:

John Main	Executive Chairman
Paul Dickson	Non-Executive Director
Andrew Vigar	Non-Executive Director
Peter McIntyre	Non-Executive Director
Gregory Hall	Non-Executive Director

Principal activities

The principal activity of the Group is mineral exploration. There has been no significant change in the nature of the Group's activities during the half year.

Dividends

There were no dividends paid to shareholders during the financial period.

Review of operations

(i) **Exploration and R&D activities**

During the Half Year, the Group continued to focus its exploration efforts in the "province-scale" Violet-Orion Zone of uranium mineralization, anomalism and pathfinder elements that stretches for 40 kilometres across the company's Beatrice and Tin Camp Creek tenements.

Uranium decay pathfinder element sampling of covering sandstone has been the principal tool used by Alligator to identify and define the footprint of large concealed unconformity uranium deposits. In 2016 samples collected from surface and from drill core and drill cuttings were used to locate and define anomalous pathfinder elements at ***BT1, BT2, BT12*** and ***TCC4***. Finding the mineral sought or in this case its direct radioactive decay products is the first step to successful discovery. The responses at ***BT12*** and ***TCC4*** were of the size and intensity sought.

Then for those areas with large and intense anomalous uranium pathfinder responses such as ***BT12*** and ***TCC4*** Alligator reviewed existing geophysical survey data. This was to identify not just basement geology but more importantly conductors in the basement rocks below the diffuse pathfinder anomalies in the sandstone. These could represent the responses of minerals directly associated with the uranium deposits sought and would be the focus for the drill holes to test that target.

An outstanding coincident sandstone pathfinder element anomaly and basement conductor anomaly within a favourable stratigraphic setting at Target ***TCC4*** makes this the best target yet defined by Alligator in the Province. This target is drill ready.

At ***BT12*** additional surface sampling of covering sandstone enlarged the initial pathfinder anomaly to 500m x 2000m and defined a sub parallel anomalous feature 500m north of this very large response. This is the biggest pathfinder anomaly defined by Alligator and has extremely anomalous pathfinder element values and ratios. The next step was to identify and define basement conductors to focus drilling. Unfortunately no appropriate geophysical survey data was available for this target area. Alligator's preferred technique of SAM geophysical surveying was not applicable so instead Alligator is likely to utilise the CSAMT geophysical technique. For scheduling, operational and budget reasons this survey was deferred until the next exploration season.

Additional sampling of sandstone and drill-hole material at the targets ***BT1*** and ***BT2*** in the Beatrice JV tenement showed that no further work is warranted.

An interpretation of basement stratigraphy and structure beneath the overlying Kombolgie Sandstone was completed during the six months. This allows clearer identification of basement settings deemed suitable for unconformity uranium deposits and a greater focus on these prospects as a result. Two areas, ***BT5*** and ***BT7*** in the Beatrice tenement, have been singled out for reconnaissance sandstone sampling and uranium pathfinder element analyses. Conversely the prospectivity of EL27250 (Beatrice East – 100% AGE) was downgraded and was relinquished during the second quarter.

Through continued commitment to its research and development (R&D) program Alligator is further refining the ability to pinpoint and discriminate potential uranium deposits. Improvements in both uranium decay isotope (pathfinder) geochemistry and geophysical survey understanding has resulted in re-ranking targets ***TCC1, TCC2, TCC14***, to high potential justifying further sandstone sampling and analyses.

Following regional interpretations, an exploration application (ELA 31480 - Nabarlek North) was lodged in December 2016 over an area of highlighted interest, just over 5km north of the historic Nabarlek uranium mine site. Alligator's uranium pathfinder and geophysical R&D techniques would be highly suited to exploration across this tenement if granted.

Research and Development
Alligator's R&D program is focused on developing innovative techniques for identifying and targeting covered and fully preserved unconformity uranium deposits beneath the covering Kombolgie Sandstone. In particular, investigations and experimentation is being undertaken on innovative applications of radiogenic isotope geochemical testing and Sub Audio Magnetics (SAM) Geophysical techniques.

In December 2016 an R&D Tax Offset Claim was prepared and lodged with assistance from the Company's R&D tax consultant. The Company has calculated the claim, net of associated compilation expenses, to be approximately $230,000 and anticipates receipt in the first quarter of 2017.

Review of operations (continued)

(ii) **Capital Raising**

On 18 November 2016 the Company announced a 1:4 non-renounceable Rights Issue at $0.01 per Share plus 1 attaching option for every 2 new Shares with an exercise price of $0.021 per Share, to raise up to $899,840 before issue costs;

Pursuant to the Offer the Company received valid applications to subscribe for entitlements totalling 41,898,495 New Shares ($418,984.95) and valid applications for Additional Shares totalling 72,873,652 New Shares ($728,736.52).

In accordance with section 1.11 of the Prospectus, the Company worked with the Joint Underwriters to determine an equitable scale back of the excess applications. The scale back was correlated with the relative size of each shareholder's entitlement under the Offer. The scale back resulted in a reduction in the acceptance of applications for Additional Shares by 52,365,043 New Shares ($523,650).

Accordingly, the final results of the Offer before taking account of the joint underwriting obligations were as follows:

Total number of New Shares offered under the Offer	89,984,027 Shares
Total number of New Shares to be allotted to eligible shareholders under the Offer	62,407,104 Shares
Shortfall	27,576,923 Shares

The 27,576,923 Shortfall Shares were taken up by the Joint Underwriters pursuant to the terms of the Joint Underwriting Agreement. The Shortfall as allocated under the agreement resulted in Taylor Collison Limited (or its nominees) subscribing for 9,344,066 New Shares and Macallum Group Limited 18,232,857 New Shares.

The Company applied for and was granted approval by the ASX to have the free attached options listed. Consequently 44,992,049 options with an exercise price of $0.021 and an expiry date of 22 December 2019 are now traded under the code AGEO.

(iii) **Exploration Development Incentive**

Alligator has been advised by the Australian Taxation Office (ATO) that its application to participate in the EDI has been accepted with a modulation factor of 1.00.

One hundred per cent of the company's 2016 exploration expenditure has been deemed eligible to participate in the Exploration Development Incentive scheme.

Australian resident shareholders that are issued with exploration credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies). Non-residents receiving credits will not be able to use them.

The Board of Alligator expects to be able to distribute approximately $660,000 (at the 30% tax rate) in exploration credits to shareholders prior to 30 June 2017.

Review of operations (continued)

(iv) **Financial**

The loss for the consolidated group for the half-year was $590,184 (half-year to 31 December 2015: $1,218,323 loss). This loss includes an impairment write down in relation to the capitalised exploration expenditure for Beatrice East and the application costs for the Arrara exploration licence application of $190,536 (see Note 5).

The Company has retained a close focus on corporate overheads and cashflow during the half-year. This is evidenced through the reduction in cash outflows to suppliers and employees from $475k for the 2015 half-year to $314k for the similar period in 2016. In this regard the operation of the Director Fee Plan has further assisted in conserving cash for exploration, evaluation and R&D activities (see (v) below for more detail).

Expenditure on fieldwork and exploration activities during the Half Year totalled $416,466 (2015 half-year: $2,311,176) and related principally to sampling programs including the geochemical technique being developed in relation to radiogenic isotopes. In the prior period the Group conducted a drilling program on the Beatrice tenements which gave rise to the higher expenditure in the comparable half-year period.

(v) **Director Fee Plan**

Shareholder approval was obtained at the 2016 AGM for a Director Fee Plan for non-executive directors. The Plan allows for fully paid ordinary shares in the Company to be issued in lieu of cash remuneration for the provision of director services. Approval was also obtained from Shareholders to issue shares to non-executive directors in lieu of outstanding director fees at the date of the AGM.

The Directors believe that the benefit of the Director Fee Plan to Shareholders is the conservation of cash for use towards exploration activities, as well as aligning their interest with those of the Company and the Shareholders.

On 30 December 2016 the Company issued 2,815,990 fully paid ordinary shares to Directors (or their nominees) under the terms of the Director Fee Plan approved by shareholders on 18 November 2016.The share issue related to accrued fees for the March, June and September 2016 quarters.

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DIRECTORS' REPORT

Matters subsequent to the end of the half year

On 1 February 2017, the Company issued 1,068,750 ordinary shares to the directors or their nominees under the terms of the Director Fee Plan approved by shareholders on 18 November 2016. This share issue related to $13,894 in directors' fees for the December 2016 quarter.

No other matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect;

a) The Group's operations in future financial years, or
b) The results of those operations in future financial years, or
c) The Group's state of affairs in future financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

This report is made in accordance with a resolution of Directors.

John V. Main

John Main
Executive Chairman

Brisbane, 14 February 2017

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ALLIGATOR ENERGY LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2016, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

PKF HACKETTS AUDIT

Liam Murphy
Partner

Brisbane, 14 February 2017

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	31 December 2016 $	31 December 2015 $
Other income – interest		3,486	12,702
Accounting and audit fees		(17,700)	(13,560)
Consultants and professional fees		(59,137)	(112,982)
Directors' fees		(121,545)	(118,774)
Employee benefits expense		(70,668)	(89,536)
Share-based payments		(15,799)	(40,201)
Depreciation		(8,075)	(6,227)
Occupancy expenses		(31,959)	(31,018)
Stock exchange and share registry fees		(29,652)	(43,208)
Investor relations		(1,350)	(17,890)
Travel and accommodation expenses		(2,072)	(4,395)
Insurance		(24,531)	(36,207)
Impairment of E&E costs	5	(190,536)	(699,072)
Other expenses		(20,646)	(17,955)
Loss before income tax		(590,184)	(1,218,323)
Income tax benefit		-	-
Profit /(loss) for the period		(590,184)	(1,218,323)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		(590,184)	(1,218,323)
Profit/(loss) attributable to members of the parent entity		(590,184)	(1,218,323)
Total comprehensive income/(loss) attributable to members of the parent entity		(590,184)	(1,218,323)
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company		**Cents**	**Cents**
Basic profit/(loss) per share		(0.16)	(0.37)
Diluted profit/(loss) per share		(0.16)	(0.37)

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016 $	30 June 2016 $
ASSETS			
Current Assets			
Cash and cash equivalents		890,446	864,240
Trade and other receivables		43,993	30,103
Inventory		17,725	19,693
Total Current Assets		**952,164**	**914,036**
Non-Current Assets			
Trade and other receivables		218,053	233,761
Property, plant and equipment		136,799	174,945
Exploration expenditure	5	12,639,837	12,413,907
Total Non-Current Assets		**12,994,689**	**12,822,613**
Total Assets		**13,946,853**	**13,736,649**
LIABILITIES			
Current Liabilities			
Trade and other payables		173,858	225,054
Total Current Liabilities		**173,858**	**225,054**
Non-Current Liabilities			
Provisions		159,539	159,539
Total Non-Current Liabilities		**159,539**	**159,539**
Total Liabilities		**333,397**	**384,593**
Net Assets		**13,613,456**	**13,352,056**
EQUITY			
Contributed equity	6	28,699,962	27,864,177
Reserves		66,582	50,783
Accumulated losses		(15,153,088)	(14,562,904)
Total Equity		**13,613,456**	**13,352,056**

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Contributed equity $	Options Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2015	26,013,197	426,817	(5,195,095)	21,244,919
Total comprehensive income/(loss) for the period	-	-	(1,218,323)	(1,218,323)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	-	-	-	-
Share options – value of expense	-	40,201	-	40,201
Options lapsed	-	(383,224)	383,224	-
Issue of ordinary shares	1,708,087	-	-	1,708,087
Capital raising costs	(41,202)	-	-	(41,202)
Balance at 31 December 2015	27,680,082	83,794	(6,030,194)	21,733,682
Balance at 1 July 2016	27,864,177	50,783	(14,562,904)	13,352,056
Total comprehensive income/(loss) for the period	-	-	(590,184)	(590,184)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	-	-	-	-
Share options – value of expense	-	15,799	-	15,799
Options lapsed	-			-
Issue of ordinary shares	938,273	-	-	938,273
Capital raising costs	(102,488)	-	-	(102,488)
Balance at 31 December 2016	28,699,962	66,582	(15,153,088)	13,613,456

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	31 December 2016 $	31 December 2015 $
Cash flows from operating activities		
Receipts	-	-
Interest received	3,656	15,047
Payments to suppliers and employees	(317,979)	(475,214)
R&D Tax Offset	-	-
NTGS Collaborative Grants Received	-	-
Net cash inflow(outflow) from operating activities	(314,323)	(460,167)
Cash flows from investing activities		
Payments for exploration expenditure	(465,271)	(2,494,986)
(Payments for)/Refunds of security deposits	(4,693)	-
(Purchase of) / Proceeds from sale of property, plant and equipment	-	(38,511)
Net cash inflow(outflow) from investing activities	(469,964)	(2,533,497)
Cash flows from financing activities		
Proceeds on issue of shares	899,839	1,708,087
Payment of capital raising costs	(89,346)	(41,203)
Net cash inflow(outflow) from financing activities	810,493	1,666,884
Net increase (decrease) in cash held	26,206	(1,326,780)
Cash at beginning of financial period	864,240	2,363,512
Cash at the end of financial period	890,446	1,036,732

The accompanying notes form part of these financial statements.

Note 1 Summary of significant accounting policies

Basis of preparation of half-year financial statements

These consolidated interim financial statements and notes represent those of Alligator Energy Limited (the Company) and Controlled Entities (the Group). Alligator Energy Limited is a publicly listed company incorporated and domiciled in Australia.

These general purpose interim financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134*: Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements are presented in Australian dollars.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2016, together with any public announcements made during the half-year. These interim financial statements were authorised for issue on 14 February 2017.

Accounting Policies

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements, except in relation to the matter discussed below.

New and revised accounting requirements applicable to the current half-year reporting period

The Group has adopted all of the new and revised Standards and Interpretations that are relevant to its operations and effective for the current half year. Adoption has not resulted in any changes to the Group’s accounting policies and has no effect on the amounts reported for the current or prior half-years**.**

Going Concern

The financial statements have been prepared on a going concern basis that presumes the realisation of assets and the discharge of liabilities in the normal course of operations for the foreseeable future.

During the six months ended 31 December 2016, the Group made a loss before tax of $590,184 (2015:$1,218,323). Cash outflows from operating and exploration-related investing activities during the same period were $784,287 (2015: 2,955,153).The Group’s ability to continue on a going concern basis is therefore dependent upon its ability to raise additional capital through existing shareholders or new strategic investors. The directors are confident of being able to secure additional funding and believe the consolidated entity is a going concern and will be able to pay its debts as and when they fall due and payable.

Note 1 Summary of significant accounting policies (continued)

Going Concern (continued)

These financial statements do not give effect to any adjustments which could be necessary should the company be unable to continue as a going concern and therefore be required to realise its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements. Given the past losses, the difficulty in forecasting future cash flows for the group and the other matters described above, there is exists a material uncertainty that the consolidated entity will achieve the above and continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Note 2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

The Group has capitalised exploration expenditure of $12,639,837 (30 June 2016: $12,413,907). This amount includes costs directly associated with exploration and the purchase of interests in exploration titles. These costs are capitalised as an intangible asset until assessment and/or drilling of the permit is complete and the results have been evaluated. These direct costs include employee remuneration, materials, rentals, camp costs and payments to contractors for services such as drilling and geotech surveys. The expenditure is carried forward until such a time as the area moves into the development phase, is abandoned or sold. Given exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable resources and the difficulty in forecasting cash flows to assess the fair value of exploration expenditure there is uncertainty as to the carrying value of exploration expenditure. The ultimate recovery of the carrying value of exploration expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interest in the tenements. The Directors are of the opinion that the exploration expenditure is recoverable for the amount stated in the financial report.

Provision for site restoration

The Group estimates the cost of rehabilitating disturbances as a result of exploration activity. These estimates are based on the requirements of current legislation, comprise an estimate of the external costs to rehabilitate and are consistent with the amounts reported to the Department of Mines and Energy in the Northern Territory.

Note 3 Segment information

The group operates solely within one business segment, being the mining and exploration industry in Australia.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

Note 4 Dividend

No dividend has been paid during the half-year ended 31 December 2016 and none is proposed.

Note 5 Exploration expenditure

	31 Dec 2016 (6 months) $	30 June 2016 (12 months) $
Exploration phase property costs		
Geological, geophysical, drilling and other expenditure – at cost	12,639,837	12,413,907
The capitalised exploration expenditure carried forward has been determined as follows:		
Opening balance – 1 July	12,413,907	18,827,156
Expenditure incurred or tenements acquired during the period	416,466	2,859,920
R&D Tax Offset	-	(604,574)
Impairment write down	(190,536)	(885,130)
Impairment provision- Caramel deposit	-	(7,783,465)
	12,639,837	12,413,907

The Group assesses whether there are indicators that assets, or group of assets, may be impaired at each reporting date.

During the half-year ended 31 December 2016, the Group recognised an impairment charge for the total capitalised exploration and evaluation expenditure on the relinquishment of the Beatrice East tenement (EL27250) and tenement application costs associated with a tenement where the approval for grant was deferred totalling $190,536.

Note 6 Equity securities issued

Issues of ordinary share capital during the half year:

Date	Details	Number of shares	Issue Price $	$
1 July 2016	Balance	**359,936,109**		**27,864,177**
23/29 Dec 2016	Rights Issue	**89,984,027**	**0.01**	**899,840**
	Capital raising costs	**-**	**-**	**(102,488)**
30 Dec 2016	Director Fee Plan	**1,825,365**	**0.014**	**25,555**
30 Dec 2016	Director Fee Plan	**990,625**	**0.013**	**12,878**
31 Dec 2016	Balance	**452,736,126**		**28,699,962**

Note 7 Contingent liabilities

There have been no changes in contingent liabilities since the end of the previous annual reporting period, 30 June 2016.

Note 8 Events occurring after the end of the interim period

Subsequent to 31 December 2016, the Company

On 1 February 2017, the Company issued 1,068,750 ordinary shares to the directors or their nominees under the terms of the Director Fee Plan approved by shareholders on 18 November 2016. This share issue related to $13,894 in directors' fees for the December 2016 quarter.

No other matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect:

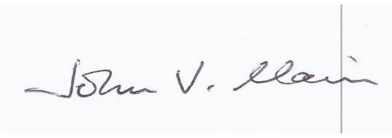
a) The Group's operations in future financial years, or
b) The results of those operations in future financial years, or
c) The Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

The Directors of the Group declare that:

1. The consolidated financial statements and notes, as set out on pages 9 to 16 are in accordance with the *Corporations Act 2001*, including:
    a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



John Main
Executive Chairman

Brisbane, 14 February 2017

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ALLIGATOR ENERGY LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Alligator Energy Limited ("the Company") and its controlled entities ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Alligator Energy Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PKF Hacketts Audit
ABN 33 873 151 348

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alligator Energy Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter – going concern

Without qualification to the review conclusion expressed above, we draw attention to Note 1 in the financial statements, which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

PKF HACKETTS

PKF HACKETTS AUDIT

Liam Murphy
Partner

Brisbane, 14 February 2017

COMPETENT PERSON'S STATEMENT

The information included in the Directors' Report in relation to exploration activities during the half year ended 31 December 2016 is extracted from the Quarterly Activities Report for the quarter ended 31 December 2016 and is available to view on the Company's website- www.alligatorenergy.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.