



**ABILENE OIL AND GAS LIMITED**

**ABN 41 000 752 849**

**HALF YEAR FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018**

**Abilene Oil and Gas Limited**  
**Contents**  
**31 December 2018**



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Directors	Mr Paul Salter (Non-Executive Chairman) Mr Peter Best (Non-Executive Director) Mr Mordechai Benedikt (Non-Executive Director)
Company secretaries	Ms Melanie Leydin Mr Justin Mouchacca
Registered office	Level 4 100 Albert Road South Melbourne VIC 3205
Share register	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnson Street Abbotsford VIC 3067 Phone number: 1300 850 505
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 5 727 Collins Street Melbourne VIC 3008
Stock exchange listing	Abilene Oil and Gas Limited shares are listed on the Australian Securities Exchange (ASX code: ABL)



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Abilene Oil and Gas Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

### **Directors**

The following persons were directors of Abilene Oil and Gas Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Paul Salter (Non-Executive Chairman)  
Mr Peter Best (Non-Executive Director)  
Mr Mordechai Benedikt (Non-Executive Director)

### **Principal activities**

During the financial half-year the principal continuing activities of the consolidated entity consisted of resource exploration and investment in the USA, with a focus on oil and gas.

### **Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$635,474 (31 December 2017: \$499,395).

The increase in loss for the period compared to the previous corresponding period was mainly as a result of impairment of exploration and evaluation assets during the half-year period.

### **Financial Position**

The net liabilities of the consolidated entity have increased by \$401,885 to \$570,956 (30 June 2018: \$169,071). The increase in net liability is mainly due to impairment of exploration and evaluation asset and decrease in the value of investments in associates during the half year.

The consolidated entity's working capital, being current assets less current liabilities was a deficit of \$5,446,878 (30 June 2018: a net deficit \$5,410,289). The marginal increase in the deficit is mainly due to the higher balance of trade payable as of 31 December 2018.

### **Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

### **Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity'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 immediately after this directors' report.

### **Rounding of amounts**

Abilene Oil and Gas Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.



This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

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Paul Salter  
Non-Executive Chairman

14 March 2019  
Melbourne

## Auditor's Independence Declaration

### To the Directors of Abilene Oil and Gas Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Abilene Oil and Gas Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, 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.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 14 March 2019

**Abilene Oil and Gas Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2018**



		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	4	26,792	61,016
<b>Expenses</b>			
Production costs		(2,008)	(22,151)
Employee benefits expense		(101,871)	(109,095)
Impairment of assets	5	(248,349)	(129,174)
Administration costs		(1,855)	(4,913)
Corporate costs		(96,985)	(94,472)
Other expenses		(12,383)	(11,185)
Finance costs		(202,410)	(190,685)
Foreign exchange gain		7,703	2,994
Loss on share of associate		(4,108)	(1,730)
<b>Loss before income tax expense</b>		(635,474)	(499,395)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Abilene Oil and Gas Limited</b>		(635,474)	(499,395)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		233,589	(77,687)
Other comprehensive income for the half-year, net of tax		233,589	(77,687)
<b>Total comprehensive income for the half-year attributable to the owners of Abilene Oil and Gas Limited</b>		(401,885)	(577,082)
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	12	(0.16)	(0.13)
Diluted earnings per share	12	(0.16)	(0.13)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Abilene Oil and Gas Limited**  
**Statement of financial position**  
**As at 31 December 2018**



	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2018</b>
<b>Note</b>	<b>2018</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	183,199	297,265
Trade and other receivables	5,217	4,655
Prepayments	9,400	12,741
<b>Total current assets</b>	<u>197,816</u>	<u>314,661</u>
<b>Non-current assets</b>		
Investments in associates	6 4,994,528	5,253,972
Exploration and evaluation	-	100,508
<b>Total non-current assets</b>	<u>4,994,528</u>	<u>5,354,480</u>
<b>Total assets</b>	<u>5,192,344</u>	<u>5,669,141</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	627,928	576,477
Borrowings	7 <u>5,016,766</u>	<u>5,148,473</u>
<b>Total current liabilities</b>	<u>5,644,694</u>	<u>5,724,950</u>
<b>Non-current liabilities</b>		
Provisions	118,606	113,262
<b>Total non-current liabilities</b>	<u>118,606</u>	<u>113,262</u>
<b>Total liabilities</b>	<u>5,763,300</u>	<u>5,838,212</u>
<b>Net liabilities</b>	<u>(570,956)</u>	<u>(169,071)</u>
<b>Equity</b>		
Issued capital	64,101,323	64,101,323
Reserves	8 9,662,989	9,429,400
Accumulated losses	<u>(74,335,268)</u>	<u>(73,699,794)</u>
<b>Total deficiency in equity</b>	<u>(570,956)</u>	<u>(169,071)</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Abilene Oil and Gas Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2018**



<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Accumulated losses</b> \$	<b>Reserves</b> \$	<b>Total equity</b> \$
Balance at 1 July 2017	64,101,323	(72,570,686)	9,431,662	962,299
Loss after income tax expense for the half-year	-	(499,395)	-	(499,395)
Other comprehensive income for the half-year, net of tax	-	-	(77,687)	(77,687)
Total comprehensive income for the half-year	-	(499,395)	(77,687)	(577,082)
<i>Transactions with owners in their capacity as owners:</i>				
Lapse of options	-	201,187	(201,187)	-
Balance at 31 December 2017	<u>64,101,323</u>	<u>(72,868,894)</u>	<u>9,152,788</u>	<u>385,217</u>
	<b>Issued capital</b> \$	<b>Accumulated losses</b> \$	<b>Reserves</b> \$	<b>Total deficiency in equity</b> \$
<b>Consolidated</b>				
Balance at 1 July 2018	64,101,323	(73,699,794)	9,429,400	(169,071)
Loss after income tax expense for the half-year	-	(635,474)	-	(635,474)
Other comprehensive income for the half-year, net of tax	-	-	233,589	233,589
Total comprehensive income for the half-year	-	(635,474)	233,589	(401,885)
Balance at 31 December 2018	<u>64,101,323</u>	<u>(74,335,268)</u>	<u>9,662,989</u>	<u>(570,956)</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Abilene Oil and Gas Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2018**



	<b>Consolidated</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(155,993)	(175,174)
Other revenue	26,792	804
	<u>(129,201)</u>	<u>(174,370)</u>
Net cash used in operating activities		
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation assets	(134,511)	(180,276)
Dividends from investments in associates	488,605	-
	<u>354,094</u>	<u>(180,276)</u>
Net cash from/(used in) investing activities		
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	420,000
Interest paid on borrowings	(333,655)	(624)
	<u>(333,655)</u>	<u>419,376</u>
Net cash from/(used in) financing activities		
Net increase/(decrease) in cash and cash equivalents	(108,762)	64,730
Cash and cash equivalents at the beginning of the financial half-year	297,265	6,332
Effects of exchange rate changes on cash and cash equivalents	(5,304)	59
	<u>183,199</u>	<u>71,121</u>
Cash and cash equivalents at the end of the financial half-year		

*The above statement of cash flows should be read in conjunction with the accompanying notes*



## **Note 1. General information**

The financial statements cover Abilene Oil and Gas Limited as a consolidated entity consisting of Abilene Oil and Gas Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Abilene Oil and Gas Limited's functional and presentation currency.

Abilene Oil and Gas Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4  
100 Albert Road  
South Melbourne, Victoria 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 March 2019. The directors have the power to amend and reissue the financial statements.

## **Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the Consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the Consolidated entity:



## **Note 2. Significant accounting policies (continued)**

### *AASB 15 Revenue from Contracts with Customers*

The consolidated entity has adopted this standard from 1 July 2018. The adoption of this standard has had no effect on comparatives.

The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard requires: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied.

Credit risk is presented separately as an expense rather than adjusted to revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

Judgement is required to determine the point at which the customer obtained the control of hydrocarbons. Factors including transfer of title, transfer of significant risks and rewards of ownership and the existence of a present right to payment for the hydrocarbons typically result in control transferring on delivery of hydrocarbons at port of loading or port of discharge. The transaction price at the date control passes for sales made is determined with reference to quoted commodity prices.

There is no effect on the consolidated entity of this standard.

### *AASB 9 Financial Instruments*

The consolidated entity has adopted this standard from 1 July 2018. The adoption of this standard has had no effect on comparatives. The standard replaces all previous versions of AASB 9 and completes the project to replace AASB139 'Financial Instruments: Recognition and Measurement'.

AASB 9 introduces new classification and measurement models for financial assets. A financial asset is measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). There has been no change to the classification of financial assets as a result of the adoption of AASB 9.

For financial liabilities, new impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. There has been no change to the carrying value of the allowance for impairment as a result of the transition to the new standard. The standard introduces additional new disclosures.

There is no effect on the consolidated entity of this standard.



## Note 2. Significant accounting policies (continued)

### AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019 and has not been early adopted by the consolidated entity. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 but no material impact is expected as the consolidated entity currently has no leases.

### Going concern

The financial report has been prepared on a going concern basis. This contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. However, during the half year ended 31 December 2018 the consolidated entity experienced operating losses of \$635,474 (31 December 2017: \$499,395). At 31 December 2018 the consolidated entity had cash and cash equivalents of \$183,199 (30 June 2018: \$297,265) and net current liabilities, being current assets less current liabilities, of \$5,446,878 (30 June 2018: \$5,410,289). Net cash outflows during the half year amounted to \$108,762 compared to 2017 which had inflows of \$64,730. Consequently, a material uncertainty exists as to the consolidated entity's ability to continue as a going concern.

The directors have considered the position of the consolidated entity and the company and consider that the going concern basis is appropriate for the preparation of the financial report due to the following factors:

- the consolidated entity will continue to be supported by the major shareholders if and when required either through equity raisings or further loan agreements;
- the loans from related entity's and other financiers (including associated interest) due within the next 12 months are anticipated to be extended in the event that the consolidated entity does not source sufficient funding when the loans fall due;
- At present the consolidated entity has placement capacity to issue 99,403,588 fully paid ordinary shares without shareholder approval. As at 13 March 2019, the consolidated entities share price was \$0.004 and therefore the entity has the ability to raise \$397,615 within the existing placement capacity;
- If required the consolidated entity has the ability to undertake either the full or partial sale of its existing asset portfolio, enter into farm-out arrangements of its existing tenement portfolio;
- The oil and gas revenue from the consolidated entity's Central Kansas Uplift Project will continue to see positive cash flow in the 2019 financial year with net disbursement of \$488,605 during half year ended 31 December 2018; and
- subsequent to the end of the half year the consolidated entity received a distribution of profits amounting to USD \$31,671.

In the event the consolidated entity is not successful in raising funds via the methods noted above or any other capital raising initiatives, the entity will seek to extend the current loan facilities from the financiers, of which are related entities to the consolidated entity's Directors Mr Paul Salter and the other being a former Director's related entity.

If the loans repayable on 5 April 2019 are called upon by related entities of a former Director, the Directors are confident support will be provided by the current Directors and their related entities in order to meet ongoing working capital requirements, as evidenced by a signed letter of support.



## Note 2. Significant accounting policies (continued)

In the event the consolidated entity is unable to raise sufficient capital through the methods above a material uncertainty exists due to the loans which are repayable on or before 5 April 2019. This would require one of the following to occur:

- a. Extending the loans;
- b. Seek additional funding to settle outright.

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of the assets or the amount and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

If the going concern basis of accounting is found to be no longer appropriate, the recoverable amounts of the assets shown on the consolidated statement of financial position are likely to be significantly less than the amounts disclosed and the extent of the liabilities may differ significantly, from those reflected.

## Note 3. Operating segments

### Identification of reportable operating segments

The chief operating decision maker, who is responsible for allocating resources and assessing performance of operating segments, has been identified as the Board of Directors. The Board of Directors has determined that segment reporting does not apply for the current reporting period, and the information in this report is reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

## Note 4. Revenue

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
<i>Sales revenue</i>		
Oil & Gas Revenue	2,098	60,212
Other revenue	24,694	804
Revenue	<u>26,792</u>	<u>61,016</u>

## Note 5. Expenses

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Impairment</i>		
Exploration and evaluation	235,019	125,694
Available for sale financial assets	-	3,480
Investments accounted for using the equity method- Rodinia Resources LLC	13,330	-
Total impairment	<u>248,349</u>	<u>129,174</u>



**Note 6. Non-current assets - investments in associates**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2018</b>
	<b>2018</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Lodestone Resources LLC	<u>4,994,528</u>	<u>5,253,972</u>

During prior financial years, the consolidated entity acquired 49% equity interest in Lodestone Resources LLC, which was incorporated in October 2014. Based on the structure of this arrangement the equity interest is treated as an investment in associate and accounted for using the equity method of accounting. The carrying value of the consolidated entity's investment in associates represents contributions to the entity for the acquisition of exploration and evaluation prospects and expenditure during the year through its requirement to meet cash calls for future expenditure.

On 16 December 2015 the consolidated entity announced that it had exercised its option to acquire the third and final acreage package in Lodestone Resources LLC for a cost of US\$777,458.

During the 2016 financial year the company acquired a 49% equity interest in a second entity, Rodinia Resources LLC, which was incorporated during August 2015.

During the 2018 financial year, the consolidated entity reviewed the carrying value of its investment in Rodinia Resources LLC and due to a reduction in the lease acreage on which wells could be drilled or completed to a point that would permit the production of commercial quantities of oil and gas, the investment was impaired in full. Any subsequent expenses incurred are impaired immediately.

During six months ended 31 December 2018, the reduction in the value of the investments is largely due to the dividends received from Lodestone Resources.

All of the above associates are accounted for using the equity method.

**Note 7. Current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2018</b>
	<b>2018</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Loans provided from director related entities	4,276,000	4,276,000
Interest payable on loans	<u>740,766</u>	<u>872,473</u>
	<u>5,016,766</u>	<u>5,148,473</u>

The borrowings listed above bear interest at a rate of 8% per annum and are unsecured loans. The repayment date for all loans listed above is on or before 5 April 2019.

**Note 8. Equity - reserves**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2018</b>
	<b>2018</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Foreign currency translation reserve	6,775,858	6,542,269
Capital profits reserve	<u>2,887,131</u>	<u>2,887,131</u>
	<u>9,662,989</u>	<u>9,429,400</u>



**Note 8. Equity - reserves (continued)**

*Foreign currency reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

*Capital profits reserve*

The reserve is used to accumulate realised capital profits. It can be used to pay dividends at a later date.

*Movements in reserves*

Movements in each class of reserve during the current financial half-year are set out below:

<b>Consolidated</b>	Foreign currency translation reserve \$	Capital profits reserve \$	Total \$
Balance at 1 July 2018	6,542,269	2,887,131	9,429,400
Foreign currency translation	233,589	-	233,589
Balance at 31 December 2018	<u>6,775,858</u>	<u>2,887,131</u>	<u>9,662,989</u>

**Note 9. Contingent liabilities**

The consolidated entity had no contingent liabilities at 31 December 2018 and 30 June 2018.

**Note 10. Commitments**

Further expenditure for exploration and development is at the discretion of the consolidated entity.

**Note 11. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 12. Earnings per share**

	<b>Consolidated</b> <b>31 December 2018</b> \$	<b>31 December 2017</b> \$
Loss after income tax attributable to the owners of Abilene Oil and Gas Limited	<u>(635,474)</u>	<u>(499,395)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>397,614,352</u>	<u>397,614,352</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>397,614,352</u>	<u>397,614,352</u>



Note 12. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(0.16)	(0.13)
Diluted earnings per share	(0.16)	(0.13)

The calculation of the weighted average number of ordinary shares does not include options. The options are not dilutive as the consolidated entity made a loss in the current and prior year.

**Abilene Oil and Gas Limited**  
**Directors' declaration**  
**31 December 2018**



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

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Paul Salter  
Non-Executive Chairman

14 March 2019  
Melbourne

# Independent Auditor's Review Report

To the Members of Abilene Oil and Gas Limited

Report on the review of the half year financial report

## Conclusion

We have reviewed the accompanying half year financial report of Abilene Oil and Gas Limited (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Abilene Oil and Gas Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

## Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$635,474 during the half year ended 31 December 2018 and, as of that date, the Group's current liabilities exceeded its current assets by \$5,446,878. At 31 December 2018 the Group had cash and cash equivalents of \$183,199, and net cash outflows during the half year amounted to \$108,762. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## 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 gives a true and fair view and 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 Group's financial position as at 31 December 2018 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 Abilene Oil and Gas Limited, 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*.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 14 March 2019