Oil Basins Limited

ABN 56 006 024 764

Annual Report - 30 June 2015

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Corporate directory
30 June 2015

Directors	Kim W McGrath (Executive Chairman) Neil F Doyle (Executive Director and CEO) Nigel H Harvey (Non-Executive Director) Carl Dumbrell (Non-Executive Director)
Company secretary	Justin Mouchacca
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205 Ph: (03) 9692 7222 Fax: (03) 9077 9233
Principal place of business	Level 4, 100 Albert Road South Melbourne, VIC 3205
Share register	Computershare Investor Services Pty Ltd 452 Johnson Street Abbotsford VIC 3067 Telephone: (03) 9415 5000
Auditor	Deloitte Touche Tohmatsu Chartered Accountants 550 Bourke Street Melbourne VIC 3000
Stock exchange listing	Oil Basins Limited shares are listed on the Australian Securities Exchange (ASX code: OBL)
Website	www.oilbasins.com.au

Oil Basins Limited
Review of operations
30 June 2015

Operations Highlights

Highlights during the 12 months ended 30 June 2015:

The Company is a low cost operator of two offshore lease/permits and two onshore permits and is a non-operator of one offshore permit. During 2015, the Company advanced the following projects in its exploration portfolio as follows:

Reserves and Resources

- Booking circa 20 MMBOE of underlying 2C contingent resources (100% Judith Gas Field 2C 16.8 MMBOE and 100% R3/R1 2P 3.01MMbbls)
- OBL attains a 2.0% Royalty interest in Vic/P47 and a pending 2.0% Royalty interest in EP487 (Derby Block)

Operated Assets

1. **Derby Block** – refer to Figure 1.

- EP 487 Derby Block (OBL 50% and Operator) field operations concluded in late September 2014. EP 487 Derby Environmental Plan Seismic lodged with DMP Environment (**DMP**) on 31 October 2014.

- With the cessation of all legal actions to OBL's satisfaction, OBL announced that on 29 May 2015 it had reached a resolution of the ownership of Permit EP487 (Derby Block).

  The joint venture now comprises:

  OBL - 50% and operator of EP487 (Derby Block)
  Rey Resources Limited (ASX: REY) (via subsidiary Rey Lennard Shelf Pty Ltd) – 50%

- In addition, OBL has received $391,000 from REY and OBL Group has been granted a gross 1% ORRI over REY's 50% of EP487. Subsequent to settlement, OBL has lodged a royalty for an additional 3% over its 50% share of EP487 – effectively moving OBL Group to a net 2% ORRI position and covering all back costs to the time of winning the Application in 2007.

- OBL remains the continuing operator of the Derby Block for the approved Work Program. To date some $1.0 million of gross expenditures have been spent on EP487 since the grant of the Permit on 14 March 2014.

- The Company is pleased to advise that on 31 July 2015 it received formal approval from the WA regulator DMP for the OBL Derby Block 2D Seismic Survey Environment Plan. The public open file access document of the Environmental Plan was formally approved by the DMP on 8 September 2015.

- On 18 September 2015, the EP487 Joint Venture's seismic operator, Terrex Seismic formally advised the Company that it would be unable to complete the 533km 2D seismic survey in the remaining available West Kimberley dry weather window in 2015.

- On 24 September 2015, the Company formally lodged a variation with the DMP to either extend Year 1 by a further year to 13 December 2016 to enable the new 533km 2D seismic survey to be undertaken in second calendar half year 2016 (EP487 Joint Venture can seek a force majeure due to seismic contractor advising that due to other work commitments that its now unable to supply seismic survey equipment until 3Q/4Q 2016); or alternatively vary the work program to reprocess existing vintage 2D seismic to seek drilling locations and if two are successfully delineated move into Year 2 and drill two wells by 13 December 2016. Should the variation be approved, the EP487 Joint Venture will have been deemed to have completed all Year 1 obligations and will move immediately into drilling a minimum of two wells in 2016 most likely targeting Wet Laurel Basin Centred Gas (BCG) at a recently prognosed "Valhalla look-alike" BCG prospect.

2. **Backreef Area** – refer to Figure 1.

- Backreef Area (OBL Group 100% and Operator) East Blina-1 sump rehabilitation operations concluded 20 October 2014 with no out of specification contaminants reported from extensive soil testing.

- Backreef Area remains in good standing with no obligation work program commitments during 2015/2016.

3. **Offshore Carnarvon** – refer to Figure 2.

- As detailed in the ASX Release dated 18 May 2015 a new independent resource assessment was performed by 3D-Geo Pty Ltd (3D-GEO) to define the in-place and recoverable oil and gas resources within Mardie and Barrow reservoirs in the Greater Cyrano Oil Field and Elimia Oil Prospect within the Company's wholly-owned R3/R1Retention Lease.

- For the Greater Cyrano Oil Fields and Elimia Prospect the new study concluded significant stock tank original oil in-place (STOOIP) upgrades amounting to
  - P90 by circa 74% to 9.7 MMstb
  - P50 by 28% to 13.4 MMstb
  - P10 by 10% to 20.9 MMstb

- When resources from the Nasutus Extension in R3/R1 (from nearby Apache Energy operated Retention Lease R5) are included, the overall recoverable prospective oil resources within R3/R1 (including contingent recoverable oil resources) are independently assessed at 2.28 MMstb, 3.01 MMstb and 4.59 MMstb respectively.

- R3/R1 is in good standing with a modest work program commitment of $200,000 in the current Year 4.

4. **Offshore Gippsland** – refer to Figure 3.

- In November 2014 OBL elected not to surrender but to increase its interest in offshore exploration permit Vic/P47 Gippsland Basin from a 25% Non-operated interest to a 100% Operated-interest. Permit Vic/P47 hosts the Judith Gas Field Discovery and the Moby Gas Field Location. The 75% interest in Vic/P47 was acquired from the Albers Group.

- Subsequently, as designated Operator, OBL renegotiated and submitted a revised work program for a variation to the regulator National Offshore Petroleum Titles Administrator (**NOPTA**) for the Vic/P47 Year 5 work program to comprise reprocessing of 3D seismic and conducting a seismic inversion of the new reprocessed 3D in lieu of drilling an exploration well in 2015.

- On 13 December 2014 the regulator NOPTA approved OBL's variation and indicated that on a successful renewal an obligation well must be drilled in the first term, effectively by the end of 2018, thereby deferring for up to 4 years a significant cost estimated at over AUD$35 million.

- On 8 January 2015, OBL received formal approval and registration from the regulator NOPTA consenting to OBL's wholly owned subsidiary Oil Basins Royalties Pty Limited attaining a 2.0% over-riding royalty interest (**ORRI**) on all hydrocarbons produced within the three graticular blocks comprising offshore Gippsland Basin Permit Vic/P47 and in particular the undeveloped Judith and Moby Garfield's.

- Work commenced in early 2015 on reprocessing of the vintage 3D seismic tapes into the processing package and finalising the seismic data set prior to performing a simultaneous inversion allowing for reservoir and fluid prediction and cross-fault seal prediction across the Judith and Moby Fields in Vic/P47. Unfortunately the project work has suffered a significant delay in new work which is focussed upon amalgamating the two vintage 3D seismic surveys (Northern Fields – ExxonMobil and Moby 3D – Bass Strait Oil Company), Despite a modern shooting configuration, 3D seismic data belonging to the Moby 3D seismic survey suffers from a number of anomalies that required time-consuming QC work, significantly more than initially anticipated, to establish reliable data for input into the reprocessing sequence.

- It has now evident that the delays to data processing have significantly impacted project delivery impacting the Company's ability to meet the Year 5 work program commitment within the 14 November 2015 timeframe. Consequently on 14 September 2015, the Vic/P47 Joint venture has application for a 12 month suspension and extension of the Year 5 work program.

- The Company on 21 July 2015, OBL and its wholly owned subsidiary Shelf Oil Pty Ltd (collectively the "Vic/P47 Joint Venture") submitted a formal application to the offshore regulator NOPTA and the Joint Authority to grant a two year extension for the Moby Location.

- The Company is pleased to advise that on 28 July 2015 it received formal approval of its application of a two year Extension for the Moby Location.

Non-operated Assets

Offshore Gippsland – refer to Figure 3.

- In mid-2014 the Vic/P41 Joint Venture (OBL Group 35.435%) attained consent and approval of the regulator NOPTA for the suspension and extension of the current mandatory Year 3 Work Program by a period of 6 Months until the 28 May 2015 (which was subsequently further extended by another six months to 28 November 2015).

- Late in December 2014 the Vic/P41 Joint Venture (OBL Group 35.435%) attained the new seismic inversion study and work is progressing with the operator Bass Strait Oil Company Ltd (ASX code BAS) to review and critique the latest view of the Vic/P41 overall prospectivity including the possibility of requesting a further appropriate suspension and extension form the regulator to complete this work to better define a de-risked drilling location for Year 4.

- A total recoverable best estimate of 1,197 BCF is mapped across the Rosedale Fault Trend within the Golden Beach formation covering Vic/P41 and Vic/P68, with the majority within Vic/P41.

- The Vic/P41 Joint Venture completed its Year 3 WP gross commitment of around $900,000 in June 2015 but the results have not be conclusive to date defining the Golden Beach prospects.

- So as to perform an assessment of new Emperor Group formation potentially lower risk drilling prospects, on 24 September 2015 the Vic/P41 Joint Venture lodged an application for a variation of the work program The application will request that the permit years 4 and 5 be transposed, ie bringing forward the Year 5 geological and geophysical studies (modest gross $150,000) in to Year 4 and moving forward the existing Year 4 one well drilling obligation (circa $30,000,000) into Year 5.

Royalty Interests

With the recent approval of a royalty in offshore Gippsland Permit Vic/P47, OBL's wholly owned subsidiary Oil Basins Royalties Pty Ltd now owns the following overriding royalty interests (**ORRI**):

Cyrano R3/R1	2.0% ORRI
Judith/Moby Vic/P47	2.0% ORRI
EP487 (Derby Block)	2.0% ORRI

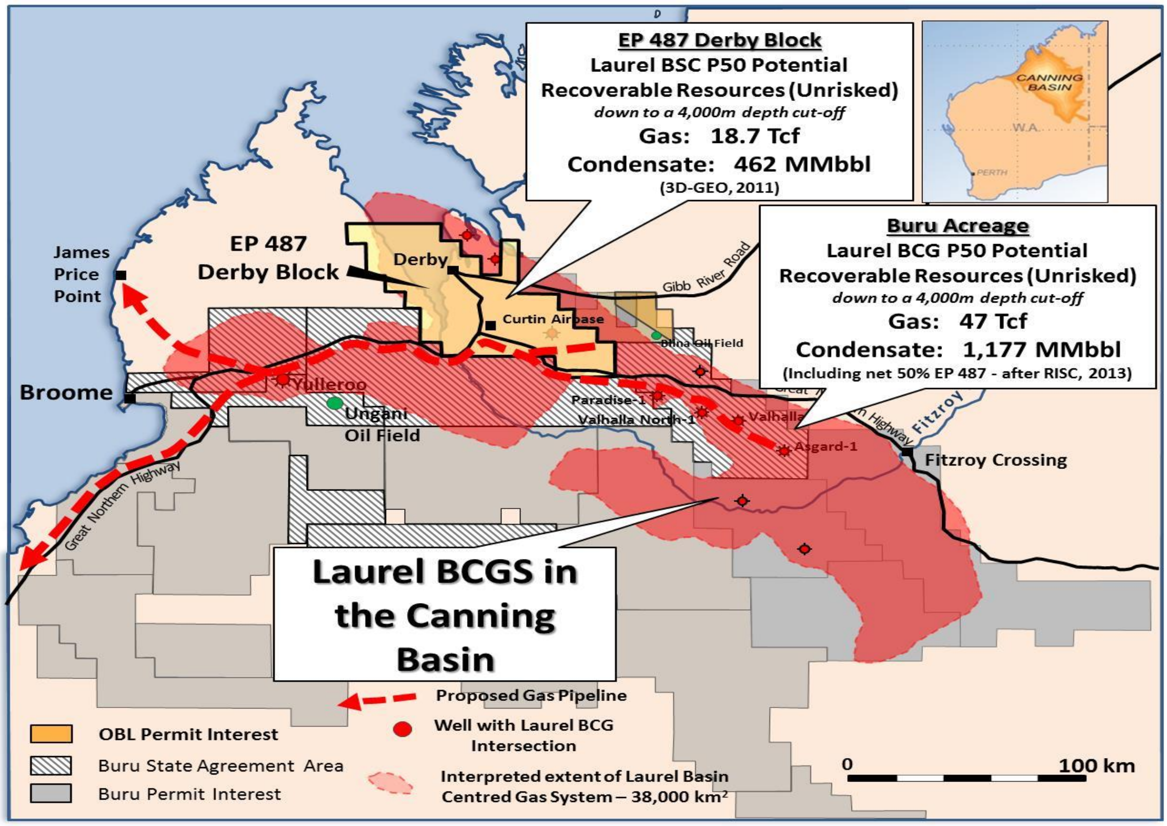

Figure 1
Company's exposure to the new Laurel Wet BCG Play is significant with gross 18.7 Tcf USG P50 delineated in Derby Block down to 4,000m

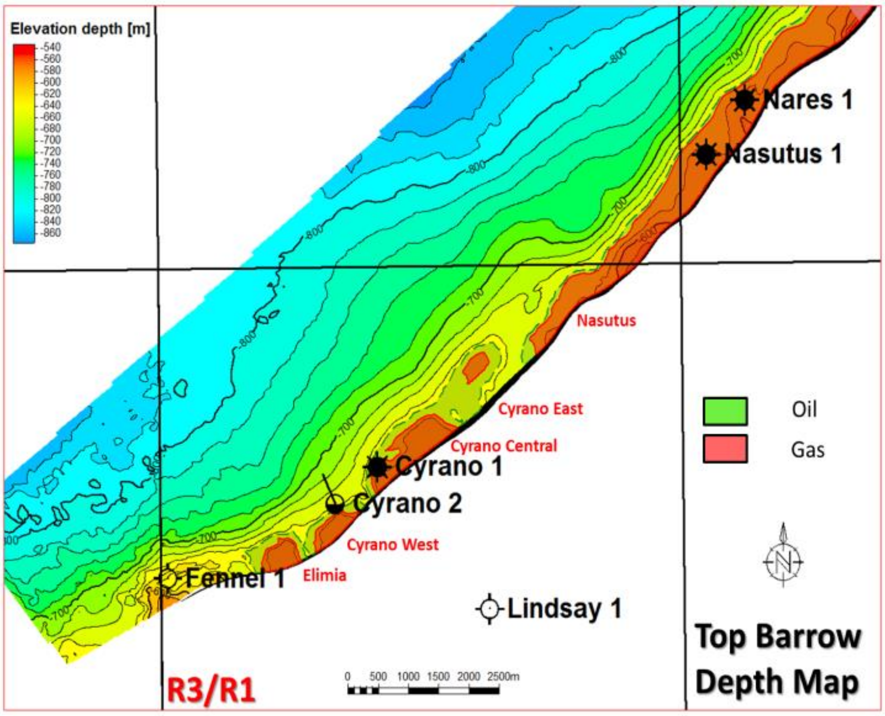

Figure 2
Company's Exploration Interests in the Carnarvon Basin 100% Cyrano Oil Project

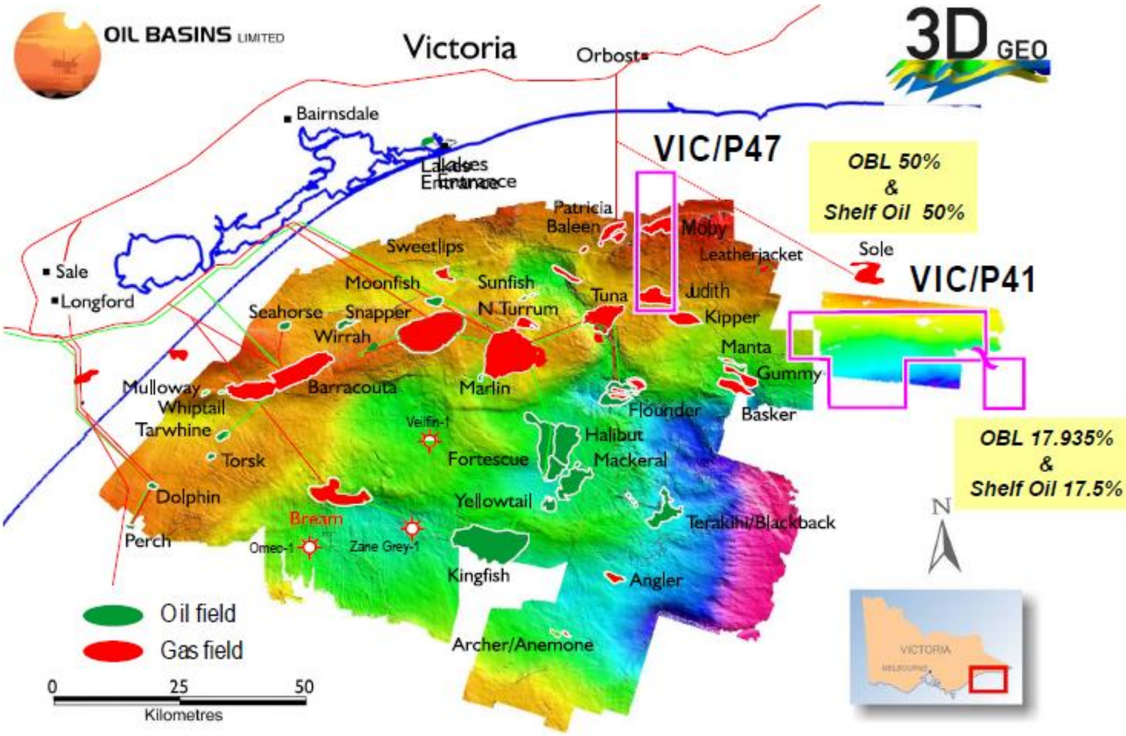

Figure 3
Company's Exploration Interests in the Gippsland Basin

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Oil Basins Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

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

Mr Kim W McGrath (Executive Chairman)
Mr Neil F Doyle (Executive Director and CEO)
Mr Nigel H Harvey (Non-Executive Director)
Mr Carl Dumbrell (Non-Executive Director) (appointed 3 July 2015)

Principal activities

During the financial year the principal activities of the consolidated entity consisted of investment in selected exploration, production and development opportunities in the upstream oil and gas sector.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $1,157,113 (30 June 2014: $6,312,040).

A detailed review of operations is presented on the previous pages.

Financial Position

The net assets of the consolidated entity increased by $1,113,444 to $5,577,222 as at 30 June 2015 (2014: $4,463,778).

The consolidated entity's working capital, being current assets less current liabilities was in deficit at 30 June 2015, in the amount of $166,824 (2014: deficit $623,435). During the period the consolidated entity had a negative cash flow from operating activities of $1,023,453 (2014: $1,605,178) and expended $572,676 (2014: $287,829) in relation to exploration and evaluation activities.

Significant changes in the state of affairs

On 4 July 2014 the consolidated entity issued 25,335 fully paid ordinary shares through the exercise of OBLOB options at the exercise price of $0.04 per share. On 9 July 2014 the consolidated entity completed a share placement issuing 35,000,000 fully paid ordinary shares at $0.0125 per share raising $437,500. The consolidated entity also continued to utilise the funding agreement with The Lind Partners Australia, LLC issuing a total of 44,494,047 fully paid ordinary shares raising a total of $300,000.

During the year the consolidated entity announced that it would undertake a Share Purchase Plan at a price of $0.008 per share with the maximum number of shares to be issued capped at 236 million. Following the closure of the Share Purchase Plan on 8 October 2014 the Company issued 50,625,000 fully paid ordinary shares on 10 October 2014 which raised a total of $405,000 before costs.

On 3 July 2014 the consolidated entity received regulator, National Offshore Petroleum Titles Administrator (NOPTA), approval and registration to acquire a 25% interest in Offshore Gippsland Permit Vic/P47 from Strategic Energy Resources Limited (ASX code: SER). In consideration, the consolidated entity issued 6 million fully paid ordinary shares to SER at a deemed price of $0.02 per share.

On 15 October 2014, the Company was advised that it had received consent and approval of the regulator NOPTA for the suspension and extension of the offshore Gippsland Permit Vic/P41 mandatory Year 3 Work Program for a period of 6 Months until 28 May 2015.

On 14 November 2014 OBL elected not to surrender but to increase its interest in offshore exploration permit Vic/P47 Gippsland Basin from a 25% Non-operated interest to a 100% Operated-interest. Permit Vic/P47 hosts the Judith Gas Field Discovery and the Moby Gas Field Location. The 75% interest in Vic/P47 was acquired from the Albers Group for $nil consideration.

On 19 November 2014 OBL received approval from the regulator WA Department of Mines and Petroleum (DMP) for the suspension and extension of the Derby Block Year 1 Work Program for a further 9 months until 13 December 2015.

Subsequently, as designated Operator, OBL renegotiated and submitted a revised work program for a variation to the regulator NOPTA for the Vic/P47 Year 5 Work Program to comprise reprocessing of 3D seismic and conducting a seismic inversion of the new reprocessed 3D in lieu of drilling an exploration well in 2015.

On 13 December 2014 the regulator NOPTA approved OBL's variation and indicated that on a successful renewal an obligation well must be drilled in the first term, effectively by the end of 2018, thereby deferring for up to 4 years a significant cost estimated at over AUD$35 million.

Permit Vic/P47 is in good standing with a more modest NOPTA approved work program commitment of $581,000 in Year 5 for the QI/AVO studies.

On 9 January 2015 the Company completed a share placement to sophisticated investors issuing 47,000,000 fully paid ordinary shares at an issue price of $0.005 (0.5 cents) per share raising a total of $235,000 before costs.

On 3 March 2015 the Vic/P41 Joint Venture lodged a formal application with NOPTA for a further 12 month suspension and extension to complete the technical studies. If the Application is approved by NOPTA no obligatory Year 4 well will be required until 28 May 2017.

On 4 May 2015 the Company issued 72,500,000 fully paid ordinary shares at an issue price of $0.004 (0.4 cents) per share raising a total of $290,000.

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

Matters subsequent to the end of the financial year

On 2 July 2015 the company issued 24,500,000 fully paid ordinary shares to directors as approved by shareholders at the company's General Meeting held on 9 June 2015.

The company also issued a further 4,200,000 fully paid ordinary shares to a nominee of a party for expected future services under an agreement.

On 13 July 2015 the company advised that The Lind Partners, LLC (Lind) agreed to a termination of the funding agreement provided by the Lind managed The Australian Special Opportunity Fund, LP. As a consequence, and pursuant to the funding agreement, OBL was to receive a final payment of $33,961 for the previously issued 8.5 million collateral shares (note that these shares were issued at the time of establishment of the funding facility in March 2014).

On 30 September 2015 the company announced that it had completed a share placement for the issue of 37,500,000 fully paid ordinary shares at $0.004 (0.4 cents) per share raising a total of $150,000 before costs.

No other matter or circumstance has arisen since 30 June 2015 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.

Likely developments and expected results of operations

The likely developments in the Group's operations in future years and the expected result from those operations are dependent on exploration success in the permit areas in which the Group currently holds an interest and the ability to fund the ongoing operations.

Environmental regulation

The company holds participating interests in a number of exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies, during the year ended 30 June 2015.

Information on directors

Name:	Kim W McGrath
Title:	Executive Chairman
Qualifications:	BEc(Hons) LLB FAICD CPA CTA
Experience and expertise:	Mr McGrath is an internationally experienced resources finance and investment banking executive. He is the Managing Director of Delta Corporate Finance Pty Limited a specialist advisory group based in Sydney with active business interests in Australia and the UK. His prior positions in Australia have included legal roles with Comalco and ICL, General Counsel and Company Secretary of Bank of America Australia, General Counsel with Bell Resources responsible for negotiating international lines of finance and business acquisitions, and in strategy and development as General Manager, Strategy and Planning with Industrial Equity. During the mid-1990s Mr McGrath was based in London and worked on the restructure of companies in eastern Europe and particularly on major operations in CIS metals and oil trading, and associated financing in both London and Geneva. After returning to Australia in 1998, Mr McGrath continued to hold full practising certificates as a Solicitor in both England and Wales and in Victoria, as well as holding qualifications as a CPA and more recently as a CTA.
Other current directorships:	None
Former directorships (last 3 years):	CVC Property Managers Limited (Director until 30 April 2015)
Special responsibilities:	Member of Audit, Remuneration, Nomination and Risk Committees
Interests in shares:	38,375,000 fully paid OBL ordinary shares
Interests in options:	20,000,000 unlisted 30 June 2016 options at 9 cents

Name:	Neil F Doyle
Title:	Executive Director and CEO
Qualifications:	BEng MEngSc MSPE, MSME
Experience and expertise:	Neil Doyle is an energy specialist with both significant upstream and investment banking experience in the sector. He is a qualified engineer with post-graduate qualifications in geomechanics (Monash Uni) with significant operations experience covering both the upstream (onshore and offshore) oil and gas sector notably with BHP Petroleum and Esso Exploration and Production Australia and also in the downstream refining products / LPG sector with Shell Australia. Subsequently, he has held senior management roles at commercial, technical and business development levels with a number of diversified resources groups and investment banks – specialising in energy-related financial markets investment banking, international cross-border transactions and both initiating and advising on significant mergers and acquisitions within the energy sector within Australia and NZ with JPMorganChase as Senior Vice President as a member of their Global Energy Investment Banking Team. He has had ASX listed public Company experience within the junior resources sector at Managing Director level prior to joining Patersons Securities Limited in March 2004 as a Director of Corporate Finance.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit, Remuneration, Nomination and Risk Committees.
Interests in shares:	22,500,000 fully paid OBL ordinary shares
Interests in options:	20,000,000 unlisted 30 June 2016 options at 9 cents

Name:	Nigel H Harvey
Title:	Non-Executive Director
Qualifications:	BA (Hons)
Experience and expertise:	Mr Harvey has worked two decades in the financial and commodity markets for the international energy banks The Chase Manhattan Bank, Barclays Bank and JPMorganChase (Director - Head of Asia Pacific Energy Derivatives) and more recently Macquarie Bank (Division Director - Energy Markets). He worked initially in credit and corporate finance but mainly in treasury divisions. There he gained extensive crude oil and energy products markets, derivatives, risk management and wider commodity and financial derivatives and markets experience. He focussed on delivering tailored risk management and hedging solutions for producers, airlines and other clients across the Asia Pacific. He has since developed an independent market risk consulting practice. His previous background of almost a decade in business journalism covering the Middle East, its oil sector and related topics equipped him with strong industry knowledge. He is a member of the Australian Institute of Company Directors and the Society of Petroleum Engineers (SPE).
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit, Remuneration, Nomination and Risk Committees
Interests in shares:	8,126,550 fully paid OBL ordinary shares
Interests in options:	N/A

Name:	Mr Carl Dumbrell
Title:	Non-Executive Director (appointed 3 July 2015)
Qualifications:	BCom MTAX CA ACA (England & Wales) CTA
Experience and expertise:	Mr. Dumbrell is a partner of a Sydney firm with 20 year’s experience in taxation, assurance service and capital markets in Australian and England. Mr Dumbrell has extensive experience with Mining, and Oil & Gas companies. He is actively involved in capital market transactions in Australia, Asia and London. Mr Dumbrell has a Bachelor of Commerce and Masters of Taxation Law, he is a Chartered Accountant in Australia, England & Wales, as well as being a Chartered Tax Advisor and Registered Company Auditor in Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	4,200,000 fully paid OBL ordinary shares
Interests in options:	N/A

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

All shares and options noted in the directors report are holdings at the date of this report.

Geological Consultant

The company's geological and geophysical technical team since the company's requotation on the ASX in 2006 has been headed by Geoff Geary a consultant petroleum geologist (formerly with Oil Company of Australia and Mobil Oil) with over 29 years in the profession. He has had significant experience in company mergers, acquisitions, acreage promotion and farmouts in his career, both with junior, national and with major multi-nationals oil companies. He is experienced in sedimentary basin analysis, sequence stratigraphy, structural geology, seismic interpretation, basin modelling and oil and gas field evaluation and development.

Company secretary
Justin Mouchacca holds a Bachelor of Business majoring in Accounting. He graduated from RMIT University in 2008, became a Chartered Accountant in 2011 and since July 2013 has been the principal of chartered accounting firm, Leydin Freyer Corp Pty Ltd.

The practice provides outsourced company secretarial and accounting services to public and private companies specialising in the Resources, technology, bioscience and biotechnology sectors.

Justin has over 8 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full Board		Audit Committee	
	Attended	Held	Attended	Held
Mr K McGrath	8	8	1	1
Mr N Doyle	8	8	1	1
Mr N Harvey	8	8	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- alignment of executive compensation
- transparency

The Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives ('program participants'). The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Remuneration Committee.

ASX listing rules requires that the aggregate non-executive director's remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 25 November 2009, where the shareholders approved an aggregate remuneration of $500,000.

Executive remuneration
The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and
- long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration Committee, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive.

The long-term incentives ('LTI') include long service leave and share-based payments. Options may be awarded to executives based on long-term incentive measures. In addition, Executive directors may receive a bonus payment on the principles of a contract for difference in respect of the value of 5,000,000 fully paid ordinary shares of the company (adjusted for any reconstruction of capital) as determined from a benchmark price on the ASX being the volume weighted average price of the fully paid ordinary shares of the company for the five trading days to and including the close of trading on the respective last day of trading for the 2015 and 2014 financial years.

Consolidated entity performance and link to remuneration
The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The achievement of this aim has been through the issue of options to directors and executives to encourage the alignment of personal and shareholder interests

Non-Executive directors, other key management personnel and other senior employees have been granted options over ordinary shares. The recipients of options are responsible for growing the Company and increasing shareholder value. The options provide an incentive to the recipients to remain with the Company and to continue to work to enhance the Company's value.

Director and senior management details

The following persons acted as directors of the company during or since the end of the financial year:

- Mr K McGrath (Executive Chairman)
- Mr N Doyle (Executive Director and CEO)
- Mr N Harvey (Non-Executive Director)
- Mr C Dumbrell (Non-Executive Director) (appointed 3 July 2015)

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current positions for the whole of the financial year and since the end of the financial year:

- Mr J Mouchacca (Company Secretary)
- Mr G Geary (Geological Consultant)

Voting and comments made at the company's 25 November 2014 Annual General Meeting ('AGM')
The company received 91.32% of 'for' votes in relation to its remuneration report for the year ended 30 June 2014. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2015	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Annual Leave leave $	Equity-settled *** $	Total $
Non-Executive Directors:							
Mr N Harvey	49,178	-	-	4,672	-	7,500	61,350
Executive Directors:							
Mr K McGrath	277,079	-	-	18,783	-	57,500	353,362
Mr N Doyle	277,079	-	-	18,783	-	57,500	353,362
Other Key Management Personnel:							
Mr J Mouchacca *	96,000	-	-	-	-	-	96,000
Mr G Geary **	82,750	-	-	-	-	-	82,750
	782,086	-	-	42,238	-	122,500	946,824

* Amount consists of fees paid to Leydin Freyer Corp Pty Ltd in respect of company secretarial and accounting services. Mr J Mouchacca represents Leydin Freyer Corp and is not remunerated separately for Company Secretarial and Accounting services.
** Amount consists of fees paid to Focus on Australia Pty Ltd in respect of Consulting Fees provided.
*** The equity settled remuneration represents a total of 24,500,000 fully paid ordinary shares issued to directors on 2 July 2015 as approved by shareholders at the company's General Meeting held on 9 June 2015.

2014	Short-term benefits: Cash salary and fees $	Short-term benefits: Bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:							
Mr N Harvey	60,000	-	-	5,550	-	-	65,550
Executive Directors:							
Mr K McGrath	347,775	-	-	17,775	-	-	365,550
Mr N Doyle	372,775	-	-	17,775	-	-	390,550
Other Key Management Personnel:							
Mr J Mouchacca*	96,000	-	-	-	-	-	96,000
Mr G Geary**	119,000	-	-	-	-	-	119,000
	995,550	-	-	41,100	-	-	1,036,650

* Amount consists of fees paid to Leydin Freyer Corp Pty Ltd in respect of company secretarial and accounting services. Mr J Mouchacca represents Leydin Freyer Corp and is not remunerated separately for Company Secretarial and Accounting services.

** Amount consists of fees paid to Focus on Australia Pty Ltd in respect of Consulting Fees provided.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2015	Fixed remuneration 2014	At risk - STI 2015	At risk - STI 2014
Non-Executive Directors:				
Mr N Harvey	88%	100%	12%	-%
Executive Directors:				
Mr K McGrath	84%	100%	16%	-%
Mr N Doyle	84%	100%	16%	-%
Other Key Management Personnel:				
Mr G Geary	100%	100%	-%	-%
Mr J Mouchacca	100%	100%	-%	-%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr Kim McGrath
Title:	Executive Chairman
Agreement commenced:	30 November 2010
Term of agreement:	No fixed term
Details:	The Employment Agreement may be terminated in circumstances described below with the remuneration consequences as noted to the extent permitted by the Corporations Act and Listing Rules. Termination by the company giving six months' notice in writing or payment in lieu thereof, or a combination of notice and payment in lieu. The Company can immediately terminate employment with cause, in a number of circumstances, including where there is a serious breach of the Employment Agreement, serious misconduct, bankruptcy or conviction of any criminal offence.

Name:	Mr Neil Doyle
Title:	Executive Director & CEO
Agreement commenced:	30 November 2010
Term of agreement:	No fixed term
Details:	The Employment Agreement may be terminated in circumstances described below with the remuneration consequences as noted to the extent permitted by the Corporations Act and Listing Rules. Termination by the company giving six months' notice in writing or payment in lieu thereof, or a combination of notice and payment in lieu. The Company can immediately terminate employment with cause, in a number of circumstances, including where there is a serious breach of the Employment Agreement, serious misconduct, bankruptcy or conviction of any criminal offence.

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Date	Shares	Issue price	$
Mr N Doyle *	2 July 2015	11,500,000	$0.0050	57,500
Mr K McGrath *	2 July 2015	11,500,000	$0.0050	57,500
Mr N Harvey *	2 July 2015	1,500,000	$0.0050	7,500

* These fully paid ordinary shares have been considered share based remuneration for the year ending 30 June 2015. The shares were issued on 2 July 2015 post financial year end however they were approved by shareholders at the company's general meeting held on 9 June 2015 and as such form part of remuneration for the current year.

On 9 June 2015 shareholders approved shares to be issued to directors following the company's decision to reduce director's fees. It was approved that Mr Kim McGrath and Mr Neil Doyle would be issued fully paid ordinary shares as consideration for the reduction in both Executives base salary. The shares proposed to be issued to both Mr McGrath and Mr Doyle equated to A$10,000 per calendar month (A$50,000 in total) at 0.5 cents per share (being 10 million shares in total). As consideration for the reduction in Directors fees for both executives fully paid ordinary shares to be issued equated to $A1,500 per calendar month (A$7,500 in total) at 0.5 cents per share (being 1.5 million in total.

Non-executive director Mr Nigel Harvey was also issued shares as consideration for the reduction in Directors fees. The shares approved to be issued equated to $A1,500 per calendar month (A$7,500 in total) at 0.5 cents per share (being 1.5 million shares in total).

All equity approved by shareholders at the general meeting held on 9 June 2015 was issued subsequent to year end on 2 July 2015 but has been taken up as a liability and included in the remuneration report.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
September and October 2012	Immediately	30 June 2016	$0.0900	$0.009

Options granted carry no dividend or voting rights.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2015 are summarised below:

	2015 $	2014 $	2013 $	2012 $	2011 $
Revenue	383,660	14,551	45,545	2,471,790	42,094
Net Profit/ (loss) before tax	(1,157,113)	(6,312,040)	(6,051,450)	842,515	(1,129,545)
Net Profit/ (loss) after tax	(1,157,113)	(6,312,040)	(6,051,450)	842,515	(1,129,545)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2015	2014	2013	2012	2011
Share price at financial year end ($)	0.010	0.010	0.030	0.030	0.020
Total dividends declared (cents per share)	0.003	0.010	0.010	0.030	0.030
Basic earnings per share (cents per share)	(0.126)	(0.950)	(0.830)	0.260	(0.460)

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr K McGrath*	21,000,000	-	5,875,000	-	26,875,000
Mr N Doyle*	10,750,000	-	250,000	-	11,000,000
Mr N Harvey*	4,751,550	-	1,875,000	-	6,626,550
	36,501,550	-	8,000,000	-	44,501,550

* On 2 July 2015 the directors above were issued fully paid ordinary shares as approved by shareholders at the company's general meeting held on 9 June 2015 (for further information refer to 'Share based compensation' in the directors report)

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as part of remuneration	Exercised	Expired/Other	Balance at the end of the year
Options over ordinary shares					
Mr K McGrath	20,000,000	-	-	-	20,000,000
Mr N Doyle	20,000,000	-	-	-	20,000,000
Mr J Mouchacca	3,000,000	-	-	-	3,000,000
Mr G Geary	3,000,000	-	-	-	3,000,000
	46,000,000	-	-	-	46,000,000

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Oil Basins Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
September and October 2012	30 June 2016	$0.0900	48,000,000
March 2014	14 September 2017	$0.0232	8,000,000
			56,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of Oil Basins Limited were issued during the year ended 30 June 2015 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
25 November 2009	$0.0400	25,335

Indemnity and insurance of officers

The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Oil Basins Limited
Directors' report
30 June 2015

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Deloitte Touche Tohmatsu
There are no officers of the company who are former partners of Deloitte Touche Tohmatsu.

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 the following page.

Auditor
Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Neil F. Doyle

Neil Doyle
Executive Director

30 September 2015
Melbourne

Deloitte Touche Tohmatsu
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The Board of Directors
Oil Basins Limited
Level 4
100 Albert Road
SOUTH MELBOURNE VIC 3025

30 September 2015

Dear Board Members

Oil Basins Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Oil Basins Limited.

As lead audit partner for the audit of the financial statements of Oil Basins Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Craig Bryan
Partner
Chartered Accountants

Oil Basins Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Revenue	5	373,647	14,551
Other income	6	10,013	-
Expenses			
Corporate expenses		(528,971)	(541,187)
Administration expenses		(94,536)	(138,558)
Employee benefits expense	7	(776,555)	(1,035,096)
Share based payments	7	(122,500)	-
Depreciation and amortisation expense	7	(17,961)	(23,180)
Loss on sale of investments		(250)	(164,941)
Exploration costs written off		-	(4,419,131)
Other expenses		-	(4,498)
Loss before income tax expense		(1,157,113)	(6,312,040)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Oil Basins Limited		(1,157,113)	(6,312,040)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges transferred to profit or loss, net of tax		(800)	-
Other comprehensive income for the year, net of tax		(800)	-
Total comprehensive income for the year attributable to the owners of Oil Basins Limited		(1,157,913)	(6,312,040)
		Cents	**Cents**
Basic earnings per share	35	(0.126)	(0.952)
Diluted earnings per share	35	(0.126)	(0.952)

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

Oil Basins Limited
Statement of financial position
As at 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Assets			
Current assets			
Cash and cash equivalents	9	335,215	64,374
Trade and other receivables	10	95,318	31,361
Other	11	20,495	22,774
Total current assets		451,028	118,509
Non-current assets			
Other financial assets	12	3,200	13,850
Property, plant and equipment	13	20,587	34,548
Petroleum exploration expenditure	14	5,764,382	5,071,706
Total non-current assets		5,788,169	5,120,104
Total assets		6,239,197	5,238,613
Liabilities			
Current liabilities			
Trade and other payables	15	424,510	312,418
Borrowings	16	-	300,000
Employee benefits	17	193,342	129,526
Total current liabilities		617,852	741,944
Non-current liabilities			
Employee benefits	18	44,123	32,891
Total non-current liabilities		44,123	32,891
Total liabilities		661,975	774,835
Net assets		5,577,222	4,463,778
Equity			
Issued capital	19	22,010,313	19,738,956
Reserves	20	582,900	583,700
Accumulated losses		(17,015,991)	(15,858,878)
Total equity		5,577,222	4,463,778

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

Oil Basins Limited
Statement of changes in equity
For the year ended 30 June 2015

Consolidated	Contributed equity $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 July 2013	18,103,069	(9,887,038)	762,600	8,978,631
Loss after income tax expense for the year	-	(6,312,040)	-	(6,312,040)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(6,312,040)	-	(6,312,040)
Transactions with owners in their capacity as owners:				
Share-based payments (note 36)	789,799	-	-	789,799
Issue of options	-	-	160,000	160,000
Lapse of options	-	340,200	(340,200)	-
Revaluation Reserve	-	-	1,300	1,300
Issue of shares (note 19)	1,276,500	-	-	1,276,500
Costs of capital raising (note 19)	(430,412)	-	-	(430,412)
Balance at 30 June 2014	19,738,956	(15,858,878)	583,700	4,463,778

Consolidated	Contributed equity $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 July 2014	19,738,956	(15,858,878)	583,700	4,463,778
Loss after income tax expense for the year	-	(1,157,113)	-	(1,157,113)
Other comprehensive income for the year, net of tax	-	-	(800)	(800)
Total comprehensive income for the year	-	(1,157,113)	(800)	(1,157,913)
Transactions with owners in their capacity as owners:				
Share-based payments (note 36)	120,000	-	-	120,000
Issue of shares (note 19)	2,228,513	-	-	2,228,513
Costs of capital raising (note 19)	(77,156)	-	-	(77,156)
Balance at 30 June 2015	22,010,313	(17,015,991)	582,900	5,577,222

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

Oil Basins Limited
Statement of cash flows
For the year ended 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,388,278)	(1,609,479)
Interest received		5,647	4,301
Interest and other finance costs paid		(8,822)	-
Refunds from settlement of legal matters		368,000	-
Net cash used in operating activities	34	(1,023,453)	(1,605,178)
Cash flows from investing activities			
Payments for property, plant and equipment	13	(4,000)	(2,523)
Payments for exploration and evaluation		(572,676)	(287,829)
Payments for equity investments		(650)	-
Proceeds from disposal of investments		20,263	370,284
Net cash from/(used in) investing activities		(557,063)	79,932
Cash flows from financing activities			
Proceeds from issue of equity securities		1,928,513	1,276,500
Payments of share issue costs		(77,156)	(66,389)
Proceeds from borrowings		-	275,000
Net cash from financing activities		1,851,357	1,485,111
Net increase/(decrease) in cash and cash equivalents		270,841	(40,135)
Cash and cash equivalents at the beginning of the financial year		64,374	104,509
Cash and cash equivalents at the end of the financial year	9	335,215	64,374

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

Note 1. General information

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

Oil Basins 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 3025

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 30 September 2015. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

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

Any new, revised or amending 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 significant impact on the financial performance or position of the consolidated entity.

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

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting
- AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities
- AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the financial year ended 30 June 2015, the consolidated entity incurred a loss after tax of $1,157,113 (2014: $6,312,040) and had net cash outflows from operating and exploration activities of $1,596,129 (2014: $1,893,007). At 30 June 2015 the consolidated entity had net current liabilities of $166,824 (30 June 2014: 623,435) and net assets of $5,577,222 (30 June 2014: $4,463,778).

Note 2. Significant accounting policies (continued)

The consolidated entity currently does not have any production income and in order to continue as a going concern, is therefore reliant on:-

i. raising additional equity capital or debt funding;
ii. receiving the proceeds from either the full or partial sale of its existing tenement portfolio;
iii. securing farm-out arrangements of its existing tenement portfolio;
iv. continued financial support of related parties; or
v. a combination of the above

where existing cash reserves are insufficient to fund the consolidated entity's forecast exploration and development plan and corporate costs.

During the financial period, the directors have taken a number of steps to ensure that the company and the consolidated entity can continue to fund their operations and further explore and develop the consolidated entity's tenements. These steps comprise:

- a share placement on 24 September 2014 for the issue of 70,000,000 fully paid ordinary shares at an issue price of $0.008 per share raising a total of $560,000;

- a Share Purchase Plan with existing shareholders on 10 October 2014 with 50,625,000 fully paid ordinary shares being issued at a price of $0.008 per share raising a total of $405,000;

- continuing its funding arrangement with The Lind Partners Australia, LLC ("Lind") and issuing a total of 44,494,047 fully paid ordinary shares which raised a total of $300,000;

- completing a share placement on 9 January 2015 for the issue of 47,000,000 fully paid ordinary shares at an issue price of $0.005 per share raising a total of $235,000; and

- completing a share placement on 4 May 2015 for the issue of 72,500,000 fully paid ordinary shares at an issue price of $0.004 per share raising a total of $290,000.

- On 1 June 2015, the consolidated entity announced that it had resolved the joint venture issues in relation to Petroleum Exploration Permit EP487 and executed a Deed of Settlement and Release with Rey Resources Limited. As part of the settlement, the consolidated entity received $391,000 from Rey Resources for a reimbursement of previous costs expended.

- On 30 September 2015 the company announced that it had completed a share placement for the issue of 37,500,000 fully paid ordinary shares at $0.004 (0.4 cents) per share raising a total of $150,000 before costs.

While the company has a demonstrable track record of raising funds which historically has been supported by its shareholders, the ability of the company and the consolidated entity to continue as going concerns for the coming year is dependent on one or a combination of the following factors occurring:-

i. the consolidated entity's ability to raise additional equity capital;
ii. the consolidated entity's ability to realise its interests in the existing tenement portfolio or secure farm-out arrangements for the consolidated entity's tenements if required;
iii. the consolidated entity's ability to secure additional debt funding if required; and/or
iv. the ongoing financial support of related parties.

Note 2. Significant accounting policies (continued)

The directors have prepared a detailed cash flow forecast through to 31 December 2016 and based on budgeted expenditure the company will be required to raise additional funds of approx. $2.5m (via a combination of the above factors) over the next twelve months if the Company is unable to farmout the Derby Block (as proposed under the terms of the settlement agreement with Permit EP487 Joint Venture Partner Rey Lennard Shelf Pty Ltd dated 31 May 2015).

This cashflow forecast includes allowance for:-

i. an equity raising of no less than $500,000 by calendar year end 2015 in the absence of farmouts/assets sales;
ii. reimbursements from joint venture partners for costs expended to 31 December 2015; and
iii. Other forms of equity or debt raisings during the period (the Company is seeking a cornerstone investor now that the Derby Block has been substantially de-risked and if successful will seek shareholder approval at the OBL AGM).

On the basis that company and the consolidated entity achieve successful outcomes in relation to the above matters, cash flow forecasts prepared by management, assuming minimum cash burn to maintain its assets and manage corporate overheads, demonstrate that the company and the consolidated entity will have sufficient funds to meet their commitments over the next twelve months, and for this reason the financial statements have been prepared on the basis that the company and consolidated entity are going concerns.

Should the company and the consolidated entity be unable to raise further funds from the sources outlined above, there would be a significant uncertainty regarding the ability of the company and the consolidated entity to continue as going concerns and, therefore whether they will realise their assets and discharge their liabilities in the normal course of business and at the amounts stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the company and the consolidated entity not continue as going concerns.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for the revaluation of available-for-sale financial assets.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Oil Basins Limited ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Oil Basins Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Note 2. Significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting period, or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Financial Assets
All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ('FVTPL'), 'held-to-maturity' investments, 'available-for-sale' ('AFS') financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Note 2. Significant accounting policies (continued)

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets, principally equity securities that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised directly in the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Petroleum exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:

a. the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
b. exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 2. Significant accounting policies (continued)

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Provision for Restoration and Rehabilitation
A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development, production, transportation or storage activities undertaken, it is probable than an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include costs of removing facilities, abandoning sites/wells and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration, development and production facilities is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of the discounting on the provision is recognised as a finance cost rather than being capitalized into the cost of the related asset.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 2. Significant accounting policies (continued)

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 2. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Note 2. Significant accounting policies (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Oil Basins Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Interests in jointly controlled operations
Classification of joint arrangements

Exploration, development and production activities of the group are conducted primarily through arrangements with other parties. Each arrangement has a contractual agreement which provides the participating parties rights to the assets and obligations for the liabilities of the arrangement. Under certain agreements, more than one combination of participants can make decisions about the relevant activities and therefore joint control does not exist. Where the arrangement has the same legal form as a joint operation but is not subject to joint control, the group accounts for its interest in accordance with the contractual agreement by recognising its share of jointly held assets, liabilities, revenues and expenses of the arrangement.
The group's interest in other arrangements with same legal form as a joint operation but that are not subject to joint control are disclosed in note 30.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Note 2. Significant accounting policies (continued)

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be 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 to be 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'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. 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. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement hierarchy
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. Operating segments

The consolidated entity is organised into one segment: petroleum exploration and investment within Australia. The operating segment is based on the internal reports that are reviewed by the directors (who are identified as Chief Decision Makers) in assessing performance and allocation of resources.

Note 5. Revenue

	Consolidated	
	2015	**2014**
	$	**$**
Interest	5,647	4,301
Other revenue	368,000	10,250
Revenue	373,647	14,551

On 1 June 2015 the company announced that it would receive $368,000 in part-payment of back costs and payment relating to the District Court matter following the settlement of the legal dispute surrounding EP 487.

Note 6. Other income

	Consolidated	
	2015	**2014**
	$	**$**
Gain on sale of available-for-sale financial assets	10,013	-

The amount shown above represents the realised gain on sale of the consolidated entity's holding in Valance Industries Limited (ASX: VXL).

Note 7. Expenses

	Consolidated 2015 $	Consolidated 2014 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Depreciation of non-current assets	17,961	23,180
Employment Benefits:		
Post-employment benefit - Contribution plans	38,348	41,100
Other employee benefits	709,707	909,996
Consultant fees	28,500	84,000
Total Employment Benefits	776,555	1,035,096
Share-based payments		
Equity settled share based payments - Directors	122,500	-

Note 8. Income tax expense

	Consolidated 2015 $	Consolidated 2014 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,157,113)	(6,312,040)
Tax at the statutory tax rate of 30%	(347,134)	(1,893,612)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	36,750	-
Other permanent differences	1,205	-
Movements in provisions	(89,997)	112,306
Movements in accrued expenditure	1,980	(1,317)
Capitalised deductible exploration expenditure	(207,803)	(278,348)
Write off of exploration expenditure	-	1,325,739
Capital raising costs	(67,819)	(64,474)
Sundry items	-	(72)
	(672,818)	(799,778)
Current year tax losses not recognised	672,818	799,778
Income tax expense	-	-

	Consolidated 2015 $	Consolidated 2014 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	20,898,311	18,655,584
Potential tax benefit @ 30%	6,269,493	5,596,675

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Income tax expense (continued)

	Consolidated 2015 $	Consolidated 2014 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	6,269,493	5,596,675
Temporary differences	(2,120,147)	(1,756,508)
Total deferred tax assets not recognised	4,149,346	3,840,167

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

i. the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised.

ii. the consolidated entity continues to comply with the conditions for deductibility imposed by law, and

iii. no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

Note 9. Current assets - cash and cash equivalents

	Consolidated 2015 $	Consolidated 2014 $
Cash on hand	-	(25)
Cash at bank	335,215	62,899
Cash on deposit	-	1,500
	335,215	64,374

Note 10. Current assets - trade and other receivables

	Consolidated 2015 $	Consolidated 2014 $
Other receivables	80,551	363,371
Less: Provision for impairment of receivables	-	(363,371)
	80,551	-
GST receivable	14,767	31,361
	95,318	31,361

The average credit period on trade and other receivables is 30 days. Due to the short term nature of the receivables their carrying value is assumed to approximate their fair value. No collateral or security is held. No interest is charged on the receivables. The consolidated entity has financial risk management policies in place to ensure that all receivables are received within the credit timeframe.

Note 11. Current assets - other

	Consolidated 2015 $	Consolidated 2014 $
Prepayments	20,495	22,774

Note 12. Non-current assets - other financial assets

	Consolidated 2015 $	Consolidated 2014 $
Available-for-sale investments carried at fair value - quoted shares	3,200	13,850

Quoted shares noted above represents the company's holding in Strategic Energy Resources (ASX : SER) and Octanex N.L (ASX : OXX). The amount denoted above is the fair value as at 30 June 2015. The 30 June 2014 holding included quoted shares in Strategic Energy Resources (ASX : SER) and Valance Industries Limited (ASX : VXL). The holding in Valance Industries Limited was sold during the financial year.

Note 13. Non-current assets - property, plant and equipment

	Consolidated 2015 $	Consolidated 2014 $
Motor vehicles - at cost	50,179	50,179
Less: Accumulated depreciation	(33,976)	(21,431)
	16,203	28,748
Computer equipment - at cost	36,988	32,988
Less: Accumulated depreciation	(32,604)	(27,188)
	4,384	5,800
	20,587	34,548

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Motor Vehicles $	Computer Equipment $	Total $
Balance at 1 July 2013	41,293	13,912	55,205
Additions	-	2,523	2,523
Depreciation expense	(12,545)	(10,635)	(23,180)
Balance at 30 June 2014	28,748	5,800	34,548
Additions	-	4,000	4,000
Depreciation expense	(12,545)	(5,416)	(17,961)
Balance at 30 June 2015	16,203	4,384	20,587

Note 14. Non-current assets - Petroleum exploration expenditure

	Consolidated 2015 $	Consolidated 2014 $
Petroleum Exploration Expenditure	5,764,382	5,071,706

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Petroleum Exploration $	Total $
Balance at 1 July 2013	8,563,010	8,563,010
Additions	927,827	927,827
Impairment of assets	(4,419,131)	(4,419,131)
Balance at 30 June 2014	5,071,706	5,071,706
Additions	673,684	673,684
Balance at 30 June 2015	5,745,390	5,745,390

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Note 15. Current liabilities - trade and other payables

	Consolidated 2015 $	Consolidated 2014 $
Trade payables	113,783	219,821
Sundry payables and accrued expenses	-	21,010
Liabilities to be settled by the issuance of shares	122,500	-
Other payables	188,227	71,587
	424,510	312,418

Refer to note 22 for further information on financial instruments.

The average credit period on purchases is 30 days. No interest is charged on the trade payables. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The liabilities to be settled by the issuance of shares represents 24,500,000 fully paid ordinary shares to be issued to Key Management Personnel which were approved by shareholders at the company's General Meeting held on 9 June 2015. The shares were subsequently issued on 2 July 2015.

Note 16. Current liabilities - borrowings

	Consolidated 2015 $	Consolidated 2014 $
Convertible notes payable	-	300,000

Refer to note 22 for further information on financial instruments.

Note 17. Current liabilities - employee benefits

	Consolidated 2015 $	Consolidated 2014 $
Annual leave	193,342	129,526

Note 18. Non-current liabilities - employee benefits

	Consolidated 2015 $	Consolidated 2014 $
Long service leave	44,123	32,891

Note 19. Equity - issued capital

	Consolidated 2015 Shares	Consolidated 2014 Shares	Consolidated 2015 $	Consolidated 2014 $
Ordinary shares - fully paid	1,048,387,360	722,742,978	22,010,313	19,738,956

Note 19. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2013	589,112,374		18,103,069
Share placement	9 July 2013	5,000,000	$0.0200	100,000
Shares place in Escrow in consideration for Green Rock Energy	19 July 2013	25,000,000	$0.0200	500,000
Share placement	16 August 2013	10,000,000	$0.0200	200,000
Share placement	10 October 2013	21,000,000	$0.0200	420,000
Consideration for Shelf Oil Pty Ltd	19 November 2013	7,000,000	$0.0150	140,000
Share placement	12 December 2013	7,000,000	$0.0150	105,000
Share placement	13 January 2014	13,433,334	$0.0150	201,500
Convertible Note commencement fee	19 March 2014	8,053,691	$0.0190	149,799
Collateral Share as part of Lind Deal	19 March 2014	8,500,000	$0.0000	-
Share Issue to Lind	30 April 2014	6,818,182	$0.0110	75,000
Share Issue to Lind	23 May 2014	11,111,111	$0.0090	100,000
Share Issue to Lind	27 June 2014	10,714,286	$0.0070	75,000
Less cost of capital raising		-	$0.0000	(430,412)
Balance	30 June 2014	722,742,978		19,738,956
OBLOB Option Conversion	4 July 2014	25,335	$0.0400	1,013
Acquisition of 25% of Vic P/47	8 July 2014	6,000,000	$0.0200	120,000
Placement	9 July 2014	35,000,000	$0.0125	437,500
Lind Tranche T4	8 August 2014	9,375,000	$0.0080	75,000
Lind Tranche T5	11 September 2014	14,285,714	$0.0070	100,000
Placement	24 September 2014	70,000,000	$0.0080	560,000
Share Placement Plan	10 October 2014	50,625,000	$0.0080	405,000
Lind Tranche T6	15 October 2014	20,833,333	$0.0060	125,000
Placement	9 January 2015	47,000,000	$0.0050	235,000
Placement	4 May 2015	72,500,000	$0.0040	290,000
Less cost of capital raising		-	$0.0000	(77,156)
Balance	30 June 2015	1,048,387,360		22,010,313

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 20. Equity - reserves

	Consolidated 2015 $	Consolidated 2014 $
Available-for-sale reserve	500	1,300
Options reserve	582,400	582,400
	582,900	583,700

Available-for-sale reserve
The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Available for sale reserve $	Options Reserve $	Total $
Balance at 1 July 2013	-	762,600	762,600
Options expired during the period	-	(340,200)	(340,200)
Revaluation of shares	1,300	-	1,300
Options Issued	-	160,000	160,000
Balance at 30 June 2014	1,300	582,400	583,700
Devaluation of shares	(800)	-	(800)
Balance at 30 June 2015	500	582,400	582,900

Note 21. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 22. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks.

Market risk

Price risk
The consolidated entity is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes.

Note 22. Financial instruments (continued)

	Average price increase			Average price decrease		
Consolidated - 2015	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Available-for-sale investments carried at fair value - quoted shares	10%	-	320	10%	-	(320)

	Average price increase			Average price decrease		
Consolidated - 2014	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Available-for-sale investments carried at fair value - quoted shares	10%	-	1,385	10%	-	(1,385)

Interest rate risk
The consolidated entity's main interest rate risk arises from cash deposits. The consolidated entity has no borrowings, and during the year held cash in accessible current accounts for liquidity purposes.

As at the reporting date, the consolidated entity had the following variable interest rates:

	2015		2014	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Cash at bank	2.00%	335,215	2.50%	64,374
Net exposure to cash flow interest rate risk		335,215		64,374

The impact would not be material on bank balances held at 30 June 2015 or 30 June 2014.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 22. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2015	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-%	424,510	-	-	-	424,510
Total non-derivatives		424,510	-	-	-	424,510

Consolidated - 2014	Weighted average interest rate %(p.a)	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-%	312,418	-	-	-	312,418
Interest-bearing - fixed rate						
Convertible Note	6.00%	300,000	-	-	-	300,000
Total non-derivatives		612,418	-	-	-	612,418

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 23. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares	3,200	-	-	3,200
Total assets	3,200	-	-	3,200

Note 23. Fair value measurement (continued)

Consolidated - 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares	13,850	-	-	13,850
Total assets	13,850	-	-	13,850

There were no transfers between levels during the financial year.

Note 24. Key management personnel disclosures

Directors
The following persons were directors of Oil Basins Limited during the financial year:

Mr K W McGrath (Executive Chairman)
Mr N F Doyle (Executive Director and CEO)
Mr N Harvey (Non-Executive Director)

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Mr J Mouchacca (Company Secretary)
Mr G Geary (Geological Consultant)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2015 **$**	**2014** **$**
Short-term employee benefits	782,086	970,550
Post-employment benefits	42,238	41,100
Long-term benefits	122,500	25,000
	946,824	1,036,650

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the company:

	Consolidated	
	2015 **$**	**2014** **$**
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	32,250	34,686

Note 26. Contingent liabilities

As a result of participation in the Nyikina Mangala native title case (WAD6099/1998), the Company was presented by the Kimberley Land Council ('KLC') on behalf of the native title applicants with Bills of Costs for $186,548 and then $77,432. The first amount has been taxed down to $161,248.23 while the latter amount has not get been taxed. The Company has formally objected to these Bills of Costs saying the native title applicants (and therefore the Company) have no legal liability to pay these costs as there was no agreement to do so and the KLC (the representative body) is federally funded for this purpose and provides the services without invoice or cost to the native title applicants. Accordingly application has been successfully made to the Federal Court to review the taxation and it has been listed for hearing on 26 November 2015. The amount of $161,248.23 has meanwhile been paid into a solicitor's account (50% by OBL and 50% by REY) and the obligation to pay the taxed amount has been stayed by the Federal Court.

Any adjustment arising from the result of the taxing process, the Federal Court review or any settlement reached, may impact future cash flows.

Note 27. Commitments

	Consolidated	
	2015 $	2014 $
Petroleum exploration commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	2,226,870	1,645,000
One to five years	15,008,653	14,877,500
More than five years	575,000	575,000
	17,810,523	17,097,500

The consolidated entity has interests in exploration and evaluation permits. These interests give rise to expenditure commitments.

Note 27. Commitments (continued)

Vic/P41

Indicative expenditure commitments include minimum work obligations for the initial 3 year period of exploration permits (and thereafter annually) and obligations arising from farm-in arrangements. The Group is dependent on certain factors to be able to meet these minimum work requirements. These are set out in Notes relating to Vic/P41 below:

The permit is in Year 3 of a second term. The committed work program for Year 3 consists of geological and geophysical studies. The commitment for Year 3 has been met as at 30 June 2015. The Group has been advised by the operator Bass Strait Oil Company Ltd is planning on applying to National Offshore Petroleum Titles Administrator (NOPTA) for a further suspension and extension to vary out remaining work commitments for a further 12 months. The Year 4 & 5 minimum work commitments are optional commitments. The Year 4 work program has an optional well commitment, refer Note (below):
The OBL Group (OBL and Shelf Oil) also expects the extension for the Vic/P41 permit obligations to be granted by NOPTA (as the permit is in good standing). Failure of approval by NOPTA of the proposed work program changes in Vic/P41 will in the absence of a farmin see OBL Group immediately withdrawing from Vic/P41 to avoid the well obligations ($10.635 million in Year 4).

- Meeting its additional obligations by either farmout or partial sale of the Group's exploration interests;
- Raising capital by one of a combination of the following: placement of shares, pro-rata issue to shareholders, the exercise of outstanding share options, and/or further issue of shares to the public;
- In some circumstances, subject to negotiation and approval, minimum work requirements may be varied or suspended, and/or permits may be surrendered or cancelled; or
- Other avenues that may be available to the Group.

No adjustments have been made relating to the recoverability and reclassification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern, particularly the write-down of capitalised exploration expenditure should the exploration permits be ultimately surrendered or cancelled.

Vic/P47

Indicative expenditure commitments include minimum work obligations for the initial 3 year period of exploration permits (and thereafter annually) and obligations arising from farm-in arrangements. The Group is dependent on certain factors to be able to meet these minimum work requirements. These are set out in Notes relating to Vic/P47 below:

The Group successfully varied out the Year 5 well obligation ($35,000,000) and replaced it with new advanced 3D seismic studies (quantitative inversion / amplitude versus offset) amounting to $581,000 on 14 December 2014. The permit is in Year 5 of a third term. The committed work program for Year 3 consists of geological and geophysical studies of the vintage Northern Areas 3D survey - ExxonMobil and the Moby 3D survey Bass Strait Oil Company). Due to significant delays in reprocessing and combining the quantitative data of both surveys, on 14 September 2015 the Company applied to NOPTA for a further suspension and extension to vary out remaining work commitments for a further 12 months. The significant delays were entirely outside the Company's ability to control and the Company expects the application to be granted. Further in late July 2015 the Company was awarded a 2 year Renewal of the Moby Location - so it would be inconsistent if the subsequent suspension and extension request was not approved. Some 20% of the study is presently complete.

The OBL Group (OBL and Shelf Oil) will make a decision as to Permit Vic / P47 renewal circa 3 months before the expiry of the Year 5 (as suspended and extended) term.

Note 27. Commitments (continued)

Derby Block EP 487

On 28 February 2014 OBL was formally offered by the WA DMP the Offer documents and Request for Grant pro-forma for Permit EP487 (formerly application 5/07-8 EP). On behalf of Joint 5/07-8 EP Applicants, OBL as operator on 7 March 2014 formally lodged acceptance of the Offer. On 21 March 2014, the Company was formally advised by the Minister for Mines and Petroleum of the grant of petroleum exploration permit EP 487 (Derby Block) effective from 14 March 2014.

On 13 October 2014, OBL applied for a 12 month suspension and extension of the Permit to account for the rainy season. The DMP granted OBL a 9 month extension and Year 31 was extended to 13 December 2015. OBL lodged the Environmental Plan (533km 2D Seismic Survey) on 31 October 2014 with the DMP. In 2HY 2014, OBL commenced legal actions in District Court, Magistrates Court and State Administration Tribunal against its Application partner Backreef Oil Pty Limited

All legal actions against Backreef Oil Pty Limited were terminated on 31 May 2015 when OBL settled all the disputes to OBL's satisfaction with Rey Resources Limited (REY) whose subsidiary Rey Lennard Shelf Pty Ltd is a 50% JV partner.

On 15 June 2015, OBL as required under Condition 6 of the Grant of EP487 lodged a Heritage Impact Assessment Notice with all traditional Owners impacted by the 2D survey in strict accordance with the National Native Title Tribunal Determination dated 1 February 2013. Following two subsequent revisions, on 30 July 2015, the DMP approved the Environmental Plan (533 km 2D Seismic Survey) Revision 3. On 8 September 2015, the DMP approved the public notice summary of this EP.

On 17 September 2015, Terrex Seismic have advised that they will be unable to provide seismic equipment to commence and complete the Year 1 circa 11 week seismic survey (estimated gross cost $3.2 million) during 2015.

On 18 September 2015, Terrex formally advises the EP487 Joint Venture that its seismic survey equipment is unavailable in 2015 but will be available in 3Q/4Q2016 and they will hold their costs at $3.2 million.

On 24 September 2015, OBL as operator of EP487 formally lodged DMP a variation to vary out the Year 1 work program with reprocessing vintage 2D seismic and if two drill sites can be delineated to move to Year 2 drilling from 14 December 2015.

Alternatively, if this variation is not approved by the DMP, OBL will seek an immediate force majeure and apply for a 12 month extension and suspension to move Year 1 2D seismic obligations to 2HY 2016.

Backreef area

There are no work program obligations. A site visit was held in June 2015 to review the rehabilitation works at East Blina-1 conducted in October 2014.

The company is seeking farmin interest for up to 50% in 2015/2016

Cyrano R3/R1

Oil Basins Limited is operator and has 100% interest of tenement - for a period of 5 years, with a minimum annual expenditure commitment of $200,000 (to encompass further geological and geophysical studies, including those relating to the Nasutus Oil Field extension into R3, and advanced engineering studies for a possible scoping of a staged low-cost development / Extended Well Test).

Under the work program OBL is required to spend $200,000 per annum at its discretion.

Note 27. Commitments (continued)

In both instances the OBL Group will also rely on taking appropriate steps, including:

- Meeting its additional obligations by either farmout or partial sale of the Group's exploration interests;
- Raising capital by one of a combination of the following: placement of shares, pro-rata issue to shareholders, the exercise of outstanding share options, and/or further issue of shares to the public;
- In some circumstances, subject to negotiation and approval, minimum work requirements may be varied or suspended, and/or permits may be surrendered or cancelled; or
- Other avenues that may be available to the Group.

No adjustments have been made relating to the recoverability and reclassification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern, particularly the write-down of capitalised exploration expenditure should the exploration permits be ultimately surrendered or cancelled.

Note 28. Related party transactions

Parent entity
Oil Basins Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

Joint ventures
Interests in joint ventures are set out in note 31.

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report in the directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2015	**2014**
	$	**$**
Loss after income tax	(1,157,112)	(7,225,504)
Total comprehensive income	(1,157,112)	(7,225,504)

Note 29. Parent entity information (continued)

Statement of financial position

	Parent 2015 $	Parent 2014 $
Total current assets	450,772	118,258
Total assets	6,239,192	5,238,613
Total current liabilities	617,852	741,944
Total liabilities	661,975	774,836
Equity		
Issued capital	22,010,313	19,738,956
Available-for-sale reserve	500	1,300
Options reserve	582,400	582,400
Accumulated losses	(17,015,996)	(15,858,879)
Total equity	5,577,217	4,463,777

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2015 and 30 June 2014.

Contingent liabilities
As a result of participation in the Nyikina Mangala native title case (WAD6099/1998), the Company was presented by the Kimberley Land Council (‘KLC’) on behalf of the native title applicants with Bills of Costs for $186,548 and then $77,432. The first amount has been taxed down to $161,248.23 while the latter amount has not get been taxed. The Company has formally objected to these Bills of Costs saying the native title applicants (and therefore the Company) have no legal liability to pay these costs as there was no agreement to do so and the KLC (the representative body) is federally funded for this purpose and provides the services without invoice or cost to the native title applicants. Accordingly application has been successfully made to the Federal Court to review the taxation and it has been listed for hearing on 26 November 2015. The amount of $161,248.23 has meanwhile been paid into a solicitor’s account (50% by OBL and 50% by REY) and the obligation to pay the taxed amount has been stayed by the Federal Court.

Any adjustment arising from the result of the taxing process, the Federal Court review or any settlement reached, may impact future cash flows.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2015 and 30 June 2014.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
OBL Backreef No.10 Pty Ltd	Australia	100.00%	100.00%
Canning Basin Oil Limited	Australia	100.00%	100.00%
(Formerly OBL Backreef No. 15 Pty Ltd)		-%	-%
Wantok Oil Limited	Papua New Guinea	100.00%	100.00%
Oil Basins Royalties Pty Ltd	Australia	100.00%	100.00%
Shelf Oil Pty Ltd	Australia	100.00%	100.00%
Backreef Energy Pty Ltd	Australia	100.00%	100.00%

Note 31. Interests in joint ventures

The group participates in arrangements with other parties that have the same legal form as a joint operation but are not subject to joint control (as described in note 2(Interest in Joint Operations)). The group's interests in these arrangements is as follows:

Name	Principal place of business / Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
VIC P/41	Oil and gas exploration	35.44%	35.44%
Derby Block EP 487	Oil and gas exploration	50.00%	50.00%
VIC P/47*	Oil and gas exploration	100.00%	25.00%

* On 14 November 2014 Enegex N.L (ASX: ENX) announced that it had withdrawn its participation in VIC P/47 and therefore the OBL group was now 100% owner operator of the Permit.

Note 32. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Oil Basins Limited
Canning Basin Oil Limited

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission ('ASIC').

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Oil Basins Limited, they also represent the 'Extended Closed Group'.

Note 32. Deed of cross guarantee (continued)

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	**2015 $**	**2014 $**
Revenue	373,647	4,301
Other income	10,013	10,250
Corporate expenses	(528,972)	(538,435)
Administration expenses	(94,539)	(141,197)
Employee benefits expense	(776,555)	(1,036,956)
Share based payments	(122,500)	-
Depreciation and amortisation expense	(17,961)	(23,180)
Impairment of investments	(250)	(164,941)
Impairment of receivables	-	(3,061,419)
Exploration costs written off	-	(2,128,092)
Loss before income tax expense	(1,157,117)	(7,079,669)
Income tax expense	-	-
Loss after income tax expense	(1,157,117)	(7,079,669)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(1,157,117)	(7,079,669)

Equity - retained profits	**2015 $**	**2014 $**
Accumulated losses at the beginning of the financial year	(16,018,521)	(9,279,052)
Loss after income tax expense	(1,157,117)	(7,079,669)
Transfer from options reserve	-	340,200
Accumulated losses at the end of the financial year	(17,175,638)	(16,018,521)

Note 32. Deed of cross guarantee (continued)

Statement of financial position	**2015 $**	**2014 $**
Current assets		
Cash and cash equivalents	334,975	64,134
Trade and other receivables	99,576	31,360
Other	16,229	22,774
	450,780	118,268
Non-current assets		
Other financial assets	657,665	548,725
Property, plant and equipment	20,588	34,549
Petroleum exploration expenditure	4,950,516	4,377,430
	5,628,769	4,960,704
Total assets	6,079,549	5,078,972
Current liabilities		
Trade and other payables	424,510	312,419
Borrowings	-	300,000
Employee benefits	193,341	129,526
	617,851	741,945
Non-current liabilities		
Employee benefits	44,123	32,892
	44,123	32,892
Total liabilities	661,974	774,837
Net assets	5,417,575	4,304,135
Equity		
Issued capital	22,010,313	19,738,956
Reserves	582,900	583,700
Accumulated losses	(17,175,638)	(16,018,521)
Total equity	5,417,575	4,304,135

Note 33. Events after the reporting period

On 2 July 2015 the company issued 24,500,000 fully paid ordinary shares to directors as approved by shareholders at the company's General Meeting held on 9 June 2015.

The company also issued a further 4,200,000 fully paid ordinary shares to a nominee of a party for expected future services under an agreement.

On 13 July 2015 the company advised that The Lind Partners, LLC (Lind) agreed to a termination of the funding agreement provided by the Lind managed The Australian Special Opportunity Fund, LP. As a consequence, and pursuant to the funding agreement, OBL was to receive a final payment of $33,961 for the previously issued 8.5 million collateral shares (note that these shares were issued at the time of establishment of the funding facility in March 2014).

On 30 September 2015 the company announced that it had completed a share placement for the issue of 37,500,000 fully paid ordinary shares at $0.004 (0.4 cents) per share raising a total of $150,000 before costs.

No other matter or circumstance has arisen since 30 June 2015 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 34. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2015 $	2014 $
Loss after income tax expense for the year	(1,157,113)	(6,312,040)
Adjustments for:		
Depreciation and amortisation	17,961	23,180
Impairment of investments	-	164,941
Exploration costs written off	-	4,419,131
Gain on disposal of available for sale financial assets	(9,763)	-
Interest capitalised into loan	12,916	-
Share based payments	122,500	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(68,216)	72,877
Decrease/(increase) in prepayments	6,545	(12,828)
Increase/(decrease) in trade and other payables	(23,330)	16,267
Increase in employee benefits	75,047	23,294
Net cash used in operating activities	(1,023,453)	(1,605,178)

Note 35. Earnings per share

	Consolidated	
	2015 $	2014 $
Loss after income tax attributable to the owners of Oil Basins Limited	(1,157,113)	(6,312,040)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	920,755,853	663,144,541
Weighted average number of ordinary shares used in calculating diluted earnings per share	920,755,853	663,144,541
	Cents	**Cents**
Basic earnings per share	(0.126)	(0.952)
Diluted earnings per share	(0.126)	(0.952)

Diluted Earnings Per Share

In the current year, the options held by option holders were not included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they did not meet the requirements for inclusion is AASB 133 "Earnings per Share". The options were non-dilutive as the consolidated entity generated a loss during the financial year.

Note 36. Share-based payments

On 8 July 2014 the company issued 6,000,000 fully paid ordinary shares at an issue price of $0.02 (2 cents) per share to Strategic Energy Resources Limited (ASX: SER) for part consideration for the transfer of 25% interest in VIC/P47 divided equally between OBL and OBL's wholly owned subsidiary Shelf Oil Pty Ltd. This equated to a total consideration of $120,000.

Note 36. Share-based payments (continued)

At the Company's General Meeting of shareholders held 9 June 2015 the Company sought approval to issue Directors fully paid ordinary shares as part consideration for remuneration. A total of 24,500,000 fully paid shares were issued at a price of $0.005 (0.5 cents) per share on 2 July 2015 post year end. This equated to a total consideration of $122,500. For further details refer to 'share based compensation' in the directors report.

Set out below are summaries of options granted under the plan:

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/09/2012	30/06/2016	$0.0900	48,000,000	-	-	-	48,000,000
19/03/2014	14/09/2017	$0.0232	8,000,000	-	-	-	8,000,000
			56,000,000	-	-	-	56,000,000

2014

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
25/11/2009	30/06/2014	$0.0400	18,000,000	-	-	(18,000,000)	-
25/11/2009	30/06/2014	$0.0400	18,000,000	-	-	(18,000,000)	-
30/09/2012	30/06/2016	$0.0900	48,000,000	-	-	-	48,000,000
19/03/2014	14/09/2017	$0.0232	-	8,000,000	-	-	8,000,000
			84,000,000	8,000,000	-	(36,000,000)	56,000,000

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2015 Number	2014 Number
30/09/2012	30/06/2016	48,000,000	48,000,000
19/03/2014	14/09/2017	8,000,000	8,000,000
		56,000,000	56,000,000

Oil Basins Limited
Directors' declaration
30 June 2015

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 32 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Neil Doyle
Executive Director

30 September 2015
Melbourne

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Independent Auditor's Report to the Members of Oil Basins Limited

Report on the Financial Report

We have audited the accompanying financial report of Oil Basins Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 21 to 61.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Oil Basins Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Deloitte.

Opinion

In our opinion:

(a) the financial report of Oil Basins Limited is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Material Uncertainty Regarding the Continuation as a Going Concern

Without modifying our opinion, we draw attention to Note 2 in the financial report which indicates that the consolidated entity incurred a net loss of $1,157,113 and had net cash outflows from operating and exploration activities of $1,596,129 during the year ended 30 June 2015. These conditions, along with other matters set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the company and the consolidated entity to continue as going concerns and therefore, the company and the consolidated entity may be unable to realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 18 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Oil Basins Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Craig Bryan
Partner
Chartered Accountants
Melbourne, 30 September 2015

Oil Basins Limited
Shareholder information
30 June 2015

The shareholders information set out below was applicable as at 25th September 2015.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	267
1,001 to 5,000	131
5,001 to 10,000	118
10,001 to 100,000	767
100,001 and over	788
	2,071
Holding less than a marketable parcel	1,430

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Mr Colin Robert Searl + Mrs Cynda Searl	50,600,000	4.70
Mr Paul Stanley Harris	42,119,401	3.91
Mr William Joseph O'Brien	38,994,108	3.62
Navigator Australia Ltd (MLC Investment Sett A/C)	33,055,244	3.07
Mr Stephen Gamble	26,365,000	2.45
Mrs Gwendolen Joy Dettmar	25,010,000	2.32
Mr Gavin William Kerr	20,000,000	1.86
BNP Paribas Nominees Pty Ltd (EFG Bank AG DRP)	19,174,888	1.78
Octanex NL	17,972,222	1.67
Romanna Pty Ltd (ICM Superannuation Fund A/C)	17,300,000	1.61
Uniteam Marketing Limited	17,101,009	1.59
Whittingham Securities Pty Limited	15,000,000	1.39
Great Australia Corporation Limited	13,907,669	1.29
Mr Neil Francis Doyle + Ms Lisa Materano (Intrepid Pension Fund A/C)	13,705,166	1.27
Strategic Energy Resources Limited	13,000,000	1.21
Lindsay Downs Pty Ltd (A L Harris Super A/C)	11,535,000	1.07
Mr Murray Harris	11,000,000	1.02
Cue Petroleum Pty Ltd	10,658,279	0.99
Mr Jaymon Bruce Crabb	9,553,221	0.89
Jimco Developments Pty Ltd (Iliopoulos Family Super A/C)	9,478,907	0.88
	415,530,114	38.59

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

There are no substantial holders in the company.

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.