Peako
LIMITED

ABN 79 131 843 868

(formerly Peak Oil & Gas Limited)

Interim Financial Report
31 December 2015

Contents

Corporate Directory

Directors

Geoffrey Albers	Non-Executive Chairman
Raewyn Clark	Non-Executive Director
Peter Armitage	Non-Executive Director

Company Secretary

Raewyn Clark

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Website: www.asx.com.au

ASX Code: PKO
Incorporated in Western Australia 25 June 2008

Directors' Report

Your Directors submit the interim financial report on the Group for the half-year ended 31 December 2015. In order to comply with the Corporations Act 2001, the Directors report as follows:

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Geoffrey Albers	Non-Executive Director
Raewyn Clark	Non-Executive Director
Peter Armitage	Non-Executive Director (appointed 18 August 2015)

Jeffrey Steketee and James Durrant resigned as directors on 18 August 2015.

Review of Operations

The consolidated net profit after income tax for the six months to 31 December 2015 was $1,181,367 (six months to 31 December 2014: loss of $3,441,733). The 31 December 2015 profit includes $1,284,774 other income from the discharge of a loan.

During the half-year the Group continued its activities as outlined below.

Peako is natural resources company with a history of diversified direct and indirect resource investment. Peako's strategy is to make resource investments with the objective of growing shareholder value.

In addition to its oil development interests in the Philippines and mineral exploration interests in Western Australia, which are described in more detail below, the company intends to grow through additional resources investment. Peako's directors will consider petroleum opportunities, as well as minerals opportunities, considering both exploration and development opportunities. The current cycle of the natural resources industry can be expected to present significant low cost investment opportunities.

ACTIVITIES, OPERATIONS & INVESTMENTS: PHILIPPINES

PROJECT

SC6 Cadlao - Cadlao Oilfield Re-development Project, the Philippines

Peako holds various direct and indirect interests in relation to the Cadlao Project through its subsidiary Peak Oil & Gas (Australia) Pty Ltd (Peak). They are as follows:

1. A 25% Cadlao joint venture interest (held in trust by Cadlao Development Company Limited (Cadco)(formerly Blade Petroleum Philippines Limited ("BPPL")) or, alternatively, an entitlement to receive $6.7 million as consideration for the buyback of the 25% interest (see Cadco Buyback Right below); and

2. A prospective indirect economic interest held by way of a 40% shareholding held by our subsidiary, Energy Best Limited (**EBL**), in VenturOil Philippines Inc (**VenturOi**l) (itself a 20% interest holder in the Cadlao Joint Venture.

3. Through EBL the right to acquire a 5% interest in SC6 Cadlao from VenturOil.

4. An aggregate 80% interest in overriding royalty interests relating to 3.3% of production held by Peako Royalties Limited

5. A loan receivable from VenturOil for US$736,188.

SC6 Cadlao – project history and overview

The SC6 Service Contract, located in the Palawan Basin, offshore the Philippines, was granted on 1 September 1973. The Cadlao Oil Field, which is located within the SC6 contract area, was discovered by Amoco in 1977. Between 1981 and 1991, 11.1 MMBBLs of oil was produced, based on sparse 2D seismic. The field was shut-in in 1991 in response to declining production, low oil price and escalating costs.

In 1996, 3D seismic data was acquired over the permit as part of a regional 'spec' 3D seismic survey. Interpretation of this seismic data identified additional 2P Reserves of 6MMBBL (Gaffney Cline & Associates estimate) up-dip from the Amoco wells.

Following the 3D survey, a 100% interest in the Cadlao permit acreage was secured by Blade Petroleum Philippines Ltd (BPPL) (now Cadco) from local interests in 2007 and 2008. BPPL assumed operatorship and acquired and remapped the 3D seismic recorded earlier to define up-dip structural potential for the field. BPPL subsequently transferred a 20% interest in SC6 Cadlao to VenturOil.

The proposed Cadlao oil project is a redevelopment project in shallow water (c.20m water depth). It is intended to be developed via drilling and production from a jack-up drilling rig with export of crude to a moored vessel.

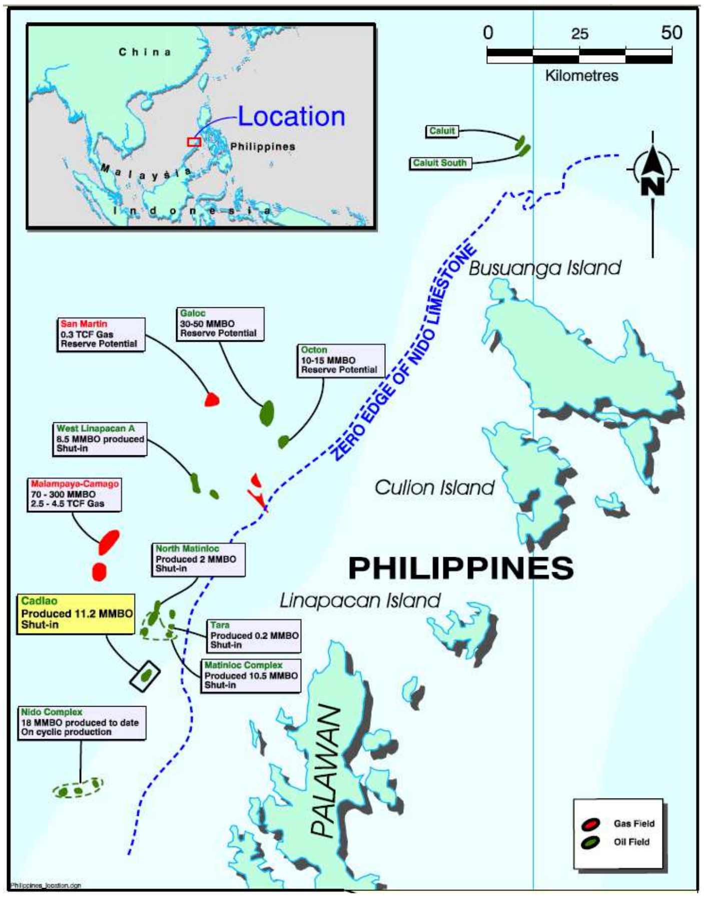

Figure 1 SC6 Location Map

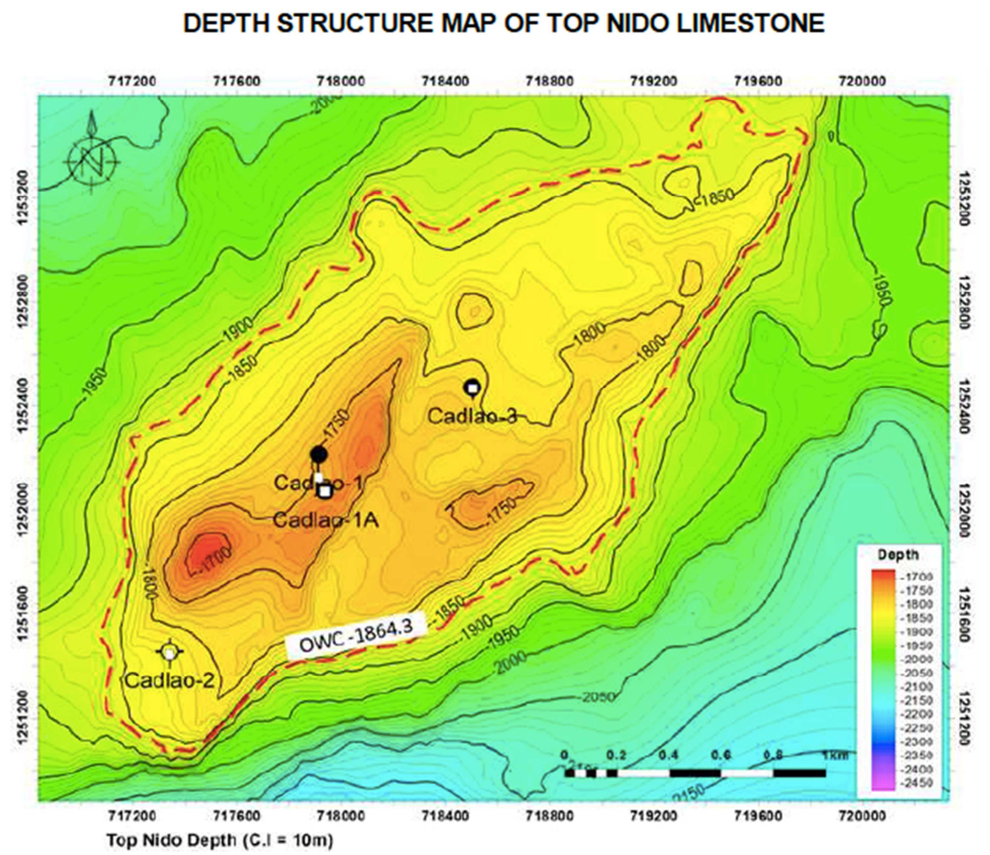

Figure 2 Cadlao Depth Map

Peako's Interests, Investments, Royalties and Involvements in SC6 Cadlao

In 2010, Peak entered a Farmin Agreement with Blade Petroleum Philippines Limited (then "**BPP**L" now "**Cadco**"), pursuant to which Peak would earn a 50% interest in SC6 Cadlao. An initial 25% was earned by satisfaction of certain conditions precedent and is held on trust for Peak by Cadco. The further 25% was to be earned upon Peak securing funding for the development. In 2012, Cadco sought to terminate the Farmin agreement for noncompliance by Peak with the funding obligation provisions of the Farmin agreement. Peak disputed the validity of the termination and litigation and arbitration proceedings ensued. Arbitration proceedings are currently in abeyance. This interest is subject to a "*Buy-back Right*" – see below.

Prior to 2012, Peak also acquired an aggregate 80% interest in aggregate 3.3% overriding royalty interests relating to production.

Peako, through a subsidiary, also acquired a prospective economic interest in SC6 Cadlao by acquiring a 40% shareholding in VenturOil through the acquisition of Energy Best Limited (EBL) from the vendor, Clove Capital Partners Limited (Clove). Peako's subsidiary, Peak Singapore, is obliged to pay further consideration of US$2.8 million to Clove from the first two oil liftings.

A subsequent agreement was entered into between EBL and VenturOil relating to the funding of VenturOil's 20% interest. This involved a pre-condition requiring a variation allowing EBL's 40% shareholding in VenturOil to provide 75% dividend rights in lieu of 40% dividend rights in return for which EBL is required to fund VenturOil's 20% share of development costs of the Cadlao Project. VenturOil is obligated to reimburse these costs to Cadco following the "spudding" of the first development well.

EBL also has the right to acquire a 5% interest in SC6 Cadlao, from VenturOil, to be carved out of VenturOil's 20% interest on the basis that EBL pays pro rata the costs of acquisition of that 5% from Cadco as and when VenturOil has to pay Cadco for the acquisition of its 20% interest in SC6 Cadlao.

In addition, Peak and its subsidiaries have lent VenturOil US$736,188 (A$954,672) as shareholder loans. There is uncertainty regarding the practical ability of Peak to recover these funds.

In February 2015, VenturOil claimed to terminate unspecified agreements between VenturOil and Peak on the basis that Peak is in breach of non-binding "pre-funding obligations" in favour of VenturOil. Peak is of the firm opinion that neither it, nor any subsidiary of it, is in breach of any obligation under any binding agreement with either VenturOil or its related entity, Figurado Energy Investment Holdings, and that there are no grounds for termination of any binding agreement.

Cadco Buy-back Right

As a result of the termination of the farmin agreement with Blade Petroleum Philippines Limited ("BPPL ") (now Cadco), Peak has a right to receive buy-back funds of $6.7million from Cadco. In May 2012, Cadco (then BPPL) gave notice to Peak of termination of the farmin agreement and in so doing, exercised the "*buy-back*" remedy under the farmin agreement. Pursuant to the farmin agreement, that remedy is for Cadco to pay the "*Buy-back Price*" ($6.7 million) to Peak to buy back Peako's 25% working interest, held in trust by Cadco.

Peak has previously agreed terms for settlement of the Buyback Right with Cadco, with a final form of settlement agreement having been negotiated on a number of occasions, and in July 2014 a settlement agreement was executed. Cadco failed to make payment of the settlement amount under the settlement agreement. Peak accordingly recommenced arbitration action and is presently considering its options in relation to recovery actions in relation to the Cadco Buy-back Price.

SC6 Cadlao Project Status

Following the termination of the Peak farmin, in 2012 BPPL entered into funding agreements with Viking Energy Philippines Limited (Viking) at the corporate level with Viking joining Blade Petroleum Limited (Blade) as a shareholder in Cadco. BPPL then changed its name to Cadlao Development Company Limited (Cadco). Cadco assumed Operatorship of the Joint Venture and Viking assumed funding responsibility. Project funding from Viking has not eventuated and Peak understands that the ownership and control of Cadco is now subject to material dispute between Blade and Viking, neither in any way related to Peako. Given the multi-dispute nature of both the Cadco interest and the VenturOil interest, Peak is presently not receiving copies of Department of Energy communication relating to SC6 Cadlao.

Peak has appointed SyCip Salazar Hernandez & Gatmaitan as Filipino counsel to advise and assist in relation to the VenturOil interest.

Peak has commenced cooperative discussions with joint venture participants in an effort to resolve the multi-layered disputes in relation to SC6.

Minerals Exploration Interests – Western Australia

Peak has had applications afoot for a number of years over four Exploration Licences in the area of Sunday Creek and Mount Sears in the Rudall River area of the Paterson region of Western Australia. The Paterson region is well known for its uranium potential, hosting Australia's fifth largest uranium deposit at Kintyre. Uranium occurrences are known in both the Sunday Creek and Mount Sears prospects. Both prospects are polymetallic; also containing copper and lead.

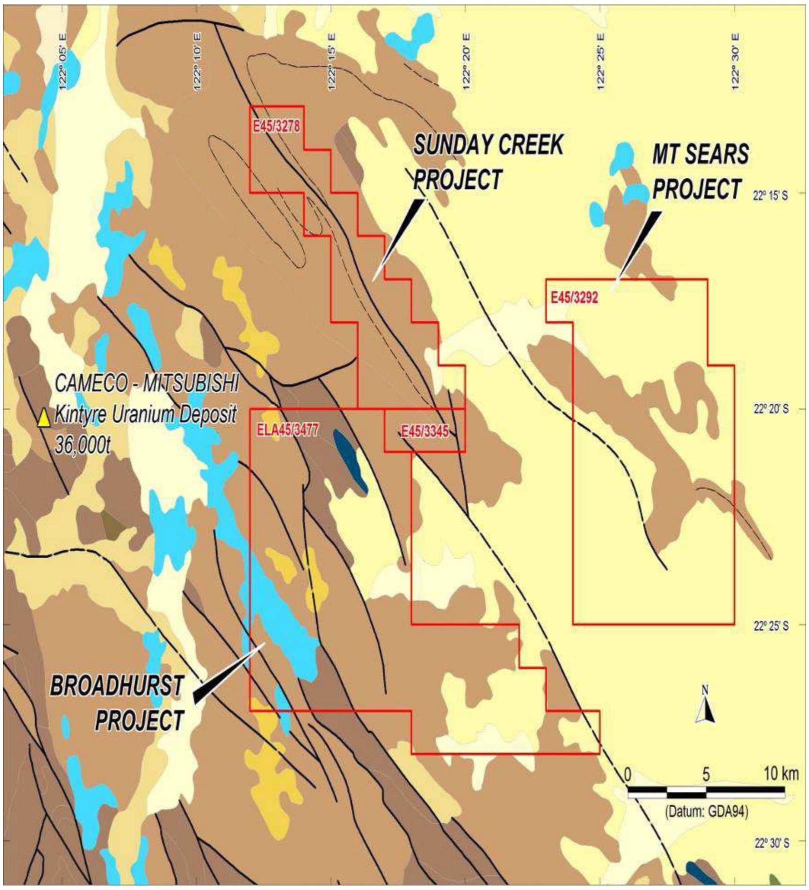

Figure 3 Peako Minerals Exploration Interests

Peako's 100% interest in the applications is shown in Table 1.

Prospect name	Tenement No	Size (km2)	Application date
Sunday Creek	ELA45/3278	60.80	30 July 2008
Sunday Creek	ELA45/3345	9.60	15 December 2008
Broadhurst	ELA45/3477	182.40	10 August 2009
Mt Sears	ELA45/3292	150.40	30 June 2008

Table 1 Minerals Exploration Interests

The Sunday Creek and Mount Sears areas were first explored between 1978 and 1981. Exploration activities at Sunday Creek included geochemical sampling, field mapping, airborne and ground magnetic and radiometric surveying, 6 percussion holes for a total of 489 metres and 11 diamond holes (704 m in total). All but one (drill hole BR 8) are located within the applications.

The Sunday Creek Prospect was identified as a radiometric anomaly, with subsequent rock chip samples containing up to 7% U, 1.12% Pb and 0.85% Cu. Other radiometric anomalies were also followed up with soil geochemical surveys, which produced low assay responses mainly due to sand cover. Several weak anomalies were identified. Rock chip samples along the contact produced elevated copper and uranium responses and several of these anomalies were drilled, returning several mineralized intersections.

Reconnaissance drilling was carried out on a very wide spacing of 4km (BR-5, 7, 9, 10) and the prospective contact of 20km strike length remains largely untested, with only four drill holes completed. In addition, drill holes were generally shallow and possibly positioned outside the main target zone.

The lack of high resolution data available at the time (1978-1981) resulted in extremely limited structural interpretation by previous explorers. Also, the geological knowledge and the prospective validity of the region for uranium mineralization have increased considerably since the finding of the Kintyre uranium deposit in 1985 by CRA Exploration Pty Ltd (now Rio Tinto) and now operated by Cameco Corporation.

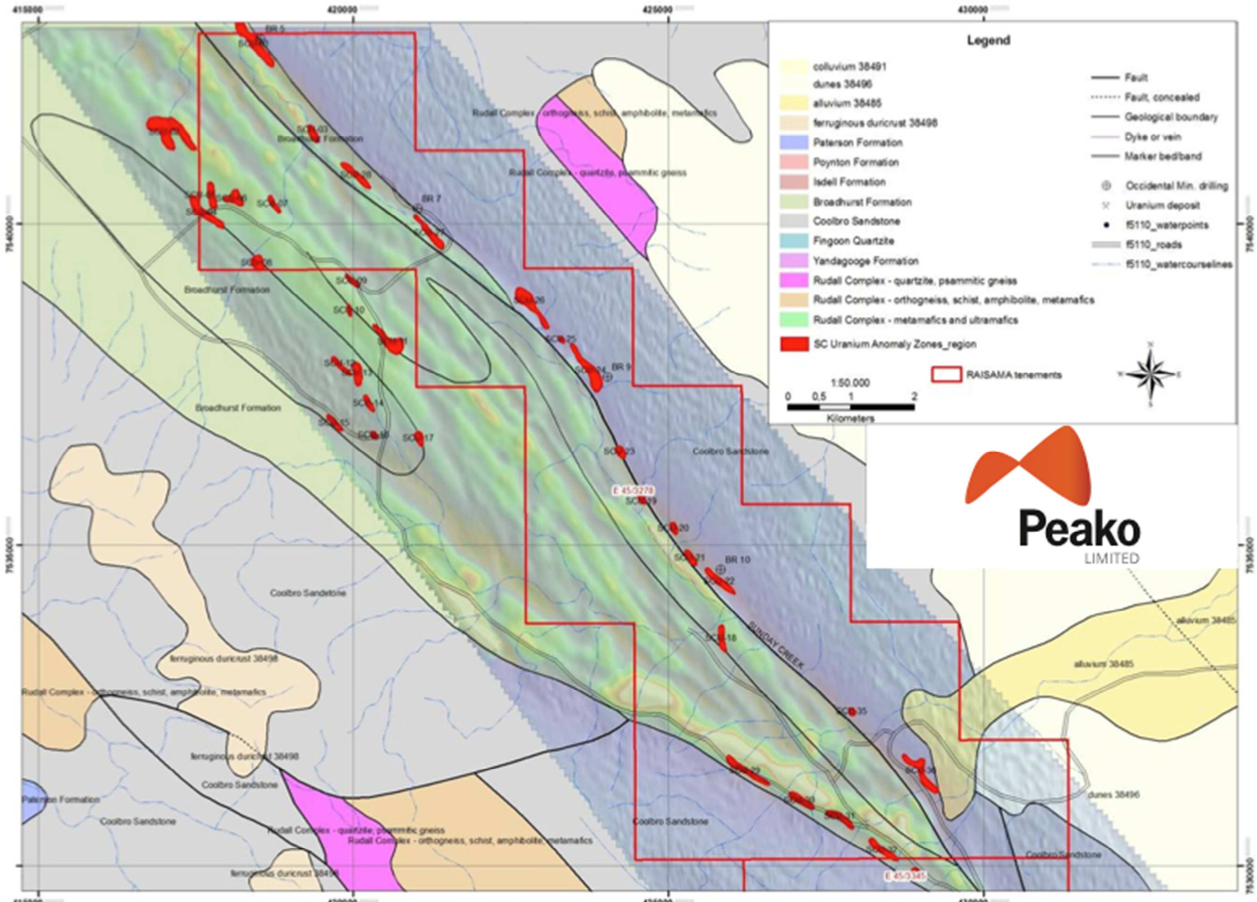

Figure 4 Sunday Creek Exploration Licence 45/3278 Application Area

E45/3278, is currently being assessed for expedited approval and the Company is engaged in the Native Title consultation process.

CORPORATE

On 18 August 2015 Peter Armitage joined the board of Peako and Jim Durrant and Jeff Steketee resigned as directors.

On 26 November 2015 Peako announced that it had entered into an agreement with Octanex NL whereby it discharged the remaining outstanding obligations pursuant to loan and security arrangements made between the Group and Octanex NL. In lieu of the balance of monies of $1,284,744 plus interest falling due on 30 June 2016, Octanex agreed to accept a proceeds sharing arrangement. Pursuant to this arrangement, Octanex will share proportionately in proceeds received by the Group in relation to any of is Cadlao interests until November 2017 to a limit of $1,603,683.

On 27 November 2015 the Company announced its change of name to Peako Limited, as approved by members in General Meeting.

SUBSEQUENT EVENTS

On 22 January 2016 Peako announced that it will conduct a pro rata entitlement rights issue to shareholders on the basis of 1 share for every existing share held at an issue price of $0.001 (0.1 cents) per share with the rights issue to be partially underwritten by Natural Gas Resources Pty Ltd, a company associated with Chairman, Geoff Albers. It was further announced that, subsequent to the rights issue, the share capital of Peako will be consolidated on the basis of 1 share for every 20 shares on issue.

Auditor independence

Section 307C of the *Corporations Act 2001* requires our auditors, Grant Thornton Audit Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the half yearly report. This Independence Declaration is set out on the following page and forms part of this directors' report for the period ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

RClark

Rae Clark
Director
Melbourne, 15 March 2016

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Auditor's Independence Declaration
To The Directors of Peako Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Peako Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Adrian Nathanielsz
Partner - Audit & Assurance

Melbourne, 15 March 2016

Consolidated Statement Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2015

	Note	Consolidated 31 December 2015 $	Consolidated 31 December 2014 $
Revenue			
Financial income		77	504
Other income	3	1,285,601	204,628
		1,285,678	205,132
Expenses			
Administrative expenses		(76,570)	(303,292)
Professional and consultancy fees		(13,645)	(408,701)
Depreciation charges		(3,578)	(5,934)
Financial expense		(10,393)	(60,397)
Exploration expenditure incurred		-	(164)
Oil & gas development expenditure impairment		-	(2,642,312)
Trade and other receivables written off		-	(36,952)
Mineral exploration project acquisition costs impairment		-	(189,113)
Other expenses		(125)	-
		(100,733)	(3,646,865)
Profit / (loss) before income tax expense		**1,181,367**	**(3,441,733)**
Income tax expense		-	-
Net profit / (loss) for the half-year		**1,181,367**	**(3,441,733)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign exchange loss on translation of subsidiary financial statements		360	(6,413)
Foreign exchange gain on translation of subsidiary foreign loan		-	759,711
Other comprehensive income, net of tax		**360**	**753,298**
Total comprehensive income for the half-year		**1,181,727**	**(2,688,435)**
Basic and diluted profit / (loss) per share (cents per share)		0.17	(0.51)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
as at 31 December 2015

	Note	Consolidated 31 December 2015 $	30 June 2015 $
Current Assets			
Cash and cash equivalents		59,998	52,985
Trade and other receivables	4	2,283	567,037
Total Current Assets		**62,281**	**620,022**
Non-Current Assets			
Trade and other receivables		6,962	6,623
Plant and equipment		-	3,578
Total Non-Current Assets		**6,962**	**10,201**
Total Assets		**69,243**	**630,223**
Current Liabilities			
Trade and other payables		33,070	61,396
Borrowings	5	-	1,714,381
Total Current Liabilities		**33,070**	**1,775,777**
Total Liabilities		**33,070**	**1,775,777**
Net Assets / (Deficiency in Assets)		**36,173**	**(1,145,554)**
Equity			
Issued capital		36,528,192	36,528,192
Reserves		1,895,487	1,895,127
Accumulated losses		(38,387,506)	(39,568,873)
Total Equity / (Deficiency)		**36,173**	**(1,145,554)**

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

Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2015

Consolidated	Issued capital $	Options reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance 1 July 2014	36,528,192	1,895,127	461,150	(34,896,437)	3,988,032
Loss for the period	-	-	-	(3,441,733)	(3,441,733)
Other comprehensive income	-	-	753,298	-	753,298
Total comprehensive loss for the half-year	**-**	**-**	**753,298**	**(3,441,733)**	**(2,688,435)**
Balance at 31 December 2014	**36,528,192**	**1,895,127**	**1,214,448**	**(38,338,170)**	**1,299,597**
Balance 1 July 2015	36,528,192	1,895,127	-	(39,568,873)	(1,145,554)
Profit for the period	-	-	-	1,181,367	1,181,367
Other comprehensive income	-	-	360	-	360
Total comprehensive profit for the half-year	**-**	**-**	**360**	**1,181,367**	**1,181,727**
Balance at 31 December 2015	**36,528,192**	**1,895,127**	**360**	**(38,387,506)**	**36,173**

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

Consolidated Statement of Cash Flows
for the half-year ended 31 December 2015

	Note	Consolidated 31 December 2015 $	Consolidated 31 December 2014 $
Cash flows from operating activities			
Payments to suppliers and employees		(93,064)	(570,316)
Interest paid		77	504
Return of bond		-	25,394
Net cash outflow from operating activities		**(92,987)**	**(544,418)**
Cash flows from investing activities			
Proceeds from sale of permit interest	4	100,000	-
Payments for oil and gas deferred exploration expenditure		-	(353,409)
Loan to other entities		-	(36,952)
Net cash inflow / (outflow) from investing activities		**100,000**	**(390,361)**
Cash flows from financing activities			
Proceeds from borrowings		-	937,805
Net cash inflow from financing activities		**-**	**937,805**
Net increase in cash held		7,013	3,026
Cash at the beginning of half-year		52,985	213,312
Effect of exchange rate fluctuations on cash held		-	13,012
Cash at the end of the half-year		**59,998**	**229,350**

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

Note 1: Statement of significant accounting policies

Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and the public announcements made by Peako Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The interim financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding half-year reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year.

Furthermore, the Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that these is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and therefore, no change is necessary to Group accounting policies.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's financial report for the year ended 30 June 2015.

Going Concern

As at 31 December 2015, the Group had a working capital surplus of $29,211. For the half-year ended 31 December 2015, the Group incurred a net cash inflow of $7,013 and a net profit after tax of $1,181,367.

Note 1: Statement of significant accounting policies (continued)

The Board considers that the Group is a going concern but recognises that additional funding is required to ensure that it can continue to fund its operations and further develop its oil and gas assets and mineral exploration interests during the twelve month period from the date of this interim financial report. Such additional funding is to be derived from a non renounceable rights issue made to all shareholders, to be underwritten to 50%. The company announced the issue to shareholders on 22 January 2016.

The ability of the Group to continue as a going concern for the coming year is dependent on securing additional funding for further activities. Based on the underwriting agreement signed with National Resources Group Pty Ltd, the Directors anticipate that the Group will be able to secure additional funding to enable it to continue as a going concern to at least the signing date of the interim financial report for the period ending 31 December 2016.

Note 2: Segment information

Segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the directors.

At regular intervals, the board is provided management information at a group level for the company’s cash position, and a company cash forecast for the next twelve months of operation.

On this basis, no segment information is included in these financial statements.

Note 3: Other income

The balance of the Octanex NL loan discharged in November 2015 of $1,284,774 (Note 4) is disclosed as other income.

Note 4: Borrowings

	Consolidated	
	Six months to 31 December 2015 $	**Year to 30 June 2015 $**
Secured		
Balance at the beginning of the period	1,714,381	954,613
Loan funds received	-	937,805
Borrowings repaid (Note 4)	(440,000)	(260,000)
Interest accrued	10,393	81,963
Discharge of loan	(1,284,774)	-
Balance at the end of the period	**-**	**1,714,381**

On 25 November 2015 the company advised that it had entered into an agreement with Octanex NL whereby it has discharged the remaining outstanding obligations pursuant to loan and security arrangements made between Peako and its subsidiary, Peak Oil and Gas (Australia) Pty Ltd with Octanex NL. In lieu of the balance of monies of $1,284,774, Octanex has agreed to accept a proceeds sharing arrangement. The balance of the loan of discharged of $1,284,774 is disclosed as other income.

Note 5: Trade and other receivables - current

	Consolidated	
	Six months to 31 December 2015 $	Year to 30 June 2015 $
GST	2,283	708
Other receivables	-	26,329
Receivable on sale of discontinued operations	-	540,000
Balance at the end of the period	**2,283**	**567,037**

Note 5: Trade and other receivables – current (continued)

In June 2015, following receipt of approval of shareholders in General Meeting, Peak sold the Company's indirect 38.25% interest in the South Block A PSC and associated intercompany debt for consideration of $800,000. Proceeds of $260,000 were received directly by Octanex NL and applied to the Octanex NL loan (non-cash financing activity for Peako) on 29 June 2015. (Note 3). The balance of $540,000 was received 2 July 2015; with $440,000 received directly by Octanex and applied to the Octanex NL loan (non-cash financing activity for Peako) and $100,000 being received by Peak as cash.

Note 6: Issued Capital

As at 31 December 2015 there were 680,253,247 fully paid ordinary shares on issue (30 June 2015: 680,253,247).

Note 7: Options

As at 31 December 2015 there were 20,000,000 options in place on issue (30 June 2015: 20,000,000).

Note 8: Contingent Liabilities

In lieu of the balance of monies of $1,284,774 owing on the Octanex NL loan (Note 3), Octanex NL has agreed to accept a proceeds sharing arrangement with Peako whereby Octanex NL will share proportionately in any proceeds received by Peako in relation to any of its Cadlao interests in the period to 26 November 2017 up to a limit of $1,603,683.

Note 9: Events subsequent to reporting date

On 22 January 2016 Peako announced that it will conduct a pro rata entitlement rights issue to shareholders on the basis of 1 share for every existing share held at an issue price of $0.001 (0.1 cents) per share with the rights issue to be partially underwritten by Natural Gas Resources Pty Ltd, a company associated with Chairman, Geoff Albers. It was further announced that, subsequent to the rights issue, the share capital of Peako will be consolidated on the basis of 1 share for every 20 shares on issue.

Directors' Declaration

In the opinion of the directors:

1. The accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

    a. giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year then ended; and

    b. complying with Accounting Standards, and the Corporations Regulations 2001 and other mandatory professional requirements.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Rae Clark
Director
Melbourne, 15 March 2016

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Independent Auditor's Review Report
To the Members of Peako Limited

We have reviewed the accompanying half-year financial report of Peako Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Peako Limited consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Peako Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

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

Other Matter

The financial report of Peako Limited for the year ended 30 June 2015 was audited by another auditor who expressed an unmodified opinion on those statements on 30 September 2015.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Adrian Nathanielsz
Partner - Audit & Assurance

Melbourne, 15 March 2016