Tamaska Oil & Gas Limited

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

THE INFORMATION CONTAINED IN THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH TAMASKA OIL & GAS FULL YEAR REPORT DATED 30 JUNE 2016 AND ANY PUBLIC ANNOUNCEMENTS MADE BY THE COMPANY IN ACCORDANCE WITH THE CONTINUOUS DISCLOSURE OBLIGATIONS ARISING FROM THE CORPORATIONS ACT 2001 AND THE ASX LISTING RULES.

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DIRECTORS' REPORT

Your directors present their report as the consolidated entity consisting of Tamaska Oil and Gas Limited and the entities it controls as at the end of, or during, the half-year ended 31 December 2017.

Directors

The following persons were directors of Tamaska Oil and Gas Limited during or for part of the half-year and up to the date of this report:

Alexander Parks – *Managing Director*
Logan Robertson – *Non–Executive Director*
Brett Lawrence – Non-*Executive Director*

Principal activities

The principal continuing activities of the Group during the half-year period were the acquisition, exploration and development of oil and gas properties.

There were no changes in the nature of the activities of the Group during the period.

Operating results

The net operating loss of the consolidated entity from continuing operations for the half-year ended 31 December 2017 after income tax amounted to $91,338 (31 December 2016: loss $98,227).

Dividends paid or recommended

No dividend was paid or declared during the period and the Directors do not recommend the payment of a dividend.

Review of operations

Fusselman Project, Texas - (TMK 12.5%)

The Fusselman well, Clayton Johnson #3F, operated by Marshfield Oil & Gas, was drilled to its total depth of 9,883 feet on 3 January 2013. Tamaska holds a 12.5% working interest in the Fusselman Project in Borden County, Texas.

The production is depleted and there are no other potential zones to complete. The Operator has proposed that the well be abandoned in accordance with good oil field practice.

During the half year the surface equipment has been sold and Tamaska received $11,700 in credit.

West Klondike Discovery, Louisiana - (TMK 11.36% WI)

Tamaska participated in the drilling of the West Klondike discovery well in late 2012. The well commenced producing gas from the lower Nod Blan on 4 September 2014. The lower gas zones were depleted and the remaining unproduced zone is the Lario oil sand.

Oleum Operating LLC purchased an interest of 76.7% in 2017, and assumed Operatorship. Oleum focussed on the oil zone in the Lario, re-entering and recompleting the well before performing a small hydraulic fracture stimulation. Initial workover results were encouraging with over 100bopd in short term testing. Following the work over Oleum installed a jet pump on location to assist with oil lift. The well was placed back on production on 17 April 2017.

The well has been on production throughout the December quarter producing without significant interruption. The Jet pump unit is currently circulating around 2,000 bbls per day and around 4 to 8 bbls of oil per day is recovered and moved to tanks for sales.

The field is potentially large enough for another production well, but the decision to drill is contingent on improved production performance from the Lario.

	September 17 Quarter	December 17 Quarter
	Actual	**Actual**
Net Produced Oil	~39 bbls	~36 bbls
Revenue net of sales tax and Royalty	~$1,500	~$1,900

*Subject to final sales off take figures

Tenement Summary

At 31 December 2017 the Company held the following interests in tenements:

Project	Percentage Interest	Number of Tenements
Fusselman Project	12.5%	7
West Klondike	11.36%	6

Corporate

Cash Position at 31 December 2017

The Company had a closing cash balance of A$1.917 million at 31 December 2017.

Renounceable Rights Issue, Shortfall Placement and Placement

The Company's capital structure is:

1,960,000,000 Ordinary Shares
180,000,000 Unlisted Options (exercisable at 0.0092 cents by 31 March 2019)

There were no significant changes in the state of affairs during the half year.

Events subsequent to reporting date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments

The consolidated entity will continue to actively pursue its principal activities.

Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires the consolidated entity's auditors, BDO Audit (WA) Pty Ltd to provide the directors with a written Independence Declaration in relation to their review of the financial statements for the period ended 31 December 2017. The written Auditor's Independence Declaration forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

Alexander Parks
Managing Director
Perth, W.A.
16 March 2018

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF TAMASKA OIL & GAS LIMITED

As lead auditor for the review of Tamaska Oil & Gas Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Tamaska Oil & Gas Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 16 March 2018

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2017

	Notes	Consolidated	
		Half-Year End 31-Dec-17 $	Half-Year End 31-Dec-16 $
Oil and gas revenue		3,708	2,137
Cost of sales		(11,518)	(17,554)
Amortisation of oil and gas properties		(5,297)	(74)
GROSS LOSS		**(13,107)**	**(15,491)**
Gain/(Loss) on Sale of Assets		15,033	-
Interest Income		30,444	34,661
Professional services expense		(22,922)	(24,988)
Directors fees		(34,500)	(24,428)
Regulatory expenses		(27,435)	(25,633)
Office and administrative expenses		(38,812)	(29,626)
Movement in restoration provision		-	(11,697)
LOSS OF OPERATING ACTIVITIES		**(91,299)**	**(97,202)**
Foreign exchange gain/(loss)		(39)	(1,025)
LOSS BEFORE TAX		**(91,338)**	**(98,227)**
Income tax benefit / (expense)		-	-
LOSS AFTER TAX FROM CONTINUING OPERATIONS		**(91,338)**	**(98,227)**
OTHER COMPREHENSIVE LOSS			
ITEMS THAT WILL OR MAY BE RECLASSIFIED TO PROFIT AND LOSS			
Exchange differences on the translation of foreign operations		(917)	8,383
OTHER COMPREHENSIVE INCOME (NET OF TAX) FOR THE PERIOD		**(917)**	**8,383**
TOTAL COMPREHENSIVE LOSS		**(92,255)**	**(89,844)**
LOSS ATTRIBUTED TO:			
Owners of Tamaska Oil and Gas Ltd		**(91,338)**	**(98,227)**
Loss per share (cents) for the loss from continuing operations attributable to the ordinary equity holders of the company:			
Basic and diluted loss per share (cents per share)		(0.005)	(0.005)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the consolidated half year financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

		Consolidated	
		As at	**As at**
		31-Dec-17	**30-Jun-17**
	Notes	**$**	**$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,916,935	2,020,038
Trade and other receivables		23,168	22,681
Total Current Assets		**1,940,103**	**2,042,719**
NON-CURRENT ASSETS			
Other Assets – Computer Equipment		1,400	2,109
Oil and gas properties	6	41,114	44,783
Total Non-Current Assets		**42,514**	**46,892**
TOTAL ASSETS		**1,982,617**	**2,089,611**
CURRENT LIABILITIES			
Trade and other payables	7	28,661	42,778
Total Current Liabilities		**28,661**	**42,778**
NON-CURRENT LIABILITIES			
Restoration Provision		37,369	37,991
Total non-current liabilities		**37,369**	**37,991**
TOTAL LIABILITIES		**66,030**	**80,769**
NET ASSETS		**1,916,587**	**2,008,842**
EQUITY			
Issued share capital	8	28,705,778	28,705,778
Issued share options		408,890	408,890
Share based payment reserve	9	539,148	539,148
Other reserves	9	856,936	857,853
Accumulated losses		(28,594,165)	(28,502,827)
TOTAL EQUITY		**1,916,587**	**2,008,842**

The above consolidated statement of financial position should be read in conjunction with the notes to the consolidated half year financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2017

	Issued share capital	Issued options	Share-based payment reserve	Other reserves	Accumulated losses	Total Equity
	$	$	$	$	$	$
Balance at 1 July 2017	**28,705,778**	**408,890**	**539,148**	**857,853**	**(28,502,827)**	**2,008,842**
Currency translation of foreign operations	-	-	-	(917)	-	(917)
Loss for the period after tax	-	-	-	-	(91,338)	(91,338)
Total comprehensive loss for the period	**-**	**-**	**-**	**(917)**	**(91,338)**	**(92,255)**
Transactions with equity holders in their capacity as equity holders						
Issues of share capital	-	-	-	-	-	-
Capital raising costs	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-
Balance at 31 December 2017	**28,705,778**	**408,890**	**539,148**	**856,936**	**(28,594,165)**	**1,916,587**

	Issued share capital	Issued options	Share-based payment reserve	Other reserves	Accumulated losses	Total Equity
	$	$	$	$	$	$
Balance at 1 July 2016	**28,705,778**	**408,890**	**539,148**	**873,229**	**(28,074,948)**	**2,452,097**
Currency translation of foreign operations	-	-	-	8,383	-	8,383
Loss for the period after tax	-	-	-	-	(98,227)	(98,227)
Total comprehensive loss for the period	**-**	**-**	**-**	**8,383**	**(98,227)**	**(89,844)**
Transactions with equity holders in their capacity as equity holders						
Issues of share capital	-	-	-	-	-	-
Capital raising costs	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-
Balance at 31 December 2016	**28,705,778**	**408,890**	**539,148**	**881,612**	**(28,173,175)**	**2,362,253**

The consolidated statement of changes in equity should be read in conjunction with the notes to the consolidated half year financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2017

	Consolidated	
	Half-Year 31-Dec-17 $	Half-Year 31-Dec-16 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from product sales and related customers (inclusive of GST)	3,708	2,137
Interest received	30,444	34,661
Payments to suppliers and employees (inclusive of GST)	(117,417)	(118,365)
Payment of production cost	(1,232)	(22,168)
Net cash used in operating activities	**(84,497)**	**(103,735)**
CASH FLOW FROM INVESTING ACTIVITIES		
Oil and gas properties	(15,912)	(32,606)
Acquisition of Computer Equipment	-	(3,515)
Net cash used in investing activities	**(15,912)**	**(36,121)**
Net increase/(decrease) in cash held	**(100,409)**	**(139,856)**
Cash and cash equivalents at the beginning of the period	2,020,038	2,284,115
Effects of exchange rate changes on the balances held in foreign currencies	(2,694)	87
Cash and cash equivalents at the end of the period	**1,916,935**	**2,144,346**

The above consolidated statement of cash flows should be read in conjunction with the notes to the consolidated half year financial statements.

NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

NOTE 1. CORPORATE INFORMATION

Tamaska Oil and Gas Limited ("Tamaska" or the "Company") is a company limited by shares, incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The consolidated half-year financial statements of the Company as at, and for the six months ended 31 December 2017, comprise Tamaska and its subsidiaries (together referred to as the "consolidated entity" or "group"). The financial report of the consolidated entity for the half year ended 31 December 2017 was authorised for issue in accordance with a resolution of the directors on 16 March 2018.

The consolidated annual financial statements of the consolidated entity as at and for the year ended 30 June 2017 is available upon request from Tamaska website www.tamaska.com.au, the ASX website or the companies registered office at Level 7, 1008 Hay Street, Perth, Western Australia 6000.

NOTE 2. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The consolidated half-year financial statements are general purpose financial statements which have been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001.

The consolidated half-year financial statements do not include all of the notes and information normally included in annual financial statements. Accordingly this report should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2017 and any public announcements made by Tamaska Oil and Gas Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

BASIS OF PREPARATION

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies applied by the consolidated entity in this consolidated half-year financial report are the same as those applied by the consolidated entity in its consolidated financial report for the year ended 30 June 2017, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

NEW AND AMENDED STANDARDS ADOPTED BY THE ENTITY

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 30 June 2017 annual report as a consequence of these amendments.

IMPACT OF STANDARDS ISSUED BUT NOT YET APPLIED BY THE ENTITY

There were no new standards issued since 30 June 2017 that have been applied by the Group. The 30 June 2017 annual report disclosed that the Group anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2017.

ESTIMATES

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated half year financial report, the significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report for the year ended 30 June 2017.

IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the assets carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts. The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements; and
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

IMPAIRMENT OF OIL AND GAS PROPERTIES

In the absence of readily available market prices, the recoverable amounts of assets are determined using estimates of the present value of future cash flows using asset-specific discount rates. For oil and gas properties, these estimates are based on assumptions concerning reserves, future production profiles and costs.

NON-OPERATOR INTEREST IN OIL AND GAS PROPERTIES

i) Producing projects
Producing projects are stated at cost less accumulated amortisation and impairment charges. Producing projects include construction, installation or completion of production and infrastructure facilities such as pipelines, transferred exploration and evaluation assets, development wells and the provision for restoration.

ii) Amortisation and depreciation of producing projects

The Consolidated Entity uses the "units of production" ("UOP") approach when amortising field-specific assets. Using this method of amortisation requires the Consolidated Entity to compare the actual volume of production to the reserves and then apply the rate of depletion to the carrying value of the asset.

The West Klondike field is depleted on a "units of production" ("UOP") approach which requires the Consolidated Entity to compare the actual volume of production to the Proved and Probable resources and then apply the rate of depletion to the carrying value of the asset.

Capitalised producing project costs relating to commercially producing wells are amortised using the UOP basis once commercial quantities are being produced within an area of interest. The reserves used in these calculations are the Proved plus Probable reserves and are reviewed at least annually.

FINANCIAL REPORT PREPARED ON A GOING CONCERN BASIS

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

NOTE 3. DIVIDENDS

There are no dividends paid or declared during the period (30 June 2017 : Nil).

NOTE 4. FAIR VALUE MEASUREMENTS

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement, and for disclosure purposes.

a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:
(a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
(b) Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly; and
(c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 December 2017 the Group did not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

b) Fair values of other financial instruments

The group also has number of financial instruments which are not measured at fair value in the balance sheet. The carrying value of trade receivables and payables is a reasonable approximation of their fair values due to their short-term nature.

The group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2017.

NOTE 5. SEGMENT REPORTING

Half-year 31-Dec-17	USA	Australia	Eliminations	Total
	$	$	$	$
Revenues	3,708	30,444	-	**34,152**
Segment (loss)	(6,128)	(85,210)	-	**(91,338)**
Total segment assets	501,392	5,254,521	**(3,773,295)**	**1,982,618**
Total segment liabilities	(3,818,721)	(2,282,338)	**6,167,089**	**66,030**

Half-year 31-Dec-16	USA	Australia	Eliminations	Total
	$	$	$	$
Revenues	2,137	34,661	-	**36,798**
Segment (loss)	(35,652)	(62,575)	-	**(98,227)**
Total segment assets	503,582	5,337,875	(3,751,846)	**2,089,611**
Total segment liabilities	3,816,138	2,280,482	(6,177,389)	**80,769**

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors considers the business from a geographic perspective and identified the reportable segments as outlined above.

NOTE 6. OIL AND GAS PROPERTIES

The balance of oil and gas properties represents capitalised exploration expenditure regarding areas of interest where either exploration activities are ongoing or where recoupment of exploration costs is expected. The carry forward of exploration and evaluation costs is dependent on the successful recoupment of these costs through commercial exploitation, or alternatively, the sale of the group's area of interest.

Oil and gas properties – cost	**31-Dec-17**	**30-Jun-17**
	$	**$**
Producing oil & gas asset	**238,008**	**456,474**
Accumulated Amortisation	**(196,894)**	**(411,691)**
	41,114	**44,783**

Movements in carrying amounts are reconciled as follows:		
Opening balance	44,783	202,838
Transferred from exploration, evaluation and development expenditure	-	-
Additions during period	2,356	91,199
Amortisation expense	(5,297)	(2,047)
Impairment of assets(a)	-	(243,144)
Foreign currency movement	(728)	(4,063)
	41,114	**44,783**

(a)

i) The recoverable amount of Oil and Gas Properties is estimated on the basis of the discounted value of future cash flows (i.e value in use model.) The estimates of future cash flows are based on significant assumptions including:

ii) estimates of the quantities of oil and gas reserves for which there is a high degree of confidence of economic extraction and the timing of access to these reserves;

iii) future oil and gas prices based on consensus forecasts by economic forecasters; and

iv) the asset specific discount rate applicable to the cash generating unit.

Future changes in assumptions upon which these estimates are based may give rise to a material adjustment by impairing Oil and Gas Properties. As a result of the significant reduction in the Oil price per barrel the Company was required to write down its historical costs in Fusselman by $9,542 in the previous year.

The Group identified, as a result of decline in reserves and performance of its wells, an impairment assessment was performed for West Klondike. The Company has valued its assets on a PV8 basis and has used forward pricing as at 30 June 2017 (Oil:US$52/barrel, Gas: US$3,00/mcf). 2P reserves have been used when calculating the net present value of the assets. Based on these results we recognised an impairment of $233,602 in the previous year.

NOTE 7. TRADE AND OTHER PAYABLES

	Consolidated	
	Half-year	**Year ended**
	31-Dec-17	**30-June-17**
	$	**$**
Trade creditors	20,661	36,278
Trade Accruals	8,000	6,500
	28,661	**42,778**

NOTE 8. ISSUED SHARE CAPITAL

	Consolidated Half-year 31-Dec-17 $	Consolidated Year ended 30-Jun-17 $
Issued capital	30,132,174	30,132,174
Cost of share issue	(1,426,396)	(1,426,396)
1,960,000,000 fully paid ordinary shares	**28,705,778**	**28,705,778**

	31-Dec-17 Shares	30-Jun-17 Shares	31-Dec-17 AUD	30-Jun-17 AUD
Movements in share on issue				
Beginning of the period	**1,960,000,000**	**1,960,000,000**	**28,705,778**	**28,705,778**
Total shares issued	**1,960,000,000**	**1,960,000,000**	**28,705,778**	**28,705,778**

NOTE 9. RESERVES

	Consolidated Half-year 31-Dec-17 $	Consolidated Year ended 30-Jun-17 $
Foreign Exchange Reserve	856,856	857,773
Equity reserve	80	80
Other reserves	856,936	857,853
Share based payment reserve	539,148	539,148
Total reserve	**1,396,084**	**1,397,001**
Foreign exchange reserve (1)		
Beginning of the period	857,773	873,149
Currency translation differences arising during the period	(917)	(15,376)
	856,856	**857,773**
Equity reserve (2)		
Beginning of period	80	80
	80	**80**
Share based payment reserve (3)		
Beginning of period	539,148	539,148
Share based payment movement during the period	-	-
	539,148	**539,148**

(1 **Foreign exchange reserve**
Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.
(2) **Equity reserve**
The equity reserve is used to recognise the amortised portion of the fair value of converting performances share is issued.
(3) **Share based payment reserve**
This comprises the amortised portion of the share based payment expense.

NOTE 10. RELATED PARTY TRANSACTIONS

There were no changes to transactions with key management personnel during the period.

NOTE 11. COMMITMENTS AND CONTINGENT LIABILITIES

There were no contingent assets or liabilities during the half-year period to 31 December 2017.

NOTE 12. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

In the opinion of the directors:

(a) the Interim financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the financial position as at 31 December 2017 and its performance for the half-year ended on that date; and

  (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the board

Alexander Parks
Managing Director
Perth, W.A.
16 March 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Tamaska Oil & Gas Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Tamaska Oil & Gas Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and

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

Directors' responsibility for the Half-Year Financial Report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial 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 the Group, 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.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation *other than for the acts or omissions of financial services licensees*

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

BDO Audit (WA) Pty Ltd

BDO
J Prue

Jarrad Prue

Director

Perth, 16 March 2018