



**Interim Financial Report
31 December 2014**

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DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

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

Russell Barnett	Non Executive Chairman (resigned 7 August 2014)
Graeme Kirke	Chairman
Gordon Hart	Non Executive Director (resigned 30 September 2014)
Stuart Rechner	Director
Patrick Glovac	Non Executive Director (appointed 1 October 2014)

Review of Operations

Operations

The net loss of the Group for the six months to 31 December 2014 is \$154,617 (31 December 2013, \$724,103).

During the half year to 31 December 2014 the company:

- Raised \$500,000 before costs by way of a Placement to sophisticated and professional investors.
- Surrendered the two Uranium exploration licences in Slovakia (Kluknava and Vitaz II) held by our 100% subsidiary Crown Energy s.r.o.

Short and Long Term Analysis

In the short term, the company will focus on its South Australian properties, developing an exploration program to most efficiently explore our areas and potentially attract a joint venture partner. The portfolio of properties held is appropriate for our technical and financial capacity and unless conditions change is unlikely to be expanded. Extracting value from these properties by sale, joint venture or further exploration is a primary objective.

In the longer term the company will continue to review scale project opportunities across a range of commodities and sectors including technology. The addition of Applabs Technologies Ltd as a shareholder and Patrick Glovac as a Director enhances our competence in this area.

Risks and Opportunities

Our uranium focus exposes the company to the continuing negative sentiment around both uranium exploration and nuclear power generation. It is unlikely there will be a change in sentiment in the foreseeable future. Whilst as an early stage explorer this is not a significant impediment, the difficult capital markets are of concern and have made and continue to make, raising further funds difficult.

General

Little has changed in the last six months. Capital markets continue to be constrained with low levels of turnover, liquidity and capital raisings in the small resources sector. Chinese growth has probably stabilised and Middle East instability continues. The Australian Dollar retracement is more or less complete. Commodity prices have fallen further with a currency and capacity adjustment in play.

Financial Position

The capital raising completed in September 2014 provides sufficient funds for our projected level of activity on the basis that the company actively manages the current level of discretionary expenditure in line with funds available. A further capital raising will be required in 2015.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2014.

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.

A handwritten signature in black ink, appearing to read 'G. Kirke', with a large loop at the end.

Graeme Kirke
Chairman

12 February 2015

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of GB Energy Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
12 February 2015

L Di Giallonardo
Partner

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Notes	31 December 2014 \$	31 December 2013 \$
Continuing operations			
Interest income		1,987	2,178
Accounting expenses		(10,000)	(15,099)
Administrative and employee expense		(147,303)	(225,871)
Depreciation and amortisation expense		(1,695)	(2,006)
Loss before income tax		(157,011)	(240,798)
Income tax expense		-	-
Loss after tax from continuing operations		(157,011)	(240,798)
Discontinued operation			
Loss after tax from discontinued operation	4	2,394	(483,305)
Net loss for the period		(154,617)	(724,103)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(16,232)	(19,016)
Other comprehensive income (loss) for the period, net of income tax		(16,232)	(19,016)
Total comprehensive loss for the period attributable to owners of the parent		(170,849)	(743,119)
Basic loss per share (cents per share)		(0.03)	(0.25)
Basic loss per share from continuing operations (cents per share)		(0.03)	(0.09)
Diluted loss per share (cents per share)		(0.03)	(0.25)
Diluted loss per share from continuing operations (cents per share)		(0.03)	(0.09)

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Notes	31 December 2014 \$	30 June 2014 \$
Assets			
Current assets			
Cash and cash equivalents		339,722	127,813
Trade and other receivables		6,236	14,310
Prepayments		-	7,833
Total current assets		345,958	149,956
Non-current assets			
Property, plant and equipment		5,675	7,370
Exploration and evaluation expenditure	3	408,072	337,494
Total non-current assets		413,747	344,864
Total assets		759,705	494,820
Liabilities			
Current liabilities			
Trade and other payables		16,253	55,519
Total current liabilities		16,253	55,519
Total liabilities		16,253	55,519
Net assets		743,452	439,301
Equity			
Issued capital	5	9,883,745	9,408,745
Reserves		323,024	339,256
Accumulated losses		(9,463,317)	(9,308,700)
Total equity		743,452	439,301

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

		Issued capital	Option premium reserve	Share- based payment reserve	Foreign currency translation reserve	Accumulated losses	Total Equity
	Note	\$	\$	\$	\$	\$	\$
Balance at 1 July 2013		9,025,617	245,660	58,000	15,886	(8,320,227)	1,024,936
Loss for the period		-	-	-	-	(724,103)	(724,103)
Exchange differences arising on translation of foreign operations		-	-	-	(19,016)	-	(19,016)
Total comprehensive loss for the period		-	-	-	(19,016)	(724,103)	(743,119)
Shares issued during the half-year		383,128	-	-	-	-	383,128
Balance at 31 December 2013		9,408,745	245,660	58,000	(3,130)	(9,044,330)	664,945
Balance at 1 July 2014		9,408,745	245,660	58,000	35,596	(9,308,700)	439,301
Loss for the period		-	-	-	-	(154,617)	(154,617)
Exchange differences arising on translation of foreign operations		-	-	-	(16,232)	-	(16,232)
Total comprehensive loss for the period		-	-	-	(16,232)	(154,617)	(170,849)
Shares issued during the half-year	5	475,000	-	-	-	-	475,000
Balance at 31 December 2014		9,883,745	245,660	58,000	19,364	(9,463,317)	743,452

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	31 December 2014	31 December 2013
	\$	\$
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(194,729)	(251,451)
Interest received	2,061	2,179
Net cash outflow from operating activities	(192,668)	(249,272)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(70,578)	(77,006)
Net cash outflow from investing activities	(70,578)	(77,006)
Cash flows from financing activities		
Proceeds from the issue of shares	500,000	383,128
Payments for share issue costs	(25,000)	-
Net cash inflow from financing activities	475,000	383,128
Net increase in cash held	211,754	56,850
Cash and cash equivalents at the beginning of the period	127,813	507,790
Effects of exchange rate fluctuations on cash held	155	(322)
Cash and cash equivalents at the end of the period	339,722	564,318

The accompanying notes form part of these financial statements

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****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 condensed half-year 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 financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by GB Energy Limited and its subsidiaries 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 report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. 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 and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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 expenses. Actual results may differ from these estimates.

In preparing this interim 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 that applied to the consolidated financial report for the year ended 30 June 2014.

Going concern

The Group has incurred a net loss after tax of \$154,617 and experienced net cash outflows from operating and investing activities of \$263,246 for the half year ended 31 December 2014. As at 31 December 2014 the Group had cash assets of \$339,722 and net current assets of \$329,705.

The ability of the Group to continue as a going concern is principally dependent upon raising sufficient additional capital to fund exploration expenditure, other principal activities and working capital. In September 2014, the company completed a Placement to sophisticated and professional investors that raised \$475,000 after costs. The company anticipates a further capital raising will be needed to fund its current operations through to February 2016.

Based on the cash flow forecasts and achieving the above funding, the directors are satisfied that the going concern basis of preparation is appropriate. The financial report has therefore been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Should the Group be unable to raise the required funding, there is a material uncertainty that may cast significant doubt on whether the Group will be able to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 2: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Board of Directors for the purposes of resource allocation and assessment of performance is more specifically focused on the exploration and development of uranium resource projects. The Group's reportable segments under AASB 8 are therefore as follows:

- Exploration and evaluation – Slovakia (discontinued operation)
- Exploration and evaluation – South Australia
- Other sector

Exploration and evaluation – Slovakia expenditure relates to two uranium exploration licences in Slovakia covering Permian volcano sedimentary sequences. The Group held a 100% effective interest in these licences through Crown Energy s.r.o, a wholly owned subsidiary of GBE Exploration Pty Ltd (which in turn is a wholly owned subsidiary of GB Energy). These licences were surrendered during the December 2014 half year.

Exploration and evaluation - South Australia refers to four Exploration licenses (EL's) held in South Australia. The Group holds a 100% interest in these licences through GBE Exploration Pty Ltd a wholly owned subsidiary of GB Energy.

The other sector relates to head office operations, including cash management.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following table presents the revenue and loss information regarding the segment information provided to the Board of GB Energy Limited for the half year periods ended 31 December 2014 and 31 December 2013.

	Continuing operations		Discontinued operation		
	Exploration and evaluation- S.Aust	Other	Exploration and evaluation- Slovakia	Unallocated items	Consolidated
31 December 2014	\$	\$	\$	\$	\$
Segment revenue	5	1,982	74	-	2,061
Segment result	(1,701)	(155,310)	2,394	-	(154,617)
Segment assets	425,105	334,422	178	-	795,705

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 2: SEGMENT REPORTING (continued)

	Continuing operations		Discontinued operation		
	Exploration and evaluation- S.Aust	Other	Exploration and evaluation- Slovakia	Unallocated items	Consolidated
	\$	\$	\$	\$	\$
31 December 2013					
Segment revenue	10	2,168	1	-	2,179
Segment result	(1,327)	(239,471)	(483,305)	-	(724,103)
Segment assets	127,347	557,952	27,273	-	712,572

The revenue reported above represents revenue generated from external customers. Intersegment revenues have been eliminated.

Segment results earned by each segment are without allocation of central administration costs and directors' salaries, share of profits from associates, investment revenue and finance costs, income tax expense, gains or losses of associates and discontinued operations. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	Six months to 31 December 2014	Year to 30 June 2014
	\$	\$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	337,494	534,428
Expenditure incurred	70,578	293,885
Impaired exploration	-	(519,063)
Foreign exchange translation movements	-	28,243
Total deferred exploration and evaluation expenditure	408,072	337,494

The South Australian exploration assets satisfy AASB 6 and remain as exploration assets in the statement of financial position. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 4: DISCONTINUED OPERATION

As at 31 December 2014 Crown Energy s.r.o. a controlled entity (held 100% by GB Energy Limited via its wholly owned subsidiary GBE Exploration Pty. Ltd.) was considered a discontinued operation due to the surrender of exploration licences in Slovakia and the decision by the Directors to commence a formal liquidation process prior to balance date. The formal liquidation process is not as yet completed, however there will be no inflow of funds from this process.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the period to 31 December 2014.

	31 December 2014 \$	31 December 2013 \$
<i>Financial performance from discontinued operation</i>		
Revenue	74	1
Foreign exchange	16,161	49,270
Expenses	(13,841)	(13,513)
Impairment of exploration asset - Slovakia	-	(519,063)
Net profit/(loss)	2,394	(483,305)
<i>Cash flows from discontinued operations</i>		
Net cash flows from operating activities	(13,767)	(13,512)
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-

NOTE 5: ISSUED CAPITAL

	31 December 2014 \$		30 June 2014 \$	
<i>Ordinary shares</i>				
Issued and fully paid			9,883,745	9,408,745
	Six months to 31 December 2014		Year to 30 June 2014	
	Number	\$	Number	\$
<i>Movements in ordinary shares</i>				
Balance at beginning of period	405,498,587	9,408,745	277,789,155	9,025,617
Placement	250,000,000	500,000	127,709,432	383,128
Share Issue costs	-	(25,000)	-	-
Balance at end of period	655,498,587	9,883,745	405,498,587	9,408,745

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****NOTE 6: OPTIONS**

Unquoted GBX options exercisable at 20 cents on or before 15 December 2014 expired during this half year. There are no other options on issue.

NOTE 7: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 8: RELATED PARTY TRANSACTIONS

There has been no change in the nature of related party transactions since the last annual reporting date.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

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

DIRECTORS' DECLARATION

In the opinion of the directors of GB Energy Limited ('the company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year then ended; and
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 made pursuant to s.303(5) of the Corporations Act 2001.



Graeme Kirke
Chairman

12 February 2015



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of GB Energy Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GB Energy Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 2014 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 the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Accountants | Business and Financial Advisers

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 GB Energy Limited is not 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 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the Group to continue as a going concern is principally dependent upon raising sufficient additional capital to fund exploration, other principal activities and working capital. Should the Group be unable to raise the required funding, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo

L Di Giallonardo
Partner

Perth, Western Australia
12 February 2015