

ODIN ENERGY LIMITED

INTERIM REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014



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THE INFORMATION CONTAINED IN THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH ODIN ENERGY LTD'S FULL YEAR REPORT DATED 30 JUNE 2014 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.

Contents

| | |
|--|----|
| DIRECTORS' REPORT | 1 |
| AUDITORS INDEPENDENCE DECLARATION..... | 3 |
| CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME..... | 4 |
| CONSOLIDATED STATEMENT OF FINANCIAL POSITION | 5 |
| CONSOLIDATED STATEMENT OF CASH FLOWS | 6 |
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | 7 |
| NOTES TO THE CONSOLIDATED HALF -YEAR FINANCIAL REPORT | 8 |
| DIRECTORS DECLARATION | 13 |
| INDEPENDENT AUDIT REPORT ON THE FINANCIAL REPORT | 14 |

DIRECTORS' REPORT

Your directors present their report for the consolidated entity consisting of Odin Energy Limited and the entities it controlled at the end of, or during, the period ended 31 December 2014.

DIRECTORS

The following persons have been directors of Odin Energy Ltd during the half year and up to and including the date of this report.

| | |
|------------------|-----------------------------------|
| Alex Bajada | (Chairman) |
| Roland Berzins | (Director) |
| Anthony Short | (Director) resigned 3 March 2015 |
| David Ballantyne | (Director) appointed 3 March 2015 |

PRINCIPAL ACTIVITIES

The principal activity of the Company during this financial period was the exploration for, and development and production of, oil and gas.

OPERATING RESULTS

The net operating loss of the Group for the half-year ended 31 December 2014 after income tax amounted to \$747,780 (\$391,299 – 2013).

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

Operational Overview

Galveston 307 Project (Kilgore Exploration, Inc-WI 11.25%, NRI 9.0% Egret, NRI 8.72% Sandpiper)

The group's interest in this project is held by Kilgore Exploration, Inc ("KEI") which is a 100% owned subsidiary incorporated in Texas. Production for the six months to 31 December 2014 was 98,368 MCF (KEI share 8,772 MCF). For the corresponding period to 31 December 2013 production was 235,435 MCF (KEI share 20,875). The third well (Snipe) did not produce in either period due to low pressure. During 2014 a compressor was installed by the operator on the offshore platform in the hope of increasing production. We also understand that additional operations to recomplete Sandpiper and Snipe to new zones or to re-work existing zones were undertaken during 2014. We have requested a detailed operations report from the operator Black Pool Energy, LP and at the time of this review we are awaiting that report. However it is clear that the workovers (on which KEI went non-consent) were not successful in maintaining production levels, which have continued to decline over the last 12 months.

Corporate Overview

In August 2014 the Company announced that it had executed a binding heads of agreement with TV2U Pty Ltd ("TV2U"), and had appointed SilikonRok Pty Ltd as its technical advisor in regard to this potential transaction. TV2U's technologies enable telecommunication companies and network operators to increase profitability by generating revenue through the delivery of live and video on demand content to multiple consumer devices over multiple networks, on a global scale. A further announcement in September noted that the initial assessment of TV2U had identified 6 Intellectual Property ("IP") technologies and a current intention of seeking to commercialise these technologies through an Initial Public Offer ("IPO") in 2015. It was also confirmed that SilikonRok Pty Ltd had been commissioned to evaluate a further 10 potential IP technologies that could possibly be registered as part of the commercialization process. Odin will earn a share based fee for its previous and ongoing consulting on this project and it is intended that Odin shareholders will be offered priority subscription rights in the IPO.

The Company's subsidiary, Kilgore Exploration Inc, appealed in the September 2013 quarter against a judgement rendered against it in March 2013 in a lawsuit with Apache Corporation. The Company has recently been informed that this appeal has been unsuccessful and is currently assessing its options and considering a further appeal. The Company has previously brought the vast majority of costs to account in respect of this matter and this accounts for the majority of liabilities in the accounts of KEI.

Opportunities

The Company is evaluating a number of opportunities both within Australia and overseas.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Notice was received in early March that the appeal made by the Company's subsidiary, Kilgore Exploration, Inc, in September 2013 against a judgement rendered against it in a lawsuit with Apache Corporation had been unsuccessful. The Company is currently considering a further appeal.

Effective 3 March Mr Anthony Short resigned as a director of the Company and was replaced by Mr David Ballantyne

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the consolidated entity's auditors, Somes Cooke to provide the directors with a written Independence Declaration in relation to their review of the financial report for the period ended 31 December 2014. The written Auditor's Independence Declaration can be found on page 3 and forms part of this Director's Report.

Signed in accordance with a resolution of the Directors.



A BAJADA
Chairman
Perth, 12 March 2015

Auditor's Independence Declaration

To those charged with the governance of Odin Energy Ltd

As auditor for the review of Odin Energy Ltd for the period ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.



SOMES COOKE



NICHOLAS HOLLENS
Partner

12 March 2015
Perth

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

| | Notes | Half-Year ended 31 December 2014 \$ | Half-Year ended 31 December 2013 \$ |
|---|-------|---|---|
| Revenue for continuing operations | | - | 81,429 |
| Interest received | | - | 76,086 |
| Profit on sale of investment | | - | - |
| Other income | | - | - |
| Total income | | - | 157,515 |
| Lease operating expenses | | - | (42,714) |
| Accounting and audit | | (12,713) | (32,266) |
| Depreciation | | - | (1,157) |
| Consultancy | | (198,200) | (155,539) |
| Legal expenses | | - | - |
| Regulatory expenses | | (6,667) | (17,392) |
| Travel expenses | | - | - |
| Administrative expenses | | (167,861) | (241,195) |
| Impairment of oil and gas assets | 8 | (379,114) | - |
| Decline in fair value of financial assets | | 16,775 | (58,551) |
| Loss before income tax | | (747,780) | (391,299) |
| Income tax benefit/(expense) | | - | - |
| Loss for the half year | | (747,780) | (391,299) |
| Other comprehensive income, net of income tax | | | |
| Items that will not be reclassified subsequently to profit or loss | | - | - |
| Items that may be reclassified subsequently to profit or loss | | | |
| Exchange differences on translation of foreign operations | | (92,328) | (42,669) |
| Other comprehensive loss for the year net of tax | | (92,328) | (42,669) |
| Total comprehensive income for the half year | | (840,108) | (433,968) |
| Total comprehensive income for the half year is attributable to: | | | |
| Owners of Odin Energy Limited | | (840,108) | (433,968) |
| Loss per share | | | |
| Basic and diluted(cents per share) | 7 | (0.37) | (0.19) |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income above should be read in conjunction with the notes to the Half-Year Financial Statements.

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

| | | Group | |
|--|-------|----------------------|--------------------|
| | Notes | December 2014 A\$ | June 2014 A\$ |
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | | 767 | 2,951 |
| Trade and other receivables | | 57,997 | 65,695 |
| Available for sale assets | | 153,991 | 80,355 |
| Total current assets | | 212,755 | 149,001 |
| Non-current Assets | | | |
| Property, plant and equipment | | 4,153 | 3,601 |
| Oil & gas properties | 8 | 340,037 | 673,934 |
| Other financial assets | 9 | - | 83,333 |
| Total non-current assets | | 344,190 | 760,868 |
| Total assets | | 556,945 | 909,869 |
| Current liabilities | | | |
| Trade and other payables | 10 | 3,022,657 | 2,535,473 |
| Total current liabilities | | 3,022,657 | 2,535,473 |
| Total liabilities | | 3,022,657 | 2,535,473 |
| Net (liabilities) | | (2,465,712) | (1,625,604) |
| Equity | | | |
| Contributed Equity | 11 | 14,745,209 | 14,745,209 |
| Reserves | | (132,339) | (40,011) |
| Accumulated losses | | (17,078,582) | (16,330,802) |
| Total (Deficit) in shareholders funds | | (2,465,712) | (1,625,604) |

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

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

| | Half-Year ended 31 December 2014 \$ | Half-Year ended 31 December 2013 \$ |
|--|---|---|
| Cash flows from operating activities | | |
| Receipt from customers | - | 189,820 |
| Payments to suppliers and employees | (10,475) | (147,753) |
| Interest received | - | 86 |
| Net cash from/(used in) operating activities | (10,475) | 42,153 |
| Cash flows from investing activities | | |
| Proceeds from sale of available-for-sale investments | 2,659 | 108,185 |
| Payment for available-for-sale financial assets | - | (129,634) |
| Payment for exploration and evaluation of oil and gas | - | - |
| Payment for property, plant and equipment | - | - |
| Net cash provided by/(used in) investing activities | 2,659 | (21,449) |
| Cash flows from financing activities | | |
| Proceeds from debt | 10,000 | - |
| Proceeds from share issues | - | - |
| Net cash flows provided by financing activities | 10,000 | - |
| Net (increase)/increase in cash and cash equivalents | (2,184) | 20,704 |
| Cash and cash equivalents at the beginning of the financial period | 2,951 | 33,136 |
| Effect of exchange rate changes on cash and cash equivalents | - | - |
| Cash and cash equivalents at the end of the financial period | 767 | 53,840 |

The above Consolidated Statement of Cash flows should be read in conjunction with the notes to the Half-Year Financial Statements.

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

CONSOLIDATED**For the half-year ended
31 Dec 2014**

| | Issued Capital \$ | Share Base Payment Reserve \$ | Option Reserve \$ | Available for sale Reserve \$ | Foreign Exchange Reserve \$ | Accumulated losses \$ | TOTAL \$ |
|--|----------------------|--|-------------------------|-------------------------------------|--------------------------------------|-----------------------------|-------------|
| Balance at the beginning of the period | 14,745,209 | - | - | - | (40,011) | (16,330,802) | (1,625,604) |
| Loss for the period | - | - | - | - | - | (747,780) | (747,780) |
| Other equity reserve difference | - | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | - | (92,328) | - | (92,328) |
| Total comprehensive income for the half year | - | - | - | - | (92,328) | (747,780) | (840,108) |
| Balance as at 31 December 2014 | 14,745,209 | - | - | - | (132,339) | (17,078,582) | (2,465,712) |

**For the half-year ended
31 Dec 2013**

| | Issued Capital \$ | Share Base Payment Reserve \$ | Option Reserve \$ | Available for sale Reserve \$ | Foreign Exchange Reserve \$ | Accumulated losses \$ | TOTAL \$ |
|--|----------------------|--|-------------------------|-------------------------------------|--------------------------------------|-----------------------------|-------------|
| Balance at the beginning of the period | 14,745,209 | - | - | - | (33,424) | (14,637,522) | 74,263 |
| Loss for the period | - | - | - | - | - | (391,299) | (391,299) |
| Other equity reserve difference | - | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | - | (42,669) | - | (42,669) |
| Total comprehensive income for the half year | - | - | - | - | (42,669) | (391,299) | (433,968) |
| Balance as at 31 December 2013 | 14,745,209 | - | - | - | (76,093) | (15,028,821) | (359,705) |

The above Consolidated Statement of Changes in Equity above should be read in conjunction with the notes to the Half-Year Financial Statements.

NOTES TO THE CONSOLIDATED HALF -YEAR FINANCIAL REPORT

1. REPORTING ENTITY

Odin Energy Limited (“Odin”) is a company domiciled in Australia. The consolidated half-year financial statements of the Group as at and for the six months ending 31 December 2014 comprises Odin and its subsidiaries (together referred to as the “consolidated entity” or “Group”).

The consolidated annual financial statements of the consolidated entity as at and for the year ended 30 June 2014 is available upon request from Odin’s website www.odinenergy.com.au, the ASX website or the companies registered office at Suite 2, 16 Ord Street, WEST PERTH, Western Australia 6005.

2. STATEMENT OF COMPLIANCE

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Odin Energy Ltd and its controlled entities (consolidated entity). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the consolidated entity. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the consolidated entity for the year ended 30 June 2014, together with any public announcements made during the following half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

These consolidated half-year financial statements were approved by the Board of Directors on 12 March 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

In the current year, the consolidated entity 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 annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the entity’s accounting policies.

4. ESTIMATES

The preparation of the interim financial report requires management to make judgements, 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 interim financial report the significant judgements 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 ending 30 June 2014.

5. GOING CONCERN

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

The Consolidated Entity has incurred a net loss after tax for the half year ended 31 December 2014 of \$747,780 (2013: Loss \$391,299) and experienced net cash outflows from operating activities of \$10,475 (2013: inflows \$42,153). At 31 December 2014, the Consolidated Entity had net current liabilities of \$2,809,902 (30 June 2014: net current liabilities of \$2,386,472).

The Directors believe that there are sufficient funding strategies and alternatives to meet the Company’s working capital requirements and are confident the Company will be able to raise the required funds in the future. However, the Directors recognise that the ability of the Company to continue as a going concern and to pay its debts as and when they fall due is dependent on the ability of the Company to secure additional funding through either the issue of further shares and/or

5. GOING CONCERN (CONTINUED)

options and convertible notes, or through asset sales, or through the conversion of a significant portion of liabilities into equity.

The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate. As such, the directors believe that they will continue to be successful in securing additional funds through debt conversion, equity raisings or asset sales as and when the need to raise working capital arises.

Notwithstanding this, there is still a level of uncertainty whether the Company will be able to continue as a going concern.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

6. SEGMENT INFORMATION**Industry Segment – Description of Segments**

The consolidated entity operates solely in the exploration and development of oil and gas producing properties. The chief operating decision maker has identified that the Group works in two distinct geographical segments being Texas, USA and Australia.

| Half year ended 31 December 2014 | USA | Australia | Total |
|-------------------------------------|-------------|-------------|-------------|
| Geographical segment | \$ | \$ | \$ |
| Revenues from continuing activities | - | - | - |
| Segment result (loss) | (49,438) | (319,213) | (368,651) |
| Segment assets (Dec 14) | 400,982 | 729,813 | 1,130,795 |
| Segment liabilities (Dec 14) | (1,543,903) | (2,165,703) | (3,709,606) |

| Half year ended 31 December 2013 | USA | Australia | Total |
|-------------------------------------|-------------|-------------|-------------|
| Geographical segment | \$ | \$ | \$ |
| Revenues from continuing activities | 81,429 | 76,086 | 157,515 |
| Segment result (loss) | (46,661) | (343,943) | (390,604) |
| Segment assets (June 14) | 347,662 | 739,084 | 1,086,746 |
| Segment liabilities (June 14) | (1,291,890) | (1,855,762) | (3,147,652) |

Reconciliation

- 1) Revenue from continuing operations

Segment revenue reconciles to total revenue from the continuing operations as follow:

| | GROUP | |
|---|-------|---------|
| | 2014 | 2013 |
| | \$ | \$ |
| Total segment revenue | - | 157,515 |
| Intersegment eliminations- intercompany loan interest | - | - |
| Total revenue from continuing operations | - | 157,515 |

2) Segment results

Segment result reconciles to total comprehensive income as follows:

| | GROUP | |
|---|------------------|------------------|
| | 2014 | 2013 |
| | \$ | \$ |
| Total segment result | (368,651) | (390,604) |
| Intersegment eliminations | (379,129) | (695) |
| Total comprehensive income for the year | <u>(747,780)</u> | <u>(391,299)</u> |

3) Segment assets

The amounts provided to the board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Reportable segments' assets are reconciled to total assets as follows:

| | GROUP | |
|---------------------------|----------------|----------------|
| | December 2014 | June 2014 |
| | \$ | \$ |
| Total segment assets | 1,130,795 | 1,086,746 |
| Intersegment eliminations | (573,850) | (176,877) |
| Total assets | <u>556,945</u> | <u>909,869</u> |

4) Segment liabilities

The amounts provided to the board with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment and the physical location of the asset.

Reportable segments' liabilities are reconciled to total assets as follows:

| | GROUP | |
|---------------------------|--------------------|--------------------|
| | December 2014 | June 2014 |
| | \$ | \$ |
| Total segment liabilities | (3,709,606) | (3,147,652) |
| Intersegment eliminations | 686,950 | 612,179 |
| Total liabilities | <u>(3,022,656)</u> | <u>(2,535,473)</u> |

7. LOSS PER SHARE

| | Half-Year ended 31 December 2014 | Half-Year ended 31 December 2013 |
|--|--|--|
| | \$ | \$ |
| Reconciliation of earnings to net loss | | |
| Net loss | (747,780) | (391,299) |
| Earnings/(loss) used in the calculation of basic and dilutive EPS | (747,780) | (391,299) |
| Weighted average number of ordinary shares outstanding during the period used in calculation of basic and dilutive EPS | Number 203,360,037 | Number 203,360,037 |

Details of any shares issued are included under note 10. Dilutive EPS is not reflected as it would result in the reduction of the loss per share.

8. OIL AND GAS PROPERTIES

| | GROUP | |
|-----------------------------|--|--------------------------|
| | Half-year to December 2014 \$ | Yr to June 2014 \$ |
| Non-Current | 340,037 | 673,934 |
| Oil and gas exploration | | |
| Reconciled as follows: | | |
| Opening balance | 673,934 | 765,925 |
| Additions during the period | - | - |
| Depletion | - | (41,043) |
| Foreign exchange | 45,217 | (39,613) |
| Impairment | (379,114) | (11,335) |
| Closing Balance | 340,037 | 673,934 |

The ultimate recoupment of these costs is dependent on successful development and commercial exploitation, or alternatively, the sale of the respective areas.

9. OTHER FINANCIAL ASSETS

| | Half-year to 31 December 2014 \$ | Year to 30 June 2014 \$ |
|---|-------------------------------------|----------------------------|
| Opening balance | 83,333 | 331,035 |
| Impairment | - | - |
| Conversion to available for sale assets | (83,333) | (247,702) |
| Closing balance | - | 83,333 |

10. TRADE AND OTHER PAYABLES

Trade and other payables of \$3,022,657 as at 31 December 2014 include approximately \$1,650,000 owing to directors and their related parties and approximately \$930,000 in relation to the Apache case (Note 12).

11. EQUITY SECURITIES ISSUED

The movements in Ordinary Shares during the period ended 31 December 2014 were as follows:

11.1 Ordinary shares

| | GROUP | |
|-----------------|----------------|-----------------|
| | Dec 2014 \$ | June 2014 \$ |
| Opening balance | 14,745,209 | 14,745,209 |
| Closing balance | 14,745,209 | 14,745,209 |

11.2 Options

During the year no options expired (2013: Nil). During the year no options were issued or exercised.

11.3 Converting Preference Shares

All convertible preference shares were issued prior to the half-year ended 31 December 2014. There were no movements in Converting Preference Shares during the period.

12. CONTINGENT ASSETS AND LIABILITIES

Should ODN's subsidiary Kilgore Exploration, Inc., make a further appeal on the dispute with Apache Corporation (refer to note 14 below: Events Subsequent to Balance Date) and be successful in this appeal it will recoup approximately USD 500,000 in costs. These costs have already been provided for in the accounts of Kilgore Exploration, Inc and these recorded liabilities would also be written back.

13. COMMITMENTS

There were no commitments as at 31 December 2014 (30 June 2014: Nil).

14. EVENTS SUBSEQUENT TO BALANCE DATE

Notice was received in early March that the appeal made by the Company's subsidiary, Kilgore Exploration, Inc, in September 2013 against a judgement rendered against it in a lawsuit with Apache Corporaton had been unsuccessful. The Company is currently considering a further appeal.

Effective 3 March Mr Anthony Short resigned as a director of the Company and was replaced by Mr David Ballantyne.

15. DIVIDENDS

No dividends were paid or declared during the period.

**DIRECTORS DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

In the opinion of the directors of Odin Energy Limited ("the Company"):

1. the financial statements and notes set out on pages 4 to 12, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2014 and of its performance, as represented by the results of its operations and cash flows for the period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; 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.



.....
Alex Bajada
Director
Dated at PERTH this 12th day of March 2015.

Independent Auditor's Review Report

To the members of Odin Energy Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Odin Energy Ltd, which comprises the statement of financial position as at 31 December 2014, 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 summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

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

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 Odin Energy Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Odin Energy Ltd'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 Corporations Regulations 2001*.

Emphasis of matter - Inherent uncertainty regarding continuation as a going concern

Without modifying our conclusion, we draw attention to Note 5, which outlines that the company's ability to pay its debts as and when they fall due is dependent on the ability of the Company to secure additional funding through either the issue of further shares and/or options and convertible notes, or through asset sales, or through the conversion of a significant portion of liabilities into equity.

As a result there is material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, and therefore whether it will realise its asset and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



SOMES COOKE



NICHOLAS HOLLENS
Partner

12 March 2015
Perth