



**East Energy Resources Limited**

ABN 66 126 371 828

**Interim Financial Report 2014**



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ABN 66 126 371 828

## **Interim Financial Report 2014**

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# Corporate Directory

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## DIRECTORS

Mark Basso-Brusa (Managing Director)  
Ranko Matic (Non-Executive Director)  
Rex Littlewood (Non-Executive Director)  
Chris Thoroughgood (Alternative Non-Executive Director)

## COMPANY SECRETARY

Ranko Matic

## REGISTERED OFFICE

Level 1/12 Kings Park Road  
WEST PERTH WA 6005

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ASX Code: EER

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## AUDITORS

Regency Audit Pty Ltd  
Suite 1, Ground Floor  
437 Roberts Road  
SUBIACO WA 6008  
Ph: +61 8 6380 2555  
Fax: +61 8 9381 1122

## SHARE REGISTRY

Advanced Share Registry Ltd  
150 Stirling Highway  
NEDLANDS WA 6009

# Directors' Report

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Your directors submit the financial accounts of the consolidated entity consisting of East Energy Resources Limited ("EER" or "the Company") and the entity it controls ("the Group") for the half year ended 31 December 2014.

## Directors

The names of the directors in office at any time during the whole of the half year and up to the date of this report are:-

Mr Mark Basso-Brusa (Managing Director and Chairman)  
Mr Ranko Matic (Non-Executive Director and Company Secretary)  
Mr Rex Littlewood (Non-Executive Director)  
Mr Chris Thoroughgood (Alternate Non-Executive Director)

## Review of Operations

### Principal Activities

The principal activity of the Group for the financial period was mineral exploration. There were no significant changes in the nature of the Group's principal activities during the half year.

### Results

The consolidated net loss of the Group after income tax for the half year ended 31 December 2014 amounted to \$1,044,678 (profit \$1,674,942: 2013).

### Dividends Paid or Recommended

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

### Exploration

#### **BLACKALL COAL PROJECT**

##### Background

The Group's main coal projects are located in Central Western Queensland near the township of Blackall. The Group commenced the Blackall Project in 2008 by securing and developing EPC 1149, which covers 300 sub-blocks over an area of approximately 900 sq km in the Eromanga Basin in Queensland. This tenement was granted to East Energy on 22 April 2008 for an initial period of five years and approval was granted for further five year extension to the entire tenement in June 2013.

In May 2013, East Energy Resources acquired Idalia Coal Pty Ltd, which held EPCs 1398, 1399, 1400, 1403 and 1407 which are all located adjacent or close to the existing EPC 1149 tenement. The size of these tenements vary, with the aggregate sub-blocks held being 835, providing an area of 2,600 sq km.

In 2014 East Energy was granted a Mineral Development Licence over the southern portion of the Coal Resource within EPC 1149.

# Directors' Report

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## Updated JORC Resource Statement

The Blackall Project contains three main coal resource areas within EPC's 1149, 1398 and 1399.

In July 2014 the Company completed an updated JORC compliant Coal Resource Statement for EPC1399 (announced to the ASX on 10/7/2014) within the Blackall Project, comprising a JORC (2012) compliant Inferred Resource of 1,504 million tonnes. The updated statement, together with the previously announced JORC Statements for EPC1149 and EPC 1398, confirms the Company holds a combined JORC Total Coal Resource Estimate of 3.44 billion tonnes of thermal quality coal at its Blackall Coal Project.

The Company also announced an updated Exploration Target in the range of 2.0 to 2.5 billion tonnes within EPC1398 and EPC1399. All references to Reported Exploration Targets are in accordance with the guidelines of the JORC Code (2012). As such, the potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

Note 1. See ASX announcement dated 10 July 2014 - EER REPORTS 3.44 BILLION TONNE JORC RESOURCE

## Exploration

No new exploration was undertaken on the Blackall Project tenements during the half year while the company assessed various development options for the resources.

## Mineral Development License (MDL 464)

The Company was advised by DNRM on 20 July 2014 that MDL464 had been granted for a period of 5 years, with a commencement date from 1 August 2014. The MDL covers some 37,000a over the central portion of the main coal resources on EPC 1149.

## Project Based Permit Administration

During the June 2014 quarter the DNRM advised the Company that it had granted Project Status over five tenements within the Blackall Project which will enable exploration expenditure to be focused more effectively and efficiently. Pursuant to this approval of Project Status, the Company commenced discussions with the DNRM to modify the annual work programs and expenditure on these tenements.

In November the company lodged a "Global Variation" covering all EPC's as well as MDL464 within the Blackall Coal Project, proposing modified work programs and expenditure commitments for the next three to four years. The variation proposes reduced work programs and expenditure in response to the current downturn in the thermal coal market.

The Company continues to review strategic options for exploration and development planning across the proposed MDL and the three EPCs covering the main body of the known coal resource and exploration target.

EER is also continuing to appraise and review a number of other new project resource opportunities to enhance its project portfolio and increase the overall value proposition of EER. The Company devoted considerable effort during the September 2014 quarter on the appraisal of a number of new project opportunities aimed at enhancing the Company's project portfolio. The company is considering commodities other than coal to ensure it is best placed to deliver value and upside potential for all its shareholders.

# Directors' Report continued

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## Competent Persons Statement – EPC 1399 Resources

The information in this report relating to estimates of Mineral Resources within EPC1399, is based on information compiled by Mr Peter Tighe who is a member of the Australian Institute of Mining and Metallurgy. Mr Tighe is employed full time as Exploration Manager with East Energy Resources Limited. Mr Tighe has had over 30 years' experience in exploration, mining and resource evaluation and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tighe consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

## Competent Persons Statement – EPC 1398 Resources

The information in this announcement relating to the estimates of Mineral Resources within EPC 1398 is based on the 2004 JORC code and information reviewed by Mr Bill Knox, who is a Member of The AusIMM. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr Knox has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Knox consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

## Competent Persons Statement – EPC 1149 Resources

The Coal Resource estimation for the Blackall Project (EPC 1149) presented in this announcement has been carried out in accordance with the principles and guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004) and the Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves, 2003. The information in the announcement to which this statement is attached, that relates to East Energy's Blackall Coal Resource on EPC 1149 is based on information reviewed by Dr Gerard McCaughan, who is a Member of The AusIMM and is a full time employee of SRK. . This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Dr McCaughan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Dr McCaughan consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

## Competent Persons Statement – Exploration Targets

The information in this announcement relating to Exploration Targets within EPC 1398 and EPC 1399 is based on information compiled by Mr Peter Tighe who is a Member of The AusIMM and a full time employee of East Energy Resources Ltd. Mr Tighe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tighe consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

## Forward Looking Statements

This Announcement may contain forward looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place undue reliance on forward-looking statements and neither East Energy Resources Limited nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

## Events After the Balance Sheet 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 Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

## Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is included within this financial report for the period ended 31 December 2014.

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



**MARK BASSO-BRUSA**

**Managing Director**

DATED at PERTH this 16<sup>th</sup> day of March 2015

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To The Board of Directors

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

As lead audit director for the review of the financial statements of East Energy Resources 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:

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

Yours faithfully



**CHRIS WATTS CA**  
Director

**REGENCY AUDIT PTY LTD**

DATED at PERTH this 16<sup>th</sup> day of March 2015

# Consolidated Statement of Profit or Loss and other Comprehensive Income

for the half year ended 31 December 2014

	<b>Consolidated</b>	
	<b>31.12.2014</b>	<b>31.12.2013</b>
	<b>\$</b>	<b>\$</b>
Revenue from continuing operations	7,368	4,531
Audit Fees	(6,500)	(8,302)
Depreciation	(1,440)	(1,719)
Insurance	(17,423)	(14,703)
Public Relations	-	-
Rent	(1,625)	(825)
Share Registry Costs	(3,317)	(2,704)
Directors Salary and Fees	(118,700)	(118,700)
Employee Benefits Expenses	(223,008)	(155,855)
Impairment of Exploration Asset	(45)	(29,697)
Professional Fees – R&D Claim	-	(70,282)
Legal Fees	-	(2,165)
Interest Expense	(982,880)	(733,948)
Other expenses	(90,620)	(50,722)
<b>Loss before income tax</b>	<b>(1,438,190)</b>	<b>(1,185,091)</b>
<b>Income tax (expense)/benefit</b>	<b>6 393,512</b>	<b>2,860,033</b>
<b>Net profit/(loss) for the period attributable to the members of East Energy Resources Limited</b>	<b>(1,044,678)</b>	<b>1,674,942</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the period attributable to the members of East Energy Resources Limited</b>	<b>(1,044,678)</b>	<b>1,674,942</b>
<b>Basic and diluted earnings/(loss) per share (cents per share) attributable to the members of East Energy Resources Ltd</b>	<b>(0.29)</b>	<b>0.47</b>

The accompanying notes form part of these financial accounts



# Consolidated Statement of Financial Position

as at 31 December 2014

		<b>Consolidated</b>	
		<b>31.12.2014</b>	<b>30.06.2014</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		597,280	344,112
Trade and Other Receivables		21,147	17,414
<b>TOTAL CURRENT ASSETS</b>		<b>618,427</b>	<b>361,526</b>
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment		43,366	56,943
Exploration, Evaluation and Development Expenditure		72,616,460	72,396,948
<b>TOTAL NON-CURRENT ASSETS</b>		<b>72,659,826</b>	<b>72,453,891</b>
<b>TOTAL ASSETS</b>		<b>73,278,253</b>	<b>72,815,417</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables		392,136	384,634
<b>TOTAL CURRENT LIABILITIES</b>		<b>392,136</b>	<b>384,634</b>
<b>NON-CURRENT LIABILITES</b>			
Deferred Tax Liability	6	-	393,512
Borrowings	5	19,353,370	17,459,846
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>19,353,370</b>	<b>17,853,358</b>
<b>TOTAL LIABILITIES</b>		<b>19,745,506</b>	<b>18,237,992</b>
<b>NET ASSETS</b>		<b>53,532,747</b>	<b>54,577,425</b>
<b>EQUITY</b>			
Issued Capital	4	59,912,357	59,912,357
Accumulated Losses		(6,379,610)	(5,334,932)
<b>TOTAL EQUITY</b>		<b>53,532,747</b>	<b>54,577,425</b>

The accompanying notes form part of these financial accounts

# Consolidated Statement of Changes in Equity

for the half year ended 31 December 2014

	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
Balance as at 1 July 2013	59,912,357	(5,341,224)	54,571,133
Net income/(loss) for the period	-	1,674,942	1,674,942
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	1,674,942	1,674,942
Transactions with Equity Holders in their capacity as Equity Holders	-	-	-
<b>Balance at 31 December 2013</b>	<b>59,912,357</b>	<b>(3,666,282)</b>	<b>56,246,075</b>
Balance as at 1 July 2014	59,912,357	(5,334,932)	54,577,425
Net income/(loss) for the period	-	(1,044,678)	(1,044,678)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	(1,044,678)	(1,044,678)
Transactions with Equity Holders in their capacity as Equity Holders	-	-	-
<b>Balance at 31 December 2014</b>	<b>59,912,357</b>	<b>(6,379,610)</b>	<b>53,532,747</b>

The accompanying notes form part of these financial accounts

# Consolidated Statement of Cash Flows

for the half year ended 31 December 2014

	Consolidated	
	31.12.2014	31.12.2013
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	7,368	4,531
Interest Paid	(87,212)	(72,199)
Payments for exploration, evaluation and development	(205,835)	(2,025,450)
Payments to suppliers & other expenses	(461,153)	(484,411)
<b>Net Cash outflows from Operating Activities</b>	<b>(746,832)</b>	<b>(2,577,529)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of fixed assets (net)	-	-
Payments for property, plant & equipment	-	(1,080)
<b>Net Cash outflows from Investing Activities</b>	<b>-</b>	<b>(1,080)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings	1,000,000	1,500,000
<b>Net Cash inflows from Financing Activities</b>	<b>1,000,000</b>	<b>1,500,000</b>
Net increase / (decrease) in cash and cash equivalents	253,168	(1,078,609)
Cash and cash equivalents at 1 July	344,112	1,289,459
<b>Cash and cash equivalents at 31 December</b>	<b>597,280</b>	<b>210,850</b>

The accompanying notes form part of these financial accounts

# Notes to the Consolidated Financial Statements

for the half year ended 31 December 2014

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## NOTE 1. BASIS OF PREPARATION OF HALF-YEARLY REPORT

### Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the company as the full financial statements. Accordingly, this interim financial report is to be read in conjunction with the annual financial statement for the year ended 30 June 2014 and any public announcements made by East Energy Resources Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's last annual financial statements for the year ended 30 June 2014.

The accounting policies have been applied consistently throughout the Company for the purposes of preparation of these interim financial statements.

### New and revised Accounting Standards

The Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year include:

- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non Financial Assets'
- AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'
- AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
  - Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
  - Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'
  - Part C: 'Materiality'
- Interpretation 21 'Levies'

The adoption of the above standards have not had an material impact on this half yearly financial report

### Reporting Basis and Conventions

The half year financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

# Notes to the Consolidated Financial Statements continued

for the half year ended 31 December 2014

## Going Concern

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

The Group produced a net loss after tax for the half year of \$1,044,678 and net cash outflows of \$253,168.

As at 31 December 2014, the Company had a working capital surplus of \$226,291

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital and managing cashflow in line with available funds. During May 2013, East Energy Resources Limited entered into a loan facility agreement with the Noble Group, whereby the Noble Group will provide up to \$7.5 million in funding for working capital and exploration expenses for a period of up to 5 years, with a staggered drawdown. Since entering into the agreement, East Energy has drawn a total of \$4.65m. East Energy therefore has access to the remaining amount of \$2.85m over the next 3 years to cover operational and exploration expenses. The Company has made a conscious effort to only draw on this facility, as needed, in order to minimise the interest expense applicable to the facility.

## NOTE 2. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the reporting period which significantly affect or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

## NOTE 3. CONTINGENT ASSETS AND LIABILITIES

There have been no changes in contingent assets and liabilities since the last annual reporting date.

## NOTE 4. CHANGES TO ISSUED CAPITAL

There were no changes to issued capital.

## NOTE 5. NON-CURRENT LIABILITIES

### Borrowings

In May 2013, East Energy Resources entered into a Loan Facility Agreement with Noble Group Ltd. This facility provides for funding to repay the Idalia and East Energy Debts as well as an additional \$7.5m for a period of up to 5 years (10/05/2018), with a staggered drawdown. One drawing was made in the current half year for the amount of \$1,000,000. The facility is provided on normal commercial terms, with the applicable interest rate being Bank Bill Swap Reference Rate (BBSW) 6 month rate, plus a margin of 7.0%. The interest on this facility can be capitalised, at the request of East Energy Resources Ltd. The loan is rolled over every six months in May and November and East Energy Resources has capitalised the interest at each rollover. East Energy has provided security for this loan (as approved by Shareholders on 3 May 2013), by way of a personal property security interest over the Company's assets and a mortgage over the Company's tenements.

	31.12.2014	30.06.2014
	\$	\$
Loan Drawings	19,086,752	15,850,773
Capitalised Interest	266,618	1,609,073
Total Outstanding	19,353,370	17,459,846

# Notes to the Consolidated Financial Statements continued

for the half year ended 31 December 2014

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## **NOTE 6. INCOME TAX**

At 30 June 2014, a deferred tax liability and corresponding income tax expense was recognised due to the tax effect on exploration assets exceeding the available tax losses of the Group. As at balance date, due to the increase of tax losses, the tax effect of the available tax losses now exceed that of exploration assets and hence the deferred tax liability has been reversed, resulting in a balance of zero.

## **NOTE 7. SEGMENT INFORMATION**

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group does not have any operating segments with discrete financial information. The Group does not have any customers at this stage, and all the Group's assets and liabilities are located within Australia. The Board of Directors review internal management reports that are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

# Directors' Declaration

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The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 13, are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and other mandatory professional requirements;
  - (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Consolidated Entity 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 Board of Directors.



**MARK BASSO-BRUSA**  
Managing Director

DATED at PERTH this 16th day of March 2015

Regency Audit Pty Ltd

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## **Independent Auditor's Review Report**

### **To the Members of East Energy Resources Limited**

We have reviewed the accompanying half-year financial report of East Energy Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

#### **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 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 financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity'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 East Energy Resources 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 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 East Energy Resources Limited and Controlled Entities 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 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.

Regency Audit

**REGENCY AUDIT PTY LTD**



**CHRIS WATTS CA**  
**Director**

DATED at PERTH this 16<sup>th</sup> day of March 2015