

WHL Energy Limited

ABN 25 113 326 524

Interim Financial Statements

31 December 2014

Contents	Page
Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	8
Condensed Statement of Comprehensive Income	9
Condensed Statement of Financial Position	10
Condensed Statement of Changes in Equity	11
Condensed Statement of Cash Flows	12
Notes to the Condensed Financial Statements	13
Directors' Declaration	25
Independent Auditor's Review Report	26

Corporate Directory

ABN: 25 113 326 524

Directors:

Mr Faldi Ismail – Non-Executive Chairman

Mr David Rowbottam – Managing Director

Mr Stuart Brown – Non-Executive Director

Company Secretary:

Mr Ian Hobson

Registered Office:

Level 2, 22 Delhi Street, West Perth WA 6005

PO Box 1042, West Perth WA 6872

Principal Place of Business

Level 2, 22 Delhi Street, West Perth WA 6005

PO Box 1042, West Perth WA 6872

Phone: +61 8 6500 0271

Fax: +61 8 9321 5212

Email: contact@whlenergy.com

Web: www.whlenergy.com

Share Registry:

Link Market Services Limited

Level 4, Central Park, 152 St Georges Terrace, Perth, WA 6000

Phone: + 61 1300 554 474

Solicitors:

Corrs Chambers Westgarth

Level 5, Woodside Plaza, Perth WA 6000

Phone: +61 8 9321 8777 Fax: +61 8 9321 8555

Hardy Bowen

Level 1, 28 Ord Street, West Perth WA 6872

Phone: +61 8 9211 3600 Fax: +61 8 9211 3690

Bankers:

Westpac

Level 6, 109 St Georges Terrace, Perth WA 6000

Auditors:

HLB Mann Judd

Level 4, 130 Stirling Street, Perth WA 6000

Securities Exchange Listing:

WHL Energy Ltd shares are listed on the Australian Securities Exchange (ASX: WHN)

DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity of WHL Energy Limited ("**the Company**") and its controlled entities (collectively "**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.

Mr Faldi Ismail	Chairman
Mr David Rowbottam	Managing Director
Mr Stuart Brown	Non-Executive Director
Mr Jeff Schrull	Non-Executive Director (Resigned 18 August 2014)

REVIEW OF OPERATIONS

The principal activities of the Group during the half-year were oil and gas exploration.

EXPLORATION ACTIVITIES

WHL Energy's exploration focus has sought to increase the value of its exploration assets through the acquisition and interpretation of 3D seismic data. This increase in value is intended to be used to support a secondary farmout campaign aligned with the Group's strategy. The medium term strategy of the company remains the acquisition of near term production to provide an ongoing revenue stream.

WHL Energy has made an application to surrender the 33.3% interest in WA 460P and will have no further commitments for this acreage. There are no exploration wells expected in the calendar year 2015.

The period under review has been very active with the evaluation of the data from seismic surveys previously undertaken and future plans being developed in consultation with joint venture partners. Details of the activities for the half-year are set out below.

Seychelles (WHN: 25% Non-Operator)

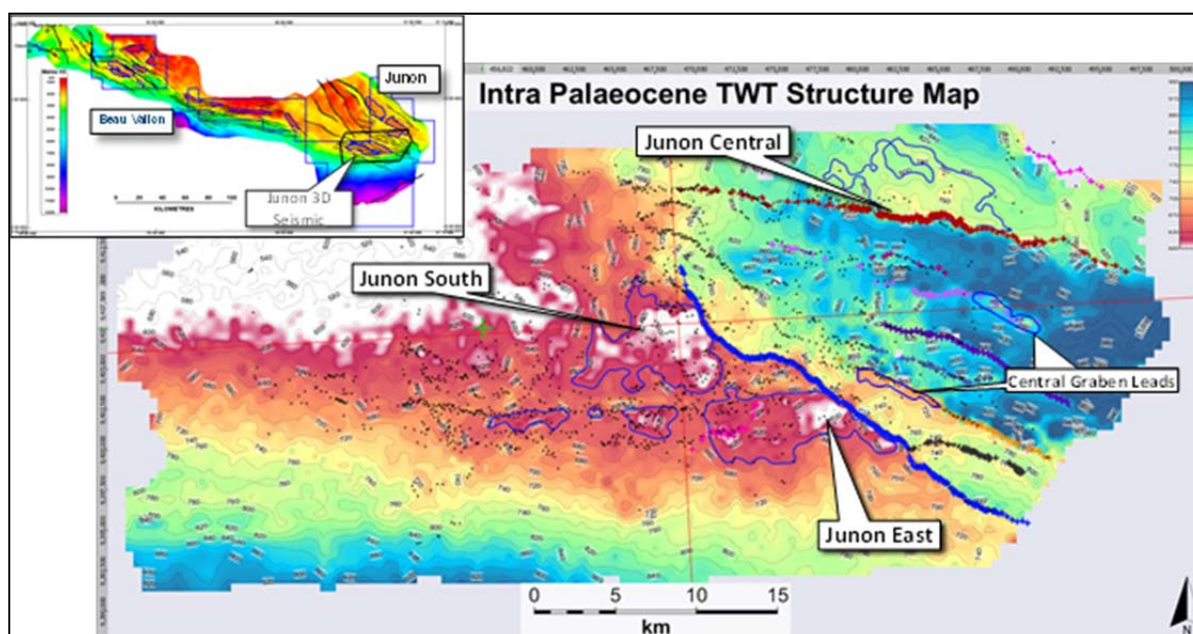
Developments associated with the Seychelles project were particularly significant during the second half of 2014. The 1,528km² Junon 3D seismic survey was completed at the end of July with no reportable environmental or safety incidents. The survey took 36 days which was in line with the 30-40 days estimated, and within budget. The specialist seismic acquisition vessel M/V Polar Duchess contracted by Ophir Energy plc ("**Ophir Energy**"), operator of the jointly held Seychelles exploration blocks, was subsequently demobilised from the survey area.

Processing of the data commenced immediately after acquisition. WHL Energy received an interim Pre-Stack Time Migration (PreSTM) data set for the Junon 3D seismic survey and commenced interpretation of this data in mid-November. The initial interpretation indicates that potentially large structures are present at Junon East, Junon Central and Junon South.

The scale of these structures appears to be similar to those previously mapped on the earlier 2D seismic data which was used to plan the latest 3D seismic acquisition. Junon Central is mapped to be a relatively simple tilted fault block closure covering approximately 20 km². The most recent interpretation of the Junon South structure indicates that a potentially very large closure is present at the primary objective Base Toarcian level. Additional new leads have also been mapped on the Junon South trend and in the central graben area.

In December the Joint Venture decided to progress the processing of the Junon 3D data directly to a more sophisticated Pre-Stack Depth Migration (PreSDM) to optimise the quality of the data. It was determined that proceeding directly to a PreSDM data set from the interim PreSTM volume, as opposed to completing the final PreSTM processing as originally planned, would provide the quickest path to an optimal data set. The PreSDM data set is expected to be delivered in Q2 2015. Meanwhile the interpretation on the interim PreSTM data set will continue.

The identification of very high upside potential associated with the Junon South structure from the Junon 3D data set, along with the large and robust Junon Central structure, is very exciting and this asset continues to meet the aspirations which the company has for the Seychelles project. On 5 March 2015, the Company released an update to the Best Estimate Prospective Resource* following interpretation of preliminary PreSTM data set. Four key structures have been high graded and this will support the campaign to secure further funding against this asset.

DIRECTORS' REPORT (continued)

Intra-Paleocene TWT, Junon South area

Australia**Victoria - VIC/P67 (La Bella) Permit (WHL: 100% Operator)**

Activities in VIC/P67 during the second half of 2014 focussed on the completion of the processing and subsequent interpretation of the La Bella 3D seismic survey. In early August 2014, WHL Energy announced the receipt of the fully processed PreSTM data set for the "La Bella" 3D seismic survey.

Interpretation of the data, including a full review of the VIC/P67 Contingent and Prospective Resources, identified some 14 prospects with total Best Estimate Prospective Resources* of 1,043 Bcf of gas and 31.3 MMbbls of condensate and LPGs.

A group of four prospects are mapped on the Ferrier Terrace, immediately west of the La Bella Field, which are characterised by stacked structurally conforming amplitude anomalies (Mylius, Mylius West, Ferrier and Ferrier South).

These prospects have low geological risk and total Best Estimate Prospective Resources* of 196 Bcf of sales gas and 6.2 MMbbls of condensate and LPG. This is in addition to the La Bella discovery, with a 2C Contingent Resource of 74 Bcf sales gas and 2.4 MMbbls of condensate and LPG. Importantly, with successful exploration drilling, these low risk prospects (in combination with the La Bella field), could form a core gas development in VIC/P67.

Full interpretation of the final Pre-Stack Time Migration volume also highlighted considerable exploration upside within the permit. A number of additional prospects have been mapped and Best Estimate Prospective Resources* for these total 665 Bcf sales gas and 19.8 MMbbls of condensate and LPG. The successful exploration drilling of key prospects could result in sufficient resource volume to support a standalone VIC/P67 project development.

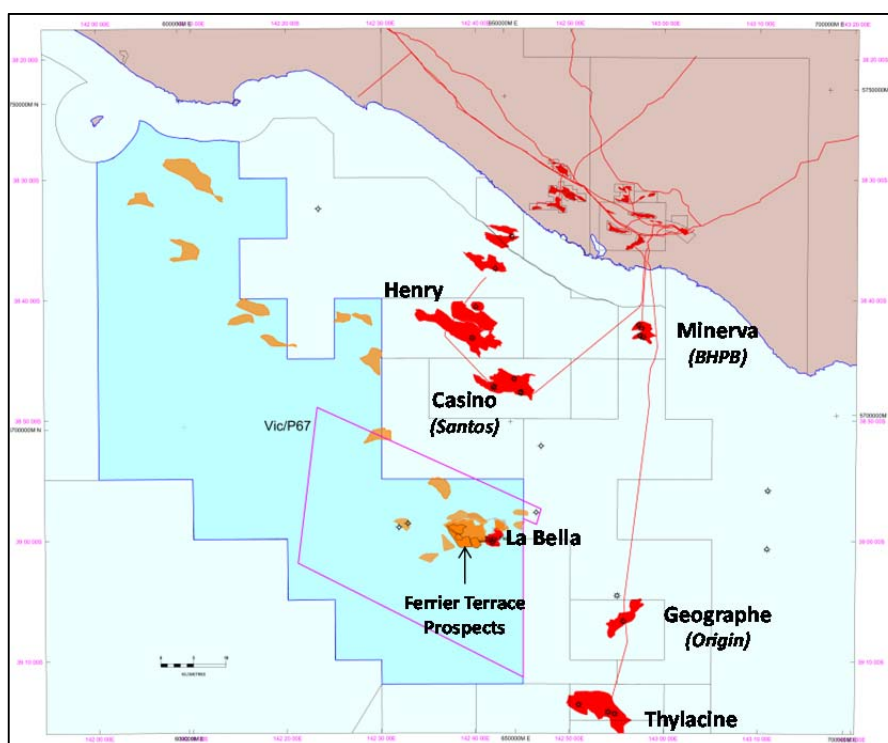
During the period the VIC/P67 Joint Venture undertook additional Simultaneous Inversion processing of the La Bella 3D to quantitatively evaluate the presence of gas indicated by the amplitude anomalies and also to characterise the reservoir potential. This data was received in mid-November and an interpretation to update the evaluation of the prospect inventory has commenced.

DIRECTORS' REPORT (continued)

	Prospective Resources			
	Sales Gas	Condensate	LPG	
	bcf	MMbbl	MMbbl	
West Mylius	57	0.7	1.2	Amplitude supported prospects, low geological risk
Mylius	44	0.5	0.9	
Ferrier	53	1.1	0.6	
Ferrier South	41	0.5	0.8	
Ferrier 200/250	134	1.5	2.8	Higher potential prospects, moderate risk
Lowlander A	136	1.6	2.7	
Alexandra	72	1.0	1.7	
Highlander	129	1.5	2.6	
Lowlander B	100	0.5	0.9	
Triton Updip	93	1.1	1.9	Less mature prospects and leads
North La Bella	58	0.6	1.0	
Mussel Updip	46	0.4	0.8	
East La Bella	30	0.3	0.5	
Rayville	50	1.0	0.6	
Total Exploration	1043	12.3	19.0	
	2C Contingent Resources			
La Bella Field	74	0.9	1.5	

Table 1: Best Estimate Prospect Resources*, VIC/P67

WHL Energy Limited also commenced a farm-out process for VIC/P67 to seek a carry through the exploration drilling phase, while retaining meaningful exposure to the permit. A data room was opened in September 2014 and strong interest was received from a number of pre-qualified companies. However, at the end of the year no firm proposal had been received. The farm-out process identified further work which would be required before the pre-drilling phase. The Company will be approaching the National Offshore Petroleum Titles Administrator ("NOPTA") on this issue as it may delay the next stage of activity.



VIC/P67 Location Map showing Prospects and Leads

DIRECTORS' REPORT (continued)

The initial option granted by WHL Energy to Peedamullah Petroleum's ("AWE") farm-in was amended to include an extension to the exercise date for their option to 19 December 2014. The Company received notification on 17 December that AWE had elected not to proceed as part of the VIC/P67 Joint Venture. AWE formally withdrew from the VIC/P67 Joint Venture and assigned its interest to WHL Energy.

The Company also granted an extension to Tap Oil Ltd ("Tap") for the election date of the seismic option to acquire a 10% interest in exploration permit VIC/P67, until the close of business on 13 February 2015. On 11 February Tap elected not to exercise their option to participate in VIC/P67.

The decision by AWE and Tap was disappointing, however, to date a total of \$17.6m has been invested in the project and the Company's interpretation is that this is a low risk project close to markets where demand is driving higher prices for gas supply. The Company therefore views this as an ongoing project and the inability to farmout is only a reflection of the current market conditions and not the quality of the asset.

WA-460P (WHN: 33.3% Non-Operator)

The Company holds 33.33% equity in exploration permit WA-460-P, in the offshore Southern Carnarvon Basin, which contains an extension of the very large Palta Prospect. A Shell led Joint Venture drilled the Palta-1 well in the adjacent block in late 2013, which was subsequently relinquished in February 2014.

An application to surrender WA-460-P was made to NOPTA who have subsequently notified the company of its intention to cancel the permit. WHL Energy has applied for a Good Standing Arrangement in relation to its share of the WA-460-P committed work program.

***Best Estimate Prospective Resources**

1. *Prospective Resources; The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.*
2. *The reported Best Estimate Prospective Resources are 100% gross deterministic best estimates. WHL Energy's net equity interest in these estimates is 100% in VIC/P67, 25% in the Seychelles areas and 33.33% in WA 460P.*

**Prospective and Contingent Resources: The prospective and contingent resource estimates regarding VIC/P67 quoted in this release are prepared as at 8 September 2014. (Reference: WHN ASX release of 8 September 2014). The estimates have been prepared by the Company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2007 approved by the Society of Petroleum Engineer and are 100% interest deterministic Best Estimates. WHL Energy holds a 100% interest in VIC/P67.*

Competent Person Statement: All Petroleum Reserves, Contingent Resources and Prospective Resources information relating to the oil and gas projects in this report are based on, and fairly represent, information and supporting documents prepared by, or under the supervision of, WHL Energy's Limited full time Exploration Manager Mr Matt Fittall. He is a Geologist [BSc(hons)Geology] with more than 30 years' experience, practicing in Petroleum Geology. Mr Fittall is a member of the Petroleum Exploration Society of Australia (PESA). Mr Fittall has consented in writing to the inclusion of the information in the form and context in which it appears.

CORPORATE ACTIVITIES

Despite market conditions which are extremely challenging for listed oil and gas exploration companies with a market capitalisation of less than \$100 million such as WHL Energy, the Board of Directors continued to direct the Company in such a way as to pursue corporate objectives and opportunities while actively managing expenditure and cash conservation. As part of ongoing cost containment and strategic review processes, the Board and Management have continued to reduce administrative costs, including substantial reductions in the fees and salaries of Directors, staff and contractors, while still employing sufficient technical resources to manage existing assets and examine further opportunities.

Financial Summary

The Company recorded a loss for the half-year ended 31 December 2014 of \$1,483,356 compared to a loss of \$1,338,104 for the corresponding period in the prior year.

The Group's result for the reporting period includes:

- Finance costs of \$688,500 (2013: \$1,487) reflecting the costs attributable to borrowing facilities to finance the Tap seismic option; and
- Net foreign exchange gains of \$498,007 (2013:\$71,266) reflecting the movement of the Australian dollar against the US dollar during the period.

As at 31 December 2014, the Company had \$1.797 million cash on hand, this included restricted funds A\$0.717 million.

DIRECTORS' REPORT (continued)

Risk management and corporate governance

The Group's risk management and corporate governance statements were included in the 2014 annual report. These statements remain current.

Board of Directors

Mr Jeff Schrull resigned from the Board of Directors effective 18 August 2014 following his relocation to the Victoria for business purposes. His valuable contribution to the Board was much appreciated.

Changes to Equity

Non-renounceable Entitlement Offer

During September 2014, Eligible Shareholders were offered the opportunity to acquire three new fully paid ordinary shares in the Company for every ten fully paid ordinary shares held at the Record Date (being 1 October 2014) at an issue price of \$0.01 per New Share.

Eligible Shareholders who participated in the Offer also received two free attaching options (trading code WHNO) for every three New Shares issued to them. Each Attaching Option has an exercise price of \$0.018 and will be exercisable at any time prior to 5.00pm WST on 30 November 2016.

The Offer closed on 31 October 2014 with subscriptions for 54,501,148 ordinary shares and 36,334,024 free attaching options raising an initial total of A\$545,011. The intention of the Entitlement Offer was to raise approximately 2 to 3 million dollars to be utilised by the Company to pursue new potential oil and gas investment and/or project acquisition opportunities; to prepare for its potential dual listing and to maintain ongoing operations on current projects along with general working capital expenses. All three members of the Board participated in the Entitlement Offer with the Managing Director being the equal third highest participant. While the Board was disappointed with the subscription and final capital raised, the Board believes this is a reflection of current commodity prices and capital cycles in the energy sector. The poor result has meant that the Company has had to look at alternative methods to fund operations and revise the scale of potential acquisitions and current operations.

Share Consolidation

WHL Energy's Annual General Meeting was held on 26 November 2014. At the meeting, all resolutions were passed by shareholders. Directly following the passing of the resolution 7, the Company commenced with the consolidation in accordance with the ASX approved timetable on the basis of one (1) share post consolidation for every existing ten (10) shares before consolidation. The process was completed on schedule and normal trading re-commenced on 10 December 2014. During this period, at 5pm (WST) on 30 November, the listed options series (WHNOA) expired and in accordance with ASX listing rules were removed from the register.

SUBSEQUENT EVENTS

Prior to 31 December 2014 an extension was granted to Tap over an interest in the VIC/P67 exploration permit. On 11 February 2015 Tap elected not to proceed with the option to acquire a 10% interest in the permit.

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 9 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.



Mr David Rowbottam
Managing Director
16 March 2015

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of WHL 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.

This declaration is in respect of WHL Energy Limited and the entities it controlled during the half-year.



**Perth, Western Australia
16 March 2015**

**N G Neill
Partner**

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

	Notes	Consolidated	
		6 months to 31 December 2014 \$	6 months to 31 December 2013 \$
Continuing operations			
Revenue		715,402	689,606
Expenses			
Depreciation and amortisation expense		(20,552)	(28,355)
Consultants		(178,576)	(490,222)
Employee expenses		(553,265)	(693,283)
Equity based payments		(87,744)	(156,057)
Exploration expenditure written off		(106,675)	(39,551)
Fair value adjustment		(100,452)	(83,840)
Finance costs		(688,500)	(1,487)
Foreign exchange loss		(15,607)	(152,317)
General and administrative expenses		(294,733)	(255,120)
Impairment		(23,110)	-
Occupancy costs		(129,544)	(127,478)
Loss before income tax	3	(1,483,356)	(1,338,104)
Income tax expense		-	-
Net loss for the period		(1,483,356)	(1,338,104)
Other comprehensive income			
<i>Items that may be reclassified to profit and loss</i>			
Exchange differences on translation of foreign operations		2,008,175	369,866
Total other comprehensive income/(loss) for the period		2,008,175	369,866
Total comprehensive income/(loss) for the period		524,819	(968,238)
Basic loss per share (cents) (weighted average)		(0.9)	(0.9)

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Notes	Consolidated	
		31 December 2014 \$	30 June 2014 \$
Assets			
Current assets			
Cash and cash equivalents		1,797,013	3,833,381
Trade and other receivables		3,838,718	3,920,734
Other financial assets	4	46,000	-
Total current assets		5,681,731	7,754,115
Non-current assets			
Plant and equipment		168,651	189,203
Deferred exploration and evaluation expenditure	5	26,119,793	23,057,576
Total non-current assets		26,288,444	23,246,779
Total assets		31,970,175	31,000,894
Liabilities			
Current liabilities			
Trade and other payables		1,017,639	1,295,530
Borrowings		3,680,000	3,680,000
Other financial liability	6	100,452	-
Current tax liabilities		284,889	247,706
Deferred revenue		53,377	140,199
Provisions		98,256	97,805
Total current liabilities		5,234,613	5,461,240
Total Liabilities		5,234,613	5,461,240
Net assets		26,735,562	25,539,654
Equity			
Issued capital	7	63,071,878	62,118,536
Reserves		4,758,684	6,359,148
Accumulated losses		(41,095,000)	(42,938,030)
Total equity		26,735,562	25,539,654

The accompanying notes form part of these financial statements

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

Consolidated	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Equity Based Payment Reserve	Total Equity
Balance at 1 July 2013	59,727,589	(38,228,302)	3,326,386	1,482,561	1,684,799	27,993,033
Loss for the period	-	(1,338,104)	-	-	-	(1,338,104)
Exchange differences arising on translation of foreign operations	-	-	-	369,866	-	369,866
Total comprehensive loss for the period	-	(1,338,104)	-	369,866	-	(968,238)
Recognition of equity based payments	-	-	-	-	665,657	665,657
Options exercised during the half-year	703,400	-	-	-	(703,400)	-
Equity issued during the half-year	1,090,700	-	-	-	-	1,090,700
Cost of issue of equity	(34,827)	-	-	-	-	(34,827)
Lapsed options transferred to accumulated losses	-	797,786	-	-	(797,786)	-
Balance at 31 December 2013	61,486,862	(38,768,620)	3,326,386	1,852,427	849,270	28,746,325
Balance at 1 July 2014	62,118,536	(42,938,030)	3,326,386	990,485	2,042,277	25,539,654
Loss for the period	-	(1,483,356)	-	-	-	(1,483,356)
Exchange differences arising on translation of foreign operations	-	-	-	2,008,175	-	2,008,175
Total comprehensive loss for the period	-	(1,483,356)	-	2,008,175	-	524,819
Recognition of equity based payments	-	-	-	-	87,744	87,744
Options exercised during the half-year	467,310	-	-	-	(467,200)	110
Equity issued during the half-year	548,619	-	97,203	-	-	645,822
Cost of issue of equity	(62,587)	-	-	-	-	(62,587)
Lapsed options transferred to accumulated losses	-	3,326,386	(3,326,386)	-	-	-
Balance at 31 December 2014	63,071,878	(41,095,000)	97,203	2,998,660	1,662,821	26,735,562

The accompanying notes form part of these financial statements

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

	Consolidated	
	6 months to 31 December 2014 \$	6 months to 31 December 2013 \$
	Inflows/(Outflows)	
Cash flows from operating activities		
Receipts from customers	59,630	39,143
Payments to suppliers and employees	(1,543,764)	(1,041,753)
Finance costs	(3,101)	(2,971)
Net cash inflow/(outflow) from operating activities	(1,487,235)	(1,005,581)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(33,345)
Payments for net exploration and evaluation expenditure	(1,325,771)	(5,272,613)
Interest received	24,072	47,251
Net cash inflow/(outflow) from investing activities	(1,301,699)	(5,258,707)
Cash flows from financing activities		
Proceeds from issue of shares and options	645,929	712,700
Payments for capital raising costs	(62,585)	(34,827)
Proceeds from borrowings	-	3,000,000
Net cash inflow/(outflow) from financing activities	583,344	3,677,873
Net (decrease)/increase in cash held	(2,205,590)	(2,586,415)
Cash and cash equivalents at the beginning of the period	3,833,381	5,723,344
Effects of exchange rate fluctuations on cash held	169,222	30,744
Cash and cash equivalents at the end of the period	1,797,013	3,167,673

**Restricted Cash

Included in the total cash and cash equivalents is an amount of \$717,522 (2013: \$1,576,071) which relates to Joint Operation funds.

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED 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 WHL 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.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Basis of preparation

The interim financial 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 financial report, the half-year has been treated as a discrete reporting period.

Significant accounting judgments and key estimates

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

In preparing this interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2014.

The Directors have not become aware of any change in circumstances since the year ended 30 June 2014 that may impact the evaluation of the deferred exploration and evaluation expenditure, as such, have made no changes during the half year ended 31 December 2014 to the estimates and assumptions used at the 30 June 2014 year end.

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, 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.

In the half-year ended 31 December 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2014.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations to the Company and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations the Company and, therefore, no change is necessary to Group accounting policies.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the operations and effective for the current half-year and these 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 2013-9 '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 C: 'Materiality'
- Interpretation 21 'Levies'

Impact of the application of AASB 1031 'Materiality' (2013)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

The Group has applied the amendments to AASB 132 for the first time in the current year. The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments does not have any material impact on the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'

The application of these amendments does not have any material impact on the disclosures in the Group's condensed consolidated financial statements

Impact of the application of AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete references to AASB 1031, at the same time it makes various editorial corrections to Australian Accounting Standards as well. The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards'

Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycle'

The Annual Improvements 2010-2012 Cycle include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards'

Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycle' (continued)

The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The 'Annual Improvements 2011-2013 Cycle' include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.

Part C – 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031, which historically has been referenced in each Australian Accounting Standard.

The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements

Impact of the application of Interpretation 21 'Levies'

The Group has applied Interpretation 21 'Levies' for the first time in the current year. Interpretation 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

Interpretation 21 has been applied retrospectively. The application of this Interpretation does not have any material impact on the disclosures or on the amounts recognised in the Group's condensed consolidated financial statements.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern

The half-year financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group currently does not generate revenue to fund operations and ongoing investments in deferred exploration activities. The ability of the Group to continue as a going concern is dependent on the ability to raise additional equity or equity finance and to conclude farm-in arrangements on the exploration assets. Notwithstanding this fact, the Directors are of the opinion that the Group is a going concern for the following reasons.

The Directors anticipate that further farm-in arrangements and finance or/and equity raising will be completed in the next twelve months. The funds generated will be used to meet the ongoing working capital and exploration commitment requirements of the Group and acquisition costs associated with a potential production asset.

Should the finance or equity raising not be completed, there is a material uncertainty that may cast significant doubt as to whether the Group will be available to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

NOTE 2: SEGMENT REPORTING

The operating segments have been identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of performance, focused on oil and gas exploration and the corporate administration entity.

The segment information for the corporate entity focused on the administration costs and the minimisation thereof as an assessment of performance. The exploration activities were reviewed as a whole and the assessment of performance focused on exploration expenditure and cost minimisation. The operating entity's performance was assessed based on cashflow information. A consolidated position was not used to assess the performance of the operating segments. This information prepared in the tables below reconciles to the Annual Financial Statements for the year.

There are no accounting policy differences between the reportable segments.

Information regarding the Group's reportable segments is presented below.

The following table present revenue and profit information and certain asset and liability information regarding business segments for the period ended 31 December 2014:

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

NOTE 2: SEGMENT REPORTING (continued)

Period ended 31 December 2014	Continuing Operations			Consolidation	Total
	Oil and Gas Exploration Australia	Oil and Gas Exploration Seychelles	Corporate Entity		
Revenue					
Interest received	-	-	21,224	-	21,224
Other revenue	694,178	586,021	911,653	(1,497,674)	694,178
Total segment revenue	694,178	586,021	932,877	(1,497,674)	715,402
Operating expenses	(816,929)	-	(1,381,829)	-	(2,198,758)
Segment net operating loss	(122,751)	586,021	(448,952)	(1,497,674)	(1,483,356)
Segment assets					
Cash and cash equivalents	717,522	-	1,079,491	-	1,797,013
Other current receivables	3,745,120	-	139,598	-	3,884,718
Loans subsidiaries	-	-	21,124,554	(21,124,554)	-
Investment subsidiaries	-	-	10,962,208	(10,962,208)	-
Deferred exploration expenditure	3,495,694	15,746,719	-	6,877,380	26,119,793
Plant & equipment	-	-	168,651	-	168,651
Total segment assets	7,958,336	15,746,719	33,474,502	(25,209,382)	31,970,175
Segment liabilities					
Trade and other payables	4,424,518	313,089	398,750	-	5,136,357
Provisions	-	-	98,256	-	98,256
Loan from parent entity	-	21,124,554	-	(21,124,554)	-
Total segment liabilities	4,424,518	21,437,643	497,006	(21,124,554)	5,234,613

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

NOTE 2: SEGMENT REPORTING (continued)

Segment information

The following table present revenue and profit information and certain asset and liability information regarding business segments for the period ended 31 December 2013:

Period ended 31 December 2013	Continuing Operations			Consolidation	Total
	Oil and Gas Exploration Australia	Oil and Gas Exploration Seychelles	Corporate Entities		
Revenue					
Interest received	-	-	40,414	-	40,414
Other revenue	656,431	-	499,938	(507,177)	649,192
Total segment revenue	656,431	-	540,352	(507,177)	689,606
Operating expenses	(39,551)	(230,662)	(1,988,320)	230,823	(2,027,710)
Segment net operating loss	616,880	(230,662)	(1,447,968)	(276,354)	(1,338,104)
Segment assets					
Cash and cash equivalents	1,576,071	-	1,591,602	-	3,167,673
Other current receivables	1,178,476	-	82,217	-	1,260,693
Other non- current receivable	2,532,023	-	-	-	2,532,023
Loans subsidiaries	-	-	21,790,909	(21,790,909)	-
Investment subsidiaries	-	-	12,062,208	(12,062,208)	-
Deferred exploration expenditure	2,811,167	16,443,687	-	6,877,380	26,132,234
Plant & equipment	-	-	219,987	-	219,987
Total segment assets	8,097,737	16,443,687	35,746,923	(26,975,737)	33,312,610
Segment liabilities					
Trade and other payables	1,929,518	81,413	254,746	-	2,265,677
Provisions	-	-	109,720	-	109,720
Other non- current receivable	2,190,888	-	-	-	2,190,888
Loan from parent entity	-	21,790,908	-	(21,790,908)	-
Total segment liabilities	4,120,406	21,872,321	364,466	(21,790,908)	4,566,285

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

NOTE 3: LOSS BEFORE INCOME TAX EXPENSE

The following expense items are relevant in explaining the financial performance for the half-year:

Revenue from continuing operations

	6 months to 31 December 2014 \$	6 months to 31 December 2013 \$
Interest income	21,224	40,414
Foreign exchange gains	513,614	223,583
Other	180,564	425,609

Expenses from continuing operations

Exploration expenditure written off	106,675	39,551
Employee benefit expense	553,265	693,283
Equity based payment	87,744	156,057
Finance costs	688,500	1,487
Foreign exchange loss	15,607	152,317

NOTE 4: OTHER FINANCIAL ASSET

Deposit on foreign currency option contract

	31 December 2014 \$	30 June 2014 \$
Deposit on foreign currency option contract	46,000	-

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

NOTE 5: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 December 2014	30 June 2014
	\$	\$
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost		
Opening balance at the beginning of the period	23,057,576	24,006,052
Expenditure incurred net	1,063,409	2,355,373
Net partial cost recovery	-	(2,746,540)
Impairment	(23,110)	(92,902)
Foreign currency exchange movement	2,021,918	(464,407)
Closing balance at end of the period	26,119,793	23,057,576

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the success development and commercial exploitation or sale of the respective areas.

NOTE 6: OTHER FINANCIAL LIABILITIES

The Company entered into a foreign currency option contract on 30 September 2014 for \$1,500,000 and is due to expire on 2 April 2015.

	Consolidated	
	31 December 2014	30 June 2014
	\$	\$
Foreign currency option contracts liability	100,452	-

NOTE 7: ISSUED CAPITAL

	Consolidated	
	31 December 2014	30 June 2014
	\$	\$
<i>Issued Capital</i>		
Ordinary shares	63,071,878	62,118,536

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

NOTE 7: ISSUED CAPITAL (continued)

	6 months to 31 December 2014	6 months to 31 December 2014	Year to 30 June 2014	Year to 30 June 2014
	No.	\$	No.	\$
<i>Movements in ordinary shares on issue</i>				
Balance at beginning of period	1,596,836,414	62,118,536	1,407,063,386	59,727,589
Issue of shares	61,594,118	548,619	168,637,734	2,030,514
Options exercised	6,802,750	240,110	8,335,294	293,800
Performance rights exercised	13,600,000	227,200	12,800,000	409,600
Consolidation of shares	(1,510,950,349)	-	-	-
Cost of shares issued	-	(62,587)	-	(342,967)
Balance at end of period	167,882,933	63,071,878	1,596,836,414	62,118,536

NOTE 8: OPTION RESERVE

	Consolidated	
	31 December 2014 \$	30 June 2014 \$
<i>Option Reserve</i>		
Listed options	97,203	3,326,386
	97,203	3,326,386

	6 months to 31 December 2014	6 months to 31 December 2014	Year to 30 June 2014	Year to 30 June 2014
	No.	\$	No.	\$
<i>Movements in listed options</i>				
Balance at beginning of period	401,734,157	3,326,386	401,734,157	3,326,386
Issue of options	36,388,023	97,203	-	-
Options exercised	(2,750)	-	-	-
Options lapsed	(401,731,407)	(3,326,386)	-	-
Consolidation of options	(32,749,308)	-	-	-
Balance at end of period	3,638,715	97,203	401,734,157	3,326,386

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

NOTE 9: EQUITY BASED PAYMENT RESERVE

	Consolidated			
	31 December 2014	30 June 2014	31 December 2014	30 June 2014
	\$	\$	No.	\$
<i>Equity based payment reserve</i>				
Unlisted options and performance rights	1,662,821	2,042,277		
	1,662,821	2,042,277		

	6 months to 31 December 2014	6 months to 31 December 2014	Year to 30 June 2014	Year to 30 June 2014
	No.	\$	No.	\$
<i>Movements in unlisted options and performance rights</i>				
Balance at beginning of period	233,200,000	2,042,277	354,550,000	1,684,799
Granted	-	-	217,000,000	1,562,431
Additional vesting of equity based payment	-	87,744	-	309,569
Exercised	(20,400,000)	(467,200)	(20,400,000)	(703,400)
Lapsed/forfeited	-	-	(317,950,000)	(811,122)
Consolidation of equity based payments	(191,520,000)	-	-	-
Balance at end of period	21,280,000	1,662,821	233,200,000	2,042,277

On 1 July 2014 6,800,000 options granted to employees under the ESOP (WHNAI-Series 5) and 13,600,000 performance right granted to Directors vested and were exercised.

An amount of \$87,744 has been charged against profits for the period, reflecting the values attributed to the various options and rights under issue during the period. The Employee Equity Option Reserve has been increased by a corresponding amount.

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

NOTE 10: FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and liabilities.

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation technique(s) and key input(s) used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
	31 December 2014	30 June 2014				
	\$	\$				
Financial Assets	3,394,973	2,756,772	Level 2	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period and the contract interest rate	N/A	N/A
Financial Liability	100,452	-	Level 2			

There were no transfers between Level 1 and Level 2 in the period.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The Directors consider that the carrying value of the financial assets and financial liabilities are recognised in the consolidated financial statements approximate their fair values as follows:

	31 December 2014		30 June 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>Financial assets</i>				
Loans and receivables				
- Trade and other receivables	61,653	61,653	50,601	50,601
<i>Financial liabilities</i>				
Financial liabilities held at amortised cost				
- Other financial liabilities	3,680,000	3,680,000	3,680,000	3,680,000
- Trade and other payables	1,017,639	1,017,639	1,295,530	1,295,530

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

NOTE 11: RELATED PARTY TRANSACTIONS

During the half year Mr Brown received \$9,000 for consulting services.

Other than ongoing remuneration and share based payments outlined in note 9, there were no other transactions with key management personnel in the half year ended 31 December 2014.

NOTE 12: CONTINGENT LIABILITIES AND COMMITMENTS

The Company received notification on 17 December that AWE had elected not to proceed as part of the VIC/P67 Joint Venture. AWE formally withdrew from the VIC/P67 Joint Venture and assigned its 60% interest to WHL Energy. As a consequence the work programme commitment as reported at 30 June 2014 increased to account for the change in interest. The total work programme commitment at 31 December is \$82,597,990 (30 June 2014 \$68,999,309).

There has been no other change in contingent liabilities and capital commitments since the last annual reporting date.

NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

Prior to 31 December 2014 an extension was granted to Tap over an interest in the VIC/P67 exploration permit. On 11 February 2015 Tap elected not to proceed with the option to acquire a 10% interest in the permit.

There has not been any other matter or circumstance that has arisen after balance date that has 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 periods.

DIRECTORS' DECLARATION

In the opinion of the Directors of WHL 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 consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year then ended.
2. In the Directors' opinion 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.

On behalf of the Directors



Mr David Rowbottam
Managing Director

16 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of WHL Energy Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of WHL 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 consolidated entity 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 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 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*.

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 WHL Energy Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 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 financial report, which indicates that further finance or /and equity raising will be required. Should the finance or equity raisings not be completed, there is a material uncertainty that may cast significant doubt as to whether the company will be able to realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.



HLB Mann Judd
Chartered Accountants



N G Neill
Partner

Perth, Western Australia
16 March 2015