



**ALEATOR ENERGY**  
— L I M I T E D —

ACN: 063 074 635

**INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED**

**31 DECEMBER 2014**

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**ALEATOR ENERGY LIMITED**  
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**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

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**ALEATOR ENERGY LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

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Your Directors submit their report for the half-year ended 31 December 2014.

#### **DIRECTORS**

The Directors were in office for the entire period unless otherwise stated. The names of the consolidated entities Directors in office during the half-year and until the date of this report are as below:

- Mr Lewis Cross
- Mr Mark Rowbottam
- Mr Gennady Varitsky

#### **RESULTS OF OPERATIONS**

The net loss of the consolidated entity after income tax for the six months ended 31 December 2014 amounted to \$763,545 (31 December 2013: loss \$1,167,309).

#### **REVIEW OF OPERATIONS**

Aleator Energy Limited ("Aleator" or "the Company" or "consolidated entity") is an active explorer for oil and gas with a project in Crimea. The Company is also the 100% operator of the Golden Eagle Gas Field in Grand County Utah, USA. Royalty interests are also retained in several mineral resource projects in Western Australia.

#### **Povorotnoye Gas and Condensate Field**

The Povorotnoye project has been in a state of force majeure since 12 March 2014. During this period, the Company and its local subsidiary maintained regular contact with local regulatory authorities regarding the Company's intention to remain in Crimea and proceed with the project. On 3 September 2014 the Company received confirmation

- that LLC Nadra Kryma has been nationalised in accordance with formal Resolution (№ 1926-6/14) of the State Council of the Republic of Crimea and now operates under the Ministry of Environment and Natural Resources of the Republic of Crimea;
- that interim special permits for subsoil use (licenses), including the Povorotnoye license have been issued and will remain valid until 1 January 2015 in accordance with Resolution (№ 205) of the Council of Ministers of the Republic of Crimea; and,
- that renewal of subsoil use permits (licenses) will be made by the granting permission authority within 30 days from receiving documents requesting extension of the permit.

On 9 March 2015, The Company advised that it had completed the registration of its new Crimean subsidiary "Kerch Energy LLC". This process had taken numerous months due to the substantial change in the regulatory process being implemented in Crimea and the vast numbers of companies have to re-register their businesses.

Kerch Energy LLC is being managed by our existing management team which has already made contact with Krym Geologica to re-affirm the Company's interest in the Povorotnoye special permit for subsoil use (license). The Company through Kerch Energy LLC continues to maintain its assets and capability to proceed with the Povorotnoye project, subject to confirmation of our rights and funding.

**ALEATOR ENERGY LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

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**USA – Golden Eagle Gas Field**

The Golden Eagle gas field is located in Grand County, Utah, USA and was discovered by Golden State Resources Ltd in 2006 with the drilling of the first of three Paradox Basin wells, Paradox Basin #1. The field is a large shelf-edge/basement structure with multiple objectives within Pennsylvanian and Mississippian aged strata.

During the first half of 2014 the Company completed a technical review of the project and confirmed that past operations on the Golden Eagle have resulted in no true test of the play potential and the Company considers that the two main targets, the Paradox and Leadville, remain essentially untested by the Paradox Basin wells having been drilled off structure or not penetrating the target formation. It is now apparent that past operations have not disproved original assertions of the field's prospectivity, as described in the Company's Prospectus lodged with the ASX on 04 January 2006 (original prospectus). Past wells have nevertheless provided a significant contribution to understanding the geology in the Golden Eagle and have made significant gas discoveries, which demonstrates the aspect of a hydrocarbon charge and seal which is crucial to prospectivity.

It is now understood that the Golden Eagle Field contains complex geology, with a number of faults and natural fractures, and it is considered that the Company needs to acquire better information on the structure(s) by conducting a seismic program prior to engaging in any further drilling operations. In the opinion of the Company, an initial limited 2D seismic program should be conducted and focused on identifying the form and nature of the Golden Eagle anticlinal structure and determine if it conforms to original inferred projections. Aleator has already sought and received proposals and costings from reputable US geophysical firms. From this information the Company can formally prepare and cost a seismic program to meet its objectives. It is considered prudent to phase the evaluation and development of the Golden Eagle field to match a conservative policy approach to expenditure and yet maintain momentum on this project.

With positive findings in the review and a resurgence of gas prices up to US\$6 per Mcf in the Northern Hemisphere winter this year, the Company believes it can now progress a transaction for Golden Eagle in the short term and is in discussion with various parties regarding this project.

**Convertible Note**

During the period, the consolidated entity raised \$449,934 through a secured convertible note issue from sophisticated and professional investors. Details of the notes were released via an announcement to the ASX on 27 October 2014. Following shareholder approval at the Annual General Meeting the notes were converted into shares with the 3B being released to the ASX on 30 January 2015.

**ANNUAL GENERAL MEETING OUTCOMES**

The consolidated entities conducted its annual meeting on 28 November 2014. As announced to the ASX on the same day, all resolutions were carried by a show of hands. Notable outcomes were the re-election of Mark Rowbottam as a Director, approval of prior share issues, approval of directors converting fees to shares, approval to issue shares to convertible note holders, approval to issue shares to creditors, approval to consolidate the issued capital of the consolidated entity and approval to amend the constitution regarding unmarketable parcels.

The approved resolutions have allowed the consolidated entity some flexibility in reducing the liabilities on its balance sheet and preparing the consolidated entity to raise fresh equity capital.

**ALEATOR ENERGY LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

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**EVENTS SUBSEQUENT TO REPORTING DATE**

On 28 January 2015 the consolidated entity issued 201,786,232 ordinary shares at \$0.00338 per share, upon conversion of secured convertible note under the convertible note agreement and issue to creditor as approved by Shareholders at Annual General Meeting on 28 November 2014.

On 28 January 2015 the consolidated entity issued 2 ordinary shares at \$0.30 per share, upon conversion of listed options expiring 31 January 2015.

On 4 February 2015, Aleator announced that 87,938,746 quoted options in the consolidated entity, exercisable at \$0.30, had expired on 31 January 2015. The Company has no options on issue.

On 5 March 2015 the consolidated entity advised that it had raised \$237,500 through a placement of 67,857,153 fully paid ordinary shares to sophisticated and professional investors at an issue price of \$0.0035.

Other than the above there are no other matters or circumstances that have arisen since 31 December 2014 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial periods.

**AUDITOR'S INDEPENDENCE DECLARATION**

The Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 has been received and is included within the Interim Financial Report.

Signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



**Lewis Cross**  
**Director**

Dated this 16th day of March 2015

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

	<b>31-Dec-14</b>	<b>31-Dec-13</b>
	<b>\$</b>	<b>\$</b>
Revenue	138	632
Corporate and administration expenses	(180,820)	(655,103)
Depreciation expense	(3,715)	(16,468)
Director and employee benefits expense	(160,888)	(449,825)
Finance costs	(68,260)	(46,545)
Provision write down on investments	(350,000)	-
<b>Loss before income tax</b>	<b>(763,545)</b>	<b>(1,167,309)</b>
Income tax expense	-	-
<b>Net loss for the period</b>	<b>(763,545)</b>	<b>(1,167,309)</b>
 <b>Other Comprehensive Income</b>		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	8,323,244	1,698,466
Income tax relating to components of other comprehensive income for the period	-	-
Other comprehensive income for the period, net of tax	<b>8,323,244</b>	<b>1,698,466</b>
<b>Total comprehensive income for the period</b>	<b>7,559,699</b>	<b>531,157</b>
 <b>Net loss for the period attributable to:</b>		
Members of the parent entity	(688,841)	(1,147,932)
Non-controlling interest	(74,703)	(19,377)
	<b>(763,544)</b>	<b>(1,167,309)</b>
 <b>Total comprehensive income/(loss) attributable to:</b>		
Members of the parent entity	7,634,402	550,534
Non-controlling interest	(74,703)	(19,377)
	<b>7,559,699</b>	<b>531,157</b>
 Basic and diluted earnings per share for loss attributable to the owners of Aleator Energy Limited (cents per share)		
	(0.04)	(0.07)

The accompanying notes form part of this interim financial report.

**ALEATOR ENERGY LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014**

	Note	31-Dec-14	30-Jun-14
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		71,424	70,729
Trade and other receivables		80,682	71,850
Other current assets		4,094	3,560
<b>TOTAL CURRENT ASSETS</b>		<b>156,200</b>	<b>146,139</b>
<b>NON CURRENT ASSETS</b>			
Trade and other receivables		886,917	1,120,748
Property, plant and equipment		103,033	97,746
Deferred exploration and evaluation expenditure	4	72,786,657	64,409,184
<b>TOTAL NON CURRENT ASSETS</b>		<b>73,776,607</b>	<b>65,627,678</b>
<b>TOTAL ASSETS</b>		<b>73,932,807</b>	<b>65,773,817</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,239,211	1,261,974
Borrowings	5	984,126	529,723
Provisions		21,719	14,175
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,245,056</b>	<b>1,805,872</b>
<b>TOTAL LIABILITIES</b>		<b>2,245,056</b>	<b>1,805,872</b>
<b>NET ASSETS</b>		<b>71,687,751</b>	<b>63,967,945</b>
<b>EQUITY</b>			
Issued capital	6	82,875,492	82,715,386
Reserves	7	7,304,591	(1,018,653)
Accumulated losses		(18,492,255)	(17,803,414)
<b>Parent entity interest</b>		<b>71,687,828</b>	<b>63,893,319</b>
Non-controlling interest		(77)	74,626
<b>TOTAL EQUITY</b>		<b>71,687,751</b>	<b>63,967,945</b>

The accompanying notes form part of this interim financial report.

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

	Contributed Equity	Accumulated Losses	Foreign Exchange Translation	Option Reserve	Non- controlling interest	Total
	\$	\$	\$	\$	\$	\$
<b>At 1 July 2013</b>	<b>81,745,962</b>	<b>(15,813,763)</b>	<b>(7,047,623)</b>	<b>7,754,589</b>	<b>152,594</b>	<b>66,791,759</b>
<b>Comprehensive income:</b>						
Loss for the period	-	(1,147,932)	-	-	(19,377)	(1,167,309)
Foreign currency translation	-	-	1,698,466	-	-	1,698,466
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(1,147,932)</b>	<b>1,698,466</b>	<b>-</b>	<b>(19,377)</b>	<b>531,157</b>
<b>Transactions with owners, in their capacity as owners</b>						
Shares issued during the period	75,059	-	-	-	-	75,059
<b>At 31 December 2013</b>	<b>81,821,021</b>	<b>(16,961,695)</b>	<b>(5,349,157)</b>	<b>7,754,589</b>	<b>133,217</b>	<b>67,397,975</b>
<b>At 1 July 2014</b>	<b>82,715,386</b>	<b>(17,803,414)</b>	<b>(8,773,242)</b>	<b>7,754,589</b>	<b>74,626</b>	<b>63,967,945</b>
<b>Comprehensive income:</b>						
Loss for the period	-	(688,841)	-	-	(74,703)	(763,544)
Foreign currency translation	-	-	8,323,244	-	-	8,323,244
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(688,841)</b>	<b>8,323,244</b>	<b>-</b>	<b>(74,703)</b>	<b>7,559,700</b>
<b>Transactions with owners, in their capacity as owners</b>						
Shares issued during the period	186,506	-	-	-	-	186,506
Capital raising costs	(26,400)	-	-	-	-	(26,400)
<b>At 31 December 2014</b>	<b>82,875,492</b>	<b>(18,492,255)</b>	<b>(449,998)</b>	<b>7,754,589</b>	<b>(77)</b>	<b>71,687,751</b>

The accompanying notes form part of this interim financial report.



**ALEATOR ENERGY LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	<b>31-Dec-14</b>	<b>31-Dec-13</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(308,718)	(876,246)
Finance costs paid	(3,969)	(46,545)
Interest received	138	631
<b>Net cash used in operating activities</b>	<b>(312,549)</b>	<b>(922,160)</b>
<b>Cash flows from investing activities</b>		
Return of / (payment for) bonds	16,326	(4,973)
Payments for exploration expenditure	(57,814)	(360,262)
<b>Net cash used in investing activities</b>	<b>(41,488)</b>	<b>(365,235)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings, net of costs	349,800	725,403
<b>Net cash from financing activities</b>	<b>349,800</b>	<b>725,403</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,237)</b>	<b>(561,992)</b>
Cash and cash equivalents at the beginning of the period	70,729	690,691
Effect of exchange rate fluctuations on cash held	4,932	-
<b>Cash and cash equivalents at the end of the period</b>	<b>71,424</b>	<b>128,699</b>

The accompanying notes form part of this interim financial report.

**ALEATOR ENERGY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

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**1. BASIS OF PREPARATION OF THE INTERIM FINANCIAL 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 the requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 "Interim Financial Reporting".

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this Interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Aleator Energy Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

A summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report can be found in the annual financial report for the year ended 30 June 2014. The accounting policies have been consistently applied, unless otherwise stated.

**New and Revised Accounting Standards and Interpretations**

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 mandatory for the current reporting period.

The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

**Going Concern**

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

As disclosed in the financial statements, the consolidated entity incurred a loss of \$763,545 and had net cash operating and exploration expenditure outflows of \$370,363 for the half-year ended 31 December 2014. As at that date the consolidated entity had net current liabilities of \$2,088,856.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will continue as going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- As disclosed in Note 9, on 5 March 2015 the Company advised it had raised \$237,500 through a placement of 67,857,153 fully paid ordinary shares to sophisticated and professional investors at an issue price of \$0.0035 per share;
- As disclosed in Note 9, on 28 January 2015 the Company issued 201,786,232 ordinary shares a \$0.00338 per share, upon conversion of secured convertible note the convertible note agreement and issue to creditor as approved by shareholders at the annual general meeting. From the total number of ordinary shares issued, 186,708,854 shares relieved liabilities at 31 December 2014 totalling \$571,248;

**ALEATOR ENERGY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**1. BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT (continued)**

**Going Concern (continued)**

- The Company has negotiated with management to withhold remuneration payments until the Company has sufficient cash funds or to settle remuneration with share based payments;
- The Company received written confirmation from an independent stockbroker of their intention to underwrite an A\$1,500,000 placement. The terms are to be set and mutually agreed;
- The Company has been successful in previous convertible note and equity raisings, and the directors are confident that if required to do so they can raise further funding; and
- The ability to curtail administrative overhead cash outflows as required.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that is appropriate to adopt the going concern basis in the preparation of the financial report.

If the consolidated entity is not successful in raising additional capital, there is significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

**2. DIVIDENDS**

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

**3. SEGMENT INFORMATION**

**Business**

The consolidated entity operates in one business segment, being the exploration and mining of oil and gas within the geographical segments of Australia, USA and Ukraine.

**Geographical**

	Australia		USA		Ukraine		Consolidated	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	592	138	18	-	22	138	632
Net loss	(752,251)	(1,060,455)	(4,025)	(23,269)	(7,269)	(83,585)	(763,545)	(1,167,309)
Assets	3,579,547	3,857,860	58,747,705	54,127,367	11,605,555	11,163,783	73,932,807	69,149,010
Liabilities	1,900,850	1,499,944	32,612	40,064	311,594	211,029	2,245,056	1,751,037

**ALEATOR ENERGY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**4. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

	<b>31-Dec-14</b>	<b>30-Jun-14</b>
	\$	\$
<b>Cost brought forward</b>	<b>64,409,184</b>	<b>65,561,124</b>
Expenditure incurred during the period	76,876	574,780
Effects of foreign exchange on exploration	8,300,597	(1,714,058)
Expenditure impairment for the period	-	(12,662)
<b>Cost carried forwards</b>	<b>72,786,657</b>	<b>64,409,184</b>

**5. BORROWINGS**

	<b>31-Dec-14</b>	<b>30-Jun-14</b>
	\$	\$
Short term loans (i)	412,878	257,474
Convertible notes (ii)	571,248	272,249
	<b>984,126</b>	<b>529,723</b>

(i) The short term loans comprise the following:

- Loan of \$362,878 is unsecured, accrued interest at 25% per annum and accrued a loan fee of \$32,000. On 27 February 2015 the Company converted \$279,415 of this loan into equity \$0.00338 per share, as approved by Shareholders at Annual General Meeting on 28 November 2014. The terms of the remaining portion of this loan is currently being negotiated by the consolidated entity.
- Loan of \$50,000 is unsecured and on 27 February 2015 the consolidated entity converted this loan into equity at \$0.00338 per share, as approved by Shareholders at Annual General Meeting on 28 November 2014.

(ii) The convertible notes comprise the following:

- Convertible note of \$71,314 is unsecured, interest free and repayable by 6 March 2015. The conversion price will be 80% of the 5 day VWAP prior to the conversion notice. On 28 January 2015 the consolidated entity converted this convertible note into equity at \$0.00338 per share, as approved by Shareholders at Annual General Meeting on 28 November 2014.
- Convertible note of \$499,934 is secured against the assets of the consolidated entity, interest free and convertible subject to shareholder approval. The conversion price will be the lesser of \$0.0006 or 80% of the 5 day VWAP 20 trading days following a share consolidation. On 28 January 2015 the consolidated entity converted this convertible note into equity at \$0.00338 per share, as approved by Shareholders at Annual General Meeting on 28 November 2014.

**ALEATOR ENERGY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**6. ISSUED CAPITAL**

**a) Ordinary Shares**

	<b>31-Dec-14</b>		<b>30-Jun-14</b>	
	<b>\$</b>	<b>No.</b>	<b>\$</b>	<b>No.</b>
<b>Fully paid ordinary shares</b>	82,875,492	162,691,746	82,715,386	2,207,212,167

<b>Movement in ordinary shares</b>	<b>\$</b>	<b>No.</b>	<b>Issue price</b>
<b>Balance at 30 June 2014</b>	<b>82,715,386</b>	<b>2,207,212,167</b>	
Share consolidation (i) 8/12/2014	-	(2,060,062,588)	-
Conversion of Director Fees 17/12/2014	186,506	15,542,167	0.012
Cost of capital raising -	(26,400)	-	-
<b>Balance at 31 December 2014</b>	<b>82,875,492</b>	<b>162,691,746</b>	

(i) On 8 December 2014 the consolidated entity completed a share and option consolidation on the basis of every 15 shares/options to be consolidated into one (1) share/option as approved by shareholders at the annual general meeting of shareholders held 28 November 2014.

**b) Unlisted Options**

The balance of unlisted options at 31 December 2014 is nil.

**c) Listed Options**

The balance of listed options at 31 December 2014 is 87,938,748, which are exercisable at 30 cents and expiring 31 January 2015.

**7. RESERVES**

	<b>31-Dec-14</b>	<b>30-Jun-14</b>
	<b>\$</b>	<b>\$</b>
Foreign exchange translation	(449,998)	(8,773,242)
Option reserve	7,754,589	7,754,589
	<b>7,304,591</b>	<b>(1,018,653)</b>

**8. CONTINGENT ASSETS AND LIABILITIES**

There are no contingent assets or liabilities as at the reporting date.

**ALEATOR ENERGY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

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**9. EVENTS SUBSEQUENT TO REPORTING DATE**

On 28 January 2015 the Company issued 201,786,232 ordinary shares at \$0.00338 per share, upon conversion of secured convertible note under the convertible note agreement and issue to creditor as approved by Shareholders at Annual General Meeting on 28 November 2014.

On 28 January 2015 the consolidated entity issued 2 ordinary shares at \$0.30 per share, upon conversion of listed options expiring 31 January 2015.

On 4 February 2015, Aleator announced that 87,938,746 quoted options in the consolidated entity, exercisable at \$0.30, had expired on 31 January 2015. The consolidated entity has no options on issue.

On 5 March 2015 the consolidated entity advised that it had raised \$237,500 through a placement of 67,857,153 fully paid ordinary shares to sophisticated and professional investors at an issue price of \$0.0035.

Other than the above there are no other matters or circumstances that have arisen since 31 December 2014 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial periods.

**ALEATOR ENERGY LIMITED  
DIRECTORS' DECLARATION  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

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The directors of Aleator Energy Limited declare that:

1. The consolidated financial statements and notes, as set out in this half-year financial report:
  - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001; and
  - b. give 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 director's 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.

The declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.



**Lewis Cross**  
**Director**

Dated this 16th day of March 2015

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF**  
**ALEATOR ENERGY LIMITED**

We were engaged to review the accompanying half-year financial report of Aleator Energy Limited which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 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. . . Because of the matter described in the Basis for Disclaimer of Conclusion paragraph, however, we were not able to complete 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*.

*Independence*

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



*Basis for Disclaimed Conclusion*

The consolidated entity includes two controlled entities, East Crimea Energy BV and Pivenspetsbud LLC, in Ukraine, which had combined net assets of \$14,373,259 as at 30 June 2014. The directors of the company have been unable to obtain the financial statements for the half-year ended 31 December 2014 of these controlled entities. We were unable to conduct our required review procedures on these controlled entities for the half-year ended 31 December 2014. As a result, we were unable to obtain sufficient appropriate evidence to provide a basis for a review conclusion. Accordingly we were unable to determine whether any adjustments were necessary in respect of the consolidated entity's share of these controlled entities' assets and liabilities as at 31 December 2014, its share of these controlled entities' income and expenses for the half-year ended on 31 December 2014 and the effect of this on the elements making up the statement of changes in equity and the statement of cash flows.

*Disclaimer of Conclusion*

Because of the significance of the matter described in the Basis for Disclaimer of Conclusion paragraph, we were unable to, and do not express a conclusion as to whether the half-year financial report of Aleator Energy Limited is in accordance with the *Corporations Act 2001* including:

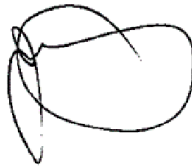
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

*Emphasis of Matter*

We draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred net losses of \$763,545 and had net cash outflows from operating activities and exploration expenditure of \$370,363 during the half-year ended 31 December 2014. As of that date, the consolidated entity's current liabilities exceeded current assets by \$2,088,856. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS



J A KOMNINOS  
Partner

Perth, WA  
Dated: 16 March 2015

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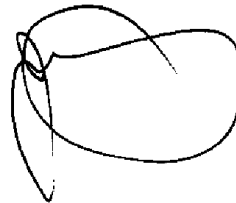
### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Aleator 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:

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

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS



J A KOMNINOS  
Partner

Perth, WA  
Dated: 16 March 2015