



**ANTARES ENERGY LIMITED**

**ABN 75 009 230 835**

**HALF-YEAR FINANCIAL REPORT**

**For the half year ended 30 June 2015**

## DIRECTORS' REPORT

The Directors of Antares Energy Limited ("Antares" or "the Company") present their report and the half-year financial statements of Antares and the entities it controlled (collectively "the Consolidated Entity" or "the Group") at the end of, or during the half-year ended 30 June 2015.

### DIRECTORS

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

<b>James Andrew Cruickshank</b>	Chairman & CEO
<b>Gregory David Shoemaker</b>	Director & Chief Scientist
<b>Vicky Ann McAppion</b>	Director & Finance & Administration Manager
<b>Mark Gerard Clohessy</b>	Non Executive Director

### REVIEW AND RESULTS OF OPERATIONS

Antares during the period has maintained its operational focus upon its two projects located in the Permian Basin, West Texas, USA being Big Star and Northern Star in keeping with company presentations. Antares has reported a net loss for the period of \$18.333 million.

### AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporation Act 2001 requires Antares' auditors, Ernst and Young, to provide the directors of the Company with an Independence Declaration in relation to the review of the half year financial statements. This Independence Declaration is included at Page 2 and forms part of this Directors' Report.

### ROUNDING

The amounts contained in this report and in the half-year financial statements have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.



J. A. CRUICKSHANK  
Chairman  
Perth, 11 September 2015

## Auditor's Independence Declaration to the Directors of Antares Energy Limited

In relation to our review of the financial report of Antares Energy Limited for the half-year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Gavin Buckingham  
Partner  
11 September 2015

# Statement of Comprehensive Income

For the Half Year Ended 30 June 2015

		Consolidated	
	Note	6 months ended 30 June 2015 \$'000	6 months ended 30 June 2014 \$'000 *represented
<b>Continuing operations</b>			
Revenue	3(a)	2,390	1,636
Cost of goods sold		(858)	(1,573)
<b>Gross (loss)/profit</b>		<b>1,532</b>	<b>63</b>
Other income	3(b)	281	-
Other expenses excluding finance costs	3(c)	(2,142)	(2,189)
Impairment of available for sale financial assets	5	(12,472)	-
Impairment of exploration properties	13	(3,246)	-
Impairment of oil & gas properties	12	(223)	-
Finance costs		(3,342)	(2,114)
<b>Loss before income tax</b>		<b>(19,612)</b>	<b>(4,240)</b>
Income tax benefit		1,279	1,196
<b>Loss from continuing operations</b>		<b>(18,333)</b>	<b>(3,044)</b>
Discontinued operation	9	-	3,548
<b>Net (loss) / profit for the period</b>		<b>(18,333)</b>	<b>504</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		3,004	(7,565)
Fair value loss on available for sale financial asset		12,472	-
Impairment loss on available for sale financial asset reclassified to profit or loss		(12,472)	-
Other comprehensive income/(loss) net of tax		3,004	(7,565)
<b>Total comprehensive loss for the period</b>		<b>(15,329)</b>	<b>(7,061)</b>
<b>Loss per share (cents per share)</b>			
<i>Earnings from continuing operations:</i>			
Basic loss per share for the period		(7.7)	(1.1)
Diluted loss per share for the period		(7.7)	(1.1)
<i>Earnings from all operations:</i>			
Basic loss per share for the period		(7.7)	0.2
Diluted loss per share for the period		(7.7)	0.2

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

\*In accordance with applicable accounting standards, certain numbers shown here do not correspond to the 30 June 2014 financial statements as they reflect adjustments made in respect of discontinued operations, detailed in note 9.

# Statement of Financial Position

As at 30 June 2015

## Consolidated

	Note	30 June 2015 \$'000	31 December 2014 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	6,998	14,732
Trade and other receivables		584	1,134
Prepayments		5	47
Available for sale financial assets	5	26,651	36,698
<b>Total current assets</b>		<b>34,238</b>	<b>52,611</b>
<b>NON-CURRENT ASSETS</b>			
Other receivable		781	731
Property, plant and equipment		190	126
Oil and gas properties		3,666	3,700
<b>Total non-current assets</b>		<b>4,637</b>	<b>4,557</b>
<b>TOTAL ASSETS</b>		<b>38,875</b>	<b>57,168</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,345	1,958
Interest-bearing loans and borrowings	6	47,188	50,686
Provisions		1,089	798
<b>Total current liabilities</b>		<b>50,622</b>	<b>53,442</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		1,318	1,262
<b>Total non-current liabilities</b>		<b>1,318</b>	<b>1,262</b>
<b>TOTAL LIABILITIES</b>		<b>51,940</b>	<b>54,704</b>
<b>NET (LIABILITIES) / ASSETS</b>		<b>(13,065)</b>	<b>2,464</b>
<b>(SHAREHOLDERS' DEFICIT) / EQUITY</b>			
Contributed equity	7	84,484	84,671
Reserves		28,611	25,620
Accumulated Losses		(126,160)	(107,827)
<b>TOTAL (SHAREHOLDERS' DEFICIT) / EQUITY</b>		<b>(13,065)</b>	<b>2,464</b>

The statement of financial position is to be read in conjunction with the notes to the financial statements.

# Statement of Changes in Equity

For the Half Year Ended 30 June 2015

## CONSOLIDATED

### 6 months ended 30 June 2014

Balance at 1 January 2014  
Profit for the period  
**Other comprehensive income**  
Exchange differences on  
translation of foreign operations  
**Total comprehensive  
income/(loss) for the period**  
**Transactions with owners in  
their capacity as owners:**  
Issue of convertible notes  
**Balance at 30 June 2014**

Ordinary Share Capital \$'000	Retained Profits / (Accumulated Losses) \$'000	Foreign Currency Reserve \$'000	Convertible Note Premium Reserve \$'000	Share Option Reserve \$'000	AFS Reserve \$'000	Total \$'000
89,026	19,789	761	2,901	5,883	-	118,360
-	504	-	-	-	-	504
-	-	(7,565)	-	-	-	(7,565)
-	504	(7,565)	-	-	-	(7,061)
-	-	-	1,119	-	-	1,119
89,026	20,293	(6,804)	4,020	5,883	-	112,418

### 6 months ended 30 June 2015

Balance at 1 January 2015  
Loss for the period  
**Other comprehensive income**  
Exchange differences on  
translation of foreign operations  
Decrement in AFS fair value  
Impairment of AFS financial asset  
**Total comprehensive  
income/(loss) for the period**  
**Transactions with owners in  
their capacity as owners:**  
Securities bought back  
**Balance at 30 June 2015**

84,671	(107,827)	15,803	3,934	5,883	-	2,464
-	(18,333)	-	-	-	-	(18,333)
-	-	3,004	-	-	-	3,004
-	-	-	-	-	12,472	12,472
-	-	-	-	-	(12,472)	(12,472)
-	(18,333)	3,004	-	-	-	(15,329)
(187)	-	-	(13)	-	-	(200)
84,484	(126,160)	18,807	3,921	5,883	-	(13,065)

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

# Statement of Cash Flows

For the Half Year Ended 30 June 2015

## Consolidated

Note	6 months ended 30 June 2015 \$'000	6 months ended 30 June 2014 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	1,094	14,433
Payments to suppliers and employees	(3,565)	(13,995)
Interest received	27	30
Interest paid	(2,436)	(2,114)
Income taxes refunded	1,279	1,111
<b>Net cash inflows/(outflows) from operating activities</b>	<b>(3,601)</b>	<b>(535)</b>
<b>Cash flows from investing activities</b>		
Dividend received	1,845	-
Exploration, evaluation and development expenditure	(1,961)	(3,486)
Payment for property plant & equipment	(104)	-
Proceeds from sale of property plant & equipment	104	-
<b>Net cash outflows from investing activities</b>	<b>(116)</b>	<b>(3,486)</b>
<b>Cash flows from financing activities</b>		
Payments for share buy-back	(187)	-
Payment for convertible note buy-back	(4,378)	-
Proceeds from borrowings	-	29,100
Repayments of borrowings	-	(8,447)
<b>Net cash (outflows)/inflows from financing activities</b>	<b>(4,565)</b>	<b>20,653</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>(8,282)</b>	<b>16,632</b>
Cash and cash equivalents at the beginning of the period	14,732	4,681
Effects of exchange rate changes on cash	548	(1,043)
<b>Cash and cash equivalents at the end of the period</b>	<b>6,998</b>	<b>20,270</b>

The cash flow statement is to be read in conjunction with the notes to the financial statements.

**NOTE 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES****Basis of preparation and going concern**

These general purpose condensed financial statements for the half-year reporting period ended 30 June 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. The presentation currency is Australian dollars.

The half-year financial report should be read in conjunction with the Annual Financial Statements of Antares Energy Limited as at 31 December 2014. It is also recommended that the interim half-year financial statements be considered together with any public announcements made by Antares Energy Limited during the half-year ended 30 June 2015 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

The half-year financial report was authorised for issue on 11 September 2015.

**Going Concern**

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

For the half-year ended 30 June 2015, the Group generated a consolidated loss of \$18.333 million and incurred operating cash outflows of \$3.601 million. As at 30 June 2015 the Group has cash and cash equivalents of \$6.998 million, net current liabilities of \$16.384 million and net liabilities of \$13.065 million. Current liabilities includes convertible notes amounting to \$47.188 million at 30 June 2015 with a reset date of 31 October 2015.

The Group cash balance at 31 August 2015 was \$4.5 million and the market value of the available for sale financial asset was \$17.2 million representing a reduction in the two current assets of \$11.9 million from 30 June 2015.

Should the convertible noteholders elect to redeem their notes the Group does not currently have sufficient cash reserves to fund the redemption and continue as a going concern.

Notwithstanding the above the Directors consider it appropriate to prepare the financial statements on a going concern basis after having regard to the following pertinent matter.

It is the opinion of the directors that either:

- 1) the notes will, once again, be rolled over and therefore the cash required to redeem the notes will not be required, or
- 2) the announced sale of Northern Star and Big Star assets (refer note 10) will provide the cash required to redeem the notes via either the closure of one of these sales prior to 31 October 2015 or, alternatively, the Group being able to secure short term financing to repay the notes in advance of one of the announced asset sales settling.

Should the directors not be able to achieve the matters set out above, there is significant uncertainty as to whether the Group will be able to continue as a going concern unless alternative working capital to repay the convertible notes can be secured.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the Group not be able to achieve the matters set out above and thus be able to continue as a going concern.

# Notes to the Financial Statements

ANTARES ENERGY LIMITED

ABN 75 009 230 835

For the Half Year Ended 30 June 2015

## NOTE 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

### Adoption of new or revised Standards

Apart from the adoption of new or revised accounting standards noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

All new and amended Standards and Interpretations effective from 1 January 2015 have been adopted, including:

- AASB 2014-1 Part A – Annual Improvements 2010-2012 Cycle. Amendments to Share Based Payments AASB 2, Business Combinations AASB 3, Operating Segments AASB 8, Property, Plant and Equipment AASB 116, Intangible Assets AASB 138 and Related Party Disclosures AASB 124;
- AASB 2014-1 Part A – Annual Improvements 2011-2013 Cycle. Amendments to Fair Value Measurement AASB 13; and
- AASB 2014-1 Part B – Amendments to Employee Benefits AASB 119

New and amended Standards and Interpretations did not result in any significant changes to the Group's accounting policies.

The Group has not elected to early adopt any new standards or amendments that have been issued but that are not yet effective.

## NOTE 2 SEGMENT REPORTING

For management purpose, the Company is organised into one main operating segment, which involves oil and gas exploration, development and production in the USA. All the Company's activities are interrelated, and discrete financial information is reported to the Chairman and the management team (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The Group derives its revenue from the sale of oil and gas produced in the USA. During the interim half-year reporting periods ended 30 June 2014 and 30 June 2015 external sales of oil and gas were made to customers solely located in the USA.

	Consolidated	
	6 months ended 30 June 2015 \$'000	6 months ended 30 June 2014 \$'000 *represented
Analysis of revenue:		
Oil	506	138
Gas	12	1,468
Interest	27	30
Dividend Income	1,845	-
	<b>2,390</b>	<b>1,636</b>

	Consolidated	
	30 June 2015 \$'000	31 Dec 2014 \$'000
Geographical split of non-current assets:		
USA	4,627	4,544
Australia	10	13
	<b>4,637</b>	<b>4,557</b>

# Notes to the Financial Statements

ANTARES ENERGY LIMITED

ABN 75 009 230 835

For the Half Year Ended 30 June 2015

NOTE 3	REVENUE, INCOME AND EXPENSES	Consolidated	
		6 months ended 30 June 2015 \$'000	6 months ended 30 June 2014 \$'000 *represented
	a) Revenue		
	Sale of product	518	1,606
	Dividend revenue	1,845	-
	Interest revenue	27	30
		<b>2,390</b>	<b>1,636</b>
	b) Other income:		
	Foreign exchange gain	154	-
	Gain on convertible note buy-back	38	-
	Gain on disposal of property, plant & equipment	89	-
		<b>281</b>	<b>-</b>
	c) Other expenses:		
	General and Administrative expenses	970	693
	Foreign exchange loss	-	1
	Employee benefits	1,172	1,140
	Exploration expenditure written back	-	355
		<b>2,142</b>	<b>2,189</b>
	d) The following item is included in the Cost of Sales:		
	Amortisation of oil and gas properties	59	46

NOTE 4	CASH AND CASH EQUIVALENTS	Consolidated	
		30 June 2015 \$'000	31 Dec 2014 \$'000
	For the purposes of the half-year cash flow statement, cash and cash equivalents are comprised of the following:		
	Cash at bank and on hand	6,998	14,732
		<b>6,998</b>	<b>14,732</b>

NOTE 5	AVAILABLE FOR SALE FINANCIAL ASSETS	Consolidated	
		30 June 2015 \$'000	31 Dec 2014 \$'000
	<b>Available For Sale Financial Assets at fair value</b>		
	Quoted equity shares	26,651	36,698
	Movement in AFS financial assets		
	Beginning of the period	36,698	-
	Additions	-	90,645
	Impairment	(12,472)	(53,594)
	FX variation	2,425	(353)
	Balance	<b>26,651</b>	<b>36,698</b>

AFS financial assets comprise 4.3 million equity securities in Breitburn Energy Partners LP (NASDAQ:BBEP) received as part of the sale of the Company's Southern Star assets.

# Notes to the Financial Statements

ANTARES ENERGY LIMITED

ABN 75 009 230 835

For the Half Year Ended 30 June 2015

## NOTE 5 AVAILABLE FOR SALE FINANCIAL ASSETS (Continued)

On acquisition the securities were valued at \$90.645 million. On 31 December 2014 an impairment of \$53.594 million was made to the value of the securities to reflect their fair value based on the current quoted market price of Breightburn securities. In June 2015, a further impairment of \$12.472 million was made to the value of these securities. The impairment was made as the Group believes the decline in fair value of 72% was significant. Fair value of available for sale financial assets is with reference to quoted market prices (level 1 in the fair value hierarchy).

Refer to Note 11 for discussion on changes in fair value post 30 June 2015.

## NOTE 6 INTEREST-BEARING LOANS AND BORROWINGS

	Consolidated	
	30 June 2015 \$'000	31 Dec 2014 \$'000
<b>Current</b>		
Convertible notes	47,188	50,686
	<b>47,188</b>	<b>50,686</b>

### Convertible Notes

The convertible notes are a compound financial instrument comprising both an equity component and a debt component. Interest is recognised using the effective interest method over the period to the next reset date of 31 October 2015 at which time noteholders can elect to redeem their notes for \$2 each.

During 2015 2,250,000 notes were bought back, on market (2014: 3,750,000).

As at 30 June 2015 there was a total of 23,750,000 notes on issue (31 December 2014: 26,000,000). The terms of the notes are as follows:

Face Value:	\$2.00
Interest Rate:	10% per annum (payable quarterly in arrears)
Conversion Rate:	1:3 (each note is convertible into three fully paid ordinary share)
Next reset date:	31 October 2015

## NOTE 7 CONTRIBUTED EQUITY

	Consolidated	
	30 June 2015 \$'000	31 Dec 2014 \$'000
<b>Issued and paid up capital</b>		
Fully paid ordinary shares	84,484	84,671
<b>Movement in ordinary shares on issue</b>	<b>No. of shares</b>	<b>\$'000</b>
At 1 January 2015	242,000,000	84,671
Shares bought back on market	(1,524,240)	(187)
At 30 June 2015	<b>240,475,760</b>	<b>84,484</b>
<b>Movement in ordinary shares on issue</b>	<b>No. of shares</b>	<b>\$'000</b>
At 1 January 2014	255,000,000	89,026
Shares bought back on market	(13,000,000)	(4,355)
At 31 December 2014	<b>242,000,000</b>	<b>84,671</b>

# Notes to the Financial Statements

ANTARES ENERGY LIMITED

ABN 75 009 230 835

For the Half Year Ended 30 June 2015

## NOTE 8 COMMITMENTS AND CONTINGENCIES

The only changes to the commitments and contingencies disclosed in the most recent annual financial statements are specified below.

### Exploration Commitments

At 30 June 2015 there are no commitments for exploration expenditure that are not provided for in the financial statements.

## NOTE 9 DISCONTINUED OPERATION

	<b>Consolidated</b>	
	30 June 2015	30 June 2014
	\$'000	\$'000
		*represented
<i>Financial performance</i>		
Revenue	-	9,674
Cost of sales	-	(4,215)
<b>Gross profit</b>	-	<b>5,459</b>
<b>Profit before income tax of discontinued operation</b>	-	<b>5,459</b>
Income tax expense	-	(1,911)
<b>Profit after tax from discontinued operation</b>	-	<b>3,548</b>
Earnings per share – cents per share		
Basic from discontinued operations	-	1.4
Diluted from discontinued operations	-	1.4

During June 2013 the Group announced the execution of a Letter of Intent for the sale of all of the Group's Permian Assets in the amount of US \$300,000,000. On 26 August 2013 the Group announced the execution of a Purchase and Sale Agreement for same. The assets and liabilities associated with the Permian Assets were classified as held for sale as at 30 June 2014 and the results were reported as a discontinued operation in these financial statements.

During October 2014, the Consolidated Entity announced the sale of only its Southern Star assets to Breitburn Energy Partners LP. As a result of the sale, the Company's Big Star and Northern Star assets were transferred back from assets held for sale to oil and gas properties.

Sales proceeds consisted of cash of US\$50,000,000 and Breitburn common units on acquisition date of US\$74,347,000.

The profit and loss from discontinued operations above has been represented for 2014 to show only those items related to assets sold in October 2014. The 2014 financial statements assumed that Northern Star and Big Star assets would also be sold.

## NOTE 10 EVENTS AFTER THE BALANCE SHEET DATE

The share price of Breitburn Energy Partners LP has fallen approximately 40% from 30 June 2015 to 31 August 2015. In AUD this represents a reduction in its carrying value from 30 June 2015 of \$26.651 million to \$17.263 million.

On 7 September 2015, the Company announced the the execution of two independent Purchase and Sale Agreements for the sale of Northern Star in the amount of US\$148,788,560 and Big Star in the amount US\$105,069,420.

The closing of the two independent Purchase and Sale Agreements with the same Private Equity purchaser will be on or before 30<sup>th</sup> November 2015 and is subject to the usual commercial closing conditions and adjustments.

## NOTE 11 FINANCIAL RISK MANAGEMENT: FAIR VALUE

The Directors consider that the carrying amount of the financial assets and financial liabilities recorded in the financial statements approximate their fair values except for the convertible notes.

The fair values are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on an active liquid market is determined with reference to the quoted price; and
- The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The fair value of the liability component of the convertible notes was determined with reference to the closing market price of the convertible notes on 30 June 2015. The fair value of the financial liability (Level 2) was \$1.82 per note which equates to a total fair value of \$43.225 million compared to the carrying value of \$47.188 million (31 December 2014: fair value \$52,000,000, carrying value \$50,686,150).

## NOTE 12 IMPAIRMENT OF OIL AND GAS PROPERTIES

The Group reviews the carrying value of its assets at each balance date. During the six months ended 30 June 2015, a fall in market oil and gas prices were considered as indicators of impairment.

Oil and gas properties consist of the Northern Star and Big Star projects.

Value in use is estimated based on discounted cash flows using market based oil price and exchange assumptions, estimated quantities of recoverable oil reserves and production costs. For oil and gas properties, expected future cash flow estimation is based on independent external assessments of potential reserves, future production profiles, commodity prices and costs.

Estimates of quantities of recoverable oil reserves, production levels and operating costs are based on a planning process which includes life of well modelling, budgets and forecasted outlook.

Significant judgements and assumptions are required in making estimates of value in use. This is particularly so in the assessment of long life assets. It should be noted that value in use calculations are subject to variability in key assumptions including, but not limited to, long-term oil prices, currency exchange rates, discount rates, production profiles and operating costs. An adverse change in one or more of the assumptions used to estimate value in use could result in a reduction in an Oil and Gas Property asset's recoverable amount.

### Key assumptions

The table below summarises the key assumptions used in the 30 June 2015 recoverable amount value assessments:

	2015	2016	2017	2018 onwards
Oil Price (USD)	\$53.20	\$57.20	\$61.10	\$80
Natural Gas price (USD)	\$3.0	\$3.20	\$3.50	\$4
Discount rate (pre-tax)	10%	10%	10%	10%

### Oil Prices

Oil prices are estimated with reference to external market forecasts.

### Production activity and operating costs

Production activity and operating costs assumptions are based on the Consolidated Entity's latest life of well models, budgets and forecasts.

**NOTE 12 IMPAIRMENT OF OIL AND GAS PROPERTIES (continued)**
Impacts

After conducting the impairment analysis, the Group has recognised an impairment loss on assets within the Consolidated Entity's as follows:

	<b>Impairment \$'000s</b>
Oil & Gas properties	\$223

The recoverable amount of the oil and gas property cash generating units impaired at 30 June 2015 are as follows:

	<b>CGU</b>	<b>\$'000s</b>
Northern Star	Archer	\$222
Northern Star	Cozart 11	\$-
Big Star	Simmons	\$132

Sensitivity analysis on recoverable amount

The cashflow estimates for the CGU's above are most sensitive to changes in oil and gas prices and discount rates. It is estimated that changes in key assumptions would impact recoverable amounts at 30 June 2015 as follows:

<b>Oil &amp; Gas Properties</b>	<b>\$'000</b>
10% change in oil price per barrel	+ - \$132
10% change in natural gas price	+ - \$2
2% increase in discount rate	+ - \$25

**NOTE 13 IMPAIRMENT OF DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

Deferred exploration and evaluation expenditure written off during the period was written off on the basis that the exploration activity in the specific area did not lead to the discovery of commercially viable quantities of oil and gas resources.

## **ANTARES ENERGY LIMITED**

ABN 75 009 230 835

### **DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Antares Energy Limited, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (1) giving a true and fair view of the financial position as at 30 June 2015 and the performance for the half-year ended on that date of the consolidated entity; and
  - (2) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) Subject to achieving the matters set out in Note 1 to the financial report, there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



J. A. CRUICKSHANK

Chairman

Perth, 11 September 2015

Independent review report to the members of Antares Energy Limited

## Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Antares Energy Limited, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected 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 controls as the directors determine are 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 30 June 2015 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 Antares Energy Limited and the entities it controlled during the half-year, 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

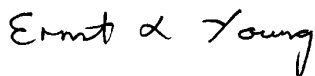
## Conclusion

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 Antares 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 30 June 2015 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 qualifying our conclusion, we draw attention to Note 1 in the financial report. The matters set forth in Note 1, indicate the existence of a material uncertainty that 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.



Ernst & Young



Gavin Buckingham  
Partner  
Perth  
11 September 2015