



**Interim Financial Report
31 December 2015**

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DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2015. 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.

Graeme Kirke	Chairman
Stuart Rechner	Director
Patrick Glovac	Non Executive Director

Review of Operations

Operations

The net loss of the Group for the six months to 31 December 2015 is \$168,711 (31 December 2014, \$154,617).

During the half-year to 31 December 2015 the Group:

- Completed 3D inversion modelling on its Stuart Shelf properties.
- Completed detailed ground gravity survey of its Mt Dennison properties identifying two targets of interest.
- Continued the review of resource and non-resource investment opportunities.

Short and Long Term Analysis

Our South Australian properties expose the Group to exploration and commodity price sentiment both of which remain relatively negative. Accordingly the company is exercising caution with regard to expenditure across its portfolio. Extracting value by joint venture or sale is our primary focus.

The Group is of the view that greater shareholder value can be achieved by acquisition of a distressed resource asset or a technology or life sciences project.

The Group is adequately funded to execute this strategy.

Risks and Opportunities

Whilst general market sentiment is weak and volatile the micro cap sector is enjoying support recognising relatively low market capitalisations and new opportunities are creating the environment for formation of risk capital in the sector.

Financial Position

The capital raised in the June 2015 quarter provides sufficient funds for our projected level of activity on the basis that the Group actively manages the current level of discretionary expenditure in line with funds available. At current levels of activity a further capital raising is not required in 2016, but will be reviewed in the following year.

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 3 and forms part of this directors' report for the half-year ended 31 December 2015.

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.



Graeme Kirke
Chairman
26 February 2016



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of GB Energy Limited for the half-year ended 31 December 2015, 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.

A handwritten signature in black ink, appearing to read 'L Di Giallonardo'.

Perth, Western Australia
26 February 2016

L Di Giallonardo
Partner

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Notes	31 December 2015 \$	31 December 2014 \$
Continuing operations			
Interest income		2,751	1,987
Accounting expenses		(10,000)	(10,000)
Administrative and employee expense		(113,037)	(147,303)
Depreciation and amortisation expense		(1,482)	(1,695)
Impairment of exploration asset	3	(46,943)	-
Loss before income tax		(168,710)	(157,011)
Income tax expense		-	-
Loss after tax from continuing operations		(168,710)	(157,011)
Discontinued operation			
Loss after tax from discontinued operation		-	2,394
Net loss for the period		(168,711)	(154,617)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		-	(16,232)
Other comprehensive (loss) for the period, net of income tax		-	(16,232)
Total comprehensive loss for the period attributable to owners of the parent		(168,711)	(170,849)
Basic loss per share (cents per share)		(0.019)	(0.03)
Basic loss per share from continuing operations (cents per share)		(0.019)	(0.03)
Diluted loss per share (cents per share)		(0.019)	(0.03)
Diluted loss per share from continuing operations (cents per share)		(0.019)	(0.03)

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Notes	31 December 2015 \$	30 June 2015 \$
Assets			
Current assets			
Cash and cash equivalents		649,568	828,180
Trade and other receivables		6,381	8,733
Prepayments		2,306	2,151
Total current assets		658,255	839,064
Non-current assets			
Property, plant and equipment		1,417	2,899
Exploration and evaluation expenditure	3	454,328	461,241
Total non-current assets		455,745	464,140
Total assets		1,114,000	1,303,204
Liabilities			
Current liabilities			
Trade and other payables		15,487	35,980
Total current liabilities		15,487	35,980
Total liabilities		15,487	35,980
Net assets		1,098,513	1,267,224
Equity			
Issued capital	4	10,578,054	10,578,054
Reserves		303,660	303,660
Accumulated losses		(9,783,201)	(9,614,490)
Total equity		1,098,513	1,267,224

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

		Issued capital	Option premium reserve	Share- based payment reserve	Foreign currency translation reserve	Accumulated losses	Total Equity
	Note	\$	\$	\$	\$	\$	\$
Balance at 1 July 2014		9,408,745	245,660	58,000	35,596	(9,308,700)	439,301
Loss for the period		-	-	-	-	(154,617)	(154,617)
Exchange differences arising on translation of foreign operations		-	-	-	(16,232)	-	(16,232)
Total comprehensive loss for the period		-	-	-	(16,232)	(154,617)	(170,849)
Shares issued during the half- year		475,000	-	-	-	-	475,000
Balance at 31 December 2014		9,883,745	245,660	58,000	19,364	(9,463,317)	743,452
Balance at 1 July 2015		10,578,054	245,660	58,000	-	(9,614,490)	1,267,224
Loss for the period		-	-	-	-	(168,711)	(168,711)
Exchange differences arising on translation of foreign operations		-	-	-	-	-	-
Total comprehensive loss for the period		-	-	-	-	(168,711)	(168,711)
Shares issued during the half- year	4	-	-	-	-	-	-
Balance at 31 December 2015		10,578,054	245,660	58,000	-	(9,783,201)	1,098,513

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	31 December 2015	31 December 2014
	\$	\$
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(141,333)	(194,729)
Interest received	2,751	2,061
Net cash outflow from operating activities	(138,582)	(192,668)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(40,030)	(70,578)
Net cash outflow from investing activities	(40,030)	(70,578)
Cash flows from financing activities		
Proceeds from the issue of shares	-	500,000
Payments for share issue costs	-	(25,000)
Net cash inflow from financing activities	-	475,000
Net (decrease)/increase in cash held	(178,612)	211,754
Cash and cash equivalents at the beginning of the period	828,180	127,813
Effects of exchange rate fluctuations on cash held	-	155
Cash and cash equivalents at the end of the period	649,568	339,722

The accompanying notes form part of these financial statements

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015****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 2015 and any public announcements made by GB 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.

Basis of preparation

The interim report has been prepared on a historical cost basis. 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 report, the half-year has been treated as a discrete reporting period.

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. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

There were no new standards issued since 30 June 2015 that have been applied by GB Energy Limited. The 30 June 2015 Annual Report disclosed that GB Energy Limited anticipated no new material impacts arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2015.

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 expenses. Actual results may differ from these estimates.

In preparing this interim 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 2015.

Going concern

The Group has incurred a net loss after tax of \$168,711 and experienced net cash outflows from operating and investing activities of \$178,612 for the half-year ended 31 December 2015. As at 31 December 2015 the Group had cash assets of \$649,568 and net current assets of \$642,768.

Based on the cash flow forecasts, the directors are satisfied that the going concern basis of preparation is appropriate. The financial report has therefore been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The directors have prepared a cash flow forecast for the period to 28 February 2017 which indicates that the current cash resources will meet expected cash outgoings. This is a result of fund raising activities carried out during the 30 June 2015 financial year. Further fund raising will be required beyond February 2017 to fund further exploration expenditure, other principal activities and working capital. The ability of the Group to continue as a going concern is principally dependent upon raising sufficient additional capital.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Should the Group be unable to raise the further funding beyond 28 February 2017 referred to above, there is a material uncertainty that may cast significant doubt on whether the Group will be able to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the interim financial report.

NOTE 2: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Board of Directors for the purposes of resource allocation and assessment of performance is more specifically focused on the exploration and development of uranium resource projects. The Group's reportable segments under AASB 8 are therefore as follows:

- Exploration and evaluation – Slovakia (discontinued)
- Exploration and evaluation – South Australia
- Other sector

Exploration and evaluation – Slovakia expenditure in the previous period relates to two uranium exploration licences in Slovakia covering Permian volcano sedimentary sequences. The Group held a 100% effective interest in these licences through Crown Energy s.r.o, a wholly owned subsidiary of GBE Exploration Pty Ltd (which in turn is a wholly owned subsidiary of GB Energy). The Company completed the process of surrendering the licences and winding up its Slovakian based subsidiary Crown Energy s.r.o.

Exploration and evaluation - South Australia refers to four Exploration licenses (EL's) held in South Australia. The Group holds a 100% interest in these licences through GBE Exploration Pty Ltd a wholly owned subsidiary of GB Energy.

The other sector relates to head office operations, including cash management.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following table presents the revenue and loss information regarding the segment information provided to the Board of GB Energy Limited for the half-year periods ended 31 December 2015 and 31 December 2014.

	Continuing operations		Discontinued operation	Unallocated items	Consolidated
	Exploration and evaluation-S.Aust	Other	Exploration and evaluation-Slovakia		
31 December 2015	\$	\$	\$	\$	\$
Segment revenue	3	2,748	-	-	2,751
Segment result	(51,160)	(117,551)	-	-	(168,711)
Segment assets	476,908	637,092	-	-	1,114,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 2: SEGMENT REPORTING (continued)

	Continuing operations		Discontinued operation		
	Exploration and evaluation-S.Aust	Other	Exploration and evaluation-Slovakia	Unallocated items	Consolidated
	\$	\$	\$	\$	\$
31 December 2014					
Segment revenue	5	1,982	74	-	2,061
Segment result	(1,701)	(155,310)	2,394	-	(154,617)
Segment assets	425,105	334,422	178	-	795,705

The revenue reported above represents revenue generated from external customers. Intersegment revenues have been eliminated.

Segment results earned by each segment are without allocation of central administration costs and directors' salaries, share of profits from associates, investment revenue and finance costs, income tax expense, gains or losses of associates and discontinued operations. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	Six months to 31 December 2015	Year to 30 June 2015
	\$	\$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	461,241	337,494
Expenditure incurred	40,030	154,343
Impaired exploration ¹	(46,943)	(30,596)
Total exploration and evaluation expenditure	454,328	461,241

1. In the current half year the Board made the decision not to renew EL5391 and therefore exploration costs relating to this tenement were written off.

The South Australian exploration assets satisfy AASB 6 and remain as exploration assets in the statement of financial position. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 4: ISSUED CAPITAL

	31 December 2015		30 June 2015	
	\$		\$	
<i>Ordinary shares</i>				
Issued and fully paid	10,578,054		10,578,054	
	Six months to 31 December 2015		Year to 30 June 2015	
	Number	\$	Number	\$
<i>Movements in ordinary shares</i>				
Balance at beginning of period	905,955,825	10,578,054	405,498,587	9,408,745
Placement (net of costs)	-	-	250,000,000	475,000
Rights Issue (net of costs)	-	-	250,457,238	694,309
Balance at end of period	905,955,825	10,578,054	905,955,825	10,578,054

NOTE 5: OPTIONS

There are no options on issue.

NOTE 6: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 7: RELATED PARTY TRANSACTIONS

There has been no change in the nature of related party transactions since the last annual reporting date.

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of GB 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 Group's financial position as at 31 December 2015 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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.



Graeme Kirke
Chairman

26 February 2016



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of GB Energy Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GB Energy Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2015, 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 Group 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 Group's financial position as at 31 December 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 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*.



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

- a) giving a true and fair view of the Group's financial position as at 31 December 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 modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the Group to continue as a going concern is principally dependent upon raising sufficient additional capital to fund exploration, other principal activities and working capital. Should the Group be unable to raise the additional funding, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in black ink that reads 'L Di Giallonardo'.

L Di Giallonardo
Partner

Perth, Western Australia
26 February 2016