AZONTO
PETROLEUM LTD

ABN 17 117 227 086

FINANCIAL REPORT

For the year ended 31 December 2015

Directors

Glenn Whiddon	Executive Chairman
Neil Hackett	Non-executive Director
Rob Downey	Non-executive Director

Company Secretary
Neil Hackett

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Perth WA 6000

Bankers
National Australia Bank
226 Main Street
Osborne Park WA 6017

The Royal Bank of Scotland
Queen's Cross Branch
40 Albyn Place
Aberdeen AB10 1YN

Share registry
Computershare Investor Services Pty Ltd
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Stock exchange listing
The Company is listed on the ASX Limited ("ASX")

Home branch: Perth, Western Australia
ASX Code: APY

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Directors' report

The Directors present their report on Azonto Petroleum Limited (formerly Rialto Energy Limited) ("Azonto" or the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2015. All amounts are in Australian dollars ("$") unless stated otherwise.

Principal activities
The principal activity of the Group is investing in oil and gas exploration and production projects internationally and more specifically in West Africa.

Results
The Group's revenue for the year ended 31 December 2015 was $1,665,990 (2014: $2,215,544). The net loss after tax was $27,159,057 (2014: $19,601,654), which arose from a combination of the impairment of the joint venture in Cote d'Ivoire of $31,075,108 and general and administrative expenses of $8,282,365, offset by revenue, the sale of non-current assets, principally wellhead drilling equipment, of $1,662,266 and recycling of foreign currency translation of $8,530,360. The impairment of the joint venture is a consequence of the sale of the Company's final 35% of Vioco Petroleum Limited ("Vioco"). The net loss in 2014 is due to the impairment of the Accra block in Ghana of $12,785,055 and general and administrative expenses of $9,097,900, offset by the revenue. The impairment of the Accra Block arose as a consequence of the Group's decision to withdraw from the licence in early 2015. Net cash used in operations for the year to 31 December 2015 was $5,966,712 (2014: $5,863,679).

Dividends
No dividend has been paid since the end of the financial year and no dividend is recommended for the current period (2014: nil).

Operating activities

Corporate
In response to challenging conditions in the oil and gas sector, including low and volatile oil prices and weak equity market conditions, the Board of Azonto announced in January 2015 the implementation of cost reduction measures including accepting the resignations of the former Managing Director and Chief Financial Officer, and the commencement of company-wide redundancies. In August 2015 the Technical Director left the Company and in September 2015 the replacement Managing Director and General Counsel left the Company. The last resignations have been foreshadowed as the Company had sold its interest in block CI-202, Cote d'Ivoire (see below).

Over the last few months the Company has worked to conclude legacy issues relating to the disposal and relinquishment of the Group's oil and gas activities in West Africa. Following the disposal and relinquishment, a number of corporate matters have been seen as necessary to begin prior to the Company embarking on a new venture. These activities involve:

- The liquidation of Azonto Petroleum (Ghana) Limited which was completed in February 2016.
- The liquidation of Azonto Petroleum (UK) Limited which is in progress and will complete later in the year.
- The removal of Azonto Petroleum Limited from UK tax reporting requirements which is expected to be completed by the end of the first quarter.
- The closure of the London operating office and assignment of the sub-lease and sale of office and computer equipment which was completed in December 2015.
- Transfer of appropriate corporate records and information to the Australian Registered Office.

The Company is still hoping to sell residual oil field equipment held in Abidjan, Cote d'Ivoire. Any sale proceeds are not expected to materially impact the Company's cash balances. The Company is now well positioned to move forward with new opportunities and ventures.

The Company continues to actively evaluate new opportunities and ventures and hopes to finalize a new direction in the coming period. The Company is highly likely, as a condition of any future investment, to be required by the ASX to obtain shareholder approval for any new investment. The ASX may also exercise its discretion to require the company to recomply with ASX listing requirements. The ASX will generally allow a company to remain trading on the ASX for up to 6 months after disposing of its main undertaking to give it time to identify, and make an announcement of its intention to acquire, another business, failing which ASX usually suspends the Company until such time as an announcement is made.

In July 2015 the Company announced that it had entered into a conditional sale and purchase agreement for the sale of Azonto's entire shareholding in Vioco to Vitol E&P Limited ("Vitol"). In consideration for the sale of the 35% shareholding in Vioco, Vitol would pay an initial US$4,000,000 less an amount up to US$400,000 for certain net liabilities related to the period before Vitol's acquisition from Azonto of 65% of Vioco in November 2013. In addition, if and when Vioco committed to drill the exploration well that is required to retain the CI-202 licence, Vitol would pay a further US$1,100,000 consideration for the sale of certain wellhead drilling equipment that remains outstanding from the original sale of 65% to Vitol. A further US$2,000,000 consideration is payable If the exploration well makes a commercially viable hydrocarbon discovery. The sale of the 35% shareholding in Vioco was completed on 21 August 2015 and the initial US$4,000,000 ($5,485,464) has been received. The Company was able to remove the net liabilities of up to $400,000 that were to have been deducted from the initial proceeds. The sale of the the wellhead drilling equipment was completed in October 2015 and the US$1,100,000 ($1,576,835) received. The sale marks a disappointing conclusion to the Company's investment in CI-202 but secures for the Company sufficient cash to embark on new activities.

West Africa

Block CI-202 - Côte d'Ivoire (Indirect Working Interest: 30.45%, Paying Interest: 35%)
Azonto held a 35% ownership interest in Vioco, which holds an 87% operating working interest in offshore Block CI-202. Vioco's working interest would be reduced to 71% if the state oil company Petroci exercised its 16% back-in right. Vitol held the remaining 65% of Vioco. As detailed above the Company's interest in Vioco was sold on 21 August 2015.

Offshore Accra Block – Ghana
In Ghana the Company reluctantly decided to relinquish the Offshore Accra Block. Following the exit of the other partners in March 2014 Azonto's Ghanaian subsidiary, in which Vitol E&P Limited has a 43% interest, and the other remaining partner Afex Oil secured a six-month extension of the initial exploration period to September 2014 and conducted a farm-out process to try to find a suitable operating partner.

Despite significant industry interest, as a result of challenging market conditions a farm-out could not be concluded and the partners elected not to seek a further extension to the initial exploration period, nor to apply to enter into the first extension period. The Company is currently finalising the liquidation of the Ghana subsidiary.

Financial summary
Interest revenue for the year to 31 December 2015 was $10,160 (2014: $12,030). Other revenue for the year to 31 December 2015 was $1,655,830 (2014: $2,203,514). Other revenue principally comprises income receivable from Vioco for services provided by Azonto to the CI-202 joint venture. The Group's total revenue for the year to 31 December 2015 was $1,665,990 (2014: $2,215,544).

Impairment of the joint venture for 2015 was $31,075,108 (2014: nil). The impairment relates to the Group's sale of the final 35% investment in the Vioco joint venture and the requirement to remeasure it to the lower of carrying amount and fair value less cost to sell.

Impairment of exploration assets in 2014 was $12,785,055. The impairment related to the Accra Block in Ghana which the Group relinquished in January 2015.

During the year to 31 December 2015 there has been an impairment of property, plant and equipment of $196,771 (2014: nil). The impairment is a consequence of the sale of the CI-202 asset, a reduction in activity and the closure of the London operating office.

The Contingent consideration on the sale of non-current assets of $1,662,266 (2014: nil) is principally due to the sale of the wellhead drilling equipment which remained outstanding from the original sale of 65% of Vioco to Vitol.

Administrative expenses for the year to 31 December 2015 were $8,282,365 (2014: $9,097,900) net of expenses capitalised or recovered from partners of $1,819,596 (2014: $4,491,964). Within the gross expenses total employee and director compensation expense, excluding share-based expense, was $3,813,460 (2014: $4,218,552), share based payment expense was $1,490,549 (2014: $463,102) and other general administrative costs, including consultant, corporate and establishment expenses were $4,615,876 (2014: $8,676,660). The higher share based expense is due to the timing of when share option awards and performance rights were granted to employees. The 2015 expense is significantly higher than 2014 due to the impact of the Company's redundancy programme which accelerated the timing of the expense but does not affect the Company's cash flow.

General and administrative costs overall have decreased in the year to 31 December 2015 compared with 2014 on a comparative basis due the reduction in the Company's operations including the Vioco disposal, the employee redundancy programme and closure of the London operating office late in the year; however this was partially offset by a lower recovery of costs from partners and lower other revenue. Other revenue is principally comprised of revenue from Vioco for services provided.

A pro-forma comparison of general and administrative expenses in the two periods on a gross (after adding back expenses capitalised to exploration expenditure or recovered from partners) and a net basis is shown below:

	2015	2014
	$	$
General and administrative expenses		
General and administrative expenses	8,282,365	9,097,900
Less share based payments	(1,490,549)	(463,102)
Less depreciation	(182,076)	(231,550)
	6,609,740	8,403,248
Add expenses capitalised to exploration expenditure or recovered from partners	1,819,596	4,491,964
Gross general and administrative expenses	**8,429,336**	**12,895,212**
Less other income	(1,655,830)	(2,203,514)
Less expenses capitalised to exploration expenditure or recovered from partners	(1,819,596)	(4,491,964)
Net general and administrative expenses	4,953,910	6,199,734

In cash flow terms underlying general and administrative expenses were lower than in 2014.

The foreign currency translation recycled to the profit and loss of $8,530,360 (2014: nil) is a transfer from the Foreign Currency Translation Reserve due to putting subsidiaries in the British Virgin Islands, Ghana and the UK into liquidation after disposing of their main assets.

The gain on settlement of liabilities for the year to 31 December 2015 was $345,658 (2014: nil). The gain principally relates to the settlement of outstanding liabilities from the disposal of 65% of Vioco in November 2013 at amounts lower than originally provided.

The gain on sale of fixed assets for the year to 31 December 2015 was $195,752 (2014: nil). The gain arises on the disposal of property, plant and equipment included in the assignment of the London office lease to a third party. The disposal wasn't included when the property, plant and equipment was impaired earlier in the year.

The foreign currency gain for the year to 31 December 2015 was $301,654 (2014: $463,743). The gain was due to the weakening of the Australian dollar in the year affecting the cash balances held in US dollars.

The net loss before tax for the year to 31 December 2015 was $27,189,531 (2014: $19,555,250) and the net loss after tax was $27,159,057 (2014: $19,601,654).

Cash and cash equivalents at 31 December 2015 were $7,631,769 (2014: $7,020,698). Net cash used in operations for the year to 31 December 2015 was $5,966,712 (2014: $5,863,679). Net cash flow from investing activities was $6,234,467 (2014: $2,799,651).

Equity issues
There were no equity issues in the year.

Material business risks
The Board has identified the following material business risks and adopted mitigating strategies as described below:

Risk / Uncertainty	Description	Mitigation
New opportunities and ventures	The risk that the Company doesn't secure any new opportunities and ventures.	The Company's directors have a lot of experience in finding new opportunities.

Directors
The names and details of the Company's Directors in office during the financial period and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

G. Whiddon	Executive Chairman	Appointed Independent Non-executive Director 2 June 2015 and Executive Chairman on 17 September 2015
N. Hackett	Independent Non-executive Director	Appointed Independent Non-executive Director on 26 March 2012
R. Downey	Independent Non-executive Director	Appointed Independent Non-executive Director on 17 September 2015
A. Bartlett	Independent Non-executive Chairman	Resigned 29 May 2015
G. Stoupnitzky	Managing Director	Appointed Managing Director on 20 January 2015 and resigned on 17 September 2015
A. Sinclair	Senior Independent Non-executive Director and Deputy Chairman	Appointed Independent Non-executive Chairman on 29 May 2015 and resigned on 17 September 2015
R. Shepherd	Managing Director	Resigned 20 January 2015
A. Rose	Director and Chief Financial Officer	Resigned 20 January 2015

Mr Glenn Whiddon – Independent Non-executive Chairman

Mr Glenn Whiddon was appointed to the Board of the Company as a Non-executive Director on 2 June 2015. Mr. Whiddon, formerly a Non-Executive Director and Executive Chairman of the Company, stepped down from the Board in March 2012 to pursue other interests. Mr Whiddon is based in Australia and is a significant shareholder in the Company. Mr. Whiddon has an extensive background in equity capital markets, banking and corporate advisory, with a specific focus on natural resources. Mr Whiddon holds a degree in Economics and has extensive corporate and management experience. He is currently Director of a number of Australian and international public listed companies in the resources sector.

Other current listed company directorships
Auroch Minerals NL (formerly Terranova Minerals NL) – appointed 15 January 2015
Statesman Resources Limited – appointed 26 May 2014

Former listed company directorships in last 3 years
ZYL Ltd – appointed 8 June 2012, resigned 25 March 2013

Neil Hackett – Independent Non-executive Director
Mr Neil Hackett holds a Bachelor of Economics from the University of Western Australia, post-graduate qualifications in Applied Finance and Investment, and is a Graduate (Order of Merit) with the Australian Institute of Company Directors and a Fellow of the Financial Services Institute of Australia. He is currently Non-executive Chairman of Australian Securities Exchange listed entity Ardiden Limited and company secretary of Thinksmart Limited and Otto Energy Limited. Mr Hackett is also Chairman of non-listed company Westcycle Inc. Mr Hackett’s previous West African experience includes company secretary at Ampella Mining Limited, Sundance Resources Limited and work with the Australian Securities and Investment Commission.

Other current listed company Directorships
Ardiden – appointed 5 June 2011

Former listed company Directorships in last 3 years
Modun Resources Limited – appointed 31 January 2014, resigned 11 March 2015
African Chrome Fields Limited – appointed 9 June 2011, resigned 12 February 2015

Rob Downey – Independent Non-executive Director
Mr Downey is a corporate resources solicitor and company director. He has worked extensively in all areas of resources law with a particular focus on oil and gas projects in a variety of offshore jurisdictions. Mr Downey has specialised in advising publicly listed oil and gas and mining companies in relation to a variety of legal issues including capital markets, structuring, mergers and acquisitions and listings on ASX, AIM and TSX. Mr Downey also established a corporate advisory business during 2005 and was involved in a number of IPO and listing various resources companies as well as asset acquisitions and divestments. Mr Downey has held a number of public company directorships. Mr Downey is currently the chairman of Mount Ridley Mines Limited and non-executive director of Kairiki Energy Limited, Instinct Energy Limited and Minex Resources NL. In October 2012, Mr Downey, in conjunction with two former colleagues formed Thompson Downey Cooper, where he acts for a select group of public companies, high net worth individuals and several South East Asian large private conglomerates.

Other current listed Directorships
Mount Ridley Mines Limited – appointed 8 September 2014
Kairiki Energy Limited – appointed 15 February 2013
Instinct Energy Limited – appointed 13 April 2010
Minex Resources NL – appointed 8 September 2014

Meetings of Directors

The following Directors' meetings were held during the twelve months and the number of meetings attended by each of the Directors during the period was:

		Meetings of committees	
	Directors' meetings	Remuneration	Audit
Number of meetings held	9	1	2
Number of meetings attended:			
G Whiddon	1	-	-
N Hackett	7	1	2
R Downey	-	-	-
A Bartlett	7	-	1
G Stoupnitzky	9	-	2
A Sinclair	9	1	1
R Shepherd	1	-	-
A Rose	1	-	-

Directors' interests in the shares and options of the Company

As at the date of this report, the relevant interest of each Director in the shares, options and rights of Azonto Petroleum Limited were:

Securities	G Whiddon(a)	N Hackett	R Downey
Ordinary shares			
- Direct	28,167,568	706,667	-
- Indirect	98,645,382	-	-
Performance rights			
- Direct	-	6,501,179	-
- Indirect	-	-	-
Options			
- Direct	-	-	-
- Indirect	-	-	-

(a) Glenn Whiddon: Please note that the indirect holdings are only included for good corporate governance purposes. Mr Whiddon does not control the indirect holdings. They are held independently of Mr Whiddon. Mr Whiddon has no relevant interest in the indirect holdings.

Company Secretary
Mr Neil Hackett is Company Secretary. His details are detailed in the Directors section above.

Mr Andrew Rose resigned as Joint Company Secretary on 15 January 2015.

Significant changes in the state of affairs
There were no changes in the state of affairs of the Group other than those referred to elsewhere in this report of the financial statements or notes thereto.

Significant events after balance date

- The liquidation of Azonto Petroleum (Ghana) Limited, incorporated in Ghana, was completed in February 2016.

Likely developments and expected results
The Company is currently looking at new investment opportunities.

Environmental regulation and performance
There are no particular and significant environmental regulations that have affected the performance of the Group's operations.

Share options
As at the date of this report, there were no unissued ordinary shares under options (nil at the reporting date).

There were no options issued or exercised and 35,310,150 options expired during the financial year. No options have been issued since the end of the financial period to the date of the report.

Performance rights
At the date of the report the Company has 140,569,489 performance rights. No performance rights have been converted to ordinary shares since the end of the financial period to the date of the report.

Number of rights	Exercise price	Vesting date
250,000	-	1-Jul-13
46,589,916	-	18-Dec-17
93,729,573	-	18-Dec-17
140,569,489		

The rights vesting on 1 July 2013 had not been issued by the end of the financial period. The only vesting condition for these rights was continued employment at time of vesting.

The Performance Rights vesting on 18 December 2017, which were granted on 18 December 2013, 13 June 2014 and 3 March 2015, will vest subject to the satisfaction of certain performance criteria. The requirement for continued employment throughout the vesting period was amended during the year such that executives will be treated as good leavers (other than termination due to misconduct). Consequently, rights are still held by directors and employees who have left the Company. The Rights are split into two tranches, Tranche 1 (46,589,916 rights), and Tranche 2 (93,729,573 rights). Details of the vesting conditions attaching to these performance rights may be found in the Remuneration Report (see below).

Performance shares
As at the date of the report 15,000,000 performance shares previously reported by the Company as outstanding, relating to the consideration for the acquisition of Azonto Petroleum Holdings Limited (formerly CLNR Holdings Limited) in July 2010 have now expired. The performance shares could have converted into ordinary shares on the issue of an independent reserve report delineating mean reserves in excess of 40 million barrels of oil equivalent in Block CI-202. The obligation expired five years from the completion date of the acquisition in July 2015. Contributions provided to the Company for the performance shares are not refundable to this class of shareholder.

Officers' indemnities and insurance
The Group has, during the financial period, entered into an agreement with the Directors and certain officers to indemnify these individuals against any claims and related expenses which arise as a result of work completed in their respective capabilities.

During the financial period, the Group has paid premiums in respect of a contract insuring all the Directors and Officers of Azonto Petroleum Limited against costs incurred in defending proceedings except for conduct involving:

(a) a wilful breach of duty; or
(b) a contravention of sections 182 or 183 of the Corporations Act 2001,

as permitted by section 199B of the Corporations Act 2001.

The total amount of insurance contract premiums paid in the year was $111,153 (2014: $89,544).

Indemnification of auditors
To the extent permitted by law, the Group has agreed to indemnify its Auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Remuneration report (Audited)

The Directors and key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Remuneration levels for Directors and key management personnel are competitively set to attract and retain appropriately qualified and experienced Directors and executives.

The Board is responsible for remuneration policies and practices. The Remuneration Committee assesses the appropriateness of the nature and amounts of remuneration of officers and employees on a periodic basis and makes recommendations to the Board. The Remuneration Committee, where appropriate, seeks independent advice on remuneration policies and practices, including remuneration packages and terms of employment. No independent advice was received in the current year. The Group's securities trading policy regulates dealings by Directors, officers and employees in securities issued by the Group. The policy imposes trading restrictions on all Directors, key management personnel and employees of the Group and their related companies who possess inside information.

The remuneration structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Group.

The Group has in place the following incentive plans:
- A Short Term Incentive Plan providing for cash bonuses to be paid annually based on a combination of individual and corporate performance over the previous year.
- A Performance Rights Plan (the "ASIC Relief Plan") for Australian resident directors and employees,and
- A Performance Rights Plan (the "No ASIC Relief Plan") for directors and employees outside Australia.

A summary of these Plans is set out below. The Board is of the opinion that these incentive plans achieve the following outcomes:
- Alignment of the interests of the Group's employees with that of shareholders;
- Retention of staff and management to pursue the Group's strategy and goals;
- Fair and reasonable reward for past individual and Group performance; and
- Incentive to deliver future individual and Group performance.

Performance Rights Plans
The Plans, which are substantially identical in nature, are open to any Executive Director, full time or part time employee or contractor of the Group who is declared by the Board to be eligible to receive grants of Performance Rights under the Plans. In addition the No ASIC Relief Plan permits grants to be made to non-executive Directors. Subject to the satisfaction of the vesting conditions given to eligible participants, each Performance Right vests to one Share.

The Performance Rights are issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights. Vesting conditions, if any, are determined by the Board from time to time and set out in individual offers for the grant of Performance Rights. Shares issued upon vesting may be freely transferred subject to compliance with the Group's securities trading rules.

The vesting conditions applicable to all of the outstanding unvested Rights are set out below:

Tranche 1 (1/3 of Rights outstanding)
The Tranche 1 Performance Rights will vest on achievement of three strategic milestones (the Tranche 1 Vesting Conditions), within four years of grant. The first milestone, namely the completion of the sale to Vitol of 65% of the Company's subsidiary in Cote d'Ivoire (now named Vioco), was achieved in 2013. The remaining strategic milestones are as follows:

(a) all government and partner approvals, offtake, supply and service contracts, financings and other necessary conditions for the Gazelle field development project to proceed having been obtained and agreed and Vioco Petroleum Ltd having taken the Final Investment Decision to proceed with the project; and
(b) the first delivery of gas from the Gazelle field to the Cote d'Ivoire state electricity company (or other agreed purchaser) having been made under stabilised flow rate conditions.

In the event that not all of the Tranche 1 Vesting Conditions are satisfied within four years of grant, the Board may resolve that a proportion of the Tranche 1 Performance Rights vest based on the degree of progress towards satisfaction of the Tranche 1 Vesting Conditions that has been achieved.

The three strategic milestones were chosen by the Board as they were considered to be the key milestones that the Company was working towards.

Tranche 2 (2/3 of Rights outstanding)
The Tranche 2 Performance Rights will vest on achievement of certain share price hurdles (to be calculated based on the VWAP over the 10 trading days prior to the date of issue) within four years of grant, subject to the Board being satisfied, at the end of the four year period, with the overall financial, strategic and HSE performance of the Company over that four year period.

The share price hurdles are as follows:
(a) 25% of the Tranche 2 Performance Rights will vest if the Company's Share price reaches $0.05 per share;
(b) a further 25% of the Tranche 2 Performance Rights will vest if the Company's Share price reaches $0.07 per share;
(c) the remaining 50% of the Tranche 2 Performance Rights will vest if the Company's Share price reaches $0.09 per share.

A series of share price hurdles was chosen as a performance condition for Tranche 2 as this was considered by the Board to be the best way of aligning management incentives with shareholder returns. The share price hurdles in question were selected so as to provide stretching targets for full vesting.

In order to minimise the cash impact of resignations and redundancies that the Company undertook in 2015 the Board of Azonto agreed in March 2015 to exercise its discretion as provided for under the Company's Performance Rights Plan to enable all departing personnel, including executive management and directors, to be deemed as "good leavers", which results in all eligible participants to continue to hold their Performance Rights upon conclusion of employment or office, subject to the same strategic and share price related vesting conditions associated with the original grants of the Performance Rights and enable vesting in the event of a change in control under the Corporations Act. Note the disposal of Azonto's main business undertaking did not constitute a change of control event under the Corporation Act and accordingly did not give rise to the vesting of the performance rights.

Short Term Incentive Plan
The Short Term Incentive Plan provides for the payment of discretionary cash bonuses to Executive Directors, full time or part time employees or contractors of the Group annually in respect of their performance and the overall performance of the Group during the previous financial year. The Plan establishes maximum bonus levels as a percentage of salary by grade of employee and a guideline framework for calibrating the actual bonus against the maximum according to certain parameters of individual and corporate performance. However all bonus payments are entirely at the discretion of the Board and there are no contractual bonus entitlements under the Plan.

Non-executive Directors
The fixed fees for the Non-executive Directors were last reviewed by PWC in late 2013. There are no termination or retirement benefits for non-executive Directors (other than statutory superannuation). The maximum available pool of fees is set by shareholders in general meeting and is currently $350,000 per annum.

Fixed remuneration for executives
Fixed remuneration for executives consists of base remuneration (which is calculated on a total cost basis and includes any Fringe Benefit Tax charges related to employee benefits), as well as employer contributions to superannuation funds. Remuneration levels are reviewed annually by the Board where applicable. The process consists of a review of Group and individual performance, length of service, relevant comparative remuneration internally and externally and market conditions.

Service contracts
Remuneration and other terms of employment for Executive Directors and other key management personnel are formalised in service agreements and letters of employment (conditions of employment). All parties continue to be employed until their employment is terminated. Employment contracts can be terminated by either party by providing 3 months' written notice. The Company may make payment in lieu of notice.

Key management personnel are entitled to receive, on termination of employment, statutory entitlements of vested annual and long service leave, together with post-employment benefits. Any options or rights awarded but not vested at the time of resignation will be cancelled unless the Board advises otherwise at its own discretion.

Employment contracts do not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year with consideration of employment market conditions, changes in the scope of the role performed by the employee and changes in remuneration policy set by the Remuneration Committee.

Remuneration
Details of the remuneration of the Directors of the Company and key management personnel are set out in the following tables.

The key management personnel of the Company include the following Directors and executive officers:

- Glenn Whiddon
- Neil Hackett
- Rob Downey
- Andrew Bartlett Resigned 29 May 2015
- Gregory Stoupnitzky Resigned 17 September 2015
- Andrew Sinclair Resigned 17 September 2015
- Rob Shepherd Resigned 20 January 2015
- Andrew Rose Resigned 20 January 2015
- Jeff Durkin Resigned 17 September 2015
- Jay Smulders Resigned 10 August 2015

The cash bonus and share-based payment rights detailed in the table below are performance related. Share-based payment options are related to ongoing service conditions with the Company. While options issued have no performance conditions, they were issued at an exercise price out of the money at grant date, which encourages employees to remain with the Company and work towards achieving share price growth. The value of options and rights shown in the tables below represent the vesting expense, measured in accordance with Australian Accounting Standards, for awards granted in the current or previous financial years.

The Corporations Act requires disclosure of the Company’s remuneration policy to contain a discussion of the Company’s earnings, performance and the effect of the Company’s performance on shareholder wealth in the reporting period and the four previous financial years. The table below provides a five year financial summary to 31 December 2015:

	Dec-15 12 months	**Dec-14 12 months**	**Dec-13 6 months**	**Jun-13 12 months**	**Jun-12 12 months**
Net loss after tax	(27,159,057)	(19,601,654)	(6,148,466)	(170,626,492)	(10,163,601)
EPS (cents) Basic	(2.34)	(1.30)	(0.58)	(24.99)	(2.16)
EPS (cents) Diluted	(2.34)	(1.30)	(0.58)	(24.99)	(2.16)
Year-end share price	0.0001	0.01	0.03	0.03	0.21

Following is the table of remuneration for the year ended 31 December 2015:

Name	Short-term benefits: Salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Termination benefit $	Share-based payment (k): Rights $	Total $	Performance related %
Non- executive Directors						
N Hackett (a)	79,500	-	-	30,745	110,245	27.9
R Downey (b)	10,300	-	-	-	10,300	-
A Bartlett (c)	47,622	-	-	163,233	210,855	77.4
A Sinclair (d)	56,450	-	-	91,225	147,675	61.8
Executive Directors						
Glenn Whiddon (e)	64,090	-	-	-	64,090	-
G Stoupnitzky (f)	325,278	251,874	75,585	195,976	848,713	23.1
R Shepherd (g)	26,768	-	-	5,539	32,307	17.1
A Rose (h)	20,202	-	-	2,626	22,828	11.5
Executives						
J Durkin (i)	297,526	245,700	64,849	156,374	764,449	20.5
J Smulders (j)	241,450	243,627	64,620	158,245	707,942	22.4
Total	1,169,186	741,201	205,054	803,963	2,919,404	

(a) Mr Hackett received $55,500 for Directors' fees and $24,000 for services as Company Secretary.
(b) Mr Downey was appointed on 17 September 2015.
(c) Mr Bartlett resigned on 29 May 2015.
(d) Mr Sinclair resigned on 17 September 2015.
(e) Mr Whiddon was appointed Director on 2 June 2015. He received $36,545 for Director's fees and $27,545 for consulting fees.
(f) Mr Stoupnitzky resigned on 17 September 2015.
(g) Mr Shepherd resigned as Managing Director on 20 January 2015.
(h) Mr Rose resigned on 20 January 2015.
(i) Mr Durkin resigned on 17 September 2015.
(j) Mr Smulders resigned on 10 August 2015.
(k) Vesting expense for the fair value of share based payment awards determined at grant date in accordance with Australian Accounting Standards.

Following is the table of remuneration for the year ended 31 December 2014:

	Short-term benefits		Share-based payment (g)		
Name	Salary and fees $	Cash bonus $	Rights $	Total $	Performance related %
Non- executive Directors					
A Bartlett	115,000	-	55,014	170,014	32.4
A Sinclair (a)	118,765	-	30,745	149,510	20.6
N Hackett (b)	98,999	-	30,745	129,744	23.7
Executive Directors					
G Stoupnitzky (c)	341,972	-	58,414	400,386	14.6
R Shepherd (d)	484,628	-	102,485	587,113	17.5
A Rose (e)	365,757	-	28,617	394,374	7.3
Executives					
J Durkin	337,785	-	27,046	364,831	7.4
J Smulders (f)	233,143	171,433	25,175	429,751	5.9
Total	2,096,049	171,433	358,241	2,625,723	

(a) Mr Sinclair received $90,000 for Director's fees and $28,765 for consulting fees.
(b) Mr Hackett received $74,999 for Directors' fees and $24,000 for services as Company Secretary.
(c) Mr Stoupnitzky received $328,472 for salary and $13,500 for consulting fees.
(d) Mr Shepherd resigned as Managing Director on 20 January 2015.
(e) Mr Rose was appointed Director on 3 March 2014 and resigned on 20 January 2015.
(f) Mr Smulders was appointed Technical Director on 22 April 2014.
(g) Vesting expense for the fair value of share based payment awards determined at grant date in accordance with Australian Accounting Standards.

Bonuses

In the year to 31 December 2015 Mr Stoupnitzky received a bonus of $196,529 (£90,404), Mr Durkin received a bonus of $191,585 (£88,129) and Mr Smulders received a bonus of $189,241 (£88,129) following the successful completion of the sale of the 35% interest in Vioco Petroleum Limited. Mr Stoupnitzky received a bonus of $55,345 (£25,586), Mr Durkin received a bonus of $54,115 (£25,017) and Mr Smulders received a bonus of $54,386 (£25,017) following the completion of the sale of the CI-202 wellhead drilling equipment.

In the year to 31 December 2014 Mr Smulders received a sign-on bonus of $171,433 (£94,339).

Employee share benefits plan

At the end of the financial year the following share-based payment arrangements were in existence. Performance rights issued prior July 2013 do not have performance conditions: instead, they are issued subject to service conditions, which encourage employees to remain with the Company and work towards achieving share price growth.

The Performance Rights granted in the periods to 31 December 2013, 2014 and 31 December 2015 will vest subject to the satisfaction of certain performance criteria as disclosed above.

Performance rights

The table below represents performance rights issued still in existence at the end of the financial year:

Reference number	Grant date	Grant date fair value	Vesting dates
1	29-Nov-11	$0.28	1-Jul-2013
2	18-Dec-13	$0.03	18-Dec-17
3	18-Dec-13	$0.02	18-Dec-17
4	13-Jun-14	$0.02	18-Dec-17
5	13-Jun-14	$0.01	18-Dec-17
6	3-Mar-15	$0.003	18-Dec-17
7	3-Mar-15	$0.00003	18-Dec-17

The following grants of share-based payment compensation, being performance rights to Directors and senior management, were awarded or vested during the current financial year:

Name	Financial year granted	Granted ref number	No. granted during year	No. vested during year	No. vested to date	% vested during year	% vested to date
Executives							
J Durkin	2015	6,7	10,412,088	-	-	-	-
J Smulders	2015	6,7	10,412,088	-	-	-	-

The following table summarises the value of options granted, exercised or lapsed and the value of rights granted, issued or lapsed during the financial year:

Name	Value of rights at grant date(i)	Value of rights lapsed at the date of lapse(ii)	Value of rights lapsed at the date of lapse(ii)
Executives			
J Durkin	10,650	-	-
J Smulders	10,650	-	-

(i) The value of rights granted during the year is recognised in compensation over the vesting period of the grant, in accordance with Australian Accounting Standards;

(ii) The value of rights lapsing during the year due to failure to satisfy a vesting condition is determined at lapse date based on intrinsic value at lapse date.

Following is the table of rights holdings for the year ended 31 December 2015:

31 December 2015	Balance 1 January 2015	Granted as remuneration	Exercised	Net change Other (i)	Balance 31 December 2015	Vested at 31 December 2015	Vested and Exercisable at 31 December 2015	Vested and unexercisable at 31 December 2015
Direct interest								
Directors								
A Bartlett	11,632,776	-	-	(11,632,776)	-	-	-	-
G Stoupnitzky	16,253,000	-	-	(16,253,000)	-	-	-	-
A Sinclair	6,501,179	-	-	(6,501,179)	-			
N Hackett	6,501,179	-	-	-	6,501,179	-	-	-
R Shepherd	21,670,596	-	-	(21,670,596)	-	-	-	-
A Rose	16,253,000	-	-	(16,253,000)	-	-	-	-
Executives								
J Durkin	16,253,000	10,412,088	-	(26,665,088)	-	-	-	-
J Smulders	16,253,000	10,412,088	-	(26,665,088)	-	-	-	-
	111,317,730	20,824,176	-	(125,640,727)	6,501,179	-	-	-

(i) Appointments and resignations as follows:
- (a) A Bartlett resigned 29 May 2015. Mr Bartlett continues to hold his Performance Rights after resignation.
- (b) G Stoupnitzky resigned 17 September 2015. Mr Stoupnitzky continues to hold his Performance Rights after resignation.
- (c) A Sinclair resigned 17 September 2015. Mr Sinclair continues to hold his Performance Rights after resignation.
- (d) R Shepherd resigned 20 January 2015. Mr Shepherd continues to hold his Performance Rights after resignation.
- (e) A Rose resigned 20 January 2015. Mr Rose continues to hold his Performance Rights after resignation.
- (f) J Durkin resigned 17 September 2015. Mr Durkin continues to hold his Performance Rights after resignation.
- (g) J Smulders resigned 10 August 2015 Mr Smulders continues to hold his Performance Rights after resignation.
- (h) G Whiddon was appointed 2 June 2015 and had no performance rights holdings in 2015.
- (i) R Downey was appointed 17 September 2015 and had no performance rights holdings in 2015.

(ii) Key management personnel had no option holdings in 2015.

Following is the table of shareholdings for the period ended 31 December 2015:

31 December 2015	Balance 1 January	Granted as remuneration	Options exercised	Rights issued	Net change other	Balance 31 December
Direct interest						
Directors (i)						
G Whiddon	-	-	-	-	28,167,568	28,167,568
A Bartlett	2,136,667	-	-	-	(2,136,667)	-
G Stoupnitzky	2,333,333	-	-	-	(2,333,333)	-
N Hackett	706,667	-	-	-	-	706,667
A Sinclair	1,963,333	-	-	-	(1,963,333)	-
R Shepherd	9,902,945	-	-	-	(9,902,945)	-
A Rose	6,663,230	-	-	-	(6,663,230)	-
Executives (i)						
J Smulders	4,000,000	-	-	-	(4,000,000)	-
	27,706,175	-	-	-	1,168,060	28,874,235
Indirect interest(ii)						
Directors						
G Whiddon	-	-	-	-	98,645,382	98,645,382
A Rose	2,152,747	-	-	-	(2,152,747)	-
	2,152,747	-	-	-	96,492,635	98,645,382

(i) Appointments and resignations as follows:
- (a) A Bartlett resigned 29 May 2015.
- (b) G Stoupnitzky resigned 17 September 2015.
- (c) A Sinclair resigned 17 September 2015.
- (d) R Shepherd resigned 20 January 2015.
- (e) A Rose resigned 20 January 2015.
- (f) J Durkin resigned 17 September 2015.
- (g) J Smulders resigned 10 August 2015.
- (h) G Whiddon was appointed 2 June 2015.Mr Whiddon held shares at his time of appointment.
- (i) R Downey was appointed 17 September 2015 and had no shareholdings in 2015.

(ii) Indirect interests are shareholdings that the director has a relevant interest in but is not the registered holder.

Other related party transactions
During the year the company paid MIMO Strategies Pty Limited, a related party of Glenn Whiddon, $6,450 for office space and administrative services.

End of audited remuneration report

Non-audit services
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or Group are important. The Board of Directors are satisfied that the provision of the non-audit services, during the year, by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Details of the amount paid or payable to the auditor for audit services provided during the year are set out in Note 23. There were no non-audit services provided during the year.

Rounding
The amounts contained in this report and in the financial report have been rounded to the nearest $1,000,000 (where rounding is applicable) and where noted ($ millions) under the option available to the Company under ASIC CO 98/0100. The Company is an entity to which class order applies.

Auditor's independence declaration
A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18.

Signed in accordance with a resolution of the Directors.

Glenn Whiddon
Chairman
10 March 2016

Ernst & Young
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Perth WA 6000 Australia
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Auditor's Independence Declaration to the Directors of Azonto Petroleum Ltd

As lead auditor for the audit of Azonto Petroleum Ltd for the financial year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit*;* and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Azonto Petroleum Ltd and the entities it controlled during the financial year.

Ernst & Young

D A Hall
Partner
Perth
10 March 2016

Consolidated statement of comprehensive income

For the year ended 31 December 2015

	Notes	Consolidated 12 Month 31 December 2015 $	12 Month 31 December 2014 $
Interest revenue		10,160	12,030
Other revenue		1,655,830	2,203,514
		1,665,990	2,215,544
Impairment of joint venture	17	(31,075,108)	-
Impairment of exploration asset		-	(12,785,055)
Impairment of property, plant and equipment		(196,771)	-
Contingent consideration on the sale of non-current assets	17	1,662,266	-
General and administrative expenses	3	(8,282,365)	(9,097,900)
Gain/(loss) on disposal of subsidiary		-	(222,631)
Foreign currency translation recycled to Profit and Loss		8,530,360	-
Gain on settlement of liabilities		345,658	-
Gain on sale of fixed assets		195,752	-
Share of loss of a joint venture	17	(336,967)	(128,951)
Foreign exchange gain		301,654	463,743
Loss before income tax		(27,189,531)	(19,555,250)
Income tax benefit/(expense)	4	30,474	(46,404)
Net loss for the year		(27,159,057)	(19,601,654)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Foreign currency translation:			
Arising during the year		74,747	525,573
Recycled to the profit and loss on disposal of subsidiaries		(8,530,360)	-
Share of joint venture reserves		1,987,331	2,725,227
Items that will not be reclassified subsequently to profit and loss:			
Foreign currency translation attributable to non-controlling interests		-	(19,911)
Other comprehensive income for the year, net of tax		(6,468,282)	3,230,889
Total comprehensive loss for the year		(33,627,339)	(16,370,765)
Loss for the period is attributable to:			
Non-controlling interest		-	(4,595,167)
Owners of the parent		(27,159,057)	(15,006,487)
		(27,159,057)	(19,601,654)
Other comprehensive income/(loss) for the period is attributable			
Non-controlling interest		-	(19,911)
Owners of the parent		(6,468,282)	3,250,800
		(6,468,282)	3,230,889
Loss per share		Cents per share	Cents per share
- basic loss per share attributable to owners of the parent	14	(2.34)	(1.30)
- diluted loss per share attributable to owners of the parent	14	(2.34)	(1.30)

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

Consolidated statement of financial position

As at 31 December 2015

		Consolidated	
		31 December 2015	31 December 2014
	Notes	$	$
ASSETS			
Current assets			
Cash and cash equivalents	5	7,631,769	7,020,698
Trade and other receivables	6	-	1,185,675
Other current assets	7	92,492	167,938
Income tax receivable	11	9,527	-
Total current assets		7,733,788	8,374,311
Non-current assets			
Exploration and evaluation	8	-	-
Property, plant and equipment	9	-	379,228
Investment in a joint venture	17	-	33,785,687
Total non-current assets		-	34,164,915
TOTAL ASSETS		7,733,788	42,539,226
LIABILITIES			
Current liabilities			
Trade and other payables	10	210,573	2,818,768
Income tax payable	11	-	60,453
Total current liabilities		210,573	2,879,221
TOTAL LIABILITIES		210,573	2,879,221
NET ASSETS		7,523,215	39,660,005
EQUITY			
Issued capital	12	232,780,470	232,780,470
Performance shares	12	9,994,250	9,994,250
Reserves	13 (b)	12,653,564	17,631,297
Accumulated losses	13 (a)	(247,905,069)	(220,746,012)
Parent interests		7,523,215	39,660,005
Non-controlling interest	13 (c)	-	-
TOTAL EQUITY		7,523,215	39,660,005

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

Consolidated statement of changes in equity

As at 31 December 2015

	Share capital	Performance share	Employee equity benefits reserve	Equity reserve	Foreign currency translation reserve	Accumulated losses	Total
	$	$	$	$	$	$	$
At 1 January 2015	232,780,470	9,994,250	13,590,581	(2,427,566)	6,468,282	(220,746,012)	39,660,005
Loss for period	-	-	-	-	-	(27,159,057)	(27,159,057)
Other comprehensive income/(loss)	-	-	-	-	(6,468,282)	-	(6,468,282)
Total comprehensive loss for the year	-	-	-	-	(6,468,282)	(27,159,057)	(33,627,339)
Transactions with owners in their capacity as owners							
Share based payments	-	-	1,490,549	-	-	-	1,490,549
At 31 December 2015	232,780,470	9,994,250	15,081,130	(2,427,566)	-	(247,905,069)	7,523,215

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

Consolidated statement of changes in equity

As at 31 December 2014

	Share capital	Performance share	Employee equity benefits reserve	Equity reserve	Foreign currency translation reserve	Accumulated losses	Total owners of the parent	Non-controlling interest	Total
	$	$	$	$	$	$	$	$	$
At 1 January 2014	231,717,170	9,994,250	14,190,779	(2,427,566)	3,217,482	(205,739,525)	50,952,590	4,615,078	55,567,668
Loss for period	-	-	-	-	-	(15,006,487)	(15,006,487)	(4,595,167)	(19,601,654)
Other comprehensive income/(loss)	-	-	-	-	3,250,800	-	3,250,800	(19,911)	3,230,889
Total comprehensive loss for the year	-	-	-	-	3,250,800	(15,006,487)	(11,755,687)	(4,615,078)	(16,370,765)
Transactions with owners in their capacity as owners									
Share based payments	-	-	463,102	-	-	-	463,102	-	463,102
Conversion of performance rights	1,063,300	-	(1,063,300)	-	-	-	-	-	-
At 31 December 2014	232,780,470	9,994,250	13,590,581	(2,427,566)	6,468,282	(220,746,012)	39,660,005	-	39,660,005

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

Consolidated statement of cash flows

For the year ended 31 December 2015

		Consolidated	
		2015	**2014**
	Notes	**$**	**$**
Cash flows from operating activities			
Receipts from customers		4,147,898	6,076,825
Payments to suppliers and employees		(10,079,290)	(11,693,785)
Interest received		10,160	12,030
Income tax paid		(45,480)	(258,749)
Net cash flows used in operating activities	18	(5,966,712)	(5,863,679)
Cash flows from investing activities			
Purchase of property, plant & equipment	9	-	(284,591)
Proceeds from disposal of property, plant & equipment		211,258	-
Proceeds from sale of interest in joint venture		6,023,209	3,430,160
Payments to joint venture	17	-	(367,931)
Receipt for exploration expenditure	8	-	22,013
Net cash flows from investing activities		6,234,467	2,799,651
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Proceeds from the exercise of options		-	-
Payments for capital raising		-	-
Lease repayments		-	-
Net cash flows from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		267,755	(3,064,028)
Net foreign exchange differences		343,316	654,536
Cash and cash equivalents at the beginning of the financial year		7,020,698	9,430,190
Cash and cash equivalents at end of the financial year	5	7,631,769	7,020,698

The statement of cash flows should be read in conjunction with the notes to the financial statements.

1. Corporate information

The consolidated financial report of Azonto Petroleum Limited for the year ended 31 December 2015 was authorised for issue in accordance with a resolution of the Directors on 10 March 2016.

Azonto Petroleum Limited is a Company limited by shares incorporated in Australia by shares which are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' report.

2. Summary of significant accounting polices

Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncement of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except where stated.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed where appropriate.

For the purpose of preparing the consolidated financial statements, the Group is a for-profit entity.

Excepted as disclosed the accounting policies set out below have been applied consistently to all periods presented in the consolidated financial report and by all entities in the consolidated entity.

a) Compliance statement

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

b) Going concern and basis of accounting

The consolidated financial statements have been prepared on a going concern basis as the Directors are of the opinion that the Group can meet its obligations as and when they fall due. The Company is currently looking at potential new opportunities.

c) New accounting standards and interpretations

The Group has adopted all new and amended Australian Accounting Standards and AASB Interpretations effective from 1 January 2015, including:

Summary	Application date for Group
AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* The Standard contains three main parts and makes amendments to a number of Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge*	1 January 2015

Summary	Application date for Group
Accounting into AASB 9 *Financial Instruments*.	
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) *Annual Improvements to IFRSs 2010–2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle.* Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: ► AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ► AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ► AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segment assets to the entity's total assets. ► AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ► AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 *Related Party Disclosures* for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.	1 January 2015
AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle The standard addresses the following items: ► AASB 13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. ► AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.	1 January 2015

None of these standards required a restatement of comparative information, and had no impact on the accounting policies of the Group.

New accounting standards not yet effective

The following accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the year ended 31 December 2015 and the Group has not yet determined the impact on the financial statements:

Summary	Application date for Group
AASB 9 Financial Instruments AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. Classification and measurement AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below. *Financial assets*	1 January 2018

<table>
<tr><th>Summary</th><th>Application date for Group</th></tr>
<tr><td>
a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
Financial liabilities
Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option.
Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:
► The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
► The remaining change is presented in profit or loss
AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity’s own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.
Impairment
The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.
Hedge accounting
Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.
Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.
AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014.
AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.
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<tr><td>
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations
[AASB 1 & AASB 11]
AASB 2014-3 amends AASB 11 Joint Arrangements to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require:
(a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11
(b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations
This Standard also makes an editorial correction to AASB 11.
</td><td>1 January 2016</td></tr>
<tr><td>
AASB 2014-4 Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)
AASB 116 Property Plant and Equipment and AASB 138 Intangible Assets both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.
The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.
The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.
</td><td>1 January 2016</td></tr>
</table>

<table>
<tr><th>Summary</th><th>Application date for Group</th></tr>
<tr><td>AASB 15 Revenue from Contracts with Customers
AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations (Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers, Interpretation 131 Revenue—Barter Transactions Involving Advertising Services and Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry). AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB).

AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments).The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

(a) Step 1: Identify the contract(s) with a customer
(b) Step 2: Identify the performance obligations in the contract
(c) Step 3: Determine the transaction price
(d) Step 4: Allocate the transaction price to the performance obligations in the contract
(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted.

AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.</td><td>1 January 2018</td></tr>
<tr><td>AASB 1057 Application of Australian Accounting Standards
This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. Accordingly, paragraphs 5 and 22 respectively specify the application paragraphs for Standards and Interpretations in general. Differing application paragraphs are set out for individual Standards and Interpretations or grouped where possible.
The application paragraphs do not affect requirements in other Standards that specify that certain paragraphs apply only to certain types of entities.</td><td>1 January 2016</td></tr>
<tr><td>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require:

(a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not)
(b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

AASB 2014-10 also makes an editorial correction to AASB 10

AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.</td><td>1 January 2016</td></tr>
<tr><td>AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle
The subjects of the principal amendments to the Standards are set out below:

AASB 5 Non-current Assets Held for Sale and Discontinued Operations:
• Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change.

AASB 7 Financial Instruments: Disclosures:
• Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is ‘continuing involvement’ for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7.</td><td>1 January 2016</td></tr>
</table>

<table>
<tr><th>Summary</th><th>Application date for Group</th></tr>
<tr><td>Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134.
AASB 119 Employee Benefits:
Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.
AASB 134 Interim Financial Reporting:
Disclosure of information ‘elsewhere in the interim financial report’ - amends AASB 134 to clarify the meaning of disclosure of information ‘elsewhere in the interim financial report’ and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.</td><td></td></tr>
<tr><td>AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB’s Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.</td><td>1 January 2016</td></tr>
<tr><td>AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality
The Standard completes the AASB’s project to remove Australian guidance on materiality from Australian Accounting Standards.</td><td>1 January 2016</td></tr>
<tr><td>AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]
This Standard inserts scope paragraphs into AASB 8 and AASB 133 in place of application paragraph text in AASB 1057. This is to correct inadvertent removal of these paragraphs during editorial changes made in August 2015. There is no change to the requirements or the applicability of AASB 8 and AASB 133.</td><td>1 January 2016</td></tr>
<tr><td>IFRS 16 Leases
The key features of IFRS 16 are as follows:

Lessee accounting
Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.
IFRS 16 contains disclosure requirements for lessees.
Lessor accounting
IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor’s risk exposure, particularly to residual value risk.
IFRS 16 supersedes:
(a) IAS 17 Leases;
(b) IFRIC 4 Determining whether an Arrangement contains a Lease;
(c) SIC-15 Operating Leases—Incentives; and</td><td>1 January 2019</td></tr>
</table>

Summary	Application date for Group
(d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16.	

An assessment of the impact of new standards and interpretations has not been completed.

d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Azonto Petroleum Limited and its subsidiaries (as outlined in Note 22) (the Group) as at and for the period ended 31 December each year.

Subsidiaries are all those entities over which the Group has power over the investee such that the Group is able to direct the relevant activities, has exposure or rights to variable returns from its involvements with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions have been eliminated in full.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

e) Joint arrangements

Joint arrangements are arrangements of which two or more parties have joint control. Joint control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as either a joint operation or joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement. To the extent the joint arrangement provides the Group with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation and as such, the Group recognises its:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation;
- Share of revenue from the sale of the output by the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method.

Under the equity method, the investment in the joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss and other comprehensive income (OCI) reflects the Group's share of the results of operations of the joint venture. Any change in OCI of that investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of the joint venture is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss and other comprehensive income. On loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss

f) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the profit and loss component of the statement of comprehensive income as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 Share-based Payment; and

- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

g) Foreign currency translation

Functional and presentation currency
Both the functional and presentation currency of Azonto Petroleum Limited is Australian dollars ($). The British Virgin Island (BVI) subsidiaries' and Ghana subsidiary functional currency is United States Dollars and the United Kingdom subsidiary's functional currency is Great British Pounds which are translated to the presentation currency.

Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency by applying the average exchange rate prevailing in the period of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of Group Companies' functional currency to presentation currency
The results of the BVI, Ghana and United Kingdom subsidiaries are translated into Australian Dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity until the net investment is disposed, at which time, the cumulative amount is reclassified to the profit and loss.

h) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating result are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:
- Nature of the products and services
- Nature of the production processes
- Type or class of customer for the products and services

- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

j) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less an allowance for impairment. Trade receivables are due for settlement no more than 120 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An impairment allowance is recognised when there is objective evidence that the Group will not be able to collect the receivable. The amount of the impairment loss is the difference between the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

k) Exploration and evaluation expenditure

Exploration and evaluation expenditure, including the costs of acquiring the licences/permits, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the profit and loss component of the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy (w)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of oil or gas in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to oil and gas property and development assets within property, plant and equipment.

When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

l) Investments and other financial assets

The Group determines the classification of its financial instruments at initial recognition.

Fair value is the measurement basis, with the exception of held-to-maturity investments and loans and receivables which are measured at amortised cost. Changes in fair value are either taken to profit and loss or Other Comprehensive Income.

Fair value is determined based on current bid prices for all quoted investments. If there is not an active market for a financial asset fair value is measured using established valuation techniques.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets are impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists the cumulative loss is removed from equity and recognised in the profit or loss.

m) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense as incurred.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation
Depreciation is charged to profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

- Plant and equipment over 2 to 20 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

Derecognition
Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit and loss in the period the item is derecognised.

n) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

o) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

p) Provisions and employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave which are expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognised termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

q) Share-based payments

The Group provides benefits to employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares. The fair value of equity instruments granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the equity instruments.

The fair value of the performance rights granted is measured using a Monte Carlo valuation model and the share options granted is measured using a Black Scholes valuation model. These models take into account the terms and conditions upon which the rights and options were granted and the probability of achieving each required milestone.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on straight-line basis from the grant date to the date on which the relevant employees become fully entitled to the award ("vesting date"). The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding equity instruments is reflected as additional share dilution in the computation of earnings per share.

r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

s) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

- Interest income is recognised as it accrues using the effective interest method.

t) Income tax and other taxes

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Other taxes
Revenues, expenses and assets are recognised net of the amount of Government Sales Tax ("GST") except:

- Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivable and payable are stated with the amount of GST included

The net amount of GST recoverable from the taxation authority is included as part of the receivables in the statement of financial position. The amount of GST payable to the taxation authority is included as part of the payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

u) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

Diluted Earnings Per Share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

v) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units).

w) Use of estimates and judgements

The preparation of financial statements required management to make judgements, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Foreign currency translation
Under the Accounting Standards, each entity within the Group is required to determine its functional currency, which is the currency of the primary economic environment in which the entity operates. In arriving at this determination, management gives priority to the currency that influences the labour, materials and other costs of exploration activities as they consider this to be a primary indicator of the functional currency.

Significant accounting estimates and assumptions
The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Exploration and evaluation assets
The Group's accounting policy for exploration and evaluation expenditure is set out at Note 2(k). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the profit and loss.

Share based payments

The Group measures the cost of equity-settled share based payments at fair value at the grant date considering the probability of achieving milestones for rights and using the Black-Scholes formula for options, taking into account the terms and conditions upon which the instruments were granted, refer to Note 21 for the inputs used.

3. General and administrative expenses

	Consolidated 2015 $	Consolidated 2014 $
Employee benefit and Director compensation expense	3,813,460	4,218,552
Share based payment expense	1,490,549	463,102
	5,304,009	4,681,654
Depreciation of property, plant & equipment	182,076	231,550
Consultants expense	2,267,231	4,982,733
Corporate expense	1,306,119	1,934,163
Establishment expense	988,908	1,395,936
Other	53,618	363,828
Expenses recovered from partners	(1,819,596)	(4,491,964)
	8,282,365	9,097,900

4. Income tax expense

Major components of income tax expense for the periods ended 31 December 2015 and 2014:

	Consolidated 2015 $	Consolidated 2014 $
Statement of comprehensive income		
Current income tax		
- Current income tax (credit)/charge	(17,858)	46,404
- Adjustments in respect of current income tax of previous years	(12,616)	-
Deferred income tax		
- Relating to origination and reversal of temporary differences	-	-
Income tax expense reported in statement of comprehensive income	(30,474)	46,404
Reconciliation of income tax expense to prima facie tax:		
Accounting loss before income tax	(27,189,531)	(19,555,250)
At the statutory income tax rate of 30% (31 December 2014: 30%)	(8,156,859)	(5,866,575)
- Expenditure not allowable for income tax purposes	6,498,346	4,297,488
- Share based payment expense	447,165	138,931
- Foreign tax rate adjustment	4,431	(18,349)
- Adjustments in respect of tax loss in prior years	4,768,956	905,690
- Temporary differences not recognised as deferred tax asset	(52,659)	43,118
- Current year losses not recognised as deferred tax asset	(3,539,854)	546,101
Income tax reported in statement of comprehensive income	(30,474)	46,404

	Consolidated	
	2015	**2014**
4. Income tax expense (continued)	**$**	**$**
Deferred income tax		
Recognised on the statement of financial position		
Deferred income tax at 31 December relates to the following:		
Deferred income tax assets		
- Capitalised expenditure deductible for tax purposes	-	(61,404)
- Accrued expenditure	-	(43,071)
- Tax losses	(5,071,454)	(8,611,308)
- Deferred tax assets not recognised	5,071,454	8,715,783
	-	-
Net deferred tax asset/(liability)	-	-

The deductible temporary differences and the tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise benefits. The Group has unrecognised tax losses of $16,904,847 (31 December 2014: $28,704,360). The unrecognised losses for 2015 all originate in Australia. The unrecognised losses for 2014 are split Australia $16,172,515, United Kingdom $12,513,090 and Ghana $18,755. All losses are revenue in nature. The losses in the United Kingdom and Ghana are not carried forward in 2015 due to the Group exiting these jurisdictions.

Tax consolidation

For the purposes of income taxation, the Group and its 100% controlled Australian entity have not elected to form a tax consolidated group.

	Consolidated	
	2015	**2014**
5. Cash and cash equivalents	**$**	**$**
Cash at bank and on hand	7,631,769	2,116,333
Deposits at call	-	4,904,365
	7,631,769	7,020,698

The weighted average interest rate for the year was 0.19%.

6. Trade and other receivables		
Current		
GST/VAT receivable	-	227,924
Due from joint venture	-	499,047
Other	-	458,704
	-	1,185,675

(i) Trade and other receivables are neither past due nor impaired. These are non-interest bearing and generally have repayments between 30-90 days. Their carrying values approximate their fair value.

7. Other current assets

	Consolidated	
	2015	2014
	$	$
Prepayments	92,492	167,938
	92,492	167,938

8. Exploration and evaluation

	Consolidated	
	2015	2014
	$	$
Opening balance at 1 January	-	12,106,932
Exploration expenditure during the period	-	125,131
Impairment	-	(12,785,055)
Disposal of Block CI-202 PSC	-	-
Effects of foreign currency on translation	-	552,992
Closing balance at 31 December	-	-

In the period to 31 December 2014 the Group has included an impairment for the Accra Block of $12,785,055, as the Group relinquished the licence in early 2015.

9. Property, plant and equipment

	Office Equipment	Computer Equipment	Total
	$	$	$
Cost			
At 1 January 2015	243,204	749,538	992,742
Disposals	(258,990)	(773,107)	(1,032,097)
Foreign currency translation	15,786	23,569	39,355
At 31 December 2015	-	-	-
Accumulated Depreciation			
At 1 January 2015	(120,175)	(493,339)	(613,514)
Depreciation charge for the year	(83,090)	(98,986)	(182,076)
Impairment charge for the year	(46,379)	(150,392)	(196,771)
Disposals	257,427	759,164	1,016,591
Foreign currency translation	(7,783)	(16,447)	(24,230)
At 31 December 2015	-	-	-
Net book value			
At 31 December 2015	-	-	-
At 31 December 2014	123,029	256,199	379,228

10. Trade and other payables

	Consolidated 2015 $	Consolidated 2014 $
Trade creditors and accruals (i)	205,006	2,818,768
GST/VAT payable	5,567	-
	210,573	2,818,768

(i) Trade creditors are non-interest bearing and are normally settled on 30 day terms

11. Income tax (receivable)/payable

	Consolidated 2015 $	Consolidated 2014 $
Current		
UK income tax	(9,527)	60,453

12. Issued capital

		Consolidated Number	Consolidated $
(a)	**Share capital**		
	Ordinary shares fully paid	1,159,375,100	232,780,470
(b)	**Movements in ordinary shares on issue**		
	Balance at 1 January 2014	1,155,765,100	231,717,170
	Issued on 7 February 2014 on conversion of performance rights	2,860,000	853,300
	Issued on 25 July 2014 on conversion of performance rights	750,000	210,000
	Balance at 31 December 2014	1,159,375,100	232,780,470
	Balance at 31 December 2015	1,159,375,100	232,780,470

(c) Terms and conditions of issued capital

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon on shares held.

		Consolidated Number	Consolidated $
(d)	**Movements in performance shares**		
	Balance 1 January 2014	15,000,000	9,994,250
	Balance at 31 December 2014	15,000,000	9,994,250
	Expired performance shares (i)	(15,000,000)	-
	Balance at 31 December 2015	-	9,994,250

(i) As at the date of the report 15,000,000 performance shares previously reported by the Company as outstanding, relating to the consideration for the acquisition of Azonto Petroleum Holdings Limited (formerly CLNR Holdings Limited) in July 2010 are now considered expired. The performance shares could have converted into ordinary shares on the issue of an independent reserve report delineating mean reserves in excess of 40 million barrels of oil equivalent in Block CI-202. The obligation expired five years from the completion date of the acquisition in July 2015. Contributions provided to the Company for the performance shares are not refundable to this class of shareholder.

12. Issued capital (continued)

		Consolidated 2015	Consolidated 2014
(e)	**Movements in number of options in issue**	**Number**	**Number**
	Balance 1 January	35,310,150	38,476,818
	Expired	(35,310,150)	(3,166,668)
	Balance at 31 December	-	35,310,150
(f)	**Movements in number of rights in issue**		
	Balance 1 January	138,378,501	74,514,321
	Share-based remuneration granted	20,824,176	67,474,180
	Cancelled	(18,633,188)	-
	Issue of shares	-	(3,610,000)
	Balance at 31 December	140,569,489	138,378,501

13. Accumulated losses and reserves

		Consolidated 2015 $	Consolidated 2014 $
(a)	**Movements in accumulated losses were as follows:**		
	Balance 1 January	220,746,012	205,739,525
	Net loss attributable to members	27,159,057	15,006,487
	Balance at 31 December	247,905,069	220,746,012

(b) Other reserves

	Employee equity benefits reserve	Equity reserve	Foreign currency translation	Non-controlling interest (NCI)	Total
	$	$	$	$	$
At 31 December 2013	14,190,779	(2,427,566)	3,217,482	4,615,078	19,595,773
Foreign currency translation	-	-	3,250,800	(19,911)	3,230,889
Share based payments	463,102	-	-	-	463,102
Net loss attributable to NCI	(1,063,300)	-	-	-	(1,063,300)
Sale of 22.04% in Rialto Ghana	-	-	-	(4,595,167)	(4,595,167)
At 31 December 2014	13,590,581	(2,427,566)	6,468,282	-	17,631,297
Foreign currency translation	-	-	(6,468,282)	-	(6,468,282)
Share based payments	1,490,549	-	-	-	1,490,549
At 31 December 2015	15,081,130	(2,427,566)	-	-	12,653,564

13. Accumulated losses and reserves (continued)

(c) Nature and purpose of reserves

Employee equity benefits reserve
The employee equity benefits reserve is used to record the value of share based payments provided to employees, as part of their remuneration.

Equity reserve
The equity reserve is used to record the excess value over the non-controlling interest that existed as at the date of either the acquisition of the controlling interests in the subsidiary companies or disposal of the non-controlling interests in subsidiary companies.

Foreign currency translation
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Non-controlling interest
The non-controlling interest reserve is used to record the minority interest. The movement in 2014 is due to the impairment of the Accra Block, the only asset owned by Azonto Ghana, as the Group relinquished the licence in early 2015.

14. Loss per share

	Consolidated	
	2015	**2014**
	Cents per share	**Cents per share**
Basic loss per share	(2.34)	(1.30)
Diluted loss per share (i)	(2.34)	(1.30)
	$	**$**
Losses attributable to ordinary equity holders of the parent used in calculating basic and diluted loss per share	(27,159,057)	(15,006,487)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	1,159,375,100	1,158,654,059

(i) Potential issued ordinary shares include 140,569,489 performance rights. As the Group is in a loss position, the performance rights are not included in calculating diluted loss per share as they are anti-dilutive.

15. Commitments

The company had no future commitments at the year end.

16. Segment reporting

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. In the case of the Group the CODM are the executive management team and all information reported to the CODM is based on the consolidated results of the Group as one operating segment, as the Group's activities related to oil and gas exploration.

Accordingly, the Group has only one reportable segment and the results are the same as the Group results.

All material interest revenue was earned in Australia and the United Kingdom.

17. Interests in joint arrangements

The Group has an interest in the following joint arrangements**:**

Project	Activities	Equity interest		Carrying value	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
		%	%	$	$
Accra Block	Oil and gas exploration	-	7.07	-	-
Vioco Petroleum Limited	Oil and gas exploration	-	35	-	33,785,687

The Group relinquished the Accra Block in March 2015.

In July 2015 the Company announced that it had entered into a conditional sale and purchase agreement for the sale of Azonto's entire shareholding in Vioco to Vitol E&P Limited ("Vitol"). In consideration for the sale of the 35% shareholding in Vioco, Vitol would pay an initial US$4,000,000 less an amount up to US$400,000 for certain net liabilities related to the period before Vitol's acquisition from Azonto of 65% of Vioco in November 2013. In addition, if and when Vioco committed to drill the exploration well that is required to retain the CI-202 licence, Vitol would pay a further US$1,100,000 consideration for the sale of certain wellhead drilling equipment that remains outstanding from the original sale of 65% to Vitol. A further US$2,000,000 consideration is payable If the exploration well makes a commercially viable hydrocarbon discovery. The sale of the 35% shareholding in Vioco was completed on 21 August 2015 and the initial US$4,000,000 ($5,485,464) has been received. The Company was able to remove the net liabilities of up to $400,000 that were to have been deducted from the initial proceeds. Disposal costs of $1,039,090 were paid. The sale of the wellhead drilling equipment was completed in October 2015 and the US$1,100,000 ($1,576,835) received. This is included in the contingent consideration on the sale of non-current assets of $1,662,266 (2014: nil) as it remained outstanding from the original sale of 65% of Vioco to Vitol. Prior to disposal Vioco was accounted for as a joint venture using the equity method in the consolidated financial statements. Based on the fair value of the consideration received, the Company impaired the Investment in the Vioco Joint Venture by $31,075,108.

Capital commitments

Under the CI-202 PSC, Vioco's current minimum work obligations for the first three year exploration period to 7 November 2016 comprise geological and geophysical studies plus one well, subject to a minimum expenditure of US $35 million, and a commitment for $0.5 million of social expenditure. The Azonto share of these commitments was 35%. These commitments ceased upon sale.

18. Reconciliation of cash flows from operating activities

	Consolidated	
	2015	**2014**
	$	**$**
Cash flows from operating activities		
Loss for the period	(27,159,057)	(19,601,654)
Adjustments for:		
Depreciation	182,076	231,550
Impairment of exploration asset	-	12,785,055
Impairment of joint venture	31,075,108	-
Impairment of property, plant and equipment	196,771	-
Contingent consideration on the sale of non-current assets	(1,662,266)	-
Share based remuneration	1,490,549	463,102
(Gain)/Loss on disposal of subsidiary	-	222,631
Foreign currency translation recycled to Profit and Loss	(8,530,360)	-
(Gain) on sale of fixed assets	(195,752)	-
Share of a loss of a joint venture	336,967	128,951
Net exchange differences	(276,731)	(694,860)
Changes in assets and liabilities		
Decrease/(increase) in trade receivables	1,229,338	1,793,805
Decrease/(increase) in other assets	75,446	(75,737)
Increase/(decrease) in trade creditors and accruals	(2,658,821)	(903,907)
Increase/(decrease) in income tax receivable/payable	(69,980)	(212,615)
Net cash used in operating activities	(5,966,712)	(5,863,679)

19. Financial risk management objectives and policies

Overview
The Group have exposure to the following risks from their use of financial instruments:
- Interest rate risk
- Credit risk
- Liquidity risk
- Foreign currency risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

19. Financial risk management objectives and policies (continued)

The Group's principal financial instruments are cash, short-term deposits, receivables and payables.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest bearing financial assets and liabilities that the Group uses.

Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

Consolidated – 31 December 2015	Weighted average effective interest rate	1 Year or Less	Over 1 to 5 years	More than 5 years	Total
	%	$	$	$	$
Financial assets					
Variable interest rate	0.10%	7,631,769	-	-	7,631,769
		7,631,769	-	-	7,631,769
Financial liabilities					
Non-interest bearing		210,573	-	-	210,573

Consolidated – 31 December 2014	Weighted average effective interest rate	1 Year or Less	Over 1 to 5 years	More than 5 years	Total
	%	$	$	$	$
Financial assets					
Non-interest bearing		1,185,675	-	-	1,185,675
Variable interest rate	0.19%	7,020,698	-	-	7,020,698
		8,206,373	-	-	8,206,373
Financial liabilities					
Non-interest bearing		2,818,768	-	-	2,818,768

Fair value sensitivity analysis for fixed rate instruments
The Group does not account for any fixed rate financial assets or liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

19. Financial risk management objectives and policies (continued)

Cash flow sensitivity analysis for variable rate instruments
A change of 25 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown in the following.

		Profit or loss	
Consolidated –31 December 2015	**Carrying value at 31 December**	**25 bp increase**	**25 bp decrease**
	$	**$**	**$**
Financial assets			
Cash and cash equivalents	7,631,769	1,299	(1,299)
Cash flow sensitivity (net)		1,299	(1,299)

		Profit or loss	
Consolidated – 31 December 2014	**Carrying value at 31 December**	**25 bp increase**	**25 bp decrease**
	$	**$**	**$**
Financial assets			
Cash and cash equivalents	7,020,698	7,285	(7,285)
Cash flow sensitivity (net)		7,285	(7,285)

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and cash equivalents.

The Group trades only with recognised, creditworthy third parties. It is the Group policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure to credit risk is the carry value of the receivable, net of any allowance for doubtful debts.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The Group does not place funds on terms longer than 120 days and has the facility to place the deposit funds with more than one bank.

Exposure to credit risk
The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2015	**2014**
	$	**$**
Cash and cash equivalents	7,631,769	7,020,698
Receivables	-	1,185,675
	7,631,769	8,206,373

Impairment losses
None of the Group's receivables are past due. The Group's trade receivables are all current at the reporting date.

19. Financial risk management objectives and policies (continued)

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility.

The following are the contractual maturities of financial liabilities:

Consolidated – 31 December 2015	Carrying amount	Contractual cash flows	6 months or less	6 Months – 3 Years
	$	$	$	$
Trade and other payables	210,573	210,573	210,573	-
	210,573	210,573	210,573	-

Consolidated – 31 December 2014	Carrying amount	Contractual cash flows	6 months or less	6 Months – 3 Years
	$	$	$	$
Trade and other payables	2,818,768	2,818,768	2,818,768	-
	2,818,768	2,818,768	2,818,768	-

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from 31 December 2014.

The capital structure of the Group consists of net debt (trade payables and provisions detailed in Notes 10 and 11 offset by cash and bank balances detailed in Note 5) and equity of the Group (comprising issued capital, reserves, offset by retained losses detailed in Notes 12 and 13).

The Group is not subject to any externally imposed capital requirements.

The Group's Board of Directors reviews the capital structure on an ongoing basis. As part of this review the Board considers the cost of capital and the risks associated with each class of capital. In order to maintain the capital structure, the Group may issue fresh equity, return capital to shareholders or farm out part of its assets.

Fair value of financial assets and liabilities
The fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the Group approximate their carrying value.

Foreign currency risk
Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expenses is denominated in a different currency from the Group's presentation currency) and the Group's net investment in foreign subsidiaries.

As a result of significant operations denominated in US Dollars (US$), the Group's statement of financial position can be affected significantly by movements in the US$ / A$ exchange rates.

19. Financial risk management objectives and policies (continued)

The Group had the following exposure to US$ foreign currency:

	Consolidated	
	2015	2014
Financial assets	$	$
Cash and cash equivalents	6,176,971	5,365,889
Trade and other receivables	-	-
	6,176,971	5,365,889
Financial liabilities		
Trade and other payables	-	1,328,995
	-	1,328,995

The Group is mainly exposed to US$. The following table details the Group's sensitivity to a 15% increase and decrease in the Australian dollar against the US$. Management continually monitor exchange rate forecasts and assess the impact of possible changes in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusted their translation at the period end of a 15% change in foreign currency rates. A positive number indicates a decrease in loss where the Australian dollar weakens against the US Dollar.

	Consolidated	
	2015	2014
	$	$
Profit or loss: + 15%	(805,692)	(526,551)
Profit or loss: - 15%	1,090,054	712,393

20. Key management personnel disclosures

(a) The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Directors

G Whiddon	Executive Chairman	Appointed Independent Non-executive Director 2 June 2015 and Executive Chairman on 17 September 2015
N. Hackett	Independent Non-executive Director	Appointed Independent Non-executive Director on 26 March 2012
R. Downey	Independent Non-executive Director	Appointed Independent Non-executive Director on September 2015
A. Bartlett	Independent Non-executive Chairman	Resigned 29 May 2015
G. Stoupnitzky	Managing Director	Appointed Managing Director on 20 January 2015 and resigned on 17 September 2015
A. Sinclair	Senior Independent Non-executive Director and Deputy Chairman	Appointed Independent Non-executive Chairman on 29 May 2015 and resigned on 17 September 2015
R. Shepherd	Managing Director	Resigned 20 January 2015
A. Rose	Director and Chief Financial Officer	Resigned 20 January 2015

Executives

J. Durkin	Chief Legal officer	Resigned 17 September 2015
J. Smulders	Technical Director	Resigned 10 August 2015

20. Key management personnel disclosures (continued)

(b) Key management personnel compensation

The key management personnel compensation included in employee benefit and Director compensation expenses are as follows:

	Consolidated	
	2015	2014
	$	$
Short-term employee benefits	2,115,441	2,267,482
Equity compensation benefits	803,963	358,241
	2,919,404	2,625,723

(c) Other transactions with key management personnel and their related parties

Information regarding individual Directors and executives compensation is provided in the Remuneration Report section of the Directors' Report.

Fees paid in the ordinary course of business for the twelve months ended 31 December 2015 for company secretarial services totalling $24,000, excluding GST, were paid or payable to an associate company of Mr N. Hackett. Fees paid in the ordinary course of business for the period to 30 September 2015 for legal and insurance services totalling $21,443, excluding GST, were paid or payable to an associate company of Mr J. Durkin. Fees paid in the ordinary course of business for the period to 31 December 2015 for office space and administrative services totalling $6,450, excluding GST, were paid or payable to an associate company of Mr G. Whiddon.

Apart from details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there was no material contracts involving Directors' interests existing at year end.

21. Share based payment

(i) Recognised share-based payment expenses

The expense recognised for employee services received during the period is shown in the table below:

	Consolidated	
	2015	2014
	$	$
Expense arising from equity-settled share-based payment transactions	1,490,549	463,102
Total expense arising from share-based payment transactions (Note 3)	1,490,549	463,102

(ii) Types of share-based payment plans

Share based payments are provided to Directors, employees, consultants and other advisors. The issue to each individual Director, consultant or advisor is controlled by the Board and the ASX Listing Rules. Terms and conditions of the payments, including the grant date, vesting date, exercise price and expiry date are determined by the Board, subject to shareholder approval where required.

21. Share based payment (continued)

Share option plan
Each employee share option converts into one ordinary share of Azonto Petroleum Limited on exercise. No amounts are paid or are payable by the recipient on receipt of the option. The options carry neither rights of dividends nor voting rights.

Performance rights plan
Each performance right converts into one ordinary share of Azonto Petroleum Limited on vesting. No amounts are paid or are payable by the recipient on receipt of the performance right. The performance rights carry neither rights of dividends nor voting rights.

(iii) Summary of options granted under share option plan

The following table illustrates the number and weighted average exercise price ("WAEP") of, and movements in, share options issued during the year:

	31 December 2015		31 December 2014	
	Number	**WAEP**	**Number**	**WAEP**
Balance at beginning of the financial period	9,483,333	0.51	12,650,001	0.52
Expired during the period	(9,483,333)	0.51	(3,166,668)	0.66
Outstanding at the end of the year	-	-	9,483,333	0.51
Exercisable at the end of the year	-		9,283,333	

There were no options outstanding at the end of the year.

(iv) Option pricing model

Options were priced using a Black Scholes option pricing model. The assessed fair values of the options were determined using a Black Scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. Expected volatility was calculated based on the historic volatility of the Company over a period commensurate with the expected life of the awards.

(v) Summary of performance rights granted under performance rights plan

The following table illustrates the number and WAEP of, and movements in, performance rights issued during the period:

	31 December 2015		31 December 2014	
	Number	**WAEP**	**Number**	**WAEP**
Balance at beginning of the financial year	138,378,501	-	74,514,321	-
Granted during the period	20,824,176	-	67,474,180	-
Cancelled during the period	(18,633,188)	-	-	-
Issue of shares during the period	-	-	(3,610,000)	-
Outstanding at the end of the period	140,569,489	-	138,378,501	-
Vested at the end of the period	250,000	-	250,000	-

21. Share based payment (continued)

The outstanding balance as at 31 December 2015 is either vested or vest 18 December 2017 and is represented by:

Grant date	Grant date fair value	Exercise price	Number of rights
29-Nov-11	$0.28	-	250,000
18-Dec-13	$0.27	-	21,507,045
18-Dec-13	$0.15	-	43,014,088
13-Jun-14	$0.018	-	18,141,479
13-Jun-14	$0.007	-	36,832,701
3-Mar-15	$0.003	-	6,941,392
3-Mar-15	$0.00003	-	13,882,784

(vi) Weighted average remaining contractual life

The weighted average contractual life for the performance rights outstanding as at 31 December 2015 is 1.96 years (2014: 2.96 years).

(vii) Weighted average fair value

The weighted average fair value of performance rights granted during the year was $0.0015 (2014: $0.011).

(viii) Performance rights pricing model

The Performance Rights granted in the year to 31 December 2015 and 2014 will vest subject to the satisfaction of certain performance criteria. The Rights are split into two tranches.

Tranche 1 will vest on the achievement of two strategic milestones:

(i) all government and partner approvals, offtake, supply and service contracts, financings and other necessary conditions for the Gazelle field development project to proceed having been obtained and agreed and Vioco Petroleum Ltd having taken the Final Investment Decision to proceed with the project; and
(ii) the first delivery of gas from the Gazelle field to the Cote d'Ivoire state electricity company (or other agreed purchaser) having been made under stabilised flow rate conditions (Tranche 1 Vesting Conditions).

In the event not all Tranche 1 Vesting Conditions are satisfied within four years of the Tranche 1 Performance Rights being granted, the Board may resolve that a proportion of the Tranche 1 Performance Rights vest based on the degree of progress towards satisfaction of the Tranche 1 Vesting Conditions has been achieved.

Tranche 2 will vest on the achievement of share price target and the Board being satisfied at the end of the four year period with overall financial, strategic and HSE performance of the Company (Final Performance Hurdle). The share price hurdles are as follows

(i) 25% of the Tranche 2 Performance Rights will vest (on satisfaction of the Final Performance Hurdle) if the Company's Share price reaches $0.05 per Share within four years;
(ii) a further 25% of the Tranche 2 Performance Rights will vest (on satisfaction of the Final Performance Hurdle) if the Company's Share price reaches $0.07 per Share within four years. Achievement of this milestone will result in 50% of the Tranche 2 Performance Rights vesting on satisfaction of the Final Performance Hurdle;
(iii) the remaining 50% of the Tranche 2 Performance Rights will vest (on satisfaction of the Final Performance Hurdle) if the Company's Share price reaches $0.09 per Share within four years. Achievement of this milestone will result in 100% of the Tranche 2 Performance Rights vesting on satisfaction of the Final Performance Hurdle.

21. Share based payment (continued)

The performance rights were priced using a Monte Carlo valuation model. The assessed fair values of the rights were determined using a Monte Carlo valuation model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the rights. Expected volatility was calculated based on the historic volatility of a peer group of Companies over a period commensurate with the expected life of the awards. The inputs to the model for the period to 31 December 2015 and 2014 were:

Grant date	3-Mar-15 Tranche 1	3-Mar-15 Tranche 2	13-Jun-14 Tranche 1	13-Jun-14 Tranche 2
Dividend yield (%)	-	-	-	-
Expected volatility (%)	63.92%	63.92%	69.09%	69.09%
Risk-free interest rate (%)	1.87%	1.87%	2.95%	2.95%
Expected life of options (yrs.)	2.80	2.80	3.52	3.52
Right's exercise price ($)	-	-	-	-
Share price at grant date ($)	$0.003	$0.003	$0.018	$0.018
Fair value at grant date ($)	$0.003	$0.00003	$0.018	$0.007

22. Related party disclosures

(a) Subsidiaries

Name of entity	Country of incorporation	Equity interest	
		31 December 2015	31 December 2014
		%	%
Parent entity			
Azonto Petroleum Limited			
Subsidiaries			
Azonto Petroleum (UK) Limited (i)	United Kingdom	100	100
Rialto Energy (Ghana) Pty Ltd	Australia	100	100
Azonto Petroleum Holdings Limited	British Virgin Islands	100	100
Azonto Petroleum (Ghana) Limited	British Virgin Islands	100	100
Azonto Petroleum (Ghana) Limited (ii)	Ghana	56.56	56.56

(i) Company in the process of liquidation
(ii) Company liquidated in February 2016

22. Related party disclosures (continued)

Related party transactions

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Joint venture:		$	$	$	$
Vioco Petroleum Limited	2015	2,982,990	-	-	-
	2014	6,051,286	-	499,047	-
Key management personnel					
Giant Capital Management	2015	-	-	-	-
	2014	-	56,823	-	-
Boral Consulting Limited	2015	-	21,443	-	-
	2014	-	79,963	-	2,448
MIMO Strategies Pty Ltd	2015	-	6,450	-	-
	2014	-	-	-	-

Vioco Petroleum ceased being a related party on 21 August 2015. Boral Consulting Limited ceased being a related party on 17 September 2015.

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The sales to Vioco are partly included in other revenue - $1,228,386 (2014: $2,203,514) and partly in general and administrative expenses as expenses recovered from partners - $1,754,604 (2014: $3,847,772).

Non-controlling interests

The proportion of ownership interests held by the non-controlling interest in Azonto Petroleum (Ghana) Limited is 43.44%. The non-controlling interest share of loss for the period disclosed in the statement of comprehensive income relates only to the non-controlling interest in Azonto Petroleum (Ghana) Limited. The Accra Block exploration and evaluation asset in note 8 relates to Azonto Petroleum (Ghana) Limited. There are no other material balances for this entity.

(b) Ultimate parent

Azonto Petroleum Limited is the ultimate Australian parent entity and ultimate parent entity of the Group.

(c) Key management personnel

Details relating to key management personnel, including remuneration paid are included in the Directors' Report and Note 20.

23. Auditor’s remuneration

Current auditors: Ernst & Young

	Consolidated	
	2015	**2014**
	$	**$**
Amounts received or due and receivable by Ernst & Young (Australia) for:		
An audit or review of the financial report of the Group	60,596	111,817
Sub-total	60,596	111,817
Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:		
An audit or review of the financial report of subsidiaries and audit related services	-	34,760
Sub-total	-	34,760
Total remuneration	60,596	146,577

24. Contingent assets and liabilities

At 31 December 2015, there are a number of possible claims that have arisen in the course of business against entities in the Group, the outcome of which cannot be foreseen with a minimum cash outflow of $100,000.

25. Events after the balance sheet date

- The liquidation of Azonto Petroleum (Ghana) Limited, incorporated in Ghana, was completed in February 2016.

Since the end of the financial year, the Directors are not aware of any other matters or circumstances that have significantly affected or may significantly affect the operations of the Group, the result of those operations or the state of affairs of the Group in subsequent financial years.

26. Parent disclosure

	2015	2014
	$	$
Loss for the year	(28,748,010)	(12,771,334)
Other comprehensive income	-	-
Total comprehensive loss	(28,748,010)	(12,771,334)
Current assets	7,433,808	6,623,543
Total assets	7,433,808	36,088,927
Current liabilities	177,443	1,575,201
Total liabilities	177,543	1,575,201
Net assets	7,256,265	34,513,726
Issued capital	232,780,470	232,780,470
Performance shares	9,994,250	9,994,250
Reserves	15,282,068	13,791,519
Accumulated losses	(250,800,523)	(222,052,513)
Total shareholders' equity	7,256,265	34,513,726

Contingent liabilities of the parent entity
Refer to Note 24.

Commitments of the parent entity
Refer to Note 15.

Directors' declaration

The Directors of Azonto Petroleum Limited declare that:

(a) in the Directors' opinion the financial statements and notes and the Remuneration report in the Directors report set out on pages 8 to 17, are in accordance with the Corporations Act 2001, including :

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance, for the financial period ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 by the chief executive officer and chief financial officer for the financial period ended 31 December 2015.

Signed in accordance with a resolution of the Directors.

Glenn Whiddon
Chairman

10 March 2016

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working world

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Independent auditor's report to the members of Azonto Petroleum Ltd

Report on the financial report

We have audited the accompanying financial report of Azonto Petroleum Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit 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.

Opinion

In our opinion:

1. The financial report of Azonto Petroleum Ltd 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 2015 and of its performance for the year ended on that date; and

    b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Azonto Petroleum Ltd for the year ended 31 December 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

D A Hall
Partner
Perth
10 March 2016

Shareholders information

As at 3 March 2016

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 3 March 2016.

1. Distribution of equity securities

Analysis of number of equity security holders by size of holding:

	Shares
1 - 1,000	149
1,001 - 5,000	160
5,001 - 10,000	164
10,001 - 100,000	754
100,001 and above	711
Total	1,938

The number of holders of less than a marketable parcel of ordinary fully paid shares is 0.

2. Substantial shareholders

Substantial shareholders (i.e. shareholders who hold 5% or more of the issued capital):

	Number of shares	Percentage held
6466 Investment PTY Ltd	98,645,382	8.51%

3. Voting rights

(a) Ordinary Shares

Each shareholder is entitled to receive notice of and attend and vote at general meetings of the Company. At a general meeting, every shareholder present in person or by proxy, representative of attorney will have one vote on a show of hands and on a poll, one vote for each share held.

(b) Options & contractual rights

No voting right

4. Quoted securities on issue

The number of quoted shares and options issued by the Company are set out below:

	Number
Ordinary fully paid shares	1,159,375,100
Performance rights	140,569,489

5. On-market buy back

There is no current on-market buy back.

6. Top 20 Quoted Shareholders

	Number of shares	Percentage held
6466 Investments Pty Limited	98,645,382	8.51%
HSBC Custody Nominees (Australia)	70,295,124	6.06%
J P Morgan Nominees Australia Limited	49,493,728	4.27%
Mr Jay Hughes	45,500,000	3.92%
National Nominees Limited	36,980,274	3.19%
Zero Nominees PTY Limited	35,149,951	3.03%
Mr Jay Hughes and Mrs Linda Hughes	25,000,000	2.16%
Lydian Enterprises Pty Limited	25,000,000	2.16%
Citicorp Nominees PTY Limited	23,699,391	2.04%
Mr Mark Bahen and Mrs Margaret Bahen	21,125,000	1.82%
Alexander Holdings (WA) Pty Limited	20,000,000	1.73%
Floteck Consultants Limited	19,921,369	1.72%
HSBC Global Custody Nominee (UK) Limited	18,687,431	1.61%
Croesus Mining Pty Limited	15,500,000	1.34%
ACC Holdings International Limited	10,670,100	0.92%
Konkera Pty Limited	10,247,420	0.88%
Mr Marcus James Taylor	10,139,000	0.87%
Mr James David Taylor and Mrs Marion Amy Taylor	10,082,000	0.87%
Caversham Nominees Pty Limited	9,975,801	0.86%
Navigator Australia Limited	9,500,000	0.82%
	565,611,971	48.78%