



Antilles Oil and Gas NL

ACN 111 823 762

HALF YEAR REPORT

30 June 2016

The information contained in this document should be read in conjunction with Antilles Oil and Gas NL's annual report for the year ended 31 December 2015 and any public announcements made by the company in accordance with the continuous disclosure obligations arising from the Corporations Act 2001 and the ASX Listing rules.

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ANTILLES OIL AND GAS NL – HALF YEAR REPORT

DIRECTORS REPORT

Your directors present their report of the consolidated entity (“the Group”) consisting of Antilles Oil and Gas NL (“the Company”) and the entities it controlled as at the end of, or during, the half year ended 30 June 2016.

DIRECTORS

The following persons were directors of the Company during the half year and until the date of this report:

David Ormerod	Managing Director (resigned 12 February 2016)
John Hamilton	Non-Executive Chairman (resigned 12 February 2016)
Damian Black	Non-Executive Director
Gary Grubitz	Non-Executive Director (resigned 12 February 2016)
David Wheeler	Non-Executive Director (appointed 12 February 2016)
Ranko Matic	Non-Executive Director (appointed 12 February 2016)

PRINCIPAL ACTIVITIES

The principle continuing activities of the Company during the financial period were the exploration and acquisition of petroleum and gas properties.

OPERATING RESULTS

The net operating loss of the Group for the half year ended 30 June 2016 after income tax amounted to \$283,597 (half year ended 30 June 2015: loss \$895,623). Further details are supplied in the Review of Operations section below.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared during the half year and the Directors do not recommend the payment of a dividend.

REVIEW OF OPERATIONS

During the half year, the Company continued its work on Block 105, Peru. The Company worked with farm-in partner Union Oil & Gas Group Ltd (“Union”) with regards to progressing the proposed well to be drilled on the block and working to obtain government approvals.

In May 2016 the Company amended its Farm-In Agreement with Union, a summary of the amendments is as follows:

- Changing the Participating Interests so that Union’s interest (“Farmee”) increases from 50% to 80% and Antilles (“Farmor”) interest decrease from 50% to 20%;
- Should Antilles be appointed as the operator of Block 105 that Union becomes the Operator of the project subject to the terms of the Joint Operating Agreement;
- An increase from 75% to 100% of the costs incurred by the Farmor must be paid by the Farmee in regards to the drilling of the first well;
- That the Farmee must issue their own security bond in the amount of US\$1 million to the relevant Peruvian government agencies to facilitate the release of the existing bank bond that the Farmor currently has in place.

During the half year the Company also completed a capital raising approved by shareholders at a general meeting held on 12 April 2016, resulting in a further inflow of \$1.77 million net after costs.

ANTILLES OIL AND GAS NL – HALF YEAR REPORT

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 3.

This report is made in accordance with a resolution of directors.

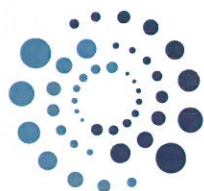
Signed in accordance with a resolution of the Board of Directors.



RANKO MATIĆ

Non-Executive Director

13th September 2016



Greenwich & Co

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Auditor's Independence Declaration

To those charged with the governance of Antilles Oil and Gas NL

As auditor for the review of Antilles Oil and Gas NL for the half-year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

Greenwich & Co
Greenwich & Co Audit Pty Ltd

Andrew May
Audit Director

13 September 2016

ANTILLES OIL AND GAS NL – HALF YEAR REPORT
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Notes	Half Year 2016 \$	Half Year 2015 \$
Creditors and loans forgiven		-	21,350
Interest income		5,699	16,285
Director fees and salary		(90,789)	(211,747)
Audit expense		(7,000)	(8,000)
Professional services expenses		(68,016)	(139,484)
Regulatory expenses		(10,282)	(3,095)
Travel expenses		-	(42,101)
Consultancy fees		(26,733)	(28,658)
Depreciation expenses		(10,413)	(13,742)
Marketing and promotion expenses		-	(78,046)
Administrative expenses		(76,063)	(85,264)
Exploration expense		-	(225,421)
Share based payments expenses		-	(97,700)
Loss before income tax		(283,597)	(895,623)
Income tax expense		-	-
Loss for the half year		(283,597)	(895,623)
Other comprehensive income			
<i>Items that may be reclassified to profit and loss</i>			
Exchange differences on translation of foreign operations		(31,583)	71,861
Other comprehensive income for the half year, net of tax		(31,583)	71,861
Total profit or loss and other comprehensive income for the half year attributable to the owners of Antilles Oil and Gas NL		(315,180)	(823,762)
Loss per share			
Basic and diluted (cents per share)		(0.27)	(2.19)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to the consolidated interim financial report.

ANTILLES OIL AND GAS NL – HALF YEAR REPORT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	30 June 2016 \$	31 December 2015 \$
Assets			
Current assets			
Cash and cash equivalents		1,812,089	179,653
Other assets	5	1,349,248	1,369,670
Trade and other receivables		60,475	53,633
Total current assets		3,221,812	1,602,956
Non current assets			
Plant and equipment		18,009	28,422
Exploration and evaluation	6	1,319,661	1,221,982
Total non-current assets		1,337,670	1,250,404
Total assets		4,559,482	2,853,360
Current liabilities			
Trade and other payables		150,068	146,057
Provisions		-	4,544
Total current liabilities		150,068	150,601
Total liabilities		150,068	150,601
Net assets		4,409,414	2,702,759
Equity			
Issued share capital	8	36,177,797	34,155,962
Reserves		(906,471)	(874,888)
Accumulated losses		(30,861,912)	(30,578,315)
Total equity		4,409,414	2,702,759

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes to the consolidated interim financial report.

ANTILLES OIL AND GAS NL – HALF YEAR REPORT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Half year 2016 \$	Half year 2015 \$
Cash flows from operating activities		
Payments to suppliers & employees	(307,865)	(463,671)
Payments for exploration costs	(52,671)	(475,093)
Interest received	5,699	16,285
Net cash (used in) operating activities	(354,837)	(922,479)
Cash flows from financing activities		
Proceeds from share issue, net of costs	1,984,334	214,692
Net cash provided by financing activities	1,984,334	214,692
Net increase/(decrease) in cash and cash equivalents	1,629,497	(707,787)
Cash and cash equivalents at the beginning of the financial period	179,653	2,394,132
Exchange rate changes on cash	2,939	-
Cash and cash equivalents at the end of the financial period	1,812,089	1,686,345

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes to the consolidated interim financial report.

ANTILLES OIL AND GAS NL – HALF YEAR REPORT
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Issued Capital	Foreign Currency Translation Reserve	Share Based Payment Reserve	Accumulated Losses	TOTAL
Period ended 30 June 2016	\$	\$	\$	\$	\$
Balance at beginning of period	34,155,962	(2,557,719)	1,682,831	(30,578,315)	2,702,759
Loss for the half year	-	-	-	(283,597)	(283,597)
Currency translation on foreign operations	-	(31,583)	-	-	(31,583)
Total profit or loss and other comprehensive income for half year	-	(31,583)	-	(283,597)	(315,180)
Transactions with equity holders in their capacity as equity holders					
Issues of share capital, net of transaction costs	2,021,835	-	-	-	2,021,835
Balance at 30 June 2016	36,177,797	(2,589,302)	1,682,831	(30,861,912)	4,409,414
Period ended 30 June 2015	\$	\$	\$	\$	\$
Balance at beginning of period	32,341,982	(2,722,056)	1,502,400	(27,958,431)	3,163,895
Loss for the half year	-	-	-	(895,623)	(895,623)
Currency translation on foreign operations	-	71,861	-	-	71,861
Total profit and loss and other comprehensive income for half year	-	71,861	-	(895,623)	(823,762)
Transactions with equity holders in their capacity as equity holders					
Derecognition of controlled entity	-	-	97,700	-	97,700
Issues of share capital, net of transaction costs	121,159	-	-	-	121,159
Balance at 30 June 2015	32,463,141	(2,650,195)	1,600,100	(28,854,054)	2,558,992

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes to the consolidated interim financial report

ANTILLES OIL AND GAS NL – HALF YEAR REPORT

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

1. REPORTING ENTITY

Antilles Oil and Gas NL (“Antilles” or “the Company”) is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half year ending 30 June 2016 comprises Antilles and its subsidiaries (together referred to as the “consolidated entity”).

The annual financial report of the consolidated entity as at and for the year ended 31 December 2015 is available upon request from Antilles’s website, www.antillesoilandgas.com.au, the ASX website or the company’s registered office at Level 3, 216 St Georges Terrace, PERTH, Western Australia 6000.

2. STATEMENT OF COMPLIANCE

The consolidated half year financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated half year financial report does not include all of the notes and information normally included in an annual financial report. Accordingly this report should be read in conjunction with the consolidated annual financial report for the year ended 31 December 2015 and any public announcements made by Antilles Oil and Gas NL during the half year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

This consolidated half year financial report was approved by the Board of Directors on 13th September 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of the half-year financial report are consistent with those followed and disclosed in the Company’s 2015 Annual Financial Report for the financial year ended 31 December 2015, except for the impact of the standards, interpretations and amendments described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New Accounting Standards for Application in Future Periods

There are a number of new Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group and have not been applied in preparing these half year consolidated financial statements. The Group does not plan to adopt these standards early and they are not expected to have a material impact on the Group in the current or future reporting periods.

ANTILLES OIL AND GAS NL – HALF YEAR REPORT CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

4. SEGMENT INFORMATION

Management has determined the operating segments based on reports reviewed by the Board of Directors for making strategic decisions. The current Board of Directors monitors the business based on operational and geographic factors, and has determined that there is only one relevant business segment, being the exploration and evaluation of oil and gas properties.

The consolidated entity is domiciled in Australia and the entities revenues, losses and assets are split into the following geographical segments:

Segment revenue	USA	South America	Australia	Total
2016	\$	\$	\$	\$
Revenues – half year to 30 June 2016	-	-	5,699	5,699
Segment loss – half year to 30 June 2016	(25,342)	(2,895)	(255,360)	(283,597)
Segment assets – as at 30 June 2016	538,850	779,467	3,241,165	4,559,482

2015	USA	South America	Australia	Total
	\$	\$	\$	\$
Revenues – half year to 30 June 2015	-	-	16,285	16,285
Segment loss – half year to 30 June 2015	(14,251)	(257,645)	(623,727)	(895,623)
Segment assets – as at 31 December 2015	566,237	664,701	1,622,422	2,853,360

5. OTHER ASSETS

	Half year to 30 June 2016	Full year to 31 December 2015
	\$	\$
Term Deposits at call	1,349,248	1,369,970
	1,349,248	1,369,970

Amount at 30 June 2016 is USD \$1 million in a NAB term deposit held at call for Block 105. The term deposit has a corresponding Letter of Credit attached to it for US\$ 1 million which as at reporting date has not been drawn down. The Letter of Credit is with the Peruvian bank BBVA Continental and is against the work program regulated by Perupetro on Peru Block 105.

6. EXPLORATION AND EVALUATION

	Half year to 30 June 2016	Full year to 31 December 2015
	\$	\$
Opening balance	1,221,982	810,078
Exploration costs capitalised	111,779	1,347,458
Impairment expense	-	(1,026,676)
Foreign exchange difference	(14,100)	91,122
Closing balance	1,319,661	1,221,982

Recovery of the carrying amount is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Impairment expense for the prior year relates to expenditure incurred in the Barbados region where the Company was unsuccessful in its bid for a project.

ANTILLES OIL AND GAS NL – HALF YEAR REPORT

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

7. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no change in any contingent liabilities or contingent assets.

8. EQUITY SECURITIES ISSUED

During the half year, the Company has issued the following shares:

- On 2 March 2016 5,145,028 fully paid ordinary shares at \$0.02 per share were issued as part of Tranche 1 of capital raising;
- On 1 April 2016 5,353,907 fully paid ordinary shares at \$0.0215 per share were issued as part of working capital funds;
- On 4 May 2016 94,854,979 fully paid ordinary shares at \$0.02 were issued as part of Tranche 2 of capital raising;
- On 27 May 2016 1,119,842 fully paid ordinary shares between \$0.023 and \$0.047 per share were issued to former directors in lieu of directors fees under the Directors Share Plan.

As at 30 June 2016, there were on issue:

- 162,898,654 fully paid ordinary shares (31 December 2015: 71,424,898)
- 15,000,000 \$0.01 partly paid ordinary shares (\$0.19 remaining) (31 December 2015: 15,000,000)
- 22,898,252 listed options with an expiry date of 31 January 2017 and exercise price of \$0.10 (31 December 2015: 22,898,252)
- 3,000,000 unlisted options with an expiry date of 23 June 2020 and exercise price of \$0.20 (31 December 2015: 3,000,000)
- 10,300,000 Class A Performance Rights (31 December 2015: 10,300,000)
- 3,300,000 Class B Performance Rights (31 December 2015: 3,300,000)
- 9 Convertible Preference Shares (31 December 2015: 9)

9. SUBSEQUENT EVENTS

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

**ANTILLES OIL AND GAS NL – HALF YEAR REPORT
DIRECTORS DECLARATION
FOR THE HALF YEAR ENDED 30 JUNE 2016**

In the opinion of the directors of Antilles Oil and Gas NL (“the Company”):

1. the financial statement and notes, as set out in this half-year report, are in accordance with the *Corporations Act 2001* including:
 - (a) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2016 and of its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



RANKO MATIĆ
Non-Executive Director
13th September 2016

Independent Auditor's Review Report

To the members of Antilles Oil and Gas NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Antilles Oil and Gas NL, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Antilles Oil and Gas NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

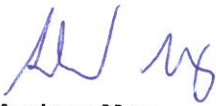
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Antilles Oil and Gas NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Antilles Oil and Gas NL's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Greenwich & Co

Greenwich & Co Audit Pty Ltd



Andrew May
Audit Director

13 September 2016
Perth
Western Australia