

## SECTION 2A: APPENDIX 3

# FORM: Preliminary final report

Name of issuer

INTERNATIONAL PETROLEUM LIMITED

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('Current period')
118 108 615		X	Financial year ended 31 December 2017

### For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$US
Revenue (item 1.1)	up	39%	to	388,429
(Loss)86 for the period (item 1.9)	down	86%	to	(432,605)
(Loss) for the period attributable to members of the parent (item 1.11)	down	86%	to	(432,605)
<b>Dividends</b>		Current period		Previous corresponding period
Franking rate applicable:				
<b>Final dividend</b> (preliminary final report only) (item 10.13-10.14)		NA		NA
Amount per security				
Franked amount per security				
<b>Interim dividend</b> (Half yearly report only) (item 10.11 – 10.12)		NA		NA
Amount per security				
Franked amount per security				

Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

NA

### Consolidated income statement *(The figures are not equity accounted)*

*(see note 3)*

*(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period - \$US	Previous corresponding period - \$US
1.1 Revenues <i>(item 7.1)</i>	388,429	278,735
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(801,176)	(3,418,153)
1.3 Finance costs	(19,858)	(25,806)
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
<b>1.5 Profit (loss) before income tax</b>	<b>(432,605)</b>	<b>(3,165,224)</b>
1.6 Income tax expense <i>(see note 4)</i>	-	(31)
1.7 Profit (loss) from continuing operations	(432,605)	(3,165,255)
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
<b>1.9 Profit (loss) for the period</b>	<b>(432,605)</b>	<b>(3,165,255)</b>
1.10 Profit (loss) attributable to minority interests	-	-
<b>1.11 Profit (loss) attributable to members of the parent</b>	<b>(432,605)</b>	<b>(3,165,255)</b>
1.12 Basic earnings per security <i>(cents) (item 9.1)</i>	(0.03)	(0.19)
1.13 Diluted earnings per security <i>(cents) (item 9.1)</i>	(0.03)	(0.19)
1.14 Dividends per security <i>(item 9.1)</i>	-	-

### Comparison of half-year profits

*(Preliminary final statement only)*

Current period - \$US	Previous corresponding period
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		- \$US
2.1	Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	(125,397) (2,745,075)
2.2	Consolidated profit (loss) after tax attributable to members for the 2nd half year	(307,206) (420,180)

## Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

<b>Current assets</b>		Current period -\$US	Previous corresponding period - \$US
3.1	Cash and cash equivalents	416,867	607,071
3.2	Trade and other receivables	6,217	41,961
3.3	Inventories	-	-
3.4	Other current assets (provide details if material)	60,067	75,634
3.5	<b>Total current assets</b>	483,151	724,666
<b>Non-current assets</b>			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	-	-
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	-	-
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	-	-
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	-	-
3.16	Other (provide details if material)	-	-
3.17	<b>Total non-current assets</b>	-	-
3.18	<b>Total assets</b>	465,413 483,151	724,666
<b>Current liabilities</b>			
3.19	Trade and other payables	6,370,799	5,946,841
3.20	Short term borrowings	-	-
3.21	Current tax payable	186,822	172,845
3.22	Short term provisions	-	-
3.23	Current portion of long term borrowings	-	-
3.24	Other current liabilities (provide details if material)	-	-
		6,557,621	6,119,686
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	<b>Total current liabilities</b>	6,557,621	6,119,686
<b>Non-current liabilities</b>			

	Current period - \$US	Previous corresponding period - \$US
3.27 Long-term borrowings	-	-
3.28 Deferred tax liabilities	-	-
3.29 Long term provisions	-	-
3.30 Other (provide details if material)	-	-
3.31 <b>Total non-current liabilities</b>	-	-
3.32 <b>Total liabilities</b>	6,557,621	6,119,686
3.33 <b>Net assets</b>	(6,074,470)	(5,395,020)
<b>Equity</b>		
3.34 Share capital	285,751,343	285,751,343
3.35 Other reserves	(94,214,292)	(93,967,447)
3.36 Retained earnings	(197,611,521)	(197,178,916)
Amounts recognised directly in equity relating to non-current assets classified as held for sale		
3.37 <b>Parent interest</b>	-	-
3.38 <b>Minority interest</b>	-	-
3.39 <b>Total equity</b>	(6,074,470)	(5,395,020)

## Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – \$US	Previous corresponding period – \$US
Revenues recognised directly in equity:		
NA		
Expenses recognised directly in equity:		
Foreign exchange loss on translation of foreign operations	(246,845)	(53,342)
<b>4.1 Net income recognised directly in equity</b>	<b>(246,845)</b>	<b>(53,342)</b>
<b>4.2 Loss for the period</b>	<b>(679,450)</b>	<b>(3,165,255)</b>
<b>4.3 Total recognised income and expense for the period</b>	<b>(679,450)</b>	<b>(3,218,597)</b>
Attributable to:		
4.4 Members of the parent	(679,450)	(3,218,597)
4.5 Minority interest	-	-
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

**Consolidated statement of cash flows***(See note 6)**(as per AASB 107: Cash Flow Statements)*

	Current period - \$US	Previous corresponding period - \$US
<b>Cash flows related to operating activities</b>		
5.1 Receipts from customers	77,339	25,848
5.2 Payments to suppliers and employees	(602,742)	(992,053)
5.3 Interest and other costs of finance paid	19	89
5.4 Income taxes paid	-	-
5.5 Other (provide details if material)		
Receipt from insurers	230,655	-
5.6 <b>Net cash used in operating activities</b>	<b>(294,729)</b>	<b>(966,116)</b>
<b>Cash flows related to investing activities</b>		
5.7 Payments for purchases of property, plant and equipment	-	-
5.8 Proceeds from sale of property, plant and equipment	-	-
5.9 Payment for purchases of equity investments	-	-
5.10 Proceeds from sale of equity investments	-	-
5.11 Loans to other entities	-	-
5.12 Loans repaid by other entities	-	-
5.13 Interest and other items of similar nature received	-	-
5.14 Dividends received	-	-
5.15 Other (provide details if material)		
Receipt of security deposits	32,909	1,323
Proceeds from sale of Tubatse Project	-	208,122
Payment for exploration and evaluation expenditure	-	(35,953)
Receipts from disposal of financial assets available for sale	75,756	-
5.16 <b>Net cash used in investing activities</b>	<b>108,665</b>	<b>173,492</b>
<b>Cash flows related to financing activities</b>		
5.17 Proceeds from issues of securities (shares, options, etc.)	-	-
5.18 Proceeds from borrowings	-	-
5.19 Repayment of borrowings	-	-
5.20 Dividends paid	-	-
5.21 Other (provide details if material)	-	-
5.22 <b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash</b>	<b>(186,064)</b>	<b>(792,624)</b>

	<b>equivalents</b>		
5.23	Cash at beginning of period (see <i>Reconciliations of cash</i> )	607,071	1,399,695
5.24	Exchange rate adjustments to item 5.23	(4,140)	-
5.25	<b>Cash at end of period</b> (see Reconciliation of cash)	416,867	607,071



## Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

	Current period \$US	Previous corresponding period \$US
6.1 <b>Profit</b> <i>(item 1.9)</i>	(432,605)	(3,165,224)
Adjustments for:		
6.2 Depreciation	-	25,806
6.3 Gain on sale of Tubatse Project	-	(208,122)
6.4 Bad debts write off	18,651	218,285
Foreign current (gains) losses	(14,312)	29,500
Allowances for impairment	-	35,953
6.5 Increase/decrease in trade and other receivables	35,744	(13,063)
6.6 Increase/decrease in prepayments	15,567	76,686
6.7 Increase/decrease in trade and other payables	82,226	2,034,063
6.8 Increase/decrease in	-	-
6.9 Increase/decrease in	-	-
6.10 <b>Net cash from operating activities</b> <i>(item 5.6)</i>	(294,729)	(966,116)

## Notes to the financial statements

### Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

	Current period - \$US	Previous corresponding period - \$US
Revenue		
Interest revenue	19	89
Rental income	-	70,524
Other income	388,410	208,122
7.1 Total Revenue	388,429	278,646
Expenses		
Employee expenses	(188,321)	(2,162,949)
Consulting	(428,904)	(404,357)
Other expenses	(203,809)	(876,595)
7.2 Total Expenses	(821,034)	(3,443,901)
Profit (loss) before tax	(432,605)	(3,165,255)

### Ratios

	Current period	Previous corresponding period
<b>Profit before tax / revenue</b>		
8.1 Consolidated profit (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	111%	1136%
<b>Profit after tax / equity interests</b>	111%	1136%
8.2 Consolidated profit (loss) after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)		

## Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

### Year ended 31 December 2017

Loss attributable to members of the parent: US\$432,605

Weighted average number of shares on issue during the year: 1,679,602,608

Basic loss per share: 0.03 US cents

Diluted loss per share: 0.03 US cents

### Year ended 31 December 2016

Loss attributable to members of the parent: US\$3,165,255

Weighted average number of shares on issue during the year: 1,679,602,608

Basic loss per share: 0.19 US cents

Diluted loss per share: 0.19 US cents

## Dividends

- 10.1 Date the dividend is payable

NA

- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

NA

- 10.3 If it is a final dividend, has it been declared? NA

*(Preliminary final report only)*

- 10.4 The *dividend or distribution plans* shown below are in operation.

NA

The last date(s) for receipt of election notices to the *dividend or distribution plans*

NA

10.5 Any other disclosures in relation to *dividends or distributions*

NA

## Dividends paid or provided for on all securities

(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)

	Current period - \$US	Previous corresponding period - \$US	Franking rate applicable
<b>Dividends paid or provided for during the reporting period</b>	NIL	NIL	NIL
10.6 Current year interim	NIL	NIL	NIL
10.7 Franked dividends			
10.8 Previous year final	NIL	NIL	NIL
10.9 Franked dividends			
<b>Dividends proposed and not recognised as a liability</b>	NIL	NIL	NIL
10.10 Franked dividends	NIL		

## Dividends per security

(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)

	Current year	Previous year	Franking rate applicable
<b>Dividends paid or provided for during the reporting period</b>	NIL	NIL	NIL
10.11 Current year interim	NIL	NIL	NIL
10.12 Franked dividends – cents per share			
10.13 Previous year final	NIL	NIL	NIL
10.14 Franked dividends – cents per share			
<b>Dividends proposed and not recognised as a liability</b>	NIL	NIL	NIL
10.15 Franked dividends – cents per share	NIL	NIL	NIL

### Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period \$US	Previous corresponding period \$US
11.1 Opening balance	-	-
11.2 Expenditure incurred during current period	-	35,953
11.3 Expenditure written off during current period	-	(35,953)
11.4 Acquisitions, disposals, revaluation increments, etc.	-	-
11.5 Expenditure transferred to Development Properties	-	-
11.6 <b>Closing balance as shown in the consolidated balance sheet (item 3.10)</b>	-	-

### Development properties

(To be completed only by issuers with mining interests if amounts are material)

	Current period \$US	Previous corresponding period \$US
12.1 Opening balance	-	-
12.2 Expenditure incurred during current period	-	-
12.3 Expenditure transferred from exploration and evaluation	-	-
12.4 Expenditure written off during current period	-	-
12.5 Acquisitions, disposals, revaluation increments, etc.	-	-
12.6 Expenditure transferred to mine properties	-	-
12.7 <b>Closing balance as shown in the consolidated balance sheet (item 3.11)</b>	-	-

### Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

	Current period – US\$	Previous corresponding period – US\$
13.1 Revenue	-	-
13.2 Expense	-	-
13.3 <b>Profit (loss) from discontinued operations before income tax</b>	-	-
13.4 Income tax expense (as per para 81 (h) of AASB 112)	-	-
13.5 <b>Gain (loss) on sale/disposal of discontinued operations</b>	-	-
13.6 Income tax expense (as per paragraph 81(h) of AASB 112)	-	-

## Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		<b>Number issued</b>	<b>Number listed</b>	<b>Paid-up value (cents)</b>	<b>Current period – US\$</b>	<b>Previous corresponding period – US\$</b>
14.1	<b>Preference securities</b> <i>(description)</i>	N/A	N/A	N/A	N/A	N/A
14.2	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.3	a) Increases through issues	N/A	N/A	N/A	N/A	N/A
14.4	a) Decreases through returns of capital, buybacks etc.	N/A	N/A	N/A	N/A	N/A
14.5	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.6	<b>Ordinary securities</b> <i>(description)</i>	Issued ordinary shares – fully paid	Issued ordinary shares – fully paid	NA	Issued ordinary shares – fully paid	Issued ordinary shares – fully paid
14.7	Balance at start of period	1,679,602,608	1,679,602,608		279,589,269	279,589,269
14.8	a) Increases through issues	-	-	NA	-	-
14.9	b) Decreases through returns of capital, buybacks etc.	-	-		-	-
14.10	Balance at end of period	1,679,602,608	1,679,602,608	NA	279,589,269	279,589,269
14.11	<b>Convertible Debt Securities</b> <i>(description &amp; conversion factor)</i>	NA	NA	NA	NA	NA
14.12	Balance at start of period	NA	NA	NA	NA	NA
14.13	a) Increases through issues	NA	NA	NA	NA	NA

14.14	b) Decreases through maturity, converted.	NA	NA	NA	NA	NA
14.15	Balance at end of period	NA	NA	NA	NA	NA
		<b>Number issued</b>	<b>Number listed</b>	<b>Paid-up value (cents)</b>	<b>Current period – US\$</b>	<b>Previous corresponding period – US\$</b>
14.16	<b>Options</b> <i>(description &amp; conversion factor)</i>	Unlisted options 500,000 @ A\$0.10	-	-		
14.17	Balance at start of period	2,500,000	-	-	5,640,530	5,640,530
14.18	Issued during period	-	-	-	-	-
14.19	Exercised during period	-	-	-	-	-
14.20	Expired during period	(2,000,000)	-	-	-	-
14.21	Balance at end of period	500,000	-	-	5,640,530	5,640,530
14.22	<b>Debentures</b> <i>(description)</i>	N/A	N/A	N/A	N/A	N/A
14.23	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.24	a) Increases through issues	N/A	N/A	N/A	N/A	N/A
14.25	b) Decreases through maturity, converted	N/A	N/A	N/A	N/A	N/A
14.26	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.27	<b>Unsecured Notes</b> <i>(description)</i>	N/A	N/A	N/A	N/A	N/A
14.28	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.29	a) Increases	N/A	N/A	N/A	N/A	N/A



14.30	through issues b) Decreases through maturity, converted	N/A	N/A	N/A	N/A	N/A
14.31	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.32	<b>Total Securities</b>	<b>1,680,102,608</b>	<b>1,679,602,608</b>	<b>NA</b>	<b>285,229,799</b>	<b>285,229,799</b>

		Current period – US\$	Previous corresponding period – US\$
	<b>Reserves</b>		
14.33	Balance at start of period	(93,967,447)	(93,914,105)
14.34	Transfers to/from reserves		
	Foreign exchange differences on translation of operations to presentation currency	246,845	(53,342)
14.35	Total for the period	246,845	(53,342)
14.36	Balance at end of period	(94,214,292)	(93,967,447)
14.37	<b>Total reserves</b>	(94,214,292)	(93,967,447)
	<b>Retained earnings</b>		
14.38	<b>Balance at start of period</b>	(197,178,916)	(194,013,661)
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit/(loss) for the balance	(432,605)	(3,165,255)
14.42	Total for the period	(432,605)	(3,165,255)
14.43	Dividends	-	-
14.44	<b>Balance at end of period</b>	(197,611,521)	(197,178,916)

## Details of aggregate share of profits (losses) of associates and joint venture entities

(equity method)

(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)

Name of associate or joint venture entity

Reporting entities percentage holding

		Current period - \$US	Previous corresponding period - \$US
15.1	Profit (loss) before income tax	NA	NA
15.2	Income tax	NA	NA
15.3	<b>Profit (loss) after tax</b>	NA	NA
15.4	Impairment losses	NA	NA
15.5	Reversals of impairment losses	NA	NA
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	NA	NA
15.7	<b>Share of net profit (loss) of associates and joint venture entities</b>	NA	NA

## Control gained over entities having material effect

(See note 8)

16.1 Name of *issuer* (or *group*)

		\$A'000
16.2	Consolidated profit (loss) after tax of the <i>issuer</i> (or <i>group</i> ) since the date in the current period on which control was acquired	NA
16.3	Date from which profit (loss) in <i>item</i> 16.2 has been calculated	NA
16.4	Profit (loss) after tax of the <i>issuer</i> (or <i>group</i> ) for the whole of the previous corresponding period	NA

### Loss of control of entities having material effect

(See note 8)

17.1	Name of issuer (or group)	NA
17.2	Consolidated profit (loss) after tax of the entity (or group) for the current period to the date of loss of control	\$US NA
17.3	Date from which the profit (loss) in item 17.2 has been calculated	NA
17.4	Consolidated profit (loss) after tax of the entity (or group) while controlled during the whole of the previous corresponding period	NA
17.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control	NA

### Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (item 1.9)	
		Current period	Previous corresponding period	Current period \$US	Previous corresponding period \$US
18.1	<b>Equity accounted associated entities</b>	NA	NA	<i>Equity accounted</i>	
				NA	NA
18.2	<b>Total</b>	NA	NA	NA	NA
18.3	<b>Other material interests</b>	NA	NA	Non equity accounted (i.e. part of item 1.9)	
				NA	NA
18.4	<b>Total</b>	NA	NA	NA	NA

### Reports for industry and geographical segments

For management purposes, the Group is organised into one main operating segment, which involves exploration for hydrocarbons. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results, assets and liabilities from this segment are equivalent to the financial statements of the Group as a whole. The Group only has one operating segment being exploration for hydrocarbons.

The analysis of the location of non-current assets is as follows:

	Current period	Previous corresponding period
	US\$	US\$
Australia	-	-
United Kingdom	-	-
Africa	-	-
Kazakhstan	-	-
	-	-

## NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	N/A	N/A

## Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

21.1	<p><b>Investing Activities</b></p> <p>US\$32,909 of security deposits was returned to the Group during the year current year (2016: US\$1,323).</p> <p>US\$75,387 was received for full reimbursement of the Company's investment in Citation Resources Limited shares (2016: nil).</p> <p><b>Financing Activities</b></p> <p>None</p>
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## International Financial Reporting Standards

Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1	NA
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*Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.*

22.2

NA
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**Comments by directors**

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

NA

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

NA

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

NA

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)*

NA

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

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NA

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (*as per paragraph 16(d) of AASB 134: Interim Financial Reporting*)

NA

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report (*as per paragraph 16(j) of AASB 134: Interim Financial Reporting*)

NA



The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence (as per paragraph 16(c) of AASB 134: Interim Financial Reporting)

**Contingent Liability**

Towards the end of 2014, a wrongful dismissal claim and other employment related claims were brought against the Company and two of its Directors by its former Chief Executive Officer, Alex Osipov. A judgment was handed down by the UK Employment Tribunal, provisionally awarding £1,767,203.16 including taxes to the former employee. No amounts have been paid in respect of this award by the Company. The Company and its Directors strongly dispute the claims and lodged an appeal with the Employment Appeal Tribunal in the UK (EAT).

Unfortunately, the Company was not successful in its appeal to the EAT. Judgement was given on 27 July 2017 by the EAT and EAT’s sealed Order of 27 July 2017 was received by the Company on 8 August 2017 against the Company, Mr Frank Timis and Mr Antony Sage in the total amount of £2,003,972 gross on a joint and several liability basis. An application for permission to appeal certain aspects of this Judgement to the Court of Appeal on behalf Messrs. Timis and Sage was lodged on 17 August 2017.

The Company was informed on 24 October 2017 by the letter from the Civil Appeals Office, that permission to appeal was granted by the Court of Appeal at an oral hearing on 16 October 2017 to which the parties were not invited. The hearing was given a hear-by date of 19 November 2018. On 21 November 2017, the Company received a letter from the Civil Appeals Office notifying that the hearing for this matter is listed for 3 July 2018 with a time estimate of 2 days.

Interest on the amount payable of £2,003,972 (US\$2,703,599) accrues at 8% per annum, accruing daily. Interest through to 31 March 2018 has been accrued for in this report, totalling £213,757 (US\$288,384).

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations (as per paragraph 16(i) of AASB 134: Interim Financial Reporting)

NA

**Annual meeting**

*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

32 Harrogate Street, West Leederville WA  
6007

Date

21<sup>st</sup> June 2018 (estimate)

Time

9:00am (estimate)

Approximate date the annual report will be available

30 April 2018

**Compliance statement**

- 1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

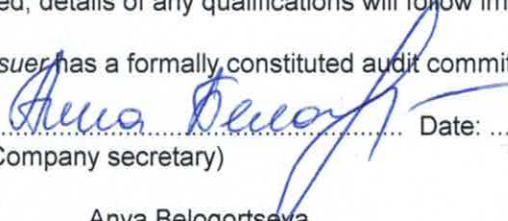
NA

- 2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
- 3. This statement does give a true and fair view of the matters disclosed (see note 2).
- 4. This statement is based on financial statements to which one of the following applies:

- The financial statements have been audited.
- The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- The financial statements are in the process of being audited or subject to review.
- The financial statements have *not* yet been audited or reviewed.

- 5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications will follow immediately they are available

- 6. The *issuer* has a formally constituted audit committee.

Sign here:  Date: .....11 April 2018.....  
(Company secretary)

Print name: ..... Anya Belogortseva.....

## Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated statement of financial performance**
  - Item 1.1 The definition of "revenue" is set out in *AASB 118: Revenue*
  - Item 1.6 This item refers to the total tax attributable to the amount shown in *item 1.5*. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg. fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9*.
5. **Consolidated statement of financial position**

**Format** The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134: Interim Financial Reporting*, and *AASB 101: Presentation of Financial Statements*. Banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 107: Cash Flow Statements*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 107*.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary *securities* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit

(loss) after tax by more than 5% compared to the previous corresponding period.

9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under ASIC Class Order 98/0100 dated 15 July 2004, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 101: Presentation of Financial Statements* or *AASB 134: Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the ASIC under the *Corporations Act* must also be given to the *Exchange*. For example, a *directors'* report and declaration, if lodged with the ASIC, must be given to the *Exchange*.
13. **Accounting Standards** the *Exchange* will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.
15. **Details of expenses** *AASB 101: Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

**Relevant items** *AASB 101: Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant*, as defined in *AASB 101*, in explaining the financial performance of the *issuer*. There is an equivalent requirement in *AASB 134: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.
17. **Discontinuing operations**

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by *paragraph 7.5 (g) of AASB 134: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 5: Non-current Assets for Sale and Discontinued Operations*

In any case, the information may be provided as an attachment to this Appendix 3