

RAWSON RESOURCES LIMITED
ABN 69 082 752 985
and its controlled entities

HALF-YEAR REPORT
FOR THE PERIOD ENDED
31 DECEMBER 2014

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Directors' report

The Directors of Rawson Resources Limited submit herewith the financial report of the Company for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Information about the Directors

The names of the directors of the Company during and since the end of the half-year are:

Name

Mr. Simon G. B. Bird

Mr. Richard D. Ash

Mr. Allister Richardson

Mr. N. Paul Adams *Resigned 31 July 2014*

Except as noted, the named persons held their current position for the whole of the half-year and since the end of the financial year.

Principal activities

The principal activity of the Consolidated Entity during the course of the financial year was exploration for oil and gas in Australia and New Zealand.

There were no significant changes in the nature of the Consolidated Entity's principal activity during the financial year.

Review of operations

The Consolidated Entity is currently continuing to explore for oil and gas in Australia and New Zealand.

Operating results

Total comprehensive income for the half-year ended 31 December 2014 and attributable to owners of the Company was a loss of \$659,231 (2013: \$1,358,377 loss).

Changes in state of affairs

No significant changes in the state of affairs of the Consolidated Entity occurred during the financial year.

Subsequent events

There are no matters or circumstances that have arisen since the end of the half-year which significantly affect, or may significantly affect, the operations, results or state of affairs of the economic entity that have not otherwise been disclosed elsewhere in this report except the agreement the Company entered into with Adelaide Energy Pty Limited (a wholly owned subsidiary of Beach Energy Limited) to purchase 100% of PRL 13 in the Otway Basin on the 5th

March 2014 did not meet all conditions precedent and therefore has been terminated by mutual agreement. The consideration paid to date of \$400,000 (plus GST) will be refunded to the Company in full.

The auditor's independence declaration is included on page 5 of the half-year report.

The directors' report is signed in accordance with a resolution of Directors made pursuant to s.306 (3) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'S. G. B. Bird', with a large, stylized loop at the end.

Mr. S. G. B. Bird
Chairman
Sydney, 16 March 2015

The Board of Directors
Rawson Resources Limited
GPO Box 3374
SYDNEY NSW 2001

16 March 2015

Dear Board Members

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit partner for the review of the financial statements of Rawson Resources Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

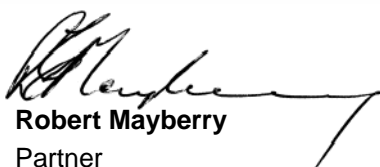
- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Nexia Court & Co

Chartered Accountants



Robert Mayberry

Partner

Date: 16 March 2015

Sydney Office

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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Rawson Resources Limited, which comprises the Consolidated Statement of Financial Position as at 31 December 2014, the Consolidated Statement of Profit and 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, of the group comprising Rawson Resources Limited and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 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 Rawson Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been given to the directors of Rawson Resources Limited.

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Independent Auditor's Review Report
To the members of Rawson Resources Limited (continued)

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 Rawson Resources Limited and its controlled entities is not 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 2014 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads "Nexia Court & Co".

Nexia Court & Co
Chartered Accountants

A handwritten signature in black ink that reads "Robert Mayberry".

Robert Mayberry
Partner

Sydney
16 March 2015

Directors' declaration

The Directors declare that:

1. In the Directors' opinion, the attached financial statements and accompanying notes set out on pages 9 to 24 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Company's financial position as at 31 December 2014 and its performance for the half-year ended on that date;
2. In the Directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

A handwritten signature in black ink, appearing to read 'S. G. B. Bird', with a stylized flourish underneath.

Mr. S. G. B. Bird
Chairman
Sydney, 16 March 2015

**Consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2014**

	Note	2014 \$	2013 \$
Interest received		14,500	12,087
		<u>14,500</u>	<u>12,087</u>
Expenses			
Administration expenses		(355,057)	(360,017)
Directors' remuneration expense	13	(157,875)	(95,361)
Exploration expenditure written off		(88,866)	(78,369)
Foreign exchange loss		(37,084)	(44,131)
Impairment of available-for-sale financial asset to be disposed of in the future		(81,632)	-
		<u>(720,514)</u>	<u>(577,878)</u>
(Loss)/Profit before income tax		(706,014)	(565,791)
Income tax expense / benefit		-	-
Profit / (Loss) attributable to owners of the Company		<u>(706,014)</u>	<u>(565,791)</u>
Other comprehensive income for the year, net of income tax			
Revaluation decrement of available for sale financial asset	7	-	(1,002,379)
Foreign currency translation gain on revaluation		46,783	209,793
		<u>46,783</u>	<u>(792,586)</u>
Total comprehensive income attributable to owners of the Company		<u>(659,231)</u>	<u>(1,358,377)</u>
Earnings per share		Cents	Cents
Basic and diluted loss per share attributable to ordinary equity holders		<u>(0.7)</u>	<u>(0.6)</u>

The accompanying notes form part of these financial statements.

**Consolidated statement of financial position
as at 31 December 2014**

	Note	December 2014 \$	June 2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	980,007	888,252
Receivables	6	39,617	42,397
Financial Instruments	7	146,883	835,583
TOTAL CURRENT ASSETS		<u>1,166,507</u>	<u>1,766,232</u>
NON-CURRENT ASSETS			
Production assets	8	400,000	400,000
Exploration assets	9	2,519,370	2,519,370
Plant and equipment	10	15,757	16,935
TOTAL NON-CURRENT ASSETS		<u>2,935,127</u>	<u>2,936,305</u>
TOTAL ASSETS		<u>4,101,634</u>	<u>4,702,537</u>
CURRENT LIABILITIES			
Trade and other payables	11	23,672	46,486
Provision	12	-	17,658
TOTAL CURRENT LIABILITIES		<u>23,672</u>	<u>64,144</u>
NON-CURRENT LIABILITIES			
Other liabilities	16	250,000	250,000
TOTAL NON-CURRENT LIABILITIES		<u>250,000</u>	<u>250,000</u>
TOTAL LIABILITIES		<u>273,672</u>	<u>314,144</u>
NET ASSETS		<u>3,827,962</u>	<u>4,388,393</u>
EQUITY			
Share capital	13	10,397,931	10,299,131
Reserves		537,856	491,073
Accumulated losses		(7,107,825)	(6,401,811)
TOTAL EQUITY		<u>3,827,962</u>	<u>4,388,393</u>

The accompanying notes form part of these financial statements.

**Consolidated Statement of changes in equity
as at 31 December 2014**

	Share Capital Ordinary	Foreign Exchange Reserve	Fair Value Reserve	Accumulated Losses	Total Equity
Balance at 30 June 2013	10,299,131	260,084	(1,292,849)	(2,801,944)	6,464,422
Reclassification adjustment relating to available-for-sale financial asset disposed of in the year	-	-	2,600,000	-	2,600,000
Reclassification adjustment relating to available-for-sale financial asset to be disposed of in future period	-	-	(1,307,151)	-	(1,307,151)
Foreign currency translation loss on revaluation	-	230,989	-	-	230,989
Loss for the year	-	-	-	(3,599,867)	(3,599,867)
Total comprehensive income for the year	-	230,989	1,292,849	(3,599,867)	(2,076,029)
Balance at 30 June 2014	10,299,131	491,073	-	(6,401,811)	4,388,393
Issue of shares	98,800	-	-	-	98,800
Foreign currency translation loss on revaluation	-	46,783	-	-	46,783
Loss for the half-year	-	-	-	(706,014)	(706,014)
Total comprehensive income for the half-year	-	46,783	-	(706,014)	(659,231)
Balance at 31 December 2014	10,397,931	537,856	-	(7,107,825)	3,827,962

The accompanying notes form part of these financial statements.

**Consolidated statement of cash flows
for the half-year ended 31 December 2014**

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from sale of permits			-
Payments to suppliers		(539,450)	(738,411)
Net cash used in operating activities	14	<u>(539,450)</u>	<u>(738,411)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		9,846	12,087
Proceeds on sale of financial assets		621,359	24,000
Purchase of equipment		-	(6,636)
Net cash used in investing activities		<u>631,205</u>	<u>29,451</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	-
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		91,755	(708,960)
Net foreign exchange difference		-	(4,188)
Cash and cash equivalents at beginning of financial year		<u>888,252</u>	<u>983,528</u>
Cash and cash equivalents at end of financial year		<u>980,007</u>	<u>270,380</u>

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Statement of significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australia dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2014 annual financial report for the financial year ended 30th June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

2. Application of new and revised Accounting Standards

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1031 'Materiality' (2013)
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
 - Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
 - Part C: 'Materiality'

Notes to the financial statements (cont'd)

2. Application of new and revised Accounting Standards (cont'd)

Impact of the application of AASB 1031 'Materiality' (2013)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete references to AASB 1031, at the same time it makes various editorial corrections to Australian Accounting Standards as well. The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards'

Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycle'

The Annual Improvements 2010-2012 Cycle include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments

Notes to the financial statements (cont'd)

2. Application of new and revised Accounting Standards (cont'd)

to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

Part C – 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031, which historically has been referenced in each Australian Accounting Standard.

The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

At the date of authorisation of the financial statements, no IASB Standards and IFRIC Interpretations were issued or effective.

3. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the half-year ended 30th June 2014.

Notes to the financial statements (cont'd)

4. Going concern

Notwithstanding the Company's loss and negative cash flows during the year, the financial report has been prepared on a going concern basis. The assessment is based on the cash on hand balance at half-year and outstanding payables. The Company does not plan to undertake an increased level of exploration expenditure in the future, above what it has undertaken in previous years. The Company does have the ability to raise extra funds through share placement and realisation of its investment in listed shares, and the Directors have no reason to believe that any proposed fund raising will not be successful. The Company has prepared cash flow forecasts and the Directors are satisfied that the Company would be able to continue to operate as a going concern on this basis.

5. Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash at bank and term deposits which can be utilised by giving short notice to the financial institution. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	31 December 2014 \$	30 June 2014 \$
Cash and bank balances	980,007	888,252

6. Receivables – current

Other receivables	19,237	10,486
GST receivables	20,380	31,911
	<u>39,617</u>	<u>42,397</u>

Notes to the financial statements (cont'd)

7. Financial instruments - current

Held to maturity investments

	31 December 2014 \$	30 June 2014 \$
Term deposits ⁽¹⁾	104,655	112,000
Security bonds ⁽²⁾	17,262	5,261
	<u>121,917</u>	<u>117,261</u>

Available for sale financial assets carried at fair value

Quoted securities ⁽³⁾	24,966	718,322
	<u>146,883</u>	<u>835,583</u>

⁽¹⁾The term deposits are held as security for the bank guarantees required for the exploration leases and permits. Refer Note 15.

⁽²⁾The security deposits relate to exploration lease ATP837 (\$12,000) which is currently in the process of being relinquished and a rental security (\$5,261) which is in the process of being refunded.

⁽³⁾As at balance date the Company holds 970,769 (June 2014: 27,307,692) listed fully paid ordinary shares in KEA Petroleum Plc (AIM: KEA). KEA is listed on AIM – London Stock Exchange. As at balance date the 970,769 listed fully paid ordinary shares in KEA were written down by \$81,632 to \$24,966.

The company has assessed the fair value hierarchy. Listed securities held by the Company are assessed as level 1. Level 1 relates to quoted prices in active markets for identical assets and liabilities.

8. Production assets

	Note	31 December 2014 \$	30 June 2014 \$
PRL 13	21	400,000	400,000
		<u>400,000</u>	<u>400,000</u>

On the 5 March 2014 the Company entered into an agreement with Adelaide Energy Pty Limited (a wholly owned subsidiary of Beach Energy Limited) to purchase 100% of PRL 13 in the Otway Basin. The purchase price is \$600,000 (plus GST) of which \$400,000 (plus GST) has been paid.

Notes to the financial statements (cont'd)

9. Exploration assets

		31 December 2014 \$	30 June 2014 \$
Cost	16	2,519,370	2,519,370
		<u>2,519,370</u>	<u>2,519,370</u>

The Company acquired the remaining 62.5% of Otway Energy Pty Ltd that it did not own subsequent to the approval in the Extraordinary General Meeting in May 2014 for \$2 million plus contingent consideration relating to future royalties valued at \$250,000 bringing it to a total cost of \$2,519,370 for 100% ownership.

10. Plant and equipment

	31 December 2014 \$	30 June 2014 \$
At cost	23,610	23,547
Less: Accumulated depreciation	(7,853)	(6,612)
	<u>15,757</u>	<u>16,935</u>
Movement in carry amount		
Plant & equipment:		
Balance at the beginning of the year	16,935	13,544
Acquisition of equipment	-	6,474
Depreciation expense	(1,178)	(3,083)
Balance at the end of the year	<u>15,757</u>	<u>16,935</u>

11. Trade and other payables - current

Trade payables and accruals	<u>23,672</u>	<u>46,486</u>
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Notes to the financial statements (cont'd)

12. Provision – Current

	31 December 2014 \$	30 June 2014 \$
Provision for annual leave	-	17,658

13. Issued capital

98,047,150 fully paid ordinary shares (30 June 2014: 94,247,150)	10,397,181	10,298,381
750,000 partly paid ordinary shares (30 June 2014: 750,000)	750	750
	<u>10,397,931</u>	<u>10,299,131</u>

Fully paid ordinary shares carry one vote per share and carry a right to a dividend.

Partly paid ordinary shares carry one vote per share but do not carry a right to a dividend.

During the period 1 July 2014 and 31 December 2014 3,800,000 fully paid ordinary shares were issued. There has been no movement in relation to partly paid ordinary shares for the same period. The issue of shares were to Directors of the Company in lieu of director fees as approved by Shareholders at the last Annual General Meeting. The period the director fees relate to is for the calendar year ended 31 December 2015.

As at 31 December 2014 the past and current directors along with the Chief Executive Officer held options over 4,700,000 ordinary shares in the company. The options have an exercise price of \$0.12 and will expire on 6 December 2016.

Notes to the financial statements (cont'd)

14. Reconciliation of Profit / (Loss) to net cash used in operating activities for the half-year ended 31 December 2014

	2014	2013
	\$	\$
(Loss) / profit attributable to members of the parent entity	(706,014)	(565,791)
Interest income	(14,500)	(12,087)
Depreciation expenses	1,178	-
Net foreign exchange loss/(gain)	37,084	44,131
Net fair value loss on available-for-sale financial asset to be disposed of in the future	81,631	-
 Movements in working capital		
Proceeds from issue of equity instruments of the Company	98,800	-
Decrease / (increase) in trade and other receivables	2,780	(4,186)
(Decrease) / increase in payables	(22,751)	(205,760)
(Decrease) / increase in provision	(17,658)	5,282
	<u>(539,450)</u>	<u>(738,411)</u>

15. Commitments for expenditure

Bank guarantees

	31 December 2014	30 June 2014
	\$	\$
Westpac has bank guarantees given by the Company for exploration permits, as follows:-		
Guarantee in respect of PEL 154/155	100,000	100,000
Total	<u>100,000</u>	<u>100,000</u>

These guarantees are secured by Company term deposits totaling \$100,000 (30 June 2014: \$100,000)

Notes to the financial statements (cont'd)

Exploration lease commitments

Material expenditure commitments existed in relation to exploration leases and permits. The commitments are tabulated below. The actual expenditure may be more or less than the amounts indicated and will depend on, amongst other factors, actual costs at the time the expenditure becomes payable, foreign exchange rates, any variations to the terms of exploration leases granted by the lessor, whether or not the entity relinquishes its right to hold any lease, any decrease in interest of the entity in any lease or the sale or farm-out of any lease. Failure to meet any or part of the expenditure commitments in relation to an exploration permit or lease is likely to result in the cancellation of the subject exploration permit or exploration lease.

		31 December 2014 \$	30 June 2014 \$
1. Udacha Block	Interest 10.0%		
Exploration costs payable with one year		400,000	400,000
Exploration costs payable after one year and no later than five years		-	-
2. Otway Blocks PEL 154 and PEL 155	100.0%		
Exploration costs payable with one year		-	-
Exploration costs payable after one year and no later than five years		8,000,000	8,000,000
3. Office lease – Pitt Street, Sydney	100.0%		
Lease costs payable with one year		-	30,000
Lease costs payable after one year and no later than five years			
4. Office lease – Auckland, New Zealand	100.0%		
Lease costs payable with one year		-	1,300
Lease costs payable after one year and no later than five years		-	-

Total Expenditure commitments arising from
interest in property leases, joint ventures and
exploration leases:

Within one year	400,000	431,300
After one year and no later than five years	8,000,000	8,000,000
	<u>8,400,000</u>	<u>8,431,300</u>

Undrawn loan facilities

The Company has no loan facilities.

Notes to the financial statements (cont'd)

16. Business combinations

Subsidiaries acquired

During the previous financial year the Company acquired the remaining 62.5% of Otway Energy Pty Limited. Otway Energy Pty Limited holds PEL 155 and PEL 154 in the Otway Basin, South Australia.

During the current period the Company finalised its assessment of the fair value of the consideration transferred and the assets acquired in relation to the acquisition. This has resulted in the additional recognition of a non-current liability of \$250,000 representing the fair value of a royalty that is payable once production commences, and a corresponding adjustment to the exploration assets acquired as disclosed below.

Assets acquired and liabilities assumed as at the date of acquisition

	Note	31 December 2014	Reported at 30 June 2014
Current assets			
Cash & cash equivalents		1,207	1,207
Current liabilities			
Trade and other payables		(71)	(71)
		1,136	1,136
Consideration:			
- Investment in Otway Energy Pty Limited (100%)		2,270,506	2,270,506
- Contingent consideration payable		250,000	-
Less: fair value of other net assets acquired		(1,136)	(1,136)
Exploration asset recognised on acquisition	9	2,519,370	2,269,370

Notes to the financial statements (cont'd)

17. Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Company		Ownership by the Company		Place of incorporation	Date of Incorporation
		2014	2013		
		%	%		
Lonman Pty Ltd ⁽¹⁾	Subsidiary	100.0	100.0	Australia	14 th October 1983
Otway Energy Pty Ltd ⁽²⁾	Subsidiary	100.0	37.5	Australia	3 rd August 2007
Rawson Taranaki Ltd	Subsidiary	100.0	100.0	New Zealand	13 th May 2008

Rawson Resources Limited is the head entity within the tax-consolidated group.

Companies incorporated in Australia are part of the tax-consolidated group.

⁽¹⁾ To be deregistered during financial year 2015.

⁽²⁾ Acquired on remaining 67.5% 16 May 2014.

18. Related party disclosures

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties. The following transactions with related entities occurred during the half-year ended 31 December 2014:

1. Consultancy fees totaling \$nil (2013: \$5,995) were paid to Oil on Film Pty Limited, a company controlled by Mr. N. P. Adams.
2. Consultancy fees totaling \$16,500 (2013: \$13,200) were paid to Bedrock Pty Limited, a company controlled by Dr. R. L. S. Brownlaw.
3. Consulting fees totaling \$5,000 (2013: nil) were paid to Explore Consulting Ltd, a company controlled by Allister Richardson.

Notes to the financial statements (cont'd)

19. Operating segments

The group consists of one business segment being exploration of oil and gas permits, operating in two geographically different segments being Australia and New Zealand. It is in this manner that internal reporting is provided to the chief operating decision maker of the group, being the board of Rawson Resources Limited. Revenue and results of the different geographical segments are detailed below:

	Australia		New Zealand		Total	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
Revenue	14,500	12,038	-	49	14,500	12,087
Result	(493,301)	(540,568)	(212,713)	(25,223)	(706,014)	(565,791)
<hr/>						
	30 June 2014		30 June 2014		30 June 2014	
Assets	4,053,930	3,668,017	47,704	784,520	4,101,634	4,452,537
Liabilities	(266,109)	(51,630)	(7,563)	(12,514)	(273,672)	(64,144)
Net						
Assets	3,787,821	3,616,387	40,141	772,006	3,827,962	4,388,393

20. Contingent liabilities

There are no contingent liabilities as at balance date.

21. Subsequent events

There are no matters or circumstances that have arisen since the end of the half-year which significantly affect, or may significantly affect, the operations, results or state of affairs of the economic entity that have not otherwise been disclosed elsewhere in this report except the agreement the Company entered into with Adelaide Energy Pty Limited (a wholly owned subsidiary of Beach Energy Limited) to purchase 100% of PRL 13 in the Otway Basin on the 5th March 2014 did not meet all conditions precedent and therefore has been terminated by mutual agreement. The consideration of \$400,000 (plus GST) will be refunded to the Company in full.

22. Dividends

No dividends have been paid or proposed during the half-year (2013: \$nil).