



Antilles Oil and Gas NL

ACN 111 823 762

HALF YEAR REPORT

30 June 2017

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 2016 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 2017.

DIRECTORS

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

Damian Black	Non-Executive Director
David Wheeler	Non-Executive Director
Ranko Matic	Non-Executive Director

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 2017 after income tax amounted to \$82,869 (half year ended 30 June 2016: loss \$283,597). 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 terminated its Farm-Out Agreement of Licence Contract Block 105 with Siboil Del Peru S.A. (“Siboil”). The decision was made as a consequence of Antilles not being provided qualification by Perupetro S.A. (“Perupetro”), Peru’s state-run hydrocarbon company, to take over the assigned interest from Siboil, being 100%, in the Licence Contract Block 105. Perupetro notified Antilles that it had only qualified for 20% interest. Further, Antilles was not qualified in a technical capacity to assume the status of operator, only in a legal, economic and financial capacity. These qualifications were not acceptable to Antilles and a key condition of the Agreement was not satisfied.

As a result, Antilles Farm-In Agreement with Union Oil and Gas Group Ltd (“Union”) was also terminated.

A further consequence of the termination of the Farm-Out Agreement with Siboil has resulted in the US\$1 million bank bond filed with Perupetro expiring on 30 June 2017. The funds, including interest, were returned to Antilles bank accounts on 2 August 2017.

Therefore the Company has been actively pursuing other potential opportunities, working to identify and evaluate other new projects or asset acquisition opportunities, both within the resources sector and other sectors outside resources. As at the date of this report, no commercial discussions are at a stage that would warrant any disclosure.

During the half year, the Directors also continued with their strategic review of the Company’s existing Texan assets in the Midland Basin and the options available on this project.

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.

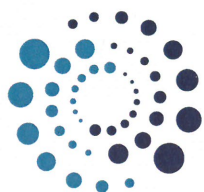
Signed in accordance with a resolution of the Board of Directors.



RANKO MATIĆ

Non-Executive Director

29th August 2017



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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 2017, 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 Audit Pty Ltd

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Lin Lee Kwa
Audit Director

29 August 2017

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 2017

	Half Year 2017 \$	Half Year 2016 \$
Notes		
Interest income	9,555	5,699
Forgiveness of debt	73,521	-
Director fees and salary	(45,000)	(90,789)
Audit expense	(7,162)	(7,000)
Professional services expenses	(62,662)	(68,016)
Regulatory expenses	(10,910)	(10,282)
Consultancy fees	-	(26,733)
Depreciation expenses	(7,555)	(10,413)
Administrative expenses	(32,656)	(76,063)
Loss before income tax	(82,869)	(283,597)
Income tax expense	-	-
Loss for the half year	(82,869)	(283,597)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit and loss</i>		
Exchange differences on translation of foreign operations	(67,411)	(31,583)
Total other comprehensive income for the half year, net of tax	(67,411)	(31,583)
Total profit or loss and other comprehensive income	(150,280)	(315,180)
Loss per share		
Basic and diluted (cents per share)	(0.05)	(0.27)

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 2017

		30 June 2017	31 December 2016
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents		2,780,483	1,642,800
Other assets	5	-	1,387,713
Trade and other receivables		40,453	37,079
Total current assets		2,820,936	3,067,592
Non current assets			
Plant and equipment		-	7,555
Deferred exploration	6	-	-
Total non-current assets		-	7,555
Total assets		2,820,936	3,075,147
Current liabilities			
Trade and other payables		52,156	156,087
Total current liabilities		52,156	156,087
Total liabilities		52,156	156,087
Net assets		2,768,780	2,919,060
Equity			
Issued share capital	8	36,177,797	36,177,797
Reserves		(1,015,740)	(865,598)
Accumulated losses		(32,393,277)	(32,393,139)
Total equity		2,768,780	2,919,060

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 CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2017

	Issued Capital	Foreign Currency Translation Reserve	Share Based Payment Reserve	Accumulated Losses	TOTAL
Period ended 30 June 2017	\$	\$	\$	\$	\$
Balance at beginning of period	36,177,797	(2,548,429)	1,682,831	(32,393,139)	2,919,060
Comprehensive income					
Loss for the half year	-	-	-	(82,869)	(82,869)
Currency translation on foreign operations	-	(67,411)	-	-	(67,411)
Total comprehensive income for half year	-	(67,411)	-	(82,869)	(150,280)
Transactions with owners in their capacity as owners					
Expiration of options	-	-	(82,731)	82,731	-
Total transactions with owners and other transfers	-	-	(82,731)	82,731	-
Balance at 30 June 2017	36,177,797	(2,615,840)	1,600,100	(32,393,277)	2,768,780
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
Comprehensive income					
Loss for the half year	-	-	-	(283,597)	(283,597)
Currency translation on foreign operations	-	(31,583)	-	-	(31,583)
Total comprehensive income for half year	-	(31,583)	-	(283,597)	(315,180)
Transactions with owners in their capacity as owners					
Issues of share capital, net of transaction costs	2,021,835	-	-	-	2,021,835
Total transactions with owners and other transfers	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

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
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2017

	Half year 2017 \$	Half year 2016 \$
Cash flows from operating activities		
Payments to suppliers & employees	(151,355)	(307,865)
Payments for exploration costs	(38,205)	(52,671)
Interest received	9,555	5,699
Net cash (used in) operating activities	(180,005)	(354,837)
Cash flows from investing activities		
Transfer of bank bond into cash and cash equivalents	1,323,825	-
Net cash provided by financing activities	1,323,825	-
Cash flows from financing activities		
Proceeds from share issue, net of costs	-	1,984,334
Net cash provided by financing activities	-	1,984,334
Net increase in cash and cash equivalents	1,143,820	1,629,497
Cash and cash equivalents at the beginning of the financial period	1,642,800	179,653
Exchange rate changes on cash	(6,137)	2,939
Cash and cash equivalents at the end of the financial period	2,780,483	1,812,089

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

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 2017 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 2016 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 2016 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 29th August 2017.

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 2016 Annual Financial Report for the financial year ended 31 December 2016, 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:

	USA \$	South America \$	Australia \$	Total \$
2017				
Revenues – half year to 30 June 2017	-	-	9,555	9,555
Segment loss – half year to 30 June 2017	-	72,105	(154,974)	(82,869)
Segment assets – as at 30 June 2017	1,979	8,374	2,810,583	2,820,936

	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 31 December 2016	883,101	9,539	2,182,507	3,075,147

5. OTHER ASSETS

	30 June 2017 \$	31 December 2016 \$
Term Deposits at call	-	1,387,713
	-	1,387,713

The USD \$1 million NAB term deposit was held at call for Block 105 and expired on 30 June 2017. The funds have been classified in cash and cash equivalents as at this date.

6. DEFERRED EXPLORATION

	Half year to 30 June 2017 \$	Full year to 31 December 2016 \$
Opening balance	-	1,221,982
Net exploration costs capitalised	-	142,328
Impairment expensed	-	(1,372,751)
Foreign exchange difference	-	8,441
Closing balance	-	-

Impairment for the year to 31 December 2016 relates to expenditure incurred in relation to Block 105 in the Peru region (the Company cancelled its Farm-Out Agreement in relation to Block 105 on 8 February 2017) and carried forward expenditure of the US assets held by the Company.

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 no securities.

As at 30 June 2017, there were on issue:

- 162,898,654 fully paid ordinary shares (31 December 2016: 162,898,654)
- 15,000,000 \$0.01 partly paid ordinary shares (\$0.19 remaining) (31 December 2016: 15,000,000)
- Nil listed options (31 December 2016: 22,898,252 listed options with an expiry date of 31 January 2017 and exercise price of \$0.10)
- 3,000,000 unlisted options with an expiry date of 23 June 2020 and exercise price of \$0.20 (31 December 2016: 3,000,000)
- 10,300,000 Class A Performance Rights (31 December 2016: 10,300,000)
- 3,300,000 Class B Performance Rights (31 December 2016: 3,300,000)
- 9 Convertible Preference Shares (31 December 2016: 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 2017**

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 2017 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*.
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
29th August 2017

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 2017, 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 2017 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 2017 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 Audit Pty Ltd

Greenwich & Co Audit Pty Ltd



Lin Lee Kwa
Audit Director

29 August 2017
Perth
Western Australia