

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

**HALF-YEAR REPORT**  
**FOR THE PERIOD ENDED**  
**31 DECEMBER 2015**

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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 2015. 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. Allister Richardson	<i>Chairman</i>
Mr. Richard D. Ash	<i>Non-Executive Director</i>
Mr. Michael McGowan	<i>Non-Executive Director Appointed 1 October 2015</i>
Mr. Simon G. B. Bird	<i>Resigned 30 September 2015</i>

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.

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.

### Operating results

Total comprehensive income for the half-year ended 31 December 2015 and attributable to owners of the Company was a loss of \$416,868 (2014: \$659,231 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 Company has applied for four oil and gas licences in PNG that have yet to be granted at the time of this Report.

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



Mr. A Richardson  
Chairman  
Sydney, 19 February 2016

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

19 February 2016

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 2015, 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

**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 2015, 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 2015 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 2015 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*.

*Emphasis of Matter*

Without modifying our conclusion, we draw attention to Note 4 in the half year financial report, which indicates that the company incurred a net loss and negative cash flows during the half year ended 31 December 2015. As at that date, the company's current assets exceeded its total liabilities by \$783,917. However, the company has commitments during the next 12 months of the date of this report which will exceed its current assets. These conditions, along with other matters as set forth in Note 4, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

**Nexia Court & Co**  
Chartered Accountants

A handwritten signature in black ink that appears to read 'Robert Mayberry'.

**Robert Mayberry**  
Partner

Sydney  
19 February 2016

## Directors' declaration

The Directors declare that:

1. In the Directors' opinion, the attached financial statements and accompanying notes set out on pages 9 to 20 are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and
  - (b) give a true and fair view of the Company's financial position as at 31 December 2015 and its performance for the half-year ended on that date;
2. In the Directors' opinion, the attached financial statements are in compliance with International Financial Statements; and
3. 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:



Mr. A. Richardson

Chairman

Sydney, 19 February 2016



**Consolidated statement of profit and loss and other comprehensive income  
for the half-year ended 31 December 2015**

	Note	2015 \$	2014 \$
Interest received		7,709	14,500
		<u>7,709</u>	<u>14,500</u>
Expenses			
Administration expenses		(287,987)	(355,057)
Directors' remuneration expense		(107,512)	(157,875)
Exploration expenditure written off		(19,364)	(88,866)
Foreign exchange loss		(9,644)	(37,084)
Impairment of available-for-sale financial asset to be disposed of in the future		-	(81,632)
		<u>(424,507)</u>	<u>(720,514)</u>
Loss before income tax		(416,798)	(706,014)
Income tax expense / benefit		-	-
<b>Loss attributable to owners of the Company</b>		<b><u>(416,798)</u></b>	<b><u>(706,014)</u></b>
Other comprehensive income for the year, net of income tax			
Foreign currency translation (loss) gain		(70)	46,783
		<u>(70)</u>	<u>46,783</u>
<b>Total comprehensive income attributable to owners of the Company</b>		<b><u>(416,868)</u></b>	<b><u>(659,231)</u></b>
Earnings per share		Cents	Cents
Basic and diluted loss per share attributable to ordinary equity holders		<u>(0.4)</u>	<u>(0.7)</u>

The accompanying notes form part of these financial statements.

**Consolidated statement of financial position  
as at 31 December 2015**

	Note	December 2015 \$	June 2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	780,072	1,249,368
Receivables	6	25,299	2,421
Financial Instruments	7	100,000	105,894
<b>TOTAL CURRENT ASSETS</b>		<u>905,371</u>	<u>1,357,683</u>
<b>NON-CURRENT ASSETS</b>			
Exploration assets	8	2,692,052	2,519,370
Plant and equipment	9	10,160	12,488
Other		1,974	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2,704,186</u>	<u>2,531,858</u>
<b>TOTAL ASSETS</b>		<u>3,609,557</u>	<u>3,889,541</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	121,454	57,445
<b>TOTAL CURRENT LIABILITIES</b>		<u>121,454</u>	<u>57,445</u>
<b>NON CURRENT LIABILITIES</b>			
Provision	11	250,000	250,000
<b>TOTAL LIABILITIES</b>		<u>371,454</u>	<u>307,445</u>
<b>NET ASSETS</b>		<u>3,238,103</u>	<u>3,582,096</u>
<b>EQUITY</b>			
Share capital	12	10,397,931	10,397,931
Reserves		561,116	488,311
Accumulated losses		(7,720,944)	(7,304,146)
<b>TOTAL EQUITY</b>		<u>3,238,103</u>	<u>3,582,096</u>

The accompanying notes form part of these financial statements.

**Consolidated Statement of changes in equity  
as at 31 December 2015**

	Share Capital Ordinary	Foreign Exchange Reserve	Share Option Reserve	Accumulated Losses	<b>Total Equity</b>
<b>Balance at 1 July 2014</b>	<b>10,299,131</b>	<b>491,073</b>	-	<b>(6,401,811)</b>	<b>4,388,393</b>
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)
<b>Balance at 31 December 2014</b>	<b>10,397,931</b>	<b>537,856</b>	-	<b>(7,107,825)</b>	<b>3,827,962</b>
<b>Balance at 1 July 2015</b>	<b>10,397,931</b>	<b>488,311</b>	-	<b>(7,304,146)</b>	<b>3,582,096</b>
Share Option Cost			72,875		72,875
Foreign currency translation loss	-	(70)	-	-	(70)
Loss for the half-year	-	-	-	(416,798)	(416,798)
<b>Balance at 31 December 2015</b>	<b>10,397,931</b>	<b>488,241</b>	<b>72,875</b>	<b>(7,720,944)</b>	<b>3,238,103</b>

The accompanying notes form part of these financial statements.

**Consolidated statement of cash flows  
for the half-year ended 31 December 2015**

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(364,858)	(539,450)
Net cash used in operating activities	13	<u>(364,858)</u>	<u>(539,450)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		13,603	9,846
Proceeds on sale of financial assets		-	621,359
Exploration and Development Costs Udacha		(115,997)	-
Formation Costs		<u>(2,044)</u>	<u>-</u>
Net cash used in investing activities		<u>(104,438)</u>	<u>631,205</u>
Net increase/(decrease) in cash held		(469,296)	91,755
Net foreign exchange difference		-	-
Cash and cash equivalents at beginning of financial period		<u>1,249,368</u>	<u>888,252</u>
Cash and cash equivalents at end of financial period		<u>780,072</u>	<u>980,007</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 2015 annual financial report for the financial year ended 30th June 2015, except for the adoption of the area of interest, successful efforts accounting policy on exploration and development costs and 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

#### New and amended standards adopted by the Group

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

#### Impact of standards issued but not yet applied by the entity

There are no standards issued but not yet applied which will impact the current or future reporting periods.

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

## Notes to the financial statements (cont'd)

### 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 31st December 2014.

### 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 year end and expected production income in 2016. The Company does have the ability to and intends to raise extra funds through a capital raising 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 in banks 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:

	<b>31 December 2015</b>	<b>30 June 2015</b>
	<b>\$</b>	<b>\$</b>
Cash and bank balances	780,072	1,249,368

## Notes to the financial statements (cont'd)

### 6. Receivables – current

	31 December 2015	30 June 2015
Other receivables	10,959	-
GST receivables	14,340	2,421
	<u>25,299</u>	<u>2,421</u>

### 7. Financial instruments - current

#### *Held to maturity investments*

	31 December 2015 \$	30 June 2015 \$
Term deposits <sup>(1)</sup>	100,000	100,000
Security bonds <sup>(2)</sup>	-	5,894
	<u>100,000</u>	<u>105,894</u>

<sup>(1)</sup> The term deposit is held as security for the bank guarantees required for the exploration leases and permits. Refer Note 14.

<sup>(2)</sup> The rental security relating to exploration lease ATP837 has been refunded.

### 8. Exploration assets

	31 December 2015	30 June 2015
Otway Basin	2,519,370	2,519,370
Udacha1-Cooper Basin	172,682	-
	<u>2,692,052</u>	<u>2,519,370</u>

## Notes to the financial statements (cont'd)

### 9. Plant and equipment

	<b>31 December 2015</b>	<b>30 June 2015</b>
	<b>\$</b>	<b>\$</b>
At cost	23,124	23,124
Less: Accumulated depreciation	(12,964)	(10,636)
	<u>10,160</u>	<u>12,488</u>
Movement in carry amount		
Plant & equipment:		
Balance at the beginning of the year	12,488	15,576
Depreciation expense	(2,328)	(3,088)
Balance at the end of the year	<u>10,160</u>	<u>12,488</u>

### 10. Trade and other payables - current

Trade payables and accruals	<u>121,454</u>	<u>57,445</u>
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### 11. Provision – Non Current

Provision for royalties	<u>250,000</u>	<u>250,000</u>
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This is the recognition of a non-current liability of \$250,000 representing the minimum contingent consideration of a royalty that is payable should a discovery be made that is uneconomic recognised on the acquisition of Otway Energy Limited.



## Notes to the financial statements (cont'd)

### 12. Issued capital

	<b>31 December 2015</b>	<b>30 June 2015</b>
98,047,150 fully paid ordinary shares (30 June 2015: 98,047,150)	10,397,181	10,397,181
750,000 partly paid ordinary shares	750	750
	<u>10,397,931</u>	<u>10,397,931</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.

No ordinary shares or partly paid shares have been issued in the period 1 July 2015 to 31 December 2015

### 13. Reconciliation of Loss to net cash used in operating activities

	<b>2015 \$</b>	<b>2014 \$</b>
Loss attributable to members of the parent entity	(416,798)	(706,014)
Interest income	(7,709)	(14,500)
Depreciation & Amortisation expenses	2,399	1,178
Net foreign exchange (gain)/loss	(71)	37,084
Net fair value loss on available-for-sale financial asset to be disposed of in the future	-	81,631
Share Option cost	72,875	
 Movements in working capital		
Proceeds from issue of equity instruments of the Company	-	98,800
Decrease / (increase) in trade and other receivables	(22,878)	2,780
(Decrease) / increase in payables	7,324	(22,751)
(Decrease) / increase in provision	-	(17,658)
	<u>(364,858)</u>	<u>(539,450)</u>

## Notes to the financial statements (cont'd)

### 14. Commitments for expenditure

#### Bank guarantees

	31 December 2015 \$	30 June 2015 \$
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	100,000	100,000
This guarantees is secured by Company term deposits totaling \$100,000 (30 June 2015: \$100,000)		

#### 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 2015 \$	30 June 2015 \$
<b>1. Udacha Block</b>	Interest 10.0%		
Development costs payable with one year		263,000	475,000
<b>2. Otway Blocks PEL 154 and PEL 155</b>	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
Within one year		263,000	475,000
After one year and no later than five years		8,000,000	8,000,000
		8,263,000	8,475,000

#### Undrawn loan facilities

The Company has no loan facilities.

## Notes to the financial statements (cont'd)

### 15. 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 2015:

1. Consultancy fees totaling \$20,516 (2014: nil) were paid to Explore Consulting Ltd, a company controlled by Mr. A. Richardson.
2. Consultancy fees totaling \$64,000 (2014: \$16,400) were paid to Bedrock Holdings Pty Limited, a company controlled by Dr. R. L. S. Brownlaw.
3. Consultancy fees totaling \$55,060 (2014: nil) were paid to Arran Energy Pty Ltd, a company controlled by Mr. M McGowan.

### 16. Segment reporting

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	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Revenue	<b>7,709</b>	14,500	-	-	<b>7,709</b>	14,500
Result	<b>(414,358)</b>	(493,301)	<b>(2,440)</b>	(212,713)	<b>(416,798)</b>	(706,014)

  

	30 June 2015		30 June 2015		30 June 2015	
Assets	<b>3,606,909</b>	3,883,020	<b>2,648</b>	6,521	<b>3,609,557</b>	3,889,541
Liabilities	<b>(371,454)</b>	(306,251)	-	(1,194)	<b>(371,454)</b>	(307,445)
Net Assets	<b>3,235,455</b>	3,576,769	<b>2,648</b>	5,327	<b>3,238,103</b>	3,582,096

### 17. Contingent liabilities

There are no contingent liabilities as at balance date.

## Notes to the financial statements (cont'd)

### 18. 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 other than the Company has applied for four oil and gas licences in PNG that have yet to be granted at the time of this Report.

### 19. Dividends

No dividends have been paid or proposed during the half-year (2014: \$nil).

### 20. Share based payments

At the Annual General Meeting of the Company held on 5 November 2015, the Company granted and issued 7,500,000 options to the directors. The options, which expire on 1 December 2018, are fully vested and are exercisable at a price of \$0.045.

Vested number	Granted number	Grant date	Value per option at grant date	Exercise Price \$	Expiry Date
7,500,000	7,500,000	5/11/15	\$0.00972	\$0.045	1/12/18

#### *Inputs into the model:*

Grant date share price	\$0.04
Exercise price	\$0.045
Volatility	40%
Option life	1,122 days
Dividend yield	-
Risk-free interest rate	1.70%

The options issued above have been valued at the issue date as detailed above using the Black-Scholes model resulting in a total cost of \$72,875. As disclosed in the Notice of Annual General Meeting & Explanatory Statement released to the market on 2 October 2015, the share options were initially valued at \$31,500. The share price had moved from 2.9 cents at the date of notice to 4.0 cents at the Annual General Meeting date. This is the date of approval of the options and as a result the options are required valued at this date for inclusion in the financial statements in accordance with AASB 2 Share Based Payments.