

**TO: COMPANY ANNOUNCEMENTS OFFICE  
ASX LIMITED**

**DATE: 27 FEBRUARY 2015**

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## **APPENDIX 4D HALF-YEAR ENDED 31 DECEMBER 2014**

This Appendix 4D is provided to ASX in accordance with ASX Listing Rule 4.2A.

<b>Results for announcement to the market</b>	<b>31-Dec-2014 \$</b>	<b>Change from 31-Dec-2013</b>
<b>Revenue from continuing operations</b>	<b>19,505</b>	<b>+ 238%</b>
<b>Loss from continuing operations after tax attributable to members</b>	<b>(397,297)</b>	<b>+ 34%</b>
<b>Net loss for the period attributable to members</b>	<b>(397,297)</b>	<b>+ 34%</b>

<b>NTA Backing</b>	<b>31-Dec-2014 (cents)</b>	<b>31-Dec-2013 (cents)</b>
<b>Net tangible asset backing per share</b>	<b>0.22</b>	<b>0.55</b>

### **Dividends**

No dividend has been paid and it is not proposed to pay any dividend.

### **Commentary on results**

Further details of the operations of Bisan Limited and its controlled entities during the period ended 31 December 2014 is contained in the accompanying financial report which forms part of this Appendix 4D.

This Appendix 4D and the accompanying report should be read in conjunction with the 2014 Annual Report of Bisan Limited and its controlled entities and the public announcements made to the ASX since the release of the Annual Report.

**Pat Volpe  
Chairman**

**BISAN Ltd**

**ABN 75 006 301 800**

**BISAN LIMITED AND  
CONTROLLED ENTITIES**

**HALF-YEAR  
FINANCIAL REPORT  
31 DECEMBER 2014**

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# Corporate Directory

**Bisan Limited**  
**ABN 75 006 301 800**

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**DIRECTORS**

Mr Patrick J Volpe  
Mr David Herszberg  
Mr Avi Kimelman

Non-Executive Chairman  
Non-Executive Director  
Non-Executive Director

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**COMPANY SECRETARY**

Mr Ramon Jimenez

**REGISTERED OFFICE**

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**AUDITOR**

Grant Thornton Audit Pty Ltd  
Level 30  
525 Collins Street  
Melbourne VIC 3000

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Bisan Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australia Securities Exchange. (ASX: BSN).

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# Directors' Report

The Directors of Bisan Limited are pleased to present the half-year report of the Consolidated Entity for the financial period ending 31 December 2014. In accordance with the *Corporations Act 2001*, the Directors report as follows:

## Directors

The Directors in office at any time during or since the end of the period to the date of this report are:

### Current Directors

<b>PATRICK VOLPE</b>	Non-Executive Chairman
<b>DAVID HERSZBERG</b>	Non-Executive Director
<b>AVI KIMELMAN</b>	Non-Executive Director

## Principal Activities

The principal activities, during the financial period, of the consolidated entity were investment and trading activities. There were no significant changes in those activities during the period.

## Operating Results

The consolidated entity incurred a net loss of \$397,297 (2013 loss: \$296,414) for the half-year ended 31 December 2014.

The company continues to seek other opportunities for the future with the objective of expanding its principle business activities to enhance shareholder value. Bisan may continue to increase its equity position in its new investments particularly in P-Fuel where it will assist that company develop its business opportunities in its waste plastic and waste oils to diesel business globally.

## Review of Operations

### World Oil Resources Limited (now Abilene Oil and Gas Limited)

On 10 July 2014 Group subsidiary Elken Tower Pty Ltd took up its rights issue entitlement of 10,000,000 fully paid ordinary shares in the ASX listed oil exploration company World Oil Resources Limited (ASX: WLR) ("World Oil") thereby increasing its holding to 25,000,000 shares. The rights issue entitlement was at \$0.003 per share and the amount invested was \$30,000. The investment in World Oil was made as a follow-on investment in one of the Group's existing holdings in its diversified portfolio of equities. World Oil later changed its name to Abilene Oil and Gas Limited (ASX: ABL) and the shares were consolidated in the ratio of 20:1 resulting in Elken Tower Pty Ltd holding 1,250,000 post-consolidation shares.

### Capital Raising

On 29 July 2014 Bisan completed a placement raising \$556,963 (before costs) by the issue of 37,130,895 fully paid ordinary shares at 1.5 cents (\$0.015) per share using the available placement capacity under ASX Listing Rule 7.1 and 7.1A. The terms of the placement provided for each participant to receive free attaching options on a one-for-one basis subject to shareholder approval. The placement was managed by Foxfire Capital Pty Ltd ("Foxfire") for a fee equal to 5% (plus GST) of the funds raised under the placement. Mr Pat Volpe is a shareholder of, and consultant to, Foxfire.

### P-Fuel Limited

On 21 August 2014 Bisan Limited invested a further \$150,000 by subscribing for 3,000,000 new fully paid ordinary shares in P-Fuel Limited at 5 cents (\$0.05) per share thereby increasing its equity interest in that company from 13.80% to 16.06%.

## Review of Operations (continued)

### Pencil Hill Limited

The Board considered an investment in Pencil Hill Limited, a pioneering graphite explorer in Botswana, which ultimately did not proceed. Bisan intended to acquire a 30% interest in Pencil Hill Ltd that would hold an 80% interest in the “Pencil Hill” graphite prospecting licence in Botswana. As announced to the market on 20 August 2014, drilling within the licence area encountered significant graphite mineralisation. Subject to completion of satisfactory due-diligence enquiries, Bisan was able to purchase a 30% interest in Pencil Hill Ltd. If Bisan proceeded with the purchase, the Company would also have first right of refusal to increase its pre-IPO holding in Pencil Hill Ltd to 51% and would dilute accordingly after the IPO. The consideration for the additional equity would be based on an agreed value most likely to be the IPO price offered to the public or a value determined by an independent expert selected by both parties. The pre-emptive right would lapse on Pencil Hill Ltd achieving IPO.

As noted below under events subsequent to balance date, in January 2015 the Directors decided not to proceed with the investment in Pencil Hill. In view of his interests in Pencil Hill Ltd and the prospecting licence, Mr Pat Volpe did not participate in the deliberations of the Board of Directors regarding the decisions to undertake due-diligence or to withdraw from the investment.

### Size Technologies Australia Pty Ltd

In August 2014 the Australian Securities and Investments Commission commenced deregistration action against Size Technologies Australia Pty Ltd (“STA”), a company in which Bisan Limited holds shares. The investment in STA had been written off and the Group had ceased providing funds to STA. STA was deregistered on 2 November 2014.

### Annual General Meeting

On 28 November 2014 the Company held its Annual General Meeting. All business put to the meeting was approved including resolutions to: refresh the Company’s placement capacity under ASX Listing Rule 7.1, approve additional placement capacity under ASX Listing Rule 7.1A, approve the Bisan Limited Performance Rights Plan, approve the grant of Performance Rights to Directors and to authorise the issue of free attaching options to investors that participated in the placement announced on 23 July 2014.

### Options

On 3 December 2014 the Company issued 37,130,895 unlisted options to acquire ordinary shares with an exercise price of five cents (\$0.05) per option and an expiry date of 31 December 2016. The options were issued to the investors that participated in the placement announced on 23 July 2014 in accordance with the agreed terms of the placement. Each investor received one free option for each share subscribed.

### Other Investments

At the end of the half-year, in addition to the investments referred to above, the Group holds investments in other listed and unlisted entities including:

- Black Star Petroleum Limited (ASX: BSP).
- Jernigan Commodities Pty Ltd (unlisted company).
- Kaboko Mining Limited (ASX: KAB).
- Lemarne Corporation Limited (ASX: LMC).

## Events subsequent to balance date

Except as noted below, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group to affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent periods.

## Events subsequent to balance date (continued)

### Pencil Hill

Although the results of the Pencil Hill project had been encouraging, the Company had insufficient capital to proceed with the acquisition and it was considered an inopportune time to raise capital having regard to the then market conditions and investor sentiment. Therefore in January 2015 the Directors decided not to proceed with the investment in the Pencil Hill Graphite project. Given his interests in the Pencil Hill project, Mr Pat Volpe did not participate in the decision not to proceed with the investment.

### MyGeneration Smartphones

On 13 February 2015 the Company announced the establishment of a new subsidiary "MyGeneration Smartphones" in Hong Kong. MyGeneration Smartphones will sell 'brand generation' smartphones (including Apple and Samsung). The smartphones will be sold into emerging markets to compete against local home brands and will be offered with various grades that will determine a competitive pricing model.

Bisan will subscribe USD 50,000 share capital for 100% of the newly established MyGeneration Smartphones Hong Kong and will provide a non-recourse loan of USD 250,000 to this subsidiary company to fund the working capital requirements to begin trading operations in Hong Kong.

The new subsidiary will be subject to an "earn-in" agreement in respect of MyGeneration Smartphones Hong Kong, where the "contract team" will be issued either 60% or 70% of the equity in the Hong Kong company, should performance targets be met by the end of the first four months of operations.

If performance targets are met, the "contract team" will have the option to convert their 60% equity interest in MyGeneration Smartphones into a 60% or 70% equity interest in Bisan issued capital (covering all issued securities including ordinary shares and all series of options on issue at the time).

### Capital Raising

On 13 February 2015 the Company announced two capital raising initiatives to raise up to \$1,095,515 in to fund ongoing corporate and administrative costs and the acquisition of investments. Funds will be directed to new opportunities such as MyGeneration Smartphones (above) as well as existing positions in the Company's portfolio, such as P-Fuel Limited.

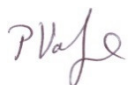
A placement of 50,000,000 fully paid ordinary shares at 0.62 cents (\$0.0062) per share to professional, sophisticated and other exempt investors was completed on 17 February 2015 raising \$310,000 (before costs). In addition, subject to shareholder approval, the Company will issue one free attaching option exercisable at 1.5 cents (\$0.015) with an expiry date 30 June 2018 for each share subscribed under the placement. Foxfire Capital Pty Ltd ("Foxfire") managed the placement and will be paid a fee equal to 5% (plus GST) of the funds raised. Mr Pat Volpe is a shareholder of, and consultant to, Foxfire.

The Company proposes to undertake a renounceable rights issue of fully paid ordinary shares to existing shareholders to raise up to \$785,515 (before costs). The Company will offer two fully paid ordinary shares for every three existing shares held at the record date, at an issue price of 0.5 cents (\$0.005) per share. In addition, one option exercisable at 1.5 cents (\$0.015) with an expiry date of 30 June 2018 will be issued for every new share subscribed.

## Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on the following page.

Signed in accordance with a resolution of the Directors.



**Pat Volpe**  
Chairman  
27 February 2015

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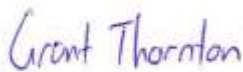
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## **Auditor's Independence Declaration**

### **To The Directors of Bisan Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Bisan Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Matthew Hingeley  
Partner - Audit & Assurance

Melbourne, 27 February 2015

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# Financial Results

## Bisan Limited & Controlled Entities Consolidated Statement of Financial Position As at 31 December 2014

	NOTE	31 December 2014 \$	30 June 2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		62,116	57,891
Receivables		-	6,086
<b>TOTAL CURRENT ASSETS</b>		<b>62,116</b>	<b>63,977</b>
<b>NON CURRENT ASSETS</b>			
Other financial assets		598,058	440,113
<b>TOTAL NON CURRENT ASSETS</b>		<b>598,058</b>	<b>440,113</b>
<b>TOTAL ASSETS</b>		<b>660,174</b>	<b>504,090</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		251,922	222,396
<b>TOTAL LIABILITIES</b>		<b>251,922</b>	<b>222,396</b>
<b>NET ASSETS</b>		<b>408,252</b>	<b>281,694</b>
<b>EQUITY</b>			
Contributed equity		13,162,614	12,638,759
Option reserve		1,456,351	1,456,351
		<b>14,618,965</b>	<b>14,095,351</b>
Accumulated losses		(14,210,713)	(13,813,416)
<b>TOTAL EQUITY</b>		<b>408,252</b>	<b>281,694</b>

The accompanying notes form part of these financial statements.

**Bisan Limited & Controlled Entities**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the Period ended 31 December 2014**

	<b>31 December 2014 \$</b>	<b>31 December 2013 \$</b>
Revenue from continuing operations	<b>19,505</b>	5,756
Administration expenses	<b>(4,701)</b>	(24,161)
Auditors remuneration	<b>(6,717)</b>	(11,620)
Employee benefits expense	<b>(194)</b>	-
Occupancy expense	<b>(6,967)</b>	(18,998)
Share registry expense	<b>(7,513)</b>	(40,907)
Legal fees expense	<b>-</b>	(27,432)
Listing fees	<b>(15,017)</b>	-
Directors fees expense	<b>(75,000)</b>	(80,402)
Due-diligence: Pencil Hill	<b>(220,032)</b>	-
Investment expenses	<b>(55,000)</b>	(55,000)
Travel expense	<b>(163)</b>	(11,560)
Registration fee expense	<b>-</b>	(11,085)
Secretary fees and expenses	<b>(5,500)</b>	(17,286)
Other expenses	<b>(19,998)</b>	(3,719)
<b>Loss before income tax expense</b>	<b>(397,297)</b>	(296,414)
Income tax expense (benefit)	<b>-</b>	-
<b>Loss after income tax expense</b>	<b>(397,297)</b>	(296,414)
<b>Other comprehensive income</b>		
Revaluation for available-for-sale financial assets	<b>-</b>	-
Other Income	<b>-</b>	-
<b>Total comprehensive income</b>	<b>(397,297)</b>	(296,414)
<b>Earnings per share for loss from continuing operations attributable to owners of the parent entity</b>		<b>Cents</b>
Basic earnings (loss) per share	<b>(0.22)</b>	(0.33)
Diluted earnings (loss) per share	<b>(0.22)</b>	(0.33)

The accompanying notes form part of these financial statements.

**Bisan Limited & Controlled Entities**  
**Consolidated Statement of Changes in Equity**  
**For the Period ended 31 December 2014**

**Consolidated Entity**

	Contributed Equity \$	Option Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2013	11,993,951	1,456,351	(12,991,895)	458,407
Loss for the period	-	-	(296,414)	(296,414)
Available for sale asset revaluation	-	-	-	-
Total comprehensive loss for the period	-	-	(296,414)	(296,414)
Transactions with equity holders in their capacity as equity holders				
Issue of new shares	665,243	-	-	665,243
Share issue costs	(23,485)	-	-	(23,485)
At 31 December 2013	12,635,709	1,456,351	(13,288,309)	803,751
<b>At 1 July 2014</b>	<b>12,638,759</b>	<b>1,456,351</b>	<b>(13,813,416)</b>	<b>281,694</b>
Loss for the period	-	-	(397,297)	(397,297)
Available for sale asset revaluation	-	-	-	-
Total comprehensive loss for the period	-	-	(397,297)	(397,297)
<b>Transactions with equity holders in their capacity as equity holders</b>				
Issue of new shares	556,963	-	-	556,963
Share issue costs	(33,108)	-	-	(33,108)
<b>At 31 December 2014</b>	<b>13,162,614</b>	<b>1,456,351</b>	<b>(14,210,713)</b>	<b>408,252</b>

The accompanying notes form part of these financial statements.

**Bisan Limited & Controlled Entities**  
**Consolidated Statement of Cash Flows**  
**For the Period ended 31 December 2014**

	<b>CONSOLIDATED ENTITY</b>	
	<b>HALF- YEAR</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(406,809)	(326,861)
Interest received	-	758
<b>Net cash outflows from operating activities</b>	<b>(406,809)</b>	<b>(326,103)</b>
<b>Cash flows from investing activities</b>		
Sale of investments	41,528	-
Purchase of investments	(180,000)	(560,000)
<b>Net cash outflows from investing activities</b>	<b>(138,472)</b>	<b>(560,000)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	556,963	581,751
Capital raising costs	(3,957)	-
Repayment of borrowings	(3,500)	-
<b>Net cash inflows from financing activities</b>	<b>549,506</b>	<b>581,751</b>
Net increase/(decrease) in cash held	4,225	(304,352)
Cash and cash equivalents at beginning of period	57,891	394,182
<b>Cash and cash equivalents at end of period</b>	<b>62,116</b>	<b>89,830</b>

The accompanying notes form part of these financial statements.

**Bisan Limited & Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**For the period ended 31 December 2014**

**1. Basis of Preparation of the Half-Year Financial Report**

**a) Statement of Compliance**

The half-year financial report ended 31 December 2014 is a general purpose financial report that has been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*.

**b) Basis of preparation**

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, and financing and investing activities of the Company as the most recent annual financial report.

The half-year financial report should be read in conjunction with the annual financial report of Bisan Limited as at 30 June 2014.

It is also recommended that the half-year financial report be considered together with any public announcements made by Bisan Limited during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The half-year financial report has been prepared on a historical cost basis, except for available-for-sale financial assets held at fair value and financial assets at fair value through profit and loss.

All amounts are presented in Australian dollars.

**c) Significant accounting policies and methods of computation**

The half-year consolidated financial statements have been prepared using the same accounting policies and methods of computation as used in the annual financial statements for the year ended 30 June 2014.

**d) Going Concern**

The economic entity's financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Notwithstanding the net loss for the half-year, and the net working capital deficiency, the Directors believe the going concern basis appropriate as the economic entity has a surplus in net tangible assets.

Total liabilities include accrued fees and expenses due to Directors and related parties which are not expected to be called until the Group raises additional capital.

The Directors have reduced all asset values to that which they consider realisable in the ordinary course of business. The Directors remain confident of profitable operations in the future.

The parent entity raised additional equity capital during, and subsequent to the end of, the period for the payment of ongoing operating costs and to fund additional investments. The parent entity intends to raise further capital through a renounceable rights issue to shareholders. Please refer to Notes 4 and 7 for additional information.

**e) Operating Segments**

No information is disclosed for operating segments as no management accounts are regularly provided to the Board of Directors, other those of the consolidated entity. As such no operating segments exist.

**Bisan Limited & Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**For the period ended 31 December 2014**

**f) Key Accounting Estimates and Judgments**

Abilene Oil and Gas Limited (formerly World Oil Resources Limited) ("Abilene")

The last sale price for Abilene shares prior to balance date was 6 cents per share. Shortly after balance date Abilene shares traded at 1 cent per share and since have traded at prices up to 3 cents per share. The Directors believe that the last sale price prior to balance date is the most representative of fair value at balance date.

P-Fuel Limited ("P-Fuel")

During the period further fully paid ordinary shares were acquired in the Australian unlisted public company P-Fuel at a price of five cents (\$0.05) per share. The price paid was higher than previous acquisitions of P-Fuel shares owing to the improved prospects of the company, it having identified several sites for its first plant and entering into preliminary agreements with various parties. In addition P-Fuel significantly had further developed its intellectual property portfolio.

Bisan Limited now holds approximately 16% of the issued capital of that company. The investment at balance date is carried at its cost of \$485,000 which the Directors believe is a true representation of the fair value of the investment. The investment is included in the total value of "Other financial assets" shown in the Balance Sheet.

Mr Avi Kimelman is a Director of both Bisan Limited and P-Fuel. The Directors have considered the provisions of AASB 128 *Investments in Associates and Joint Ventures*. The standard presumes that Bisan does not have significant influence in P-Fuel given that Bisan has a voting power less than 20%. The Directors have further considered the examples given in AASB 128 of other evidence of significant influence and have formed the view that Bisan does not have significant influence in P-Fuel. Accordingly Bisan has not equity accounted its investment in P-Fuel.

**2. Segment Reporting**

The Company operates in one segment, being investment activities in Australia.

**3. Contingent Liabilities**

There are no contingent liabilities or commitments expected to arise.

**4. Events Subsequent to Reporting Date**

Except as noted below, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group to affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent periods.

**Pencil Hill**

Although the results of the Pencil Hill project had been encouraging, the Company had insufficient capital to proceed with the acquisition and it was considered an inopportune time to raise capital having regard to the then market conditions and investor sentiment. Therefore in January 2015 the Directors decided not to proceed with the investment in the Pencil Hill Graphite project. Given his interests in the Pencil Hill project, Mr Pat Volpe did not participate in the decision not to proceed with the investment.

**MyGeneration Smartphones**

On 13 February 2015 the Company announced the establishment of a new subsidiary "MyGeneration Smartphones" in Hong Kong. MyGeneration Smartphones will sell 'brand generation' smartphones (including Apple and Samsung). The smartphones will be sold into emerging markets to compete against local home brands and will be offered with various grades that will determine a competitive pricing model.

**Bisan Limited & Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**For the period ended 31 December 2014**

**Events Subsequent to Reporting Date (continued)**

Bisan will subscribe USD 50,000 share capital for 100% of the newly established MyGeneration Smartphones Hong Kong and will provide a non-recourse loan of USD 250,000 to this subsidiary company to fund the working capital requirements to begin trading operations in Hong Kong.

The new subsidiary will be subject to an “earn-in” agreement in respect of MyGeneration Smartphones Hong Kong, where the “contract team” will be issued either 60% or 70% of the equity in the Hong Kong company, should performance targets be met by the end of the first four months of operations.

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**Capital Raising**

On 13 February 2015 the Company announced two capital raising initiatives to raise up to \$1,095,515 in to fund ongoing corporate and administrative costs and the acquisition of investments. Funds will be directed to new opportunities such as MyGeneration Smartphones (above) as well as existing positions in the Company’s portfolio, such as P-Fuel Limited.

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The Company proposes to undertake a renounceable rights issue of fully paid ordinary shares to existing shareholders to raise up to \$785,515 (before costs). The Company will offer two fully paid ordinary shares for every three existing shares held at the record date, at an issue price of 0.5 cents (\$0.005) per share. In addition, one option exercisable at 1.5 cents (\$0.015) with an expiry date of 30 June 2018 will be issued for every new share subscribed.

**5. Related Party Transactions**

The following related party transactions (other than remuneration of Directors and employees) occurred during the half-year on normal commercial terms and conditions:

- The Company paid \$30,000 on behalf of its subsidiary, Elken Tower Pty Ltd, to take up further shares in World Oil Resources Limited (now Abilene Oil and Gas Limited) under a rights issue.
- The Company repaid a loan of \$3,500 to Cohiba Minerals Limited (“Cohiba”).
- The Company paid rent of \$6,966 to Cohiba.
- Foxfire Capital Pty Ltd (“Foxfire”) invoiced the Company \$28,496 for managing the placement of shares in the Company. The invoice was unpaid at period end.
- CAP Holdings Pty Ltd (“CAP”) invoiced the Company \$11,000 for the preparation of investor presentations. The invoice was unpaid at period end.
- The Company paid consulting fees of \$55,000 to Kushkush Investments Pty Ltd (“Kushkush”).
- The Company subscribed \$150,000 for further shares in P-Fuel Limited (“P-Fuel”).

The above amounts are net of any applicable GST which is recoverable by the Company.

**Bisan Limited & Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**For the period ended 31 December 2014**

**Related Party Transactions (continued)**

Mr Pat Volpe is a Director and substantial shareholder of Cohiba, a consultant to, and a shareholder of, Foxfire and a substantial shareholder in P-Fuel. Close family members of Mr Pat Volpe are Directors and shareholders of CAP. Mr David Herszberg is a Director of Cohiba. Mr Avi Kimelman is a Director and substantial shareholder of Kushkush.

Related parties were reimbursed out-of-pocket expenses they paid for the Company and vice versa.

The Company maintains an investment of 37,565 fully paid ordinary shares in Lemarne Corporation Limited (ASX: LMC) ("LMC") with a book value of \$24,229 as at 31 December 2014 based on the last sale price for the shares. Shares in LMC are currently suspended from trading. Mr David Herszberg was a Director of LMC when the shares were acquired.

As discussed above, during the period the Company considered an investment in the Pencil Hill Graphite project in Botswana and undertook due-diligence investigations, including exploration activities (drilling and trenching) and laboratory analysis, at a cost of approximately \$220,000. Mr Pat Volpe has an interest in the Pencil Hill project and accordingly he did not participate in the decisions of the Board of Directors regarding the project. Given the lack of investor interest in exploration for Graphite and the current state of the capital markets the Company decided not to proceed with the investment.

**6. Fair value measurement of financial instruments**

This note provides an update on the judgments and estimates made by the group in determining values of the financial instruments since the last annual financial report.

**(a) Fair value hierarchy**

To provide an indication about the reliability of the inputs used in determining fair value, the group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2014 and 31 December 2014 on a recurring basis:

<b>At 31 December 2014</b>	<b>Level 1 (\$)</b>	<b>Level 2 (\$)</b>	<b>Level 3 (\$)</b>	<b>Total</b>
<b>Assets</b>				
Held for trading investments	<b>112,908</b>	-	<b>150</b>	<b>113,058</b>
Available-for-sale financial assets	-	-	<b>485,000</b>	<b>485,000</b>
<b>At 30 June 2014</b>	<b>Level 1 (\$)</b>	<b>Level 2 (\$)</b>	<b>Level 3 (\$)</b>	<b>Total</b>
<b>Assets</b>				
Held for trading investments	104,963	-	150	150,113
Available-for-sale financial assets	-	-	335,000	335,000

**(b) Valuation techniques used to determine fair values**

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the last sale price. These instruments are included in level 1.



**Bisan Limited & Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**For the period ended 31 December 2014**

**Valuation techniques used to determine fair values (continued)**

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**(c) Valuation processes and fair values of other financial instruments**

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates their carrying amounts.

The fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles. Non-interest bearing related party receivables are repayable on demand, thus face value equates to fair value.

Equity investments traded on organised markets have been valued by reference to market prices prevailing at balance date. For non-traded equity investments, the fair value is an assessment by the Directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

The carrying amounts of financial assets and liabilities noted above equates to their fair values at balance date.

**7. Contributed Equity**

	31 December 2014	30 June 2014
	\$	\$
185,654,476 Fully Paid Ordinary Shares (30 June 2014 – 148,523,581)	<b>13,162,614</b>	12,638,759
	<b>13,162,614</b>	12,638,759

**Movements in ordinary share capital**

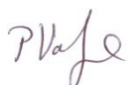
	31 December 2014		30 June 2014	
	No.	\$	No.	\$
<b>Fully paid ordinary shares</b>				
At the beginning of the period	148,523,581	12,638,759	80,000,000	11,993,951
Shares issued during the period	37,130,895	556,963	68,523,581	685,236
Share issue costs	-	(33,108)	-	(40,428)
At the end of the period	185,654,476	13,162,614	148,523,581	12,638,759

# Directors' Declaration

In the opinion of the Directors of Bisan Limited (ACN 006 301 800):

1. The consolidated financial statements and accompanying notes of Bisan Limited are in accordance with the *Corporations Act 2001*, and:
  - a. comply with Accounting Standard AASB 134 *Interim Financial Reporting*; and
  - b. give a true and fair view of the financial position of the consolidated entity as at 31 December 2014 and of its performance for the half-year ended on that date, and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



**Pat Volpe**  
Chairman  
27 February 2015

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## **Independent Auditor's Review Report To the Members of Bisan Limited**

We have reviewed the accompanying half-year financial report of Bisan Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company 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 Bisan Limited 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 controls 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 consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 Bisan Limited 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.

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As the auditor of Bisan 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.

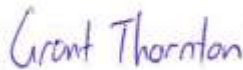
### **Independence**

In conducting our review, we 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 Bisan Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Matthew Hingeley  
Partner - Audit & Assurance

Melbourne, 27 February 2015