

**ARTIST & ENTERTAINMENT GROUP LIMITED**  
**ABN: 67 097 771 581**  
**AND CONTROLLED ENTITIES**

**FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2012**

This half-year financial report is to be read in  
conjunction with the financial report for the year  
ended 30 June 2012.

**ARTIST & ENTERTAINMENT GROUP LIMITED AND CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED  
31 DECEMBER 2012**

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**ARTIST & ENTERTAINMENT GROUP LIMITED  
AND CONTROLLED ENTITIES**

ABN: 67 097 771 581

**DIRECTORS' REPORT**

The directors present their report together with the condensed financial report of the consolidated entity consisting of Artist & Entertainment Group Limited and the entities it controlled, for the half-year ended 31 December 2012 and independent review report thereon. This financial report has been prepared in accordance with Australian equivalents of International Financial Reporting Standards.

**Directors Names**

The names of the directors in office at any time during or since the end of the half-year are:

<b>Name</b>	<b>Period of directorship</b>
Ross Hill	Director since 8 July 2009
Siew Hong Koh	Director since 11 November 2008
Graham Kavanagh <i>(Alternate to Siew Hong Koh)</i>	Director since 15 December 2009
David Hickie	Director since 1 February 2012

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

**Review of Operations**

The consolidated loss of the group for the half-year after providing for income tax amounted to \$366,379.

The focus of the operation is to secure a significant interest in the Wailawi Oil & Gas Project in Indonesia since taking on an assignment of rights and interest from Union Pacific Trading Pty Ltd (UPT), a company controlled by Siew Hong Koh, non-executive director of the Company, in November 2010.

In August 2012, the Indonesian Minister for Energy and Minerals gave approval to the recommendation of BPMIGAS, the Indonesian upstream oil & gas regulator for a Production Sharing Contract (PSC) in respect of the Wailawi Oil & Gas Project. This resulted to the signing of the cooperation agreement amongst the Indonesian authorities and stakeholders including Perusda and the formation of P.T. Centrenergy as party to the agreement.

Through the facilitation of UPT, the Company is to enter into additionally binding agreements to acquire P.T. Centrenergy, subject to the approval of the Indonesian Investment Coordinating Board (BKPM) which is being sought.

In September 2012, the Company raised \$507,195 to fund working capital requirements by the sale of 3,400,000 shares in Indochine Mining Limited (ASX:IDC) which were previously acquired through the issue of 39,666,667 converting notes at \$0.012 each.

With the approval of shareholders at the Annual General Meeting, the Company issued 63,083,334 fully paid ordinary shares for the mandatory conversion of 63,083,334 converting notes at \$0.012 each for total of \$757,000.

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**Significant changes in the state of affairs**

The legal documentation relating to the Wailawi Oil & Gas Project has been a long drawn process. P.T. Centrenergy has been established for the purpose of permitting foreign investment participation and is a signatory to this oil & gas project as a joint venture held by the Indonesian state corporations. Subject to the approval of the Indonesian Foreign Investment Coordinating Board, the Company shall acquire the significant interest in P.T. Centrenergy as the operator of the project.

The consolidated entity will proceed with a prospectus issue and relisting the Company with ASX upon finalisation of the legal documentation and operational details under the terms of the production sharing contract.

**Auditor's Declaration**

A copy of the auditor's declaration, as required under section 307C of the *Corporations Act 2001*, in relation to the review for the half-year is provided with this report.

Signed in accordance with a resolution of the directors.



Director

Dated this 26<sup>th</sup> day of February 2013



# PITCHER PARTNERS

ACCOUNTANTS AUDITORS & ADVISORS

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## AUDITOR'S INDEPENDENCE DECLARATION

### To the Directors of Artist & Entertainment Group Limited

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2012 there have been:

- (i) no contraventions of the auditor 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.

DEBORAH CARTWRIGHT  
Partner

PITCHER PARTNERS

Sydney

26 February 2013

**CONDENSED CONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	<b>Half-year</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Other revenue	33,925	3,276
	33,925	3,276
<b>Less: Expenses</b>		
Corporate and administrative expenses	(369,176)	(266,723)
Occupancy expenses	(29,171)	(28,842)
Depreciation and amortisation	(870)	(870)
Finance costs	(1,087)	-
Development expenses	-	-
Impairment of receivables	-	-
	(400,304)	(296,435)
<b>Profit (loss) before income tax expense</b>	<b>(366,379)</b>	<b>(293,159)</b>
Income tax expense	-	-
<b>Profit (loss) for the half year</b>	<b>(366,379)</b>	<b>(293,159)</b>
Other comprehensive income	-	-
Other comprehensive income after income tax expense	-	-
<b>Total comprehensive income attributable to the members of Artist &amp; Entertainment Group Limited</b>	<b>(366,379)</b>	<b>(293,159)</b>
Basic earnings per share	(0.08¢)	(0.07¢)
Diluted earnings per share	(0.06¢)	(0.06¢)

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2012**

	<b>31 Dec</b>	<b>30 June</b>
	<b>2012</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	187,667	94,366
Receivables	20,870	15,208
Other current assets	6,151	18,454
<b>TOTAL CURRENT ASSETS</b>	<u>214,688</u>	<u>128,028</u>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	118	988
Other financial assets	749,100	747,000
<b>TOTAL NON-CURRENT ASSETS</b>	<u>749,218</u>	<u>747,988</u>
<b>TOTAL ASSETS</b>	<u>963,906</u>	<u>876,016</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<u>(227,087)</u>	<u>(219,702)</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>(227,087)</u>	<u>(219,702)</u>
<b>TOTAL LIABILITIES</b>	<u>(227,087)</u>	<u>(219,702)</u>
<b>NET ASSETS/(LIABILITIES)</b>	<u>736,819</u>	<u>656,314</u>
<b>EQUITY</b>		
Contributed capital	9,584,047	9,137,163
Accumulated losses	<u>(8,847,228)</u>	<u>(8,480,849)</u>
<b>TOTAL EQUITY</b>	<u>736,819</u>	<u>656,314</u>

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

<b>Consolidated</b>	<b>Contributed equity \$</b>	<b>Retained earnings \$</b>	<b>Total Equity \$</b>
<b>Balance as at 1 July 2011</b>	<b>8,556,163</b>	<b>(8,019,936)</b>	<b>536,227</b>
Loss for the period	-	(293,159)	(293,159)
Converting Notes issued	450,000	-	450,000
<b>Balance as at 31 December 2011</b>	<b>9,006,163</b>	<b>(8,313,095)</b>	<b>693,068</b>

<b>Consolidated</b>	<b>Contributed equity \$</b>	<b>Retained earnings \$</b>	<b>Total Equity \$</b>
<b>Balance as at 1 July 2012</b>	<b>9,137,163</b>	<b>(8,480,849)</b>	<b>656,314</b>
Loss for the period	-	(366,379)	(366,379)
Converting Notes issued net of costs	446,884	-	446,884
<b>Balance as at 31 December 2012</b>	<b>9,584,047</b>	<b>(8,847,228)</b>	<b>736,819</b>

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	<b>Half-year</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	-	-
Payments to suppliers and employees	(384,322)	(461,376)
Interest received	2,730	3,276
Borrowing costs	(1,087)	-
<b>Net cash provided by (used in) operating activities</b>	<b>(382,679)</b>	<b>(458,100)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	507,195	-
Payment for other current assets	-	-
Payment for investments	(2,100)	-
Payment for convertible notes	-	(30,000)
<b>Net cash provided by (used in) investing activities</b>	<b>505,095</b>	<b>(30,000)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	-	-
Share issue transaction cost	(29,115)	-
Proceeds from Converting Notes issued	-	450,000
<b>Net cash provided by (used in) financing activities</b>	<b>(29,115)</b>	<b>450,000</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>93,301</b>	<b>(38,100)</b>
Cash and cash equivalents at beginning of half-year	94,366	250,998
<b>Cash and cash equivalents at end of the half-year</b>	<b>187,667</b>	<b>212,898</b>

The accompanying notes form part of these financial statements.

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2012**

**NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

This half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by Artist & Entertainment Group Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The half-year financial report was authorised for issue by the directors as at the date of the directors' report.

This general purpose half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

The same accounting policies and method of computation have been followed in this interim financial report as were applied in the most recent annual financial report.

**NOTE 2: REVISIONS OF ACCOUNTING ESTIMATES**

The revisions of accounting estimates of amounts reported in prior annual reporting periods have no or limited material effect in the current interim period.

**NOTE 3: DIVIDENDS**

	<b>Half-year</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Dividends provided for or paid during the half-year:		
Ordinary Shares	-	-
	<hr/>	<hr/>
Proposed dividends not recognised at the end of the half-year	-	-
	<hr/>	<hr/>

**NOTE 4: SEGMENT INFORMATION**

In the half-year reporting period, the Group had only 1 reportable segment.

<b>Half-year 2012</b>	<b>Corporate \$</b>	<b>Total \$</b>
Segment revenue	33,925	33,925
Segment profit(loss)	<u>(366,379)</u>	<u>(366,379)</u>
<b>Half-year 2011</b>	<b>Corporate \$</b>	<b>Total \$</b>
Segment revenue	3,276	3,276
Segment profit(loss)	<u>(293,159)</u>	<u>(293,159)</u>

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2012**

**NOTE 5: CHANGES IN THE COMPOSITION OF THE ENTITY**

There has been no change to the composition of the entity.

The following subsidiary entities that were placed under Administration between the years in 2006 to 2012 have finally been deregistered with Australian Securities & Investments Commission (ASIC) on 22 August 2012.

- GEA Payment Services Pty Ltd
- Creative Staff services Pty Ltd

**NOTE 6: CONTINGENT LIABILITIES**

The Company has an obligation to complete the annual tax returns for 2006 to 2009 for each of the subsidiaries that have discontinued their operations. These subsidiaries have either been liquidated or de-registered. There is no tax consequence as none of the former business units achieved any past profit outcome under the former management.

	<b>31 Dec 2012</b>	<b>30 June 2012</b>
	\$	\$
Litigation costs in relation to legal proceedings taken against a former director	-	120,000
	<hr/>	<hr/>
	-	120,000
	<hr/>	<hr/>

**NOTE 7: SIGNIFICANT EVENTS AND TRANSACTIONS**

In September 2012, the Company raised \$507,195 to fund working capital requirements by the sale of 3,400,000 shares in Indochine Mining Limited (ASX:IDC) which were previously acquired through the issue of 39,666,667 converting notes at \$0.012 each.

**NOTE 8: SUBSEQUENT EVENTS**

The Company has sought professional advice in Indonesia concerning foreign investment structures associated with local interests groups, predominantly parties related to state owned corporations. This includes the necessary structural re-alignment of previous interest and rights held by Tiger Energy Limited ("TEL") to meet requirements resulting from the change of ground rules from the original production services agreement to a new production sharing contract in respect of the Wailawi Oil & Gas Project.

Although a proposal to takeover TEL has been considered as a measure to simplify investment structures, no decision will be taken until the directors are informed of further developments by our Indonesian team of advisors.

Consistent to the terms of assignment of rights, Union Pacific Trading Pty Ltd ("UPT") has initiated arrangements to facilitate the structural change to safeguard mutual interest in the Wailawi Oil & Gas Project. The Company has agreed to provide an advance of \$50,000 to UPT to resolve the re-alignment arrangement with TEL.

The Company has received to date \$230,000 for the subscription of converting notes from sophisticated investors. The converting notes are issued at \$0.012 each to raise a total of \$250,000. The purpose of the fund raising is to meet working capital requirements.

## **DIRECTORS DECLARATION**

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The directors declare that the financial statements and notes set out on pages 6 to 11 in accordance with the *Corporations Act 2001*:

- (a) Comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- (b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2012 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Artist & Entertainment Group Limited 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 directors.



**Siew Hong Koh**  
Director

Sydney

Date: 26<sup>th</sup> February 2012



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**ARTIST & ENTERTAINMENT GROUP LIMITED**  
**ABN: 67 097 771 581**

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF**  
**ARTIST & ENTERTAINMENT GROUP LIMITED AND CONTROLLED ENTITIES**

We have reviewed the accompanying half-year financial report of Artist & Entertainment Group Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2012, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed 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 consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Artist & Entertainment Group Limited and controlled entities 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 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 2012 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 Artist & Entertainment Group Limited and controlled entities, 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.

**ARTIST & ENTERTAINMENT GROUP LIMITED  
ABN: 67 097 771 581**

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
ARTIST & ENTERTAINMENT GROUP LIMITED AND CONTROLLED ENTITIES**

*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 Artist & Entertainment Group 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 2012 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*.



DEBORAH CARTWRIGHT  
Partner

26 February 2013



PITCHER PARTNERS  
Sydney