

Company Announcements
Australian Stock Exchange Limited
Exchange Centre
Level 4
20 Bridge Street
Sydney NSW 2000

27 February 2013

Half-year ended 31 December 2012

Please find attached the following documents relating to Maverick Drilling & Exploration Limited's results for the half-year ended 31 December 2012:

1. ASX Appendix 4D
2. Interim report

Yours faithfully



Andrew Crawford
Company Secretary
Maverick Drilling & Exploration Limited

RESULTS FOR ANNOUNCEMENT TO THE MARKET – APPENDIX 4D

Entity	Maverick Drilling & Exploration Limited
ABN	48 128 429 158
Half-year ended	31 December 2012
Previous corresponding half-year period	31 December 2011

Results for announcement to the market

				Current period
Revenue from ordinary activities	down	11%	to	USD 9,270,000
Profit/(loss) from ordinary activities after tax attributable to members	down	81%	to	USD 1,035,000
Net profit/(loss) for the period attributable to members	down	72%	to	USD 1,105,000

Dividends

No dividends were paid or proposed to members during the half-year ended 31 December 2012.

Brief explanation of any of the figures reported above

During the period the group's drilling fleet was focused on drilling internal wells and as a result only completed two contract wells for external customers. This resulted in a decrease in contract drilling income to \$321,000 for the period (2011: \$1,276,000). Revenue from oil sales of \$7,529,000 (2011: \$9,087,000) was lower in the current period, primarily due to decreased production from the groups acreage. The reduced revenue from contract drilling and oil sales contributed to the decreased net operating profit for the current period. This decrease in revenue and operating profit was partially offset by the commencement of the Joint Development Program with Gulf South Holdings Inc. in December 2012. Gulf South Holdings Inc. paid \$333,333 for a 33.3% interest in the West Schenck #123 which was drilled and completed in December 2012.

Net tangible asset backing

	31 December 2012	31 December 2011
Net tangible asset backing per ordinary share	USD 0.23	USD 0.09

Control gained or lost during the period

There were no transactions entered into by the group during the half-year ended 31 December 2012 that resulted in control being gained or lost over any entities.

Dividend reinvestment plans

There are no dividend reinvestment plans in operation.

Associates and joint venture entities

The group does not have any associates or joint venture entities.

Report based on reviewed accounts

This report has been based on the attached accounts which have been reviewed by PricewaterhouseCoopers.

Maverick Drilling & Exploration Limited

ABN 48 128 429 158

Interim report for the half-year ended 31 December 2012

Maverick Drilling & Exploration Limited ABN 48 128 429 158

Interim report – 31 December 2012

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Maverick Drilling & Exploration Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the group) consisting of Maverick Drilling & Exploration Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2012.

DIRECTORS

The following persons were directors of Maverick Drilling & Exploration Limited during the whole of the half-year and up to the date of this report:

D D Henrich
R B Clarke
B J Simmons
L A Clarke
J C Camuglia

PRESENTATION CURRENCY

Items included in the directors' report and financial statements of the group are presented in US dollars unless otherwise stated.

REVIEW OF OPERATIONS

The directors provide the following comments on the operations of the group for the half-year ended 31 December 2012.

During the half-year the group delivered a profit before income tax of \$1,105,000 (2011: \$5,366,000). Oil sales for the half-year totalled \$7,529,000 (2011: \$9,087,000) while income from contract drilling services provided to external customers totalled \$321,000 (2011: \$1,276,000). During the half-year the group commenced a Joint Development Program with Gulf South Holdings Inc. (Gulf South). The first well under this program, the West Schenck #123, was drilled and completed in December 2012, with Gulf South paying \$333,333 for a 33.3% working interest in this well.

The group drilled 41 wells across its Blue Ridge, Boling and Nash salt dome properties and 1 exploratory well on its Edwards Reef prospect during the half-year. 21 of these wells were deemed productive and completed by the group.

The group continued to receive a premium over WTI for its crude during the half-year, with the average monthly premium ranging from \$7.97 in July 2012 to \$17.06 per barrel in December 2012.

The groups infrastructure build continued during the half-year with an additional Walker-Neer Apache 250-40 drilling rig acquired along with a further 5 workover rigs and 4 swab rigs.

During the half-year period the group acquired an additional 495 net acres on the Blue Ridge Dome (total at 31 December 2012: 4,591 net acres), 82 net acres on Boling Dome (total at 31 December 2012: 4,810 net acres) and 1,673 net acres on Nash Dome (total at 31 December 2012: 7,308 net acres).

The group also increased its net acreage on the Edwards Reef prospect by 299 net acres to 2,627 net acres and expanded to a fourth oil field with 211 gross and net acres acquired on Gillock Field.

The group's financial position was further strengthened during the half year following the successful completion of a \$50 (A\$) million placement in July 2012. At 31 December 2012 the group had cash at call of \$55.6 million.

OUTLOOK

The groups strong net asset position at 31 December 2012 combined with the Gulf South Joint Development Program and current production revenue places the group in a strong position to deliver on its developmental and high impact drilling program over the coming months. The program includes tests targeting potential virgin reservoirs above the salt on Blue Ridge and Nash Dome (between 3,000 and 9,000 feet) and potential virgin reservoirs underneath the edges of Blue Ridge and Nash Dome (over hang prospects between 6,000 and 14,000 feet).


AUDITORS 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 4.

ROUNDING OF AMOUNTS

The group is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors.

A handwritten signature in dark ink, appearing to read 'D D Henrich', is written over a faint, illegible printed name.

D D Henrich
Director

Houston, Texas
26 February 2013



Auditor's Independence Declaration

As lead auditor for the review of Maverick Drilling and Exploration Limited for the half year ended 31 December 2012, 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.

This declaration is in respect of Maverick Drilling and Exploration Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'D A Turner'.

Darren Turner
Partner
PricewaterhouseCoopers

Newcastle
27 February 2013

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Liability limited by a scheme approved under Professional Standards Legislation.

Maverick Drilling & Exploration Limited
Consolidated income statement
For the half-year ended 31 December 2012

		Half-year	
	Notes	2012 \$'000	2011 \$'000
Revenue from continuing operations	3	9,270	10,509
Other income	3	-	324
Consumables and external services used		(2,805)	(1,684)
Employee benefits expense		(1,380)	(1,266)
Depletion expense		(883)	(616)
Depreciation and amortisation expense		(975)	(663)
Professional fees		(333)	(330)
Insurance expense		(448)	(343)
State and local tax expense		(251)	(24)
Foreign exchange losses		(583)	(41)
Other expenses		(476)	(490)
Finance costs	3	(31)	(10)
Profit before income tax		1,105	5,366
Income tax expense		(70)	(1,444)
Profit from continuing operations		1,035	3,922
Profit from discontinued operations		-	-
Profit for the year		1,035	3,922
Profit is attributable to:			
Owners of Maverick Drilling & Exploration Limited		1,035	3,922
Non-controlling interests		-	-
		1,035	3,922
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:			
Basic earnings per share		0.25	1.05
Diluted earnings per share		0.25	1.05
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share		0.25	1.05
Diluted earnings per share		0.25	1.05

The above consolidated income statement should be read in conjunction with the accompanying notes.

Maverick Drilling & Exploration Limited
Consolidated statement of comprehensive income
For the half-year ended 31 December 2012

		Half-year	
	Notes	2012 \$'000	2011 \$'000
Profit for the year		1,035	3,922
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>1,035</u>	<u>3,922</u>
Total comprehensive income for the year is attributable to:			
Owners of Maverick Drilling & Exploration Limited		1,035	3,922
Non-controlling interests		<u>-</u>	<u>-</u>
		<u>1,035</u>	<u>3,922</u>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Maverick Drilling & Exploration Limited
Consolidated balance sheet
As at 31 December 2012

	Notes	31 December 2012 \$'000	30 June 2012 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		55,638	19,807
Trade and other receivables		3,389	2,608
Inventories		2,135	1,587
Derivative financial instruments		-	29
Total current assets		<u>61,162</u>	<u>24,031</u>
Non-current assets			
Receivables		250	250
Property, plant and equipment		18,184	15,273
Oil and gas assets	4	43,419	33,359
Exploration and evaluation assets		1,212	653
Intangible assets		<u>3,700</u>	<u>3,730</u>
Total non-current assets		<u>66,765</u>	<u>53,265</u>
Total assets		<u>127,927</u>	<u>77,296</u>
LIABILITIES			
Current liabilities			
Trade and other payables		2,499	1,600
Income in advance		1,000	-
Borrowings		4,599	4,309
Derivative financial instruments		447	-
Current tax liabilities		-	93
Total current liabilities		<u>8,545</u>	<u>6,002</u>
Non-current liabilities			
Borrowings		3,153	5,065
Deferred tax liabilities		<u>8,546</u>	<u>8,476</u>
Total non-current liabilities		<u>11,699</u>	<u>13,541</u>
Total liabilities		<u>20,244</u>	<u>19,543</u>
Net assets		<u>107,683</u>	<u>57,753</u>
EQUITY			
Contributed equity	5	102,359	53,464
Retained earnings		<u>5,324</u>	<u>4,289</u>
Capital and reserves attributable to owners of Maverick Drilling & Exploration Limited		<u>107,683</u>	<u>57,753</u>
Non-controlling interests		-	-
Total equity		<u>107,683</u>	<u>57,753</u>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Maverick Drilling & Exploration Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2012

	Notes	Attributable to owners of Maverick Drilling & Exploration Limited				Non-controlling interests \$'000	Total equity \$'000
		Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000		
Balance at 1 July 2011		35,101	-	(2,316)	32,785	-	32,785
Total comprehensive income for the year		-	-	3,922	3,922	-	3,922
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and tax		-	-	-	-	-	-
		-	-	-	-	-	-
Balance at 31 December 2011		35,101	-	1,606	36,707	-	36,707
 Balance at 1 July 2012		 53,464	 -	 4,289	 57,753	 -	 57,753
Total comprehensive income for the year		-	-	1,035	1,035	-	1,035
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and tax	5	48,895	-	-	48,895	-	48,895
		48,895	-	1,035	49,930	-	49,930
Balance at 31 December 2012		102,359	-	5,324	107,683	-	107,683

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Maverick Drilling & Exploration Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2012

	Half-year	
	2012	2011
Notes	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	9,360	10,502
Payments to suppliers and employees (inclusive of goods and services tax)	<u>(5,722)</u>	<u>(4,345)</u>
	3,638	6,157
Insurance recovery relating to rig damage	-	324
Interest paid	(31)	(25)
Income taxes paid	<u>(93)</u>	<u>(112)</u>
Net cash (outflow) inflow from operating activities	<u>3,514</u>	<u>6,344</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(3,423)	(1,235)
Payments for exploration and evaluation assets	(559)	(92)
Payments for oil and gas assets	(11,211)	(7,122)
Interest received	185	18
Net cash (outflow) inflow from investing activities	<u>(15,008)</u>	<u>(8,431)</u>
Cash flows from financing activities		
Proceeds from issues of shares	51,530	-
Proceeds from borrowings	389	2,823
Share issue transaction costs	(2,635)	-
Repayment of borrowings	<u>(1,959)</u>	<u>(217)</u>
Net cash inflow (outflow) from financing activities	<u>47,325</u>	<u>2,606</u>
Net increase (decrease) in cash and cash equivalents	35,831	519
Cash and cash equivalents at the beginning of the financial period	<u>19,807</u>	<u>8,358</u>
Cash and cash equivalents at end of the financial period	<u>55,638</u>	<u>8,877</u>

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The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Basis of preparation of half-year report

This general purpose interim financial report for the half-year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Maverick Drilling & Exploration Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2 Segment information

(a) Description of segments

Management has determined the group's operating segments based on the reports reviewed by the board to make strategic decisions.

The board considers the business from both a product and a geographic perspective and has identified three reportable segments. The first as an operator of oil leases on the Blue Ridge Dome, the second as a shallow to mid range onshore contract oil and gas driller in the Gulf Coast region of the United States and the third as a provider of turnkey joint development wells.

(b) Segment information provided to the board

The segment information provided to the board for the reportable segments for the half-year ended 31 December 2012 is as follows:

	Operator of oil leases \$'000	Contract oil and gas driller \$'000	Turnkey joint development \$'000	Total \$'000
Half-year 2012				
Total segment revenue	7,589	8,206	333	16,128
Inter-segment revenue	-	(7,885)	-	(7,885)
Revenue from external customers	7,589	321	333	8,243
 Adjusted EBITDA	 5,105	 778	 238	 6,121
Depreciation expense	(41)	(905)	-	(946)
Income tax expense	(1,372)	31	(81)	(1,422)

The segment information provided to the board for the reportable segments for the half-year ended 31 December 2011 is as follows:

	Operator of oil leases \$'000	Contract oil and gas driller \$'000	Turnkey joint development \$'000	Total \$'000
Half-year 2011				
Total segment revenue	9,162	5,320	-	14,482
Inter-segment revenue	-	(3,720)	-	(3,720)
Revenue from external customers	9,162	1,600	-	10,762
 Adjusted EBITDA	 7,164	 882	 -	 8,046
Depreciation expense	(24)	(610)	-	(634)
Income tax expense	(1,933)	(208)	-	(2,141)

2 Segment information (continued)

(b) Segment information provided to the board (continued)

	Operator of oil leases \$'000	Contract oil and gas driller \$'000	Turnkey joint development \$'000	Total \$'000
Total segment assets				
Total segment assets at 31 December 2012	70,194	42,190	1,000	113,384
Total segment assets at 30 June 2012	57,139	31,666	-	88,805

The board assesses the performance of the operating segments based in a measure of adjusted EBITDA. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. Furthermore, the measure excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

A reconciliation of adjusted segment EBITDA to operating profit before income tax is provided as follows:

	Half-year	
	2012 \$'000	2011 \$'000
Adjusted segment EBITDA	6,121	8,046
Inter-segment eliminations	(3,976)	(1,757)
Rental income	8	6
Miscellaneous income	-	7
Interest revenue	1,008	58
Depreciation and amortisation	(975)	(663)
Finance costs	(31)	(10)
Employee benefits expense	(141)	(77)
Professional fees	(119)	(78)
Other expenses	(790)	(166)
Profit before income tax from continuing operations	1,105	5,366

The amounts provided to the board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

3 Profit for the half-year

	Half-year	
	2012	2011
	\$'000	\$'000
Profit for the half-year includes the following items that are significant because of their nature, size or incidence:		
Revenues		
<i>Revenue from continuing operations</i>		
Sale of goods	7,540	9,087
Sale of services	381	1,400
Sale of working interest in turnkey joint development wells	333	-
Rental revenue	8	-
Interest from financial assets not at fair value through profit or loss	<u>1,008</u>	<u>22</u>
Revenues from continuing operations	<u>9,270</u>	<u>10,509</u>
Other income		
Insurance recovery relating to rig damage	<u>-</u>	<u>324</u>
Total other income	<u>-</u>	<u>324</u>
Expenses		
<i>Finance costs</i>		
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	<u>31</u>	<u>10</u>
Finance costs expensed	<u>31</u>	<u>10</u>

4 Oil and gas assets

In the period from 1 July 2012 to 31 December 2012 the group completed the drilling of 25 new wells on Blue Ridge Dome, 11 new wells on Boling Dome and 5 new wells on Nash Dome.

The group has also acquired an additional 495 net acres on the Blue Ridge Dome (total at 31 December 2012: 4,591 net acres), 82 net acres on Boling Dome (total at 31 December 2012: 4,810 net acres) and 1,673 net acres on Nash Dome (total at 31 December 2012: 7,308 net acres) in the period from 1 July 2012 to 31 December 2012. Expenditure on these lease acquisitions including legal fees and title work totalled \$971,000. In addition to the cash component, ongoing drilling commitments must be met by the group in respect of these new leases.

Oil and gas assets in production are amortised on a production output basis via a depletion charge. In relation to Blue Ridge, Boling and Nash Domes, exploration and development costs, along with any future expenditure necessary to develop the assumed reserves, are amortised over the remaining estimated units of the fields. The remaining estimated units of the fields are based on the group's hydrocarbon reserves as assessed by Energy Recovery Concepts, LLC. Production based depletion of \$883,000 was charged in the period 1 July 2012 to 31 December 2012 (1 July 2011 to 31 December 2011 \$616,000).

5 Contributed equity

	Notes	31 December 2012 Shares	30 June 2012 Shares	31 December 2012 \$'000	30 June 2012 \$'000
(a) Share capital					
Ordinary shares					
Fully paid	(b)	<u>452,726,751</u>	403,707,143	<u>102,359</u>	53,464
		452,726,751	403,707,143	102,359	53,464

(b) Movements in ordinary share capital:

Date	Details	Notes	Number of shares	Issue price	\$'000
1 July 2012	Opening balance		403,707,143		53,464
	Institutional and sophisticated investor placement – first tranche	(d)	24,509,804	\$1.05	25,807
	Institutional and sophisticated investor placement – second tranche	(e)	24,509,804	\$1.05	25,723
	Less: Transaction costs arising on share issue				(2,635)
31 December 2012	Balance		<u>452,726,751</u>		<u>102,359</u>

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(d) Institutional and sophisticated investor placement - first tranche

In July 2012, the first tranche allotment of 24,509,804 shares in Maverick Drilling & Exploration Limited occurred (at A\$1.02 per share) following a successful placement to sophisticated and institutional investors raising \$25,807,000 (A\$25,000,000).

(d) Institutional and sophisticated investor placement – second tranche

In September 2012, the second tranche allotment of 24,509,804 shares in Maverick Drilling & Exploration Limited occurred (at A\$1.02 per share) following a successful placement to sophisticated and institutional investors raising \$25,723,000 (A\$25,000,000).

6 Reconciliation of cash as shown in the cash flow statement

At 31 December 2012 cash at the end of the financial period as shown in the cash flow statement was made up of cash and cash equivalents of \$55,638,000.

At 31 December 2011 cash at the end of the financial period as shown in the cash flow statement was made up of cash and cash equivalents of \$8,877,000.

7 Related party transactions

(a) Loans from key management personnel

During the period repayments of \$1,000,000 were made on the loan from D D Henrich and G Henrich to Maverick Drilling & Exploration Limited. Interest of \$30,968 calculated at a rate of 1.18% was charged on this loan during the period. This borrowing has a maximum term of December 2014. The agreement for this finance was based on normal commercial terms and conditions and Maverick sought legal advice from Australian counsel prior to entering into the arrangements. At 31 December 2012 the balance of this loan was \$4,631,189 (30 June 2012: \$5,600,221).

(b) Maverick Production Company - Promissory notes

Directors, L A Clarke and J C Camuglia and executive A J Crawford are minority unit holders of Texoz Holdings Unit Trust. Texoz Holdings Pty Ltd acts as trustee of Texoz Holdings Unit Trust. J C Camuglia is a director of Texoz Holdings Pty Ltd. Maverick Production Company has a conditional credit facility of up to USD 5 million from Texoz Holdings Unit Trust for the purpose of acquiring oil and gas leases and expanding its leasehold and prospect inventory. The agreement for this finance was based on normal commercial terms and conditions. Under the terms of the agreement, Texoz Holdings Unit Trust is entitled to an overriding royalty interest of up to 2% of Maverick's working interest in respect of leases acquired utilising funding from this facility. No new leases were acquired utilising funding from this facility during the period. During the period repayments of \$786,000 were made by Maverick under the agreement for this finance. At 31 December 2012 the balance of the promissory notes held by Texoz Holdings Unit Trust from Maverick Production Company was \$2,548,000 (30 June 2012 \$3,334,000).

(c) Other transactions with key management personnel

A director, R B Clarke, is the Chairman of the Advisory Board of RBS Morgans Limited. RBS Morgans Corporate Limited acted as a joint lead manager of the parent entity's institutional and sophisticated investor placement in July 2012. The contract for these services was based on normal commercial terms and conditions.

A director, L A Clarke, is the director of Lee Clarke & Co Pty Ltd. Lee Clarke & Co Pty Ltd took a firm allocation of stock from the joint lead managers of the July 2012 capital raise. The agreement between the joint lead managers and Lee Clarke & Co Pty Ltd and the fees paid were based on normal commercial terms and conditions.

An executive, A J Crawford, is the Director of Box One Corporate Pty Ltd. Box One Corporate Pty Ltd charges Maverick Group entities for A J Crawford's services to the group. The total charges from Box One Corporate Pty Ltd to the group in relation to the time of A J Crawford will be disclosed in the remuneration report which is included as part of the annual report. The agreement for these services was based on normal commercial terms and conditions.

A director, L A Clarke, is the director of Lee Clarke Pty Limited. Lee Clarke Pty Limited employed A J Crawford the company secretary and chief financial officer of the parent entity until 31 August 2012. Until this date A J Crawford's services to the group were charged on an hourly rate by Lee Clarke Pty Limited. Lee Clarke Pty Limited then remunerated A J Crawford. The total charges from Lee Clarke Pty Limited to the group in relation to the time of A J Crawford will be disclosed in the remuneration report which is included as part of the annual report. The agreement for these services was based on normal commercial terms and conditions.

Directors, L A Clarke and J C Camuglia are unit holders in Salt Dome Unit Trust. Salt Dome Unit Trust owns overriding royalty interests ranging from 0.15% to 1.25% over the Gordon, Lila Hill, Teletower and Bute Blue Ridge Dome leases operated by Maverick.

In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of their performance for the half-year ended on that date; and
- (b) 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 directors.

A handwritten signature in dark ink, appearing to read 'D D Henrich', is written over a faint, larger version of the same signature.

D D Henrich
Director

Houston
26 February 2013



Independent auditor's review report to the members of Maverick Drilling and Exploration Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Maverick Drilling and Exploration Limited, which comprises the balance sheet as at 31 December 2012, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Maverick Drilling and Exploration Limited Group (the consolidated entity). The consolidated entity comprises both Maverick Drilling and Exploration Limited (the company) and the entities it controlled during that 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 (including the Australian Accounting Interpretations) 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 Maverick Drilling and Exploration 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*.

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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 Maverick Drilling and Exploration 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 the *Corporations Regulations 2001*.

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D A Turner

Darren Turner
Partner

27 February 2013