

# **MOBY OIL & GAS LTD**

**ABN 17 106 653 794**

## **HALF YEAR FINANCIAL REPORT**

**31 DECEMBER 2011**

## **CORPORATE DIRECTORY**

### **Directors**

E Geoffrey Albers (Chairman)  
Robert J Coppin  
Graeme A Menzies

### **Company Secretary**

John G Tuohy

### **Registered Office**

#### **and Principal Administration Office**

Level 21, 500 Collins Street  
Melbourne, Victoria 3000, Australia  
Telephone: +61 (3) 8610 4700  
Facsimile: +61 (3) 8610 4799  
Email: admin@moby.com.au

**Website:** [www.moby.com.au](http://www.moby.com.au)

### **Auditor**

BDO Audit (NSW-VIC) Pty Ltd  
GPO Box 4736  
Melbourne, Victoria 3001, Australia

### **Share Registry**

Link Market Service Limited  
Level 1, 333 Collins Street,  
Melbourne, Victoria 3000, Australia  
Telephone: +61 (03) 9615 9947  
Facsimile: +61 (03) 9615 9744  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### **Stock Exchange Listing**

ASX Ltd  
Level 4, North Tower, Rialto  
525 Collins Street  
Melbourne, Victoria 3000, Australia

### **ASX Code:**

**MOG** Ordinary Shares  
**MOGOA** 30 June 2013 Options

**Incorporated in the State of Victoria**

13 October 2003

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### ***CURRENCY***

The company's functional and presentation currency is Australian Dollars.

### ***FORWARD LOOKING STATEMENTS***

This report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the company or not currently considered material by the company.

## **DIRECTORS' REPORT**

The directors of Moby Oil & Gas Limited ("Moby" and "the company") submit their report on the consolidated results of the company and its wholly-owned subsidiary, Rankin Trend Pty Ltd, ("the group") for the half year ended 31 December 2011.

The names of the company's directors in office during the half year and until the date of this report are as follows:

*E Geoffrey Albers LL.B, FAICD – Executive Chairman and Chief Executive Officer*  
*Lance E Coburn B.Comm (Hons), FCPA, GAICD – Non-Executive Director – retired 25/11/11*  
*Robert J Coppin BSc (Hons) – Non-Executive Director*  
*Graeme A Menzies LL.B – Non-Executive Director*

## **FINANCIAL RESULTS FOR THE HALF YEAR**

The net loss for the half year, after income tax was \$184,235 (2010: \$15,645,822).

## **REVIEW OF OPERATIONS**

The group continues to hold working interests in five petroleum exploration permits in the offshore basins of Australia. Two are located in the Carnarvon Basin (WA-359-P and WA-409-P), one in the Browse Basin (WA-342-P) and two in the Gippsland Basin (Vic/P41 and Vic/P47).

During the half year, Moby gave notice of its withdrawal from the WA-360-P permit and Joint Venture.

### **Carnarvon Basin Interests**

A *Carnarvon Basin Permit Location Map* of the group's WA-359-P and WA-409-P permit interests is displayed below.

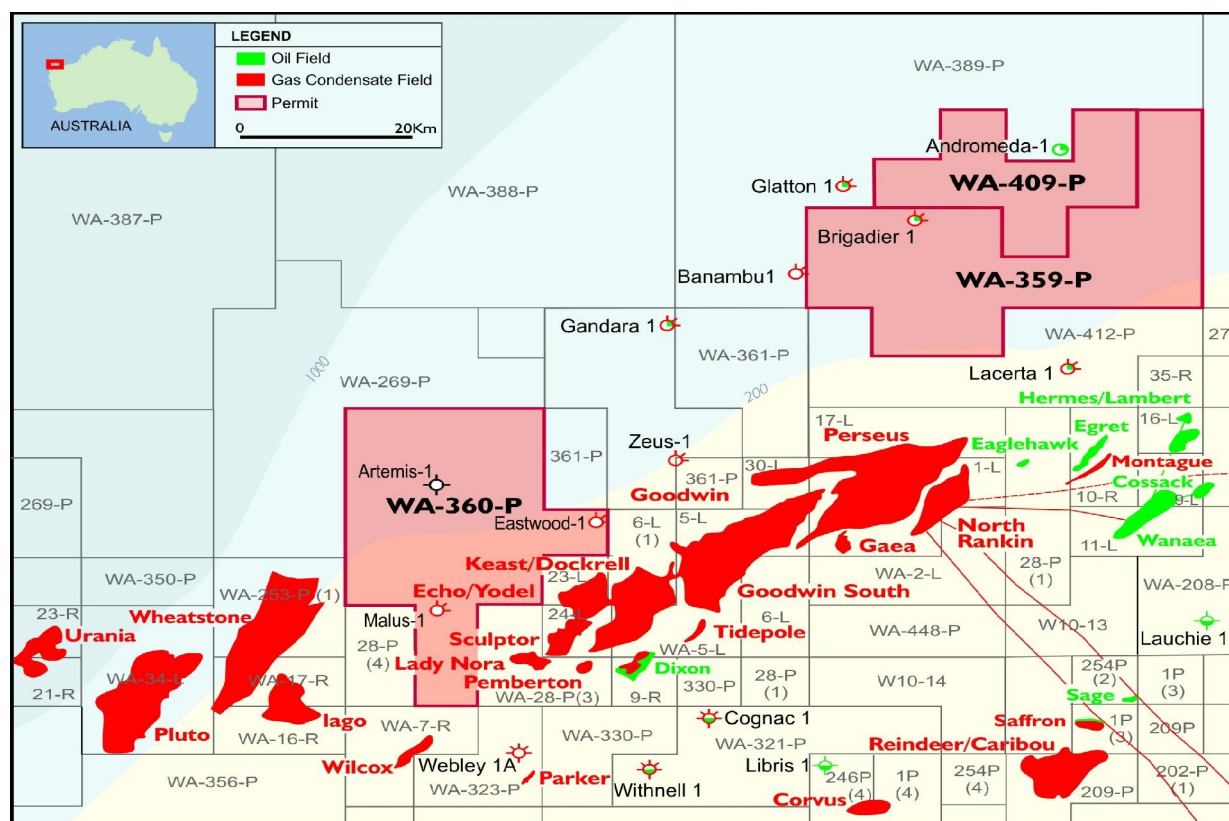
#### **WA-359-P – Carnarvon Basin**

The WA-359-P Joint Venture consists of the following parties:

Apache Northwest Pty Ltd	40.0% and Operator
Cue Exploration Pty Ltd (subsidiary of Cue Energy Resources Limited)	30.0%
Moby Oil & Gas Limited	28.5%
Exoil Pty Ltd	1.5%

WA-359-P is in the Dampier Sub-basin offshore from Western Australia and covers an area of approximately 1,212 km<sup>2</sup> in water depths of less than 500 metres – see the *Location Map*.

A subsidiary of Apache Corporation ("Apache") farmed into the permit and has funded the acquisition of the new Zeebries 3D seismic survey across the whole of the area of WA-359-P and the adjoining permit, WA-409-P. By acquiring, processing, mapping and interpreting the Zeebries 3D survey at its cost, Apache will earn a 40% equity interest and operatorship of both WA-359-P and WA-409-P. The aim of the Zeebries 3D survey was to define several new, potentially drillable, leads and prospects.



**Carnarvon Basin Permit Location Map**

Apache has a further right to elect to earn additional interests in WA-359-P and WA-409-P by funding up to 100% of the costs of the first well to be drilled in either of the permits. If Apache elects to drill a well in WA-359-P, Moby will be free carried through the costs of the well but will retain a 14.25% carried interest.

If Apache drills a well in the adjoining permit, WA-409-P, Apache will have completed its right to acquire a 70% interest in each of WA-359-P and WA-409-P, with Moby retaining a 14.5% interest and an obligation to fund its participating interest share (plus Exoil Pty Ltd's 0.75% participating interest share) of any well the parties subsequently agree to drill within WA-359-P.

The Zeebries 3D survey incorporated the entire 1,212 km<sup>2</sup> area of the WA-359-P permit, plus the entire 566 km<sup>2</sup> area of the WA-409-P permit and two other adjoining permits – see the *Zeebries 3D Seismic Survey Map* below.

### **WA-409-P – Carnarvon Basin**

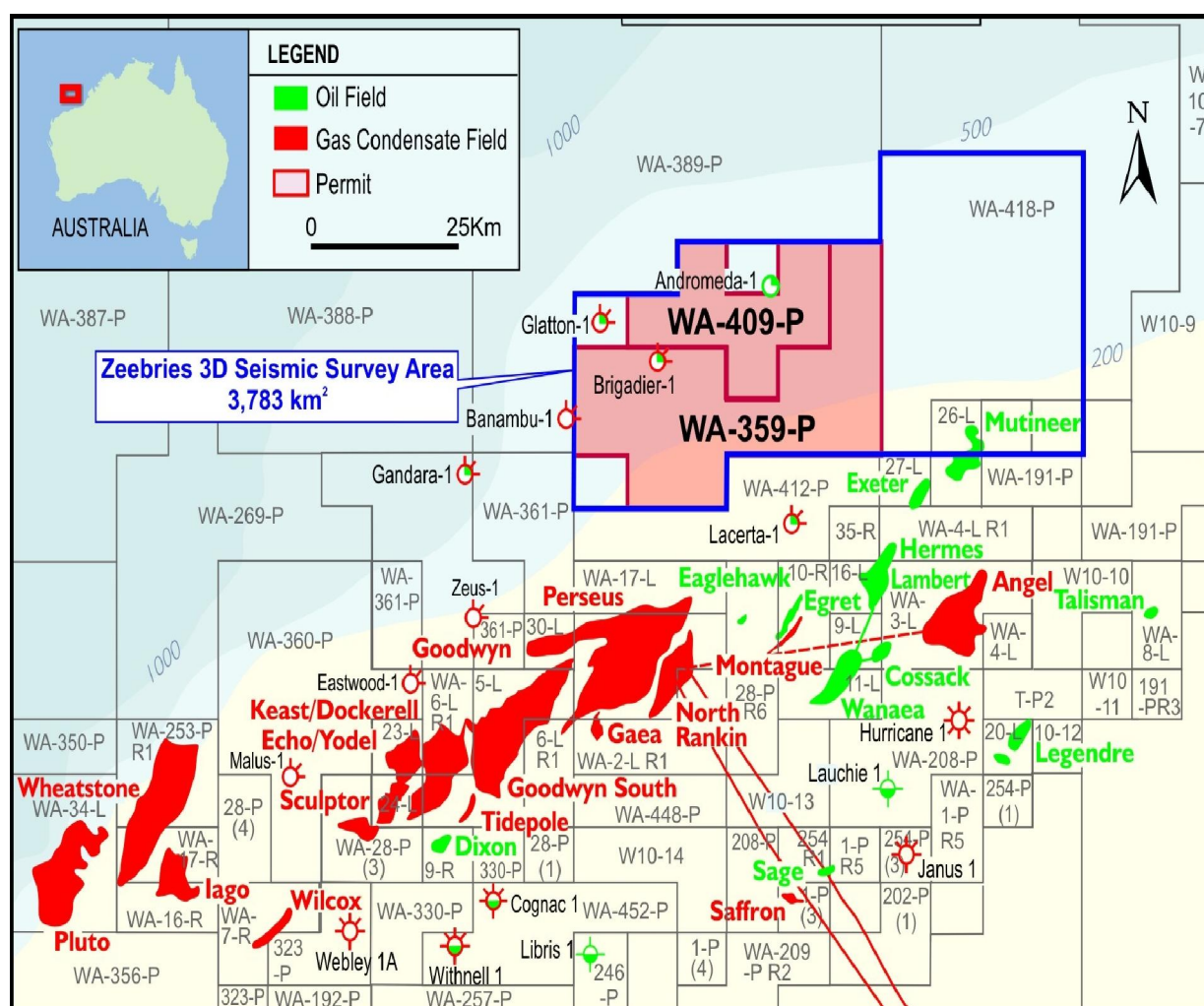
This WA-409-P Joint Venture consists of the following parties:

Apache Northwest Pty Ltd	40% and Operator
Rankin Trend Pty Ltd (subsidiary of Moby)	30%
Cue Exploration Pty Ltd (subsidiary of Cue Energy Resources Limited)	30%

The WA-409-P permit is displayed in the *Location Map* above.

As detailed earlier, Moby previously entered into a farmout agreement with a subsidiary of Apache under which Apache will earn a 40% equity interest and operatorship in each of WA-409-P and WA-359-P by acquiring, processing, mapping and interpreting the Zeebries 3D seismic survey at its cost. Apache has a further right to elect to earn additional interests in WA-409-P and WA-359-P by funding up to 100% of the costs of the first well to be drilled in either of the permits. If Apache elects to drill a well in WA-409-P, Moby will be free carried through the costs of the well but will retain a 15% carried interest.

If Apache drills a well in the adjoining permit, WA-359-P, Apache will have completed its right to acquire a 70% interest in each of WA-409-P and WA-359-P, with Moby retaining a 15% interest and an obligation to fund its participating interest share of any well the parties subsequently agree to drill within WA-409-P. The company has retained the right to elect to fund 5% of the costs of any well in WA-409-P and, by so doing, to maintain its potential interest in the permit at 20%.



**Zeebries 3D Seismic Survey Map**

### **WA-360-P – Carnarvon Basin**

During the half year, Moby gave notice to the other Participants of its intention to withdraw from WA-360-P and the Joint Venture at the end of the permit's initial term on 31 January 2012. Petrobras International Braspetro BV had also given notice of its intention to withdraw at the same time.

## Browse Basin Interest

### WA-342-P – Browse Basin

This permit is held by the Cornea Joint Venture which consists of the following interests:

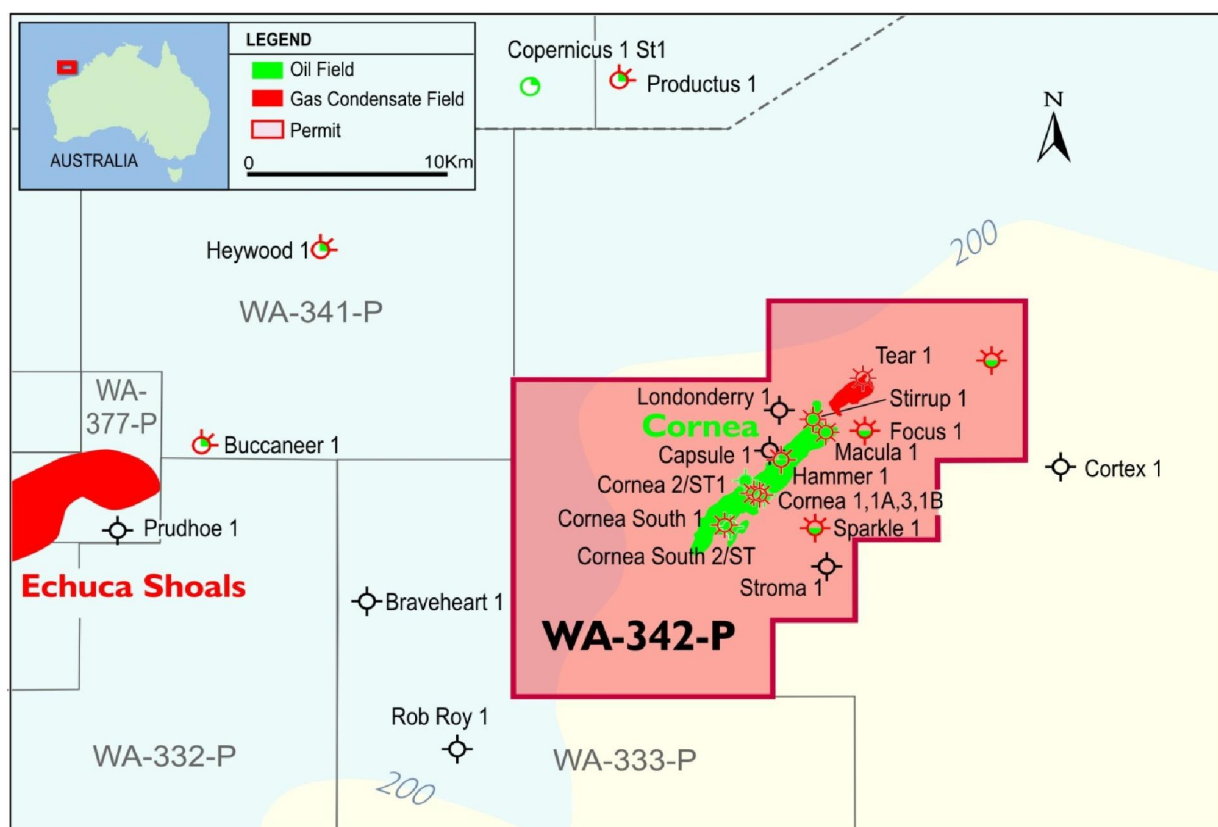
Coldron Group	29.100%
Moby Oil & Gas Limited	22.375%
Octanex Group ( <i>ASX Code: OXX</i> )	18.750%
Cornea Petroleum Pty Ltd	14.875%
Cornea Oil & Gas Pty Ltd	8.500%
Auralandia N.L.	6.400%

The Operator of the Cornea Joint Venture is Hawkestone Oil Pty Ltd, a subsidiary of Exoil Pty Ltd.

On 4 January 2011, the Joint Venture was granted a renewal of the WA-342-P permit for a 5 year term – see the following *WA-342-P Location Map*.

The committed work programme in the first three years of the renewed term calls for studies and an exploration well; followed by reprocessing of 3D seismic and further studies in the last two years of the term.

The studies in relation to the permit and the Cornea structure continue, as do discussions with potential farminees.

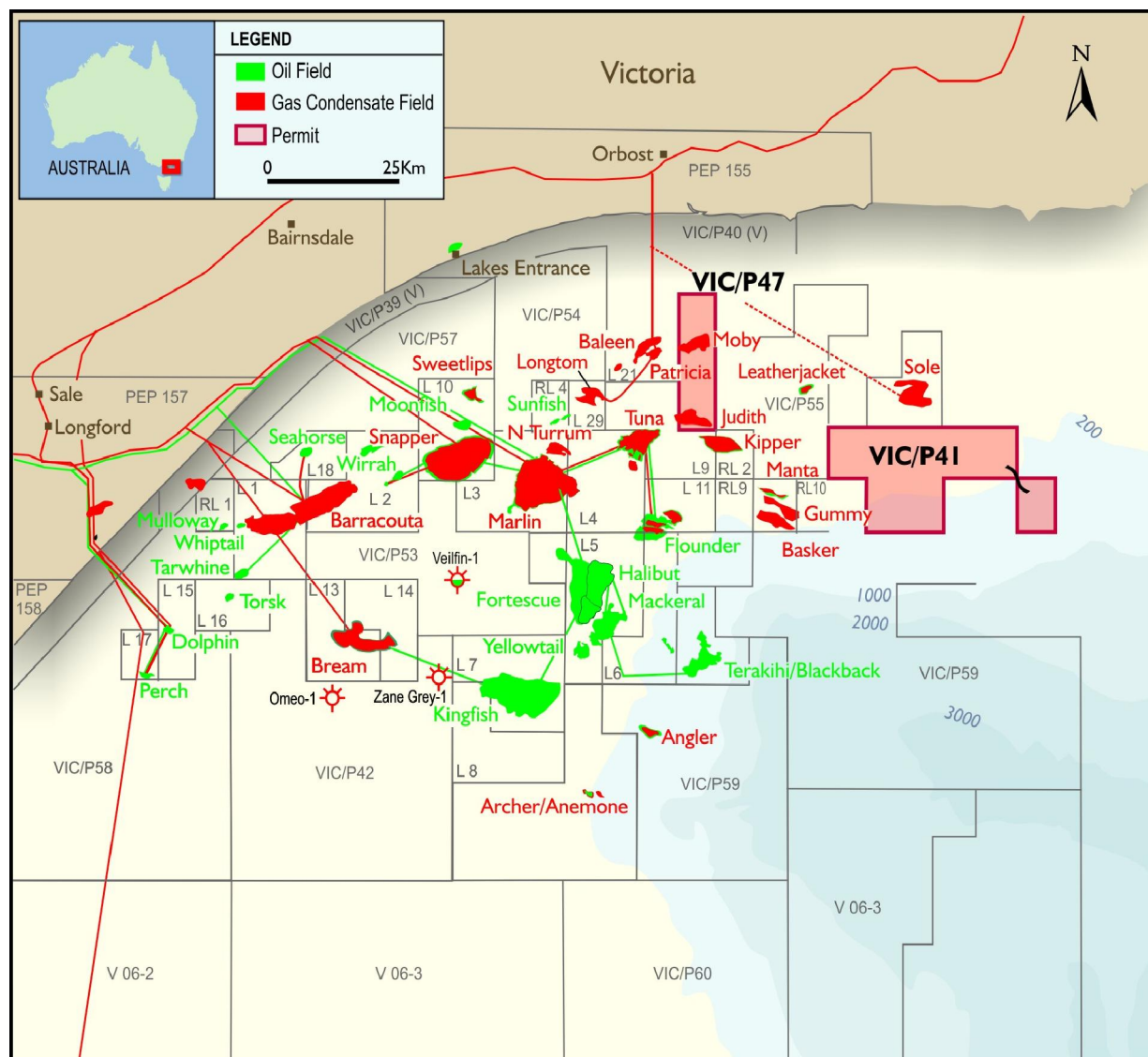


**WA-342-P Location Map**



## Gippsland Basin Interests

Moby holds interests in two petroleum exploration permits in the offshore Gippsland Basin, namely Vic/P41 and Vic/P47 - see the following *Gippsland Basin Permit Location Map*.



***Gippsland Basin Permit Location Map***

### Vic/P41 – Gippsland Basin

The Vic/P41 Joint Venture consists of:

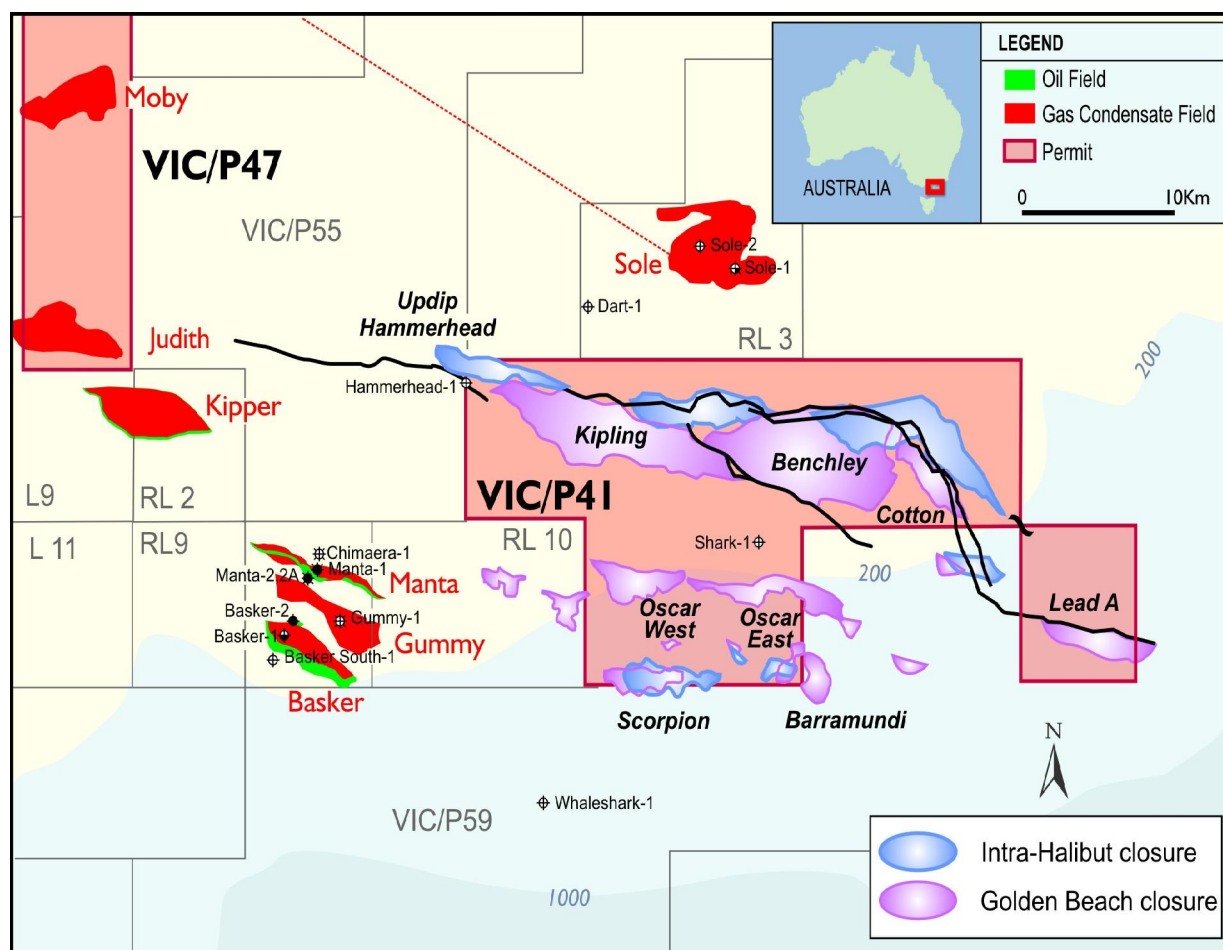
Bass Strait Oil Company Ltd ( <i>ASX Code: BAS</i> )	45% and Operator
Moby Oil & Gas Limited	25%
Strategic Energy Resources Ltd	25%
Oil Basins Limited ( <i>ASX Code: OBL</i> )	5%

As shown in the *Location Map* above, Vic/P41 is located in the offshore Gippsland Basin, approximately 40 km south of the eastern Victorian coast.

On 6 December 2011, the Joint Venture was granted a second and final 5-year renewal of the Vic/P41 permit, with a commencement date of 29 November 2011. The work programme for the guaranteed period of the renewed term (i.e. the first 3 years) includes the acquisition, processing, mapping and interpretation of 70 km<sup>2</sup> of new 3D seismic data.

The 540 km<sup>2</sup> area of the renewed permit includes the Kipling and Benchley prospects, along with Lead A - see the following *Vic/P41 Prospects and Leads Map*. All three of these features are on trend with and perhaps analogous to the Kipper Field, which is approximately 20 km to the west. The Vic/P41 Joint Venture is currently planning to acquire a 3D seismic survey over Lead A towards the end of 2012 or early 2013, dependent on the availability of a seismic vessel, while studies of permit data continue.

The permit is the subject of farmin reviews and the interested parties are continuing with their evaluation and assessments.



*Vic/P41 Prospects and Leads Map*

## Vic/P47 – Gippsland Basin

The Vic/P47 Joint Venture consists of:

Bass Strait Oil Company Limited	40% and Operator
Moby Oil & Gas Limited	35%
Strategic Energy Resources Limited	25%

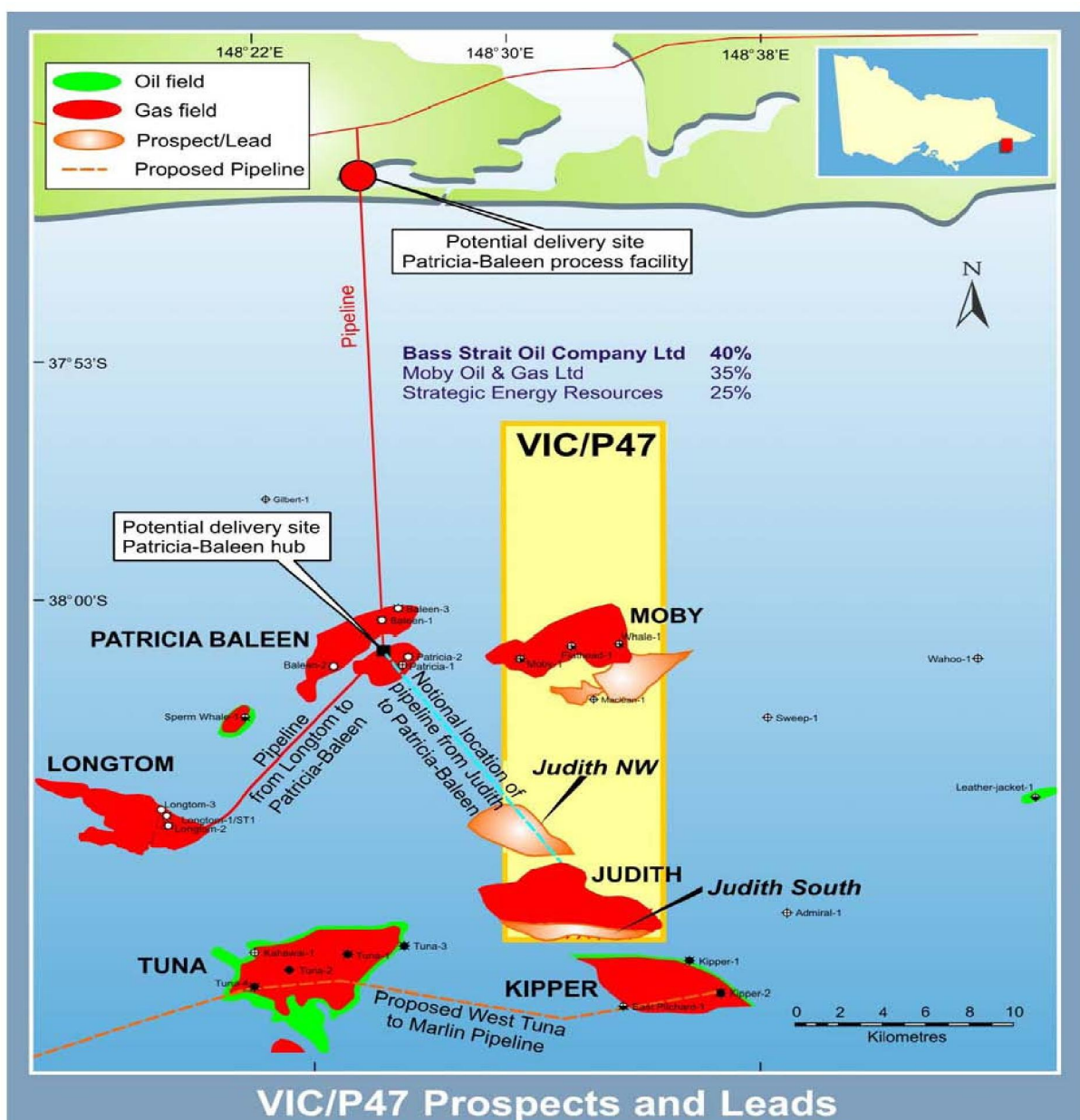


The Vic/P47 permit is located in the offshore Gippsland Basin, 14 km from the coast and south of the Victorian town of Orbost; with water depths ranging up to 80 metres – refer to the *Location Map* above.

The permit is in Year 3 of the first 5-year renewed term where the work commitment is to carry out gas market studies and conceptual appraisal planning.

Vic/P47 contains the Judith and Moby gas discoveries – see the following *Vic/P47 Prospects and Leads Map*. The Judith gas resource was certified by international consultants Gaffney Cline & Associates (“GCA”) (see details below) and both the Judith and Moby gas resources are in close proximity to existing and planned infrastructure in adjacent licences.

The Longtom Field to the west commenced gas production in late 2009 and the Kipper Field to the south is being developed.



During the half year, seismic reprocessing of the vintage Moby 3D seismic data and simultaneous seismic inversions were undertaken on the reprocessed Moby 3D volume and 200 km<sup>2</sup> of the Northern

Fields 3D seismic survey. The work covered the Moby and Judith fields and was aimed at delineating the field boundaries with more certainty, as well as increasing the certainty that the seismic amplitudes surrounding the Judith gas discovery are representative of gas saturated sandstone reservoirs.

These objectives were met and the Vic/P47 Joint Venture is actively seeking farmin partners to fund future operations. The opportunity has attracted credible interest and the Joint Venture continues its evaluation and assessment activities.

During June 2008, GCA completed an independent resource certification of the Judith gas discovery and associated prospects in Vic/P47. GCA reported that a gross gas column of 290m can be interpreted from Judith-1 electric log data and GCA's petrophysical analysis indicated 135.5m of net gas pay in the Judith-1 well. GCA's certification provides independent confirmation that, subject to successful appraisal, the Judith gas discovery has the resource volume potential to underpin a commercial development.

The Judith gas discovery is located 22 km east of the Longtom Gas Field where Nexus Energy holds a 100% interest and, as noted above, commenced production late in 2009. Longtom is the first commercial production from the Emperor Subgroup, a geological unit which also forms the potential reservoir at Judith. The Longtom Field has been developed on the basis of a contract to sell 350 PJ (approximate conversion = 325 BScf) of sales gas.

## **SUBSEQUENT EVENTS**

There were no significant after balance date events up to the date of signing this report.

## **AUDITOR INDEPENDENCE DECLARATION**

We have obtained an independence declaration as required under section 307C of the Corporations Act 2001 from our auditor, BDO Audit (NSW-VIC) Pty Ltd, a copy of which is attached to this report.

Signed in accordance with a resolution of the directors



EG Albers  
Director

Melbourne, 7 March 2012

## **DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Moby Oil & Gas Limited, I state that:

In the opinion of the directors:

- (a) the financial statements of the consolidated entity, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 including:
  - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2011 and the performance for the half year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; 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.

On behalf of the Board.



**EG Albers**  
Director  
Melbourne, 7 March 2012

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**HALF YEAR ENDED 31 DECEMBER 2011**

	<b>31/12/2011</b>	<b>CONSOLIDATED 31/12/2010</b>
	<b>\$</b>	<b>\$</b>
Other income	1,728	27,944
Foreign exchange gain	181,997	-
Recovery of exploration costs previously written off	-	234,802
Consulting	(77,988)	(48,575)
Directors remuneration	(52,391)	(33,790)
Foreign exchange losses	-	(17,936)
Impairment of exploration assets	(36,859)	(15,338,610)
Interest	(8)	(113,904)
Management fees	(49,890)	(59,218)
Other expenses	(80,919)	(71,425)
Share based payment: fair value of options at grant date	-	(151,470)
Share registry	<u>(69,905)</u>	<u>(73,640)</u>
Loss before income tax benefit	(184,235)	(15,645,822)
Income tax benefit	<u>-</u>	<u>-</u>
Net Loss for the half year	<u>(184,235)</u>	<u>(15,645,822)</u>
Total comprehensive income for the half year	<u>(184,235)</u>	<u>(15,645,822)</u>
Basic loss per share (cents per share)	(0.001)	(0.054)
Diluted loss per share (cents per share)	(0.001)	(0.054)

The above Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2011**

	<b>31/12/2011</b>	<b>CONSOLIDATED 30/6/2011</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	3,188,695	3,531,578
Trade and other receivables	<u>41,488</u>	<u>49,595</u>
<b>TOTAL CURRENT ASSETS</b>	<u><b>3,230,183</b></u>	<u><b>3,581,173</b></u>
<b>NON-CURRENT ASSETS</b>		
Exploration and evaluation assets	<u>13,126,680</u>	<u>13,027,638</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u><b>13,126,680</b></u>	<u><b>13,027,638</b></u>
<b>TOTAL ASSETS</b>	<u><b>16,356,863</b></u>	<u><b>16,608,811</b></u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<u>219,278</u>	<u>286,991</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u><b>219,278</b></u>	<u><b>286,991</b></u>
<b>TOTAL LIABILITIES</b>	<u><b>219,278</b></u>	<u><b>286,991</b></u>
<b>NET ASSETS</b>	<u><b>16,137,585</b></u>	<u><b>16,321,820</b></u>
<b>EQUITY</b>		
Issued capital	50,647,744	50,647,744
Options reserves	275,646	275,646
Accumulated losses	<u>(34,785,805)</u>	<u>(34,601,570)</u>
<b>TOTAL EQUITY</b>	<u><b>16,137,585</b></u>	<u><b>16,321,820</b></u>

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

	<b>Issued capital \$</b>	<b>Accumul'd losses \$</b>	<b>Options reserve \$</b>	<b>Total Equity \$</b>
At 1 July 2011	50,647,744	(34,601,570)	275,646	16,321,820
<b>Total comprehensive income for the half year</b>				
Loss for the half year		(184,235)	-	(184,235)
Total comprehensive income for the half year		(184,235)	-	(184,235)
At 31 December 2011	<u>50,647,744</u>	<u>(34,785,805)</u>	<u>275,646</u>	<u>16,137,585</u>
At 1 July 2010	49,314,748	(18,015,792)	109,378	31,408,334
<b>Total comprehensive income for the half year</b>				
Loss for the half year		(15,645,822)	-	(15,645,822)
Total comprehensive income for the half year		(15,645,822)	-	(15,645,822)
<b>Transactions with owners in their capacity as owners</b>				
Share based payment expense			151,470	151,470
	<u>-</u>	<u>-</u>	<u>151,470</u>	<u>151,470</u>
At 31 December 2010	<u>49,314,748</u>	<u>(33,661,614)</u>	<u>260,848</u>	<u>15,913,982</u>

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

	<b>31/12/2011</b>	<b>CONSOLIDATED 31/12/2010</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers - other	(380,018)	(386,257)
Proceeds from permit sale	-	5,559,677
Interest received	<u>1,728</u>	<u>27,944</u>
Net cash (outflow) / inflow from operating activities	<u>(378,290)</u>	<u>5,201,364</u>
<b>INVESTING ACTIVITIES</b>		
Payments to suppliers - exploration	<u>(135,901)</u>	<u>(2,602,136)</u>
Net cash outflow from investing activities	<u>(135,901)</u>	<u>(2,602,136)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of advance	<u>-</u>	<u>(615,284)</u>
Net cash (outflow)/ inflow from financing activities	<u>-</u>	<u>(615,284)</u>
Net (decrease) / increase in cash assets	(514,191)	1,983,944
Exchange gain /(loss)	171,308	(284,002)
Cash assets at the beginning of the half year	<u>3,531,578</u>	<u>2,674,605</u>
Cash assets at the end of the half year	<u>3,188,695</u>	<u>4,374,547</u>

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

**NOTE 1 CORPORATE INFORMATION**

Moby Oil & Gas Limited (“Moby” or “the company”) is a company incorporated and domiciled in Australia with its registered office and principal place of business located at Level 21, 500 Collins Street, Melbourne, Victoria 3000. The consolidated financial report of the group for the half year ended 31 December 2011 comprises the company and a subsidiary, Rankin Trend Pty Ltd, (together referred to as the “consolidated entity” or “the group”) and the consolidated entity’s interest in jointly controlled ventures.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 group as the annual financial report.

The half year financial report should be read in conjunction with the annual financial report of Moby Oil & Gas Limited for the year ended 30 June 2011.

It is also recommended that the half year financial report be considered together with any public announcements made by Moby Oil & Gas Limited during the six months ended 31 December 2011, made in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the Listing Rules of the ASX.

**Basis of Preparation**

The half year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements. The half year financial report has been prepared on an historical cost basis.

For the purpose of preparing this financial report, the half year has been treated as a discrete reporting period.

The financial report for the half year ended 31 December 2011 has been prepared on a going concern basis. This basis has been adopted as the directors believe the company will be able to generate sufficient cash flows to satisfy its debts as and when they fall due.

The company has limited financial resources and will need to raise additional capital from time to time. Any such fund raisings will be subject to factors beyond the control of the company and its directors. When Moby requires further funding for its programs, it is the company’s intention that the additional funds would be raised in a manner deemed most expedient by the directors at the time, taking into account working capital, exploration results, budgets, share market conditions, capital raising opportunities and the interest of industry in co-participation in the company’s programs.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2011.

**NOTE 3 SEGMENT INFORMATION**

The group has adopted AASB 8 "Operating Segments" from 1 July 2009, whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the directors.

At regular intervals the board is provided management information at a group level for the group's cash position, the carrying values of exploration permits and a group cash forecast for the next twelve months of operation.

On this basis, no segment information is included in these financial statements.

**NOTE 4 COMMITMENTS**

Expenditure commitments include obligations arising from farm-in arrangements, minimum work obligations for the initial three year period of exploration permits and thereafter annually. Minimum work obligations may, subject to negotiation and approval, be varied. They may also be satisfied by farmout, sale, relinquishment or surrender of a permit.

Estimated expenditure to satisfy possible exploration permit work obligations:

	<b>31/12/2011</b>	<b>CONSOLIDATED 31/12/2010</b>
	<b>\$</b>	<b>\$</b>
Not later than 1 year		
Vic/P45	-	41,666
Vic/P41	37,500	87,500
Vic/P47	65,380	87,500
EPP34	-	15,000
WA-333-P	-	9,914
WA-342-P	55,938	55,938
	<u>158,818</u>	<u>297,518</u>
Later than 1 year but not later than 5 years		
Vic/P41	250,000	-
Vic/P47	-	350,000
WA-342-P	4,475,000	4,530,938
	<u>4,725,000</u>	<u>4,880,938</u>

**NOTE 5 EVENTS SUBSEQUENT TO BALANCE DATE**

There are no significant after balance date events up to the date of signing this report.

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Moby Oil & Gas Limited

We have reviewed the accompanying half-year financial report of Moby Oil & Gas Limited, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity 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 disclosing entity 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 2011 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 Moby Oil & Gas 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*, which has been given to the directors of Moby Oil & Gas Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



## 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 Moby Oil & Gas 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 2011 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*.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit (NSW-VIC) Pty Ltd

A handwritten signature in blue ink that appears to read 'N Burne'.

Nicholas E. Burne  
Director

Melbourne, Victoria

Dated the 7<sup>th</sup> day of March 2012

**DECLARATION OF INDEPENDENCE BY NICHOLAS BURNE TO THE DIRECTORS OF MOBY OIL & GAS LIMITED**

As lead auditor for the review of Moby Oil & Gas Limited for the half-year ended 31 Decemeber 2011, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Moby Oil & Gas Limited and the entities it controlled during the period.



Nicholas E. Burne  
Director

**BDO Audit (NSW-VIC) Pty Ltd**

Dated the 7<sup>th</sup> day of March 2012