Financial Report

for the half-year ended
30 June 2016

FAR Limited

Contents

Half-Year Financial Report 2016

Directors' Report

The directors of FAR Limited submit herewith the Financial Report of FAR Ltd and its subsidiaries ('the Consolidated Entity') for the half-year ended 30 June 2016. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The directors of the Company in office during or since the end of the period are:

Mr N J Limb
Ms C M Norman
Mr A E Brindal
Mr B J M Clube
Mr R G Nelson

All directors held office during and since the end of the period unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the Company are:

- Securing exploration projects;
- Conducting exploration appraisal and evaluation for oil and gas resources; and
- Realising value from oil exploration and production interests.

FINANCIAL PERFORMANCE

	H1 FY16 $	H1 FY15	Change %
Profit & loss			
Revenues	85,047	250,039	(66%)
Expenses	(11,403,770)	(9,974,032)	14%
Loss for the period	(11,318,653)	(9,723,993)	16%
Basic EPS (cents)	(0.29)	(0.31)	
Cash flows			
Operating cash flow	(10,577,455)	(9,283,160)	14%
Investing cash flow	(44,069,438)	(18,390,879)	140%
Financing cash flow	60,127,255	3,381,728	1,678%
Financial position	**30 Jun 16**	**31 Dec 15**	
Net assets	150,927,012	102,288,270	48%
Cash balance	66,278,904	60,670,897	9%

LOSS FOR THE PERIOD

The loss for the period of $11,318,653 increased by $1,594,660 or 16% compared to the previous corresponding period. Included in the loss is exploration expense of $8,299,885 which increased marginally during the half-year by $211,181 compared to the same period last year of $8,088,704. This reflects lower Australian and Guinea-Bissau costs but higher Senegal costs due to the drilling campaign undertaken during the half-year. The employee benefits expense increased by $1,228,928 to $2,184,300 compared to the same period last year due to the inclusion of non-cash, equity settled share based payments of $1,159,664. There were no impairments during the half-year.

FINANCIAL POSITION

Net assets increased by 48% to $150,927,012 during the half-year. Total assets increased by $43,086,695 to $164,922,346 and total liabilities decreased by $5,552,047 to $13,995,334. The strengthening of the balance sheet was due to the completion of a $60,000,000 capital raising before costs completed in June 2016 and the exercise of unlisted employee options in March and May 2016 raising a further $2,728,001 before costs. Total funds raised net of fees amounted to $60,127,255.

Cash was $66,278,904 at 30 June 2016 an increase of $5,608,007 or 9% from the prior year end after funding $44,098,806 of Senegal drilling costs and a further $8,612,048 of exploration expenditure during the period.

Exploration and evaluation assets increased by $37,931,617 during the half to $96,792,863 reflecting the capitalisation of the four successful Senegal offshore SNE field appraisal wells SNE-2, SNE-3, BEL-1 and SNE-4 which all completed drilling during the period.

Trade and other payables reduced during the half from $18,761,407 to $13,162,252. The current balance predominantly relates to the Senegal well costs mentioned above which are forecast to be paid in Q3 2016.

REVIEW OF OPERATIONS

Senegal

The Company and its joint venture partners ConocoPhillips, Cairn Energy ("Cairn") and Petrosen (the Government of Senegal) participated in four highly successful SNE field appraisal wells offshore Senegal during the first half of 2016.

The SNE-2, SNE-3, BEL-1 and SNE-4 wells were drilled by the ConocoPhillips contracted Ocean Rig Athena drillship within the SNE field. Each well was drilled safely, efficiently and ahead of schedule and below budget.

These wells confirmed the following SNE field properties:

- ~100m gross oil column.
- High quality 32^{o} API oil.
- Presence and correlation of principal reservoir units between each of the wells across the field.

SNE-4 found oil bearing upper reservoir units of similar quality to those encountered as gas bearing elsewhere in the field. BEL-1 also confirmed good quality reservoirs in the northern portion of the field.

SNE-2

In January 2016, FAR announced the results of the successful SNE-2 flow test (Refer: FAR ASX announcement dated 4 January 2016).

Oil flows from the drill stem testing (DST) demonstrated SNE is a world class oil discovery with the potential to flow oil at commercially viable rates:

- A drill stem test (DST) of the lower principal oil reservoir unit over a 12m interval (~11.5m net) flowed oil at a maximum stabilised constrained rate of ~8,000 bopd on a 48/64" choke. The interpreted unconstrained flow rate of this interval was greater than the testing equipment capacity of 10,000 bopd. This result confirmed the high deliverability of the principal SNE reservoir units.
- A DST of a shallower thin bed reservoir unit over a 15m interval (~3.5m net) flowed oil at a maximum rate of ~1,000 bopd on a 24/64" choke. The flow from this interval was unstable due to the 4.5" DST tubing, however, this result confirms the potential of the "heterolithic" reservoir units to produce at commercially viable rates and make a material contribution to SNE oil resource and production volumes.
- A total of 216m of continuous core (100% recovery) was recovered across the entire SNE field reservoir interval.

SNE-3

In March 2016, FAR announced the results of the successful SNE-3 flow tests (Refer: FAR ASX announcement dated 9 March 2016). These tests confirmed excellent reservoir quality and correlation between the SNE-1, SNE-2 and SNE-3 wells. Flow rates recorded were equipment constrained and also exceeded FAR pre-drill expectations:

- Two drill stem tests (DST) were conducted within the upper reservoirs, confirming the deliverability of these units. The first DST, from a 15m zone, flowed at a maximum rate of 5,400 bopd and delivered a stabilised flow of 4,000 bopd over a 24 hour period. For the second DST, an additional zone of 5.5m was opened up and combined with the 15m zone to deliver a stabilised flow rate of 4,500 bopd over a six hour period. Both flow tests used a 56/64" choke.
- A total of 144m of continuous core (100% recovery) was taken across the entire reservoir interval.
- Long term monitoring gauges were set in the well in anticipation of future interference testing.
- Reservoir units were intersected shallower to prognosis (higher than expected on the structure) suggesting the southern flank of the oil field is more extensive than initially prognosed and will extend further to the south than previously mapped.

BEL-1

In April 2016, FAR announced the result of the BEL-1 well which evaluated the Buried Hills exploration play over lying the SNE field and also appraised the northern portion of the SNE field (*Refer: FAR ASX announcement dated 11 April 2016.*). The overlying BEL-1 exploration well confirmed:

- Two good quality gas bearing sandstone reservoirs in lower zones (8m net) with upper zones interpreted to be tight.
- No water-bearing units encountered.
- Potential for down-dip oil with extensive structural closure.
- Buried Hills play type confirmed and de-risked for future exploration.

The deeper BEL-1 appraisal well also provided significant and highly positive appraisal information about the SNE field, which lies below Bellatrix. The deeper BEL-1 appraisal well confirmed:

- The extension of reservoirs and oil column in the northern flank of the SNE field.
- Good quality reservoir sands within the reservoir units.
- Multiple samples of gas, oil and water recovered to surface.
- 144m of continuous core taken across the entire oil reservoir interval with 100% recovery.

The BEL-1 exploration well result confirmed the Buried Hills play type and the presence of good reservoirs and regionally extensive seals. These shallower reservoirs were also encountered in SNE-3, located 9kms to the south. With the discovery of gas in good shallow reservoirs, the BEL-1 well results along with new 3D seismic, will be incorporated into the assessment for potential down-dip oil in shallower reservoirs across FAR's Senegal blocks including the Djiffere permit.

SNE-4

In May 2016, FAR announced the result of the successful SNE-4 appraisal well (*Refer: FAR ASX announcement dated 19 May 2016.*). The SNE-4 appraisal well result confirmed the following:

- The extension of reservoirs in the eastern portion of the SNE field located 5km east and down dip from the SNE-3 well location.
- Oil bearing upper reservoir sands of similar quality to those encountered as gas bearing elsewhere in the field, except for the uppermost gas sands, first encountered in SNE-3 and BEL-1, which were also present and gas bearing in SNE-4.
- Multiple samples of gas, oil and water recovered to surface.
- 108m of continuous core taken across the entire oil reservoir interval with 100% recovery.

Long term monitoring gauges were set in the well in anticipation of future interference testing.

After completion of SNE-4 operations, the Operator of the Senegal Joint Venture provided notice to release the Ocean Rig Athena drill ship. Drilling offshore Senegal is expected to resume from late 2016.

SNE resource updates

Shortly after the SNE-1 discovery FAR analysis revealed potential for additional net pay and resources not included in the preliminary assessment of the SNE contingent resource. FAR subsequently commissioned RISC Operations Pty Ltd ("RISC") to prepare an Independent Resources Report for FAR's SNE oil field offshore Senegal.

The first RISC Independent Resources Report for the SNE oil field in February 2016 was prepared incorporating data available from the SNE-1 and FAN-1 field discovery wells and reprocessed 3D seismic. A second report in April 2016 updated the first report following the drilling of two successful appraisal wells, SNE-2 and SNE-3.

These reports delivered a material increase to the estimates previously reported by FAR and the Operator (Cairn Energy) shortly after the discovery of the field in late 2014 with Report 1 increasing the SNE field 2C contingent resource by 42% to 468 mmbbls and Report 2 by a further 20% to 561 mmbbls (100% basis, recoverable).

Senegal 3D seismic

A 2,400km^2 3D seismic survey shot over the Senegal joint venture Sangomar and Rufisque blocks in late 2015 underwent processing over the June 2016 half, with final products expected in 3Q 2016. This seismic data provides important new 3D coverage over a highly prospective geological shelf trend that contains several leads and prospects along an area that extends from SNE in a north east direction towards the Rufisque Dome.

A 400km^2 3D seismic survey was also acquired exclusively by FAR over the north eastern portion of the Djiffere block, with preliminary processed products due 3Q 2016 and final products at the end of 2016. The western part of Djiffere block is located along the same geological shelf trend as SNE, with one lead estimated by FAR to contain in excess of 100 mmbbls of unrisked prospective resources. FAR has an option agreement with Trace to earn a 75% interest in Djiffere by drilling an exploration well before 31 July 2018 (subject to Government approvals).

Guinea-Bissau

New 3D seismic data has been acquired over the shelf edge to image prospects identified in this region that are potentially analogous to the SNE discovery, offshore Senegal. This data has been processed and interpreted and joint venture technical meetings are now taking place. The joint venture expects to provide an update on the prospects offshore Guinea-Bissau in the coming months.

Kenya L6

FAR has continued discussions with the Government of Kenya to secure suitable arrangements pursuant to the Petroleum Sharing Contract to allow exploration activity that has been hindered by past security incidents and land access issues, to commence. FAR is planning for a 2D seismic survey to commence as soon as possible. Under the terms of the Joint Operating Agreement, FAR's partner in the L6 joint venture (Pancontinental Oil and Gas) has been issued with default notices for non-payment of two cash calls in February 2015 and remains in default. Discussions continue with Pancontinental to resolve the default as soon as possible.

Western Australia

FAR participated in a speculative survey that commenced in Q2 2015 covering WA-457-P and a portion of WA-458-P. FAR has received final processed 3D seismic data over the majority of the WA-458-P block and is planning to acquire new 3D seismic over the remainder. The seismic contractor, CGG, has now secured environmental approvals for the new data acquisition over the Glomar Shoals. As previously advised, FAR commenced the relinquishment of the WA-457-P block and will leave in good standing.

AUDITOR'S INDEPENDENCE DECLARATION

The directors' report includes the auditor's independence declaration is included on page 6 of the half-year financial report.

Signed in accordance with a resolution of the directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors

Mr N J Limb
Chairman
Melbourne, 6 September 2016

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The Board of Directors
FAR Limited
Level 17, 530 Collins Street
Melbourne VIC 3000

6 September 2016

Dear Board Members

FAR Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of FAR Limited.

As lead audit partner for the review of the financial statements of FAR Limited for the half-year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

Deloitte Touche Tohmatsu

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Independent Auditor's Review Report to the members of FAR Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of FAR Limited, which comprises the condensed consolidated statement of financial position as at 30 June 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended, and 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 end of the half-year or from time to time during the half-year as set out in pages 9 to 19.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 FAR Limited's financial position as at 30 June 2016 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 FAR 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.

Auditor's Independence Declaration

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 FAR Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Deloitte.

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 FAR 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 30 June 2016 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*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ryan Hansen
Partner
Chartered Accountants
Melbourne, 6 September 2016

Directors' Declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and giving a true and fair view of the financial position as at 30 June 2016 and of the performance of the Consolidated Entity for the half-year ended on that date.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

Mr N J Limb
Chairman
Melbourne, 6 September 2016

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Loss
For the Half-Year Ended 30 June 2016

	Note	Half-year ended	
		30 Jun 2016 AU$	**30 Jun 2015 AU$**
Continuing operations			
Interest income		85,047	250,039
Depreciation and amortisation expense		(18,688)	(16,675)
Exploration expense	3	(8,299,885)	(8,088,704)
Corporate administration expenses		(349,725)	(293,411)
Employee benefits expense	3	(2,184,300)	(955,372)
Consulting expense		(296,839)	(269,462)
Foreign exchange loss		(19,115)	(176,115)
Other expenses		(235,148)	(174,293)
Loss before tax		(11,318,653)	(9,723,993)
Income tax expense		-	-
Loss for the period		(11,318,653)	(9,723,993)
Other comprehensive income/(loss)			
Exchange differences arising on translation of foreign operations		(1,329,524)	2,321,562
Total comprehensive loss for the period		(12,648,177)	(7,402,431)
Loss per share:			
Basic loss (cents per share)		(0.29)	(0.31)
Diluted loss (cents per share)		(0.29)	(0.31)

Notes to the financial statements are included on pages 14 to 19.

Condensed Consolidated Statement of Financial Position
As at 30 June 2016

	Note	30 Jun 2016 AU$	31 Dec 2015 AU$
CURRENT ASSETS			
Cash and cash equivalents	4	66,278,904	60,670,897
Trade and other receivables	5	1,385,256	1,841,315
Other financial assets		119,355	116,007
Total Current Assets		67,783,515	62,628,219
NON CURRENT ASSETS			
Property, plant and equipment		345,968	346,186
Exploration and evaluation assets	6	96,792,863	58,861,246
Total Non-Current Assets		97,138,831	59,207,432
TOTAL ASSETS		164,922,346	121,835,651
CURRENT LIABILITIES			
Trade and other payables	7	13,162,252	18,761,407
Provisions		729,814	696,155
Total Current Liabilities		13,892,066	19,457,562
NON-CURRENT LIABILITIES			
Provisions		103,268	89,819
Total Non-Current Liabilities		103,268	89,819
TOTAL LIABILITIES		13,995,334	19,547,381
NET ASSETS		150,927,012	102,288,270
EQUITY			
Issued Capital	8	297,933,535	237,806,280
Reserves		8,212,871	8,382,731
Accumulated losses		(155,219,394)	(143,900,741)
TOTAL EQUITY		150,927,012	102,288,270

Notes to the financial statements are included on pages 14 to 19.

Condensed Consolidated Statement of Changes in Equity
For the Half-Year Ended 30 June 2016

		Reserves					
	Share Capital AU$	**Option reserve AU$**	**Equity component on convertible notes AU$**	**Foreign currency translation reserve AU$**	**Total AU$**	**Accumulated losses AU$**	**Total attributed to equity holders of parent AU$**
Balance at 1 January 2015	195,770,263	4,844,555	671,496	(1,046,021)	4,470,030	(124,952,123)	75,288,170
Loss for the period	-	-	-	-	-	(9,723,993)	(9,723,993)
Exchange differences arising on translation of foreign operations	-	-	-	2,321,562	2,321,562	-	2,321,562
Total comprehensive income for the period	-	-	-	2,321,562	2,321,562	(9,723,993)	(7,402,431)
Issue of shares	3,390,000	-	-	-	-	-	3,390,000
Share issue costs	(18,298)	-	-	-	-	-	(18,298)
Balance at 30 June 2015	199,141,965	4,844,555	671,496	1,275,541	6,791,592	(134,676,116)	71,257,441
Balance at 1 January 2016	237,806,280	5,955,222	-	2,427,509	8,382,731	(143,900,741)	102,288,270
Loss for the period	-	-	-	-	-	(11,318,653)	(11,318,653)
Exchange differences arising on translation of foreign operations	-	-	-	(1,329,524)	(1,329,524)	-	(1,329,524)
Total comprehensive income for the period	-	-	-	(1,329,524)	(1,329,524)	(11,318,653)	(12,648,177)
Issue of shares	62,728,001	-	-	-	-	-	62,728,001
Share issue costs	(2,600,746)	-	-	-	-	-	(2,600,746)
Issue of options and performance rights		1,159,664	-	-	1,159,664		1,159,664
Balance at 30 June 2016	297,933,535	7,114,886	-	1,097,985	8,212,871	(155,219,394)	150,927,012

Notes to the financial statements are included on pages 14 to 19.

Condensed Consolidated Statement of Cash Flows
for the Half-Year Ended 30 June 2016

	Note	Half-year ended 30 Jun 2016 AU$	 30 Jun 2015 AU$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to employees and corporate suppliers		(1,965,407)	(1,643,156)
Payments for exploration and evaluation expensed		(8,612,048)	(7,640,004)
Net cash used in operating activities		(10,577,455)	(9,283,160)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		84,558	321,405
Payments for exploration and evaluation capitalised		(44,098,806)	(18,620,721)
Payments for property, plant and equipment		(40,467)	(124,942)
Advanced to Joint Venture		(14,723)	-
Repayment from Joint Venture		-	66,844
Payment of security deposit		-	(33,465)
Net cash (used in)/provided by investing activities		(44,069,438)	(18,390,879)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		62,728,001	3,390,000
Payment for share issue costs		(2,600,746)	(8,272)
Net cash provided by financing activities		60,127,255	3,381,728
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,480,362	(24,292,311)
Cash and cash equivalents at the beginning of the period		60,670,897	67,225,297
Effects of exchange rate changes on cash and cash equivalents		127,645	641,411
Cash and cash equivalents at the end of the financial period		66,278,904	43,574,397

Notes to the financial statements are included on pages 14 to 19.

1. SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and Accounting Standard AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting.* The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

b. Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost except, where applicable, for the revaluation of certain non-current assets and financial instruments. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 31 December 2015.

c. Going concern

The Directors believe that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis. As at 30 June 2016, the Group's current assets exceeded current liabilities by $53,891,449 and the Group has cash and cash equivalents of $66,278,904. The Group will continue to manage its evaluation and operating activities and put in place financing arrangements to ensure that it has sufficient cash reserves for the next twelve months. The Group will likely require funding within the next twelve months to fund exploration and appraisal drilling in Senegal, seismic in Australia and any new exploration blocks the Company may acquire. For further details of future commitments refer to Note 9. In the opinion of the Directors, the Group will be in a position to continue to meet its liabilities and obligations for a period of at least twelve months from the date of this report, because the Company believes it has adequate financing plans in place to be able to secure funding for its planned activities over the same period.

The opinion of the Directors has been determined after consideration of the Company's cash position and forecast expenditures and having regard for the following factors:

- The ability to issue share capital under the Corporations Act 2001, if required, by a share purchase plan, share placement or rights issue;
- The option of farming out all or part of the Group's assets;
- The option of selling interests in assets; and
- The option of relinquishing or disposing of rights and interests in certain assets.

The Directors are satisfied that the Company will be able to realise its assets and discharge its liabilities in the normal course of business. Uncertainty exists as to the result of the Group's exploration and appraisal/evaluation activities, access to funds and the realisation of the current value of its assets. Consequently the Directors regularly assess the Company's and the Group's status as a going concern and its changing risk profile as circumstances change.

2. SEGMENT INFORMATION

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the entity that are regularly reviewed by the Managing Director (chief operating decision maker) in order to allocate resources to the segments and to assess its performance.

The Group undertakes exploration of oil and gas in Australia and Africa. The identification of the Group's reporting segments remains consistent with prior periods, with management allocating resources to segments on a geographical basis with the inclusion of a 'corporate' segment which captures all head office and administrative income, expenses, assets and liabilities.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as those of the Group.

Segment Assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

	Assets		Liabilities	
	30 Jun 2016 AU$	31 Dec 2015 AU$	30 Jun 2016 AU$	31 Dec 2015 AU$
Guinea-Bissau	1,546,807	1,483,114	10,483	83,743
Kenya	1,226,307	775,312	7,170	46,808
Senegal	94,087,764	69,385,449	12,495,590	17,790,502
Other [(i)]	114,825	117,346	4,651	4,727
Corporate	67,946,643	50,074,430	1,477,440	1,621,601
Total assets and liabilities	164,922,346	121,835,651	13,995,334	19,547,381

[(i)] During the 6 months to 30 June 2016, the AGC segment has been reallocated to Other as the threshold does not meet the quantitative thresholds of AASB 8 and the chief operating decision maker does not view this segment as significant with respect to the Group.

Segment Revenue and Results

The following is an analysis of the Group's revenue and results by reportable segment for the period under review:

	Interest Income		Segment Loss	
	30 Jun 2016 AU$	30 Jun 2015 AU$	30 Jun 2016 AU$	30 Jun 2015 AU$
Australia	-	-	(926,696)	(1,343,023)
Guinea-Bissau	-	-	(358,048)	(859,273)
Kenya	-	-	(243,189)	(161,515)
Senegal	-	-	(6,694,501)	(5,302,411)
Other	152	150	(79,718)	(426,725)
Corporate	84,895	249,889	(3,016,501)	(1,631,046)
Total for continuing operations	85,047	250,039	(11,318,653)	(9,723,993)
Income tax expense			-	-
Loss after tax (continuing operations)			(11,318,653)	(9,723,993)

The revenue reported above represents revenue generated from external sources. There were no intersegment sales during the half-year.

3. LOSS FOR THE PERIOD

Loss for the period from continuing operations includes the following expenses:

	Half-year ended 30 Jun 2016 AU$	Half-year ended 30 Jun 2015 AU$
Exploration expense		
Australia	(926,696)	(1,343,023)
Guinea-Bissau	(358,048)	(859,273)
Senegal	(6,694,501)	(5,302,411)
Kenya	(243,189)	(161,515)
Other	(77,451)	(422,482)
	(8,299,885)	(8,088,704)
Employee benefit expense:		
- Short-term employee benefits – salaries and fees	(1,436,249)	(1,327,009)
- Recharge of salaries and fees to exploration expense	556,692	523,098
Post-employment benefits		
- Defined contribution plans	(97,972)	(96,359)
- Share based payments – equity settled	(1,159,664)	-
- Increase in employee benefits provisions	(47,107)	(55,102)
	(2,184,300)	(955,372)

4. CASH

	30 Jun 2016 AU$	31 Dec 2015 AU$
Cash and cash equivalents	66,949,433	49,322,737
Cash and cash equivalents held in joint operations [(i)]	(670,529)	11,348,160
	66,278,904	60,670,897

(i) Cash and cash equivalents held in joint ventures are not available for use by the Group.

5. TRADE AND OTHER RECEIVABLES

	30 Jun 2016 AU$	31 Dec 2015 AU$
Current		
Interest receivable	4,219	1,942
Other receivables	558,428	348,467
Prepayments	71,444	197,773
Joint operations receivables	751,165	1,323,133
	1,385,256	1,841,315

6. EXPLORATION AND EVALUATION

	30 Jun 2016 AU$	31 Dec 2015 AU$
Opening balance	58,861,249	34,124,907
Additions [(i)]	38,882,782	20,552,661
Recovery of back costs	-	-
Net foreign currency exchange differences	(951,165)	4,183,678
Closing balance	96,792,863	58,861,246

[(i)] During the period the Senegal Offshore wells SNE-2, SNE-3, BEL-1 and SNE-4 completed drilling. The Company's participating share of Senegal well costs for the period was $38,111,057, inclusive of foreign exchange differences.

7. TRADE AND OTHER PAYABLES

	30 Jun 2016 AU$	31 Dec 2015 AU$
Current		
Trade payables	351,642	637,770
Other payables	355,357	216,996
Joint operation payables [(i)]	12,455,253	17,906,641
	13,162,252	18,761,407

[(i)] Includes Senegal joint venture payables of $12,431,096 (2015: $17,790,502).

8. ISSUED CAPITAL

	30 Jun 2016 Number	30 Jun 2016 AU$	30 Jun 2015 Number	30 Jun 2015 AU$
Paid up capital				
Ordinary fully paid shares at beginning of the half-year	3,693,650,099	237,806,280	3,126,808,427	195,770,263
Shares allotted during the half-year [(a)]	767,882,359	62,728,001	56,500,000	3,390,000
Share issue costs	-	(2,600,746)	-	(18,298)
Ordinary fully paid shares at end of the half-year	4,461,532,458	297,933,535	3,183,308,427	199,141,965

(a) The following shares were issued during the current half-year:

(i) 14,000,000 ordinary fully paid shares were issued at 4.4 cents per share upon the exercise of unlisted options on 24 March 2016.

(ii) 556,147,505 ordinary fully paid shares were issued at 8.5 cents per share via a placement to institutional and sophisticated investors on 21 April 2016 (first tranche).

(iii) 48,000,000 ordinary fully paid shares were issued at 4.4 cents per share upon the exercise of unlisted options on 27 May 2016.

(iv) 149,734,854 ordinary fully paid shares were issued at 8.5 cents per share via a placement to institutional and sophisticated investors on 6 Jun 2016 (second tranche issued upon receiving shareholder approval at the EGM held on 31 May 2016).

9. COMMITMENTS

In order to maintain rights to tenure of exploration permits, the Group is required to perform minimum work programs specified by various state and national governments. These obligations are subject to renegotiation in certain circumstances such as when application for an extension permit is made and at other times. The minimum work program commitments may be reduced by the Group by entering into sale or farm-out agreements or by relinquishing permit interests. Should the minimum work program not be completed in full or in part in respect of a permit then the Group's interest in that exploration permit could be either reduced or forfeited. In some instances a financial penalty may result if the minimum work program is not completed. Approved expenditure for permits may be in excess of the minimum expenditure or work commitment. Where the Group has a financial obligation in relation to approved joint operation exploration expenditure that is greater than the minimum permit work program commitments then these amounts are also reported as a commitment.

The current estimated expenditure for approved commitments and minimum work program commitments are as follows:

	30 Jun 2016 AU$	31 Dec 2015 AU$
Exploration and evaluation		
Not longer than 1 year	23,007,051	50,606,251
Longer than 1 year and not longer than 5 years	12,340,000	44,196,163
Longer than 5 years	-	-
	35,347,051	94,802,514

10. CONTINGENT LIABILITIES

	30 Jun 2016 AU$	31 Dec 2015 AU$
Contingent liabilities		
Guinea-Bissau – contingent payment from future production	17,506,060	17,793,594
Guinea-Bissau – contingent withholding tax liability	764,626	777,185
Kenya L6 [(i)] – performance Bond	116,787	115,022
	18,387,473	18,685,801

(i) Subsequent to the half-year the Company executed a parent company guarantee to the Kenyan Ministry of Energy and Petroleum in respect of Kenya Block L6 for the performance of the minimum work obligations in relation to year 3 of the Second Additional Exploration Period.

In addition to the above, the Kenya L6 joint venture (the Consolidated Entity has a 60% paying interest) has made representations to the Kenyan Revenue Authority relating to the farm-out agreement that the Group had executed with Milio International. The existence of and amount of a liability has not yet been determined.

11. SUBSEQUENT EVENTS

Subsequent Events after balance sheet date

On 14 July 2016 the Company announced the Woodside proposed acquisition of ConocoPhillips' 35% interest in Senegal. The Company is considering its options in relation to its pre-emption right to acquire ConocoPhillips' interest in the Senegal RSSD project.

On 23 August 2016 the Company announced the SNE field 2C contingent recoverable oil resource was upgraded to 641 mmbbls (100% basis, recoverable, unrisked). The upgrade was independently certified by RISC Operations Pty Ltd and included the results from the BEL-1 and SNE-4 wells.

On 1 September 2016 the Company announced it had assessed the Senegal SNE oil field to be a commercially viable project and that the Minimum Economic Field Size threshold had been achieved. The successful completion of the 2015/2016 appraisal drilling program (SNE-2, SNE-3, BEL-1 and SNE-4) had progressed the project to pre-FEED stage (Front End Engineering and Design) and development planning was underway. The Company's development concept represents a phased development with a production plateau of 140,000 bbbls/d and first oil in 2022. The SNE development is well placed to benefit from project optimisation and cost deflation resulting from the current low oil price environment.

The Directors are not aware of any other matters or circumstances at the date of this report, other than those referred to in this report, that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Consolidated Entity in subsequent financial years.

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