



# LONGREACH OIL LIMITED

A.C.N. 000 131 797

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15 March 2016

## e-Lodgement

### FOR PUBLIC RELEASE

Manager – ASX Market Announcements  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

#### Re Half-Year Financial Report

The Company's Half-Year Financial Report, Director's Report and Auditor's Review Report for the period ended 31 December 2015 are attached.

For and on behalf of

Longreach Oil Limited

A handwritten signature in blue ink, appearing to read "Justin Rosenberg".

Justin Rosenberg  
Director and Company Secretary



# **Longreach Oil Limited**

## **HALF-YEAR REPORT**

**for the period ended**

**31 December 2015**



## LONGREACH OIL LIMITED

A.B.N. 98 000 131 797

### DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Your Directors present the consolidated financial statements of the consolidated entity (“the Group”) consisting of Longreach Oil Limited (“the Company”) and the entities it controlled at the end of or during the half-year ended 31 December 2015.

#### 1. REVIEW AND RESULTS OF OPERATIONS

The operations of the group for the half-year ended 31 December 2015 were developing the Company’s current investments and seeking transactions to further develop shareholder value which included seeking to increase in the company’s stake in Starlogik on a value accretive basis.

The operations of the consolidated entity for the half-year resulted in a comprehensive loss of \$151,503 (December 2014: \$1,287,923). Excluding the following expenses from legacy transactions of the Company the loss was \$110,315 (December 2014: \$203,939):

	Period ended	
	31 December 2015	31 December 2014
	\$	\$
Exploration and evaluation expenditure written off	41,188	111,852
Loss on disposal of subsidiary	-	731,004
Loss on investment and impairment losses	-	113,755
Provision for bad debts	-	127,373

#### 2. DIRECTORS

The names of the Directors who have been Directors at any time during or since the end of the half-year are:

Drew Kelton	(Non-executive Chairman appointed 1 March 2016)
Justin Rosenberg	(Executive Director)
Andrew Phillips	(Non-executive Director)
Quintus Roux	(Non-executive Director)

Mr Kelton is a global business leader with over 30 years’ experience in the information communications technology and telecommunications industries. He is currently the Managing Director for DocuSign Inc. in the Asia-Pacific, the Non-Executive Chairman of Mobile Embrace Ltd (ASX: MBE) and First Wave Technology Ltd and a Non-Executive Director at Enice Ltd (ASX: ENC) & Megaport Ltd (ASX:MP1).

Previous to DocuSign, Mr Kelton was the Executive Vice-President of business markets at T-Mobile USA, responsible for developing and executing their latest operational strategies in a \$7 billion dollar division. Prior to that, he was the President of Bharti Airtel Business in India and SE Asia, as well as Managing Director of Telstra International.



## LONGREACH OIL LIMITED

A.B.N. 98 000 131 797

### DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2015 (continued)

#### 3. SIGNIFICANT MATTERS AFTER THE REPORTING PERIOD

On 26 February 2016, the Company signed a binding term sheet to acquire the remaining 95% of Starlogik IP LLC ("Starlogik") it does not currently own. The acquisition is conditional on Longreach raising \$8 million, which Longreach proposes to do via an offer under a prospectus to wholesale investors only. Further details of the proposed acquisition of Starlogik are disclosed in the company's release to the ASX made on 26 February 2016.

On 11 March 2016, the Company announced that it intends to raise \$1m via a Shareholder Share Purchase Plan (SSPP). If the acquisition of the remainder of Starlogik and proposed capital raising occurs, the indicative effect of the Transaction on LGO's capital structure would be:

Holder	Shares	%
Existing Shareholders	48,573,333	8.26%
Consideration to Starlogik shareholders	489,793,864	83.25%
Wholesale offer (\$8 million)	40,000,000	6.80%
Transaction Shares	4,947,939	0.84%
Shareholder Share Purchase Plan	5,000,000	0.85%
<b>TOTAL</b>	<b>588,315,136</b>	<b>100.00%</b>

Drew Kelton was appointed Chairman on 1 March 2016 and as announced on 11 March 2016, he was awarded 50,000,000 unlisted options at a strike price of \$0.012, vesting in 3 tranches on 1 March 2016, 1 March 2017 and 1 March 2018, all with an expiry date of 1 March 2018.

#### 4. AUDITOR'S 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 3.

Signed in accordance with a resolution of Directors.

Drew Kelton  
Chairman

15 March 2016

**AUDITOR'S INDEPENDENCE DECLARATION**

**To the Directors of Longreach Oil Limited:**

As lead auditor for the review of Longreach Oil Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Longreach Oil Limited and the entities it controlled during the half-year.



**Sydney, NSW  
15 March 2016**

**A G Smith  
Partner**



**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the half-year ended 31 December 2015**

	<u>Note</u>	December 2015 \$	December 2014 \$
Revenue from continuing operations		10,556	105,259
Administration expenses		(120,869)	(222,562)
Finance costs		(247)	(732)
Exploration and evaluation expenditure written off		(41,188)	(111,852)
Legal expenses written back/(incurred)		13,730	(24,280)
Loss on disposal of subsidiary	14	-	(731,004)
Loss on investments and impairment losses		-	(113,755)
Office occupancy expenses		-	(9,091)
Provision for bad debts		-	(127,373)
Travel expenses		-	(3,450)
Other expenses		(13,485)	(49,083)
Loss from continuing operations before income tax		(151,503)	(1,287,923)
Income tax expense		-	-
Loss from continuing operations		(151,503)	(1,287,923)
Losses of non-controlling interest		-	227,394
Loss attributable to parent entity shareholders		(151,503)	(1,060,529)
Other comprehensive income/(loss)		-	-
Total comprehensive loss for the period attributable to parent entity shareholders		(151,503)	(1,060,529)
Basic and diluted loss per share attributable to parent entity shareholders	13	(0.00012)	(0.0013)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes.



**Consolidated Balance Sheet as at 31 December 2015**

	<u>Note</u>	December 2015 \$	June 2015 \$
<b>Current Assets</b>			
Cash and cash equivalents		35,523	235,516
Available for sale financial assets	2	33,931	1,848
Receivables	3	16,531	36,523
<b>Total Current Assets</b>		85,985	273,887
<b>Non-Current Assets</b>			
Available for sale financial assets	4	2,133,787	2,133,787
Receivables	5	54,147	53,537
Exploration and evaluation expenditure	6	84,981	84,981
<b>Total Non-current Assets</b>		2,272,915	2,272,305
<b>Total Assets</b>		2,358,900	2,546,192
<b>Current Liabilities</b>			
Trade and other payables	7	86,643	209,716
Borrowings	8	274,998	275,135
<b>Total Current Liabilities</b>		361,641	484,851
<b>Net Assets</b>		1,997,259	2,061,341
<b>Equity</b>			
Capital and Reserves attributable to Company's equity holders			
Share capital	9	26,830,777	26,830,777
Reserves	10	90,124	2,703
Accumulated losses		(24,923,642)	(24,772,139)
<b>Total equity attributable to Company's Equity holders</b>		1,997,259	2,061,341
<b>Total Equity</b>		1,997,259	2,061,341

The Consolidated Balance Sheet  
should be read in conjunction with the accompanying Notes.



**Consolidated Statement of Changes in Equity  
for the half- year ended 31 December 2015**

	Share Capital	Other Reserves	Accumulated Losses	Total Parent Entity Interest	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2014	<u>24,107,967</u>	<u>(553,131)</u>	<u>(21,791,652)</u>	<u>1,763,184</u>	<u>3,711,055</u>	<u>5,474,239</u>
Net loss for the period	-	-	(1,060,529)	(1,060,529)	(227,394)	(1,287,923)
Other Comprehensive Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Loss	-	-	(1,060,529)	(1,060,529)	(227,394)	(1,287,923)
Share Issues	171,000	-	-	171,000	-	171,000
Elimination of former subsidiary in Parent (Note 14)	1,401,810	4,316	(1,289,603)	116,523	(3,483,661)	(3,367,138)
Transfers to/from Reserves	-	477,995	(477,995)	-	-	-
Treasury Shares disposed	<u>-</u>	<u>73,523</u>	<u>-</u>	<u>73,523</u>	<u>-</u>	<u>73,523</u>
Balance at 31 December 2014	<u>25,680,777</u>	<u>2,703</u>	<u>(24,619,779)</u>	<u>1,063,701</u>	<u>-</u>	<u>1,063,701</u>
Balance at 1 July 2015	<u>26,830,777</u>	<u>2,703</u>	<u>(24,772,139)</u>	<u>2,061,341</u>	<u>-</u>	<u>2,061,341</u>
Net loss for the period	-	-	(151,503)	(151,503)	-	(151,503)
Other Comprehensive Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Loss	-	-	(151,503)	(151,503)	-	(151,503)
Options issued during the period	<u>-</u>	<u>87,421</u>	<u>-</u>	<u>87,421</u>	<u>-</u>	<u>87,421</u>
Balance at 31 December 2015	<u>26,830,777</u>	<u>90,124</u>	<u>(24,923,642)</u>	<u>1,997,259</u>	<u>-</u>	<u>1,997,259</u>

The Consolidated Statement of Changes in Equity  
should be read in conjunction with the accompanying Notes.



**Consolidated Statement of Cash Flows  
for the half-year ended 31 December 2015**

	<b>31 December 2015 \$</b>	<b>Consolidated 31 December 2014 \$</b>
<b>Cash flows from operating activities</b>		
Dividends received	53	22
Interest received	676	114
Interest paid	(246)	(732)
Operating expenses	(177,610)	(294,527)
	<hr/>	<hr/>
Net cash flows used in operating activities	(177,127)	(295,123)
<b>Cash flows from investing activities</b>		
Proceeds from sale of subsidiary, net of cash disposed	-	146,913
Payments to acquire available for sale investments	(22,866)	(300,000)
Loans and advances made	-	(46,261)
	<hr/>	<hr/>
Net cash flows used in investing activities	(22,866)	(199,348)
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	-	171,000
Proceeds from borrowings	-	69,029
Repayment of borrowings	-	(66,731)
	<hr/>	<hr/>
Net cash flows provided by financing activities	-	173,298
Net increase (decrease) in cash held	(199,993)	(321,173)
Cash at the beginning of the period	235,516	340,975
	<hr/>	<hr/>
Cash at the end of the period	<u>35,523</u>	<u>19,802</u>

The Consolidated Statement of Cash Flows  
should be read in conjunction with the accompanying Notes.



Notes to and forming part of the financial statements  
for the half-year ended 31 December 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

This half-year financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting*, Australian Accounting Standards (including Australian Accounting Interpretations adopted by the Australian Accounting Standards Board) and the *Corporations Act 2001*.

The interim report does not include full disclosures of the type normally included in an annual financial report. It should be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made during the half-year reporting period in accordance with the continuous disclosure obligations of the *Corporations Act 2001*.

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

1.2 Going Concern

The Balance Sheet of the Group at 31 December 2015 showed Total Current Assets of \$85,985 and Total Current Liabilities of \$361,641 and therefore Net Current Liabilities of \$275,656. The Statement of Profit or Loss and other Comprehensive Income for the 6 months ended 31 December 2015 shows a total comprehensive loss of \$151,503.

The accounts have been prepared on a going concern basis assuming that future fundraising will be raised sufficient to meet the company's liabilities as they fall due. Should the company be unable to raise sufficient funds, the company is able to rely on support provided by Gleneagle Securities (Aus) Pty Ltd who have confirmed they will provide or arrange debt funding of up to \$400,000, as necessary for the Company to meet its obligations, incurred in the ordinary course of business, as and when they fall due. This support is for the period up until the 31 March 2017 or when the Company obtains sufficient alternative funding from other sources, whichever occurs first.

	<b>Consolidated</b>	
	<b>31 December 2015</b>	<b>30 June 2015</b>
	\$	\$
<b>NOTE 2. AVAILABLE FOR SALE FINANCIAL ASSETS</b>		
<b>- CURRENT</b>		
Listed equity securities (Level 1)	<u>33,931</u>	<u>1,848</u>
<b>NOTE 3. RECEIVABLES - CURRENT</b>		
Goods and services tax	<u>16,531</u>	<u>36,523</u>
<b>NOTE 4 AVAILABLE FOR SALE FINANCIAL ASSETS</b>		
<b>- NON-CURRENT</b>		
Shares in corporations not listed on Stock Exchanges (Level 3) - at fair value	2,093,787	2,093,787
- at cost	110,900	110,900
Provision for impairment	<u>(70,900)</u>	<u>(70,900)</u>
	<u>2,133,787</u>	<u>2,133,787</u>

Of the shares in the Group's investments in corporations not listed on stock exchanges at fair value (Level 3), the majority (carrying value of \$2,093,767 at 31 December 2015 and 30 June 2015) relates to the Company's 5% investment in Starlogik IP LLC, a private limited liability company located in the USA.



	Consolidated	
	31 December 2015 \$	30 June 2015 \$
<b>NOTE 5. RECEIVABLES - NON-CURRENT</b>		
Security deposits - mining licences	<u>54,147</u>	<u>53,537</u>

**NOTE 6. EXPLORATION & EVALUATION EXPENDITURE**

Carrying amount at beginning of year	84,981	194,021
Expenditure incurred	-	2,812
Expenditure written off	-	(111,852)
	<u>84,981</u>	<u>84,981</u>

**NOTE 7. TRADE & OTHER PAYABLES - CURRENT**

Trade creditors	85,235	209,716
Trade creditors - related parties	<u>1,408</u>	<u>-</u>
	<u>86,643</u>	<u>209,716</u>

**NOTE 8. BORROWINGS (UNSECURED) - CURRENT**

Bank overdraft	5,408	5,545
Loans - other	<u>269,590</u>	<u>269,590</u>
	<u>274,998</u>	<u>275,135</u>

**NOTE 9 SHARE CAPITAL**

**Issued**

1,214,333,333 ordinary shares, fully paid (June 2015: 1,214,333,333)	<u>26,830,777</u>	<u>26,830,777</u>
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Movement in Issued Capital	December 2015	December 2015	June 2015	June 2015
	<u>Number of shares</u>	<u>\$</u>	<u>Number of shares</u>	<u>\$</u>
Balance at beginning of period	1,214,333,333	26,830,777	736,000,000	24,107,967
Share placements			478,333,333	1,321,000
Equity disposed in subsidiary	-		-	1,401,810
Balance at end of period	<u>1,214,333,333</u>	<u>26,830,777</u>	<u>1,214,333,333</u>	<u>26,830,777</u>



	31 December 2015 \$	30 June 2015 \$
<b>NOTE 10 RESERVES</b>		
Option premium	158,171	70,750
Share treasury	(68,047)	(68,047)
	<u>90,124</u>	<u>2,703</u>

**Movement in reserves**

**Option Premium Reserve**

Balance at beginning of period	70,750	66,434
Options issued	87,421	-
Reversal of former subsidiary investment in Parent	-	4,316
Balance at end of period	<u>158,171</u>	<u>70,750</u>

In September 2015, 60 million unlisted options with an exercise price of \$0.003 and expiry date of 25 February 2018 were issued to Gleneagles Securities (Aust) Pty Ltd. These were for services in relation to the acquisition of 5% in Starlogik and for non transactional services rendered including advisory, rent, office services, financial support and ongoing services to be provided to 30 June 2016.

The fair value of these options was calculated using a Black Scholes Model assuming a volatility of 100% and risk-free interest rate of 2%.

**Share Treasury Reserve**

Balance at beginning of period	(68,047)	(619,565)
Disposals	-	73,523
Transfers to accumulated losses	-	477,995
Balance at end of period	<u>(68,047)</u>	<u>(68,047)</u>

**NOTE 11. SEGMENT INFORMATION**

**Business Segment**

The segment in which the company operates predominantly is the exploration industry, exploring for metals and other minerals and primarily for oil, gas and other energy resources, either directly and/or through equity investments in exploration companies. The "Other" segment relates to an investment in a US based company specializing in advanced communications.

*Segment Assets*

<b>Geographical</b>	<b>Total December 2015 \$</b>	<b>Exploration December 2015 \$</b>	<b>Other December 2015 \$</b>	<b>Total June 2015 \$</b>	<b>Exploration June 2015 \$</b>	<b>Other June 2015 \$</b>
Australia	265,113	84,981	180,132	452,405	84,981	367,424
USA	2,093,787	-	2,093,787	2,093,787	-	2,093,787
	<u>2,358,900</u>	<u>84,981</u>	<u>2,273,919</u>	<u>2,546,192</u>	<u>84,981</u>	<u>2,461,211</u>



NOTE 11. SEGMENT INFORMATION (continued)

*Segment Revenues*

	Total December 2015 \$	Exploration December 2015 \$	Other December 2015 \$	Total December 2014 \$	Exploration December 2014 \$	Other December 2014 \$
Geographical						
Australia	10,556	-	10,556	1,486	22	1,464
Fiji	-	-	-	103,773	-	103,773
	<u>10,556</u>	<u>-</u>	<u>10,556</u>	<u>105,259</u>	<u>22</u>	<u>105,237</u>

*Segment Liabilities*

	Total December 2015 \$	Exploration December 2015 \$	Other December 2015 \$	Total June 2015 \$	Exploration June 2015 \$	Other June 2015 \$
Geographical						
Australia	361,641	361,641	-	421,995	421,995	-
USA	-	-	-	62,856	-	62,856
	<u>361,641</u>	<u>361,641</u>	<u>-</u>	<u>484,851</u>	<u>421,995</u>	<u>62,856</u>

*Segment Results*

	December 2015 \$	December 2014 \$
<i>Profit/ (Loss)</i>		
Australia - Other	10,556	(38,836)
Australia – Exploration	(53,276)	(1,249,087)
USA – Other	<u>(108,783)</u>	<u>-</u>
Total Loss	<u><b>(151,503)</b></u>	<u><b>(1,287,923)</b></u>

NOTE 12. ACCUMULATED LOSSES

	Six months ended 31 December 2015 \$	Six months ended 31 December 2014 \$
Accumulated Losses at beginning of period	(24,772,139)	(21,791,652)
Net loss for the period	(151,503)	(1,060,529)
Reversal of former subsidiary interest in Parent (Note 14)	-	(1,289,603)
Transfers to/from Reserves	<u>-</u>	<u>(477,995)</u>
Accumulated Losses at end of period	<u><b>(24,923,642)</b></u>	<u><b>(24,619,779)</b></u>

NOTE 13 EARNINGS PER SHARE

Basic and diluted earnings (loss) per share	(\$0.00012)	(\$0.0013)
Weighted average number of ordinary shares on issue used in the calculation of earnings per share	1,212,333,333	787,523,607



**NOTE 14 DISPOSAL OF SUBSIDIARY**

On 28 August 2014, the Company disposed of its entire remaining 15.25% ownership interest in subsidiary company Southern Cross Exploration N L. The Company on this date no longer controls the subsidiary and the assets, liabilities and non-controlling interest of the subsidiary were deconsolidated and a loss on disposal was recognised in the Consolidated Statement of Profit and Loss and other Comprehensive Income

	<b>Six months ended 31 December 2015</b>	<b>Six months ended 31 December 2014</b>
The loss on disposal was calculated as follows:		
Proceeds on disposal of subsidiary - cash	-	154,608
Proceeds on disposal of subsidiary -debt extinguished	-	<u>338,702</u>
Total proceeds	-	493,310
Less: net identifiable assets disposed (excluding cash)	-	(4,643,953)
Less: net cash disposed	-	(7,695)
Add: non-controlling interests	-	3,483,661
Less: impact of subsidiary cross holdings	-	<u>(56,327)</u>
Loss on disposal of subsidiary	-	<u>(731,004)</u>

There were no other changes in the Company's ownership interests in other subsidiaries during the period.

**NOTE 15 EVENTS AFTER REPORTING PERIOD**

On 26 February 2016, Longreach signed a binding term sheet to acquire the remaining 95% of Starlogik IP LLC it does not currently own. The acquisition is conditional on LGO raising \$8 million, which LGO proposes to do via an offer under a prospectus to wholesale investors only. Further details of the proposed acquisition of Starlogik are disclosed in the company's release to the ASX made on 26 February 2016.

The Company appointed Drew Kelton as Non-executive Chairman on 1 March 2016 and awarded Mr Kelton with 50,000,000 unlisted options at a strike price of \$0.012, vesting in 3 tranches on 1 March 2016, 1 March 2017 and 1 March 2018, all with an expiry date of 1 March 2018.

On 11 March 2016, the Company announced that it intends to raise \$1m via a Shareholder Share Purchase Plan (SSPP). If the acquisition of the remainder of Starlogik and proposed capital raising occurs, the indicative effect of the Transaction on LGO's capital structure would be:

Holder	Shares	%
Existing Shareholders	48,573,333	8.26%
Consideration to Starlogik shareholders	489,793,864	83.25%
Wholesale offer (\$8 million)	40,000,000	6.80%
Transaction Shares	4,947,939	0.84%
Shareholder Share Purchase Plan	5,000,000	0.85%
<b>TOTAL</b>	<b>588,315,136</b>	<b>100.00%</b>

No other significant events have occurred since 31 December 2015 which would have an impact on the financial position of the Group as at 31 December 2015 or on the results and cash flows of the Group for the period then ended.



**Declaration by Directors  
for the half-year ended 31 December 2015**

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1. The Directors of the Company declare that:
  - (a) The financial statements and notes set out on pages 4 to 12 are in accordance with the Corporations Act 2001, including:
    - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
    - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half year ended on that date.
  - (b) 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.

This declaration is made in accordance with a resolution of the Directors

A handwritten signature in black ink, appearing to read "Justin Rosenberg".

Justin Rosenberg  
Director

Sydney, NSW  
15 March 2016

**LONGREACH OIL LIMITED**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Longreach Oil Limited:

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Longreach Oil Limited ("the Company") which comprises the consolidated balance sheet as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration for the consolidated entity, comprising the Company and the entities it controlled at the half-year end or from time to time during the 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 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 the Company's financial position as at 31 December 2015 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 the Company, 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*.

**HLB Mann Judd (NSW Partnership) ABN 34 482 821 289**

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Email: [mailbox@hlbnsw.com.au](mailto:mailbox@hlbnsw.com.au) | Website: [www.hlb.com.au](http://www.hlb.com.au)

Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (NSW Partnership) is a member of  HLB International. A world-wide network of independent accounting firms and business advisers.

**LONGREACH OIL LIMITED**  
**INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)**

**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 Longreach Oil 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 2015 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 black ink that reads 'HLB Mann Judd'.

**HLB Mann Judd**  
**Chartered Accountants**

A handwritten signature in black ink that reads 'A G Smith'.

**A G Smith**  
**Partner**

**Sydney, NSW**  
**15 March 2016**