ABN: 53 109 213 470
(Previously: Titan Energy Ltd)

Annual Report 2015

CORPORATE DIRECTORY

DIRECTORS:	Darren Levy (Chairman) Bradley J Simmons Paul Garner Andrew Van Der Zwan
COMPANY SECRETARY:	Jack Hugh Toby FCA MACS
ABN:	53 109 213 470
REGISTERED OFFICE:	31 Ord St West Perth, Western Australia 6005 Tel: +61 (8) 9322 6955 Fax: +61 (8) 9322 6722
AUDITORS:	Somes Cooke Level 2, 35 Outram St, West Perth WA 6005 PO Box 709, West Perth WA 6872 Tel: +61 (8) 9426 4500 Fax: +61 (8) 9481 5645
SHARE REGISTRY:	Computershare Investor Services Pty Ltd Level 11 172 St Georges Terrace Perth, Western Australia 6000 GPO Box D182 Perth, Western Australia 6840 Tel: +61 1300 787 272 Fax: +61 (8) 9323 2033

This annual report covers both TTE Petroleum Ltd as an individual entity and the consolidated entity comprising TTE Petroleum Ltd and its subsidiaries. The Group's presentation currency is Australian Dollars ($). The functional currency of TTE Petroleum Ltd is Australian Dollars ($) and the functional currency of all subsidiaries of TTE Petroleum Ltd is United States Dollars (US$), except for North Perth Basin Pty Ltd whose functional currency is Australian Dollars ($). A description of the Group's operations and of its principal activities is included in the review of operations and activities in the directors' report. The directors' report is not part of the financial report.

The directors of TTE Petroleum Ltd A.C.N. 109 213 470 ("TTE" or "Company") present their report including the consolidated financial report of the Company and its controlled entities ("Consolidated Entity" or "Group") for the year ended 30th June 2015. The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

DIRECTORS

The names of the directors of the Company in office at any time during or since the financial year and up to the date of this financial report are as follows. Directors were in office for the entire period unless otherwise stated.

Darren Stephen Levy
Paul Charles Garner
Andrew Van Der Zwan
Bradley Jay Simmons (appointed 30 August 2014)

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were exploration, development and production for oil and gas and investment in the resources industry.

There were no significant changes in the nature of the principal activities during the financial year.

OPERATING RESULTS

The operating loss for the Consolidated Entity, after income tax amounted to $2,722,502 (2014: $4,930,425).

DIVIDENDS

No dividends have been paid or declared since the start of the financial year by the Company.

The directors have recommended that no dividend be paid by the Company in respect of the year ended 30th June 2015.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS AND REVIEW OF OPERATIONS

The following significant changes in the state of affairs of the Consolidated Entity occurred during the financial year:

During the financial year the Company continued to move its focus to exploring for and producing oil in Texas. The Company has been active in drilling and operational activities as well as divesting of several assets, which no longer fit the profile for the Company's direction.

The Company acquired two new projects, Markham Dome and Boling Dome on the Texas Gulf Coast along with increasing their acreage holdings on the producing Allen Dome oil field.

The Company appointed Mr Bradley Simmons to the Board as a director and joint Chief Executive Officer, who with more than 35 years of experience in the US oil markets, brings a wealth of knowledge and a broad network of industry professionals to the table. Mr Simmons took on the responsibility to manage all aspects of current US operations in addition to driving the Company's future development.

The directors, Brad Simmons, Paul Garner, Darren Levy and Andrew Van Der Zwan, have successfully guided the Company through a period of change during a very challenging financial market.

The directors successfully negotiated a Joint Development Funding Agreement with Gulf South Holding Inc. (Gulf South), a leading United States oil and gas energy partner for the purpose of funding both drilling and completion of new wells to earn a Working Interest (WI), in addition to taking a WI in the Company's existing five (5) Allen Dome wells. Under the agreement the Company is the Operator.

TTE and Gulf South entered into a US$50 million Joint Development Agreement in February 2015. In April 2015 this agreement was increased to US$75 million.

Initially TTE received US$1,500,000 from Gulf South for workover costs on its 5 existing Allen Dome wells, for a 66.7% WI, plus US$150,000 for location fees for 5 new wells. Then in March 2015, TTE received the first tranche of funding for 75% of the first well for which Gulf South earns a 50% WI.

The Company acts as the operator for all newly acquired leases and drilling operations on Allen Dome. The Company also manages its own oil field development and production facilities enabling it to achieve enormous efficiencies and cost savings whilst maximising net revenues.

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

The Company increased its interest in a high profile area of Allen Dome following an agreement with the previous Operator to be re-assigned a 100% WI in 244 acres on the Perry Ranch. The Company will receive acreage on both sides of the Ward #1 discovery well after agreeing to sell its 40% WI in a 58 acre unit surrounding the Ward #1 location back to the Operator for US$500,000.

The Company issued AU$1,770,000 one year convertible notes at a conversion price of AU$0.04 per share with an interest rate of 9.50% per annum. The funds will be deployed over the next quarter to expedite the Company's 100% WI drilling program and to further define developmental drilling locations to support the US$75 Million JV funding. The Company plans to facilitate the expansion for the Joint Development program by drilling a number of field extension wells within the Allen, Markham, and Boling Domes.

AWE Limited (ASX: AWE), as Operator of Exploration Permit 455 advised it will not proceed with hydraulically stimulating the well. The well will now be decommissioned and rehabilitated. The Company holds an 18.5% WI in the permit. The Joint Venture has applied to renew Exploration Permit 455 and is awaiting regulatory approval.

The Company announced drilling success in the first test well the Hudson #55 on the Markham salt dome in Matagorda County, Texas. The Company holds a 100% WI in this well. The Hudson #55 was drilled to 3,750 feet and ultimately side tracked to a Total Depth (TD) of 3,715 feet. Wireline logging and coring in conjunction with Sidewall Core Analysis has confirmed the presence of approximately 50 net feet of Frio oil pay from 3628 to 3678 feet. The well was perforated across the target from 3636 to 3663 feet and swabbed to assess fluid entry. It was determined after testing the well that the low permeability of the formation will require stimulation in order to connect with optimum permeability of the cored oil zone. The Company is working with down-hole specialists to develop the best approach for a successful completion. Operations are anticipated to resume in Q4.

The JT Reese #23, the fourth development well is on pump producing 100% high gravity (43°) oil on a 14/64 choke at a rate of 110 BOPD. This is the initial zone tested of five oil productive pay zones as defined by sidewall core analysis. It is anticipated that the #23 will be choked back to below 100 BOPD at a stabilized rate to optimize reservoir performance. The Company owns a 50% WI and Gulf South owns a 50% WI in this well.

The producing interval in the JT Reese #17 was perforated across a ten-foot Miocene section from 3575 to 3585 feet. The well was initially producing at a rate of over 400,000 cubic feet of natural gas per day and 20 BOPD of 100% high gravity (42°) oil at 860 psi on a 9/64 choke. The well currently remains on a 9/64 choke at 680psi as the overlying gas cap is being flared. The gas has created a dominant pathway through the reservoir and is expected to recede in the coming weeks allowing production of the underlying oil column. The Company owns a 50% WI and Gulf South owns a 50% WI in this well.

Zones tested to date in the JT Reese #15 have currently proved non-commercial. Although the first tested zone from 3976 to 3981 demonstrated initial oil productivity, further testing and the change in oil cut and fluid entry did not meet the Company's standards. The well has been shut in and operations suspended for further evaluation and planned testing of additional zones. The Company owns a 50% WI and Gulf South owns a 50% WI in this well.

JT Reese #14 has produced over 7000 barrels of oil in the first 3 months of production. It is currently producing at a rate of 50 to 60 BOPD on a 19 hour/day pumping cycle in its initial zone of eight prospective zones. The Company owns a 50% WI and Gulf South owns a 50% WI in this well.

On 31 August 2015, the Company changed its name from Titan Energy Ltd to TTE Petroleum Ltd.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.

LIKELY DEVELOPMENTS

The directors intend to actively pursue the exploration and development of the oil and gas leases in the USA in which it has an interest. In particular, it intends to accelerate its drilling activities in its salt dome leases in Texas, USA.

ENVIRONMENTAL ISSUES

The Company's operations in Western Australia are subject to environmental regulation under Australian Commonwealth and Western Australia State legislation. The Company has fully complied or is in the process of complying, with all of its environmental obligations in Australia. The Group's operations in the United States of America are subject to federal, state and local environmental regulation. The board has adequate systems in place for the management of its environmental obligations and is not aware of any significant breach of these requirements.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

DARREN STEPHEN LEVY
CHAIRMAN (EXECUTIVE)

Qualifications and Experience:

Mr Levy holds a Bachelor of Commerce degree from Melbourne University, Post Graduate Diploma from the Securities Institute of Australia and has been admitted as a Fellow of the financial services institute of Australia (F.Fin.). He has had 28 years experience in the finance and stockbroking industry.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Director of Tomizone Limited from 29 January 2013 to 3 July 2014.

Special Responsibilities:

Chairman of Directors.

Interest in shares and options of the Company as at the date of signing this report:

31,609,817 Ordinary Shares in TTE Petroleum Ltd.

Directors meetings attended during the financial year: 27.

BRADLEY JAY SIMMONS
DIRECTOR (EXECUTIVE)
APPOINTED: 30 AUGUST 2014

Qualifications and Experience:

Bradley Simmons is a seasoned veteran of the oil patch with over 35 years of Gulf Coast drilling and production operations experience. His career includes investment banking specialising in oil companies and the founding and building of several oil, gas and drilling companies. He has a hands-on style and in roles as Chairman and/or Chief Executive, has nurtured oil and gas companies through development and expansion. Most recently, he retired from his position as Executive Director of Maverick Drilling & Exploration Limited. He holds a Bachelor of Science degree from Yale University and is a former Olympic athlete.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Director of Maverick Drilling & Exploration Limited from 12 November 2007 to 14 October 2013.

Special Responsibilities:

Chief Executive Officer.

Interest in shares and options of the Company as at the date of signing this report:

25,000,000 Ordinary Shares, 14,000,000 Options exercisable at $0.03 each and expiring on 30 November 2015 and 20,000,000 Options exercisable at $0.05 each and expiring on 30 November 2016 in TTE Petroleum Ltd.

Directors meetings attended during the financial year:

Attended 21 of the 21 meetings held during the financial year while he was a director.

PAUL CHARLES GARNER
MANAGING DIRECTOR

Qualifications and Experience:

Mr Garner has extensive experience in international business and over 38 years experience in the property and equities market. He has extensive experience with public company capital raising and restructuring. He has served on the Boards of various listed oil and gas companies at various stages of their development.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Director of Tomizone Limited from 29 January 2013 to 22 May 2015.

Interest in shares and options of the Company as at the date of signing this report:

80,000,000 Ordinary Shares and 200,000 Convertible Notes expiring 15-Jul-16 in TTE Petroleum Ltd.

Directors meetings attended during the financial year: 27.

ANDREW VAN DER ZWAN
DIRECTOR (NON-EXECUTIVE)
APPOINTED: 2 APRIL 2014

Qualifications and Experience:

Mr Van Der Zwan has 27 years' engineering and commercial experience, both locally and internationally. He was employed in various senior positions within the worldwide operations of ExxonMobil for 18 years. Subsequent to his career at ExxonMobil, he was a Non-Executive Director of Gulfx Ltd for 2 years, Managing Director of MRG Metals Limited for 2 years and remains on the Board of MRG today. Mr Van Der Zwan has held the position of Chief Executive of United Petroleum, one of Australia's largest independent fuel marketers with turnover in excess of $2 billion. He left United Petroleum in 2013 to take on the role of Executive Director at Argo Exploration Limited. He has a BA Chemical Engineering (with Honours).

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Director of Argo Exploration Limited since 19 March 2013
Director of MRG Metals Limited since 14 February 2011

Interest in shares and options of the Company as at the date of signing this report:

15,771,939 Ordinary Shares in TTE Petroleum Ltd.

Directors meetings attended during the financial year: 27.

JACK TOBY
COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Qualifications

Mr Toby is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate member of the Australian Computer Society.

Experience

Mr Toby has extensive experience as Company Secretary and Chief Financial Officer of several listed public companies and major corporations over the last 30 years.

DIRECTORS MEETINGS

During the year ended 30th June 2015, 27 meetings of directors were held.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

There is no relationship between the performance or the impact on shareholder wealth of the Company for the current financial year or the previous four financial years and either the remuneration of directors and executives or the issue of shares and options to directors. Remuneration is set at levels to reflect market conditions and encourage the continued services of directors and executives.

Remuneration is based on fees set by resolution of the Board of directors.

Remuneration for Mr Darren Levy has been set at $150,000 per year plus an additional fee of $25,000 in March 2015.

Remuneration for Mr Paul Garner has been set at $250,000 per year to 30 November 2014 and thereafter at US$250,000 per year plus a utilities allowance of US$1,000 per month.

Remuneration for Mr Andrew Van Der Zwan has been set at $85,000 per year to 28 February 2015 and thereafter at $100,000 per year.

Remuneration for Mr Bradley Simmons was set at US$250,000 per year plus additional remuneration for special exertions of US$130,000 from his appointment as a director on 30 August 2014. On 21 October 2014, Mr Bradley Simmons was appointed an executive director and joint Chief Executive Officer, and his remuneration was changed to US$600,000 per year from 1 November 2014. In addition, Mr Bradley Simmons received a utilities allowance of US$1,000 per month from 1 December 2014. Furthermore, the Company had paid Mr Simmons advance directors fees in respect of future periods of US$227,000 as at 30 June 2015 as agreed with Mr Simmons, which are not included in the remuneration below. Directors are also awarded additional fees for extra services or special exertions. Remuneration consultants were not engaged during the financial year.

The names and positions of key management personnel of the Company and of the Consolidated Entity who have held office during the financial year are:

DIRECTORS

Darren Stephen Levy	Executive Chairman
Paul Charles Garner	Managing Director
Bradley Simmons	Executive Director and CEO (appointed 30 August 2014)
Andrew Van Der Zwan	Non-Executive Director (appointed 2 April 2014)
Colin Sandell-Hay	Non-Executive Director (appointed 26 July 2013, resigned 2 April 2014)
Stephen Leslie Thomas	Managing Director (resigned 22 July 2013)

EXECUTIVES

John McKnight	Director and Chairman of Titan Energy Inc (resigned 12 September 2014)
Jack Toby	Company Secretary and Chief Financial Officer

	Primary Remuneration 2015			
	Salary and Fees $	Bonus $	Super-annuation $	Total $
REMUNERATION OF DIRECTORS BASED ON FEES APPROVED BY THE BOARD OF DIRECTORS.				
Darren Levy	175,000	—	—	175,000
Bradley Simmons	703,963	—	—	703,963
Paul Garner	299,960	—	—	299,960
Andrew Van Der Zwan	65,068	—	6,182	71,250
TOTAL PRIMARY REMUNERATION FOR DIRECTORS	1,243,991	—	6,182	1,250,173
REMUNERATION OF EXECUTIVES BASED ON FEES APPROVED BY THE BOARD OF DIRECTORS.				
John McKnight	231,004	—	—	231,004
Jack Toby	120,000	—	—	120,000
TOTAL PRIMARY REMUNERATION FOR OTHER KEY MANAGEMENT PERSONNEL	351,004	—	—	351,004

	Total Remuneration 2015			
	Primary Remuneration $	Equity Remuneration $	Total $	Equity Remuneration % of Total
REMUNERATION OF DIRECTORS BASED ON APPROVAL BY THE BOARD OF DIRECTORS.				
Darren Levy	175,000	—	175,000	—
Bradley Simmons	703,963	429,979	1,133,942	38%
Paul Garner	299,960	210,000	509,960	41%
Andrew Van Der Zwan	71,250	—	71,250	—
TOTAL REMUNERATION FOR DIRECTORS	1,250,173	639,979	1,890,152	34%
REMUNERATION OF EXECUTIVES BASED ON APPROVAL BY THE BOARD OF DIRECTORS.				
John McKnight	231,004	63,000	294,004	21%
Jack Toby	120,000	6,930	126,930	5%
TOTAL REMUNERATION FOR OTHER KEY MANAGEMENT PERSONNEL	351,004	69,930	420,934	17%

On 26 September 2014, the Company issued 3,000,000 free ordinary shares valued at $63,000 to Mr John McKnight as part of his employee severance package. The shares were valued at $0.021 per share based on the market price of the shares on the day of issue.

The Company issued the following securities on 11 December 2014 which were approved at the annual general shareholder meeting held on 26 November 2014:

10,000,000 free ordinary shares valued at $210,000 to nominees of Mr Paul Garner, a director of the Company.

10,000,000 free ordinary shares valued at $210,000
10,000,000 options exercisable at $0.025 each and expiring on 31 March 2015 valued at $25,668
20,000,000 options exercisable at $0.03 each and expiring on 30 November 2015 valued at $92,613
20,000,000 options exercisable at $0.05 each and expiring on 30 November 2016 valued at $101,698
to nominees of Mr Bradley Simmons, a director of the Company.
The ordinary shares were valued at $0.021 each based on the market price of the shares on the day of issue.
The options were valued at $219,979 using a binomial option pricing model based on a risk free rate 5.00%, an underlying security spot price $0.021 and an average volatility factor of 83.24%.

The Company issued 330,000 free ordinary shares valued at $6,930 to Mr Jack Toby on 24 December 2014. The shares were valued at $0.021 per share based on the market price of the shares on the day of issue.

	Primary Remuneration 2014			
	Salary and Fees $	Bonus $	Super-annuation $	Total $
REMUNERATION OF DIRECTORS BASED ON FEES APPROVED BY THE BOARD OF DIRECTORS.				
Darren Levy	150,000	—	—	150,000
Paul Garner	259,996	—	—	259,996
Andrew Van Der Zwan	38,730	—	1,270	40,000
Colin Sandell-Hay	36,672	—	3,392	40,064
Stephen Leslie Thomas	38,085	—	5,037	43,122
TOTAL PRIMARY REMUNERATION FOR DIRECTORS	523,483	—	9,699	533,182
REMUNERATION OF EXECUTIVES BASED ON FEES APPROVED BY THE BOARD OF DIRECTORS.				
John McKnight	194,797	—	—	194,797
Jack Toby	127,187	—	—	127,187
TOTAL PRIMARY REMUNERATION FOR OTHER KEY MANAGEMENT PERSONNEL	321,984	—	—	321,984

	Total Remuneration 2014			
	Primary Remuneration $	Equity Remuneration $	Total $	Equity Remuneration % of Total
REMUNERATION OF DIRECTORS BASED ON APPROVAL BY THE BOARD OF DIRECTORS.				
Darren Levy	150,000	—	150,000	—
Paul Garner	259,996	—	259,996	—
Andrew Van Der Zwan	40,000	—	40,000	—
Colin Sandell-Hay	40,064	—	40,064	—
Stephen Leslie Thomas	43,122	—	43,122	—
TOTAL REMUNERATION FOR DIRECTORS	533,182	—	533,182	—

	Total Remuneration 2014			
	Primary Remuneration $	Equity Remuneration $	Total $	Equity Remuneration % of Total
REMUNERATION OF EXECUTIVES BASED ON APPROVAL BY THE BOARD OF DIRECTORS.				
John McKnight	194,797	—	194,797	—
Jack Toby	127,187	—	127,187	—
TOTAL REMUNERATION FOR OTHER KEY MANAGEMENT PERSONNEL	321,984	—	321,984	—

SHARES HELD BY KEY MANAGEMENT PERSONNEL

Year Ended 30 June 2015

	Number of Ordinary Shares			
	1 July 2014 or Appointment	Issued as Remuneration	Net Change Other	30 June 2015 or Resignation
Darren Levy	9,900,000	—	20,709,817	30,609,817
Bradley Simmons	—	10,000,000	15,000,000	25,000,000
Paul Garner	34,763,828	10,000,000	31,433,342	76,197,170
Andrew Van Der Zwan	4,029,382	—	9,242,557	13,271,939
John McKnight	2,122,000	—	—	2,122,000
Jack Toby	4,420,889	330,000	6,211,385	10,962,274
	55,236,099	20,330,000	82,597,101	158,163,200

Year Ended 30 June 2014

	Number of Ordinary Shares			
	1 July 2013 or Appointment	Issued as Remuneration	Net Change Other	30 June 2014 or Resignation
Darren Levy	4,500,000	—	5,400,000	9,900,000
Paul Garner	5,100,000	—	29,663,828	34,763,828
Andrew Van Der Zwan	4,029,382	—	—	4,029,382
Colin Sandell-Hay	—	—	—	—
Stephen Leslie Thomas	974,485	—	—	974,485
John McKnight	1,626,000	—	496,000	2,122,000
Jack Toby	959,051	—	3,461,838	4,420,889
	17,188,918	—	39,021,666	56,210,584

Shares held at 1 July 2013 have been amended to reflect the 1 for 10 capital consolidation which occurred on 8 November 2013.

OPTIONS HELD BY KEY MANAGEMENT PERSONNEL

Year Ended 30 June 2015

	Number of Options			
	1 July 2014 or Appointment	Granted as Remuneration	Net Change Other	30 June 2015 or Resignation
Darren Levy	500,000	—	(500,000)	—
Bradley Simmons	—	50,000,000	(10,000,000)	40,000,000
Paul Garner	2,399,353	—	(2,399,353)	—
Andrew Van Der Zwan	2,100,000	—	(2,100,000)	—
John McKnight	1,256,000	—	(1,000,000)	256,000
Jack Toby	4,157,076	—	(4,157,076)	—
	10,412,429	50,000,000	(20,156,429)	40,256,000

Year Ended 30 June 2014

	Number of Options			
	1 July 2013 or Appointment	Granted as Remuneration	Net Change Other	30 June 2014 or Resignation
Darren Levy	600,000	—	(100,000)	500,000
Paul Garner	1,375,000	—	1,024,353	2,399,353
Andrew Van Der Zwan	100,000	—	2,000,000	2,100,000
Colin Sandell-Hay	—	—	—	—
Stephen Leslie Thomas	—	—	—	—
John McKnight	1,426,000	—	(170,000)	1,256,000
Jack Toby	2,446,826	—	1,710,250	4,157,076
	5,947,826	—	4,464,603	10,412,429

Options held at 1 July 2013 have been amended to reflect the 1 for 10 capital consolidation which occurred on 8 November 2013.

All options are vested and exercisable.

CONVERTIBLE NOTES HELD BY KEY MANAGEMENT PERSONNEL

Year Ended 30 June 2015

	Number of Convertible Notes			
	1 July 2014 or Appointment	Granted as Remuneration	Net Change Other	30 June 2015 or Resignation
Darren Levy	100,000	—	(100,000)	—
Bradley Simmons	—	—	—	—
Paul Garner	330,000	—	(330,000)	—
Andrew Van Der Zwan	65,000	—	(65,000)	—
John McKnight	—	—	—	—
Jack Toby	100,000	—	(100,000)	—
	595,000	—	(595,000)	—

Year Ended 30 June 2014	1 July 2013 or Appointment	Number of Convertible Notes Granted as Remuneration	Net Change Other	30 June 2014 or Resignation
Darren Levy	—	—	100,000	100,000
Paul Garner	—	—	330,000	330,000
Andrew Van Der Zwan	—	—	65,000	65,000
Colin Sandell-Hay	—	—	—	—
Stephen Leslie Thomas	—	—	—	—
John McKnight	—	—	—	—
Jack Toby	—	—	100,000	100,000
	—	—	595,000	595,000

End of Audited Section

SHARE OPTIONS ISSUED

The Company issued the following securities which were approved at the shareholder meeting held on 27 June 2014. Options are exercisable at $0.04 each and expiring on 31 May 2015:

On 6 July 2014
7,000,000 options at an issue price of $0.0005 each.

On 7 July 2014
1,500,000 free options to employees and contractors of the Company or its subsidiaries
972,220 ordinary shares and 6,000,000 free options in consideration for corporate services provided to the Company.

On 23 July 2014
1,500,000 free options to employees and contractors of the Company or its subsidiaries
1,500,000 options at an issue price of $0.0005 each
1,027,780 ordinary shares and 3,000,000 free options in consideration for corporate services provided to the Company.

On 7 August 2014
6,500,000 free options to employees and contractors of the Company or its subsidiaries
3,000,000 options at an issue price of $0.0005 each.

The Company issued the following securities pursuant to the conversion of Fixed Price and Variable Price Convertible Notes. Options are exercisable at $0.04 each and expiring on 31 May 2015:

On 7 July 2014
8,333,333 ordinary shares for $0.018 each and 4,166,667 free options pursuant to the conversion of 150,000 Fixed Price Convertible Notes.

On 23 July 2014
58,220,692 ordinary shares for $0.011319 each and 29,110,352 free options pursuant to the conversion of 659,000 Variable Price Convertible Notes.

On 7 August 2014
11,154,490 ordinary shares for $0.010758 each and 5,577,246 free options pursuant to the conversion of 120,000 Variable Price Convertible Notes.

On 9 September 2014
7,086,963 ordinary shares for $0.013546 each and 3,543,482 free options pursuant to the conversion of 96,000 Variable Price Convertible Notes.

On 10 September 2014
5,576,554 ordinary shares for $0.016139 each and 2,788,278 free options pursuant to the conversion of 90,000 Variable Price Convertible Notes.

On 26 September 2014
9,944,447 ordinary shares for $0.018 each and 4,972,226 free options pursuant to the conversion of 179,000 Fixed Price Convertible Notes.

On 10 December 2014
9,833,333 ordinary shares for $0.018 each and 4,916,668 free options pursuant to the conversion of 177,000 Fixed Price Convertible Notes.

On 24 December 2014
555,556 ordinary shares for $0.018 each and 277,778 free options pursuant to the conversion of 10,000 Fixed Price Convertible Notes.

On 20 February 2015
2,111,112 ordinary shares for $0.018 each and 1,055,556 free options pursuant to the conversion of 38,000 Fixed Price Convertible Notes.

On 7 April 2015
25,777,779 ordinary shares for $0.018 each and 12,888,891 free options pursuant to the conversion of 464,000 Fixed Price Convertible Notes.

On 20 May 2015
36,500,001 ordinary shares for $0.018 each and 18,250,001 free options pursuant to the conversion of 657,000 Fixed Price Convertible Notes.

The Company issued the following options on 11 December 2014 to nominees of Mr Bradley Simmons, a director of the Company, which were approved at the annual general shareholder meeting held on 26 November 2014.

10,000,000 options exercisable at $0.025 each and expiring on 31 March 2015 valued at $25,668
20,000,000 options exercisable at $0.03 each and expiring on 30 November 2015 valued at $92,613
20,000,000 options exercisable at $0.05 each and expiring on 30 November 2016 valued at $101,698.

The Company issued 2,829,258 free options exercisable at $0.04 each and expiring on 31 May 2015 on 20 February 2015 in consideration for corporate services provided to the Company.

SHARE OPTIONS EXPIRED

During the year ended 30th June 2015, the following options to subscribe for unissued fully paid ordinary shares in the Company expired unexercised:

On 31 July 2014
1,200,000 options exercisable at $0.20 per share expired unexercised.

On 15 October 2014
7,500,000 options exercisable at $0.03 per share expired unexercised.

On 31 May 2015
187,793,486 options exercisable at $0.04 per share expired unexercised.

SHARE OPTIONS EXERCISED

During the year ended 30th June 2015, the following shares were issued by virtue of the exercise of options:

On or before 31 March 2015
10,000,000 ordinary shares were issued by virtue of the exercise of options exercisable at $0.025.

On or before 31 May 2015
146,110 ordinary shares were issued by virtue of the exercise of options exercisable at $0.04.

Subsequent to the year ended 30th June 2015, no ordinary shares were issued by virtue of the exercise of options.

SHARE OPTIONS OUTSTANDING

The following options to subscribe for unissued fully paid ordinary shares in the Company are outstanding at the date of this report:

Expiring on 31 October 2015
6,679,509 options exercisable at $0.30 per share.

Expiring on 30 November 2015
20,000,000 options exercisable at $0.03 per share.

Expiring on 30 November 2016
20,000,000 options exercisable at $0.05 per share.

No person entitled to exercise any of these options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

CONVERTIBLE NOTES OUTSTANDING

1,770,000 Fixed Price Convertible Notes are outstanding at the date of this report. The Fixed Price Convertible Notes were issued for $1.00 each for a term expiring on 15 July 2016 with interest payable on a 9.50% per annum basis. Each Convertible Note may be converted to fully paid ordinary shares in the Company prior to maturity at an issue price of $0.04 per Share at the election of the noteholder. Convertible Notes that are not converted are repayable at maturity.

INDEMNIFYING AND INSURING DIRECTORS, OFFICERS OR AUDITORS

During the financial year, the Company paid premiums for Directors and Officers liability insurance of $42,250. Except as disclosed above, the Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

a) indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or

b) paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the Corporations Act 2001 section 307C a signed Auditor's Independence Declaration to the directors in relation to the year ended 30 June 2015 has been provided to the Company. This declaration has been included in this document.

Other fees charged by the auditors to the Company or related entities were tax advice and tax return preparation costs of $8,750. The directors are satisfied that the services disclosed did not compromise the auditor's independence.

Signed in accordance with a resolution of the directors.

Paul Garner
Director

28 September 2015
Perth, Western Australia

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of TTE Petroleum Ltd A.C.N. 109 213 470 ("Company"), I state that:

In the opinion of the directors:

1) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001 including:

    a) complying with International Financial Reporting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b) giving a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Consolidated Entity; and

    c) the remuneration report disclosures set out on pages 5 to 10 of the directors' report (as part of the Remuneration Report), for the year ended 30 June 2015, comply with section 300A of the Corporations Act 2001.

2) As required by section 295A of the Corporations Act 2001, the Chief Executive Officer, Mr Paul Garner, and Chief Finance Officer, Mr Jack Toby, have each declared in writing that:

    a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    b) the financial statements and notes for the financial year comply with the International Financial Reporting Standards; and

    c) the financial statements and notes for the financial year give a true and fair view.

3) in the director's 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.

On behalf of the Board of Directors.

Paul Garner
Director

28 September 2015
Perth, Western Australia

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2015

	Note	Consolidated Entity 2015 $	Consolidated Entity 2014 $
Revenue from operating activities	2	1,361,668	1,469,569
Cost of sales	2	(1,117,745)	(1,309,446)
GROSS PROFIT		243,923	160,123
Revenue from non-operating activities	2	4,216,581	972,184
Exploration expenses	2	(4,873,933)	(4,495,234)
Share based payments	19	(1,136,265)	(66,675)
Other expenses	2	(1,172,808)	(1,500,823)
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE		(2,722,502)	(4,930,425)
Income tax expense	3	—	—
PROFIT/(LOSS) AFTER RELATED INCOME TAX EXPENSE		(2,722,502)	(4,930,425)
OTHER COMPREHENSIVE INCOME			
Exchange differences on translating foreign operations		(2,938,584)	236,417
Income tax relating to components of other comprehensive income		—	—
OTHER COMPREHENSIVE INCOME AFTER INCOME TAX		(2,938,584)	236,417
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(5,661,086)	(4,964,008)
BASIC EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)	4	(0.55)	(2.40)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)	4	(0.55)	(2.40)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2015

	Note	Consolidated Entity 2015 $	Consolidated Entity 2014 $
CURRENT ASSETS			
Cash and cash equivalents	15	1,350,694	908,986
Trade and other receivables	5	1,567,486	1,032,410
TOTAL CURRENT ASSETS		2,918,180	1,941,396
NON-CURRENT ASSETS			
Plant and equipment	6	117,078	49,174
Receivables	7	72,878	39,348
Capitalised oil and gas expenditure	8	2,852,009	3,829,073
TOTAL NON-CURRENT ASSETS		3,041,965	3,917,595
TOTAL ASSETS		5,960,145	5,858,991
CURRENT LIABILITIES			
Trade and other payables	9	941,078	609,341
Borrowings	10	455,000	1,470,000
Provisions	11	13,574	9,535
TOTAL CURRENT LIABILITIES		1,409,652	2,088,876
TOTAL LIABILITIES		1,409,652	2,088,876
NET ASSETS		4,550,493	3,770,115
EQUITY			
Issued capital	12	36,830,431	30,669,355
Reserves	13	(1,264,254)	1,393,942
Accumulated losses		(31,015,684)	(28,293,182)
TOTAL EQUITY		4,550,493	3,770,115

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2015

	Note	Consolidated Entity 2015 $	Consolidated Entity 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		620,211	1,700,842
Payments to suppliers and employees		(987,688)	(792,987)
Production costs		(214,218)	(270,427)
Interest received		16,465	3,298
Interest and finance costs paid		(127,942)	(109,063)
Oil sales proceeds received/(paid) and held in suspense pending resolution of entitlements		(39,518)	(203,885)
Oil sales proceeds received/(paid) and held for other joint venture participants		(834)	(122,280)
Other income		838,232	29,835
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	15	104,708	235,333
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of oil and gas interests		(645,135)	(705,254)
Proceeds from disposal of oil and gas interests		875,701	259,439
Payments for exploration expenditure		(5,177,647)	(3,305,228)
Payments for development expenditure		(1,272,773)	(826,500)
Payments for purchase of plant and equipment		(84,529)	(9,308)
Joint Development Agreement funding		2,564,974	—
Proceeds from disposal of plant and equipment		—	40,455
Loans repaid by other entities		—	100,000
NET CASH OUTFLOW USED IN INVESTING ACTIVITIES		(3,739,409)	(4,446,396)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity issues		2,494,803	759,742
Proceeds from issue of convertible notes		1,145,000	3,380,000
Capital raising costs		(133,686)	(153,361)
Borrowings		530,000	175,000
Repayment of borrowings		(30,000)	(80,000)
NET CASH INFLOW FROM FINANCING ACTIVITIES		4,006,117	4,081,381
NET INCREASE/(DECREASE) IN CASH HELD		371,416	(129,682)
Net foreign exchange differences		70,292	(13,802)
Cash and cash equivalents at beginning of year		908,986	1,052,470
CASH AND CASH EQUIVALENTS AT END OF YEAR	15	1,350,694	908,986

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2015

ATTRIBUTABLE TO MEMBERS OF THE COMPANY	CONSOLIDATED ENTITY				
	Issued Capital $	Option Premium Reserve $	Currency Translation Reserve $	Accumulated Losses $	Total Equity $
AT 1 JULY 2013	28,155,829	1,071,295	—	(23,362,757)	5,864,367
Currency translation	—	—	236,417	—	236,417
Loss for year	—	—	—	(4,930,425)	(4,930,425)
TOTAL LOSS FOR THE YEAR	—	—	236,417	(4,930,425)	(4,694,008)
Securities issued	2,745,187	86,230		—	2,831,417
Equity raising costs	(231,661)	—	—	—	(231,661)
AT 30 JUNE 2014	30,669,355	1,157,525	236,417	(28,293,182)	3,770,115
Currency translation	—	—	(2,938,584)	—	(2,938,584)
Loss for year	—	—	—	(2,722,502)	(2,722,502)
TOTAL LOSS FOR THE YEAR	—	—	(2,938,584)	(2,722,502)	(5,661,086)
Securities issued	6,245,596	280,388		—	6,525,984
Equity raising costs	(84,520)	—	—	—	(84,520)
AT 30 JUNE 2015	36,830,431	1,437,913	(2,702,167)	(31,015,684)	4,550,493

The accompanying notes form part of these financial statements

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies adopted by TTE Petroleum Ltd A.C.N. 109 213 470 ("Parent Entity" or "Company") and by the Parent Entity and its controlled entities ("Consolidated Entity" or "Group") in the preparation of these financial statements.

Basis of Preparation of Accounts

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) and the Corporations Act 2001. The consolidated financial report of the Group also complies with the International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on a historical cost basis, except for any available-for-sale financial assets that have been measured at fair value. The presentation currency used in this financial report is Australian Dollars.

This financial report is issued in accordance with a resolution of the directors of the Company on the same date as the Directors' Declaration above.

Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any material changes to the Group's accounting policies.

At the date of authorisation of the financial report, Standards and Interpretations that have been issued but are not yet effective do not have a material impact on these financial statements.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies adopted by the Company A.C.N. 109 213 470 ("Company") in the preparation of these financial statements. The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at and for the period ended 30 June each year (the Group). Interests in associates are equity accounted and are not part of the consolidated Group. Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intragroup transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition. A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction. Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary; derecognises the carrying amount of any non-controlling interest; derecognises the cumulative translation differences, recorded in equity; recognises the fair value of the consideration received; recognises the fair value of any investment retained; recognises any surplus or deficit in profit or loss and reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

b) Foreign currency translation

The presentation currency of the Company and its Australian subsidiaries is Australian dollars. The functional currency of the Company is Australian dollars. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences in the consolidated financial report are taken to the income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The functional currency of overseas subsidiaries is United States dollars. As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of the Company at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period. The exchange differences arising on the retranslation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement as part of the gain or loss on sale as applicable.

c) Taxes

Income Tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

d) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. Employee benefits, expenses and revenues arising in respect of wages and salaries; non monetary benefits; annual leave; long service leave and other leave and other employee entitlements are charged against profits on a net basis.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred. The Group has no legal obligation to cover any shortfall in any superannuation fund's obligation to provide benefits to employees on retirement.

e) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with a maturity of three months or less. For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts and investments in money market instruments with less than 14 days to maturity.

f) Revenue recognition

Revenue from services rendered is recognised upon the delivery of goods or services to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Oil sales are recognised when an invoice for the sale is issued. Management fees are recognised on a proportional basis.

g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except: where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from the investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

h) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease). An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

i) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis. Contingent rentals are recognised as an expense in the financial year in which they are incurred.

j) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

k) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Land and buildings are measured at fair value less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 1 to 15 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

l) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivable) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default and delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the assets carrying amount and the present value of estimated future cashflows, discounted at the original effective interest rate. Cashflows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of the impairment loss is recognised in the income statements within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

m) Trade and other payables

Trade payables and other payables are carried at amortised cost which represents future liabilities for goods and services received, whether or not billed to the Company.

n) Investments

Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

Impairment of financial assets

Impairment of available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when: the rights to receive cash flows from the asset have expired; the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or the Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay. When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

o) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of mineral stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

p) Significant accounting judgements, estimates and assumptions

Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Exploration and development assets

The Group's accounting policy for exploration and development expenditure is set out below. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves are found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under our policy, we conclude that we are unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Key Estimates - Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the taxation authorities in the jurisdictions in which the Group operates.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes or a binomial model, using the assumptions detailed. The Group measures the cost of cash-settled share-based payments at fair value at the grant date using a binomial formula taking into account the terms and conditions upon which the instruments were granted.

q) Exploration and Development Expenditure

Oil and gas properties include capitalised project expenditure and development expenditure. The Group uses the units of production method to amortise costs carried forward in relation to its oil and gas properties. For this approach , the calculations are based on proved and probable reserves as determined by the Group's estimates. Impairment of the carrying value of oil and gas expenditure is calculated on a field by field basis.

An area of interest refers to an individual geographical area where the presence of oil or a natural gas field is considered favourable or has been proved to exist.

Acquisition costs of rights to explore are accumulated in respect of each identifiable area of interest. These costs are only carried forward while the right to tenure of the area of interest remains current and only to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Other exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward where the right to tenure of the area of interest remains current and only to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Exploration and evaluation expenditures that do not meet the above criteria are expensed as incurred.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

r) Share-based payment transactions

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black-Scholes or a binomial model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (‘market conditions’). The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘vesting date’). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

s) Earnings/(loss) per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for: costs of servicing equity (other than dividends) and preference share dividends; the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTE 2. REVENUE AND EXPENSES

The profit/(loss) before income tax has been determined after:

	Consolidated Entity 2015 $	Consolidated Entity 2014 $
REVENUE FROM CONTINUING OPERATIONS		
Operating activities		
Oil and gas sales	638,556	1,469,569
Operator fees, net of costs	723,112	—
TOTAL REVENUE FROM OPERATING ACTIVITIES	1,361,668	1,469,569
Non-Operating activities		
Interest received from other persons	12,115	7,648
Profit on disposal of oil and gas interests	304,472	59,141
Unrealised exchange gains	3,859,942	—
Research and development tax concession rebate	—	798,180
Other revenue	40,052	107,215
TOTAL REVENUE FROM NON-OPERATING ACTIVITIES	4,216,581	972,184
TOTAL REVENUE FROM CONTINUING OPERATIONS	5,578,249	2,441,753
CHARGING AS EXPENSES		
Cost of sales		
Production costs	227,431	270,427
Depletion of production leases	890,314	1,039,019
	1,117,745	1,309,446
Exploration expenses		
Exploration expenditure written off	1,416,316	1,848,783
Workover Intangibles	13,334	533,742
Other exploration expenses	3,444,283	2,112,709
	4,873,933	4,495,234
Other expenses		
Employee benefits and consultants expenses	585,877	462,280
Depreciation	20,087	7,647
Administrative expenses	368,343	529,622
Unrealised exchange loss	—	284,822
Rental expense on operating lease	67,123	96,394
Loss on sale of plant and equipment	436	10,995
Interest expense and borrowing fees	130,942	109,063
	1,172,808	1,500,823

NOTE 3. INCOME TAX

	Consolidated Entity 2015 $	Consolidated Entity 2014 $
INCOME TAX BENEFIT		—
Numerical reconciliation between tax expense and pre-tax net loss:		
LOSS BEFORE INCOME TAX BENEFIT	(2,722,502)	(4,930,425)
Income tax using the Company's domestic tax rate of 30%	(816,751)	(1,479,127)
Share based payments	340,879	20,002
Capital raising costs	(71,012)	23,110
Research and development tax offset received	—	(239,453)
Other non-deductible expenses/(deductible tax adjustments)	(111,039)	(29,966)
Current year losses for which no deferred tax asset was recognised	657,923	1,705,434
INCOME TAX BENEFIT (EXPENSE) ATTRIBUTABLE TO ENTITY	—	—

Estimated unused tax losses of $27,203,220 (2014: $25,010,141) have not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Company satisfying the requirements imposed by the relevant regulatory authorities in each of the jurisdictions in which the Company operates. The benefit of deferred tax assets not brought to account will only be brought to account if future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised and the conditions for deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

NOTE 4. EARNINGS PER SHARE

	2015	2014
Basic loss per share (cents per share)	(0.55)	(2.40)
Diluted loss per share (cents per share)	(0.55)	(2.40)
Profit/(loss) used in the calculation of basic EPS	(2,722,502)	(4,930,425)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share (i)	494,025,927	205,436,597
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share (i)	494,025,927	205,436,597

(i) On 8 November 2013, the Company's share capital was consolidated on a 1 for 10 basis. The weighted average of ordinary shares in 2013 has been amended to reflect the 1 for 10 capital consolidation that occurred on 8 November 2013. The capital consolidation was approved at the Annual General Meeting of shareholders held on 6 November 2013.

On 28 November 2013, the Company issued 12,202,334 ordinary shares pursuant to an offer to eligible optionholders of one fully paid ordinary share for every four options cancelled. A total of 48,809,257 options were cancelled comprising:

43,009,257 options exercisable at $0.30 each and expiring on 31 October 2015;

3,000,000 options exercisable at $0.15 each and expiring on 30 August 2014;

2,300,000 options exercisable at $0.20 each and expiring on 31 July 2014; and

500,000 options exercisable at $0.50 each and expiring on 31 July 2015.

During the year ended 30 June 2015, 170,376,403 options to subscribe for ordinary shares were issued, 10,146,110 options were exercised and 196,493,486 options expired unexercised, leaving 46,679,509 options outstanding at 30 June 2015 (note 12). These options are not considered dilutive for the purposes of the calculation of diluted earnings per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share nor increase the net loss from continuing ordinary operations per share. Consequently, diluted earnings per share is the same as basic earnings per share.

During the year ended 30 June 2014, 75,070,595 options to subscribe for ordinary shares were issued, 7,402 options were exercised and 30,000,000 (pre-consolidation) options expired unexercised, leaving 82,942,702 options outstanding at 30 June 2014 (note 12). These options are not considered dilutive for the purposes of the calculation of diluted earnings per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share nor increase the net loss from continuing ordinary operations per share. Consequently, diluted earnings per share is the same as basic earnings per share.

	Consolidated Entity	
	2015	**2014**
	$	**$**

NOTE 5. TRADE AND OTHER RECEIVABLES (CURRENT)

	2015 $	2014 $
Trade debtors	559,956	149,922
Research and development tax concession rebate	—	802,530
Other debtors and prepayments	1,007,530	79,958
	1,567,486	1,032,410

Other debtors are non-interest bearing and generally on 30 day terms.

NOTE 6. PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

	2015 $	2014 $
At cost	281,218	190,287
Accumulated depreciation	(164,140)	(141,113)
TOTAL PLANT AND EQUIPMENT	117,078	49,174

MOVEMENTS IN THE CARRYING AMOUNT OF PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

	2015 $	2014 $
At the beginning of the financial year	49,174	105,383
Additions	84,529	9,308
Depreciation expense	(20,087)	(7,647)
Disposals	—	(40,455)
Loss on disposals	(436)	(10,995)
Currency exchange adjustment	3,898	(6,420)
TOTAL PLANT AND EQUIPMENT	117,078	49,174

NOTE 7. TRADE AND OTHER RECEIVABLES (NON-CURRENT)

	2015 $	2014 $
Deposits	72,878	39,348
	72,878	39,348

NOTE 8. CAPITALISED OIL AND GAS EXPENDITURE

	Consolidated Entity 2015 $	Consolidated Entity 2014 $
MOVEMENTS IN THE CARRYING AMOUNT OF LEASE ACQUISITION COSTS FOR PRODUCING PROPERTIES		
At the beginning of the financial year	615,912	861,268
Transfer from undeveloped properties	40,939	—
Expenditure incurred during the year	26,663	31,275
Depletion	(453,460)	(238,999)
Written off during the year	(54,494)	(31,275)
Exchange rate adjustment	110,715	(6,357)
AT THE END OF THE FINANCIAL YEAR	286,275	615,912
MOVEMENTS IN THE CARRYING AMOUNT OF LEASE ACQUISITION COSTS FOR UNDEVELOPED PROPERTIES		
At the beginning of the financial year	1,493,886	1,312,506
Transfer to producing properties	(40,939)	—
Expenditure incurred during the year	622,219	670,703
Written off during the year	(443,297)	(282,886)
Disposals	(314,003)	(259,439)
Profit on disposals	(120,718)	59,141
Exchange rate adjustment	308,935	(6,139)
AT THE END OF THE FINANCIAL YEAR	1,506,083	1,493,886
MOVEMENTS IN THE CARRYING AMOUNT OF EXPLORATION AND DEVELOPMENT COSTS ON PRODUCING PROPERTIES		
At the beginning of the financial year	828,026	2,916,904
Transfer from undeveloped properties	199,565	—
Expenditure incurred during the year	2,078,264	51,075
Joint Development Agreement funding	(1,663,436)	—
Depletion	(436,854)	(800,020)
Written off during the year	(596,308)	(1,318,134)
Exchange rate adjustment	183,863	(21,799)
AT THE END OF THE FINANCIAL YEAR	593,120	828,026
MOVEMENTS IN THE CARRYING AMOUNT OF EXPLORATION AND DEVELOPMENT COSTS ON UNDEVELOPED PROPERTIES		
At the beginning of the financial year	891,249	188,418
Transfer to producing properties	(199,565)	—
Expenditure incurred during the year	643,917	888,976
Disposals	(1,100,740)	—
Profit on disposals	425,190	—
Written off during the year	(322,217)	(223,389)
Exchange rate adjustment	128,697	37,244
AT THE END OF THE FINANCIAL YEAR	466,531	891,249
TOTAL CAPITALISED OIL AND GAS EXPENDITURE	2,852,009	3,829,073

Amortisation for producing properties is based on total production compared with the estimated life of production assets. Recoverability of the carrying amount of the capitalised oil and gas expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

	Consolidated Entity 2015 $	2014 $
NOTE 9. TRADE AND OTHER PAYABLES (CURRENT)		
Trade creditors	752,552	278,740
Sundry creditors and accrued expenses	188,526	330,601
	941,078	609,341
NOTE 10. BORROWINGS (CURRENT)		
Loans	455,000	95,000
Variable Price Convertible Notes	—	445,000
Fixed Price Convertible Notes	—	930,000
	455,000	1,470,000

The Loans are unsecured, repayable on demand and subject to interest at rates of between 9.25% to 9.50% per year.

NOTE 11. PROVISIONS (CURRENT)

	2015 $	2014 $
Employee benefits	13,574	9,535
	13,574	9,535

NOTE 12. ISSUED CAPITAL

	Consolidated Entity 2015 $	Consolidated Entity 2014 $
653,086,031 (2014: 320,253,202) fully paid ordinary shares	36,830,431	30,669,355
	36,830,431	30,669,355

MOVEMENTS IN ORDINARY SHARES

	2015 $	2014 $
At the beginning of the financial year	30,669,355	28,155,829
972,220 shares issued on 7 July 2014	17,500	—
8,333,333 shares issued on 7 July 2014	150,000	—
1,027,780 shares issued on 23 July 2014	11,634	—
58,220,692 shares issued on 23 July 2014	659,000	—
11,154,490 shares issued on 7 August 2014	120,000	—
7,086,963 shares issued on 9 September 2014	96,000	—
5,576,554 shares issued on 10 September 2014	90,000	—
3,000,000 shares issued on 26 September 2014	63,000	—
9,944,447 shares issued on 26 September 2014	179,000	—
9,833,333 shares issued on 10 December 2014	177,000	—
4,571,293 shares issued on 11 December 2014	95,997	—
8,999,999 shares issued on 11 December 2014	194,687	—
20,000,000 shares issued on 11 December 2014	420,000	—
19,249,500 shares issued on 11 December 2014	384,990	—
34,241,667 shares issued on 11 December 2014	740,538	—
555,556 shares issued on 24 December 2014	10,000	—
500,000 shares issued on 24 December 2014	11,095	—
830,000 shares issued on 24 December 2014	17,430	—
2,111,112 shares issued on 20 February 2015	38,000	—
8,000,000 shares issued on 20 February 2015	224,000	—
10,000,000 shares issued on 20 March 2015	250,000	—
25,777,779 shares issued on 7 April 2015	464,000	—
400,000 shares issued on 2 May 2015	12,400	—
45,000,000 shares issued on 2 May 2015	1,127,681	—
800,000 shares issued on 20 May 2015	28,800	—
36,500,001 shares issued on 20 May 2015	657,000	—
146,110 shares issued on 22 June 2015	5,844	—
165,000 shares issued on 29 November 2013	—	5,445
20,229,997 shares issued on 31 January 2014	—	505,749
2,180,000 shares issued on 5 February 2014	—	54,500
19,102,907 shares issued on 7 February 2014	—	385,000
2,301 shares issued on 21 February 2014	—	92
14,046,404 shares issued on 21 February 2014	—	269,999
6,967,889 shares issued on 21 February 2014	—	174,197
4,000 shares issued on 3 March 2014	—	160
1,390,666 shares issued on 3 March 2014	—	25,001
18,557,317 shares issued on 10 March 2014	—	310,000
1,101 shares issued on 10 March 2014	—	44
10,968,111 shares issued on 25 March 2014	—	173,000
11,162,025 shares issued on 7 April 2014	—	190,000
1,944,769 shares issued on 14 April 2014	—	40,000
7,839,354 shares issued on 29 April 2014	—	130,000
5,627,422 shares issued on 27 May 2014	—	77,000
28,339,513 shares issued on 27 June 2014	—	405,000
Share issue expenses	(84,520)	(231,661)
AT THE END OF THE FINANCIAL YEAR	36,830,431	30,669,355

During the year ended 30 June 2015, the Company issued the following securities:

On 7 July 2014
972,220 ordinary shares and 6,000,000 free options exercisable at $0.04 each and expiring on 31 May 2015 in consideration for corporate services provided to the Company. The issue of these securities was approved at the shareholder meeting held on 27 June 2014.

8,333,333 ordinary shares for $0.018 each and 4,166,667 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 150,000 Fixed Price Convertible Notes.

On 23 July 2014
1,027,780 ordinary shares and 3,000,000 free options exercisable at $0.04 each and expiring on 31 May 2015 in consideration for corporate services provided to the Company. The issue of these securities was approved at the shareholder meeting held on 27 June 2014.

58,220,692 ordinary shares for $0.011319 each and 29,110,352 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 659,000 Variable Price Convertible Notes.

On 7 August 2014
11,154,490 ordinary shares for $0.010758 each and 5,577,246 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 120,000 Variable Price Convertible Notes.

On 9 September 2014
7,086,963 ordinary shares for $0.013546 each and 3,543,482 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 96,000 Variable Price Convertible Notes.

On 10 September 2014
5,576,554 ordinary shares for $0.016139 each and 2,788,278 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 90,000 Variable Price Convertible Notes.

On 26 September 2014
3,000,000 free ordinary shares valued at $63,000 based on the market price of the shares on the day of issue of $0.021 per share, as part of an employee severance package. The issue of these securities was ratified at the annual general shareholder meeting held on 26 November 2014.

9,944,447 ordinary shares for $0.018 each and 4,972,226 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 179,000 Fixed Price Convertible Notes.

On 10 December 2014
9,833,333 ordinary shares for $0.018 each and 4,916,668 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 177,000 Fixed Price Convertible Notes.

On 11 December 2014
10,000,000 free ordinary shares valued at $210,000 to nominees of Mr Paul Garner, a director of the Company.
10,000,000 free ordinary shares valued at $210,000 to nominees of Mr Bradley Simmons, a director of the Company.
The ordinary shares were valued at $0.021 each based on the market price of the shares on the day of issue.
The issue of these securities was approved at the annual general shareholder meeting held on 26 November 2014.

4,571,293 ordinary shares valued at $95,997 based on the market price of the shares on the day of issue of $0.021 per share, in consideration for the acquisition of various Overriding Royalty Interests in Allen Dome.

19,249,500 ordinary shares at an issue price of A$0.02.
8,999,999 ordinary shares issued for US$0.018 in consideration for services from various suppliers to be provided to the Company's oil and gas interests in the US.
34,241,667 ordinary shares at an issue price of US$0.018.
The issue of these securities was ratified at the annual general shareholder meeting held on 6 February 2015.

On 24 December 2014
555,556 ordinary shares for $0.018 each and 277,778 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 10,000 Fixed Price Convertible Notes.

500,000 ordinary shares issued for US$0.018 in consideration for services from various suppliers to be provided to the Company's oil and gas interests in the US.

830,000 free ordinary shares valued at $17,430 based on the market price of the shares on the day of issue of $0.021 per share, to employees and contractors of the Company or its subsidiaries.

On 20 February 2015
2,111,112 ordinary shares for $0.018 each and 1,055,556 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 38,000 Fixed Price Convertible Notes.

8,000,000 ordinary shares as a contribution to defray marketing and due diligence costs incurred for the US$50M Joint Development Agreement announced on 2 February 2015. These 8,000,000 ordinary shares are subject to a voluntary escrow of 6 months from their date of issue. The issue of these securities was ratified at the general meeting of shareholders held on 2 July 2015.

On 20 March 2015
10,000,000 ordinary shares for $0.025 each pursuant to the exercise of 10,000,000 options expiring on 31 March 2015.

On 7 April 2015
25,777,779 ordinary shares for $0.018 each and 12,888,891 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 464,000 Fixed Price Convertible Notes.

On 2 May 2015
400,000 free ordinary shares valued at $12,400 based on the market price of the shares on the day of issue of $0.031 per share, to employees and contractors of the Company or its subsidiaries. The issue of these securities was pursuant to an employee share plan approved at a general meeting of shareholders held on 6 February 2015.

45,000,000 ordinary shares for US$0.02 each. These ordinary shares are subject to a voluntary escrow to 30 October 2015. The issue of these securities was ratified at the general meeting of shareholders held on 2 July 2015.

On 20 May 2015
800,000 free ordinary shares valued at $28,800 based on the market price of the shares on the day of issue of $0.036 per share, to employees and contractors of the Company or its subsidiaries. The issue of these securities was pursuant to an employee share plan approved at a general meeting of shareholders held on 6 February 2015.

36,500,001 ordinary shares for $0.018 each and 18,250,001 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 657,000 Fixed Price Convertible Notes.

On 22 June 2015
146,110 ordinary shares for $0.04 each pursuant to the exercise of 146,110 options expiring on 31 May 2015.

At 30 June 2015
46,679,509 unissued ordinary shares for which options were outstanding, comprising:

6,679,509 options which entitle the holder to subscribe for one ordinary share in the Company for 30 cents per share and expire on 31 October 2015.
20,000,000 options which entitle the holder to subscribe for one ordinary share in the Company for 3 cents per share and expire on 30 November 2015.
20,000,000 options which entitle the holder to subscribe for one ordinary share in the Company for 5 cents per share and expire on 30 November 2016.

At 30 June 2014
82,942,702 unissued ordinary shares for which options were outstanding, comprising:

67,563,193 options which entitle the holder to subscribe for one ordinary share in the Company for 4 cents per share and expire on 31 May 2015.
1,200,000 options which entitle the holder to subscribe for one ordinary share in the Company for 20 cents per share and expire on 31 July 2014.
7,500,000 options which entitle the holder to subscribe for one ordinary share in the Company for 3 cents per share and expire on 15 October 2014.
6,679,509 options which entitle the holder to subscribe for one ordinary share in the Company for 30 cents per share and expire on 31 October 2015.

445,000 Variable Price Convertible Notes were outstanding. The Convertible Notes were issued for $1.00 each. The Variable Price Convertible Notes were issued for a term expiring on 20 May 2015 with interest payable on a 9.25% per annum basis. Each Convertible Note may be converted to fully paid ordinary shares in the Company prior to maturity at an issue price of $0.05 per Share or 80% of the 5 day VWAP, whichever is lower at the election of the noteholder. On conversion the Company will issue the Noteholder one free option exercisable at $0.04 each and expiring on 31 May 2015 for every two Shares issued pursuant to the conversion of these Convertible Notes.

930,000 Fixed Price Convertible Notes were outstanding. The Fixed Price Convertible Notes were issued for $1.00 each for a term expiring on 21 May 2015 with interest payable on a 9.25% per annum basis. Each Convertible Note may be converted to fully paid ordinary shares in the Company prior to maturity at an issue price of $0.018 per Share at the election of either the noteholder or the Company. On conversion the Company will issue the Noteholder one free option exercisable at $0.04 each and expiring on 31 May 2015 for every two Shares issued pursuant to the conversion of these Convertible Notes. Convertible Notes that are not converted are repayable at maturity.

CAPITAL MANAGEMENT

Management controls the capital of the Group comprising the liquid assets held by the Group in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of, and amounts paid up, of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at any meeting of the Company.

	Consolidated Entity 2015 $	2014 $
NOTE 13. RESERVES		
Option premium reserve	1,437,913	1,157,525
Currency translation reserve	(2,702,167)	236,417
	(1,264,254)	1,393,942
MOVEMENTS IN OPTION PREMIUM RESERVE		
At the beginning of the financial year	1,157,525	1,071,295
7,000,000 options issued on 6 July 2014	3,500	—
1,500,000 options issued on 7 July 2014	4,500	—
6,000,000 options issued on 7 July 2014	18,000	—
1,500,000 options issued on 23 July 2014	750	—
1,500,000 options issued on 23 July 2014	4,500	—
3,000,000 options issued on 23 July 2014	9,000	—
3,000,000 options issued on 7 August 2014	1,500	—
6,500,000 options issued on 7 August 2014	13,000	—
50,000,000 options issued on 11 December 2014	219,979	—
2,829,258 options issued on 20 February 2015	5,659	—
3,648,000 options issued on 31 January 2014	—	40,750
19,000,000 options issued on 31 January 2014	—	9,500
4,000,000 options issued on 5 February 2014	—	2,000
2,000,000 options issued on 21 February 2014	—	1,000
1,813,200 options issued on 21 February 2014	—	20,480
7,500,000 options issued on 7 April 2014	—	7,500
10,000,000 options issued on 27 June 2014	—	5,000
AT THE END OF THE FINANCIAL YEAR	1,437,913	1,157,525
MOVEMENTS IN CURRENCY TRANSLATION RESERVE		
At the beginning of the financial year	236,417	
Movement for the year	(2,938,584)	
AT THE END OF THE FINANCIAL YEAR	(2,702,167)	

The option premium reserve is used to accumulate the fair value of options issued and premiums received on the issue of options.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

During the year ended 30 June 2015, the Company issued the following securities:

<u>On 6 July 2014</u>
7,000,000 options exercisable at $0.04 each and expiring on 31 May 2015 at an issue price of $0.0005 each. The issue of these securities was approved at the shareholder meeting held on 27 June 2014.

<u>On 7 July 2014</u>
1,500,000 free options exercisable at $0.04 each and expiring on 31 May 2015 to employees and contractors of the Company or its subsidiaries.

972,220 ordinary shares and 6,000,000 free options exercisable at $0.04 each and expiring on 31 May 2015 in consideration for corporate services provided to the Company. The issue of these securities was approved at the shareholder meeting held on 27 June 2014.

8,333,333 ordinary shares for $0.018 each and 4,166,667 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 150,000 Fixed Price Convertible Notes.

On 23 July 2014
1,500,000 free options exercisable at $0.04 each and expiring on 31 May 2015 to employees and contractors of the Company or its subsidiaries.
1,500,000 options exercisable at $0.04 each and expiring on 31 May 2015 at an issue price of $0.0005 each.
1,027,780 ordinary shares and 3,000,000 free options exercisable at $0.04 each and expiring on 31 May 2015 in consideration for corporate services provided to the Company.
The issue of these securities was approved at the shareholder meeting held on 27 June 2014.

58,220,692 ordinary shares for $0.011319 each and 29,110,352 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 659,000 Variable Price Convertible Notes.

On 7 August 2014
6,500,000 free options exercisable at $0.04 each and expiring on 31 May 2015 to employees and contractors of the Company or its subsidiaries.
3,000,000 options exercisable at $0.04 each and expiring on 31 May 2015 at an issue price of $0.0005 each.
The issue of these securities was approved at the shareholder meeting held on 27 June 2014.

11,154,490 ordinary shares for $0.010758 each and 5,577,246 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 120,000 Variable Price Convertible Notes.

On 9 September 2014
7,086,963 ordinary shares for $0.013546 each and 3,543,482 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 96,000 Variable Price Convertible Notes.

On 10 September 2014
5,576,554 ordinary shares for $0.016139 each and 2,788,278 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 90,000 Variable Price Convertible Notes.

On 26 September 2014
9,944,447 ordinary shares for $0.018 each and 4,972,226 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 179,000 Fixed Price Convertible Notes.

On 10 December 2014
9,833,333 ordinary shares for $0.018 each and 4,916,668 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 177,000 Fixed Price Convertible Notes.

On 11 December 2014
10,000,000 options exercisable at $0.025 each and expiring on 31 March 2015 valued at $25,668;
20,000,000 options exercisable at $0.03 each and expiring on 30 November 2015 valued at $92,613; and
20,000,000 options exercisable at $0.05 each and expiring on 30 November 2016 valued at $101,698.

The options were valued at $219,979 using a binomial option pricing model based on a risk free rate 5.00%, an underlying security spot price $0.021 and an average volatility factor of 83.24%. These securities were issued to Mr Bradley Simmons, a director of the Company and were approved at the annual general shareholder meeting held on 26 November 2014

On 24 December 2014
555,556 ordinary shares for $0.018 each and 277,778 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 10,000 Fixed Price Convertible Notes.

On 20 February 2015
2,111,112 ordinary shares for $0.018 each and 1,055,556 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 38,000 Fixed Price Convertible Notes.

2,829,258 free options exercisable at $0.04 each and expiring on 31 May 2015 in consideration for corporate services provided to the Company.

On 7 April 2015
25,777,779 ordinary shares for $0.018 each and 12,888,891 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 464,000 Fixed Price Convertible Notes.

On 20 May 2015
36,500,001 ordinary shares for $0.018 each and 18,250,001 free options exercisable at $0.04 each and expiring on 31 May 2015 pursuant to the conversion of 657,000 Fixed Price Convertible Notes.

NOTE 14. PARENT ENTITY

FINANCIAL INFORMATION ON THE PARENT ENTITY AS AT THE END OF THE FINANCIAL YEAR:

	Company 2015 $	Company 2014 $
CURRENT ASSETS		
Cash and cash equivalents	483,091	598,733
Trade and other receivables	323,848	860,127
TOTAL CURRENT ASSETS	806,939	1,458,860
NON-CURRENT ASSETS		
Plant and equipment	19,663	27,558
Receivables	21,020,851	13,180,882
Other financial assets	10	10
TOTAL NON-CURRENT ASSETS	21,040,524	13,208,450
TOTAL ASSETS	21,847,463	14,667,310
CURRENT LIABILITIES		
Trade and other payables	286,280	305,086
Borrowings	455,000	1,470,000
TOTAL CURRENT LIABILITIES	741,280	1,775,086
TOTAL LIABILITIES	741,280	1,775,086
NET ASSETS/(LIABILITIES)	21,106,183	12,892,224
EQUITY		
Issued capital	36,830,431	30,669,355
Reserves	1,437,913	1,157,525
Accumulated losses	(17,162,161)	(18,934,656)
TOTAL EQUITY	21,106,183	12,892,224

	Company 2015 $	Company 2014 $
FINANCIAL INFORMATION ON THE PARENT ENTITY FOR THE FINANCIAL YEAR:		
Profit/(loss) after related income tax expense	1,772,495	(679,843)
Other comprehensive income	—	—
TOTAL COMPREHENSIVE INCOME	1,772,495	(679,843)

There are no contingent liabilities of the Parent Entity as at the reporting date.

NOTE 15. CASH FLOW INFORMATION

	Consolidated Entity 2015 $	Consolidated Entity 2014 $
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT/(LOSS) AFTER INCOME TAX		
Profit/(loss) after tax	(2,722,502)	(4,930,425)
Cash flows in profit/(loss) attributable to non-operating activities		
Exploration expenditure	3,457,617	2,646,451
Non-cash flows in profit/(loss)		
Depletion	890,314	1,039,019
Depreciation of plant and equipment	20,087	7,647
Exploration expenditure written off	918,525	1,541,523
Lease acquisition expenditure written off	497,791	307,260
Joint Development Agreement funding	(689,363)	—
Cost of share based payment	1,136,265	66,675
Loss/(Profit) on disposal of oil and gas properties	(304,472)	(59,141)
Loss/(Profit) on disposal of plant & equipment	436	10,995
Foreign exchange (profit)/loss	(3,859,942)	284,822
Charges to provisions	4,039	1,192
Changes in assets and liabilities		
Decrease/(increase) in debtors and receivables relating to operating activities	757,440	(472,300)
Increase/(decrease) in creditors and accruals relating to operating activities	(1,527)	(208,385)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	104,708	235,333

	Consolidated Entity 2015 $	Consolidated Entity 2014 $
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the end of the financial year is shown in the accounts as:		
Cash	1,350,694	908,986
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	1,350,694	908,986

NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year, the Company Issued 175,094,260 ordinary shares and 87,547,145 free options pursuant to the conversion of 2,640,000 Convertible Notes and issued securities valued at $1,371,181 as share based payments. Loan funds of $120,000 were applied to subscriptions for convertible notes and loan funds of $20,000 applied to subscriptions for shares. US$150,000 receivable from the farm-out of Perry Ranch was withheld and applied to the Company's share of costs for the Ward-1 well.

There were no other non-cash financing and investing activities during the year.

There were no financing facilities in place for the Company at 30 June 2015.

NOTE 16. AUDITOR'S REMUNERATION

	2015 $	2014 $
Remuneration of the auditor for:		
Auditing or reviewing the financial reports	32,000	29,191
Tax compliance services	8,750	—
	40,750	29,191

NOTE 17. EXPENDITURE COMMITMENTS

Non-Cancellable operating leases contracted for but not capitalised in the accounts:

	2015 $	2014 $
Payable		
not later than one year	113,645	41,750
later than 1 year but not later than 5 years	14,845	—
AGGREGATE EXPENDITURE CONTRACTED FOR AT REPORTING DATE	128,490	41,750

The property leases are non-cancellable leases with rent payable monthly in advance.

CAPITAL EXPENDITURE COMMITMENTS

Onshore Western Australia

The Company has an Exploration Permit (EP455) in the North Perth Basin in the Eneabba region, which AWE Limited (AWE) has farmed into for an 81.5% equity share. Pursuant to the farmin agreement, AWE has carried the Company through to a gross permit expenditure up to $7,500,000 after which AWE pays 81.5% and the Company pays 18.5% of approved work programs and budget expenditure. A gas exploration well (Drover 1) was drilled on the permit which has complied with work program obligations on the tenement and the cost of the remaining expenditure commitment of the Company's share of expenditure to plug and abandon the well is estimated as follows:

	Consolidated Entity 2015 $	2014 $
Payable		
not later than one year	175,750	—
later than 1 year but not later than 5 years	—	—
AGGREGATE EXPENDITURE CONTRACTED FOR AT REPORTING DATE	175,750	—

Onshore USA

The Group has various oil and gas interests in the United States of America ("USA") and has plug and abandon obligations for the Caprock C1 well and the JT Reese 4C well. The estimated expenditure to plug and abandon these wells are estimated as follows:

	Consolidated Entity 2015 $	2014 $
Payable		
not later than one year	—	—
later than 1 year but not later than 5 years	29,948	—
AGGREGATE EXPENDITURE CONTRACTED FOR AT REPORTING DATE	29,948	—

NOTE 18. KEY MANAGEMENT PERSONNEL

REMUNERATION OF KEY MANAGEMENT PERSONNEL

	Consolidated Entity 2015 $	2014 $
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Short term employee benefits	1,594,995	845,467
Post employment benefits	6,182	9,699
Share based payment benefits	709,909	—
	2,311,086	855,166

The Company issued the following securities:

On 26 September 2014
3,000,000 free ordinary shares valued at $63,000 to Mr John McKnight as part of his employee severance package. The shares were valued at $0.021 per share based on the market price of the shares on the day of issue.

On 11 December 2014
The Company issued the following securities which were approved at the annual general shareholder meeting on 26 November 2014.

10,000,000 free ordinary shares valued at $210,000 to nominees of Mr Paul Garner, a director of the Company.

10,000,000 free ordinary shares valued at $210,000;
10,000,000 options exercisable at $0.025 each and expiring on 31 March 2015 valued at $25,668
20,000,000 options exercisable at $0.03 each and expiring on 30 November 2015 valued at $92,613
20,000,000 options exercisable at $0.05 each and expiring on 30 November 2016 valued at $101,698
to nominees of Mr Bradley Simmons, a director of the Company.

The ordinary shares were valued at $0.021 each based on the market price of the shares on the day of issue. The options were valued at $219,979 using a binomial option pricing model based on a risk free rate 5.00%, an underlying security spot price $0.021 and an average volatility factor of 83.24%.

On 24 December 2014
330,000 free ordinary shares valued at $6,930 to nominees of Mr Jack Toby. The shares were valued at $0.021 per share based on the market price of the shares on the day of issue.

NOTE 19. SHARE BASED PAYMENTS

OPTIONS ISSUED AS SHARE BASED PAYMENTS	**Number of Options**	**Weighted Average Exercise Price**
Outstanding at beginning of year	7,011,200	$0.0804
Granted	71,329,258	$0.0379
Forfeited	—	—
Exercised	(10,000,000)	$0.025
Expired	(27,990,458)	$0.0469
OUTSTANDING AND EXERCISABLE AT YEAR END	40,350,000	$0.0423

The weighted average remaining contractual life as at 30 June 2015 of these options is 334 days.

During the year ended 30 June 2015, the Company issued 49,101,292 ordinary shares as share based payments, valued at $1,096,543.

The cost of all share based payments, including shares and options, for the year ended 30 June 2015 was $1,371,181 (2014: $66,675).

NOTE 20. SEGMENT INFORMATION

IDENTIFICATION OF REPORTABLE SEGMENTS

The Group has identified its operating segments based on internal reports that are reviewed and used by the board of directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group's principal activities are exploration, development and production for oil and gas and investment in the resources industry. These activities are managed on a project by project basis. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

BASIS OF ACCOUNTING FOR PURPOSES OF REPORTING BY OPERATING SEGMENTS

Unless stated otherwise, all amounts reported to the board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

Segment assets are clearly identifiable on the basis of their nature and physical location.

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payable and certain direct borrowings.

Items of revenue, expense, assets and liabilities are not allocated to operating segments if they are not considered part of the core operations of any segment.

	YEAR TO 30 JUNE 2015			YEAR TO 30 JUNE 2014		
	Oil and Gas Australia $	**Oil and Gas USA $**	**Total $**	**Oil and Gas Australia $**	**Oil and Gas USA $**	**Total $**
SEGMENT PERFORMANCE						
External revenue	—	1,361,668	1,361,668	—	1,469,569	1,469,569
TOTAL SEGMENT REVENUE	—	1,361,668	1,361,668	—	1,469,569	1,469,569
Segment net profit/(loss) before tax	(1,734,655)	(4,494,997)	(6,229,652)	(850,635)	(4,250,582)	(5,101,217)
RECONCILIATION OF SEGMENT RESULT TO NET PROFIT/(LOSS) BEFORE TAX						
Amounts not included in segment results but reviewed by the Board:						
Interest received			12,115			7,648
Interest expense			(127,942)			(107,836)
Other income			—			—
Research and development tax concession rebate			—			798,180
Unrealised exchange gain/(loss)			3,859,942			(284,822)
Other expenses			(236,965)			(242,378)
NET PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			(2,722,502)			(4,930,425)

	30 JUNE 2015			30 JUNE 2014		
	Oil and Gas Australia $	**Oil and Gas USA $**	**Total $**	**Oil and Gas Australia $**	**Oil and Gas USA $**	**Total $**
SEGMENT ASSETS						
Segment assets	—	3,981,019	3,981,019	—	3,829,073	3,829,073
RECONCILIATION OF SEGMENT ASSETS TO TOTAL ASSETS						
Unallocated assets:						
Cash and cash equivalents			1,350,694			908,986
Receivables			511,354			1,071,758
Plant and equipment			117,078			49,174
TOTAL ASSETS FROM CONTINUING OPERATIONS			5,960,145			5,858,991

	30 June 2015			30 June 2014		
	Oil and Gas Australia $	**Oil and Gas USA $**	**Total $**	**Oil and Gas Australia $**	**Oil and Gas USA $**	**Total $**
SEGMENT LIABILITIES						
Segment liabilities	—	668,372	668,372	—	313,790	313,790
RECONCILIATION OF SEGMENT LIABILITIES TO TOTAL LIABILITIES						
Unallocated liabilities:						
Other liabilities			741,280			1,775,086
TOTAL LIABILITIES FROM CONTINUING OPERATIONS			1,409,652			2,088,876

REVENUE BY GEOGRAPHICAL REGION

Revenue attributed to external customers is disclosed below based on the location of the external customers.

	Year to 30 June 2015 $	**Year to 30 June 2014 $**
Australia	—	—
USA	1,361,668	1,469,569
	1,361,668	1,469,569

ASSETS BY GEOGRAPHICAL REGION

The location of assets is disclosed below by the geographical location of the assets.

	30 June 2015 $	**30 June 2014 $**
Australia	838,602	1,498,418
USA	5,121,543	4,360,573
	5,960,145	5,858,991

MAJOR CUSTOMERS

Due to the nature of its current operations, the Group does not provide products and services.

NOTE 21. CONTROLLED ENTITIES

	% Owned		Book value of shares held		Contribution to consolidated profit/(loss)	
			2015	2014	2015	2014
	2015	2014	$	$	$	$
Parent Entity						
TTE Petroleum Ltd					(85,094)	(1,611,078)
Entities controlled by TTE Petroleum Ltd						
Titan Energy Inc	100%	100%	10	10	(1,223,721)	(525,832)
Titan Royalty LLC	100%	100%	—	—	(213,634)	(146,037)
North Perth Basin Pty Ltd	100%	100%	—	—	—	—
Entities controlled by Titan Energy Inc						
Titan Energy LLC	100%	100%	—	—	(907,423)	(907,258)
Titan Operating LLC	100%	100%	—	—	(296,627)	(1,739,197)
Titan Energy Nevada LLC	Nil	100%	—	—	3,997	(1,023)
			10	10	(2,722,502)	(4,930,425)

On 22 October 2014
Titan Allen Dome LLC changed its name to Titan Operating LLC.
Sunset Energy LLC changed its name to Titan Royalty LLC.

On 9 December 2014
Titan Energy Nevada LLC was dissolved.

Titan Energy Inc, Titan Operating LLC, Titan Energy LLC, and Titan Royalty LLC are registered in the State of Delaware in the United States of America. Titan Energy Nevada LLC was registered in the State of Nevada in the United States of America.

NOTE 22. SUPERANNUATION COMMITMENTS

The Company makes contributions to complying superannuation funds based on the requirements of the Australian Superannuation Guarantee Charge or such higher amount as has been agreed with individual employees. There is a legally enforceable obligation on the Company to contribute to the superannuation plan for those contributions that have been agreed with individual employees as part of their conditions of employment.

NOTE 23. CONTINGENT LIABILITIES

There are no significant contingent liabilities as at 30 June 2015.

NOTE 24. FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, convertible notes and loans to and from subsidiaries, which arise directly from its operations. The Group's policy is that no trading in financial instruments shall be undertaken. The main purpose of non-derivative financial instruments is to finance Group operations. Derivatives are not used by the Group and the Group does not speculate in the trading of derivative instruments.

Treasury Risk Management

The Board considers the Group's financial risk exposure and treasury management strategies in the context of the Group's operations. The Board's overall risk management strategy seeks to assist the consolidated Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk. The Board reviews each of these risks on an on-going basis.

Interest rate risk

The Company has a policy of minimising its exposure to interest payable on debt. The Group pays interest on loans and convertible notes. It has no other debt that requires the payment of interest.

Financial Instruments	Terms and Conditions and Interest Rate Risk
Bank Deposits	Bank deposits are either held at call, subject to notice of withdrawal or subject to maturity after a specified period of time. All cash held is subject to floating interest rate risk.
Receivables	There are no specific terms and conditions that may affect the amount, timing and certainty of future cash flows as they are all managed on a case by case basis. These are non interest bearing and there is no exposure to interest rate risk.
Variable Price Convertible Notes	During the year, Variable Price Convertible Notes were issued for $1.00 each for a term expiring on 20 May 2015 with interest payable on a 9.25% per annum basis. Each Variable Price Convertible Note may be converted to fully paid ordinary shares in the Company prior to maturity at an issue price of $0.05 per Share or 80% of the 5 day VWAP, whichever is lower at the election of the noteholder. On conversion the Company will issue the Noteholder one free option exercisable at $0.04 each and expiring on 31 May 2015 for every two Shares issued pursuant to the conversion of these Variable Price Convertible Notes. Convertible Notes that are not converted are repayable at maturity. All of the Variable Price Convertible Notes were converted to ordinary shares prior to maturity.
Fixed Price Convertible Notes	During the year, Fixed Price Convertible Notes were issued for $1.00 each for a term expiring on 21 May 2015 with interest payable on a 9.25% per annum basis. Each Fixed Price Convertible Note may be converted to fully paid ordinary shares in the Company prior to maturity at an issue price of $0.018 per Share at the election of either the noteholder or the Company. On conversion the Company will issue the Noteholder one free option exercisable at $0.04 each and expiring on 31 May 2015 for every two Shares issued pursuant to the conversion of these Fixed Price Convertible Notes. Convertible Notes that are not converted are repayable at maturity. All of the Fixed Price Convertible Notes were converted to ordinary shares prior to maturity.
Other Accounts Payable	There are no specific terms and conditions that may affect the amount, timing and certainty of future cash flows as they are all managed on a case by case basis. These are non interest bearing and there is no exposure to interest rate risk.

Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency. The Group is also exposed to fluctuations in foreign currencies arising from deposits with banks denominated in foreign currencies. The Group does not seek to hedge this exposure.

The aggregate values of the Consolidated Entity's financial assets and financial liabilities denominated in Australian dollars and US dollars are as follows:

	Denominated in AUD$ 2015 AUD$	Denominated in USD$ 2015 AUD$	Denominated in AUD$ 2014 AUD$	Denominated in USD$ 2014 AUD$
Financial Assets				
Cash assets	483,091	867,603	598,733	310,253

	DENOMINATED IN AUD$ 2015 AUD$	DENOMINATED IN USD$ 2015 AUD$	DENOMINATED IN AUD$ 2014 AUD$	DENOMINATED IN USD$ 2014 AUD$
Receivables	335,848	1,304,516	872,127	199,631
Financial Liabilities				
Payables and borrowings	741,280	654,798	1,775,085	304,256

LIQUIDITY RISK

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are available through on-going business activity, the sale of assets, joint venture arrangements and capital raising.

CREDIT RISK

At 30 June 2015, cash deposits of US$65,002 were committed as collateral security for credit cards (2014: US$14,965)

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There are no other material amounts of collateral held as security at 30 June 2015 or at 30 June 2014. Credit risk is managed on a Group basis and reviewed by the Board. It arises from exposures to customers as well as through deposits with financial institutions. The Board monitors credit risk by actively assessing the quality and liquidity of counter parties, consequently only banks are utilised for deposits and all potential customers are assessed for credit worthiness taking into account their size, market position and financial standing. The counterparties included in trade and other receivables at 30 June 2015 and at 30 June 2014 are not rated, however given the amount and nature of these financial instruments, the Board is satisfied that they represent a low credit risk for the Group. There are no significant concentrations of credit risk within the Group.

PRICE RISK

The Group is exposed to commodity price risk through its own activities and its joint venture interests. Oil and gas prices have remained approximately consistent over the last 12 months and the Group does not currently hedge the price at which it sells oil and gas.

FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Consolidated Entity 2015 $	**Consolidated Entity 2014 $**
TRADE AND SUNDRY PAYABLES ARE EXPECTED TO BE PAID AS FOLLOWS:		
Less than 6 months	941,078	609,341
6 months to 1 year	—	—
later than 1 year but not later than 5 years	—	—
over 5 years	—	—
	941,078	609,341

FAIR VALUES

The aggregate net fair values of the Consolidated Entity’s financial assets and financial liabilities, both recognised and unrecognised are as follows:

	CARRYING AMOUNT IN THE FINANCIAL STATEMENTS 2015 $	AGGREGATE NET FAIR VALUE 2015 $	CARRYING AMOUNT IN THE FINANCIAL STATEMENTS 2014 $	AGGREGATE NET FAIR VALUE 2014 $
Financial Assets				
Cash assets	1,350,694	1,350,694	908,986	908,986
Receivables	1,640,364	1,640,364	1,071,758	1,071,758
Financial Liabilities				
Payables and borrowings	1,396,078	1,396,078	2,079,341	2,079,341

The following methods and assumptions are used to determine the net fair value of financial assets and liabilities:

Cash assets and financial assets are carried at amounts approximating fair value because of their short term nature to maturity. Receivables and payables are carried at amounts approximating fair value. The Group does not carry financial instruments at fair value at 30 June 2015.

Listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.

SENSITIVITY ANALYSIS

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk, oil price risk and foreign currency risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

INTEREST RATE SENSITIVITY ANALYSIS

At 30 June 2015, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Entity	
	2015 $	**2014 $**
CHANGE IN PROFIT DUE TO:		
Increase in interest rate by 2%	7,166	(11,430)
Decrease in interest rate by 2%	15,055	23,380
CHANGE IN EQUITY DUE TO:		
Increase in interest rate by 2%	7,166	(11,430)
Decrease in interest rate by 2%	15,055	23,380

OIL PRICE SENSITIVITY ANALYSIS

At 30 June 2015, the effect on profit and equity as a result of changes in the oil price, with all other variables remaining constant would be as follows:

	Consolidated Entity 2015 $	Consolidated Entity 2014 $
CHANGE IN PROFIT DUE TO:		
Increase in oil price by 5%	31,928	73,478
Decrease in oil price by 5%	(31,928)	(73,478)
CHANGE IN EQUITY DUE TO:		
Increase in oil price by 5%	31,928	73,478
Decrease in oil price by 5%	(31,928)	(73,478)

FOREIGN CURRENCY RISK SENSITIVITY ANALYSIS

At 30 June 2015, the effect on profit and equity as a result of changes in the foreign currency exchange rate, with all other variables remaining constant would be as follows:

	Consolidated Entity 2015 $	Consolidated Entity 2014 $
CHANGE IN PROFIT DUE TO:		
Improvement in AUD to USD by 5%	1,004,582	589,252
Decline in AUD to USD by 5%	(908,904)	(533,133)
CHANGE IN EQUITY DUE TO:		
Improvement in AUD to USD by 5%	249,932	212,989
Decline in AUD to USD by 5%	(226,131)	(192,704)

NOTE 25. RELATED PARTY TRANSACTIONS

The Company is not controlled by any other entity.

Marven Pty Ltd received benefits from the Company for services performed by Mr Darren Levy, while he was a director of the Company. This remuneration received by Marven Pty Ltd for the services of Mr Darren Levy as a director of the Company is included in the remuneration of Mr Darren Levy in the Remuneration Report which is within the Directors' Report.

Ohio Holdings Pty Ltd received benefits from the Company for services performed by Mr Paul Garner, while he was a director of the Company. This remuneration received by Ohio Holdings Pty Ltd for the services of Mr Paul Garner as a director of the Company is included in the remuneration of Mr Paul Garner in the Remuneration Report which is within the Directors' Report.

Amanterra Management LLC received benefits from the Company for services performed by Mr Bradley Simmons, while he was a director of the Company. This remuneration received by Amanterra Management LLC for the services of Mr Bradley Simmons as a director of the Company is included in the remuneration of Mr Bradley Simmons in the Remuneration Report which is within the Directors' Report.

During the financial year the company borrowed varying amounts to a maximum of $100,000 from entities associated with Mr Paul Garner who is a director of the Company. The loans were unsecured and attracted interest of 8% per year. The loan was repaid in full by 23 July 2014.

At 30 June 2015, Trade creditors includes an amount of $199,884 owing to Ohio Holdings Pty Ltd, a company associated with Mr Paul Garner who is a director of the Company. At 30 June 2015, Other debtors and prepayments includes an amount of $295,573 advance directors fees which the Company had paid Mr Simmons in respect of future periods.

During and subsequent to the financial year, the Company directors resolved to sell a 1% Overriding Royalty Interest (“ORRI”) in North Allen Dome leases consisting of approximately 276 acres and South Allen Dome consisting of approximately 332 acres to Joanne Simmons, the spouse of Bradley J Simmons (a director of the Company), for US$30,000 (being US$25,000 for North Allen Dome and US$5,000 for South Allen Dome). The Board considered that this transaction was on normal commercial terms for a transaction of this nature. The sale of this ORRI had not been completed at 30 June 2015.

At 30 June 2015, directors and their related entities held directly, indirectly or beneficially 145,078,926 ordinary shares in the Company and 40,000,000 options over ordinary shares in the Company.

At 30 June 2014, directors and their related entities held directly, indirectly or beneficially 48,693,210 ordinary shares in the Company, 4,999,353 options over ordinary shares in the Company and 495,000 convertible notes of $1.00 each.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 26. DIVIDENDS

No dividends have been paid or proposed during the year.

NOTE 27. EVENTS SUBSEQUENT TO BALANCE DATE

The Company increased its interest in a high profile area of Allen Dome following an agreement with the previous Operator to be re-assigned a 100% WI in 244 acres on the Perry Ranch. The Company will receive acreage on both sides of the Ward #1 discovery well after agreeing to sell its 40% WI in a 58 acre unit surrounding the Ward #1 location back to the Operator for US$500,000.

The Company issued AU$1,770,000 one year convertible notes at a conversion price of AU$0.04 per share with an interest rate of 9.50% per annum. The funds will be deployed over the next quarter to expedite the Company’s 100% WI drilling program and to further define developmental drilling locations to support the US$75 Million JV funding. The Company plans to facilitate the expansion for the Joint Development program by drilling a number of field extension wells within the Allen, Markham, and Boling Domes.

AWE Limited (ASX: AWE), as Operator of Exploration Permit 455 advised it will not proceed with hydraulically stimulating the well. The well will now be decommissioned and rehabilitated. The Company holds an 18.5% WI in the permit. The Joint Venture has applied to renew Exploration Permit 455 and is awaiting regulatory approval.

The Company announced drilling success in the first test well the Hudson #55 on the Markham salt dome in Matagorda County, Texas. The Company holds a 100% WI in this well. The Hudson #55 was drilled to 3,750 feet and ultimately side tracked to a Total Depth (TD) of 3,715 feet. Wireline logging and coring in conjunction with Sidewall Core Analysis has confirmed the presence of approximately 50 net feet of Frio oil pay from 3628 to 3678 feet. The well was perforated across the target from 3636 to 3663 feet and swabbed to assess fluid entry. It was determined after testing the well that the low permeability of the formation will require stimulation in order to connect with optimum permeability of the cored oil zone. The Company is working with down-hole specialists to develop the best approach for a successful completion. Operations are anticipated to resume in Q4.

The JT Reese #23, the fourth development well is on pump producing 100% high gravity (43°) oil on a 14/64 choke at a rate of 110 BOPD. This is the initial zone tested of five oil productive pay zones as defined by sidewall core analysis. It is anticipated that the #23 will be choked back to below 100 BOPD at a stabilized rate to optimize reservoir performance. The Company owns a 50% WI and Gulf South owns a 50% WI in this well.

The producing interval in the JT Reese #17 was perforated across a ten-foot Miocene section from 3575 to 3585 feet. The well was initially producing at a rate of over 400,000 cubic feet of natural gas per day and 20 BOPD of 100% high gravity (42°) oil at 860 psi on a 9/64 choke. The well currently remains on a 9/64 choke at 680psi as the overlying gas cap is being flared. The gas has created a dominant pathway through the reservoir and is expected to recede in the coming weeks allowing production of the underlying oil column. The Company owns a 50% WI and Gulf South owns a 50% WI in this well.

Zones tested to date in the JT Reese #15 have currently proved non-commercial. Although the first tested zone from 3976 to 3981 demonstrated initial oil productivity, further testing and the change in oil cut and fluid entry did not meet the Company's standards. The well has been shut in and operations suspended for further evaluation and planned testing of additional zones. The Company owns a 50% WI and Gulf South owns a 50% WI in this well.

JT Reese #14 has produced over 7000 barrels of oil in the first 3 months of production. It is currently producing at a rate of 50 to 60 BOPD on a 19 hour/day pumping cycle in its initial zone of eight prospective zones. The Company owns a 50% WI and Gulf South owns a 50% WI in this well.

On 31 August 2015, the Company changed its name from Titan Energy Ltd to TTE Petroleum Ltd.

There have been no other conversions to, calls of or subscriptions for ordinary shares or issues of potential ordinary shares.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

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Chartered Accountants (Aus)
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Financial Advisors

Independent Auditor's Report
To the members of TTE Petroleum Ltd

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of TTE Petroleum Ltd, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

OPINION

In our opinion:

a) the financial report of TTE Petroleum Ltd is in accordance with the *Corporations Act 2001*, including:

   i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

SOMES COOKE
Profit from our Resources

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REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in pages 5 to 10 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with Australian Auditing Standards.

OPINION

In our opinion, the Remuneration Report of TTE Petroleum Ltd for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens

28 September 2015
Perth

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Auditor's Independence Declaration

To those charged with governance of TTE Petroleum Ltd

As auditor for the audit of TTE Petroleum Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens

Perth
28 September 2015

ANALYSIS OF HOLDINGS OF SHARES, OPTIONS AND CONVERTIBLE NOTES IN THE COMPANY

	Listed Ordinary Shares	Unlisted Options expiring 31 Oct 2015 30 cents	Unlisted Options expiring 30 Nov 2015 3 cents
1 — 1,000	104	1	0
1,001 — 5,000	89	0	0
5,001 — 10,000	69	3	0
10,001 — 100,000	623	21	0
100,001 — and over	519	17	5
Total number of holders	1,404	42	5
Holdings of less than a marketable parcel	312		

	Unlisted Options expiring 30 Nov 2016 5 cents	Convertible Notes expiring 15 Jul 2016
1 — 1,000	0	0
1,001 — 5,000	0	0
5,001 — 10,000	0	0
10,001 — 100,000	0	18
100,001 — and over	1	3
Total number of holders	1	21

REGISTERED OFFICE OF THE COMPANY

31 Ord St
West Perth
Western Australia 6005

Tel: +61 (8) 9322 6955
Fax: +61 (8) 9322 6722

STOCK EXCHANGE LISTING

Quotation has been granted for all ordinary shares on the Australian Securities Exchange. The State Office of Australian Securities Exchange in Perth, Western Australia has been designated the Home Branch of TTE Petroleum Ltd.

There are no current on-market buy-back arrangements for the Company.

A Level One American Depositary Receipt (ADR) program has been declared eligible by the US Securities and Exchange Commission. The Bank of New York Mellon had been appointed as the depositary bank for the ADR program. A Level One ADR program facilitates the purchase of TTE Petroleum Ltd shares by US investors. Under the program, one ADR is equivalent to 200 ordinary shares of TTE Petroleum Ltd. The ADRs trade in the US over-the-counter (OTCQX) market under the ADR trading symbol TTENY and the CUSIP number is 88828W104.

SHARE REGISTRY

The registers of shares and options of the Company are maintained by:-

Computershare Registry Services Pty Ltd
Level 11
172 St Georges Terrace
Perth, Western Australia 6000

Tel: +61 1300 787 272
Fax: +61 (8) 9323 2033

COMPANY SECRETARY

The name of the Company Secretary is Jack Hugh Toby.

TAXATION STATUS

TTE Petroleum Ltd is taxed as a public company.

VOTING RIGHTS

For all ordinary shares, voting rights are one vote per member on a show of hands and one vote per share in a poll.

TWENTY LARGEST HOLDERS OF ORDINARY SHARES

	Number of Shares	Percentage of Total
Ohio Holdings Pty Ltd	47,000,000	7.07%
Marven Pty Ltd	25,209,817	3.79%
Mr Don D Henrich + Ms Georgia A Henrich	20,000,000	3.01%
Ohio Enterprises Pty Ltd <Ohio Super Fund A/C>	20,000,000	3.01%
Amanterra Ltd	15,000,000	2.26%
Spring Ridge Pty Ltd <Spring Ridge Super Fund A/C>	13,580,000	2.04%
Mrs Kathryn Valerie Van Der Zwan <Harleston Family A/C>	13,471,939	2.03%
Mr Andrew Trott Hopkins + Mrs Adrienne Janet Hopkins	12,000,000	1.81%
Andwendrod Services Proprietary Limited	11,740,666	1.77%
Northgold Pty Ltd <Northgold Super Fund A/C>	10,962,274	1.65%
Mr Bradley Simmons	10,000,000	1.50%
IXXXI LLC	9,000,000	1.35%
Gulf South Holding Inc	8,000,000	1.20%
BDRL Super Pty Ltd <Bruce & Rhonda Levy S/F A/C>	7,603,504	1.14%
Mr Simon Peter Wardman <Unwin Investment A/C>	7,510,000	1.13%
Mr Henry R Hamman	7,500,000	1.13%
Mocter Pty Ltd <Noel Carter Family A/C>	7,500,000	1.13%
Mr William C Goodwin	7,000,000	1.05%
Mocter Pty Ltd <Gunns Plains Super Fund A/C>	7,000,000	1.05%
Mr David Segal	6,750,000	1.02%
	266,828,200	40.14%

TWENTY LARGEST HOLDERS OF 30 CENT OPTIONS EXPIRING 31 OCTOBER 2015

	Number of Options	Percentage of Total
Mr Ernest James Mcdonald + Mrs Margaret Heather Mcdonald <Tamer S/F A/C>	1,200,000	17.97%
Bouta Pty Limited <JB Martel Practice S/F A/C>	780,000	11.68%
Mr Brian Thomas Ryan	510,000	7.64%
Manatee Pty Ltd <Longwave Super Fund A/C>	500,000	7.49%
Mr Gregory Steven Jakab + Mrs Julie-Anne Jakab	330,000	4.94%
Mrs Eileen King	250,000	3.74%
Mrs Vivian Pizer	250,000	3.74%
Cities Energy Llc	226,000	3.38%
Mr John Todaro	204,364	3.06%
Dr James Greenbury + Mrs Catherine Ann Greenbury <Greenbury Ret Fund A/C>	200,000	2.99%
Mr David John Herbert + Mrs Julie Anne Herbert <The Herbert Superfund A/C>	200,000	2.99%
Mrs Hayley Von Giese	200,000	2.99%
Mr John F Mcknight Jr	150,000	2.25%
Kangsav Pty Limited	140,000	2.10%
Mr Richard Scott Thomson	130,000	1.95%
Miss Rebecca Thyer	106,300	1.59%
Generation Holdings Pty Limited	103,175	1.54%
Dr Brendan Dekauwe	100,000	1.50%
Verle K Downey	100,000	1.50%
Mr Edward Herbert Frost <E Frost Family A/C>	100,000	1.50%
	5,779,839	86.54%

TWENTY LARGEST HOLDERS OF 3 CENT OPTIONS EXPIRING 30 NOVEMBER 2015

	Number of Options	Percentage of Total
Bradley Simmons	14,000,000	70.00%
Jirachaya Charnchayasuk	2,500,000	12.50%
Worldwide Energy Co Ltd	2,500,000	12.50%
Timothy Newick	400,000	2.00%
Vestigo Pty Ltd	600,000	3.00%
	20,000,000	100.00%

TWENTY LARGEST HOLDERS OF 5 CENT OPTIONS EXPIRING 30 NOVEMBER 2016

	Number of Options	Percentage of Total
Bradley Simmons	20,000,000	100.00%
	20,000,000	100.00%

TWENTY LARGEST HOLDERS OF CONVERTIBLE NOTES EXPIRING ON 15 JULY 2016

	Number of Options	Percentage of Total
Mocter Pty Ltd <Gunns Plains Superannuation Fund>	600,000	30.46%
Callisto Maritime Pty Ltd <Callisto Maritime Super Fund A/C>	150,000	7.61%
Mocter Pty Ltd <Noel Carter Family A/C>	125,000	6.35%
Northgold Pty Ltd <Northgold Super Fund A/C>	100,000	5.08%
Jennifer Anne Carter	100,000	5.08%
Worldwide Energy Co Ltd	100,000	5.08%
Ohio Enterprises Pty Ltd <Ohio Super Fund A/C>	100,000	5.08%
Ohio Holdings Pty Ltd	100,000	5.08%
Michael Nissen	75,000	3.81%
Simon Peter Wardman <Unwin Investment A/C>	75,000	3.81%
Mr Atta Tadthiemrom	50,000	2.54%
Spring Ridge Pty Ltd ATF Spring Ridge Superannuation Fund	50,000	2.54%
Michael Stephen Pty Ltd <Michael Stephen Superannuation Fund>	50,000	2.54%
Daltura Investments Pty Ltd	50,000	2.54%
Andrew Peterfreund	50,000	2.54%
Marksar Pty Ltd <Charlton Superannuation Fund>	50,000	2.54%
John Fisher and Janette Fisher <Zenith Superannuation Fund>	50,000	2.54%
Claredale Nominees Pty Ltd <DL Investment Trust>	25,000	1.27%
Caramore Nominees Pty Ltd <ML Investment Trust>	25,000	1.27%
Primbay Nominees Pty Ltd <WL Investment Trust>	25,000	1.27%
	1,950,000	99.03%

The Convertible Notes are issued for $1.00 each for a term expiring on 15 July 2016 with interest payable on a 9.50% per annum basis. Each Convertible Note may be converted to fully paid ordinary shares in TTE Petroleum Ltd prior to maturity at an issue price of $0.04 per Share at the election of the noteholder. Convertible Notes that are not converted are repayable at maturity.

INTERESTS IN PETROLEUM TENEMENTS

LEASE	INTEREST
AUSTRALIA	
EP 455	18.50%
USA	
Allen Dome North	98.00%
Allen Dome South	85.00%
Perry Ranch	81.00%
Sargent Ranch	37.50%
Boling Dome	100.00%
Markham Dome	100.00%

SUBSTANTIAL SHAREHOLDERS

Date Announced	Name	Number of Shares
11/09/2014	Paul Charles Garner and Ohio Holdings Pty Ltd and Ohio Enterprises Pty Ltd and Ravikan Garner and Scarlet Investments (WA) Pty Ltd	49,586,059

PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND RECOMMENDATIONS

INTRODUCTION

The directors are focussed on fulfilling their responsibilities individually, and as a Board, for the benefit of all the Company's stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the "Principles of Good Corporate Governance and Recommendations – 3rd Edition" established by the ASX Corporate Governance Council.

Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which it considers will enable it to meet the principles of good corporate governance.

The Company's practices are mainly consistent with those of the guidelines and where they do not correlate with the recommendations in the guidelines the Company considers that its adopted practices are appropriate to it. At the end of this statement a table is included detailing the recommendations with which the Company does not strictly comply.

The following section addresses the Company's practices in complying with the principles.

BOARD CHARTER

The Board has adopted the following Board Charter:

The business of the Company is managed under the direction of the Board of Directors. The Board is accountable to shareholders of the Company for the performance of the Company.

Each Director of the Company will act in good faith in the best interests of the Company and collectively oversee and appraise the strategies, major policies, processes and performance of the company using care and diligence to ensure that Company's long term sustainability is assured.

Directors will not misuse their position on the Board to advance personal interests nor to represent particular constituencies. Directors will not use information available to them as Board members to advance personal interests or agendas.

Directors are required to inform the Board of any conflicts or potential conflicts of interest they may have in relation to particular items of business. Directors must absent themselves from discussion or decisions on those matters.

The Company's Constitution and Australian corporations law specifies the minimum and maximum number of directors of the Company.

The Directors must elect one of their number as Chairman.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Role and Responsibilities of the Board

The Company has established the functions reserved to the Board. The Board has primary responsibility to shareholders for the sustainability and relevance of the Company by guiding and monitoring its business and affairs. The Board is responsible for:

- providing leadership and setting the strategic objectives;

- appointing a Chairman;
- overseeing the Company, including its control and accountability systems;
- appointing and removing the chief executive officer, managing director, or equivalent;
- ratifying the appointment and the removal of senior executives;
- providing input into and final approval of management's development of corporate strategy;
- reviewing, ratifying and monitoring risk management, internal control, codes of conduct and legal compliance;
- monitoring senior executives performance and implementation of strategy;
- ensuring appropriate resources are available to senior executives;
- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures; and
- approving and monitoring financial and other reporting.

Role and Responsibilities of Senior Executives

The Company has established the functions reserved to senior executives. Those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance are considered to be senior executives. The functions delegated to senior executives are:

- managing and administer the day-to-day operations of the Company;
- making recommendations to the Board on corporate strategy, risk management, internal control, codes of conduct and legal compliance;
- supervising other staff and represent them to the Board; and
- exercising such specific and express powers as are delegated to them by the Board from time to time.

Background checks on persons proposed for election as a director

The Board undertakes appropriate background checks of biographical details, qualifications, experience and details of other material directorships currently held for persons proposed for election as a director. Material information in the Company's possession on the background of proposed directors is included in the relevant notice of shareholder meeting.

Written agreement with each director and senior executive

The Board determines those circumstances where a written agreement with a director or senior executive is warranted. At present written agreements have not been executed with all directors and senior executives as the Board considers that the roles and responsibilities of all board members and senior executives are clearly defined and understood without a written agreement.

Company Secretary

The Company Secretary is accountable directly to the Board through the Chairman on all matters to do with the proper functioning of the Board. Each director is able to communicate directly with the Company Secretary and vice versa. Any decision to appoint or remove a Company Secretary is made by the Board.

Gender Diversity

The Group does not discriminate on the basis of gender and has no measurable objectives for achieving gender diversity.

There are no women on the Board. There are no women in senior executive positions in the Group. The proportion of women employees in the whole organisation is nil.

Evaluation of the performance of Directors and Senior Executives

A formal evaluation of the performance of directors and senior executives was not carried out in the financial year as the Board monitors the performance of directors and senior executives on an on-going basis and conducts an evaluation of the performance of directors and senior executives as and when the Board considers appropriate. The performance of the Chairman of the Board is assessed on an on-going basis by the Board as a whole.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Composition of the Board

The names of the directors of the Company and their skills, comprising their qualifications and experience are set out in the section headed Directors' Report in the Annual Report for the year ended 30 June 2015.

The mix of skills and diversity for which the Board of directors is looking to achieve in membership of the Board is that required so as to provide the Company with a broad base of industry, business, technical, administrative, financial and corporate skills and experience considered necessary to represent shareholders and fulfil the business objectives of the Company.

The recommendations are that a majority of the directors and in particular the chairperson should be independent. An independent director is one who:

- is not a substantial shareholder of the Company or an officer or otherwise associated directly or indirectly with a substantial shareholder of the Company;
- has not within the last 3 years been employed in an executive capacity by the Company or another Group member or been a director after ceasing to hold such employment;
- has not within the last 3 years been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with such a service provided;
- is not a material supplier or customer of the Company or another Group member, or an officer of, or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or any other Group member other than as a director of the Company;
- has no close family ties with any person who contravenes any of the categories above; and
- is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director's ability to act in the best interests of the Company.

Mr Andrew Van Der Zwan is the only Board members to meet these criteria. Consequently, the Board does not have a majority of independent directors. Mr Darren Levy is the chairman of the Board. The Chairman is not an independent director.

Mr Darren Levy was appointed a director on 8 July 2011, Mr Paul Garner was appointed a director on 19 July 2011, Mr Andrew Van Der Zwan was appointed a director on 2 April 2014 and Mr Bradley Simmons was appointed a director on 30 August 2014.

Mr Paul Garner, Managing Director and Mr Bradley Simmons, Executive Director are joint Chief Executive Officers of the Company.

The Board has agreed on the following guidelines for assessing the materiality of matters:

Balance sheet items are material if they have a value of more than 7% of pro-forma net asset. Profit and loss items are material if they will have an impact on the current year operating result of 7% or more. Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

Nomination of Other Board Members

The Board has adopted the following Policy and Procedure for the Selection and (Re) Appointment of Directors.

In determining candidates for the Board, the Board follows a prescribed process whereby it evaluates the mix of skills, experience, expertise and diversity of the existing Board. In particular, the Board considers the particular skills and diversity that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if appropriate, are offered appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next annual general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. An election of directors is held each year. Each director must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one director or one third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of directors is not automatic.

Membership of the Board of directors, including whether the skills, knowledge and familiarity with the Company and its operating environment of each director is sufficient to fulfil their role on the board effectively, is reviewed on an on-going basis by the Chairman of the Board to determine if additional core strengths are required to be added to the Board in light of the nature of the Company's businesses and its objectives. The Board does not believe that at this point in the Company's development it is necessary to appoint additional directors. Consequently, the Board has not established a nomination committee. The Board has not adopted a Nomination Committee Charter.

Independent Advice

Each of the directors is entitled to seek independent advice at the Company's expense to assist them to carry out their responsibilities however prior approval of the Chairman is required which is not unreasonably withheld.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

The Company has established a code of conduct as to the:

- Practices necessary to maintain confidence in the Company's integrity;
- Practices necessary to take into account their legal obligations and the expectations of their stakeholders;
- Responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The terms of the code of conduct are:

Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised.

Directors are required to disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the director or the interests of any other party in so far as it affects the activities of the Company and to act in accordance with the Corporations Act if conflict cannot be removed or if it persists. That involves taking no part in the decision making process or discussions where that conflict does arise.

Each director and senior executive is required to advise the Chairman of the Board of any reports of unethical practices by any director, executive or employee of the Company. The Chairman of the Board will investigate the matter and report back to the Board as a whole.

Directors are required to make disclosure of any trading in securities of the Company.

The Company has a policy for trading in the securities of the Company. The policy is:

POLICY FOR TRADING IN THE SECURITIES OF THE COMPANY

DEFINITIONS

Insider Trading:

'Insider trading' includes the trading of securities or some wider set of financial products (including derivatives and financial products able to be traded on a financial market) while in possession of information that is not generally available and would be likely to have a material effect on their price or value if it were generally available. The prohibition against insider trading extends to applying for, acquiring or disposing of, or entering into an agreement to apply for, acquire or dispose of relevant financial products, or procuring another person to so trade, or communicating that information where trading in the relevant financial products is likely to take place.

The insider trading provisions are found in Part 7.10, Division 3 of the Corporations Act 2001 ("Corporations Act"). Section 677 of the Corporations Act defines material effect on price or value. A reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, the first mentioned securities.

Company Securities:

Company Securities means shares, options or performance rights over those shares and other securities convertible into shares, and any financial products of the Company traded on ASX.

Closed Periods:

Closed Periods means the following periods of time:

a) From 7 January of each year until the next announcement to the ASX of financial results either in the form of a cashflow report or in the form of profit results; and

b) From 7 July of each year until the next announcement to the ASX of financial results either in the form of a cashflow report or in the form of profit results; and

Key Management Personnel:

Key Management Personnel are defined in the ASX Listing Rules.

Declaration:

A declaration may be validly issued in either written or electronic form. Electronic declarations may take the form of an email, fax or any other electronic recordable communication.

Excluded Trading:

Excluded trading means trading consistent with any of the following categories:

Transfers of Company's Securities already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;

An investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party;

Where a restricted person is a trustee, trading in the Company's Securities of the entity by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a closed period is taken by the other trustees or by the investment managers independently of the restricted person;

Undertakings to accept, or the acceptance of, a takeover offer;

Trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;

A disposal of the Company's Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement, provided that the restricted person obtained the consent of the Chairman or Chief Executive Officer of the Company to enter into agreements that provide lenders with rights over their interests in the entity's securities;

Acquisition of the Company's Securities through an issue of securities by the Company;

The exercise (but not the sale of securities following exercise) of an option or a right, or the conversion of a convertible security; or

Trading under a non-discretionary trading plan for which prior clearance by the Chairman or Chief Executive Officer of the Company has been provided and where:

a) the restricted person did not enter into the plan or amend the plan during a closed period;

b) the trading plan does not permit the restricted person to exercise any influence or discretion over how, when, or whether to trade; and

c) there was no cancellation of the trading plan during a closed period other than in exceptional circumstances.

Trading in Exceptional Circumstances:

Trading in Exceptional Circumstances means trading consistent with any of the following categories:

Trading in accordance with a declaration by the Chairman or Chief Executive Officer of permitted trading. In exceptional circumstances, a member of the Key Management Personnel may apply, together with a description of the circumstances, to the Chairman or Chief Executive Officer for a declaration to permit trading as Trading in Exceptional Circumstances which may be given in circumstances that the Chairman considers appropriate such as severe financial hardship, or a person is required by a court order, or there are court enforceable undertakings or there is some other legal or regulatory requirement to do so. The declaration will specify the duration of permitted trading.

TRADING RESTRICTIONS

All Key Management Personnel and all employees of the Company are required to comply with the prohibition against Insider Trading at all times with respect to the Company's Securities. Contravention of the insider trading prohibition may result in significant penalties.

With the introduction of the continuous disclosure regime, public listed companies and other disclosing entities are now required to disclose Price Sensitive Information on an on-going basis (subject to limited exceptions) so that at all times in the year the market can be fully informed and trading can be lawful. As a result the Company has decided not to specify safe periods but rather to designate periods when Trading by Key Management Personnel should not occur.

All Key Management Personnel are required to refrain from trading in the Company's Securities on the ASX during a Closed Period except for Excluded Trading or Trading in Exceptional Circumstances.

All directors of the Company are required to comply with the Corporations Act and the ASX Listing Rules with regard to disclosure of their interests in the Company's Securities on their appointment as a director, on any change in their interests in the Company's Securities and on resignation as a director.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

No audit committee has been established. The Board has not adopted an Audit Committee Charter. Executive directors play an active role in monitoring the daily affairs of the Company. As a result of the scale of operations it has not been considered necessary to form sub-committees.

Each Board member has access to the external auditors and the auditor has access to each Board member.

In the event of the resignation of external auditors, the Board will appoint a new external auditor which is subsequently ratified by shareholders in General Meeting. In all other cases an external auditor is nominated by a shareholder of the Company and is appointed by shareholders in General Meeting. An external auditor can be removed by shareholders in General Meeting. The Board does not have a policy for the rotation of external audit engagement partners.

Before the Board approves the Company's financial statements for a financial period, the Chief Executive Officer and the Chief Finance Officer each declare that the financial records of the Company for the financial year have been properly maintained, the financial statements and notes for the financial year comply with the appropriate accounting standards, give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The external auditor of the Company attends each Annual General Meeting of shareholders.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Company has established a policy to ensure compliance with ASX Listing Rule disclosure and accountability at senior executive level for that compliance. The terms of the policy are:

All directors, executives and staff are required to abide by all legal requirements, the Listing Rules of the Australian Stock Exchange and the highest standards of ethical conduct. This includes compliance with the continuous disclosure requirements of the listing rules.

The Company Secretary is the person responsible for overseeing and co-ordinating disclosure of information to ASX as well as communicating with the ASX.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

The Company has a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at its Annual General Meetings. The terms of the communications policy are:

The Board seeks to inform security holders of all major developments affecting the Company by:

- preparing half yearly and yearly financial reports and announcing these reports to the ASX;
- preparing quarterly reports in accordance with the listing rules and announcing these reports to the ASX;
- making announcement in accordance with the listing rules and the continuous disclosure obligations;
- maintaining the Company's website and hosting all of the above on the Company's website;
- annually, and more regularly if required, holding a general meeting of shareholders and forwarding to them the notice of meeting and proxy form; and
- voluntarily releasing other information which it believes is in the interest of shareholders.

The Company's investor relations program is based on actively engaging with security holders at the Annual General Meeting, meeting with them upon request and responding to security holder enquiries from time to time. The Annual General Meeting enables shareholders to receive the reports and participate in the meeting by attendance or by written communication. The Board seeks to notify all shareholders so they can be fully informed annually for the voting on the appointment of directors and so as to enable them to have discussion at the Annual General Meeting with the directors and/or the auditor of the Company who is invited to the Annual General Meeting. The Annual General Meeting is held each year at a convenient time and place and all security holders are encouraged to attend and participate.

The Company's website provides facilities for security holders to subscribe to email updates and thereby receive communications from the Company by email.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Board is conscious of the need to continually maintain systems of risk management and controls to manage all of the assets and affairs of the Company. The Company has established a policy for the oversight of material business risks and the management of material business risks. Risk management is a process of continuous improvement that is integrated into existing practices or business processes. The terms of these risk management policies are:

- liaise with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole;
- define the basic parameters within which risks must be managed and set the scope for the rest of the risk management process;
- identify the risks to be managed;
- identify and evaluate existing controls. Determine consequences and likelihood and hence the level of risk. This analysis should consider the range of potential consequences and how these could occur;
- compare estimated levels of risk against pre-established criteria (see risk matrix in Risk Management Guide) and consider the balance between potential benefits and adverse outcomes. This enables decisions to be made about the extent and nature of treatments required and about priorities;
- develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs. Allocate responsibilities to those best placed to address the risk and agree on target date for action;
- the Chairman and Chief Executive Officer are responsible for the implementation and maintenance of sound risk management. In carrying out this responsibility, senior managers review the adequacy of internal controls to ensure that they are operating effectively and are appropriate for achieving corporate goals and objectives;
- the Board is responsible for oversight and for providing corporate assurance on the adequacy of risk management procedures; and
- managers at all levels are to create an environment where managing risk forms the basis of all activities.

The risk management includes asset risk, operational risk, personnel health and safety risk, currency fluctuation risk, amongst others. The Company identifies and manages those risks on a case by case and overall corporate basis.

The Company does not have an internal audit function. The Board has required management to design and implement a risk management and internal control system to manage the Company's material business risks and has required management to report to it on whether those risks are being managed effectively. The Chief Executive has reported to the board as to effectiveness of the Company's management of its material business risks.

A formal risk management evaluation was not carried out in the financial year as the Board monitors risk on an on-going basis.

The Company has regulatory responsibility for the environmental consequences of its activities. The Company engages qualified employees or consultants to manage its environmental responsibilities and complies with these obligations.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

There is no formal remuneration committee. The Board has not adopted a Remuneration Committee Charter. The functions that would have been carried out by a remuneration committee are performed as follows:

- The remuneration of executive directors is determined by the Board as a whole. The remuneration of non-director senior executives is determined by the managing director or chief executive officer.

- A maximum amount of remuneration for non-executive directors is fixed by shareholders in general meeting and can be varied in that same manner. The Board as a whole determines the remuneration of each non-executive director. In determining the allocation of remuneration to each non-executive director, the Board takes account of the time demands made on the directors together with such factors as fees paid to other corporate directors and to the responsibilities undertaken by them.

- When the Board as a whole considers the remuneration of a particular director, that director will take no part in the decision making process or discussions.

- Each member of the Board has committed to spending sufficient time to enable them to carry out their duties as a director of the Company. One third of the directors retires annually in accordance with the Constitution and is free to seek re-election by shareholders.

There are no schemes for retirement benefits other than superannuation for non-executive directors. There is no policy on prohibiting transactions in associated products which limit the economic risk to directors and executives of participating in unvested entitlements under an equity based remuneration scheme, other than the Company's policy for trading in the securities of the Company. The Company does not currently have an unvested equity based remuneration scheme.

TABLE OF DEPARTURES AND EXPLANATIONS (FROM THE RECOMMENDATIONS OF THE ASX CORPORATE GOVERNANCE COUNCIL)

"Recommendation" Ref ("Principle No" Ref followed by Recommendation Ref)	Departure	Explanation
1.3	Written agreements have not been executed with all directors and senior executives.	Given the nature and size of the Company, its business interests and the stage of development, the Board is of the view that the roles and responsibilities of all directors and senior executives are clearly defined and understood and that written agreements for all directors and senior executives are not warranted as yet.
1.5	No formal diversity policy has been established.	The Company does not discriminate on the basis of gender. While gender imbalances may occur from time to time, all applicants for positions with the Group are assessed on their merits irrespective of their gender. Given the nature and size of the Company, its business interests and the stage of development, the Board is of the view that the current composition of the Board does not disadvantage the Company and a diversity policy is not necessary to provide a competitive advantage at this time.
1.6 and 1.7	No formal process for periodically evaluating the performance of Directors and Senior Executives.	There is no formal process for periodically evaluating the performance of Directors and Senior Executives as the Board monitors the performance of directors and senior executives on an on-going basis and conducts an evaluation of the performance of directors and senior executives as and when the Board considers appropriate.

"Recommendation" Ref ("Principle No" Ref followed by Recommendation Ref)	Departure	Explanation
2.1	A Nomination Committee has not been formed.	The Board comprises four members each of who have valuable contributions to make in fulfilling the role of a nomination committee member. A director will excuse himself where there is a personal interest or conflict.
2.4 and 2.5	The Board does not have a majority of independent directors. The Chairman is not an independent director.	Given the nature and size of the Company, its business interests and the stage of development, the Board is of the view that active director oversight with executive involvement is required in multiple jurisdictions and disciplines, thereby limiting the number of directors who can be independent. Given the nature and depth of their experience, each of the directors are aware of and capable of acting in an independent manner and in the best interests of the shareholders.
4.1	No formal audit committee has been established or formal charter drawn.	Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary that a formal audit committee be established or a charter be drawn.
7.1	No formal risk management committee has been established or formal charter drawn.	Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary to establish a risk management committee or a charter be drawn.
7.2	No formal review of the Company's risk management framework has been carried out.	Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary to conduct a formal review of the Company's risk management framework as the Company's risk profile is monitored by the Board on an on-going basis.
8.1	No formal remuneration committee has been established or formal charter drawn.	Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary to establish a remuneration committee or a charter be drawn.