



ABN: 53 109 213 470

Consolidated Financial Report for the Half-Year ended 31 December 2015



CORPORATE DIRECTORY

DIRECTORS: Darren Levy (Chairman)
Bradley J Simmons
Paul Garner
Andrew Van Der Zwan

COMPANY SECRETARY: Jack Hugh Toby FCA MACS

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DIRECTORS' 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 half-year ended 31 December 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 who held office during or since the end of the half-year are:-

Darren Levy
Paul Garner
Bradley J Simmons
Andrew Van Der Zwan

OPERATING RESULTS

The comprehensive operating loss for the Consolidated Entity, after income tax amounted to \$1,202,836.

SIGNIFICANT CHANGES AND REVIEW OF OPERATIONS

The following significant changes in the state of affairs of the Company occurred during the financial half-year:

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\$1,970,000 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 was decommissioned and rehabilitated. The Company holds an 18.5% WI in the permit. The Joint Venture has been granted a renewal of the Exploration Permit 455.

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.



DIRECTORS' REPORT

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.

The Rosalee #5150, a 5300 foot test, is the first well of the 2015 program as part of TTE's joint development program with funding partner Gulf South Energy Partners LP (Gulf South) was successfully completed and brought on production in the quarter. The Company has identified several drilling prospects on the Rosalee acreage, formerly described as the Perry Ranch, from its recent 3D seismic reprocessing analysis. TTE owns a 30% Working Interest in the initial test well.

The Rosalee #40 was drilled to target depth however wireline logs indicated the well to be non-productive. The Rosalee #40 was a 5,400 foot test and the second well of TTE's 2015 joint development program with Gulf South.

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

The Company expanded its holding to over 1500 net acres in the Markham Dome Field, located in Matagorda County, Texas and acquired 361 net acres on the Blue Ridge salt dome known as the Occidental Fee lease which represents a significant portion of the south-western corner of the Blue Ridge field in Fort Bend County, Texas, approximately 20 miles south of Houston.

EVENTS SUBSEQUENT TO BALANCE DATE

Receivables of US\$1,164,511 outstanding on 31 December 2015 were received in cash in January 2016.


No other matters or circumstances have arisen since the end of the financial period 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 periods.

DIRECTORS' REPORT

AUDITORS INDEPENDENCE DECLARATION

In accordance with the Corporations Act 2001 section 307C the auditors of the Company have provided a signed auditors independence declaration to the directors in relation to the review for the half-year ended 31 December 2015. This declaration has been attached to the independent review report to the members of the Company.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Paul Garner', written in a cursive style.

Paul Garner
Director

4 March 2016
Perth, Western Australia

DIRECTORS' DECLARATION

The directors of TTE Petroleum Ltd A.C.N. 055 719 394 ("Company") declare that:

- a) in their opinion the accompanying financial statements and notes of the Consolidated Entity;
 - i) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - ii) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and
- b) In their opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

A handwritten signature in black ink, appearing to be 'Paul Garner', written in a cursive style.

Paul Garner
Director

4 March 2016
Perth, Western Australia



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	Half-Year to 31 December 2015 \$	Half-Year to 31 December 2014 \$
Revenue from operating activities	2	754,527	319,508
Cost of sales	2	(639,493)	(209,599)
GROSS PROFIT		115,034	109,909
Revenue from non-operating activities	2	1,326,516	2,401,021
Exploration expenses	2	(1,856,603)	(2,458,760)
Other expenses	2	(787,783)	(1,504,184)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		(1,202,836)	(1,452,014)
Income tax		—	—
LOSS FROM CONTINUING OPERATIONS AFTER INCOME TAX		(1,202,836)	(1,452,014)
NET PROFIT/(LOSS) FOR THE PERIOD		(1,202,836)	(1,452,014)
OTHER COMPREHENSIVE INCOME			
Exchange differences on translating foreign operations		(951,315)	(1,805,514)
Income tax relating to components of other comprehensive income		—	—
OTHER COMPREHENSIVE INCOME AFTER INCOME TAX		(951,315)	(1,805,514)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(2,154,151)	(3,257,528)
BASIC EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)		(0.18)	(0.35)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)		(0.18)	(0.35)

The accompanying notes form part of this financial report



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	31 December 2015 \$	30 June 2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	380,082	1,350,694
Trade and other receivables		1,778,070	1,567,486
TOTAL CURRENT ASSETS		<u>2,158,152</u>	<u>2,918,180</u>
NON-CURRENT ASSETS			
Plant and equipment		160,131	117,078
Receivables		41,776	72,878
Capitalised oil and gas expenditure	4	4,266,985	2,852,009
TOTAL NON-CURRENT ASSETS		<u>4,468,892</u>	<u>3,041,965</u>
TOTAL ASSETS		<u>6,627,044</u>	<u>5,960,145</u>
CURRENT LIABILITIES			
Trade and other payables		1,320,284	941,078
Borrowings	5	2,170,000	455,000
Provisions		8,929	13,574
TOTAL CURRENT LIABILITIES		<u>3,499,213</u>	<u>1,409,652</u>
TOTAL LIABILITIES		<u>3,499,213</u>	<u>1,409,652</u>
NET ASSETS		<u>3,127,831</u>	<u>4,550,493</u>
EQUITY			
Issued capital	6	37,336,415	36,830,431
Reserves	7	(1,990,064)	(1,264,254)
Accumulated losses		(32,218,520)	(31,015,684)
TOTAL EQUITY		<u>3,127,831</u>	<u>4,550,493</u>

The accompanying notes form part of this financial report



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Half-Year to 31 December 2015	Half-Year to 31 December 2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	465,536	374,884
Receipts from fees charged for services	211,558	—
Payments to suppliers & employees	(502,503)	(602,650)
Production costs	(141,774)	(85,907)
Interest received	4,093	11,057
Interest and finance costs paid	(99,183)	(79,450)
Receipts of oil sales held in suspense pending resolution of entitlements	44,739	8,268
Payment of oil sales held for other joint venture participants	—	2,007
Research and development tax concession rebate	—	798,180
Other income	77,159	—
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	59,625	426,389
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of oil and gas interests	(559,181)	(345,636)
Exploration expenditure	(2,975,456)	(2,230,090)
Development expenditure	(120,369)	(271,985)
Proceeds from sale of oil and gas interests	692,104	637,087
Purchase of plant and equipment	(56,245)	—
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(3,019,147)	(2,210,624)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from equity issues	298,197	1,111,278
Proceeds from issue of convertible notes	1,515,000	1,145,000
Capital raising costs	(68,700)	(128,686)
Borrowings	200,000	355,000
Repayment of borrowings	—	(30,000)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	1,944,497	2,452,592
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,015,025)	668,357
Net foreign exchange differences	44,413	46,073
Cash and cash equivalents at beginning of period	1,350,694	908,986
CASH AND CASH EQUIVALENTS AT END OF PERIOD	380,082	1,623,416

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The accompanying notes form part of this financial report



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

<u>Attributable to Members of TTE Petroleum Ltd</u>	Issued Capital \$	Option Premium Reserve \$	Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
<i>At 1 July 2014</i>	30,669,355	1,157,525	236,417	(28,293,182)	3,770,115
Currency translation	—	—	(1,805,514)	—	(1,805,514)
Loss for period	—	—	—	(1,452,014)	(1,452,014)
SUBTOTAL	—	—	(1,805,514)	(1,452,014)	(3,257,528)
<i>Transactions with owners in their capacity as owners</i>					
Securities issued	3,437,870	274,729	—	—	3,712,599
Capital raising costs	(84,519)	—	—	—	(84,519)
AT 31 DECEMBER 2014	34,022,706	1,432,254	(1,569,097)	(29,745,196)	4,140,667
<u>Attributable to Members of TTE Petroleum Ltd</u>	Issued Capital \$	Option Premium Reserve \$	Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
<i>At 1 July 2015</i>	36,830,431	1,437,913	(2,702,167)	(31,015,684)	4,550,493
Currency translation	—	—	(951,315)	—	(951,315)
Loss for period	—	—	—	(1,202,836)	(1,202,836)
SUBTOTAL	—	—	(951,315)	(1,202,836)	(2,154,151)
<i>Transactions with owners in their capacity as owners</i>					
Securities issued	574,684	225,505	—	—	800,189
Capital raising costs	(68,700)	—	—	—	(68,700)
AT 31 DECEMBER 2015	37,336,415	1,663,418	(3,653,482)	(32,218,520)	3,127,831

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of TTE Petroleum Ltd ("Company") and its controlled entities ("Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2015, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new, revised or amending Accounting Standards of Interpretations that are not yet mandatory have not been adopted early.

Half-Year to 31 December 2015 \$	Half-Year to 31 December 2014 \$
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NOTE 2. REVENUE, INCOME AND EXPENSES

The loss before income tax expense includes the following revenues and expenses where disclosure is relevant in explaining the performance of the Group:

REVENUE FROM CONTINUING OPERATIONS

Operating activities

Oil sales	406,095	319,508
Operator fees, net of costs	348,432	—

TOTAL REVENUE FROM OPERATING ACTIVITIES

754,527	319,508
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Non-Operating activities

Interest received	4,093	6,707
Unrealised exchange gains	1,198,992	2,371,454
Other revenue	123,431	22,860

TOTAL REVENUE FROM NON-OPERATING ACTIVITIES

1,326,516	2,401,021
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TOTAL REVENUE FROM CONTINUING OPERATIONS

2,081,043	2,720,529
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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Half-Year to 31 December 2015 \$	Half-Year to 31 December 2014 \$
CHARGING AS EXPENSES		
<i>Cost of sales</i>		
Production costs	189,185	85,907
Depletion of production leases	450,308	123,692
	639,493	209,599
<i>Exploration expenses</i>		
Exploration expenditure written off	195,204	662,859
Development and Workover expenses	—	367,897
General exploration expenses	645,523	564,941
Loss on disposal of oil and gas properties	—	110,706
Other exploration expenses	1,015,876	752,357
	1,856,603	2,458,760
<i>Other expenses</i>		
Employee benefits and consultants expenses	236,422	361,565
Depreciation expense	18,455	7,255
Administrative expenses	173,678	187,072
Interest expense	99,183	79,450
Value of share based payments	260,045	865,406
Loss on sale of plant and equipment	—	436
Other expenses	—	3,000
	787,783	1,504,184

NOTE 3. CASH AND CASH EQUIVALENTS

For the purposes of the Cash Flow Statement and the Statement of Financial Position, cash and cash equivalents comprise cash at bank.

NOTE 4. CAPITALISED OIL AND GAS EXPENDITURE

The ultimate recoupment of assets carried forward in relation to the Capitalised oil and gas expenditure is dependent on its successful development and commercial exploitation or alternative the sale of the respective tenements.

31 December 2015 \$	30 June 2015 \$
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NOTE 5. BORROWINGS (CURRENT)

Variable Price Convertible Notes	—	445,000
Fixed Price Convertible Notes	1,970,000	—
Loans	200,000	—
	2,170,000	455,000

The Fixed Price 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	31 December 2015 \$	30 June 2015 \$
NOTE 6. ISSUED CAPITAL		
ORDINARY SHARES		
673,156,031 (30 June 2015: 653,086,031) fully paid ordinary shares	37,336,415	36,830,431
	<u>37,336,415</u>	<u>36,830,431</u>
MOVEMENTS IN ORDINARY SHARES		
At the beginning of the period	36,830,431	
11,500,000 shares issued on 06 July 2015	298,197	
7,000,000 shares issued on 23 December 2015	241,947	
1,570,000 shares issued on 23 December 2015	34,540	
Share issue expenses	(68,700)	
AT THE END OF THE FINANCIAL PERIOD	<u>37,336,415</u>	
NOTE 7. RESERVES		
Option premium reserve	1,663,418	1,437,913
Currency translation reserve	(3,653,482)	(2,702,167)
	<u>(1,990,064)</u>	<u>(1,264,254)</u>
MOVEMENTS IN OPTION PREMIUM RESERVE		
At the beginning of the financial year	1,437,913	
Class A Performance Rights issued on 23 December 2015	53,275	
Class B Performance Rights issued on 23 December 2015	67,770	
Class C Performance Rights issued on 23 December 2015	104,460	
AT THE END OF THE FINANCIAL YEAR	<u>1,663,418</u>	
MOVEMENTS IN CURRENCY TRANSLATION RESERVE		
At the beginning of the financial year	(2,702,167)	
Consolidation adjustment for the year	(951,315)	
AT THE END OF THE FINANCIAL YEAR	<u>(3,653,482)</u>	

NOTE 8. 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 makers) in assessing performance and determining the allocation of resources.

The Group's principal activities are exploration, development and production for oil and gas (including coal seam methane 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

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.

	HALF-YEAR TO 31 DECEMBER 2015			HALF-YEAR TO 31 DECEMBER 2014		
	Oil and Gas Exploration Australia \$	Oil Production USA \$	Total \$	Oil and Gas Exploration Australia \$	Oil Production USA \$	Total \$
SEGMENT PERFORMANCE						
External revenue	—	754,527	754,527	—	319,508	319,508
TOTAL SEGMENT REVENUE	—	754,527	754,527	—	319,508	319,508
Segment net profit/(loss) before tax	<u>(937,367)</u>	<u>(712,405)</u>	<u>(1,649,772)</u>	<u>(899,319)</u>	<u>(1,492,870)</u>	<u>(2,392,189)</u>
RECONCILIATION OF SEGMENT RESULT TO NET PROFIT/(LOSS) BEFORE TAX						
<i>Amounts not included in segment results but reviewed by the Board:</i>						
Interest received			4,093			6,707
Interest expense			(99,183)			(79,450)
Currency exchange gain			1,198,992			2,371,454
Other income			16,225			22,860
Other expenses			(673,191)			(1,381,396)
NET PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			<u>(1,202,836)</u>			<u>(1,452,014)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	31 DECEMBER 2015			30 JUNE 2015		
	Oil and Gas Exploration Australia \$	Oil Production USA \$	Total \$	Oil and Gas Exploration Australia \$	Oil Production USA \$	Total \$
SEGMENT ASSETS						
Segment assets	—	5,635,496	5,635,496	—	3,730,561	3,730,561
RECONCILIATION OF SEGMENT ASSETS TO TOTAL ASSETS						
<i>Unallocated assets:</i>						
Cash and cash equivalents			380,082			1,623,416
Receivables			451,335			563,285
Plant and equipment			160,131			63,199
TOTAL ASSETS FROM CONTINUING OPERATIONS			<u>6,627,044</u>			<u>5,980,461</u>

NOTE 9. CONTINGENT LIABILITIES

There has been no significant change in contingent liabilities since the last annual reporting date.

NOTE 10. EVENTS SUBSEQUENT TO BALANCE DATE

Receivables of US\$1,164,511 outstanding on 31 December 2015 were received in cash in January 2016.

No other matters or circumstances have arisen since the end of the financial period 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 periods.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of TTE Petroleum Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half year financial report of TTE Petroleum Ltd, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of TTE Petroleum Ltd are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of TTE Petroleum Ltd's financial position as at 31 December 2015 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of TTE Petroleum Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of TTE Petroleum Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of TTE Petroleum Ltd's financial position as at 31 December 2015 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens

4 March 2016

Perth
Western Australia

The Directors
TTE Petroleum Ltd
31 Ord Street
WEST PERTH WA 6005

Dear Sirs

Auditors Independence Declaration

As lead auditor for the review of TTE Petroleum Ltd for the half year ended 31 December 2015, I declare under Section 307C of the Corporations Act 2001 that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

Somes Cooke
Somes Cooke

Nicholas Hollens

Nicholas Hollens

Perth, 4 March 2016