



GRAND GULF ENERGY LIMITED

ABN 22 073 653 175

INTERIM REPORT

FOR THE HALF YEAR ENDED

31 December 2019

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GRAND GULF ENERGY LIMITED
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DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2019.

DIRECTORS

The names of directors who held office during or since the end of the half-year are:

Mr Craig Burton – *Non-Executive Chairman*
 Mr Mark Freeman - *Managing Director & Company Secretary*
 Mr Chris Bath - *Non-Executive Director*

EXPLORATION AND DEVELOPMENT

PRODUCTION

2019 Reserves and Resources Summary										
Reserves and Resources as of 31 December 2019										
Net to Grand Gulf Energy Ltd										
FILED (LICENCE)	NET REV INTEREST	PROVED(1P)			PROVED + PROBABLE (2P)			PROVED, PROBABLE, POSSIBLE (3P)		
		LIQUIDS MBBL	GAS MMCF	OIL EQUIV ⁽¹⁾ MBOE	LIQUIDS MBBL	GAS MMCF	OIL EQUIV ⁽¹⁾ MBOE	LIQUIDS MBBL	GAS MMCF	OIL EQUIV ⁽¹⁾ MBOE
Reserves										
USA										
Dugas & Leblanc #3	43.20%	21	235	60	26	235	66	39	235	78
Desiree	30.96%	72	-	72	145	-	145	172	-	172
Total Reserves		93	235	132	172	235	211	211	235	250
CONTINGENT RESOURCES										
Reserves										
USA										
Dugas & Leblanc #3	43.20%	-	216	36	-	324	54	-	648	108
Desiree	30.96%	-	-	-	-	-	-	-	-	-
Total Contingent Resources		-	216	36	-	324	54	-	648	108
Total Reserves and Resources		93	451	168	172	559	265	211	883	358

⁽¹⁾ Oil equivalent conversion factor: 6MSCF per BBL.

Competent Persons Statement

The information in this report has been reviewed and signed off by Kevin Kenning (Registered Reservoir Engineer) with over 37 years relevant experience within oil and gas sector. This report contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Desiree Field

Desiree, Assumption Parish, Louisiana, Non Operator 39.65%WI

The Hensarling #1 well (Desiree Field) produced a total for the period of 19,963 barrels of oil. The well averaged 120 bo/d. The well has produced 603,314 barrels of oil to 31 December 2019.

The well continues to produce from the Cris R3 sands. Following depletion of the Cris R3 the well will be perforated in the Cris R2. The well presently has 3P reserves net to the company of 172,000 barrels of oil. The Company receives LLS pricing per barrel with 31 December oil priced at US\$62.98 /bbl.

Desiree remains a substantial asset to the Company with significant long term reserves and cash flow.

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Dugas & Leblanc Field

Napoleonville- Dugas & Leblanc #3 Well, Assumption Parish, Louisiana, Non Operator 55.5% WI

The D&L#3 well (Dugas & Leblanc Field) produced a total for the period of 14,761 barrels of oil. The well is presently producing at 80 bo/d and has produced over 329,061 barrels of oil.

The D&L #3 well continues to outperform previous reserve estimates. During the period an upgraded down-hole pump was installed which has delivered substantially higher oil production rates.

The well presently has 3P reserves net to the company of 78,000 barrels of oil equivalent. The Company receives LLS pricing per barrel with 31 December oil priced at US\$62.98 /bbl.

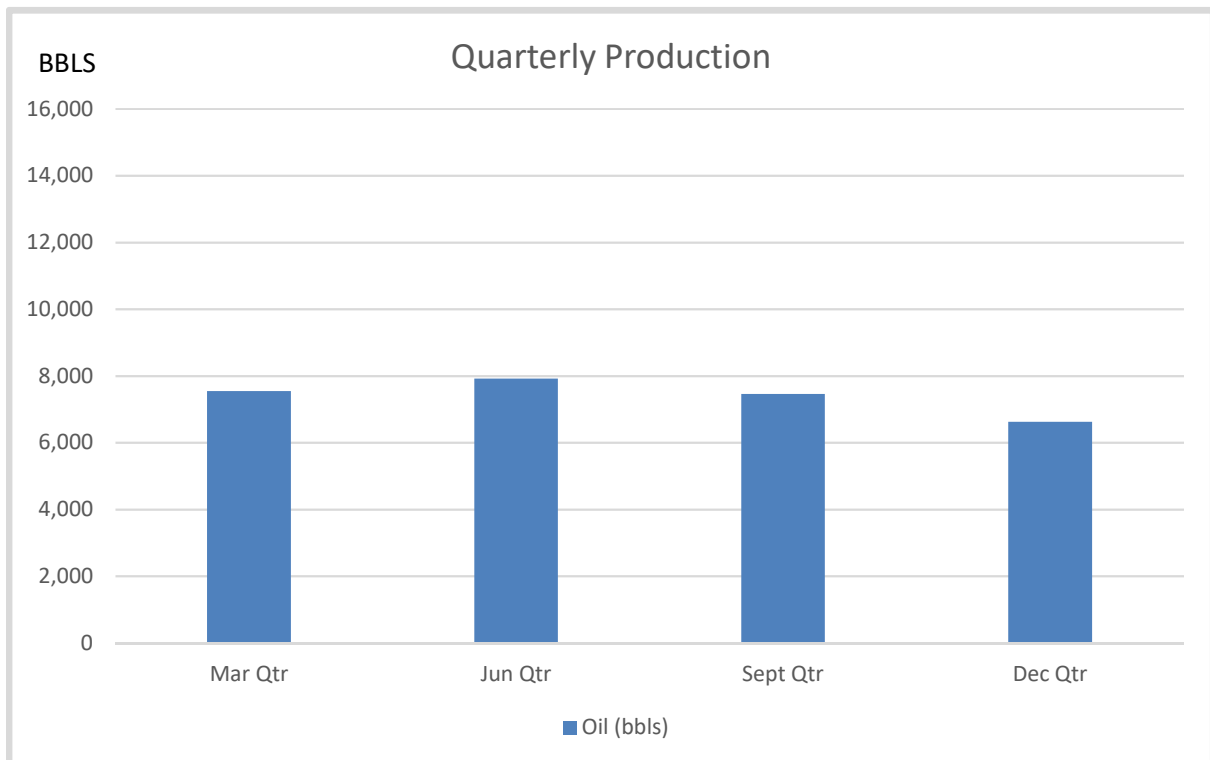
RESULTS AND REVIEW OF OPERATIONS

Production

Total Net Quarterly Production

	Mar Qtr	June Qtr	Sept Qtr	Dec Qtr
Oil (bbls)	7,549	7,919	7,464	6,631

	Working interest	Parish	Half Year Bo		Daily Bo	
			Gross	Net	Gross	Net
Desiree Field	39.65%	Assumption	19,963	7,904	102	41
Dugas & Leblanc	55.5%	Assumption	14,761	6,191	80	33
Total			34,724	14,095	182	74



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DJ Basin, Colorado, USA (66% WI*)

The Company has ~66% working interests in 355 net acres in Weld County.

Noble Energy Inc ("Noble") have lodged a Comprehensive Drilling Plan (CDP) over their North Wells Ranch acreage that includes the Company's working interests.

Noble's CDP covers a total of 250 additional permits of which around 72 of those permits are anticipated to cover the wells that the Company will have an interest in. It is difficult at this time to determine the exact working interest in these wells, however, it is anticipated that GGE will have an average of 3.3% WI in these wells.

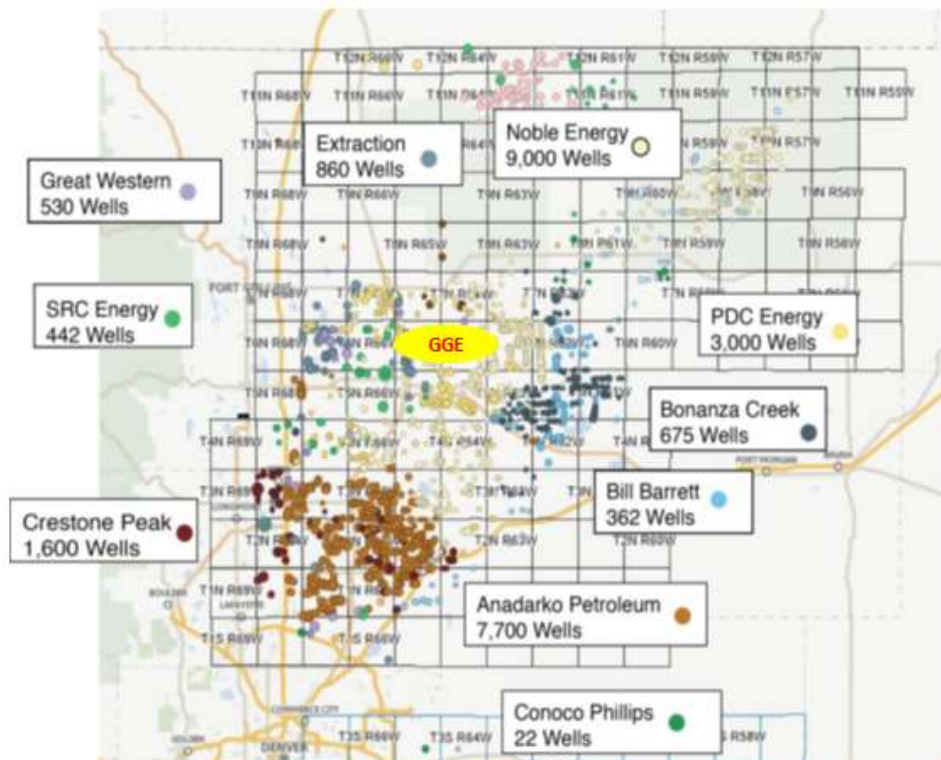
Nobles most recent (2) mile wells at the Kona Pad which are just South of the CPD are estimating EUR's in excess of 2.7mm boe.

However the Company anticipates (1) mile wells to be drilled with EUR's expected to be recover 1.4 mm boe made up of 471,000 bbls of oil, 5.6 bcf gas and 23,600 bbls of natural gas liquids.

Management are presently working with BD groups in Denver to look at actively farming out or selling these interests.

Over the years Noble has become the most prominent operator in the DJ Basin with an excellent reputation from an operator and environmental perspective. They apply the most current technology and generate some of the highest EUR's and lowest operating costs in the Basin whilst employing world class technology to reduce their carbon footprint. Noble's year end DJ basin production was 153 MBoe/d with over 120 wells brought on production that year. It is for this reason that being able to participate in one of their well programs is an attractive opportunity for local US oil and gas investors. The Link below gives investors some information about Noble's activities in the DJ Basin.

<https://noblecolorado.com/colorado-operations/comprehensive-drilling-plan/>



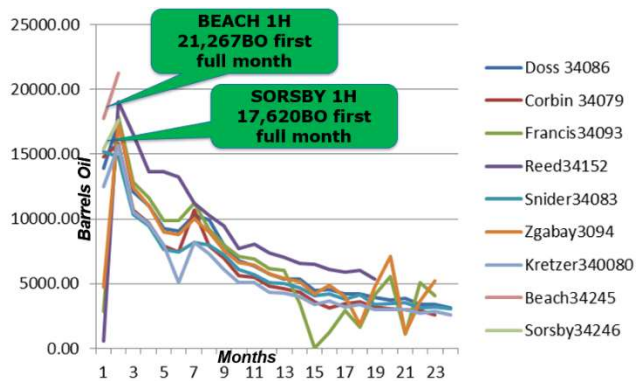
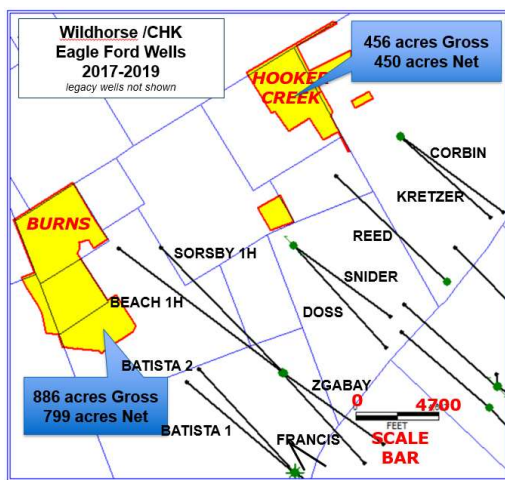
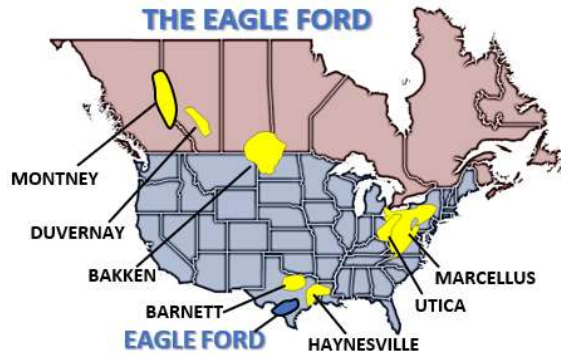
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East Texas Prospect (40-50% WI) – 1,238 acres in the Eagle Ford

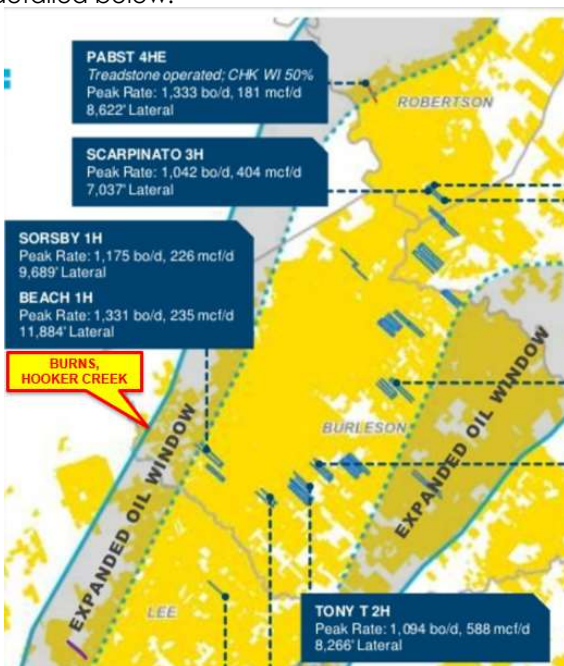
The Company owns a 40-50% interest in 1,238 net acres of 1,319 gross acres in Burleson County, Texas. The Company continues to pursue farm-down/sale opportunities.

The Company interest in the leases are not depth separated and accordingly holds interest in the Eagle Ford and Austin Chalk.

In February 2019, the Company nearest operator, Wildhorse Resource Development, was acquired by Chesapeake Energy for US\$4b. Since then Chesapeake have continued their development of Wild Horses Eagle Ford operations and has recently drilled and completed Eagle Ford wells with initial flowing rates of up to 1,331BOPD (BEACH 1H) under 1,000ft from the Company's leases.

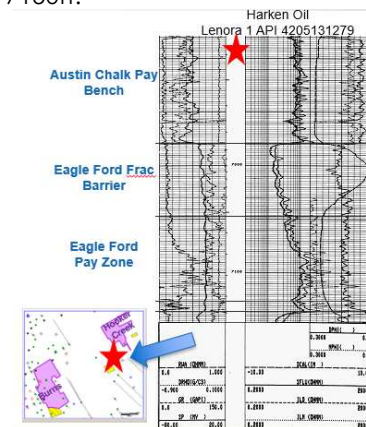


Additionally as announced in Chesapeake's 3rd quarter earnings release (5 November 2019) the results of their developments continue to expand the oil window to the perimeter of the Company leases as detailed below.



Example of a log from a vertical well within the Project Area:

- Anticipated stratigraphy for new wells:
- 70' Austin Chalk pay bench.
- 70' Frac barrier above Eagle Ford Pay.
- 90' Eagle Ford pay based on >4ohms.
- Depth to base Eagle Ford 7,000ft to 7150ft.



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The Company continues to seek out a sale of or a JV partner to participate in a drilling program.

Half Yearly Profit and Loss Summary

Cash Flow Analysis	December 19 Qtr	Year to Date
	\$AUD '000	\$AUD '000
Production Sales	560	1,252
Production Costs	(193)	(401)
Operating Costs	(114)	(310)
Net Operating Proceeds	253	541

Capital Structure and Financial Snapshot

ASX Code	GGE	Shares	384 m
Share Price	0.6 cent	Market Capitalisation	\$2.3 million
Cash Reserves @ 31/12	\$686,645	Producing Fields	2
Half Year Net BO	14,095 bbls	Daily Net BO	74 bbls/d

UPDATE ON WBE AND DISTRIBUTION

Since GGE completed the \$1.92m distribution of WBE shares to shareholders in the May 2019, WBE shares have risen from 0.5 cents to a max of 1.4 cents and presently at 0.7 cents, representing a significant additional return to GGE shareholders. Shareholders are encouraged to review www.whitebarkenergy.com for Wizard Lake updates.

The GGE Board believes the continued development of that project will likely unlock significant value for WBE and its shareholders.

UPDATE ON THE CONSOLIDATION OF GGE SHARES

GGE completed the 1 for 2 Share consolidation during the quarter, as approved by shareholders at the Annual General Meeting held in November 2019. The total number of shares is now 383,749,478.

CORPORATE COST REDUCTION PROGRAM

The Company has actively taken measures to reduce its operating and corporate costs. These additional cost savings this financial year are likely to be in excess ~\$350,000.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

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AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 9 of the financial statements for the half year ended 31 December 2019.

This report is signed in accordance with a resolution of the Board of Directors.

Dated 13th March 2020

A handwritten signature in black ink, appearing to read 'Mark Freeman', with a long horizontal flourish extending to the right.

Mark Freeman
Managing Director

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF GRAND GULF ENERGY LIMITED

As lead auditor for the review of Grand Gulf Energy Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Grand Gulf Energy Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 13 March 2020

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 \$	31 December 2018 \$
Revenue	4	1,095,407	1,276,059
Cost of sales		(357,423)	(380,495)
Amortisation of oil and gas properties	8	(114,952)	(141,510)
Gross profit		623,032	754,054
Other Income	5	27,553	484,894
Employee benefits expense		(143,614)	(244,190)
Professional and statutory fees		(64,813)	(75,339)
Corporate office expenses		(12,714)	(60,555)
Exploration Expenses	9	(40,426)	(1,116,325)
Foreign exchange gain/(loss)		-	(20,706)
Other expenses from ordinary activities		-	(24,878)
Depreciation		(653)	(484)
Profit/(Loss) before income tax		388,365	(303,529)
Income tax benefit/(expense)		(11,691)	-
Profit/(Loss) for the half year		376,674	(303,529)
Other Comprehensive Income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign entities		(7,903)	190,989
Total comprehensive profit/(loss) for the half year		368,771	(112,540)
		Cents	Cents
Earnings/(Loss) per share			
Basic earnings/(loss) per share		0.098	(0.080)
Diluted earnings/(loss) per share		0.098	(0.080)

The Consolidated Statement of Profit or Loss and other Comprehensive Income is to be read in conjunction with the notes to the Consolidated Statements set out on pages 14 to 17.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31 December 2019 \$	30 June 2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents		686,645	162,391
Trade and other receivables	7	358,016	419,024
Other Assets	7	37,139	36,535
Financial Asset		-	28,127
Total Current Assets		1,081,800	646,077
Non-Current Assets			
Investment		2	2
Computer equipment		-	636
Oil and gas properties	8	2,108,207	2,215,834
Total Non-Current Assets		2,108,209	2,216,472
Total Assets		3,190,009	2,862,549
LIABILITIES			
Current Liabilities			
Trade and other payables		83,672	125,445
Total Current Liabilities		83,672	125,445
Non-Current Liabilities			
Provisions		289,588	289,126
Total Non-Current Liabilities		289,588	289,126
Total Liabilities		373,260	414,571
Net Assets		2,816,749	2,447,978
Equity			
Contributed equity	6	40,377,570	40,377,570
Reserves		5,374,113	5,832,016
Accumulated losses		(42,934,934)	(43,311,608)
Total Equity		2,816,749	2,447,978

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the Consolidated Financial Statements set out on pages 14 to 17.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Contributed Equity	Share Option Reserve	Option Premium Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 01.07.2019	40,377,570	2,016,337	676,800	2,688,879	(43,311,608)	2,447,978
Profit for the half year	-	-	-	-	376,674	376,674
Other Comprehensive Income						
Exchange differences on translation of foreign operations	-	-	-	(7,903)	-	(7,903)
Total comprehensive income for the half year	-	-	-	(7,903)	376,674	368,771
Transactions with owners in their capacity as owners:						
Shares Issued	-	-	-	-	-	-
Share Options	-	-	-	-	-	-
Balance at 31.12.19	40,377,570	2,016,337	676,800	2,680,976	(42,934,934)	2,816,749
Balance at 01.07.2018	42,104,442	2,016,337	676,800	2,471,814	(43,123,112)	4,146,281
Loss for the half year	-	-	-	-	(303,529)	(303,529)
Other Comprehensive Income						
Exchange differences on translation of foreign operations	-	-	-	190,989	-	190,989
Total comprehensive income for the half year	-	-	-	190,989	(303,529)	(112,540)
Transactions with owners in their capacity as owners:						
Shares Issued	-	-	-	-	-	-
Share Options	-	-	-	-	-	-
Balance at 31.12.18	42,104,442	2,016,337	676,800	2,662,803	(43,426,641)	4,033,741

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the Consolidated Financial Statements set out in pages 14 to 17.

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CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019 \$	31 December 2018 \$
Cash Flows From Operating Activities		
Proceeds from sales	1,251,966	1,228,143
Payments to suppliers and employees	(269,749)	(404,961)
Production costs	(400,555)	(448,543)
Other Income received	-	416,554
Interest received	23	111
Payments for exploration and evaluation	(40,426)	(1,116,325)
Net cash inflow/(outflow) from operating activities	<u>541,259</u>	<u>(325,021)</u>
Cash Flows From Investing Activities		
Payments for property plant and equipment	-	(18)
Proceeds from sale of oil & gas properties	-	89,498
Payments for development of oil & gas properties	-	(20,394)
Net cash from / (used in) investing activities	(597)	-
Net cash inflow/(outflow) from investing activities	<u>(597)</u>	<u>69,086</u>
Net increase/(decrease) in cash held	<u>540,662</u>	<u>(255,935)</u>
Cash and cash equivalents held at beginning of financial period	162,391	1,686,664
Effect of exchange rate changes on cash and cash equivalents	(16,408)	63,059
Cash and cash equivalents at end of the half year	<u>686,645</u>	<u>1,493,788</u>

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the Consolidated Financial Statements set out in pages 14 to 17.

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**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL REPORT

(a) Reporting entity

Grand Gulf Energy Limited (the "Company") is a Company domiciled in Australia. The consolidated interim financial statements of the Company as at and for the half year ended 31 December 2019 comprise the Company and its controlled entities (together referred to as the "Group").

The consolidated financial statements of the Group as at and for the year ended 30 June 2019 are available upon request from the Company's registered office at 1A/ 1 Alvan Street, Subiaco WA, 6008 or at www.grandgulfenergy.com

(b) Statement of Compliance

These consolidated interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2019.

These consolidated interim financial statements were approved by the Board of Directors 13 March 2020.

(c) Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the consolidated entity's 2019 annual financial report for the financial year ended 30 June 2019 except for those noted in 1(d). These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(d) New accounting standards and interpretations

A number of new or amended standards became applicable for the current reporting period and the Company had to change its accounting policies as a result of the adoption of the following standards:

- **AASB 16 Leases**

The consolidated entity has adopted all of the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.

However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

Impact of adoption

The impact of this standard has not had any impact on the amounts presented in the Company's financial statements

2. SEGMENT REPORTING

Management has determined, based on reports reviewed by the Board of Directors that are used to make strategic decisions, that the Group has one reportable segment being oil and gas production and exploration.

The Board of Directors review internal management reports on a regular basis which reflect the information provided in the half year financial statements.

3. FAIR VALUES OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

The Group did not have any financial instruments that are recognised in the financial statements where their carrying value differed from the fair value.

4. REVENUE FROM SALES

	31 December 2019 \$	31 December 2018 \$
Oil Sales	1,418,471	1,552,533
Gas Sales	-	19,220
Less: Royalties	(323,064)	(295,694)
Total Sales	1,095,407	1,276,059

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. OTHER INCOME

	31 December 2019 \$	31 December 2018 \$
Recovery of costs	-	7,010
Profit Sale of Abita	-	70,988
Profit on Sale of Whitebark Shares	27,531	
Unallocated Asset Recovery ⁽ⁱ⁾	-	406,785
Interest Received	22	111
Total other income	<u>27,553</u>	<u>484,894</u>

- (i) These monies are unclaimed insurance funds which were subsequently returned to the company from the US government.

6. CONTRIBUTED EQUITY

	31 December 2019 No.	30 June 2019 No.	31 December 2019 \$	30 June 2019 \$
Balance brought forward at the beginning of the period	767,498,870	767,498,870	40,377,570	42,104,442
Capital Reduction ⁽ⁱ⁾	-	-	-	(1,726,872)
Consolidation 2:1 ⁽ⁱⁱ⁾	383,749,478	-	-	-
Balance carried forward at the end of the period	<u>383,749,478</u>	<u>767,498,870</u>	<u>40,377,570</u>	<u>40,377,570</u>

- (i) Distribution of Whitbark Energy LTD (WBE) shares to shareholder during May 2019.

On 10 December 2019, the Company's securities were consolidated on the basis that:

- (ii) On 10 December 2019, the Company's securities were consolidated on the basis that:
(a) Every two (2) fully paid ordinary shares be consolidated into 1 fully paid ordinary share; and
(b) Every four (4) share options be consolidated into 1 share option.

Fractional entitlements were rounded down to the nearest whole number. Following consolidation, there were 383,749,478 fully paid ordinary shares on issue at 31 December 2019 (30 June 2019: 767,498,870)

7. TRADE AND OTHER RECEIVABLES AND OTHER CURRENT ASSETS

	31 December 2019 \$	30 June 2019 \$
Current		
Trade and other receivables ⁽ⁱ⁾	358,016	419,024
Insurance claim receivables	37,139	36,535
	<u>395,155</u>	<u>455,559</u>

- (i) Other receivables include trade debtors, sales revenue amounts outstanding for goods & services tax (GST). GST amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. OIL AND GAS PROPERTIES

	31 December 2019 \$	30 June 2019 \$
Producing oil & gas assets	7,817,665	7,956,432
Provision for impairment and amortisation	(5,709,458)	(5,740,598)
	<u>2,108,207</u>	<u>2,215,834</u>
Carrying amount at beginning of period	2,215,834	2,307,526
Expenditure during the period	-	14,874
Foreign exchange difference	7,325	131,217
Amortisation	(114,952)	(237,783)
Carrying amount at end of period	<u>2,108,207</u>	<u>2,215,834</u>

9. EXPLORATION EXPENSES

	31 December 2019 \$	31 December 2018 \$
Lease Acquisition Cost – Big River	-	76,582
Lease Acquisition Cost – Iron Price	-	911,308
Miscellaneous Exploration Expenses	40,426	128,435
	<u>40,426</u>	<u>1,116,325</u>

10. CONTINGENCIES

There have been no changes to contingent assets or liabilities since 30 June 2019.

11. EVENTS SUBSEQUENT TO REPORTING DATE

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

12. DIVIDENDS

No dividends have been paid or proposed during the financial period.

13. RELATED PARTIES

There were no changes to transactions with key management personnel during the period.

14. COMMITMENTS

There have been no changes to the commitments, from those disclosed in the 30 June 2019 financial statements.

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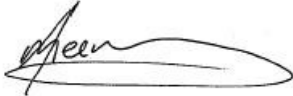
DIRECTORS' DECLARATION

The directors of the consolidated entity declare that:

1. The financial statements and notes, as set out on pages 10 to 17 are in accordance with the Corporations Act 2001:
 - a. give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
 - b. comply with Accounting Standard AASB 134 *Interim Financial Reporting, Corporations Regulations 2001* and other mandatory professional reporting requirements
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Mark Freeman
Managing Director

Perth, 13 March 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Grand Gulf Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Grand Gulf Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

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Director

Perth, 13 March 2020