TAMASKA
OIL & GAS LIMITED

FINANCIAL REPORT
For the year ended 30 June 2015

Contents

Corporate Directory

Directors	Alexander Parks - Managing Director Brett Lawrence - Executive Director Justin Norris – Non-Executive Director
Company Secretary	Sylvia Moss
Registered & Principal Office	Level 7, 1008 Hay Street Perth WA 6000 Telephone: + 61 8 9389 2000 Facsimile: + 61 8 9389 2099
Postal Address	PO Box 7209 Cloisters Square WA 6850
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008
Solicitors	GTP Legal Level 1, 28 Ord St West Perth WA 6005
Website Address	www.tamaska.com.au
Stock Exchange Listings	Tamaska Oil & Gas Ltd securities are listed on the Australian Stock Exchange under the code TMK
Share Registry	Automic Registry Services Level 1, 7 Ventnor Avenue West Perth WA 6005 Telephone: +61 8 9324 2099 Facsimile: + 61 8 9321 2337

Managing Director's Letter to Shareholders

Dear Shareholder,

It has been a turbulent year for the oil industry, the rapid fall in oil prices and resulting market sentiment has been felt widely. Tamaska and joint venture partner in the Montney Project Transerv Energy (JV) capitalised on the downturn by acquiring petroleum exploration rights in the Montney resource play in British Columbia, Canada at competitive prices.

The Montney formation is located in north-east British Columbia and adjoining parts of Alberta and was originally known as one of the most productive and low cost natural gas plays in Canada. The liquids-rich parts of the Montney play emerged and began to be developed in late 2013 and 2014. Following some exceptional results, the liquids-rich Montney has become one of the most commercially attractive unconventional plays in North America.

Like other unconventional plays, the heterogeneous nature of reservoir quality and liquids content within the Montney creates sweet-spots both laterally and vertically within prospective areas. Using an extensive digital well-log dataset of over 10,000 wells, the JV identified new potential liquids sweet-spots in the play using a regional Common Risk Segment Mapping approach.

The JV identified and has established a position of 92 Land Sections (25,035 Ha) in three liquids-rich areas along the trend. All three of the new areas have yielded impressive drilling results from near-by operators in 2015 which has begun to de-risk the newly identified areas.

As the industry adapts to lower oil prices, there is an emphasis placed on developing the best of the North American unconventional plays. The Montney is one of the most economically robust of the plays and the land secured by Tamaska is interpreted to be in the liquids-rich areas further enhancing its potential value.

The next steps for the project are to monitor drilling results in nearby areas, incorporating results into ongoing geoscience studies and seek to enter into a partnering arrangement in respect of the project with a reputable Canadian company to move to the drilling phase of the project.

The Directors resolved to demerge the Montney project in order to preserve project value and maximise the chance of commercialisation of this asset. The Montney is not well known outside of North America, and the value is considered unlikely to be recognised in the Australian market in the near term. Both Tamaska and Transerv have severally resolved to demerge their Canadian assets subject to shareholder approval. Please refer to the Notice of Meeting dated 17 August 2015 for more details.

To effect the demerger, Tamaska has incorporated a new subsidiary, TMK Montney Limited. Shareholders approved the demerger at a meeting held on 15 September 2015 and subject to the Company obtaining the appropriate ATO Rulings, TMK Montney will be transferred 100% of Warren (a subsidiary of Tamaska which holds a 40% interest in the Montney project) in return for issuing TMK Montney Shares to Tamaska. The total of 71,400,000 TMK Montney shares on issue will then be distributed by Tamaska to shareholders on a 1 for 10 basis (an in-specie distribution).

The Directors are of the view that the following advantages make the demerger attractive:

- Shareholders will retain their current shareholding in Tamaska and also receive a proportional share holding in TMK Montney with a book value of 0.68 cents per Tamaska Share held.
- Tamaska will be free to pursue new business opportunities likely to achieve greater recognition on the ASX, without diluting Shareholder's interests in the Montney Asset.
- In an unlisted structure, the underlying value of the Montney Asset can be unlocked over time and with low overheads and minimal dilution to shareholders.

The Company anticipates an ATO class ruling to confirm the tax implications for shareholders will be received in early October and the demerger will be completed thereafter.

The Company's other assets have also progressed during the year. The West Klondike well was brought on-stream in September 2014 with the lower most zone producing 0.3 bcf and 3,000bbls of condensate (gross). The well was shut-in due to low flowing pressure in June 2015. In August 2015 the well was assessed with wireline and shown to be partially filled with sand and sediment which appears to be what was restricting the production. Subject to benefit analysis by the Operator, the well will be cleaned out with coiled tubing and placed back on production either from the current zone or from one of the higher zones.

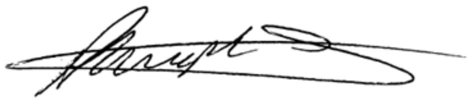
Production has also continued from the Fusselman oil project. Whilst the production is modest (~20bopd gross), the production has a low decline rate. The Operator has negotiated lower operating costs, particularly water disposal costs and the project remains cash flow positive down to approximately US$40/bbl.

Following the successful demerger of the Montney project Tamaska will seek a new opportunity to add shareholder value. To this end Tamaska has announced a Rights Issue to raise approximately $2.14 million on a 3 for 2 basis at 0.2 cents per share.

In summary, over the past year the Company has secured a low cost project with high potential value in the emerging Montney resource play. The Companywill distribute this directly to shareholders via the planned demerger, with plans to monetise over the coming years. With $2million in new funds, the Company will seek to repeat this value creation for shareholders, with an emphasis on finding a project more likely to be recognised in the Australian market.

I would like to thank the shareholders for their continuing supporting of the Company over the past year, and look forward to an exciting future in identifying and commercialising new opportunities.

Yours faithfully,



Alexander Parks
Managing Director

Review of Operations

Corporate Activities

In mid-late 2014 a renounceable rights issue was undertaken to raise $6.4 million before costs at a price of 1 cent per share. The Company used the funds raised to pay for the completion of the West Klondike well and production facilities, pay off short term debts and invest in the Montney Project.

The Board restructured and reduced Director fees and hours to minimise overheads and best capture the expertise to take the Company forward in a difficult market, ensuring the maximum possible funds could be invested to capture value for shareholders.

Tamaska's capital structure as of 31 August 2015 is summarised as:

Security	Price & Date	Number on Issue
Ordinary Shares on Issue (ASX:TMK)	0.5 cents (Last trade at 31 August 2015)	714 million
Unlisted Options	1.6c exercise price, expiring March 2019	180 million
Unlisted Options	15c exercise price, expiring October 2017	3 million*

At 0.5 cents per share the Company's market capitalisation is A$3.57 million.

*These options will be cancelled prior to the Demerger

Following Shareholder approval and receipt of ATO Class Ruling the Company will return the Montney project directly to Shareholders via the in-specie distribution of 71.4 million TMK Montney Ltd Shares on a 1 for 10 basis. The book value of these shares is 6.8c/share (0.68 cents per TMK share).

As part of the Demerger, the Company has sort rulings from the Australian Taxation Office as follows:

(a) a Class Ruling confirming that the Demerger does not create any Australian taxable event for Shareholders and Option holders and that the appropriate cost base split is recognised; and

(b) a Private Binding Ruling confirming that there is no taxable event for the Company at the point of transfer of the TMK Montney Shares.

Review of Operations

Company Projects

Montney Resource Play Project, British Columbia 40% Working Interest (to be demerged)

1. The Montney Play

The Montney is a Lower Triassic aged formation in the Western Canadian Sedimentary Basin extending over 180,000 square kilometres from north-east British Columbia to north-west Alberta, Figure 1. The siltstones of the Montney Formation form part of the Western Canada 'Deep Basin' system, a pervasive hydrocarbon system of organic rich shales and siltstones where tight reservoirs exist in close proximity to matured hydrocarbon expelling source rocks.

Like the Eagle Ford, Utica Shale, and other unconventional plays in North America, the Montney has dry gas, liquids-rich gas, and oil windows. As the generated hydrocarbons are in-situ, or in very close proximity to the mature source rocks, the system becomes 'inverted' from the conventional sense so that water sits above the oil window, which in turn sits above increasingly dryer gas with depth (Figures 1 and 2).

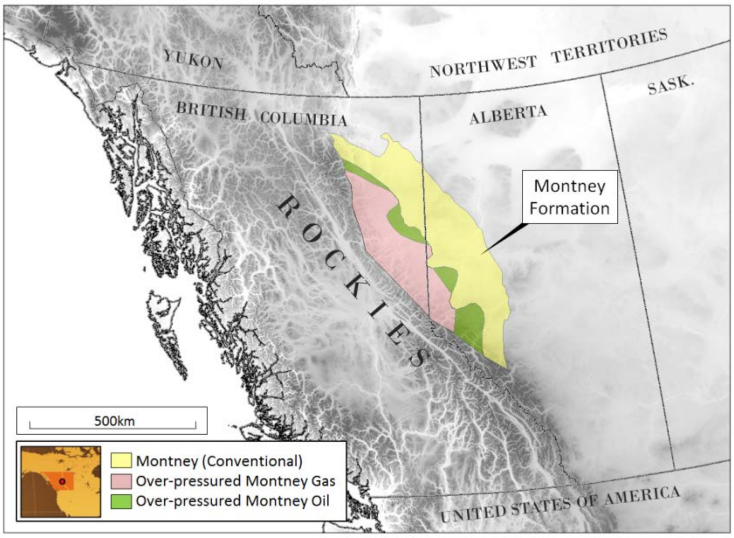


Figure 1 – Location of the Montney Siltstone Play (Western Canada)

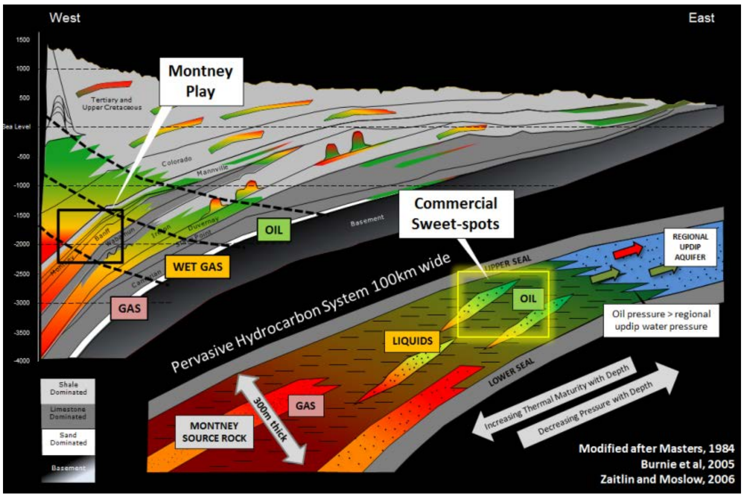


Figure 2 – Representative cross section across the Western Canadian Sedimentary Basin illustrating the 'Deep Basin' hydrocarbon system

Review of Operations

2. Context

Liquids-rich parts of the Montney in north-east British Columbia emerged and began to be developed in late 2013 and 2014. Following some exceptional results in liquids-rich areas the Montney was thrust on to the scene as one of the most commercially attractive and compelling unconventional prospects in North America. A rush to find where new liquid-rich sweet-spots might emerge along the play ensued as existing and aspiring Montney companies started assessing new areas for land acquisition.

Like other unconventional plays, the heterogeneous nature of reservoir quality and liquids content within the Montney creates sweet-spots both laterally and vertically within the Land Section. Using an extensive digital well-log dataset of over 10,000 existing public domain wells, the JV aimed to identify potential new liquids sweet-spots in the play using a regional Common Risk Segment Mapping approach.

Recognition of critical play elements within the hydrocarbon system were 'stacked' to identify potential sweet-spots. Through calibration to existing production, Common Recovery Segment Maps were used to create detailed interpretations across the play.

3. Sweet-spot Mapping

The first step in understanding the play was to characterise and isolate the interpreted play components of the system. Studying the more than 3,500 horizontal wells currently producing in the play allowed the JV to develop an understanding of what the key components of the hydrocarbon system were. Proven and potential 'sweet-spots' became apparent as the play components were 'stacked'. Following the sweet-spot mapping process several areas were high graded for targeted land acquisition,

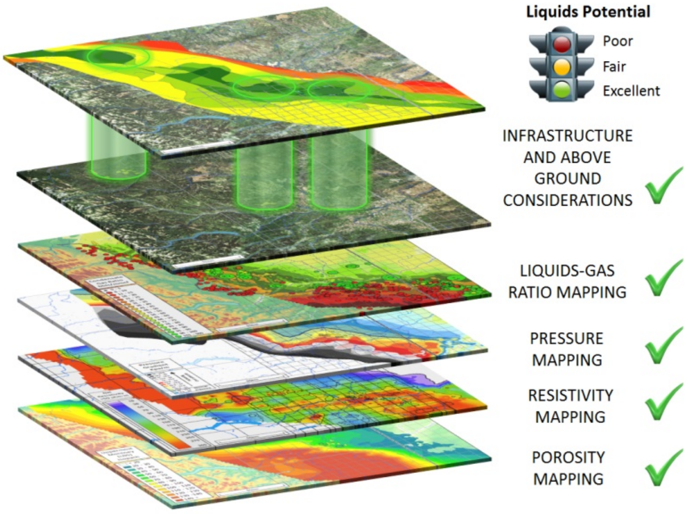
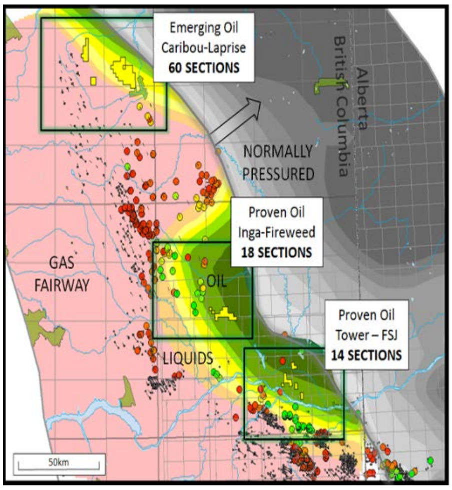


Figure 3 – Sweet-spot mapping for areas of high liquids potential in the Montney Play. The key components mapped spatially included Porosity, Resistivity, Pressure, Liquids-Gas ratio and above ground considerations such as terrain and infrastructure. The resultant 'stacked' map identifies potential 'sweet-spots' within the play.

Following the detailed regional play fairway analysis the JV has developed a current acreage positon of 92 Land Sections (25,035 Ha) in three recognised liquids-rich areas. All three of the new areas have yielded impressive drilling results from near-by operators in 2015 which has already begun to de-risk the newly identified areas,

Figure 4 – Emerging and Proven Liquids-rich areas of the Montney Play in British Columbia, Canada



4. Calculating Recovery Potential

Calculating estimated ultimate recovery (EUR) and recovery factor (RF) in unconventional plays is challenging because the RF and resultant EUR is dependent on how the resource is developed (e.g. well density, horizontal length, and fracking technique). By calibrating the geological drivers to known nearby production, and assuming equivalent development density, completion design, and production results, an interpretation of how recovery may change spatially due to geological variations is possible. This is a useful exercise used for sweet-spot identification, however, it does not produce reportable resource estimates.

Review of Operations

5. Summary

The JV has used an internally developed calibrated approach to identifying potential sweet-spots in the Montney and subsequently quantify the resource potential.

The resource potential of the play has been identified using calibrated reservoir characteristics and production performance from key nearby wells, multi-attribute cross-plot analysis, and mapping of the key geological play components. The approach combines efficient data manipulation of the Canadian public data system with the Common Risk Segment Mapping method.

The JV believes that this detailed, multi-layer technical approach is likely to have identified the best available sweet-spots in the liquids-rich Montney play (which have now been acquired), and this will be recognised and proven-up over time.

West Klondike Project, Wilbert Sons LLC #1 well, Iberville Parish, Louisiana (10.2% Working Interest)

The Wilberts Sons LLC #1 exploration well on the West Klondike Prospect in Louisiana drilled to its total depth of 10,900ft on 13 December 2012. Electric logs confirmed it as a discovery well with material net pay in 2 separate target horizons, with 4ft in the Lario sands, 6ft in the U Nod Blan and 35ft in the Lower Nod Blan sands. Production from the base member of the Lower Nod Blan commenced in September 2014.

Due to non-participation by one of the JV partners in the facilities and pipeline program, Tamaska has increased its contributing and beneficial interest to 11.4%. This increase will revert back to the original owner following 400% recovery of the incremental programs cost to the Company.

Gross production from the well declined during the final quarter of FY15 due to water encroachment. The well was shut in on 15th June 2015. Well intervention in August showed that sand was filling the lower part of the completion covering the Lower and Upper Nod Blan intervals. The operator is conducting studies to determine the best course of action. The well will potentially be cleaned out and the second gas zone produced (contingent resources) or the well will not be cleaned out and the next completed zone will be the Lario oil sand (partly 2P/Probable reserves and 2C contingent resources).

	FY15 (9 Months) Actual	FY 16 (8 months) Forecast
Net Produced gas MMscf	33,766	25,000
Net Produced bbls	349 bbls	~250 bbls
Net Revenue after Royalty and well head taxes (US$)	~$64,605	~$53,200
Operating Costs (US$) excluding workovers	~$29,722	~$20,800

Review of Operations

Tamaska[3] currently estimates the reserves as follows:

	Estimated Ultimate Recovery	100% Cumulative production as at 30/06/2015	100% Reserves estimated as at 1/07/2015	Net TMK Reserves at 11.4% Beneficial interest estimated as at 1/07/2015
Proven Developed Producing (1P) Lower Nod Plan Produced and shut in	297MMscf 3,073 bbls	297MMscf 3,073 bbls	0	0
Remaining Zones Probable (2P)	60MMscf 98,570 bbls	0 0	60MMscf 98,570bbl	7MMscf 11,200bbls
2C Contingent Resources	1,500MMscf 470,000bbls	0 0	1,500MMscf 470,000bbls	170MMscf 53,000bbls

Fusselman Project - Clayton Johnson #3F Well, Borden County, Texas (12.5% Working Interest)

The Fusselman Well, Clayton Johnson #3F, operated by Marshfield Oil & Gas, was drilled to its total depth of 9,883ft on 3 January 2013. Tamaska holds a 12.5% working interest in the Fusselman Project in Borden County, Texas.

Production commenced from the #3F well on 23 January 2013. Production from the well is with a pump jack (nodding donkey) and is a mixture of oil and formation water. After approximately 50% downtime in April and May due to weather in Texas, June and July have had good uptime and the oil rate has climbed to approximately 20bopd on a gross basis. The well has a low inherent decline rate and production can potentially continue for years. The current production costs equate to approximately US$35-40/bbl so whilst modest, the production is forecast to provide positive income for the next financial year.

	FY14 (12 Months) Actual	FY15 (12 Months) Actual	FY 16 (12 months) Forecast
Net Produced bbls	1,046 bbls	1,026 bbls	~500 bbls
Net Revenue after Royalty and well head taxes (US$)	$70,305	~$51,650	~$25,000
Operating Costs (US$) excluding workovers	$33,751	~$52,094	~$20,000

Tamaska[3] currently estimates the reserves as follows:

	Estimated Ultimate Recovery Barrels	Cumulative production as at 30/06/2015 Barrels	100% Reserves estimated as at 1/07/2015 Barrels	Net TMK Reserves at 12.5% WI estimated as at 1/07/2015 Barrels
Proven Developed Producing (1P)	26,640	22,916	3,724	466
Probable (2P)	42,438	22,916	19,522	2,440

[3] *All of the technical information, including information in relation to reserves and resources that is contained in this document has been reviewed internally by the Company's Managing Director, Mr Alexander Parks. Mr Parks is a Petroleum Engineer who is a suitably qualified person with over 15 years' experience in assessing hydrocarbon reserves and has reviewed the release and consents to the inclusion of the technical information.*

Review of Operations

Duvernay Shale and Rock Creek Acreage, Alberta Canada (8/16% Working Interest)

Tamaska holds a 16% interest in Rock Creek Oil rights and 8% interest in Duvernay Shale rights in approximately 87 licences in Central Alberta, Canada. Together with JV partners, the Company selectively relinquished some lower value acreage to the Crown as rent fell due during the year. The remaining Duvernay acreage is included in the package to be demerged. TMK Montney Ltd will continue to try and commercialise this acreage or drop the lands as rent falls due.

Directors' Report

Your Directors present their report on the consolidated entity (Group) for the year ended 30 June 2015.

Directors

The names and details of the Company's Directors in office at any time during the financial year and until the date of this report are detailed below.

Alexander Parks
Brett Lawrence (appointed 1 February 2015)
Justin Norris (appointed 23 October 2014)
Brett Mitchell (resigned 1 February 2015)
Mark Freeman (resigned 1 February 2015)

Principal Activities

The principal continuing activities of the Group during the financial year was the acquisition, exploration and production of petroleum and gas properties.

There were no changes in the nature of the activities of the group during the year.

Operating Results

The net operating loss of the Group for the year ended 30 June 2015 after income tax amounted to $1,698,435 (2014: Loss $3,954,977).

Dividends Paid or Recommended

No dividend was paid or declared during the year and the Directors do not recommend the payment of a dividend.

Review of Operations

Information on the operations and corporate activities of the group and its business strategies and prospects is set out in the review of operations and activities on page 5 of this financial report.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the year.

Events since the end of the financial year

Corporate
On 10 June 2015 the Company announced the establishment of a share sale facility for holders of less than a marketable parcel of shares. The closing date for Share Retention forms was 29 July 2015. In total, 612 shareholders (representing 8,805,677 shares) participated in the facility and those with registered bank accounts with Automic have received the proceeds from the sale of these shares by the Company.

On 16 July 2015 the Company announced that 32,600,000 listed options, exercisable at 50c per option, were due to expire on 17 August 2015. These options have now lapsed. As announced with the demerger documentation 3,000,000 options are due to be cancelled after year end.

Subsequent to year end the directors resolved to demerger the group's Canadian assets. These assets will be transferred to a new subsidiary 'TMK Montney Limited' following the appropriate approval from shareholders and ATO tax rulings obtained. Under the strategic direction of the new entity Tamaska will seek new opportunities for these assets and hope to attract a new farm-in partner to pursue further exploration at the prospects.

Directors' Report

The Company has announced the intention to implement a Rights Issue to raise $2.14 million (before costs) following the implementation of the demerger.

The West Klondike well will be recompleted to the second producing zone in October 2015.

No other events have occurred since 30 June 2015 that would materially affect the operations of the Group, the results of the Group or the state of affairs of the Group that are not otherwise disclosed in Note 27 to the Group's financial statement.

Likely Developments

The consolidated entity will continue to pursue activities within its corporate objectives. The Company has stated its intent to demerge the Canadian assets. Following the announced Rights Issue to raise $2.14 million, the Company will continue to produce oil and gas from the existing projects and seek to acquire a new project with value to be recognised in the Australian market.

Environmental Regulations

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes there are adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply.

NGER ACT

The Directors consider the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Company for the current nor subsequent financial year. The Directors will reassess this position as and when the need arises.

Information on Directors and Secretary

Names, qualifications, experience and special responsibilities of current directors and company secretary:

Alexander Parks - *Managing Director*
(Appointed on 17 February 2014)

Mr Parks is an Executive with over 18 years' experience in the oil industry. Prior to joining Tamaska he has held the positions of Chief Commercial Officer at Cue Energy Resources Ltd, CEO of Mosaic Oil NL, CEO of Otto Energy Ltd and Technical Director at RPS Energy. Mr Parks has extensive experience in Australia, SE Asia, New Zealand, Europe, North America, FSU and North Africa. Projects have included onshore and offshore exploration and development and significant new ventures and transaction experience.

Mr Parks has a Master of Engineering, Petroleum Engineering degree from the Imperial College London, is a member of the Society of Petroleum Engineers (SPE), is a Member of the Petroleum Exploration Society of Australia (PESA) a Graduate of the Australian Institute of Company Directors (GAICD), and was awarded Young Petroleum Engineer of the Year (SE Asia) by the SPE in 2005.

Mr Parks does not currently hold any directorship in another listed entity, nor in the past three years.

Directors' Report

Justin Norris – ***Non-Executive Director***
(Appointed 23 October 2014)

Mr Norris has over 16 years' experience in the oil industry and is one of the founding partners of Havoc Partners LLP (Havoc). Havoc is a natural resources investment partnership focused primarily on the oil and gas sector. Havoc holds an 11.4% shareholding in Tamaska.

Mr Norris began his professional career with Schlumberger Oilfield Services working on several assignments within Nigeria, Yemen, Australia, Myanmar, PNG and New Zealand. He has extensive experience throughout Africa having previously held senior management positions with Fusion Oil & Gas NL and Ophir Energy plc. Mr Norris has a Bachelor of Science from Curtin University and is a member of the Society of Exploration Geophysics (SEG), Petroleum Exploration Society of Great Britain (PESGB), European Association of Geoscientists and Engineers (EAGE) and the American Association of Petroleum Geologists (AAPG).

Mr Norris does not currently hold any directorship in another listed entity, nor in the past three years.

Brett Lawrence – ***Executive Director (Part time)***
(Appointed 1 February 2015)

Mr Brett Lawrence has 11 years of diverse experience in the oil and gas industry. Mr Lawrence worked with Apache Energy for over eight years, performing roles in drilling engineering, reservoir engineering, project development and commercial management before seeking new venture opportunities with ASX listed companies. Mr Lawrence was recently the Managing Director of ASX listed Macro Energy Limited. Brett holds a Master of Petroleum Engineering, a Bachelor of Engineering (Mining) and Bachelor of Commerce (Finance) from Curtin University in Western Australia.

Current Directorship and date of appointment:
Xponova Pty Limited (appointed September 2014)

Other Directorships within the last three years:
Macro Energy Limited (March 2013 – September 2014) and Apache Corporation 2011

Brett Mitchell, B Ec - Non -Executive Chairman
(Resigned 1 February 2015)

Mr Mitchell is a corporate finance executive with over 21 years of experience in the finance and resources industries. He has been involved in the founding, financing and management of both private and publicly-listed resource companies and holds executive and non-executive directorship roles.

Mr Mitchell is a partner in Verona Capital, a private minerals focused venture capital and project generation business. Mr Mitchell holds a Bachelor of Economics from the University of Western Australia. He is also a member of the Australian Institute of Company Directors (AICD).

Current Directorship and date of appointment:
Erin Resources Limited (appointed April 2013), Citation Resources Limited (appointed November 2011) and Digital CC Limited (appointed September 2014)

Other Directorships within the last three years:
Transerv Energy Limited (July 2006 – August 2013), Quest Petroleum NL (May 2007 – June 2013,) XState Resources Limited (August 2009 – April 2011) and Wildhorse Energy Limited (April 2009 – August 2014)

Directors' Report

Mark Freeman - *Non-Executive Director*
(Resigned 1 February 2015)

Mr Freeman is a Chartered Accountant and has more than 18 years' experience in corporate finance and the resources industry. He has experience in project acquisitions and management, strategic planning, business development, M&A, asset commercialisation, and project development. Prior experience with Grand Gulf Energy Ltd, Quest Petroleum NL, Macro Energy Ltd, Golden Gate Petroleum, and Matra Petroleum Plc.

Mr Freeman is a graduate of the University of Western Australia with a Bachelor of Commerce with a double major in Banking & Finance and Accounting as well as holding a Graduate Diploma in Applied Finance with a major in Investment Analysis from the Securities Institute of Australia

Current Directorship and date of appointment:
Grand Gulf Energy Ltd (appointed October 2010) and OGI Group Ltd (appointed July 2014).

Other Directorships within the last three years:
Quest Petroleum NL (May 2007 – November 11,) and Macro Energy Ltd (October 2010 – June 2014)

Sylvia Moss - *Company Secretary*
(Appointed 24 March 2014)

Ms Sylvia Moss has been appointed as Company Secretary effective 24 March 2014, Ms Moss is a qualified Accountant with over 12 years' experience in the resources sector in Australia and overseas and holds a Bachelor of Accounting degree from University of South Africa.

Meetings of Directors

The numbers of meetings attended by each director to the report date were:

Director	Board Meetings Held When in Office	Board Meetings Attended
Brett Mitchell (*resigned 1 February 15*)	1	1
Mark Freeman (*resigned 1 February 15*)	1	1
Alexander Parks	4	4
Justin Norris (*appointed 23 October 14)*	3	3
Brett Lawrence (*appointed 1 February 15)*	3	3

Directors' Report

Securities held and controlled by Directors

As at the date of this report, the interests of the Directors in shares and options of the Company were:

Ordinary Shares

Holder	Balance at beginning of year	Other purchases/ (Sales) (i)	Other changes during the year (ii)	Balance at the date of report
Brett Mitchell (*resigned 1 February 15*)	2,500,000	-	(2,500,000)	-
Mark Freeman (*resigned 1 February 15*)	-	-	-	-
Alexander Parks	308,000	5,000,000	-	5,308,000
Brett Lawrence (*appointed 1 February 15)*	-	-	-	-
Justin Norris (*appointed 23 October 14) (iii)*	-	-	10,000,000	10,000,000
	2,808,000	**5,000,000**	**7,500,000**	**87,808,000**

(i) Other Purchases includes listed shares issued as part of the share placement completed in September 2014.
(ii) Other changes include the shareholding of Directors at the time of appointment, resignation or retirement.
(iii) Justin Norris is a director of Havoc Partners LLP (Havoc) who collectively own 80,000,000 shares. Mr Norris is entitled to 10,000,000 shares being 1/8 of the total held by Havoc.

Options

Holder	Balance at beginning of year	Granted as compensation	Expired	Other changes (v)	Balance at the date of report	Vested and exercisable
Brett Mitchell(i)	1,300,000	6,000,000	(1,300,000)	(6,000,000)	-	-
Brett Lawrence(ii)	-	20,000,000	-	-	20,000,000	20,000,000
Mark Freeman(i)	1,485,000	-	(1,485,000)	-	-	-
Alexander Parks(iii)	3,000,000	24,000,000	-	-	27,000,000	25,500,000
Justin Norris(iv)	-	-	-	3,000,000	3,000,000	3,000,000
	5,785,000	**50,000,000**	**(2,785,000)**	**(3,000,000)**	**50,000,000**	**48,500,000**

(i) Resigned 1 February 2015.
(ii) Appointed 1 February 2015.
(iii) 3,000,000 options are due to be cancelled after year end. Refer Note 27 to the group's financial statements
(iv) Justin Norris is a director of Havoc Partners LLP (Havoc) who collectively own 24,000,000 options. Mr Norris is entitled to 3,000,000 options being 1/8 of the total held by Havoc. Mr Norris was appointed 23 October 2014.
(v) Other changes include the holdings of Directors at the time of appointment, resignation or retirement.

Directors' Report

REMUNERATION REPORT (AUDITED)

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

This report outlines the remuneration arrangements in place for directors and executives of Tamaska Oil & Gas Limited. This report has been set out under the following main headings:

A. Principles Used to Determine the Nature and Amount of Remuneration
B. Service Agreements
C. Details of Remuneration
D. Share-based Compensation
E. Group Performance
F. Equity instruments held by key management personnel
G. Loans to key management personnel
H. Other transactions with key management personnel
I. Additional Information

As noted in the corporate governance, section of this Financial Report, under council principle 8, the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board manages the remuneration policy, setting the terms and conditions for Executive Directors and other senior executives. The Board of Directors did not use any remuneration consultants during the year.

A. Principles Used to Determine the Nature and Amount of Remuneration

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and Executive Officers. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The Board policy is to remunerate Non-Executive Directors at fair market rates for comparable companies for the relevant time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties and accountability. The maximum amount of fees that can be paid to directors is subject to approval by shareholders at the Annual General Meeting. The maximum amount approved is $300,000. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align director's interests with shareholder interests the Directors are encouraged to hold shares in the Company and may be issued with additional securities as deemed appropriate.

Directors' Report

The Board believes that the remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate for aligning director and executive objectives with shareholder and business objectives. The Board will continually develop new practices which are appropriate to the Company's size and stage of development.

Executive Officers are those directly accountable for the operational management and strategic direction of the Company and the consolidated entity.

All contracts with directors and executives may be terminated by either party with three months' notice.

Fixed Remuneration

Fixed remuneration consists of a base remuneration package, which includes directors' fees (in the case of Directors), salaries, consulting fees and employer contributions to superannuation funds.

Fixed remuneration levels for directors and executive officers will be reviewed annually by the Board through a process that considers the employee's personal development, achievement of key performance objectives for the year, industry benchmarks wherever possible and CPI data.

Performance-linked Remuneration

All employees may receive bonuses and/or share options based on achievement of specific goals related to performance against individual KPIs and to the performance of the Company as a whole as determined by the Directors, based on a range of factors. These factors include traditional financial considerations such as operating performance, cash consumption and deals concluded. They also include industry-specific factors relating to the advancement of the Company's activities and relationships with third parties and internal employees. There were no bonus or performance linked options granted during the year.

50 Million Options were issued to Directors during the year.

B. Service Agreements

Remuneration, consulting and other terms of employment for the key management personnel are determined by the Board. Other current provisions are set out below.

The Directors and key management personnel during the year included:

<u>Directors</u>

Mr Brett Mitchell, Non-Executive Chairman

- Agreement commenced 1 August 2011 (resigned 1 February 2015) with no termination date, benefits or notice period noted;
- Directors' fees for the year ended 30 June 2015 is $20,000 per annum.

Mr Alexander Parks, Managing Director

- Agreement commenced 17 February 2014 with no termination date, benefits or notice period noted;
- On termination of the Employment, the Executive is entitled to payment in lieu of the annual leave and longs service to which he has become entitled during the Employment but which he has not taken, including a pro rata entitlement for the period from the last anniversary of the commencement of the Employment preceding the termination to the date of termination.
- Executive and Director's fee for the year ended 30 June 2015 is effectively $160,000 for 2/3 time. ($240,000 per annum for full time equivalent).

Directors' Report

Mr Mark Freeman, Non-Executive Director

- Agreement commenced 24 March 2014 (resigned 1 February 2015) with no termination date, benefits or notice period noted;
- Directors' fees for the year ended 30 June 2015 is $20,000 per annum.

Mr Brett Lawrence, Executive Director

- Agreement commenced 1 February 2015 with no termination date, benefits or notice period noted;
- No Directors' fees are to be paid.

Mr Justin Norris, Non-Executive Director

- Agreement commenced 23 October 2014 with no termination date, benefits or notice period noted;
- Directors' fees for the year ended 30 June 2015 is $20,000 per annum.

No termination payments were made during the financial year.

C. Details of Remuneration

The key management personnel of Tamaska Oil & Gas Limited during the year ended 30 June 2015 includes all directors and executives mentioned above. There are no other executives of the company which are required to be discussed.

Remuneration packages contain the following key elements:

- Primary benefits – salary/fees and bonuses;
- Post-employment benefits – including superannuation;
- Equity – share options and other equity securities; and
- Other benefits.

Nature and amount of remuneration for the year ended 30 June 2015:

	Short-term employee benefits		Post-Employment Benefits	Share-based payment		
	Salary, consulting fees AU$	**Bonus AU$**	**Super-annuation AU$**	**Options AU$**	**Total AU$**	**Perfor-mance related %**
Executive Directors						
Alexander Parks	188,333	-	-	214,687	403,020	53%
Brett Lawrence *(appointed 1 February 15)* (i)	118,333	-	-	67,689	186,022	36%
Non-executive Directors						
Justin Norris *(appointed 23 October 14)*	10,000	-	-	-	10,000	-
Mark Freeman *(resigned 1 February 15)*	11,667	-	-	-	11,667	-
Brett Mitchell *(resigned 1 February 15)*	11,667	-	-	36,116	47,783	76%
Total Director's Compensation	**340,000**	**-**	**-**	**318,492**	**658,492**	**48%**
Key Management Personnel						
Sylvia Moss	68,300	-	-	-	68,300	-
Total Key Management Personnel	**68,300**	**-**	**-**	**-**	**68,300**	**-**
Total Compensation	**408,300**	**-**	**-**	**318,492**	**726,792**	**42%**

(i) The fees paid to Mr Lawrence of $118,333 relate to his ongoing consulting services in relation to the Montney project beginning mid-2014.

Directors' Report

Nature and amount of remuneration for the year ended 30 June 2014:

	Short-term employee benefits		Post-Employment Benefits	Share-based payment		
	Salary, consulting fees AU$	**Bonus AU$**	**Super-annuation AU$**	**Options AU$**	**Total AU$**	**Perfor-mance related %**
Executive Directors						
Alexander Parks *(appointed 17 February 14)*	145,000	-	-	97,089	242,089	40%
Non-executive Directors						
Charles Morgan *(resigned 17 February 14)*	36,364	-	-	-	36,364	-
Brian Ayers *(resigned 24 March 14)*	20,509	-	-	-	20,509	-
Mark Freeman *(appointed 24 March 14)*	5,000	-	-	-	5,000	-
Brett Mitchell	23,750	-	-	-	23,750	-
Total Director's Compensation	**230,623**	**-**	**-**	**97,089**	**327,712**	**30%**
Key Management Personnel						
Sylvia Moss *(appointed 24 March 14)*	16,387	-	-	-	16,387	-
Rachell Jelleff *(resigned 24 March 14)*	33,750	-	3,122	-	36,872	-
Total Key Management Personnel	**50,137**	**-**	**3,122**	**-**	**53,259**	**-**
Total Compensation	**280,760**	**-**	**3,122**	**97,089**	**380,971**	**25%**

D. Share based compensation

Options

Details of Options over ordinary shares in the Company provided as remuneration to each Director and each of the key management personnel of the Group in the current and prior years are set out below.

	Grant date	Number	Vesting Conditions	Exercise Price	Expiry Date	Value per option at grant date
<u>Share Options</u>						
Executive Directors						
Brett Lawrence[(i)]	1-July-14	20,000,000	Immediate[(iii)]	$0.016	31-Mar-19	$0.0034
Alexander Parks	25-Sep-14	24,000,000	Immediate[(iii)]	$0.016	31-Mar-19	$0.0060
Non-Executive Directors						
Brett Mitchell[(ii)]	25-Sep-14	6,000,000	Immediate[(iii)]	$0.016	31-Mar-19	$0.0060

(i) Mr Lawrence was appointed as an executive director on 1 February 2015.
(ii) Mr Mitchell resigned on 1 February 2015.
(iii) The above options issued to directors and consultants are exercisable wholly or in part any time on or before 31 March 2019. If at any time the option holder ceases to be a consultant/employee/director prior to 31 December 2016 the Board may at any time thereafter place the Options on 28 days' notice, whereupon: (1) The option holder will be given a notice that the Options (or such portion as is specified in the notice) will expire 28 days after the date of such notice; and (2) Failure to exercise the specified Options within such period will result in such Options lapsing.

When exercisable, each Option is convertible into one ordinary share of the Company. Further information on the Options is set out in Note 15 of the Financial Statements.

Directors' Report

E. Group Performance

At present, no other remuneration for key management personnel is directly linked to common financial measures of the Group's performance.

The table below shows various commonly used measures of performance for the 2011 to 2015 financial years:

	Year ended 30 June				
	2011 $	2012 $	2013 $	2014 $	2015 $
Revenues and finance income	22,807	17,703	78,085	109,136	245,181
(Loss) after tax	(2,801,344)	(1,842,951)	(3,603,780)	(3,954,977)	(1,698,435)
Share price at start of year	0.10	0.10	0.05	0.03	0.005
Share price at end of year	0.10	0.05	0.05	0.005	0.005
Loss per share	(.002)	(0.03)	(0.06)	(5.86)	(0.26)

F. Equity instruments held by key management personnel

Options holdings:

The number of Options over ordinary shares held by Key Management Personnel during the financial year is as follows:

Holder	Balance at beginning of year	Granted as compensation	Other changes during the year (iii)	Balance at end of year	Vested and exercisable
Brett Mitchell	1,300,000	6,000,000	(7,300,000)	-	-
Brett Lawrence	-	20,000,000	-	20,000,000	20,000,000
Mark Freeman	1,485,000	-	(1,485,000)	-	-
Alexander Parks (i)	3,000,000	24,000,000	-	27,000,000	25,500,000
Justin Norris (ii)	-	-	3,000,000	3,000,000	3,000,000
	5,785,000	**50,000,000**	**(5,785,000)**	**50,000,000**	**48,500,000**

(i) 3,000,000 Options are to be cancelled subsequent to year end as planned per the demerger as discussed at Note 27 to the financial report.
(ii) Justin Norris is a director of Havoc Partners LLP (Havoc) who collectively own 24,000,000 options. Mr Norris is entitled to 3,000,000 options being 1/8 of the total held by Havoc.
(iii) Other changes include the shareholding of KMP at the time of appointment, resignation or retirement.

Shareholdings:

The number of ordinary shares in the company held by each KMP of the Group during the financial year is as follows:

Holder	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other purchases (i)	Other changes during the year (ii)	Balance at end of year
Brett Mitchell	2,500,000	-	-	-	(2,500,000)	-
Mark Freeman	-	-	-	-	-	-
Alexander Parks	308,000	-	-	5,000,000	-	5,308,000
Brett Lawrence	-	-	-	-	-	-
Justin Norris(iii)	-	-	-	-	10,000,000	10,000,000
	2,808,000	**-**	**-**	**5,000,000**	**7,500,000**	**15,308,000**

(i) Other Purchases includes listed shares purchased as part of the share placement completed in September 2014.
(ii) Other changes include the shareholding of KMP at the time of appointment, resignation or retirement.
(iii) Justin Norris is a director of Havoc Partners LLP (Havoc) who collectively own 80,000,000 shares. Mr Norris is entitled to 10,000,000 shares being 1/8 of the total held by Havoc.

Directors' Report

G. Loans to key management personnel

No loans were provided to the key management personnel or to any of their associates.

H. Other transactions with key management personnel

Directors and officers, or their personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

Details of the transactions during the year are as follows:

Entity	Nature of transactions	2015 $
Amounts recognised as Assets and Liabilities.		
Carnaby Energy Limited[(i)]	Acquisition of JV project assets	3,457,763
Amounts recognised as expense		
Citation Resources Limited[(ii)]	Corporate admin costs	452
Carnaby Energy Limited[(i)]	Land rent and consultants fees	34,244

(i) During the period Warren Energy Ltd (100% subsidiary) executed a Joint Venture agreement with Carnaby Energy with respect to the 40%:60% Montney project. Scott Alanen is a Director of both Warren and Carnaby.

(ii) Citation Resources Limited (CTR) is a company associated with Mr Brett Mitchell, who is currently a director of CTR. Mr Mitchell resigned as director of Tamaska on 1 February 2015.

There were no other transactions with key management personnel during the financial year.

I. Additional Information

Principles used to determine the nature and amount of remuneration: relationship between remuneration and company performance.

In considering the Company's performance and its effect on shareholder wealth, the Board have regard to a broad range of factors, some of which are financial and others of which relate to the progress on the Company's projects, results and progress of exploration and development activities, joint venture agreements etc.

The Board also gives consideration to the Company's result and cash consumption for the year. It does not utilise earnings per share as a performance measure or contemplate payment of any dividends in the short to medium term given that all efforts are currently being expended to build the business and establish self-sustaining revenue streams.

There were no remuneration consultants engaged by the Company during the financial year.

Voting and comments made at the Company's 2014 Annual General Meeting

TMK received 100% of "yes" votes (excluding director's votes) on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

END OF AUDITED REMUNERATION REPORT

Directors' Report

Shares under option

At the date of this report the following unlisted Options over unissued ordinary shares are as follows.

Date options granted	Expiry date	Exercise price	Number under option
Unlisted options			
3 October 2013[(i)]	3 October 2017	$0.15	3,000,000
25 September 2014 [(ii)]	31 March 2019	$0.016	180,000,000
			183,000,000

(i) 3,000,000 Options are to be cancelled subsequent to year end as planned per the demerger as discussed at Note 27 to the financial report.

(ii) Following the Demerger as discussed at Note 27 to the financial report, the number of options held will remain the same however the exercise price of the options will be reduced to $0.0092.

As at the date of this report no listed options are on issue.

Indemnification and Insurance of Directors and Officers

During the financial year, the Company maintained an insurance policy which indemnifies the Directors and Officers of Tamaska Oil & Gas Limited in respect of any liability incurred in connection with the performance of their duties as Directors or Officers of the Company. The Company's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty or the improper use of position or information to gain advantage for themselves or someone else or to cause detriment to the company.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporation Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the court under section 237 of the Corporation Act 2001.

Non-audit Services

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

Directors' Report

During the year, no fees were paid or payable for non-audit services by BDO (WA) Pty Ltd and its related practices.

Auditor's Independence Declaration

The Auditor's Independence Declaration, as required under Section 307c of the Corporations Act 2001, for the financial year ended 30 June 2015 has been received and can be found on page 24.

This report is made in accordance with a resolution of directors.

Alexander Parks
Managing Director
Perth, W.A.
25 September 2015

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF TAMASKA OIL AND GAS LIMITED

As lead auditor of Tamaska Oil and Gas Limited for the year ended 30 June 2015, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Tamaska Oil and Gas Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 25 September 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

		Consolidated	
		30-Jun-15	30-Jun-14
	Notes	$	$
Oil revenue		216,266	107,104
Other income		111,942	70,346
Total income	5	**328,208**	**177,450**
Cost of sales		(182,006)	(58,908)
Accounting and audit fees		(113,748)	(71,450)
Directors' fees		(80,419)	(71,872)
Professional and consultancy fees		-	(61,660)
Share base payment expense	15	(386,177)	(97,089)
Travel expenses		1,547	(1,759)
Legal fees		(13,222)	(28,654)
Regulatory expenses		(44,522)	(46,043)
Impairment of assets	10&11	(714,746)	(3,332,202)
Amortisation of oil and gas properties	11b	(122,145)	(295,349)
Restoration provision		-	(3,784)
Office and administrative expenses	6	(241,016)	(187,710)
Loss of operating activities		**(1,568,246)**	**(4,079,030)**
Finance cost		(2,596)	(4,265)
Foreign exchange gains/(losses)		7,495	(13,203)
Loss before tax		**(1,563,347)**	**(4,096,498)**
Income tax (expense)/benefit	7	(135,088)	141,521
Loss for the year after income tax		**(1,698,435)**	**(3,954,977)**
Other comprehensive income for the year			
Items that may be reclassified to profit or loss			
Exchange differences on the translation of foreign operations		517,744	(123,477)
Other comprehensive income/(loss) for the year, net of tax		**517,744**	**(123,477)**
Total comprehensive loss for the year		**(1,180,691)**	**(4,078,454)**
Loss attributed to:			
Owners of Tamaska Oil and Gas Limited		**(1,698,435)**	**(3,954,977)**
Total comprehensive loss for the year attributable to:			
Owners of Tamaska Oil and Gas Limited		**(1,180,691)**	**(4,078,454)**
Loss per share for loss from continuing operations attributed to the ordinary equity holders of the company:			
Basic loss per share/diluted loss per share (cents per share)	17	**(0.26)**	**(5.86)**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2015

		Consolidated	
		30-Jun-15	**30-Jun-14**
	Notes	**$**	**$**
Current assets			
Cash and cash equivalents	8	799,238	1,537,577
Trade and other receivables	9	59,463	118,121
Assets classified as held for sale	10	150,474	141,249
Total current assets		**1,009,175**	**1,796,947**
Non-current assets			
Exploration, evaluation and development expenditure	11a	3,855,971	1,127,443
Oil and gas properties	11b	901,170	212,620
Total non-current assets		**4,757,141**	**1,340,063**
Total assets		**5,766,316**	**3,137,010**
Current liabilities			
Trade and other payables	12a	103,355	2,122,164
Short term borrowings	12b	-	651,457
Total Current liabilities		**103,355**	**2,773,621**
Non-current Liabilities			
Restoration Provision		4,534	3,692
Total non-current liabilities		**4,534**	**3,692**
Total liabilities		**107,889**	**2,777,313**
Net assets		**5,658,427**	**359,697**
Equity			
Issued share capital	13a	30,979,035	24,996,085
Issued share options	13b	408,890	298,890
Share based payment reserve	14	526,460	139,989
Other reserves	14	1,079,066	561,322
Accumulated losses	16	(27,335,024)	(25,636,589)
Total equity		**5,658,427**	**359,697**

The above consolidated statement of financial position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

30 June 2015	Issued Share capital	Issued Options	Share Based Payment Reserve	Other Reserves	Accumulated losses	Total Equity
	$	$	$	$	$	$
Balance at 1 July 2014	**24,996,085**	**298,890**	**140,283**	**561,322**	**(25,636,589)**	**359,991**
Currency translation of foreign operations	-	-	-	517,744	-	**517,744**
Profit/(loss) after tax	-	-	-	-	(1,698,435)	**(1,698,435)**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**517,744**	**(1,698,435)**	**(1,180,691)**
Transactions with equity holders in their capacity as equity holders						
Issue of share capital	6,106,033	-	-	-	-	**6,106,033**
Capital Raising Costs	(123,083)	-	-	-	-	**(123,083)**
Options Issued	-	110,000	-	-	-	**110,000**
Share based payment expense	-	-	386,177	-	-	**386,177**
Balance at 30 June 2015	**30,979,035**	**408,890**	**526,460**	**1,079,066**	**(27,335,024)**	**5,658,427**

30 June 2014	Issued Share capital	Issued Options	Share Based Payment Reserve	Other Reserves	Accumulated losses	Total Equity
	$	$	$	$	$	$
Balance at 1 July 2013	**24,636,662**	**298,890**	**43,194**	**684,799**	**(21,681,612)**	**3,981,639**
Currency translation of foreign operations	-	-	-	(123,477)	-	**(123,477)**
Profit/(loss) after tax	-	-	-	-	(3,954,977)	**(3,954,977)**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**(123,477)**	**(3,954,977)**	**(4,078,454)**
Transactions with equity holders in their capacity as equity holders						
Issue of share capital	394,801	-	-	-	-	**394,801**
Capital Raising Costs	(35,378)	-	-	-	-	**(35,378)**
Share based payment expense	-	-	97,089	-	-	**97,089**
Balance at 30 June 2014	**24,996,085**	**298,890**	**140,283**	**561,322**	**(25,636,589)**	**359,697**

The consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

		Consolidated	
		30-Jun-15	30-Jun-14
	Notes	$	$
Cash flows from operating activities			
Receipts from product sales and related customers (inclusive of GST)		216,131	97,915
Interest received		28,915	2,032
Payments to suppliers and employees (inclusive of GST)		(444,753)	(691,432)
Payment of production cost		(182,006)	(58,908)
Interest and finance costs paid		(2,302)	-
Income tax received/(paid)		(135,088)	19,219
Net cash and cash equivalents outflow from operating activities	19	**(519,103)**	**(631,174)**
Cash flows from investing activities			
Exploration costs on oil and gas activities		(528,919)	(1,036,123)
Acquisition of project assets		(3,348,154)	-
Proceeds from oil and gas exploration assets sold		-	746,032
Net cash and cash equivalents outflows from investing activities		**(3,877,073)**	**(290,091)**
Cash flows from financing activities			
Net Proceeds from issue of shares and options		3,737,950	1,555,880
Loan received		-	900,000
Loan repayment		(101,457)	(205,274)
Net cash and cash equivalents inflow from financing activities		**3,636,493**	**2,250,606**
Net (decrease)/increase in cash held		(759,682)	1,329,341
Cash and cash equivalents at beginning of financial year		1,537,577	218,376
Foreign exchange movement on cash		21,343	(10,140)
Cash and cash equivalents at end of financial year	8	**799,238**	**1,537,577**

The above consolidated statement of cash flows should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of Tamaska Oil and Gas Limited ("Tamaska" or the "Company") and its controlled entities (the "Group").

The principal accounting policies adopted in the presentation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(a) ***Basis of Preparation***

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. Tamaska Oil and Gas Limited is a for-profit entity for the purposes of preparing these financial statements.

i) Compliance with IFRSs
The consolidated entity financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii) Historical Cost Convention
These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit and loss, certain classes of property, plant and equipment and investment property.

iii) Critical Accounting Estimates
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

iv) Early Adoption on Standards
The Group has not elected to apply any pronouncements before their operative date for the annual reporting period beginning 1 July 2014.

(b) ***Going Concern***

During the year the Consolidated Entity derived a net loss for the year of $1,698,435 (2014: 3,954,977) and had net cash outflow from operating activities of $519,103 (2014: $631,174).
On 10 August 2015, the Company announced the intent to demerge the Canadian assets held in Warren Energy Limited. To effect the demerger, Tamaska has incorporated a new subsidiary, TMK Montney Limited. The shares in TMK Montney Limited will be distributed to Tamaska shareholders on a 1 for 10 basis (an in- specie distribution). The demerger was approved by shareholders at a general meeting held on 15 September 2015.
Following the successful demerger, the Company will be seeking new opportunities. In light of this the Company has announced its intention to raise $2.14 million (before costs) by way of rights issue. The ability of the Consolidated Entity to continue as a going concern is dependent upon the future successful raising of necessary funding through debt, equity and/or the sale of non-core assets.
The Directors believe that the Consolidated Entity will continue as a going concern. As a result, the financial report has been prepared on a going concern basis. However, if the matters stated above are not achieved, there is a material uncertainty that may cast significant doubt about the Consolidated Entity's ability to continue as a going concern, and whether it will realise its asset and extinguish liabilities in the normal course of business and at the amounts stated in the Statement of Financial Position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) *Principles of Consolidation*

i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Tamaska Oil & Gas Limited (the "parent entity") as at 30 June 2015 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

ii) Jointly Controlled Assets and Operations
The majority of operations are carried out subject to joint venture arrangements. The proportionate interests in the assets, liabilities, income and expenditure of a joint venture activity have been incorporated in the financial statements under the appropriate headings.

(d) *Segment Reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(e) *Foreign Currency Translation*

i) Functional and Presentation Currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

ii) Transactions and Balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive Income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss and Other comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Transaction difference on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii) Group Companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- Income and expenses for each Statement of profit or loss and other comprehensive income are translated at average exchange rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(f) ***Revenue Recognition***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, the revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised as follows:

i) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

ii) Oil and Gas Revenue

Revenue is recognised when the significant risks and rewards of ownership of the goods have been delivered to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(g) ***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and short-term deposits.

(h) ***Inventories***

Oil stocks and field consumables are stated at the lower of cost and net realisable value. Cost includes all expenditure incurred in acquiring and bringing the inventories to their existing condition and location.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) *Trade and Other Receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less a provision for impairment. Trade receivables are generally due for settlement between thirty (30) and ninety (90) days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. When a trade receivable is uncollectible, it is written off by reducing the carrying amount directly. An allowance account 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. The amount of impairment allowance is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The movement in the provision is recognised in profit or loss.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible 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 profit and loss.

(j) *Property, Plant and Equipment*

i) Plant and Equipment
Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated losses for impairment.

Historical cost includes expenditure that is directly related to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

ii) Depreciation
Depreciation is calculated on a straight-line basis over the estimated useful life of the asset which is estimated to vary between 5 and 15 Years

iii) 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.

Impairment losses are recognised separately in the statement of profit or loss and other comprehensive income.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Any item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the year the item is derecognised.

(k) ***Non-current Assets (or Disposal Groups) Held for Sale and Discontinued Operations***

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expense attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position as current assets. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position as current liabilities.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss and other comprehensive income.

(l) ***Investments and Other Financial Assets***

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

i) **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 arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial report date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position (note 9).

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Loans and receivables are carried at amortised cost using the effective interest method.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) *Exploration, Evaluation and Development Expenditure*

Exploration, evaluation and development expenditure incurred is either written off as incurred or accumulated in respect of each identifiable area of interest. These costs are only carried forward 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 which permits reasonable assessment of the existence of economically recoverable reserves.

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 incorporated into Oil and Gas properties 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.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are treated as exploration and evaluation expenditure.

(n) *Oil and Gas Properties*

Following commencement of production activities all acquisition, exploration, evaluation and development expenditure in relation to an area of interest is accumulated into an oil and gas property.
When further development expenditure is incurred in respect of a property after the commencement of production, such expenditure is carried forward as part of the cost of that property only when substantial economic benefits are established, otherwise such expenditure is classified as part of the cost of production.

Amortisation of the cost of oil and gas properties is provided on the unit-of-production basis over the proved developed reserves of the field concerned with separate calculations being made for each resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the economically recoverable reserves. Amortisation is charged from the commencement of production.

Oil and Gas properties are tested for impairment as described in note 3(i).

(o) *Trade and Other Payables*

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year, which remain unpaid at year end. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised at fair value on initial recognition and subsequently at amortised cost, using the effective interest rate method.

(p) *Employee Benefits*

i) Short Term Obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Profit sharing and bonus plans are recognised as expenses in profit and loss. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

ii) Share Based Payments
Share based compensation benefits are provided to employees. Information relating to these granted options is set out in note 15.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fair value of the options is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

(q) ***Borrowing Costs***

Borrowing costs are recognised as an expense when incurred except if costs were incurred for the construction of any qualifying asset, in which case, the costs are capitalised over the year that is required to complete and prepare the asset for its intended use or sale.

(r) ***Income Tax***

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in the deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is provided on all temporary differences at the statement of financial position date, arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and are recognised for all taxable temporary differences:

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year, which remain unpaid at year end. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised at fair value on initial recognition and subsequently at amortised cost, using the effective interest rate method.

(s) ***Employee Benefits***

iii) Short Term Obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Profit sharing and bonus plans are recognised as expenses in profit and loss. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

iv) Share Based Payments
Share based compensation benefits are provided to employees. Information relating to these granted options is set out in note 15.

The fair value of the options is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

(t) *Borrowing Costs*

Borrowing costs are recognised as an expense when incurred except if costs were incurred for the construction of any qualifying asset, in which case, the costs are capitalised over the year that is required to complete and prepare the asset for its intended use or sale.

(u) *Income Tax*

The income tax expense or revenue for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in the deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company’s subsidiaries and associates operate and generate taxable income.

Deferred income tax is provided on all temporary differences at the statement of financial position date, arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and 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 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 the taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests and 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 extent that it is probable that the temporary differences can 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 statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

(v) *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 authorities, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense item as applicable; and

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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 statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(w) ***Contributed Equity***

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Other components of equity include the following:
- Share based payment reserve, as described in note 14.
- Foreign currency translation reserve which comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into Australian Dollars.

(x) ***Earnings per Share***

i) Basic Earnings per Share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii) Diluted Earnings per Share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary share and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(y) ***New Accounting Standards and Interpretations***

i) New Accounting Standards and Interpretations
Certain new accounting standards and interpretations have been published that are not mandatory for ended 30 June 2015 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Title of standard	Nature of Change	Nature of Change	Application Date/Date adopted by company
AASB 9 Financial Instruments	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting.	There will be no impact on the company's accounting for financial assets and financial liabilities, as the new requirements only effect the accounting for available-for-sale financial assets and the accounting for financial liabilities that are designated at fair value through profit and loss and the company does not have any such financial assets or financial liabilities. The new hedging rules align hedge accounting more closely with the company's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.	Must be applied for financial years commencing on or after 1 January 2018. Therefore application date for the company will be 30 June 2018. The company does not currently have any hedging arrangements in place.
IFRS 15 (issued June 2014) Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Due to the recent release of this standard the company has not yet made an assessment of the impact of this standard.	Must be applied for annual reporting periods beginning on or after 1 January 2018. Therefore application date for the company will be 30 June 2018.

The following standards are not yet effective and are not expected to have a significant impact on the Group's consolidated financial statements:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group monitors this risk and implements measures to minimise the impact of this risk. The Group uses different methods to measure different types of risk to which it is exposed, including sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

Risk management is carried out by the Board of Directors.

The Group holds the following financial instruments:

	2015 $	2014 $
Financial Assets		
Cash and cash equivalents	799,238	1,537,577
Trade receivables	6,402	14,972
	805,640	1,552,549
Financial Liabilities		
Trade and other payables	53,291	2,122,164
Short term borrowings	-	651,457
	53,291	2,773,621

(a) ***Market Risk***

(i) Foreign Exchange Risk

The Group operates internationally through foreign subsidiaries and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar and CAD dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency or from net investments in foreign operations. The risk is monitored using cash flow forecasting and regular management reporting. The Group keeps bank accounts in foreign currency to reduce the exposure to foreign exchange fluctuations.

The group's exposure for foreign currency risk at the reporting date was as follows:

2015 Foreign Currency	CAD $	USD $
Cash	186,434	10,831
Trade and other payables	20,963	19,590

Group and Parent Sensitivity

Based on the financial instruments held at 30 June 2015, had the Australian dollar weakened/strengthen by 10% against CAD and USD, the effect to the Group's and Parent's Statement of Profit and Loss and Other Comprehensive Income ("SPLOCI") for the year is shown in the table below. This is based on management's assessment of current and future market conditions given the possibility that the AUD may increase/decrease by 10% against CAD and/or USD in the current financial year.

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

2015 Foreign Currency Sensitivity Analysis	CAD SPLOCI $	USD SPLOCI $
AUD weakened by 10%	(4,014)	(79,878)
AUD strengthen by 10%	4,907	50,249

(ii) Price Risk

The Group is in an early stage of exploration and is not exposed to price risk on its financial instruments.

(iii) Cash Flow and Fair Value Interest Rate Risk

At reporting date, the Group has no long term borrowings and its exposure to interest rate risk is assessed as minimal.

The Group's exposure to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets of the group are summarised in the following tables:

2015	Floating interest rate $	Non-interest bearing $	1 Year or less $	Over 1 to 5 years $	Total $
Financial assets					
Cash and cash equivalents	602,215	197,023	799,238	-	799,238
	602,215	197,023	799,238	-	799,238

2014	Floating interest rate $	Non-interest bearing $	1 Year or less $	Over 1 to 5 years $	Total $
Financial assets					
Cash and cash equivalents	1,387,281	150,295	1,537,577	-	1,537,577
	1,387,281	150,295	1,537,577	-	1,537,577

The Group has minimal exposure to interest rate risk other than reduction/increases in interest earned should the rates decrease/increase respectively. As an indication of possible sensitivity to changes in interest rates a 1% movement in interest rate, would increase/decrease the annual amount of interest received by $5,880 (2014: $15,376)

(b) ***Credit Risk***

The Group is in early exploration stages, so there are no significant concentrations of credit risk. The Group ensure the use of leading investment institutions in terms of managing cash. The cash of $602,215 is held in an institution with an AA- credit rating, $130,344 is held in an institution with a A+ credit rating and $66,679 is held in an institution with a AAA credit rating . The maximum exposure to credit risk are the financial assets as disclosed at note 2a(iii).

(c) ***Liquidity Risk***

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions should they arise. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. No unused lines of credit currently exist.

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Contractual maturities of financial liabilities 30 June 2015	Less than 6 months $	6-12 months $	Between 1-5 years $	Total $	Carrying Value $
Financial Liabilities					
Trade and other payables	103,355	-	-	103,355	103,355
Borrowings	-	-	-	-	-
	103,355	-	-	103,355	103,355

Contractual maturities of financial liabilities 30 June 2014	Less than 6 months $	6-12 months $	Between 1-5 years $	Total $	Carrying Value $
Financial Liabilities					
Trade and other payables	2,122,162	-	-	2,122,162	2,122,162
Borrowings	651,457	-	-	651,457	651,457
	2,773,619	-	-	2,773,619	2,773,619

(d) ***Fair Value Estimation***

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement, and for disclosure purposes.

(i) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At year end 30 June 2015 the Group did not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

The following table presents the Group's financial assets measured and recognised at fair value at 30 June 2014 on a recurring basis:

Year to 30 June 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value through profit or loss:				
Assets classified as held for sale (note 10) – Level 2	-	141,249	-	**141,249**
Financial liabilities at fair value through profit or loss:				
Convertible note (note 12b) – Level 2	-	600,000	-	**600,000**

(ii) Valuation techniques used to derive level 2 fair values

The fair values of financial instruments that are not traded in an active market are determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value and instruments are observable, the instrument is included in level 2.

All of the resulting fair value estimates are included in level 2.

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Fair values of other financial instruments

Due to their short-term nature, the carrying amounts of the current receivables and current trade and other payables is assumed to equal their fair value.

The following methods and assumptions are used to determine the net fair value of financial assets and liabilities:
- Cash assets, borrowings 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.

(e) *Capital Risk Management*

The Group's objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistently with others in the industry, the Group manages its capital by assessing the Group's financial risk and adjusts 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. The Group is not subject to any externally imposed capital requirements.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated Impairment
The Group tests annually whether exploration and evaluation expenditure and Oil and Gas properties have suffered any impairment, in accordance with the accounting policy stated in note 1 (m). The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions like commodity price and production quantity. Some of these assumptions may be amended in the future and this may lead to the subsequent impairment of the assets concerned.

(ii) Capitalisation of exploration and evaluation expenditure
The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

(iii) Income Taxes
The Group expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

(iv) Share Based Payments

The assessed fair value at grant date of share based payments granted during the period was determined using a Black Scholes valuation model that takes into account the exercise price, the price of the underlying share at grant date, the life of the option, the volatility of the underlying share, the risk free rate and expected dividend payout and any applicable vesting conditions. Refer note 15 for further details.

(v) Amortisation

Upon commencement of production, the Group amortises the accumulated costs for the relevant area of interest over the life of the area according to the rate of depletion of the economically recoverable quantities of reserves. Estimates of recoverable reserve quantities include judgemental assumptions regarding commodity prices, exchange rates, discount rates, and production and transportation costs for future cash flows. It also requires interpretation of the quality of reservoirs, and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period.

4. SEGMENT REPORTING

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors considers the business from a geographic perspective and have identified the below reportable segments:

	30-Jun-15				
Geographical Segment	$	$	$	$	$
	Canada	**USA**	**Australia**	**Eliminations**	**Consolidated**
Results					
Revenue	-	299,292	485,885	(456,969)	328,208
Loss for the period	(375,494)	(754,911)	(1,093,618)	522,588	(1,698,435)
Comprehensive loss for the period	(387,786)	(1,265,524)	(52,969)	522,588	(1,180,691)
Assets					
Segment assets	4,207,478	2,044,994	5,678,981	(6,165,137)	5,766,316
Total assets	4,207,478	2,044,994	5,678,981	(6,165,137)	5,766,316
Liabilities					
Segment liabilities	3,895,520	5,261,487	20,556	(9,069,674)	107,889
Total liabilities	3,895,520	5,261,487	20,556	(9,069,674)	107,889

4. SEGMENT REPORTING (CONTINUED)

Geographical Segment	30-Jun-14 $	$	$	$	$
	Canada	**USA**	**Australia**	**Eliminations**	**Consolidated**
Results					
Revenue	-	107,104	2,032	-	109,136
Loss for the period	(31,397)	(800,151)	(3,819,129)	695,700	(3,954,977)
Comprehensive loss for the period	(10,816)	(536,200)	(3,819,129)	287,691	(4,078,454)
Assets					
Segment assets	122,358	1,419,764	3,752,997	(2,158,109)	3,137,010
Total assets	122,358	1,419,764	3,752,997	(2,158,109)	3,137,010
Liabilities					
Segment liabilities	43,456	512,060	2,221,797	-	2,777,313
Total liabilities	43,456	512,060	2,221,797	-	2,777,313

5. REVENUE

	Consolidated 2015 $	2014 $
Oil & Gas revenue	216,266	107,104
Other Income	83,026	68,314
Interest received	28,916	2,032
	328,208	**177,450**

6. LOSS FOR THE YEAR

	Consolidated 2015 $	2014 $
The loss from continuing operations includes the following specific expenses:		
Office and administrative expenses		
Office costs	(86,523)	(60,621)
IT costs	(4,979)	(7,060)
Wages and salaries	-	(69,636)
Employee benefits	(6,198)	(6,173)
Others administrative expenses	(143,316)	(44,220)
Total office and administration expenses	**(241,016)**	**(187,710)**

7. INCOME TAX

Income tax recognised in Statement of Profit or Loss and Other Comprehensive Income	Consolidated	
	2015	2014
	$	$
Tax expense/(income) comprises:		
Current tax expense/(income) in respect of the current year	135,088	(141,521)
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-
Total tax expense/(income)	**135,088**	**(141,521)**

The prima facie income tax expense/(income) on pre-tax accounting loss from operations reconciles to the income tax expense/(income) in the financial statements as follows:

	Consolidated	
	2015	2014
	$	$
Loss from continuing operations	(1,698,435)	(4,096,498)
Total loss from operations	(1,698,435)	(4,096,498)
Income tax expense/(income) calculated at 30%	(509,530)	(1,228,949)
Effect of expenses that are not deductible in determining taxable profit	205,205	1,127,288
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	477,876	341,059
Effect of disposal of foreign assets	135,088	(141,521)
Other	(173,551)	(239,398)
	135,088	**(141,521)**

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

Unrecognised deferred tax balances

	Consolidated	
	2015	2014
	$	$
Deferred tax assets/(liabilities) un-recognised:		
Tax losses:		
Australian tax losses – revenue	1,668,251	1,764,848
US tax losses	594,445	-
Canadian tax losses	123,272	-
Unrealised FX gains/(losses)	323,696	-
Capital raising costs	13,197	-
Deferred tax liability:		
Australian – Other	(20,100)	(180,521)
Oil and gas properties	(389,813)	(521,181)
Unrecognised deferred tax assets	2,312,948	1,063,146

Net deferred tax assets have not been brought to account as it is not probable that immediate future profits will be available against which deductible temporary differences and tax losses can be utilised.

8. CASH AND CASH EQUIVALENTS

	Consolidated	
	2015	2014
	$	$
Cash at bank	799,238	1,537,577

The Group's exposure to interest rate risk and foreign exchange risk is discussed in note 2.

9. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2015	2014
	$	$
Current		
Trade receivables	6,402	14,972
Sundry receivables	28,747	16,112
GST Receivable	11,911	15,841
Prepayments	12,403	71,196
	59,463	**118,121**

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. No Group trade receivables were past due or impaired as at 30 June 2015 (2014: Nil) and there is no indication that amounts recognised as trade and other receivables will not be recovered in the normal course of business.

10. ASSETS CLASSIFIED AS HELD FOR SALE

	Consolidated	
	2015	2014
	$	$
Assets held for sale – cost (ii)	**150,474**	**141,249**
Movements in carrying amounts are reconciled as follows:		
Opening balance	141,249	3,686,385
Additions during the year	7,594	78,011
Disposal(i)	-	(746,031)
Write off during the year	(7,594)	(2,799,068)
Foreign currency movement	9,225	(78,048)
	150,474	**141,249**

(i) During the prior year the Company completed and settled the sale to Black Swan Energy Limited and received a net consideration of $746,031 before tax. The acreage sold was the retained 3.2% carried interest in the Rimbey, Alberta sections that Black Swan acquired in January 2012.

(ii) Subsequent to year end the company is planning to demerge its held for sale asset. Refer to note 27 for details.

11. OIL AND GAS PROPERTIES

The ultimate recoupment of these costs is dependent on successful development and commercial exploitation, or alternatively, the sale of the respective areas.

	Consolidated	
	2015	**2014**
	$	**$**
11 (a) Exploration, evaluation and development expenditure – cost (ii)	**3,855,971**	**1,127,443**
Movements in carrying amounts are reconciled as follows:		
Opening balance	1,127,443	1,245,721
Acquired during the year (i)	3,348,154	320,767
Additions during the year	385,586	542,154
Impairment of assets	-	(533,134)
Transferred to oil and gas properties (refer to note 11(b))	(1,127,443)	(424,812)
Foreign currency movement	(122,231)	(23,253)
	3,855,971	**1,127,443**

(i) Acquisition costs in the current year relate entirely to land purchased in the Montney Project by Warren Energy Ltd (100% subsidiary) during the year as part of a 40%:60% Joint Venture agreement. Refer note 21 for further details of the arrangement. Acquisition in 2014 related to the interest acquired in the Rend Lake project which was subsequently written down to nil at year end 30 June 2014.

(ii) Subsequent to the year end the company is planning to demerge its Canadian exploration assets. Refer to note 27 for details.

The ultimate recoupment of costs carried forward for capitalised expenditure is dependent on either the sale or successful development and commercial exploitation of lease acreage. Amortisation will be calculated over the life of the area according to the rate of depletion of economically recoverable reserves, at the time when production commences.

	Consolidated	
	2015	**2014**
	$	**$**
11 (b) Oil and gas properties – cost	**901,170**	**212,620**
Movements in carrying amounts are reconciled as follows:		
Opening balance	212,620	-
Transferred from exploration, evaluation and development expenditure (refer note 11a)	1,127,443	424,812
Additions during the year	143,333	95,191
Amortisation expense	(122,145)	(295,349)
Impairment of assets	(707,152)	-
Foreign currency movement	247,071	(12,034)
	901,170	**212,620**

11. OIL AND GAS PROPERTIES (CONTINUED)

The recoverable amount of Oil and Gas Properties is estimated on the basis of the discounted value of future cash flows. The estimates of future cash flows are based on significant assumptions including:

- estimates of the quantities of oil and gas reserves for which there is a high degree of confidence of economic extraction and the timing of access to these reserves;

- future oil and gas prices based on consensus forecasts by economic forecasters;
- production rates and production costs based on approved budgets and projections including inflation factors; and
- the asset specific discount rate applicable to the cash generating unit.

Future changes in assumptions upon which these estimates are based may give rise to a material adjustment by impairing Oil and Gas Properties. As a result of the significant reduction in the Oil price per barrel the Company was required to write down its historical costs in West Klondike by $707,152 to its recoverable amount.

12. TRADE AND OTHER PAYABLES

12a. Payables

	Consolidated	
	2015	**2014**
TRADE AND OTHER PAYABLES	**$**	**$**
Trade creditors	53,291	106,624
Other payables (i)	-	1,485,000
Trade Accruals	50,064	530,540
	103,355	**2,122,164**

(i) Money received during June 2014 for Share Capital issued in July 2014 as part of rights issue.

These amounts are expected to be settled within 12 months.

Due to the short term nature of these payables, their carrying amount is assumed to approximate their fair value.

12b. Short term borrowings

	Consolidated	
	2015	**2014**
	$	**$**
Convertible Note (i)	-	600,000
Borrowing from third party	-	51,457
	-	**651,457**

(i) Convertible notes held at 30 June 2014 were settled during the year through the issue of 55 million shares at $0.01, with the remaining balance paid in cash.

13. ISSUED CAPITAL

13a. Issued share capital

Ordinary shares	Consolidated	
	2015	**2014**
	$	**$**
714,000,000 fully paid ordinary shares (2014: 103,396,609)	30,979,035	24,996,085
Movements in shares on issue		
At 1 July	**24,996,085**	**24,636,662**
Shares issued during the year		
39,436,406 Right Issue at $0.01	-	394,801
555,603,356 Ordinary Shares at $0.01	5,556,033	-
55,000,000 Shares issued at $0.01 on settlement of convertible notes	550,000	-
Total shares issued	**31,102,118**	**25,031,463**
Less: capital raising costs	(123,083)	(35,378)
At 30 June	**30,979,035**	**24,996,085**

13b. Issued share options

Share options	Consolidated	
	2015	**2014**
	$	**$**
Listed options issued (2014: 32,600,000)	408,890	298,890
Movements in options issued		
At 1 July	298,890	298,890
Options issued during the year		
180,000,000 options issued (note 15)	110,000	-
Total options issued	**408,890**	**298,890**
Less: options issued costs	-	-
At 30 June	**408,890**	**298,890**

14. RESERVES

	Consolidated	
	2015	**2014**
	$	**$**
Foreign currency translation reserve [1]	1,078,986	561,242
Equity reserve [2]	80	80
Other reserves	1,079,066	561,322
Share based payment reserve [3]	526,460	139,989
Total reserve	**1,605,526**	**701,311**
(1) Foreign currency translation		
Balance at 1 July	561,322	684,719
Currency translation differences arising during the year	517,744	(123,477)
	1,079,066	**561,242**
(2) Equity reserve		
Balance at 1 July	80	80
Movement during the year	-	-
	80	**80**
(3) Share based payment reserve		
Balance at 1 July	140,283	43,194
Share based payment movement during the year	386,177	97,089
	526,460	**140,283**

Nature and purpose of reserves

[1] **Foreign currency translation reserve**
Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve as described in note 1(d). The reserve is recognised in profit and loss when the net investment is disposed of.
[2] **Equity reserve**
The equity reserve is used to recognise the amortised portion of the fair value of converting performances share is issued.
[3] **Share based payment reserve**
This comprises the amortised portion of the share based payment expense (refer Note 15).

15. SHARE BASED PAYMENT EXPENSE

Share based payments issued to key management personnel
Details of share based payment issued to key management personnel are provided in the remuneration report.

Share based payments issued to third parties
During the year the company issued 70 million incentive options to directors and consultants for nil consideration. The fair value of the share options, at grant date is determined using the Black Scholes pricing method that takes into account the exercise price, the term of the option, the probability of exercise, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. A further 110 million share options were issued to advisers in consideration for services in assisting in the shortfall placement during the period.

15. SHARE BASED PAYMENT EXPENSE (CONTINUED)

The total share based payment expense recognised for the year ended 30 June 2015 was $386,177 (2014: $97,089). The terms and conditions of the grants made during the year are as follows:

Grant Date	Number	Vesting Conditions	Exercise Price	Expiry Date
Share Options				
Executive Directors				
1 July 2014(i)	20,000,000 (a)	Immediate(iii)	$0.016	31-Mar-19
25 September 2014(ii)	24,000,000 (b)	Immediate(iii)	$0.016	31-Mar-19
Non-Executive Directors				
25 September 2014(ii)	6,000,000 (b)	Immediate(iii)	$0.016	31-Mar-19
Consultants				
1 July 2014(i)	20,000,000 (a)	Immediate(iii)	$0.016	31-Mar-19
Corporate Advisors				
28 July 2014	41,000,000 (c)	Immediate	$0.016	31-Mar-19
25 September 2014	69,000,000 (d)	Immediate	$0.016	31-Mar-19

(i) 20 million Consultant Incentive Options were issued to Junko Cockerill (nominee of Mr Ian Cockerill) and 20 million options were issued to Brett Lawrence on the 1st August 2014, granted within the company's 15% annual limit permitted under Listing Rule 7.1. The options are exercisable on or before 31 March 2019 at 1.6 cents. The options were issued for nil consideration and were granted in recognition of the services provided to the Company by the TMK Consultants and ongoing alignment with Shareholders. Mr Lawrence was appointed as an executive director on 1 February 2015.

(ii) 24 million Incentive Options were issued to Alexander Parks and 6 million options were issued to Brett Mitchell on the 25 September 2014 following board approval on 24 September 2014. The options were issued for nil consideration and were granted for the purposes of retaining directors of high calibre and to provide cost effective remuneration going forward.

(iii) The above options issued to directors and consultants are exercisable wholly or in part any time on or before 31 March 2019. If at any time the option holder ceases to be a consultant/employee/director prior to 31 December 2016 the Board may at any time thereafter place the Options on 28 days' notice, whereupon: (1)The option holder will be given a notice that the Options (or such portion as is specified in the notice) will expire 28 days after the date of such notice; and (2) Failure to exercise the specified Options within such period will result in such Options lapsing.

	Consultant Incentive Options (a)	Director Incentive Options (b)	Corporate Advisors (c) (i)	Corporate Advisors (d) (i)
Fair Value of Security at measurement date	$0.0034	$0.0060	$0.001	$0.001
Share Price at Grant Date	$0.0080	$0.0120	N/A	N/A
Exercise Price	$0.016	$0.016	$0.016	$0.016
Expected Volatility	81%	81%	N/A	N/A
Option Life	3.56 years(ii)	3.39 years(ii)	4.68 years	4.52 years
Expected Dividends	Nil	Nil	Nil	Nil
Risk Free interest rate	3.03%	3.07%	N/A	N/A

(i) The fair value of the options granted is deemed to represent the value of the services received.

(ii) The expected early exercise of each director and consultant Option has been taken into account when estimating the expected life of each Option.

15. SHARE BASED PAYMENT EXPENSE (CONTINUED)

A summary of the movements of all Options issued is as follows:

	2015		2014	
	Number	Weighted average exercise price	Number	Weighted average exercise price
As at 1 July	3,000,000	$0.150	300,000	$0.50
Granted during the year	180,000,000	$0.016	3,000,000	$0.15
Expired / lapsed during the year	-	-	(300,000)	$0.15
As at 30 June	183,000,000	$0.018	3,000,000	$0.15
Vested and exercisable at 30 June	181,500,000	$0.017	-	-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise Price	Share options 30 June 2015	Share options 30 June 2014
3 October 2013	*3 October 2017*	$0.15	1,500,000	1,500,000
3 October 2013	*3 October 2017*	$0.15	1,500,000	1,500,000
1 July 2014	*31 March 2019*	$0.016	40,000,000	-
28 July 2014	*31 March 2019*	$0.016	41,000,000	-
25 September 2014	*31 March 2019*	$0.016	99,000,000	-
Total			183,000,000	3,000,000
Weighted average remaining contractual life of options outstanding at end of period			3.73 years	3.26 years

16. ACCUMULATED LOSSES

	Consolidated	
	2015	**2014**
	$	**$**
Accumulated losses at 1 July	(25,636,589)	(21,681,612)
Net loss attributable to the members of the parent entity	(1,698,435)	(3,954,977)
Accumulated losses at 30 June	**(27,335,024)**	**(25,636,589)**

17. LOSS PER SHARE

	Consolidated	
	2015	**2014**
	$	**$**
Reconciliation of earnings to net loss		
Loss from continuing operations	(1,698,435)	(3,954,977)
Basic and dilutive EPS (cents per share)	(0.26)	(5.86)
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and dilutive EPS	**659,498,124**	**67,501,295**

17. LOSS PER SHARE (CONTINUED)

Share options are considered to be potential ordinary shares and have been included in the calculation of diluted EPS; the result of the conversion of these share options was anti-dilutive. The Convertible performance shares have not been included in the calculation of dilutive EPS.

18. PARENT ENTITY INFORMATION

The ultimate holding company of the Group, Tamaska Oil and Gas Ltd (the "Parent") has not been reported on in these financial statements other than the following, pursuant to changes to the Corporation Act 2001:

	Parent Entity	
	2015 **$**	**2014** **$**
Current assets	654,750	1,453,640
Non-current assets	5,024,233	1,040,778
Total assets	5,678,983	2,494,418
Current liabilities	20,559	2,221,796
Long Term liabilities	-	-
Total liabilities	20,559	2,221,796
Net assets	**5,658,427**	**272,622**
Issued capital	30,979,035	24,996,085
Options issued	408,890	298,890
Equity reserves	526,540	140,069
Accumulated losses	(26,256,038)	(25,162,422)
Total equity	**5,658,427**	**272,622**
Loss for the year	(1,093,616)	(3,819,129)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	**(1,093,616)**	**(3,819,129)**

The Parent entity has not entered into any guarantees, and has no contingent liabilities or contractual commitments.

19. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss from continuing operations after income tax

	Group	
	2015	**2014**
	$	**$**
Loss after income tax	(1,698,435)	(3,954,977)
Non cash flows in loss		
Share Based Payments	386,177	97,089
Amortisation	122,145	295,349
Impairment of assets	714,746	3,332,202
Foreign currency movements	79,871	-
Changes in assets and liabilities		
Decrease in trade creditors and accruals	(183,107)	(335,914)
(Increase)/decrease in trade and other receivables	58,658	(68,614)
Increase in other provision	842	3,691
Cash flows from operations	(519,103)	(631,174)

20. SUBSIDIARIES

The Company has the following subsidiaries.

		Percentage owned	
Name of Subsidiary	**Place of Incorporation**	**2015**	**2014**
Tamaska Energy LLC	Louisiana USA	100%	100%
Warren Energy Ltd	Alberta Canada	100%	100%
Tamaska Oil and Gas Inc	Delaware USA	100%	100%
Tamaska Oil and Gas Illinois LLC	Illinois USA	100%	100%
Tamaska Oil and Gas Texas LLC	Texas USA	100%	100%

21. RELATED PARTY TRANSACTIONS

(a) Parent Entity

The ultimate parent entity that exercises control over the Group is Tamaska Oil and Gas Limited, which is incorporated in Australia.

(b) Subsidiaries

Details of interests in wholly owned controlled entities are set out in Note 20.

(c) Transactions with other related parties

Directors and officers, or their personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

21. RELATED PARTY TRANSACTIONS (CONTINUED)

Details of the transactions including amounts accrued but unpaid at the end of the year are as follows:

Entity	Nature of transactions	Consolidated 2015 $	Consolidated 2014 $
Amounts recognised as Assets and Liabilities.			
Carnaby Energy Limited[(i)]	Acquisition of JV Land	3,457,763	-
Seaspin Pty Ltd[(ii)]	Short term payables – convertible notes	-	(300,000)
Amounts recognised as expense			
Carnaby Energy Limited[(i)]	Land rent and consultants fees	34,244	-
Other transactions			
Citation Resources Limited[(iii)]	Corporate admin costs	452	1,348
Perity Oil Pty Ltd[(iv)]	Sales proceeds from acreage sales	-	646,680
Transerv Energy Limited[(v)]	Cost recoveries in relation to Warren	-	122,569

(i) During the period Warren Energy Ltd (100% subsidiary) executed a Joint Venture agreement with Carnaby Energy with respect to the 40%:60% Montney project. Scott Alanen is a Director of both Warren and Carnaby.
(ii) Seaspin is a controlled entity of Charles Morgan. Mr Morgan resigned as company chairman on 17 February 2014. During the current year the convertible notes were settled through issue of 30,000,000 shares.
(iii) Brett Mitchell was a director of Citation Resources Limited during the prior year. Mr Mitchell resigned on 1 February 2015.
(iv) The Company made distributions of acreage sale proceeds to Perity Oil Pty Ltd (Perity) of $646,680 in the prior period for Perity's 8% Duvernay interest, held on trust by the Company. Perity Oil is a company controlled by the Warren Energy vendors, which Mr Charles Morgan and Mr Brett Mitchell are shareholders.
(v) Transerv Energy Limited (TSV) is a joint venture partner in the Alberta Joint Venture. Brett Mitchell was a Director of TSV and resigned on 19 August 2013.

(d) Transactions with key management personnel

Refer to the Remuneration Report contained in the Directors' Report for detailed remunerations disclosures of payments to each member of the Group's key management personnel (KMP) for the year ended 30 June 2015.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated 2015 $	Consolidated 2014 $
Short-term employee benefits	408,300	280,760
Superannuation	-	3,122
Share-based payments	318,492	97,089
Total KMP compensation	**726,792**	**380,971**

Detailed remuneration disclosures are provided in the remuneration report on pages 16 to 21

(e) Loan to / from related parties:

There were no loans to or from related parties during the year (30 June 2014: Nil).

22. REMUNERATION OF AUDITORS

	Consolidated	
	2015	2014
	$	$
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
Audit and audit review services of periodic financial reports	37,406	34,186
	37,406	**34,186**

23. DIVIDENDS

There were no dividends paid or payable in respect of the current financial year.

24. COMMITMENTS

The company had no commitments in relation to its West Klondike exploration asset at 30 June 2015 (2014: Nil).

25. CONTINGENCIES

There were no known contingent liabilities or contingent assets at 30 June 2015 (2014: Nil).

26. JOINT VENTURE OPERATIONS

The Company's current Joint Venture interests are set out in detail in the Directors' Report on pages 6 to 9.

27. EVENTS SUBSEQUENT TO REPORTING DATE

On 10 June 2015 the Company announced the establishment of a share sale facility for holders of less than a marketable parcel of shares. The closing date for Share Retention forms was 29 July 2015. In total, 612 shareholders (representing 8,805,677 shares) participated in the facility and those with registered bank accounts with Automic have received the proceeds from the sale of these shares by the Company.

On 16 July 2015 the Company announced that 32,600,000 listed options, exercisable at 50c per option, were due to expire on 17 August 2015. These options have now lapsed.
As announced with the demerger documentation 3,000,000 options are due to be cancelled after year end.

Subsequent to year end the directors resolved to demerger the group's Canadian assets. These assets will be transferred to a new subsidiary 'TMK Montney Limited' following the appropriate approval from shareholders and ATO tax rulings obtained. Under the strategic direction of the new entity Tamaska will seek new opportunities for these assets and hope to attract a new farm-in partner to pursue further exploration at the prospects.

The Company has announced the intention to implement a Rights Issue to raise $2.14 million (before costs) following the implementation of the demerger.

The West Klondike well will be recompleted to the second producing zone in October 2015.

No other events have occurred since 30 June 2015 that would materially affect the operations of the Group, the results of the Group or the state of affairs of the Group that are not otherwise disclosed in Note 27 to the Group's financial statements.

Directors' Declaration

The Directors of the Company declare that:

1) The financial statements and notes, as set out on pages 25 to 55, are in accordance with the Corporations Act 2001 and:

    a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b) give 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 company and Group;

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.

3) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board

4) The Directors have been given the declaration by the Executive Director and Chief Financial Officer required by section 295A of the Corporation Act 2001.

5) The remuneration disclosures contained on the Remuneration Report comply with section 300A of the Corporations Act 2001.

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

Alexander Parks
Managing Director
Perth, Western Australia
25 September 2015

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Tamaska Oil and Gas Limited

Report on the Financial Report

We have audited the accompanying financial report of Tamaska Oil and Gas Limited, 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 the 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(a), 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 company'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 company'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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Tamaska Oil and Gas Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Tamaska Oil and Gas Limited 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(a).

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1(b) in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through debt, equity and/or the sale of non-core assets. These conditions, along with other matters as set out in Note 1(b), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in 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 conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Tamaska Oil and Gas Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO
JPrue

Jarrad Prue

Director

Perth, 25 September 2015

Corporate Governance

COMPLIANCE WITH ASX CORPORATE GOVERNANCE RECOMMENDATIONS

OVERVIEW

In March 2003, the Australian Securities Exchange (ASX) Corporate Governance Council published its Principles of Good Corporate Governance and Best Practice Recommendations ("Recommendations").

In August 2007, the ASX Corporate Governance Council published a revised Principles and Recommendations (2nd Edition).

In 2010, the ASX Corporate Governance Council published a further revised Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition) to ensure that these remain relevant to the Australian business and investment communities. The Company's Corporate Governance Statement is structured below with reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition). The Company's Board of Directors has reviewed the recommendations. In many cases the Company was already achieving the standard required. In a limited number of instances, the Company has determined not to comply with the standard set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous for a Company of this size. Recommendations which the Company does not comply with are highlighted in this report.

Further information on the Company's corporate governance policies is located on the website: www.tamaska.com.au

1. PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Companies should establish and disclose the respective roles and responsibilities of board and management.

- **Recommendation 1.1:** Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.
- **Recommendation 1.2:** Companies should disclose the process for evaluating the performance of senior executives.
- **Recommendation 1.3:** Companies should provide the information indicated in the Guide to reporting on Principle 1.

1.2 The Company's Practice:
The Board considers that the essential responsibility of directors is to oversee the Company's activities for the benefit of its shareholders, employees and other stakeholders and to protect and enhance shareholder value. Responsibility for management of The Company's business is delegated to the Executive Director, who is accountable to the Board.

Further, the Board takes specific responsibility for:-

- Contributing to the development of and approving corporate strategy;
- Appointing, assessing the performance of and, if necessary removing the Executive Director;
- Reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- Overseeing and monitoring:
  - Organizational performance and the achievement of strategic goals and objectives
  - Compliance with the Company's code of conduct
  - Progress of major capital expenditures and other corporate projects including acquisitions, mergers and divestments;

Corporate Governance

- Monitoring financial performance including approval of the annual, half yearly and quarterly reports and liaison with the auditor;
- Ensuring there are effective management processes in place, including reviewing and ratifying systems of risk identification and management, ensuring appropriate and adequate internal control processes, and that monitoring and reporting procedures for these systems are effective;
- Enhancing and protecting the Company's reputation;
- Approving major capital expenditure, capital management, acquisitions and divestments;
- Reporting to shareholders;
- Appointment of directors; and
- Any other matter considered desirable and in the interest of the Company.

The Board is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Company has a formal Board Charter which is on the Company's website and summarised above. In broad terms, the Board is accountable to the shareholders and must ensure that the Company is properly managed to protect and enhance shareholders' wealth and other interests. The Board Charter sets out the role and responsibilities of the Board within the governance structure of the Company and its related bodies corporate (as defined in the Corporations Act).

Senior executives are responsible for the ongoing management of the Company's operations and report to the Board. They are accountable for all functions that are necessary to the operations of the Company and not specifically reserved to the Board. Senior Executives performance is reviewed on a regular basis by the Board.

Based on the above information the Company believes it is fully compliant with Recommendations 1.1, 1.2 and 1.3.

2. PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

2.1 Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

- **Recommendation 2.1:** A majority of the Board should be independent directors.
- **Recommendation 2.2:** The chair should be an independent director.
- **Recommendation 2.3:** The roles of chair and chief executive officer should not be exercised by the same individual.
- **Recommendation 2.4:** The Board should establish a nomination committee.
- **Recommendation 2.5:** Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.
- **Recommendation 2.6:** Companies should provide the information indicated in the Guide to reporting on Principle 2.

2.2 The Company's Practice:

Independence
Corporate Governance Council Recommendation 2.1 requires a majority of the Board to be independent directors. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement. The Company has one independent, Non-Executive Director. The Board as a whole comprises a Non-Executive Chairman, an Executive Director and one Non-Executive Director.

Composition
The Directors have been chosen for their particular expertise to provide the company with a competent and well-rounded decision-making body and which will assist the company and shareholders in meeting their objectives.

The term in office held by each director in office at the date of this report is as follows and details of the professional skills and expertise of each of the Directors are set out in the Directors' Report.

Corporate Governance

Name	Position	Term in Office
Alexander Parks	Managing Director	17 months
Justin Norris	Non-Executive Director	10 months
Brett Lawrence	Executive Director	8 months

The Directors meet frequently, both formally and informally, so that they maintain a mutual, thorough understanding of the Company's business and to ensure that the Company's policies of corporate governance are adhered to.

Education

The Company has a formal process to educate new directors about the nature of the business, current issues, the corporate strategy and the Company's expectations concerning the performance of directors. Directors are given access to and encouraged to participate in continuing education opportunities to update and enhance their skills and knowledge.

Independent professional advice and access to company information

Each director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified advisor at the consolidated entity's expense. The director must consult with an advisor suitably qualified in the relevant field and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other board members.

Nomination committee

The Company does not currently have a separate nomination committee and as such has not complied with Recommendation 2.4. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full board, given the size and nature of the Company's activities and as such, the Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate nomination committee.

Monitoring of Board Performance

The performance of all Directors is reviewed by the Chairman on an ongoing basis and any Director whose performance is considered unsatisfactory is asked to retire. The Chairman's performance is reviewed by the other Board members.

The Company has established firm guidelines to identify the measurable and qualitative indicators of the Director's performance during the course of the year. Those guidelines include:

- Attendance at all Board meetings. Missing more than three consecutive meetings without reasonable excuse will result in that Director's position being reviewed,
- Attendance at the Company's Shareholder Meetings. Non-attendance without reasonable excuse will result in that Director's position being reviewed.

Based on the above information the Company believes it is fully compliant with Recommendations 2.1, 2.3, 2.5 and 2.6. The Company is not compliant with Recommendation 2.2 and 2.4 as outlined.

3. PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

3.1 Companies should actively promote ethical and responsible decision-making.

- **Recommendation 3.1:** Companies should establish a code of conduct and disclose the code or a summary of the code as to:
  - the practices necessary to maintain confidence in the company's integrity
  - the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders
  - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices

Corporate Governance

- **Recommendation 3.2:** Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.
- **Recommendation 3.3:** Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.
- **Recommendation 3.4:** Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.
- **Recommendation 3.5:** Companies should provide the information indicated in the Guide to reporting on Principle 3.

3.2 The Company's Practice:

Ethical Standards

The Company has a formal Code of Conduct as per Recommendation 3.1. This code outlines how Directors and employees of the Company and its related bodies corporate are to behave when conducting business. A full copy of this Code of Conduct is available on the Company’s website.

The Company is committed to the highest level of integrity and ethical standards in all business practices. Directors and employees must conduct themselves in a manner consistent with current community and corporate standards and in compliance with all legislation. In addition, the Board subscribes to the Statement of Ethical Standards as published by the Australian Institute of Company Directors.

All Directors and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Diversity Policy

The Board has adopted a Diversity Policy as per Recommendation 3.2. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees. The Diversity Policy outlines the processes by which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company.

The Company is committed to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees and is utilised to enhance the Company’s performance.

The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives.

Gender Diversity

As a priority, the Company is focusing on the participation of women on its Board and within senior management. The Board is in the process of determining appropriate measurable objectives for achieving gender diversity.

Women Employees, Executives and Board Members

The Company and its consolidated entities has one (1) female employees/executives:

- Who is the Company Secretary and Chief Financial Officer

which represent approximately 25% of the total employees, executives and/or board members of the Company and its consolidated entities. There are currently no female members of the Board of the Company.
Based on the above information the Company believes it is fully compliant with Recommendations 3.1, 3.2, 3.3, 3.4 and 3.5.

Corporate Governance

4. PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.

- **Recommendation 4.1:** The Board should establish an audit committee.
- **Recommendation 4.2:** The audit committee should be structured so that it:
  - consists only of Non-Executive Directors
  - consists of a majority of Independent Directors
  - is chaired by an independent chair, who is not chair of the Board
  - has at least three members.
- **Recommendation 4.3:** The audit committee should have a formal charter.
- **Recommendation 4.4:** Companies should provide the information indicated in the Guide to reporting on Principle 4.

4.2 The Company's Practice:

Audit Committee

The Board has not established a separate audit committee and as such has not complied with Recommendation 4.1 & 4.2. The duties and responsibilities typically delegated to such a committee are the responsibility of the full Board, due to the size and current operations of the Company.

The processes the Board applies in performing this function include:-

- reviewing internal control and recommending enhancements;
- monitoring compliance with Corporations Act 2001, Securities Exchange Listing Rules, matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investment Commission and financial institutions;
- improving the quality of the accounting function, personnel and processes;
- reviewing external audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- liaising with the external auditors and ensuring that the annual audit and half-year review are conducted in an effective manner; and
- reviewing the performance of the external auditors on an annual basis and nomination of auditors is at the discretion of the Board.

Audit and Compliance Policy

The Board imposes stringent policies and standards to ensure compliance with all corporate financial and accounting standards. Where considered appropriate, the Company's external auditors, professional advisors and management are invited to advise the Board on these issues and the Board meets quarterly to consider audit matters prior to statutory reporting.

The Company requires that its auditors must not carry out any other major area of service to the Company and should have expert knowledge of both Australian and international jurisdictions.

The Board assumes responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information. The Board maintains responsibility for a framework of internal control and ethical standards for the management of the consolidated entity.

The Board, consisting of members with financial expertise and detailed knowledge and experience of the mineral exploration and evaluation business, advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. The Managing Director and Chief Financial Officer declared in writing to the Board that the Company's financial reports for the year ended 30 June 2011 present a

Corporate Governance

true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. This statement is required annually.

Based on the above information the Company believes it is fully compliant with Recommendations 4.3 and 4.4. The Company is not compliant with Recommendations 4.1 and 4.2 as outlined.

5. PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Companies should promote timely and balanced disclosure of all material matters concerning the company.

- **Recommendation 5.1:** Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.
- **Recommendation 5.2:** Companies should provide the information indicated in the Guide to reporting on Principle 5.

5.2 The Company's Practice:

Continuous Disclosure Policy

The Company has a formal Continuous Disclosure Policy as required by Recommendation 5.1. This policy was introduced to ensure the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules and ensuring The Company and individual officers do not contravene the Corporations Act or ASX Listing Rules. A full copy of this policy can be found on the Company's website.

The Company is required to immediately tell the ASX once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

Therefore to meet this obligation the Company undertakes to:

(a) Notify the ASX immediately it becomes aware of any information that a reasonable person would expect to have a material effect on the price and value of the company's securities, unless that information is not required to be disclosed under the listing rules;

(b) Disclose notifications to the ASX on the Company website following confirmation of the publishing of the information by the ASX; and

(c) Not respond to market speculation or rumour unless the ASX considers it necessary due to there being, or likely to be, a false market in the Company's securities.

The Executive Director and the Company Secretary are responsible for co-ordinating the disclosure requirements. To ensure appropriate procedure all directors, officers and employees of the Company coordinate disclosures through the Executive Director and the Company Secretary**,** including:

(d) Media releases;

(e) Analyst briefings and presentations; and

(f) The release of reports and operational results.

Based on the above information the Company believes it is fully compliant with Recommendations 5.1 and 5.2.

Corporate Governance

6. PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

6.1 Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

- **Recommendation 6.1:** Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.
- **Recommendation 6.2:** Companies should provide the information indicated in the Guide to reporting on Principle 6.

6.2 The Company's Practice:

Shareholder Communication

It is the policy of the Company to communicate effectively with its shareholders by giving them ready access to balanced and understandable information about the Company and making it easier for them to participate in general meetings.

The Board encourages full shareholder participation at the Annual General Meeting as it provides shareholders an opportunity to review the Company's annual performance. Shareholder attendance also ensures a high level of accountability and identification with the Company's strategy and goals.

The shareholders are responsible for voting on the appointment of directors, approval of the maximum amount of directors' fees and the granting of options and shares to directors. Important issues are presented to the shareholders as single resolutions.

The Company's auditor is required to be present, and be available to shareholders, at the Annual General Meeting.

Information is communicated to shareholders through:-

- the Financial Report which is distributed to all shareholders;
- Half-Yearly Reports, Quarterly Reports, and all Australian Securities Exchange announcements which are posted on the Company's website;
- the Annual General Meeting and other meetings so called to obtain approval for Board action as appropriate; and
- compliance with the continuous disclosure requirements of the Australian Securities Exchange Listing Rules.

The Company's full policy on shareholder communication can be found on our website.

Based on the above information the Company believes it is fully compliant with Recommendations 6.1 and 6.2.

7. PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 Companies should establish a sound system of risk oversight and management and internal control.

- **Recommendation 7.1:** Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.
- **Recommendation 7.2:** The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.
- **Recommendation 7.3:** The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.
- **Recommendation 7.4:** Companies should provide the information indicated in the Guide to reporting on Principle 7.

Corporate Governance

7.2 The Company's Practice:

RISK MANAGEMENT

Recognise and Manage Risk
Risk oversight, management and internal control are dealt with on a continuous basis by management and the Board, with differing degrees of involvement from various Directors and management, depending upon the nature and materiality of the matter.

The Board has established a formal policy to effectively recognise and manage risk as required by Recommendation 7.1. The Company's policy is to achieve levels of operation that balance risk and reward with the ultimate aim of optimising shareholder value. The Risk Management and Internal Control policy is detailed in full on our website.

Oversight of the Risk Management System
The Board takes a proactive approach to risk management. The Board is responsible for oversight of the processes whereby the risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. This oversight encompasses operational, financial reporting and compliance risks.

The Company believes that it is crucial for all Board members to be a part of the process, and as such the Board has not established a separate risk management committee. The Board oversees the establishment, implementation and annual review of the Company's risk management policies as part of the Board approval process for the strategic plan, which encompasses the Company's vision and strategy, designed to meet stakeholder's needs and manage business risks.
The Executive Director has declared, in writing to the Board and in accordance with section 295A of the Corporations Act, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively. All risk assessments covered the whole financial year and the period up to the signing of the annual financial report for all material operations in the Company.

Internal Control Framework
The Board acknowledges that it is responsible for the overall internal control framework, but recognizes that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that deals with:

- Financial reporting - there is a comprehensive budgeting system with an annual budget, updated on a regular basis approved by the Board. Monthly actual results are reported against these budgets.
- Investment appraisal - the Company has clearly defined guidelines for capital expenditure including annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where businesses or assets are being acquired or divested.
- Quality and integrity of personnel - the Company's policies are detailed in an approved induction manual. Formal appraisals are conducted annually for all employees.

Based on the above information the Company believes it is fully compliant with Recommendations 7.1, 7.2, 7.3 and 7.4.

Corporate Governance

8. PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

8.1 Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

- **Recommendation 8.1:** The Board should establish a remuneration committee.
- **Recommendation 8.2:** The remuneration committee should be structured so that it:
  - consists of a majority of independent directors
  - is chaired by an independent chair
  - has at least three members
- **Recommendation 8.3:** Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors and senior executives.
- **Recommendation 8.4:** Companies should provide the information indicated in the Guide to reporting on Principle 8.

8.2 The Company's Practice:

Remuneration Committee
The Company does not currently have a separate remuneration committee and as such has not complied with Recommendation 8.1 or Recommendation 8.2. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full board, given the size and nature of the Company's activities.

Remuneration Policies
Remuneration of Directors are formalised in service agreements. The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves, the Executive Director and the executive team.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating directors and senior executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board links the nature and amount of Executive Directors' and senior executives' emoluments to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

1. Retention and Motivation of senior executives
2. Attraction of quality management to the Company
3. Performance incentives which allow executives to share the rewards of the success of the Company

Remuneration of Non-Executive Directors is determined by the Board with reference to comparable industry levels and, specifically for directors' fees, within the maximum amount approved by shareholders. There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors.

For details on the amount of remuneration and all monetary and non-monetary components for all directors refer to the Remuneration Report on pages 11 to 14 of the Financial Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the Company and the performance of the individual during the period.

Based on the above information the Company believes it is fully compliant with Recommendation 8.4 and is not compliant with Recommendation 8.1 or Recommendation 8.2 as outlined.

Shareholder Information

LISTING OF 20 LARGEST SHAREHOLDERS AS AT 21 SEPTEMBER 2015

Position	Investor	Holding	% IC
1	CRAIG IAN BURTON <CI BURTON FAMILY A/C>	100,000,000	14.01
2	HOPERIDGE ENTERPRISES PTY LTD	82,000,000	11.48
3	HAVOC PARTNERS LLP	80,000,000	11.20
4	SEASPIN PTY LTD <THE APHRODITE A/C>	61,400,000	8.60
5	AVIEMORE CAPITAL PTY LTD	47,000,000	6.58
6	MR RAYMOND JEPP	34,260,000	4.80
7	ALBA CAPITAL PTY LTD	27,420,000	3.84
8	SKYMIST ENTERPRISES PTY LTD	25,050,000	3.51
9	ALBA CAPITAL PTY LTD	22,580,000	3.16
10	DISTINCT RACING & BREEDING PTY LTD	20,000,000	2.80
11	SCOTT PAUL JONES <SCOPA FAMILY A/C>	18,000,000	2.52
12	DISTINCT RACING & BREEDING PTY LTD	10,000,000	1.90
13	SHANE ROBERTS JONES <Rosh Family A/C>	10,000,000	1.40
14	FALCORE PTY LTD <MORGAN SUPERFUND A/C>	8,000,000	1.40
15	LUKE MADER	8,000,000	1.12
16	BRENT STEWART <BRENT STEWART SUPERFUND A/C>	7,916,666	1.12
17	PROSPERO CAPITAL PTY LTD <PROSPERO GROWTH FUND A/C>	5,500,000	1.11
18	MRS VIVIENNE PATRICIA LAWRENCE	6,000,000	0.84
19	BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	5,500,000	0.77
20	MR WILLIAM MURRAY MITCHELL & MRS DIANE JOAN MITCHELL <MITCHELL SUPER FUND A/C>	5,400,000	0.76
Total		**581,060,000**	**82.54**

DISTRIBUTION OF SHAREHOLDERS

Spread of Holdings	Number of Ordinary Shareholder
1 - 1000	17
1001 - 5000	22
5001 - 10,000	16
10,001 - 100,000	38
100,001 and above	124
Total	**217**

TAMASKA
OIL & GAS LIMITED