Tamaska Oil & Gas Limited

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

THE INFORMATION CONTAINED IN THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH TAMASKA OIL & GAS FULL YEAR REPORT DATED 30 JUNE 2015 AND ANY PUBLIC ANNOUNCEMENTS MADE BY THE COMPANY IN ACCORDANCE WITH THE CONTINUOUS DISCLOSURE OBLIGATIONS ARISING FROM THE CORPORATIONS ACT 2001 AND THE ASX LISTING RULES.

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DIRECTORS' REPORT

Your directors present their report as the consolidated entity consisting of Tamaska Oil and Gas Limited and the entities it controls as at the end of, or during, the half-year ended 31 December 2015.

Directors

The following persons were directors of Tamaska Oil and Gas Limited during or for part of the half-year and up to the date of this report:

Alexander Parks – *Managing Director*
Justin Norris – *Non–Executive Director*
Brett Lawrence – *Executive Director (part time)*

Principal activities

The principal continuing activities of the Group during the half-year period were the acquisition, exploration and development of oil and gas properties.

There were no changes in the nature of the activities of the Group during the period.

Operating results

The net operating loss of the consolidated entity from continuing operations for the half-year ended 31 December 2015 after income tax amounted to $355,447 (31 December 2014: loss $1,384,098).

Dividends paid or recommended

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

Review of operations

Montney Project, British Columbia - (TMK 40% WI)

On 20 October 2015, Tamaska announced completion of the demerger of its Canadian assets via an in-specie distribution of one TMK Montney Ltd share for every ten Tamaska Shares held. As of the demerger, Tamaska had acquired a total of 24,745 net acres at a cost of approximately A$3.7 million (~A$147/acre).

Whilst the Montney Resource Play is generally regarded as one of the most economically robust in North America, the Directors resolved that given the current market conditions and commodity prices the project would be better able to progress in a private company.

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

- Shareholders retain their current shareholding in Tamaska and also received 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; and
- 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. In particular TMK Montney is better positioned to be able to attract a partner to fund drilling and appraisal.

Tamaska focused on the liquids rich portion of the play where the latest published well results indicate that the Montney could potentially rival the Eagle Ford in performance. The areal extent, depth, thickness, style of trapping, liquids content and economics have led to favourable comparisons between the Montney and Eagle Ford Shale (Figure 1).

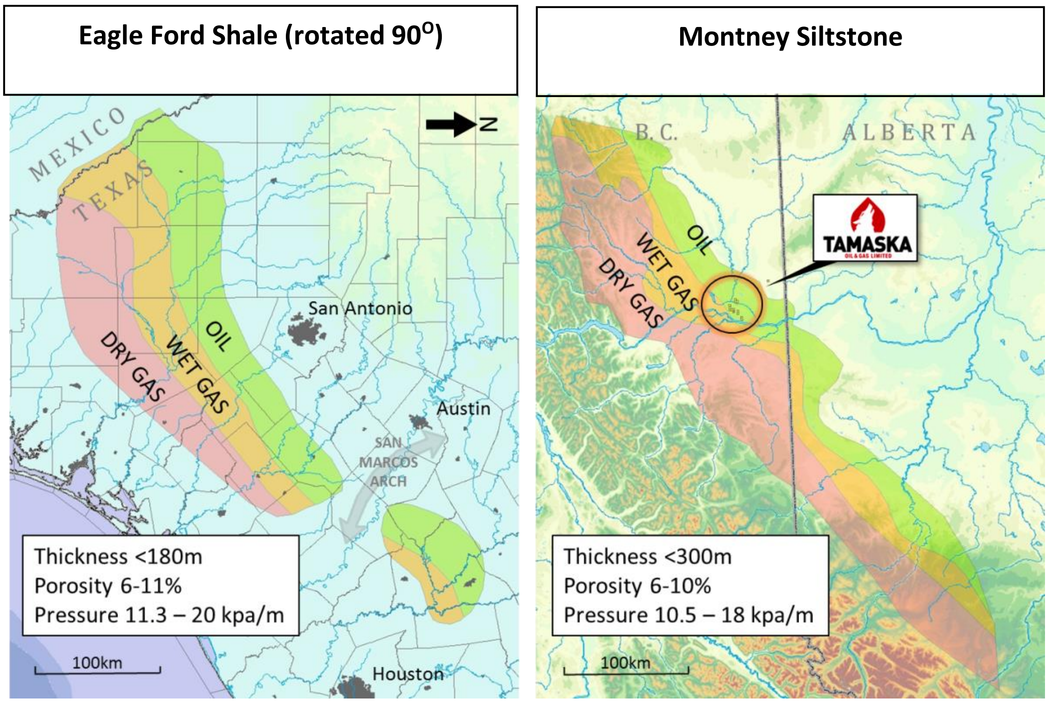

Figure 1 – Same-scale Comparison of the Eagle Ford Shale and Montney Siltstone

Fusselman Project Well, Texas - (TMK 12.5%)

The Fusselman Well, Clayton Johnson #3F, operated by Marshfield Oil & Gas, was drilled to its total depth of 9,883 feet 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. The well has experienced some downtime in the last month or two due to cold weather. On steady production the oil rate is reasonably steady at approximately 17bopd on a gross basis and forecast to decline very slowly. The Operator is working to minimise costs and maximise uptime.

	September 15 Quarter	December 15 Quarter	March 16 Quarter
	Actual	Actual	Forecast
Net Produced bbls	190 bbls	~132 bbls	~120 bbls
Net Revenue after Royalty and well head taxes (US$)	$6,145	~$4,588	~$2,500

*Subject to final costs and sales off take figures

West Klondike Discovery, Louisiana - (TMK 10.2% WI)

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 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.

The well was shut in on 15th June 2015. A recompletion attempt in September/October to restore production from the lowermost zone was not successful with the Zone having been fully depleted. A thin gas zone was put on production in November 2015 and depleted rapidly over December and January. The wet lands around the well site are currently close to flood level and due to limited site access the well is shut in. The Operator is planning to recomplete to the Lario oil zone in the coming quarter.

	September 15 Quarter	December 15 Quarter	March 16 Quarter
	Actual	Actual	Forecast
Net Produced Condensate	0 bbls	~150 bbls	~350 bbls
Net Produced Gas	0 MMscf	~2.1MMscf	~0 MMscf
Revenue net of sales tax and Royalty	~US$0	~US$125	~US$2,700

*Subject to final sales off take figures

Duvernay Shale and Rock Creek Update

The remaining land was demerged with the Montney project to TMK Montney Ltd.

Tenement Summary

At 31 December 2015 the Company held the following interests in tenements:

Project	Percentage Interest	Number of Tenements
Rend Lake Prospect	20%	5
Fusselman Project	12.5%	7
West Klondike	10.2%(i)	6

(i) 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%.

Corporate

Cash Position at 31 December 2015

The Company had a closing cash balance of A$2.415 million at 31 December 2015.

Renounceable Rights Issue, Shortfall Placement and Placement

On 19 October 2015 the Company announced a renounceable entitlement issue of 3 Shares for every 2 Shares held by those Shareholders registered at the Record Date (27 October 2015) at an issue price of 0.2 cents per Share to raise up to $2,142,000 (based on the number of Shares on issue as at the date of the Prospectus). The shortfall placement was completed on 20 November 2015.

Due to oversubscription for the Shortfall shares the Directors approved to place a further 175 million shares at 0.2 cents per share to raise $350,000 and further augment working capital. This was completed on 9 December 2015.

The resulting Company's capital structure is now:

1,960,000,000 Ordinary Shares
180,000,000 Unlisted Options (exercisable at 0.92 cents by 31 March 2019)

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

Events subsequent to reporting date

No subsequent events to reporting date to report.

Likely developments

The consolidated entity will continue to pursue its principal activities.

Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires the consolidated entity's auditors, BDO Audit (WA) Pty Ltd to provide the directors with a written Independence Declaration in relation to their review of the financial statements for the period ended 31 December 2015. The written Auditor's Independence Declaration forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

Alexander Parks
Managing Director
Perth, W.A.
15 March 2016

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

As lead auditor for the review of Tamaska Oil and Gas Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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, 15 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2015

	Notes	Consolidated	
		Half-Year End 31-Dec-15 $	Half-Year End 31-Dec-14 (restated*) $
Oil and gas revenue		48,884	145,520
Cost of sales		(55,880)	(91,931)
Amortisation of oil and gas properties		(29,675)	(71,125)
Other income		3,395	20,431
TOTAL INCOME		**(33,276)**	**2,895**
Professional services expense		(17,500)	(149,386)
Directors fees		(22,666)	(118,335)
Regulatory expenses		(31,201)	(38,567)
Share based payment expense		(12,688)	(419,978)
Office and administrative expenses		(88,882)	(144,676)
Impairment of capitalised oil and gas expenditure		(149,436)	(512,828)
LOSS OF OPERATING ACTIVITIES		**(355,649)**	**(1,380,875)**
Finance cost		-	(2,596)
Foreign exchange gain		202	5,819
LOSS BEFORE TAX		**(355,447)**	**(1,384,098)**
Income tax benefit / (expense)		-	-
LOSS AFTER TAX FROM CONTINUING OPERATIONS		**(355,447)**	**(1,384,098)**
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	5	(4,105)	(60,495)
LOSS FOR THE PERIOD			
OTHER COMPREHENSIVE (LOSS)		**(359,552)**	**(1,444,593)**
Exchange differences on the translation of foreign operations		(188,121)	412,600
OTHER COMPREHENSIVE INCOME (NET OF TAX) FOR THE PERIOD		**(188,121)**	**412,600**
TOTAL COMPREHENSIVE (LOSS)		**(547,673)**	**(1,031,993)**
(LOSS) ATTRIBUTED TO:			
Owners of Tamaska Oil and Gas Ltd		**(355,447)**	**(1,384,098)**
Loss per share (cents) for the loss from continuing operations attributable to the ordinary equity holders of the company:			
Basic and diluted loss per share (cents per share)		(0.04)	(0.24)
Basic and diluted loss per share from continuing operations (cents per share)		(0.04)	(0,23)

*Restated: Refer to Note 5 for details

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the consolidated half year financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

		Consolidated	
		As at	As at
		31-Dec-15	30-Jun-15
	Notes	$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,415,220	799,238
Trade and other receivables		35,308	59,463
Assets classified as held for sale	7	-	150,474
Total Current Assets		**2,450,528**	**1,009,175**
NON-CURRENT ASSETS			
Exploration, evaluation and development expenditure	8	-	3,855,971
Oil and gas properties	8	796,615	901,170
Total Non-Current Assets		**796,615**	**4,757,141**
TOTAL ASSETS		**3,247,143**	**5,766,316**
CURRENT LIABILITIES			
Trade and other payables	9	87,110	103,355
Total Current Liabilities		**87,110**	**103,355**
NON-CURRENT LIABILITIES			
Restoration Provision		4,756	4,534
Total non-current liabilities		**4,756**	**4,534**
TOTAL LIABILITIES		**91,866**	**107,889**
NET ASSETS		**3,155,277**	**5,658,427**
EQUITY			
Issued share capital	10	28,705,778	30,979,035
Issued share options		408,890	408,890
Share based payment reserve	11	539,148	526,460
Other reserves	11	890,945	1,079,066
Accumulated losses		(27,389,484)	(27,335,024)
TOTAL EQUITY		**3,155,277**	**5,658,427**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2015

	Issued share capital	Issued options	Share-based payment reserve	De-consolidation reserve	Other reserves	Accumulated losses	Total Equity
	$	$	$	$	$	$	$
Balance at 1 July 2015	**30,979,035**	**408,890**	**526,460**	**-**	**1,079,066**	**(27,335,024)**	**5,658,427**
Currency translation of foreign operations	-	-	-	-	132,012	-	132,012
Loss for the period after tax	-	-	-	-	-	(359,552)	(359,552)
Deconsolidation of Subsidiary(note 5)	-	-	-	305,092	(320,133)	-	(15,041)
Transfer of reserve to accumulated losses	-	-	-	(305,092)	-	305,092	-
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**(188,121)**	**(54,460)**	**(242,581)**
Transactions with equity holders in their capacity as equity holders							
Issues of share capital	2,492,000	-	-	-	-	-	2,492,000
Capital raising costs	(10,992)	-	-	-	-	-	(10,992)
Share based payments	-	-	12,688	-	-	-	12,688
In-specie distribution	(4,754,265)	-	-	-	-	-	(4,754,265)
Balance at 31 December 2015	**28,705,778**	**408,890**	**539,148**	**-**	**890,945**	**(27,389,484)**	**3,155,277**

	Issued share capital	Issued options	Share-based payment reserve	De-consolidation Reserve	Other reserve	Accumulated losses	Total Equity
	$	$	$	$	$	$	$
Balance at 1 July 2014	**24,996,085**	**298,890**	**140,283**	**-**	**561,322**	**(25,636,589)**	**359,777**
Currency translation of foreign operations	-	-	-	-	412,600	-	412,600
Loss for the period after tax	-	-	-	-	-	(1,438,148)	(1,438,148)
Total comprehensive income/(loss) for the period	-	-	-	**-**	**412,600**	**(1,438,148)**	**(1,025,548)**
Transactions with equity holders in their capacity as equity holders							
Issue of share capital	6,106,034	-	-	-	-	-	6,106,034
Capital raising costs	(118,514)	-	-	-	-	-	(118,514)
Options issued	-	110,000	-	-	-	-	110,000
Share based payments	-	-	419,978	-	-	-	419,978
Balance at 31 December 2014	**30,983,605**	**408,890**	**560,047**	**-**	**973,922**	**(27,074,737)**	**5,851,727**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2015

	Consolidated	
	Half-Year 31-Dec-15 $	**Half-Year 31-Dec-14 $**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from product sales and related customers (inclusive of GST)	80,286	129,635
Interest received	3,395	20,431
Payments to suppliers and employees (inclusive of GST)	(174,097)	(265,001)
Payment of production cost	(47,083)	(91,931)
Demerger cost	(166,740)	(2,517)
Net cash used in operating activities	**(304,239)**	(209,383)
CASH FLOW FROM INVESTING ACTIVITIES		
Oil and gas properties	(39,384)	(357,842)
Exploration and evaluation expenditure	(499,063)	(3,085,829)
Net cash used in investing activities	**(538,447)**	(3,443,671)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans	-	(101,457)
Proceeds from issue of ordinary shares and other equity securities	2,492,000	3,742,520
Share issue costs	(10,992)	-
Net cash provided by financing activities	**2,481,008**	3,641,063
Net increase/(decrease) in cash held	**1,638,322**	(11,991)
Cash and cash equivalents at the beginning of the period	799,238	1,537,577
Effects of exchange rate changes on the balances held in foreign currencies	(22,340)	39,570
Cash and cash equivalents at the end of the period	**2,415,220**	1,565,156

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

NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

NOTE 1. CORPORATE INFORMATION

Tamaska Oil and Gas Limited ("Tamaska" or the "Company") is a company limited by shares, incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The consolidated half-year financial statements of the Company as at, and for the six months ended 31 December 2015, comprise Tamaska and its subsidiaries (together referred to as the "consolidated entity" or "group"). The financial report of the consolidated entity for the half year ended 31 December 2015 was authorised for issue in accordance with a resolution of the directors on 15 March 2016.

The consolidated annual financial statements of the consolidated entity as at and for the year ended 30 June 2015 is available upon request from Tamaska website www.tamaska.com.au, the ASX website or the companies registered office at Level 7, 1008 Hay Street, Perth, Western Australia 6000.

NOTE 2. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The consolidated half-year financial statements are general purpose financial statements which have been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001.

The consolidated half-year financial statements do not include all of the notes and information normally included in annual financial statements. Accordingly this report should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2015 and any public announcements made by Tamaska Oil and Gas Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

BASIS OF PREPARATION

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies applied by the consolidated entity in this consolidated half-year financial report are the same as those applied by the consolidated entity in its consolidated financial report for the year ended 30 June 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

DISPOSAL OF INVESTMENT IN SUBSIDIARY BY IN-SPECIE DISTRIBUTION

The share capital of the Company was reduced by the fair value of the Investment that was returned to shareholders. (Refer to note 5).

NEW AND AMENDED STANDARDS ADOPTED BY THE ENTITY

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 30 June 2016 annual report as a consequence of these amendments.

IMPACT OF STANDARDS ISSUED BUT NOT YET APPLIED BY THE ENTITY

There were no new standards issued since 30 June 2015 that have been applied by the Group. The 30 June 2015 annual report disclosed that the Group anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2015.

ESTIMATES

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated half year financial report, the significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report for the year ended 30 June 2015.

IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the assets carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts. The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements; and
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

IMPAIRMENT OF OIL AND GAS PROPERTIES

In the absence of readily available market prices, the recoverable amounts of assets are determined using estimates of the present value of future cash flows using asset-specific discount rates. For oil and gas properties, these estimates are based on assumptions concerning reserves, future production profiles and costs.

The present value of the West Klondike Field is calculated using the contingent resources, specifically the mid to low estimate 2C, as the majority of the oil in place is located in the Lario oil reservoir which is yet to be tested.

NON-OPERATOR INTEREST IN OIL AND GAS PROPERTIES

i) Producing projects

Producing projects are stated at cost less accumulated amortisation and impairment charges. Producing projects include construction, installation or completion of production and infrastructure facilities such as pipelines, transferred exploration and evaluation assets, development wells and the provision for restoration.

ii) Amortisation and depreciation of producing projects

The Consolidated Entity uses the "units of production" ("UOP") approach when amortising field-specific assets. Using this method of amortisation requires the Consolidated Entity to compare the actual volume of production to the reserves and then apply the rate of depletion to the carrying value of the asset.

The West Klondike field is depleted on a "units of production" ("UOP") approach which requires the Consolidated Entity to compare the actual volume of production to the 2C contingent resources and then apply the rate of depletion to the carrying value of the asset.

Capitalised producing project costs relating to commercially producing wells are amortised using the UOP basis once commercial quantities are being produced within an area of interest. The reserves used in these calculations are the Proved plus Probable reserves and are reviewed at least annually.

FINANCIAL REPORT PREPARED ON A GOING CONCERN BASIS

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

NOTE 3. DIVIDENDS

There are no dividends paid or declared during the period.

NOTE 4. FAIR VALUE MEASUREMENTS

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

a) Fair value hierarchy

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

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

The following table present the Group's financial assets measured and recognised at fair value at 31 December 2015 and 30 June 2015 on a recurring basis.

Half-year to 31-Dec-15	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Financial assets designated at fair value through profit/loss :				
Assets classified as held for sale (note 7)	-	-	-	-
Total	-	-	-	-

Year to 30-Jun-15	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Financial assets designated at fair value through profit/loss:				
Assets classified as held for sales (note 7)	-	150,474	-	150,474
Total	-	**150,474**	-	**150,474**

b) 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.

c) Fair values of other financial instruments

The group also has number of financial instruments which are not measured at fair value in the balance sheet. The carrying value of trade receivables and payables is a reasonable approximation of their fair values due to their short-term nature.

The group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2015.

NOTE 5. DISCONTINUED OPERATIONS

On 20 October 2015, Tamaska announced completion of the demerger of its Canadian assets via an in-specie distribution of one TMK Montney Ltd share for every ten Tamaska Shares held. All capitalised expenditure relating to the project have been deconsolidated from the Group.

The financial performance of the discontinued operation to the date of disposal, which is included in loss from discontinued operations per the consolidated statement or profit and loss and other comprehensive income, is as follows:

	Notes	Half-year End 31-Dec-15 $	Half-year End 31-Dec-14 $
Discontinued Operations			
Operating Expenses		(4,105)	(60,495)
LOSS BEFORE TAX		**(4,105)**	**(60,495)**
Income tax benefit / (expense)		-	-
LOSS AFTER TAX FROM DISCONTINUED OPERATIONS		**(4,105)**	**(60,495)**
TOTAL LOSS AFTER TAX ATTRIBUTABLE TO DISCONTINUED OPERATIONS		**(4,105)**	**(60,495)**

The net cash flows of the discontinued operations, which have been incorporated into the statement of cash flows are as follows:

	Notes	Half Year End 31-Dec-15 $	Half Year End 31-Dec-14 $
Discontinued operations			
Net cash (used) in operating activities		(894)	(24,018)
Net cash (used) in investing activities		(516,503)	(471,841)
Net increase/ (decrease) in cash and cash equivalents attributable to discontinued operations		**(517,397)**	**(495,859)**

The Carrying amount of assets and liabilities as at the date of the in-specie distribution were:

	20-Oct-15 $
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	81,599
Trade and other receivables	164,207
Assets classified as held for sale	159,794
Total Current Assets	**405,600**
NON-CURRENT ASSETS	
Exploration, evaluation and development expenditure	4,431,015
Total Non-Current Assets	**4,431,015**
TOTAL ASSETS	**4,836,615**
CURRENT LIABILITIES	
Trade and other payables	82,350
Short-term borrowings	-
Total Current Liabilities	**82,350**
TOTAL LIABILITIES	**82,350**
NET ASSETS	**4,754,265**
Fair value of net assets disposed	**4,754,265**
Gain/Loss on disposal	**-**
Foreign exchange reserve recycled	**305,092**
Gain on deconsolidation recognised in equity	**305,092**

NOTE 6. SEGMENT REPORTING

Half-year 31-Dec-15	Discontinued Operations	USA	Australia	Total
	$	$	$	$
Revenues	-	48,884	3,395	**52,279**
Segment (loss)	(4,105)	(189,613)	(165,834)	**(359,552)**
Total segment assets	-	806,265	2,440,878	**3,247,143**
Total segment liabilities	-	(26,369)	(65,497)	**(91,866)**

Half-year 31-Dec-14	Discontinued Operations	USA	Australia	Total
	$	$	$	$
Revenues	-	145,520	20,431	**165,951**
Segment (loss)	(60,495)	(551,213)	(832,885)	**(1,444,593)**
30 June 2015				
Total segment assets	4,207,478	904,479	654,359	**5,766,316**
Total segment liabilities	54,143	30,116	23,630	**107,889**

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 identified the reportable segments as outlined above.

NOTE 7. ASSETS CLASSIFIED AS HELD FOR SALE

31 December 2015

Following assets held for sales movement during the period:

	Consolidated	
	Half year 31-Dec-15	Year ended 30-Jun -15
	$	$
Assets held for sale – cost	**-**	**150,474**
Movements in carrying amounts are reconciled as follows:		
Opening balance	150,474	141,249
Additions during period	9,320	7,594
Deconsolidation of subsidiary (i)	(159,794)	-
Write off during period	-	(7,594)
Foreign currency movement	-	9,225
	-	**150,474**

(i) On 20 October 2015, Tamaska announced completion of the demerger of its Canadian assets via an in-specie distribution of one TMK Montney Ltd share for every ten Tamaska Shares held. All capitalised expenditure relating to the project has been deconsolidated from the Group. (Refer to note 5)

NOTE 8. OIL AND GAS PROPERTIES

The balance of oil and gas properties represents capitalised exploration expenditure regarding areas of interest where either exploration activities are ongoing or where recoupment of exploration costs is expected. The carry forward of exploration and evaluation costs is dependent on the successful recoupment of these costs through commercial exploitation, or alternatively, the sale of the group's area of interest.

	Consolidated	
	Half-year	**Year ended**
	31-Dec -15	**30-Jun-15**
	$	**$**
Exploration, evaluation and development expenditure – cost	**-**	**3,855,971**
Movements in carrying amounts are reconciled as follows:		
Opening balance	3,855,971	1,127,443
Acquired during the period	-	3,348,154
Additions during period	539,067	385,586
Transferred to oil and gas properties	-	(1,127,443)
Deconsolidation of subsidiary (i)	(4,431,015)	-
Foreign currency movement	35,977	(122,231)
	-	**3,855,971**

(i) On 20 October 2015, Tamaska announced completion of the demerger of its Canadian assets via an in-specie distribution of one TMK Montney Ltd share for every ten Tamaska Shares held. All capitalised expenditure relating to the project have been deconsolidated from the Group.

	31-Dec-15	**30-Jun-15**
	$	**$**
Oil and gas properties – cost	**796,615**	**901,170**
Movements in carrying amounts are reconciled as follows:		
Opening balance	901,170	212,620
Transferred from exploration, evaluation and development expenditure	-	1,127,443
Additions during period	28,693	143,333
Amortisation expense	(29,675)	(122,145)
Impairment of assets(i)	(149,436)	(707,152)
Foreign currency movement	45,863	247,071
	796,615	**901,170**

(i) 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 Fusselman by $149,436 to its recoverable amount of $20,549 which is measured at fair value. The asset belongs to the USA reportable segment.

NOTE 9. TRADE AND OTHER PAYABLES

	Consolidated	
	Half-year 31-Dec-15 $	Year ended 30-Jun-15 $
Trade creditors	26,773	53,291
Accruals	60,337	50,064
	87,110	**103,355**

NOTE 10. ISSUED SHARE CAPITAL

	Consolidated	
	Half-year 31-Dec-15 $	Year ended 30-Jun-15 $
Issued capital	30,132,174	31,102,118
Cost of share issue	(1,426,396)	(1,415,404)
1,960,000,000 fully paid ordinary shares	28,705,778	30,979,035

	31-Dec-15 Shares	30-Jun-15 Shares	31-Dec-15 AUD	30-Jun-15 AUD
Movements in share on issue				
Beginning of the period	714,000,000	103,396,644	30,979,035	24,996,085
Shares issued during the period				
Rights Issue at $0.002	596,927,840	-	1,193,856	-
555,603,356 Ordinary Shares at $.01	-	555,603,356	-	5,556,033
Shortfall Shares at $0.002	474,072,160	-	948,144	-
55,000,000 Shares issued at $.01 on settlement of convertible notes	-	55,000,000	-	550,000
175,000,000 Ordinary Shares at $0.002	175,000,000	-	350,000	-
Capital Reduction (note 5)	-	-	(4,754,265)	-
Total shares issued	**1,960,000,000**	**714,000,000**	**28,716,770**	**31,102,118**

NOTE 11. RESERVES

During the period 3,000,000 unlisted options issued to Alex Parks, exercisable at 0.15 cents on or before 3 October 2017 were cancelled.

	Consolidated	
	Half-year	Year ended
	31-Dec-15	30-Jun-15
	$	$
Other Reserves	890,865	1,078,986
Equity reserve	80	80
Other reserves	890,945	1,079,066
Share based payment reserve	539,148	526,460
Total reserve	**1,430,093**	**1,605,526**
Other Reserves (1)		
Beginning of the period	1,078,986	561,242
Currency translation differences arising during the period	(188,121)	517,744
Deconsolidation Reserve	305,092	-
Transfer of deconsolidation reserve to accumulated losses	(305,092)	-
	890,865	**1,078,986**
Equity reserve (2)		
Beginning of period	80	80
	80	**80**
Share based payment reserve (3)		
Beginning of period	526,460	140,283
Share based payment movement during the period	12,688	386,177
	539,148	**526,460**

(1 **Other reserve**
Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve. 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.

NOTE 12. RELATED PARTY TRANSACTIONS

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

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES

There were no contingent assets or liabilities during the half-year period to 31 December 2015.

NOTE 14. EVENTS SUBSEQUENT TO BALANCE DATE

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

DIRECTORS' DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

In the opinion of the directors:

(a) the Interim financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the financial position as at 31 December 2015 and it's performance for the half-year ended on that date; and

  (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the board

Alexander Parks
Managing Director
Perth, W.A.
15 March 2016

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Tamaska Oil and Gas Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tamaska Oil and Gas Limited, which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

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

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

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tamaska Oil and Gas Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 15 March 2016