TAMASKA

OIL & GAS LIMITED

ANNUAL REPORT

For the year ended 30 June 2016

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Corporate Directory

Directors	Alexander Parks - Managing Director Brett Lawrence - Executive Director Logan Robertson – 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,

Tamaska is well positioned to participate in an industry recovery, the Company has preserved its cash holdings by minimising the outgoings during the period of weak oil prices and market sentiment towards the resources sector. The industry has reacted to low oil prices and operating costs, rig rates, and deal costs have come down considerably, the oil price and resources in general are showing signs of a gradual recovery and those companies with cash, and clean balance sheets will be well positioned to enter new projects.

The demerger of the Montney project in late 2015, has shown to be a solid strategy. The heavy oil projects and oils sands in Canada, have been significantly affected by the low oil price and market sentiment in Canada has been very depressed in the last 12 months. Nevertheless, the Montney has continued to mature as a successful play. Those companies active in the Montney play with significant production have continued profitably and focussed on development growth in their core areas. The top performing Montney players have used the opportunity to acquire rival companies to expand their holdings in the central core areas first. The expansion of the play outside of these established areas has stalled until sentiment, oil prices and deal flow start to recover. Tamaska's land that is now held in the demerged company TMK Montney Limited has adequate lease life and position, to wait out this down turn.

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.

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 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 was considered unlikely to be recognised in the Australian market in the near term. Both Tamaska and Joint Venture partner, Transerv severally resolved to demerge their Canadian assets.

To effect the demerger, Tamaska incorporated a new subsidiary, TMK Montney Limited. Shareholders approved the demerger at a meeting held on 15 September 2015 and the Company subsequently obtain the appropriate ATO Rulings (available on the Tamaska website). TMK Montney was transferred 100% of Warren (the 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 were then 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 made 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'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 first zone was shut-in due to low flowing pressure in June 2015. The shallower pools have been placed on production over the last year, with more limited hydrocarbon recovery. The final Lorio Sand the "oil zone" is the last zone to be produced. The zone has recovered oil and no water to surface but will not flow unassisted. Workover options are being considered.

Production has also continued from the Fusselman oil project. Whilst the production is modest (~10bopd 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 seeks a new opportunity to add shareholder value.

Tamaska undertook a Rights Issue and placement to raise approximately $2.4 million at 0.2 cents per share. These funds have been preserved

In summary, over the past year the Company has distributed directly to shareholders the low cost project with high potential value in the emerging Montney resource play. With $2.3million 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

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.

Tamaska's capital structure as of 13 September 2016 is summarised as:

Security	Price & Date	Number on Issue
Ordinary Shares on Issue (ASX:TMK)	0.3 cents (Last trade 19 September 2016)	1,960 million
Unlisted Options	0.92c exercise price, expiring March 2019	180 million

At 0.3 cents per share the Company's market capitalisation is A$5.88 million.

Financial Position and Performance

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. 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.

During 2016, the sustained deterioration in the long-term outlook for commodity prices was a trigger event requirings to perform impairment testing of our assets that are sensitive to commodity prices. The impairment testing of out long-lived assets was based upon a single step process as prescribed in the accounting standards.

The Company recorded impairment of oil and gas properties of $711,493 (2015:714,746.)

Directors' Report

Company Projects

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

The well commenced producing from the lower Nod Blan on 4 September 2014 and after recompletion commenced production on 2 November 2015. The operator recently perforated the production casing to the Lorio interval and the well flowed for 1.5 hours with an average flow rate of ~30 barrels per day of oil . The JV believes the wellbore surface in the Lorio whilst being exposed to drilling mud, has clogged the perforations. The Operator has recently provided a revised AFE to re-perforate the Lorio. The operator is expected to be completed in the coming weeks.

The Lorio Sand has produced over 4 million barrels of oil from the adjacent field ("Klondike") and represents the greatest value of this well with a high estimate of oil at 500,000 barrels (gross). It is also noted that when the Lorio was initially perforated during the testing phase the well flowed oil to surface with no assistance. The Operator plans to acid wash the oil zone and establish production, either with natural flow or using a pump if required.

	FY16 Actual	FY 17 Forecast
Net Produced gas MMscf	-	-
Net Produced bbls	204 bbls	~500 bbls
Net Revenue after Royalty and well head taxes (US$)	~$21,835	~$50,000
Operating Costs (US$) excluding workovers	~$27,359	~$20,800

Tamaska[3] currently estimates the reserves as follows:

	Estimated Ultimate Recovery	100% Cumulative production as at 30/06/2016	100% Reserves estimated as at 1/07/2016	Net TMK Reserves at 8.125% NRI estimated as at 1/07/2016
Proven Developed Producing (1P) Lower Nod Plan Produced and shut in	297MMscf 3,073 bbls	297MMscf 3,073 bbls	-	-
Remaining Zones				
Probable (2P)	98,570 bbls	-	98,570bbl	8,000bbls
2C Contingent Resources	0MMscf 150,000bbls	- -	0MMscf 150,000bbls	0MMscf 12,180bbls

Directors' Report

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.

	FY15 (12 Months) Actual	FY16 (12 Months) Actual	FY 17 (12 months) Forecast
Net Produced bbls	1,026 bbls	423 bbls	~500 bbls
Net Revenue after Royalty and well head taxes (US$)	~$51,650	~$12,844	~$25,000
Operating Costs (US$) excluding workovers	~$52,094	~$24,779	~$18,000

Tamaska[3] currently estimates the reserves as follows:

	Estimated Ultimate Recovery Barrels	Cumulative production as at 30/06/2016 Barrels	100% Reserves estimated as at 1/07/2016 Barrels	Net TMK Reserves at 12.5% WI estimated as at 1/07/2016 Barrels
Proven Developed Producing (1P)	27,469	26,306	1,162	145
Probable (2P)	42,438	26,306	16,131	2,016

[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.*

Directors' Report

Your Directors present their report on the consolidated entity (Group) for the year ended 30 June 2016.

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
Justin Norris (resigned 11 July 2016)
Logan Robertson (appointed 11 July 2016)

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 2016 after income tax amounted to $1,060,057 (2015: $1,698,435).

Dividends Paid or Recommended

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

The Company executed an in-specie distribution of TMK Montney Ltd shares to TMK shareholders that was treated as a return of capital by the ATO.

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

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Directors' Report

Likely Developments

The consolidated entity will continue to pursue activities within its corporate objectives. 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.

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement and ASX Appendix 4G are released to ASX on the same day the Annual Report is released. Tamaska Energy Limited's Corporate Governance Statement, and the Company's Policies, Charters and Procedures, can be all found on the Company's website at http://tamaska.com.au/display/index/corporate-governance

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 19 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.

Current Directorship and date of appointment:
Sun Resources NL (ASX:SUR) Appointed 18 February 2016.

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*
(Resigned 11 July 2016)

Mr Norris has over 17 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).

Other Directorships within the last three years: None

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

Mr Brett Lawrence has 12 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)
Acacia Coal Ltd (ASX: AJC) (appointed December 2015

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

Logan Robertson – Non-*Executive Director*
(Appointed 11 July 2016)

Mr Robertson holds a Masters of Finance from the University of New South Wales and Bachelor of Commerce from the University of Western Australia and has over 5 years finance and investment experience gaining initially with Argonaut and more recently with Hoperidge Capital, the family investment office of Rod Jones. Hoperidge is one of Tamaska's largest shareholders. Mr Robertson joined Hoperidge in January 2014, and is an analyst focused on investments in the resources, technology & industrial sectors and has expertise investing in, financing and overseeing the management of growth businesses.

Current Directorship and date of appointment:
Acacia Coal Ltd (ASX: AJC) (appointed December 2015).

Other Directorships within the last three years: None

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 13 years' experience in the resources sector in Australia and overseas and holds a Bachelor of Accounting degree from University of South Africa.

Directors' Report

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
Alexander Parks	5	5
Justin Norris (*appointed 23 October 14)*	5	4
Brett Lawrence (*appointed 1 February 15)*	5	5

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)	Other changes during the year (i)	Balance at the date of report
Alexander Parks	5,308,000	-	-	5,308,000
Brett Lawrence (*appointed 1 February 15)*	-	-	-	-
Justin Norris (*resigned 11 July 2016) (ii)*	10,000,000	-	-	10,000,000
	15,308,000	**-**	**-**	**15,308,000**

(i) Other changes include the shareholding of Directors at the time of appointment, resignation or retirement.
(ii) 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 (iv)	Balance at the date of report	Vested and exercisable
Brett Lawrence(i)	20,000,000	-	-	-	20,000,000	20,000,000
Alexander Parks(ii)	27,000,000	-	-	(3,000,000)	24,000,000	24,000,000
Justin Norris(iii)	3,000,000	-	-	-	3,000,000	3,000,000
	50,000,000	**-**	**-**	**(3,000,000)**	**47,000,000**	**47,000,000**

(i) Appointed 1 February 2015.
(ii) 3,000,000 options were cancelled (Note 15) .
(iii) 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.
(iv) 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.

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.

Directors' Report

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.

The Company did not engage with remuneration consultants 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 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 long service leave 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 2016 is effectively $80,000 for 1/3 time. ($240,000 per annum for full time equivalent).

Mr Brett Lawrence, Executive Director

- Agreement commenced 1 February 2015 with no termination date, benefits or notice period noted;
- Directors' fees for the year ended 30 June 2016 is $13,500 per annum.

Mr Justin Norris, Non-Executive Director (*resigned 30 June 2016*)

- Agreement commenced 23 October 2014 with no termination date, benefits or notice period noted;
- Directors' fees for the year ended 30 June 2016 is $14,000 per annum.

Mr Logan Robertson, Non-Executive Director

- Agreement commenced 1 July 2016 with no termination date, benefits or notice period noted;
- Directors' fees for the year ended 30 June 2016 is Nil per annum.

No termination payments were made during the financial year.

Directors' Report

C. Details of Remuneration

The key management personnel of Tamaska Oil & Gas Limited during the year ended 30 June 2016 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 2016:

	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 [(i)]	76,664	-	-	12,688	89,352	14
Brett Lawrence	13,500	-	-	-	13,500	-
Non-executive Directors						
Justin Norris	14,000	-	-	-	14,000	-
Total Director's Compensation	**104,164**	**-**	**-**	**12,688**	**116,852**	**11%**
Key Management Personnel						
Sylvia Moss	42,844	-	-	-	42,844	-
Total Key Management Personnel	**42,844**	**-**	**-**	**-**	**42,844**	**-**
Total Compensation	**147,008**	**-**	**-**	**12,688**	**159,696**	**8%**

(i) The Share Based Payment to Mr. Parks is related to 1,500,000 options issued on 03 October 2013. These options had a vesting date of 03 October 2015 and the share based payment expense vested over the life of the option. As at 30 June 2016, these options were fully vested.

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 *(appointed 17 February 14)*	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 *(appointed 24 March 14)*	68,300	-	-	-	68,300	-
Total Key Management Personnel	**68,300**	**-**	**-**	**-**	**68,300**	**-**
Total Compensation	**408,300**	**-**	**-**	**318,492**	**726,792**	**42%**

Directors' Report

(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.

D. Share based compensation

Options

No new options were issued to key management personnel or to any of their associates during the year.

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 2012 to 2016 financial years:

	Year ended 30 June				
	2012 $	2013 $	2014 $	2015 $	2016 $
Revenues and finance income	17,703	78,085	109,136	328,208	90,555
(Loss) after tax	(1,842,951)	(3,603,780)	(3,954,977)	(1,698,435)	(1,060,057)
Share price at start of year	0.10	0.05	0.03	0.005	0.005
Share price at end of year	0.05	0.05	0.005	0.005	0.003[(i)]
Loss per share	(0.03)	(0.06)	(5.86)	(0.26)	(0.07)

(i) Return of Capital to Shareholders of 0.68c per share.

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	Balance at end of year	Vested and exercisable
Brett Lawrence	20,000,000	-	-	20,000,000	20,000,000
Alexander Parks [(i)]	27,000,000	-	(3,000,000)	24,000,000	24,000,000
Justin Norris [(ii)]	3,000,000	-	-	3,000,000	3,000,000
Sylvia Moss	-	-	-	-	-
	50,000,000	**-**	**(3,000,000)**	**47,000,000**	**47,000,000**

(i) 3,000,000 Options were cancelled.

(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.

Directors' Report

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 changes during the year	Balance at end of year
Alexander Parks	5,308,000	-	-	-	5,308,000
Brett Lawrence	-	-	-	-	-
Justin Norris	10,000,000	-	-	-	10,000,000
Sylvia Moss	-	-	-	-	-
	15,308,000	**-**	**-**	**-**	**15,308,000**

(i) 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.

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

Entity	Nature of transactions	Consolidated 2016 $	Consolidated 2015 $
Amounts recognised as Assets and Liabilities.			
Carnaby Energy Limited(i)	Acquisition of JV Land	533,022	3,457,763
Amounts recognised as expense			
Carnaby Energy Limited(i)	Land rent and consultants fees	-	34,244
Other transactions			
Citation Resources Limited(ii)	Corporate admin costs	-	452

(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 was a Director of both Warren and Carnaby (resigned 30 June 2016).
(ii) Brett Mitchell was a director of Citation Resources Limited during the prior year. Mr Mitchell resigned 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.

Directors' Report

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 2015 Annual General Meeting

TMK received 100% of "yes" votes (excluding director's votes) on its remuneration report for the 2015 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			
25 September 2014 [i]	31 March 2019	$0.0092	180,000,000
			180,000,000

(i) Following the Demerger as discussed at Note 6 to the financial report, the number of options held remained the same however the exercise price of the options 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 2016 has been received and can be found on page 20.

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

Alexander Parks
Managing Director
Perth, W.A.
28 September 2016

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 2016, 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, 28 September 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2016

		Consolidated	
			Restated
		30-Jun-16	**30-Jun-15**
Revenue	***Notes***	**$**	**$**
Oil revenue		61,688	216,266
Other Income		-	111,942
Interest income		28,867	-
Total revenue		**90,555**	**328,208**
Cost of sales		(85,668)	(174,854)
Accounting and audit fees		(57,744)	(113,748)
Directors' fees		(60,164)	(80,419)
Professional and consultancy fees		(7,000)	-
Share base payment expense	15	(12,688)	(386,177)
Travel expenses		(174)	1,547
Legal fees		(18,293)	(10,184)
Regulatory expenses		(37,308)	(44,522)
Impairment of assets	10&11b	(711,493)	(707,152)
Amortisation of oil and gas properties	11b	(63,815)	(122,145)
Restoration provision		(23,194)	-
Office and administrative expenses	5	(68,789)	(155,542)
Loss of operating activities		**(1,055,775)**	**(1,464,988)**
Finance cost		-	(2,596)
Foreign exchange gains/(losses)		(177)	7,495
Loss before tax		**(1,055,952)**	**(1,460,089)**
Income tax (expense)/benefit	7	-	-
Loss for the year after income tax		**(1,055,952)**	**(1,460,089)**
Discontinued operations			
Loss after tax from discontinued operations	6	(4,105)	(238,346)
Profit/(Loss) for the period		**(1,060,057)**	**(1,698,435)**
Other comprehensive income for the year			
Items that may be reclassified to profit or loss			
Exchange differences on the translation of foreign operations		99,255	517,744
Foreign exchange reserve recycled	6	(305,092)	
Other comprehensive income/(loss) for the year, net of tax		**(205,837)**	**517,744**
Total comprehensive loss for the year		**(1,265,894)**	**(1,180,691)**
Loss attributed to:			
Owners of Tamaska Oil and Gas Limited		**(1,060,057)**	**(1,698,435)**
Total comprehensive loss for the year attributable to:			
Owners of Tamaska Oil and Gas Limited		**(1,265,894)**	**(1,180,691)**
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	**(0.07)**	**(0.26)**

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 2016

		Consolidated	
		30-Jun-16	**30-Jun-15**
	Notes	**$**	**$**
Current assets			
Cash and cash equivalents	8	2,284,115	799,238
Trade and other receivables	9	24,538	59,463
Assets classified as held for sale	10	-	150,474
Total current assets		**2,308,653**	**1,009,175**
Non-current assets			
Exploration, evaluation and development expenditure	11a	-	3,855,971
Oil and gas properties	11b	202,838	901,170
Total non-current assets		**202,838**	**4,757,141**
Total assets		**2,511,491**	**5,766,316**
Current liabilities			
Trade and other payables	12	31,951	103,355
Total Current liabilities		**31,951**	**103,355**
Non-current Liabilities			
Restoration Provision		27,443	4,534
Total non-current liabilities		**27,443**	**4,534**
Total liabilities		**59,394**	**107,889**
Net assets		**2,452,097**	**5,658,427**
Equity			
Issued share capital	13	28,705,778	30,979,035
Issued share options	13b	408,890	408,890
Share based payment reserve	14	539,148	526,460
Other reserves	14	873,229	1,079,066
Accumulated losses	16	(28,074,948)	(27,335,024)
Total equity		**2,452,097**	**5,658,427**

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 2016

30 June 2016	Issued Share capital	Issued Options	Share Based Payment 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	-	-	-	99,255	-	**99,255**
Profit/(loss) after tax	-	-	-	-	(1,060,057)	**(1,060,057)**
Transfer of reserve to accumulated losses	-	-	-	(305,092)	-	**(305,092)**
Total comprehensive income/(loss) for the year	-	-	-	**(205,837)**	**(1,060,057)**	**(1,265,894)**
Transactions with equity holders in their capacity as equity holders						
Issue of share capital	2,492,000	-	-	-	-	**2,492,000**
Capital Raising Costs	(10,992)	-	-	-	-	**(10,992)**
Options Issued	-	-	-	-	-	-
Deconsolidation Reserve	-	-	-	-	320,133	**320,133**
Amortised Share based payment expense	-	-	12,688	-	-	**12,688**
In-Specie Distribution (Note 6)	(4,754,265)	-	-	-	-	**(4,754,265)**
Balance at 30 June 2016	**28,705,778**	**408,890**	**539,148**	**873,229**	**(28,074,948)**	**2,452,097**

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**

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 2016

		Consolidated	
		30-Jun-16	30-Jun-15
	Notes	$	$
Cash flows from operating activities			
Receipts from product sales and related customers (inclusive of GST)		86,391	216,131
Interest received		28,867	28,915
Payments to suppliers and employees (inclusive of GST)		(291,652)	(444,753)
Payment of demerger cost		(223,410)	-
Payment of production cost		(48,821)	(182,006)
Interest and finance costs paid		-	(2,302)
Income tax received/(paid)		-	(135,088)
Net cash and cash equivalents outflow from operating activities	19	**(448,625)**	**(519,103)**
Cash flows from investing activities			
Exploration costs on oil and gas activities		(34,231)	(528,919)
Acquisition of project assets		(497,570)	(3,348,154)
Net cash and cash equivalents outflow from investing activities		**(531,801)**	**(3,877,073)**
Cash flows from financing activities			
Net Proceeds from issue of shares and options		2,492,000	3,737,950
Capital raising cost		(10,992)	-
Loan repayment		-	(101,457)
Net cash and cash equivalents inflow from financing activities		**2,481,008**	**3,636,493**
Net (decrease)/increase in cash held		1,500,582	(759,682)
Cash and cash equivalents at beginning of financial year		799,238	1,537,577
Foreign exchange movement on cash		(15,705)	21,343
Cash and cash equivalents at end of financial year	8	**2,284,115**	**799,238**

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 2015.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) *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 2016 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.

(c) *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.

(d) *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.

Exchange differences arising within the foreign currency translation reserve from the translation of foreign operations of entities which were discontinued by way of in-specie distribution during the year have been recognised against retained earnings as the transfer of entities was to members in whom there was common control.

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.

(e) ***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.

(f) ***Cash and Cash Equivalents***

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

(g) ***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)

(h) *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.

(i) *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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(j) *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.

(k) In-specie distribution

The share capital of the Company is reduced by the fair value of the investment that was returned to shareholders.

(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***

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method which is closely aligned to the US GAAP based successful efforts method of accounting for oil and gas exploration and evaluation expenditure.

This approach is strongly linked to the Group's oil and gas reserves determination and reporting process and is considered to most fairly reflect the results of the Group's exploration and evaluation activity because only assets with demonstrable value are carried on the statement of financial position.

Once a well commences producing commercial quantities of oil and gas, capitalised exploration and evaluation costs are transferred to Oil and Gas Properties – Producing Projects and amortisation commences.

This method allows the costs associated with the acquisition, exploration and evaluation of a prospect to be aggregated on the Consolidated Statement of Financial Position and matched against the benefits derived from commercial production once this commences.

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).

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 & gas properties, these estimates are based on assumptions concerning reserves, future production profiles and costs.

(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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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:

- 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(s) *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

- 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.

(t) *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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) ***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.

(v) ***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 2016 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)

Reference and Title	**Summary**	**Application date of standard**	Impact on 30 June 2016 financial statements
AASB 9 - Financial Instruments	*AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking expected loss' impairment model and a substantially-reformed approach to hedge accounting.* *AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application*	*Annual reporting periods commencing on or after 1 January 2018*	*When this standard is first adopted from 1 July 2018, there will be no impact on transactions and balances recognised in the financial statements.*
AASB 15 – Revenue from Contracts with Customers	*An entity will recognise revenue to depict the transfer of promised goods orservices 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 thecase under IAS 18 Revenue.*	*Annual reporting periods beginning on or after 1 January 2017*	*When this standard is first adopted from 1 July 2018, this standard will not significant impact transactions and balances recognised in the financial statements.*
AASB 16 (issued February 2016) Leases	*AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases.* *Lessor accounting remains largely unchanged from AASB 117.*	*Annual reporting periods beginning on or after 1 January 2019.*	*When this standard is first adopted from 1 July 2018, there will be minimal impact on transactions and balances recognised in the financial statements.*
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	*The subjects of the principal amendments to the Standards are set out below:* *AASB 119 Employee Benefits* *Discount rate: regional market issue – clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability.* *Further it clarifies that the depth of the market for high*	*Annual reporting periods commencing on or after 1 January 2016*	*There will be no impact on the financial statements when these amendments are first adopted because they apply*

	quality corporate bonds should be assessed at the currency level.		*prospectively to share-based payment transactions for which the grant date is on or after 1 January 2016.*
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	*The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project.* *The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgement in determining where and in what order information is present in the financial disclosures.*	*Annual reporting periods commencing on or after 1 January 2016*	*There will be no impact on the financial statements when these amendments are first adopted because this is a disclosure standard only.*

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:

	2016 $	2015 $
Financial Assets		
Cash and cash equivalents	2,284,115	799,238
Trade receivables	24,538	6,402
	2,308,653	805,640
Financial Liabilities		
Trade and other payables	31,951	53,291
	31,951	53,291

(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.

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:

2016 Foreign Currency	USD $
Cash	2,500
Trade and other payables	16,111

(ii) Price Risk

Due to the nature of the Group's principal operation being oil & gas exploration and production the Group is exposed to the fluctuations in the price of oil & gas. Although the Group is economically exposed to commodity price risk of the above mentioned inputs, this is not a recognised market risk under the accounting standard as the risk is embedded within normal purchase and sales and are therefore not 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:

2016	Floating interest rate $	Non-interest bearing $	1 Year or less $	Over 1 to 5 years $	Total $
Financial assets					
Cash and cash equivalents	2,284,036	79	2,284,115	-	2,284,115
	2,284,036	79	2,284,115	-	2,284,115

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

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 $22,840 (2015: $5,880)

(b) *Credit Risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is not significantly exposed to credit risk from its operating activities, however the Board constantly monitors customer receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset. The Group does not hold collateral as security. No material exposure is considered to exist by virtue of the possible non-performance of the counterparties to financial instruments and cash deposits. The Group ensure the use of leading investment institutions in terms of managing cash. The cash of $2,284,036 is held in an institution with an AA- 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.

Contractual maturities of financial liabilities 30 June 2016	Less than 6 months $	6-12 months $	Between 1-5 years $	Total $	Carrying Value $
Financial Liabilities					
Trade and other payables	31,951	-	-	31,951	31,951
	31,951	-	-	31,951	31,951

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
	103,355	-	-	103,355	103,355

(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 2016 the Group did not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

(ii) 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 (n). 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) 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.

(iii) 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.

(iv) 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 proven developed 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:

Geographical Segment			30-Jun-16		
	$	$	$	$	$
	Discontinued Operations	**USA**	**Australia**	**Eliminations**	**Consolidated**
Results					
Revenue	-	61,689	98,361	(69,495)	90,555
Impairment		(711,493)	-	-	(711,493)
Amortisation	-	(63,815)	-	-	(63,815)
Loss for the period	(4,105)	(837,436)	(945,760)	727,244	(1,060,057)
Assets					
Segment assets	-	1,400,406	2,462,332	(1,351,247)	2,511,491
Total assets	-	1,400,406	3,179,341	(2,068,256)	2,511,491
Liabilities					
Segment liabilities	-	5,542,264	10,236	(5,493,106)	59,394
Total liabilities	-	5,542,264	10,236	(5,493,106)	59,394

Geographical Segment			30-Jun-15		
	$	$	$	$	$
	Discontinued Operations	**USA**	**Australia**	**Eliminations**	**Consolidated**
Results					
Revenue	-	299,292	485,885	(456,969)	328,208
Impairment	(7,594)	(707,152)	-	-	(714,746)
Amortisation	-	(122,145)	-	-	(122,145)
Loss for the period	(375,494)	(754,911)	(1,093,618)	522,588	(1,698,435)
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

5. LOSS FOR THE YEAR

	Consolidated	
	2016 $	Restated 2015 $
The loss from continuing operations includes the following specific expenses:		
Office and administrative expenses		
Office costs	(25,640)	(86,523)
IT costs	(1,272)	(4,979)
Employee benefits	-	(6,198)
Other administrative expenses	(41,877)	(57,842)
Total office and administration expenses	**(68,789)**	**(155,542)**

6. 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:

	2016 $	2015 $
Discontinued Operations		
Operating Expenses	(4,105)	(103,258)
LOSS BEFORE TAX	(4,105)	(103,258)
Income tax benefit / (expense)	-	(135,088)
LOSS AFTER TAX FROM DISCONTINUED OPERATIONS	(4,105)	(238,346)
TOTAL LOSS AFTER TAX ATTRIBUTABLE TO DISCONTINUED OPERATIONS	(4,105)	(238,346)

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

	2016 $	2015 $
Discontinued operations		
Net cash (used) in operating activities	(894)	(24,018)
Net cash (used) in investing activities	(497,570)	(3,733,739)
Net increase/ (decrease) in cash and cash equivalents attributable to discontinued operations	(498,464)	(3,757,757)

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
Total Current Liabilities	**82,350**
TOTAL LIABILITIES	**82,350**
NET ASSETS	**4,754,265**
Fair value of net assets distributed to equity holders	**(4,754,265)**
Foreign exchange reserve recycled	**305,092**
Gain on deconsolidation recognised in equity	**305,092**

The gain on deconsolidation has been recognised in equity due to the disposal by way of inspecie distribution as a transaction with equity holders.

7. INCOME TAX

Income tax recognised in Statement of Profit or Loss and Other Comprehensive Income	Consolidated	
	2016	2015
	$	$
Tax expense/(income) comprises:		
Current tax expense/(income) in respect of the current year	-	135,088
Total tax expense/(income) from continuing operations	-	-
Total tax expense/(income) from discontinued operations	-	135,088

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	
	2016	2015
	$	$
Loss from continuing operations	(1,055,952)	(1,460,089)
Loss before tax from discontinued operations	(4,105)	(103,258)
Total loss from operations	**(1,060,057)**	**(1,563,347)**
Income tax expense/(income) calculated at 30%	(318,017)	(469,004)
Effect of expenses that are not deductible in determining taxable profit	213,300	205,205
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	127,348	477,876
Effect of disposal of foreign assets	-	135,088
Other	(22,631)	(214,077)
	-	**135,088**

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	
	2016	2015
	$	$
Deferred tax assets/(liabilities) un-recognised:		
Tax losses:		
Australian tax losses – revenue	1,861,984	1,668,251
US tax losses	604,039	594,445
Canadian tax losses	411	123,272
Unrealised FX gains/(losses)	(625,592)	323,696
Capital raising costs	12,362	13,197
Deferred tax liability:		
Australian – Other	(11,143)	(20,100)
Oil and gas properties	(60,851)	(389,813)
Unrecognised deferred tax assets	**1,781,210**	**2,312,948**

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	
	2016	2015
	$	$
Cash at bank	2,284,115	799,238

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

9. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2016	2015
	$	$
Current		
Other receivables	17,312	35,149
GST Receivable	3,574	11,911
Prepayments	3,652	12,403
	24,538	**59,463**

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 2016 (2015: 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	
	2016	2015
	$	$
Assets held for sale – cost	**-**	**150,474**
Movements in carrying amounts are reconciled as follows:		
Opening balance	150,474	141,249
Additions during the year	7,827	7,594
Deconsolidation of subsidiary(i)	(159,794)	-
Write off during the year	-	(7,594)
Foreign currency movement	1,493	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 6)

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	
	2016	2015
	$	$
11 (a) 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 year (i)	533,022	3,348,154
Additions during the year	-	385,586
Impairment of assets	-	-
Transferred to oil and gas properties (refer to note 11(b))	-	(1,127,443)
Deconsolidation of subsidiary (ii)	(4,431,015)	-
Foreign currency movement	42,022	122,231
	-	**3,855,971**

(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.
(ii) 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.

	Consolidated	
11 (b) Oil and gas properties – cost	**2016**	**2015**
	$	**$**
Producing oil & gas asset	**369,337**	**1,033,818**
Accumulated Amortisation	**(166,499)**	**(132,648)**
	202,838	**901,170**
Movements in carrying amounts are reconciled as follows:		
Opening balance	901,170	212,620
Transferred from exploration, evaluation and development expenditure (refer note 11a)	-	1,127,443
Additions during the year	34,231	143,333
Amortisation expense	(63,815)	(122,145)
Impairment of assets	(711,493)	(707,152)
Foreign currency movement	42,745	247,071
	202,838	**901,170**

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 Fusselman by $148,399 to its recoverable amount of $9,783 and in West Klondike by $563,094 to its recoverable amount of $193,055 which is measured at fair value. The assets belongs to the USA reportable segment.

For the wells that were written down, the Company has valued the its assets on a PV10 basis and has used forward pricing as at 30 June 2016 (Oil:US45/barrel, Gas: $2.50/mcf). 2P reserves have been used when calculating the net present value of the assets. Based on these results we recognised an impairment of $711,493 in the current year

12. TRADE AND OTHER PAYABLES

	Consolidated	
	2016	**2015**
TRADE AND OTHER PAYABLES	**$**	**$**
Trade creditors	22,251	53,291
Trade Accruals	9,700	50,064
	31,951	**103,355**

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.

13. ISSUED CAPITAL

Ordinary shares	Consolidated	
	2016	**2015**
	$	**$**
1,960,000,000 fully paid ordinary shares (2015: 714,000,000)	**28,705,778**	**30,979,035**
Movements in shares on issue		
At 1 July	**30,979,035**	**24,996,085**
Shares issued during the year		
Capital Reduction TMK Montney	(4,754,265)	-
Shortfall Placement of 596,927,840	1,193,856	-
Shortfall Placement of 474,072,160	948,144	5,556,033
175,000,000 Shares Issued	350,000	550,000
Total shares issued 1,960,000,000	**28,716,770**	**31,102,118**
Less: capital raising costs	(10,992)	(123,083)
At 30 June	**28,705,778**	**30,979,035**

13b. Issued share options

Share options	Consolidated	
	2016	**2015**
	$	**$**
Listed options issued (2015: 48,500,000)	408,890	408,890
Movements in options issued		
At 1 July	408,890	298,890
Options issued during the year		
180,000,000 options issued (Note 15)	-	110,000
Total options issued	**408,890**	**408,890**
Less: options issued costs	-	-
At 30 June	**408,890**	**408,890**

14. RESERVES

	Consolidated	
	2016	**2015**
	$	**$**
Foreign currency translation reserve [(1)]	873,149	1,078,986
Equity reserve [(2)]	80	80
Other reserves	**873,229**	**1,079,066**
Share based payment reserve [(3)]	539,148	526,460
Total reserve	**1,412,377**	**1,605,526**

[(1)] **Foreign currency translation**		
Balance at 1 July	1,078,986	561,342
Currency translation differences arising during the year	99,255	517,744
Foreign exchange reserve recycled	(305,092)	-
	873,149	**1,079,086**
[(2)] **Equity reserve**		
Balance at 1 July	80	80
Movement during the year	-	-
	80	**80**
[(3)] **Share based payment reserve**		
Balance at 1 July	526,460	140,283
Share based payment movement during the year	12,688	386,177
	539,148	**526,460**

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. Exchange differences arising within the foreign currency translation reserve from the translation of foreign operations of entities which were discontinued by way of in-specie distribution during the year have been recognised against retained earnings as the transfer of entities was to members in whom there was common control.

[(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 14).

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 2015 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.

The total share based payment expense recognised for the year ended 30 June 2016 was $12,688 (2015: $386,177). The terms and conditions of the grants made during the year are as follows:

Grant Date	Number	Vesting Conditions	Exercise Price	Expiry Date
<u>Share Options</u>				
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.

15. SHARE BASED PAYMENT EXPENSE (CONTINUED)

	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.

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

	2016		2015	
	Number	Weighted average exercise price	Number	Weighted average exercise price
As at 1 July	183,000,000	$0.150	3,000,000	$0.150
Granted during the year	-	$0.016	180,000,000	$0.016
Cancelled during the year(i)	(3,000,000)	-	-	-
As at 30 June	180,000,000	$0.018	183,000,000	$0.018
Vested and exercisable at 30 June	180,000,000	$0.092	181,500,000	$0.017

(i) Unlisted options exercisable at $0.15 cents were cancelled on 3 October as part of the clean-up of the company before the Demerger.

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 2016	Share options 30 June 2015
3 October 2013	*3 October 2017*	$0.15	-	1,500,000
3 October 2013	*3 October 2017*	$0.15	-	1,500,000
1 July 2014	*31 March 2019*	$0.016	40,000,000	40,000,000
28 July 2014	*31 March 2019*	$0.016	41,000,000	41,000,000
25 September 2014	*31 March 2019*	$0.016	99,000,000	99,000,000
Total			180,000,000	183,000,000
Weighted average remaining contractual life of options outstanding at end of period			2.73 years	3.73years

16. ACCUMULATED LOSSES

	Consolidated	
	2016	**2015**
	$	**$**
Accumulated losses at 1 July	(27,335,024)	(25,636,589)
Deconsolidation Reserve	320,133	-
Net loss attributable to the members of the parent entity	(1,060,057)	(1,698,435)
Accumulated losses at 30 June	**(28,074,948)**	**(27,335,024)**

17. LOSS PER SHARE

	Consolidated	
	2016	**2015**
	$	**$**
Reconciliation of earnings to net loss		
Profit/Loss from continued operations	(1,055,952)	(1,460,089)
Profit/(loss) from discontinued operations	(4,105)	(238,346)
Profit/Loss for the period	**(1,060,057)**	**(1,698,435)**
Basic and dilutive EPS (cents per share)	(0.07)	(0.26)
Basic and dilutive EPS (cents per share) Discontinued operations	(0.00)	(0.03)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and dilutive EPS	**Number**	**Number**
	1,480,863,974	**659,498,124**

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

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	
	2016	**2015**
	$	**$**
Current assets	2,300,106	654,750
Non-current assets	162,224	5,024,233
Total assets	2,462,330	5,678,983
Current liabilities	10,233	20,559
Total liabilities	10,233	20,559
Net assets	**2,452,097**	**5,658,427**

18. PARENT ENTITY INFORMATION(CONTINUED)

Issued capital	28,705,778	30,979,035
Options issued	408,890	408,890
Equity reserves	539,229	526,540
Accumulated losses	(27,201,800)	(26,256,038)
Total equity	**2,452,097**	**5,658,427**
Loss for the year	(945,762)	(1,093,616)
Total comprehensive loss for the year	**(947,762)**	**(1,093,616)**

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	
	2016	**2015**
	$	**$**
Loss after income tax	(1,060,057)	(1,698,435)
Non cash flows in loss		
Share Based Payments	12,688	386,177
Amortisation	63,815	122,145
Impairment of assets	711,493	714,746
Interest income	(28,867)	-
Foreign currency movements	29,329	79,871
Changes in assets and liabilities, net of effects from deconsolidation of subsidiary		
Decrease in trade creditors and accruals	(234,860)	(183,107)
(Increase)/decrease in trade and other receivables	34,925	58,658
Increase in other provision	22,909	842
Cash flows from operations	**(448,625)**	**(519,103)**

20. SUBSIDIARIES

The Company has the following subsidiaries.

		Percentage owned	
Name of Subsidiary	Place of Incorporation	2016	2015
Tamaska Energy LLC	Louisiana USA	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%
Warren Energy Ltd(i)	Canada	-	100%

(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. 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.

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.

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

		Consolidated	
Entity	Nature of transactions	2016 $	2015 $
Amounts recognised as Assets and Liabilities.			
Carnaby Energy Limited(i)	Acquisition of JV Land	533,022	3,457,763
Amounts recognised as expense			
Carnaby Energy Limited(i)	Land rent and consultants fees	-	34,244
Other transactions			
Citation Resources Limited(ii)	Corporate admin costs	-	452

(iii) 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 was a Director of both Warren and Carnaby (resigned 30 June 2016).

(iv) Brett Mitchell was a director of Citation Resources Limited during the prior year. Mr Mitchell resigned on 1 February 2015

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(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 2016.

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

	Consolidated	
	2016	2015
	$	$
Short-term employee benefits	147,008	408,300
Superannuation	-	-
Share-based payments	12,688	318,492
Total KMP compensation	**159,696**	**726,792**

Detailed remuneration disclosures are provided in the remuneration report on pages 12 to17.

(e) Loan to / from related parties:

There were no loans to or from related parties during the year (30 June 2015: Nil)

23. REMUNERATION OF AUDITORS

	Consolidated	
	2016	2015
	$	$
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
Audit and audit review services of periodic financial reports	38,098	37,406
	38,098	**37,406**

24. DIVIDENDS

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. 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.

25. COMMITMENTS

The company had no commitments at 30 June 2016 (2015: Nil).

26. CONTINGENCIES

There were no known contingent liabilities or contingent assets at 30 June 2016 (2015: Nil).

27. EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstances has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Directors' Declaration

The Directors of the Company declare that:

1) The financial statements and notes, as set out on pages 21 to 54, 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 2016 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
28 September 2016

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 2016, 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 Stat*ements, 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 2016 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).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 17 of the directors' report for the year ended 30 June 2016. 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 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 28 September 2016

Shareholder Information

LISTING OF 20 LARGEST SHAREHOLDERS AS AT 27 September 2016

Position	Investor	Holding	% IC
1	HOPERIDGE ENTERPRISES PTY LTD	355,000,000	18.11
2	AVIEMORE CAPITAL PTY LTD	246,000,000	12.55
3	SEASPIN PTY LTD <THE APHRODITE A/C>	153,500,000	7.83
4	CRAIG IAN BURTON <CI BURTON FAMILY A/C>	119,000,000	6.07
5	PERSHING AUSTRALIA NOMINEES PTY LTD <DJ CARMICHAEL ACCOUNT>	92,500,000	4.72
6	MR RAYMOND JEPP	85,650,000	4.37
7	HAVOC PARTNERS LLP	80,000,000	4.08
8	HESTON 88 HOLDINGS PTY LTD	75,000,000	3.83
8	ASIA PRINCIPAL CAPITAL HOLDINGS PTE LTD	75,000,000	3.83
9	ALBA CAPITAL PTY LTD	68,550,000	3.50
10	ALBA CAPITAL PTY LTD	56,450,000	2.88
11	SCOTT PAUL JONES	43,000,000	2.19
12	HELMET NOMINEES PTY LTD <TIM WEIR FAMILY FUND A/C>	30,000,000	1.53
13	SKYMIST ENTERPRISES PTY LTD	25,050,000	1.28
14	SHANE ROBERT JONES <ROSH FAMILY A/C>	25,000,000	1.28
15	DISTINCT RACING & BREEDING PTY LTD	20,000,000	1.02
16	MR MAXWELL CRAIG HARTREE	19,993,985	1.02
17	MRS VIVIENNE PATRICIA LAWRENCE	18,500,000	0.94
18	BROWN BRICKS PTY LTD <HM A/C>	15,483,390	0.79
19	BELL POTTER NOMINEES LTD	13,750,000	0.70
20	DISTINCT RACING AND BREEDING PTY LTD	13,608,690	0.69
Total		**1,631,036,065**	**83.22**

DISTRIBUTION OF SHAREHOLDERS

Spread of Holdings	Number of Ordinary Shareholder
1 - 1000	18
1001 - 5000	15
5001 - 10,000	16
10,001 - 100,000	36
100,001 and above	158
Total	**243**

Tenement Schedule

West Klondike Prospect

As at 30 June 2016, Tamaska has a 10.2% working interest in the following tenements in the West Klondike Prospect, located in Iberville Parish, Louisiana.

Lease Number
WK#1A
WK#1B
WK#1C
WK#2
WK#3A
WK#3B

Fusselman Tenements

As at 30 June 2016, Tamaska has a 12.5% working interest in the following tenements in the Clayton Johnson #3F well, located in Borden County, Texas.

Tenement Location
Northeast Quarter of Section 5, All in Block 32 T-4-N, T&P Railroad Co.
Northeast Quarter of Section 5, All in Block 32 T-4-N, T&P Railroad Co.
Northeast Quarter of Section 5, All in Block 32 T-4-N, T&P Railroad Co.
Northeast Quarter of Section 5, All in Block 32 T-4-N, T&P Railroad Co.
Northeast Quarter of Section 5, All in Block 32 T-4-N, T&P Railroad Co.
Northeast Quarter of Section 5, All in Block 32 T-4-N, T&P Railroad Co.
Northeast Quarter of Section 5, All in Block 32 T-4-N, T&P Railroad Co.

TAMASKA
OIL & GAS LIMITED