Tamaska Oil & Gas Limited

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

THE INFORMATION CONTAINED IN THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH TAMASKA OIL & GAS FULL YEAR REPORT DATED 30 JUNE 2016 AND ANY PUBLIC ANNOUNCEMENTS MADE BY THE COMPANY IN ACCORDANCE WITH THE CONTINUOUS DISCLOSURE OBLIGATIONS ARISING FROM THE CORPORATIONS ACT 2001 AND THE ASX LISTING RULES.

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DIRECTORS' REPORT

Your directors present their report as the consolidated entity consisting of Tamaska Oil and Gas Limited and the entities it controls as at the end of, or during, the half-year ended 31 December 2016.

Directors

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

Alexander Parks – *Managing Director*
Logan Robertson – *Non–Executive Director (appointed 11 July 2016)*
Brett Lawrence – Non-*Executive Director (part time)*
Justin Norris – Non- Executive Director (resigned 11 July 2016)

Principal activities

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

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

Operating results

The net operating loss of the consolidated entity from continuing operations for the half-year ended 31 December 2016 after income tax amounted to $98,227 (31 December 2015: loss $355,447).

Dividends paid or recommended

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

Review of operations

Fusselman Project Well, Texas - (TMK 12.5%)

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

Production commenced from the #3F well on 23 January 2013. Production from the well is with a pump jack (nodding donkey) and is a mixture of oil and formation water. The well has experienced downtime in the last few months due to cold weather. The Operator is working to minimise costs and maximise uptime.

	Dec 16 Actual	March 17 Quarter	June 17 Quarter
	Actual	Forecast	Forecast
Net Produced bbls	27	23	50
Net Revenue after Royalty and well head taxes (US$)	875	800	1,800

*Subject to final costs and sales off take figures

West Klondike Discovery, Louisiana - (TMK 11.36% WI)

Tamaska participated in the drilling of the West Klondike discovery well in late 2012. The well commenced producing gas from the lower Nod Blan on 4 September 2014. The lower gas zones have now been drained and the remaining unproduced zone is the Lario oil sand.

During the half there has been significant activity in the project. The previous operator attempted to complete the Lario in August and whilst oil was recovered to surface the well failed to flow naturally. Following the failed recompletion, Oleum Operating LLC acquired 76.7% of the well and Operatorship. Oleum has significant operating experience in the area.

Oleum pulled the existing completion out of the hole, and determined that asphaltines had deposited in the formation near the wellbore in the Lario formation. Oleum performed an acid wash and attempted to flow the well naturally. Whilst the inflow performance improved and oil was recovered, the decision was made to perform a mini-frac and put the well on jet pump to optimise production.

The frac was performed in late December and appears to have increased the inflow into the well to approximately 9bbls per hour in a short test. The operator is currently sourcing the surface tanks and heater treater required to flow the well. It is anticipated that the well will be put back onto continuous production and the gross production rate will be between 100 and 200bopd.

	December 16 YTD	March 17 Quarter	June 17 Quarter
	Actual	Forecast	Forecast
Net Produced Condensate	~20bbls	>700bls	>700bls
Revenue net of sales tax and	0	~$25,000	~$25,000

*Subject to final sales off take figures

Tenement Summary

At 31 December 2016 the Company held the following interests in tenements:

Project	Percentage Interest	Number of Tenements
Rend Lake Prospect	20%	5
Fusselman Project	12.5%	7
West Klondike	11.36%	6

Corporate

Cash Position at 31 December 2016

The Company had a closing cash balance of A$2,144 million at 31 December 2016.

Renounceable Rights Issue, Shortfall Placement and Placement

The Company's capital structure is:

1,960,000,000 Ordinary Shares
180,000,000 Unlisted Options (exercisable at 0.0092 cents by 31 March 2019)

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

Events subsequent to reporting date

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

Likely developments

The consolidated entity will continue to pursue its principal activities.

Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires the consolidated entity's auditors, BDO Audit (WA) Pty Ltd to provide the directors with a written Independence Declaration in relation to their review of the financial statements for the period ended 31 December 2016. The written Auditor's Independence Declaration forms part of this Directors' Report.

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

Alexander Parks
Managing Director
Perth, W.A.
8 February 2017

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

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

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

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 8 February 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2016

		Consolidated	
	Notes	Half-Year End 31-Dec-16 $	Half-Year End 31-Dec-15 $
Oil and gas revenue		2,137	48,884
Cost of sales		(17,554)	(55,880)
Amortisation of oil and gas properties		(74)	(29,675)
GROSS LOSS		**(15,491)**	**(36,671)**
Interest Income		34,661	3,395
Professional services expense		(24,988)	(17,500)
Directors fees		(24,428)	(22,666)
Regulatory expenses		(25,633)	(31,201)
Share based payment expense		-	(12,688)
Office and administrative expenses		(29,626)	(88,882)
Impairment of capitalised oil and gas expenditure		-	(149,436)
Movement in restoration provision		(11,697)	-
LOSS OF OPERATING ACTIVITIES		**(97,202)**	**(355,649)**
Foreign exchange gain/(loss)		(1,025)	202
LOSS BEFORE TAX		**(98,227)**	**(355,447)**
Income tax benefit / (expense)		-	-
LOSS AFTER TAX FROM CONTINUING OPERATIONS		**(98,227)**	**(355,447)**
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	5	-	(4,105)
LOSS FOR THE PERIOD		**(98,227)**	**(359,552)**
OTHER COMPREHENSIVE LOSS			
ITEMS THAT WILL OR MAY BE RECLASSIFIED TO PROFIT AND LOSS			
Exchange differences on the translation of foreign operations		8,383	(188,121)
OTHER COMPREHENSIVE INCOME (NET OF TAX) FOR THE PERIOD		**8,383**	**(188,121)**
TOTAL COMPREHENSIVE LOSS		**(89,844)**	**(547,673)**
LOSS ATTRIBUTED TO:			
Owners of Tamaska Oil and Gas Ltd		**(98,227)**	**(355,447)**
Loss per share (cents) for the loss from continuing operations attributable to the ordinary equity holders of the company:			
Basic and diluted loss per share (cents per share)		(0.005)	(0.04)
Basic and diluted loss per share from continuing operations (cents per share)		(0.005)	(0.04)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

		Consolidated	
	Notes	As at 31-Dec-16 $	As at 30-Jun-16 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,144,346	2,284,115
Trade and other receivables		45,884	24,538
Total Current Assets		**2,190,230**	**2,308,653**
NON-CURRENT ASSETS			
Other Assets – Computer Equipment		3,515	-
Oil and gas properties	8	235,265	202,838
Total Non-Current Assets		**238,780**	**202,838**
TOTAL ASSETS		**2,429,010**	**2,511,491**
CURRENT LIABILITIES			
Trade and other payables	9	26,277	31,951
Total Current Liabilities		**26,277**	**31,951**
NON-CURRENT LIABILITIES			
Restoration Provision		40,480	27,443
Total non-current liabilities		**40,480**	**27,443**
TOTAL LIABILITIES		**66,757**	**59,394**
NET ASSETS		**2,362,253**	**2,452,097**
EQUITY			
Issued share capital	10	28,705,778	28,705,778
Issued share options		408,890	408,890
Share based payment reserve	11	539,148	539,148
Other reserves	11	881,612	873,229
Accumulated losses		(28,173,175)	(28,074,948)
TOTAL EQUITY		**2,362,253**	**2,452,097**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2016

	Issued share capital	Issued options	Share-based payment reserve	De-consolidation reserve	Other reserves	Accumulated losses	Total Equity
	$	$	$	$	$	$	$
Balance at 1 July 2016	**28,705,778**	**408,890**	**539,148**	**-**	**873,229**	**(28,074,948)**	**2,452,097**
Currency translation of foreign operations	-	-	-	-	8,383	-	8,383
Loss for the period after tax	-	-	-	-	-	(98,227)	(98,227)
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**8.383**	**(98,227)**	**(89,844)**
Transactions with equity holders in their capacity as equity holders							
Issues of share capital	-	-	-	-	-	-	-
Capital raising costs	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-
Balance at 31 December 2016	**28,705,778**	**408,890**	**539,148**	**-**	**881,612**	**(28,173,175)**	**2,362,253**

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2016

	Consolidated	
	Half-Year 31-Dec-16 $	Half-Year 31-Dec-15 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from product sales and related customers (inclusive of GST)	2,137	80,286
Interest received	34,661	3,395
Payments to suppliers and employees (inclusive of GST)	(118,365)	(174,097)
Payment of production cost	(22,168)	(47,083)
Demerger cost	-	(166,740)
Net cash used in operating activities	**(103,735)**	**(304,239)**
CASH FLOW FROM INVESTING ACTIVITIES		
Oil and gas properties	(32,606)	(39,384)
Acquisition of Computer Equipment	(3,515)	-
Exploration and evaluation expenditure	-	(499,063)
Net cash used in investing activities	**(36,121)**	**(538,447)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares and other equity securities	-	2,492,000
Share issue costs	-	(10,992)
Net cash provided by financing activities	**-**	**2,481,008**
Net increase/(decrease) in cash held	**(139,856)**	**1,638,322**
Cash and cash equivalents at the beginning of the period	2,284,115	799,238
Effects of exchange rate changes on the balances held in foreign currencies	87	(22,340)
Cash and cash equivalents at the end of the period	**2,144,346**	**2,415,220**

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

NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

NOTE 1. CORPORATE INFORMATION

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

The consolidated half-year financial statements of the Company as at, and for the six months ended 31 December 2016, comprise Tamaska and its subsidiaries (together referred to as the "consolidated entity" or "group"). The financial report of the consolidated entity for the half year ended 31 December 2016 was authorised for issue in accordance with a resolution of the directors on 18 February 2017.

The consolidated annual financial statements of the consolidated entity as at and for the year ended 30 June 2016 is available upon request from Tamaska website www.tamaska.com.au, the ASX website or the companies registered office at Level 7, 1008 Hay Street, Perth, Western Australia 6000.

NOTE 2. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

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

The consolidated half-year financial statements do not include all of the notes and information normally included in annual financial statements. Accordingly this report should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2016 and any public announcements made by Tamaska Oil and Gas Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

BASIS OF PREPARATION

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

The accounting policies applied by the consolidated entity in this consolidated half-year financial report are the same as those applied by the consolidated entity in its consolidated financial report for the year ended 30 June 2016, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

NEW AND AMENDED STANDARDS ADOPTED BY THE ENTITY

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 30 June 2017 annual report as a consequence of these amendments.

IMPACT OF STANDARDS ISSUED BUT NOT YET APPLIED BY THE ENTITY

There were no new standards issued since 30 June 2016 that have been applied by the Group. The 30 June 2016 annual report disclosed that the Group anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2016.

ESTIMATES

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

In preparing this consolidated half year financial report, the significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report for the year ended 30 June 2016.

IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

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

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

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

IMPAIRMENT OF OIL AND GAS PROPERTIES

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

NON-OPERATOR INTEREST IN OIL AND GAS PROPERTIES

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

ii) Amortisation and depreciation of producing projects

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

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

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

FINANCIAL REPORT PREPARED ON A GOING CONCERN BASIS

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

NOTE 3. DIVIDENDS

There are no dividends paid or declared during the period.

NOTE 4. FAIR VALUE MEASUREMENTS

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

a) Fair value hierarchy

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

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

At 31 December 2016 the Group did not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

b) Fair values of other financial instruments

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

The group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2016.

NOTE 5. DISCONTINUED OPERATIONS

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

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

	Notes	Half-year End 31-Dec-16 $	Half-year End 31-Dec-15 $
Discontinued Operations			
Operating Expenses		-	(4,105)
LOSS BEFORE TAX		**-**	**(4,105)**
Income tax benefit / (expense)		-	-
LOSS AFTER TAX FROM DISCONTINUED OPERATIONS		**-**	**(4,105)**
TOTAL LOSS AFTER TAX ATTRIBUTABLE TO DISCONTINUED OPERATIONS		**-**	**(4,105)**

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

	Notes	Half Year End 31-Dec-16 $	Half Year End 31-Dec-15 $
Discontinued operations			
Net cash (used) in operating activities		-	(894)
Net cash (used) in investing activities		-	(516,503)
Net increase/ (decrease) in cash and cash equivalents attributable to discontinued operations		**-**	**(517,397)**

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

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

NOTE 6. SEGMENT REPORTING

Half-year 31-Dec-16	Discontinued Operations	USA	Australia	Total
	$	$	$	$
Revenues	-	2,137	34,661	**36,798**
Segment (loss)	-	(35,652)	(62,575)	**(98,227)**
Total segment assets	-	264,807	2,164,203	**2,429,010**
Total segment liabilities	-	(53,242)	(13,515)	**(66,757)**

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

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

NOTE 7. ASSETS CLASSIFIED AS HELD FOR SALE

31 December 2016

Following assets held for sales movement during the period:

	Consolidated Half year 31-Dec-16	Consolidated Year ended 30-Jun -16
	$	$
Assets held for sale – cost	-	-
Movements in carrying amounts are reconciled as follows:		
Opening balance	-	150,474
Additions during period	-	7,827
Deconsolidation of subsidiary (i)	-	(159,794)
Write off during period	-	-
Foreign currency movement	-	1,493
	-	-

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

NOTE 8. OIL AND GAS PROPERTIES

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

	Consolidated	
	Half-year	**Year ended**
	31-Dec -16	**30-Jun-16**
	$	**$**
Exploration, evaluation and development expenditure – cost	**-**	**-**
Movements in carrying amounts are reconciled as follows:		
Opening balance	-	3,855,971
Acquired during the period	-	533,022
Additions during period	-	-
Transferred to oil and gas properties	-	-
Deconsolidation of subsidiary (i)	-	(4,431,015)
Foreign currency movement	-	42,022
	-	**-**

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

Oil and gas properties – cost	**31-Dec-16**	**30-Jun-16**
	$	**$**
Producing oil & gas asset	**401,849**	**369,337**
Accumulated Amortisation	**(166,584)**	**(166,499)**
	235,265	**202,838**
Movements in carrying amounts are reconciled as follows:		
Opening balance	202,838	901,170
Transferred from exploration, evaluation and development expenditure	-	-
Additions during period	25,392	34,231
Amortisation expense	(85)	(63,815)
Impairment of assets(i)	-	(711,493)
Foreign currency movement	7,120	42,745
	235,265	**202,838**

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

- estimates of the quantities of oil and gas reserves for which there is a high degree of confidence of economic extraction and the timing of access to these reserves;
- future oil and gas prices based on consensus forecasts by economic forecasters;
- production rates and production costs based on approved budgets and projections including inflation factors; and
- the asset specific discount rate applicable to the cash generating unit.

Future changes in assumptions upon which these estimates are based may give rise to a material adjustment by impairing Oil and Gas Properties.

NOTE 9. TRADE AND OTHER PAYABLES

	Consolidated	
	Half-year 31-Dec-16 $	Year ended 30-Jun-16 $
Trade creditors	14,777	22,251
Accruals	11,500	9,700
	26,277	**31,951**

NOTE 10. ISSUED SHARE CAPITAL

	Consolidated	
	Half-year 31-Dec-16 $	Year ended 30-Jun-16 $
Issued capital	30,132,174	30,132,174
Cost of share issue	(1,426,396)	(1,426,396)
1,960,000,000 fully paid ordinary shares	**28,705,778**	**28,705,778**

	31-Dec-16 Shares	30-Jun-16 Shares	31-Dec-16 AUD	30-Jun-16 AUD
Movements in share on issue				
Beginning of the period	**1,960,000,000**	**714,000,000**	**28,705,778**	**30,979,035**
Shares issued during the period				
Shortfall Placement	-	596,927,840	-	1,193,856
Shortfall Placement	-	474,072,160	-	948,144
175,000,000 Ordinary Shares at $0.002	-	175,000,000	-	350,000
Capital Raising Cost	-	-	-	(10,992)
Capital Reduction (note 5)	-	-	-	(4,754,265)
Total shares issued	**1,960,000,000**	**1,960,000,000**	**28,705,778**	**28,705,778**

NOTE 11. RESERVES

	Consolidated	
	Half-year	Year ended
	31-Dec-16	30-Jun-16
	$	$
Foreign Exchange Reserve	881,532	873,149
Equity reserve	80	80
Other reserves	881,612	873.229
Share based payment reserve	539,148	539,148
Total reserve	**1,420,760**	**1,412,377**
Foreign exchange reserve (1)		
Beginning of the period	873,149	1,078,986
Currency translation differences arising during the period	8,383	99,255
Foreign exchange reserve recycled	-	(305,092)
	881,532	**873,149**
Equity reserve (2)		
Beginning of period	80	80
	80	**80**
Share based payment reserve (3)		
Beginning of period	539,148	526,460
Share based payment movement during the period	-	12,689
	539,148	**539,149**

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

NOTE 12. RELATED PARTY TRANSACTIONS

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

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES

There were no contingent assets or liabilities during the half-year period to 31 December 2016.

NOTE 14. EVENTS SUBSEQUENT TO BALANCE DATE

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

DIRECTORS' DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

In the opinion of the directors:

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

(i) giving a true and fair view of the financial position as at 31 December 2016 and its performance for the half-year ended on that date; and

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

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

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

On behalf of the board

Alexander Parks
Managing Director
Perth, W.A.
8 February 2017

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Tamaska Oil and Gas Limited

Report on the Half-Year Financial Report

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

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Tamaska Oil and Gas Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

(i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 8 February 2017