Key Points

- Net loss after tax was US$3.7 million after recognition of dry hole and impairment expense of US$2.3 million and depreciation, depletion and amortisation expense of US$0.2 million.
- Net oil and gas revenues (after royalties) for the six months to 30 June 2015 of US$0.6 million were generated from production of 218 MMcfe at an average gas equivalent sales price of US$2.97/Mcfe.
- 2015 exploration programme comprising nine committed wells in the USA – three drilled to-date for one success:
  - The Ruth R. Bravanec, et al #1 well (West Crab Lake prospect) and 13,000’ Holcombe No. 1 well (English Bayou prospect) – both wells were plugged and abandoned.
  - The 16,700’ Williams #2 alternate well (Mystic Bayou prospect) intersected the targeted gas/condensate bearing pay sands in the field as predicted, and the well is expected to be brought into production in early September 2015.
- Acquisition agreement signed to increase participating interest in Block 7, Yemen to 63.75% and assume operatorship of the block.
- Appointment of Mr. Maki Petkovski as Chief Executive Officer of Petsec Energy (Middle Eastern) Limited to lead the Company’s expansion in the Middle Eastern and North African (“MENA”) region.
- Establishment of a MENA office in Dubai, United Arab Emirates.
- At 30 June 2015, the consolidated entity had no debt and held total cash deposits of US$24.0 million (including US$5.3 million of restricted deposits).

Subsequent Events

- Drilling operations commenced in mid-July 2015 on the 16,000’ Main Pass Block 270 #3 well (Hummer exploration prospect) and the 14,000’ 21210 II Exxon Mobil Corp. No. 001 well (Bayou Saint Charles prospect).
- The 11,600’ Simon Family ET AL #1 well was drilled on the North Cossinade exploration prospect in August – the well will be plugged and abandoned after it failed to encounter commercial reserves.

Key data – Six months ended 30 June 2015 compared to the six months ended 30 June 2014

	Six Months to 30 June 2015	Six Months to 30 June 2014	% Increase/ (Decrease)
Key Operating/Financial Data			
Net production (MMcfe [1])	**218**	1,367	(84%)
Net revenues after royalties (US$m)	**0.6**	7.1	(92%)
Net profit/(loss) after tax (US$m)	**(3.7)**	1.3	n/a
Add: Depreciation, depletion and amortisation expense (US$m)	**0.2**	1.3	(85%)
Add: Dry hole, impairment and exploration expense (US$m)	**2.3**	1.2	92%
Add: Net financial expense (US$m)	**0.1**	0.1	-
Add/(less): Derivative gains (US$m)	**-**	0.2	(100%)
Less: Income tax benefit	**-**	(0.6)	(100%)
EBITDAX (US$m) [2]	**(1.1)**	3.5	n/a
Key Performance Indicators			
Average net sales price/Mcfe [3] (US$)	**2.97**	5.21	(43%)
Add: Other revenue/(expense)/Mcfe (US$)	**2.49**	(0.18)	n/a
Less: Operating costs/Mcfe (US$) [4]	**(10.51)**	(2.45)	329%
EBITDAX/Mcfe (US$)	**(5.05)**	2.58	n/a
Gross margin [5]	**n/a**	50%	n/a
DD&A/Mcfe (US$)	**0.83**	0.94	(12%)
Other Financial Data			
Acquisition, exploration and development expenditure (US$m)	**4.5**	2.7	67%
USD/AUD average exchange rate	**0.7800**	0.9128	(15%)

1 MMcfe = million cubic feet of gas equivalent (conversion ratio: 1 barrel of oil = 6 Mcf of gas).
2 Earnings before interest (financial income and expense), income tax, depreciation, depletion, and amortisation and exploration (including dry hole and impairment expense). EBITDAX is a non-IFRS number and is unaudited.
3 Mcfe = thousand cubic feet of gas equivalent
4 Operating costs comprise lease operating expense plus geological, geophysical and administration expenses.
5 Gross margin is EBITDAX as a percentage of sales.

Commentary on results

General

The Appendix 4D results and the accompanying condensed consolidated interim final financial statements are prepared in accordance with Australian Accounting Standards (AASBs) and International Financial Reporting Standards (IFRS) and are presented in United States dollars.

Current period: Six months ended 30 June 2015; Previous corresponding period: Six months ended 30 June 2014.

Key Operating/Financial Data

- Net production for the current period was 211 MMcf of gas and 1,096 barrels of oil/condensate (equivalent to 218 MMcfe), down 84% on the previous corresponding period (1,367 MMcfe) primarily due to the divestiture of Petsec Energy's production interests in the Atchafalaya Bay (Marathon) and Main Pass Block 270 fields in July 2014.
- Net oil and gas revenues (after royalties) for the current period of US$0.6 million were 92% lower than that achieved for the previous corresponding period, reflecting the impact of the aforementioned asset divestiture coupled with the lower average sales price received in the current period of US$2.97/Mcfe (previous corresponding period: US$5.21/Mcfe). Refer to "*Key Performance Indicators*" below for further details.
- The consolidated entity reported negative EBITDAX of US$1.1 million for the current period (previous corresponding period: EBITDAX of US$3.5 million) as a consequence of the lower oil and gas revenues generated in the current period.
- The consolidated entity incurred a net loss after tax for the current period of US$3.7 million (previous corresponding period: net profit after tax of US$1.3 million) after recognition of dry hole, impairment, and exploration expense of US$2.3 million and depreciation, depletion and amortisation ("DD&A") of US$0.2 million.

Key Performance Indicators

- Petsec Energy realised an average net gas equivalent sales price of US$2.97/Mcfe for the current period, 43% lower than the US$5.21/Mcfe achieved for the previous corresponding period. In the current period the consolidated entity received an average sales of price of US$2.79/Mcf and US$53.83/bbl for its natural gas and oil/condensation production, respectively. This is significantly lower than the US$4.76/Mcf and US$102.84/bbl received for its natural gas and oil/condensation production in the previous corresponding period.
- Current period unit operating cost of US$10.51/Mcfe was significantly higher than the previous corresponding period of US$2.45/Mcfe due to lower production volumes.
- Consequently, the EBITDAX margin was negative US$5.05/Mcfe for the current period (previous corresponding period: US$2.58/Mcfe).
- Unit DD&A expense was US$0.83/Mcfe for the current period (previous corresponding period: US$0.94/Mcfe).

Other Financial Data

- Acquisition, exploration and development expenditures for the six months ended 30 June 2015 of US$4.5 million comprised of upfront and pre-drill costs for certain onshore Louisiana lease prospects (US$0.8 million); and drilling costs associated with the West Crab Lake, English Bayou Deep and Mystic Bayou prospects that were drilled during the current period (US$3.7 million).

Dividend

Petsec Energy Ltd does not propose the payment of a dividend in respect of the six months ended 30 June 2015.

Net Tangible Asset Backing

The consolidated entity's net tangible asset backing per ordinary security for the current period was US$0.12 (previous corresponding period: US$0.15).

Directors' Report and Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

Contents	Page

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by Petsec Energy Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Petsec Energy

Directors' Report

For the six months ended 30 June 2015

The directors present their report together with the consolidated financial report for the six months ended 30 June 2015 and the independent auditor's review report thereon.

1. Directors

The directors of the Company at any time during or since the six months ended 30 June 2015 are:

Name	Period of directorship
Non-executive	
Mr David A. Mortimer AO	Appointed in 1985
Mr Alan P. Baden	Appointed in 2013
Mr Mark S. Lober	Appointed in 2013
Executive	
Mr Terrence N. Fern	Appointed as Director and Chief Executive Officer in 1987 Appointed Chairman in 1999

2. Operating results

Petsec Energy incurred a net loss after tax for the six months ended 30 June 2015 of US$3.7 million (previous corresponding period: net profit after tax of US$1.3 million) after the recognition of dry hole, impairment and exploration expense of US$2.3 million and depreciation, depletion, and amortisation ("DD&A") expense of US$0.2 million.

The consolidated entity generated net oil and gas revenues (after royalties and hedging) of US$0.6 million for the current period, from production of 218 million cubic feet of gas equivalent ("MMcfe") at an average natural gas equivalent sales price of US$2.97/Mcfe. This was 92% lower than the US$7.1 million in net oil and gas revenues in the previous corresponding period primarily due to the impact on production of the divestiture of Petsec Energy's production interests in the Marathon and Main Pass Block 270 fields in July 2014, coupled with the collapse of oil and gas prices in late 2014 and into 2015.

Net production fell 84% to 218 MMcfe (previous corresponding period: 1,367 MMcfe), reflecting the effect of the 2014 asset divestiture. Production in the second half of 2015 is expected to be higher following the discovery on the Mystic Bayou prospect in late June 2015 (see section "*4 – Review of Operations*" for further details).

The average gas equivalent sales price realised for the current period of US$2.97/Mcfe was 43% lower than the US$5.21/Mcfe achieved in the previous corresponding period due to downward pressures on global oil and US natural gas prices driven by OPEC oil production levels and strong growth in U.S. production and inventory levels. The consolidated entity received an average sale price of US$2.79/Mcf and US$53.83/bbl for its natural gas and oil/condensate production, respectively in the current period compared to US$3.94/Mcf and US$107.89/bbl in the previous corresponding period.

Lease operating expense of US$0.3 million (previous corresponding period: US$1.3 million) and geological, geophysical and administrative ("GG&A") expense of US$2.0 million (previous corresponding period: US$2.1 million) were lower in the current period, reflecting the reduced size of the consolidated entity's U.S. operations.

On a unit-basis, lease operating expense of US$1.36/Mcfe (previous corresponding period: US$0.94/Mcfe) and GG&A expense of US$9.15/Mcfe (previous corresponding period: US$1.51/Mcfe) were both higher in the current period due to lower production volumes.

The consolidated entity recorded negative earnings before interest, income tax, depreciation, depletion and amortisation, and exploration expense ("EBITDAX") of US$1.1 million for the current period. This compares to positive EBITDAX of US$3.5 million for the previous corresponding period.

Consequently, EBITDAX margin was negative US$5.05/Mcfe for the current period (previous corresponding period: US$2.58/Mcfe).

Depreciation, depletion and amortisation (""DD&A") expense reduced to US$0.2 million in the current period (previous corresponding period: US$1.3 million) following the sale of the Marathon and Main Pass 270 producing fields in 2014.

3. Financial position

At 30 June 2015, Petsec Energy had no debt and held cash deposits of US$24.0 million. This represents a decrease of US$8.6 million from the US$32.6 million held at 31 December 2014. The cash deposits which are predominantly held in U.S. dollars include US$5.3 million held in an escrow account to secure operator bonds that are on issue to the Bureau of Ocean Energy Management ("BOEM").

On 2 July 2015, the Company recovered US$1.7 million of the US$5.3 million held in escrow, which represented the guarantee for the plug and abandonment obligations of the Chandeleur Area 31/32 field.

4. Review of operations

Petsec Energy Ltd (the "Company") is an independent oil and gas exploration and production company listed on the Australian Stock Exchange (ASX Ticker: PSA) with operations in the shallow waters of the Gulf of Mexico and onshore Texas and Louisiana, United States of America ("USA"), and in the Republic of Yemen where the Company has entered into agreements to acquire interests in Block 7, Al Barqa Permit which holds the undeveloped Al Meashar oil discovery and a material prospect and lead inventory.

Production

The Company produced 211 MMcf of gas and 1,096 barrels of oil/condensate (equivalent to 218 MMcfe) for the six months to 30 June 2015, predominantly from the Adeline Sugar Factory No. 4 well in the Jeanerette Field, onshore Louisiana USA.

In mid-June 2015, the Main Pass Block 19 field reached the end of its commercial life and was shut in. Initial decommissioning activities will be undertaken in the 3rd quarter of 2015 and then completed during the first half of 2016. The total estimated cost to the Company of the decommissioning is approximately US$2.6 million.

2015 Exploration Programme

USA

The Company's exploration strategy is to focus on high impact conventional exploration, in mainly gas/condensate and oil rich areas onshore Gulf Coast (Louisiana and Texas) and shallow Gulf of Mexico, USA, and to acquire onshore leases with producing reserves, or near term development reserves, with significant exploitation and exploration potential.

The objective is to participate in the drilling of approximately 10 exploration prospects per year.

The Company's 2015 exploration programme in the USA comprises nine committed wells, including one well offshore Gulf of Mexico and eight wells onshore Gulf Coast of South Louisiana. The programme which will cost the Company an estimated US$11 million in risk dollars is designed to expose the company to 13 billion cubic feet of gas plus 865,000 barrels of liquids. The Company has drilled three wells during the current period with one commercial success to date.

Ruth R. Bravanec, et al #1 well on the West Crab Lake Prospect
Petsec: 20% working interest

The Ruth R. Bravanec, et al #1 well on the West Crab Lake Prospect in Cameron Parish, onshore Louisiana, USA was spud on 7 January 2015 and reached its planned true vertical depth of 12,500 feet (12,911 feet measured depth) in late January 2015.

The directional well was drilled to test multiple Lower Miocene age Marg (A) and Discorbis (B) sand reservoirs in a fault closure syncline separated from production in the same sand intervals at the Crab Lake Field. The well intersected the target reservoirs as anticipated, however only a few thin zones were identified on logs as hydrocarbon bearing. These zones were deemed to have insufficient reserves to warrant completion and development, consequently the well was plugged and abandoned. The Company's share of the drilling cost of the well of approximately US$0.8 million has been expensed.

13000' Holcombe #1 well on the English Bayou Deep Prospect
Petsec: 27.5% working interest

The 13000' Holcombe #1 well on the English Bayou Deep Prospect in Calcasieu Parish, onshore Louisiana was spud on 24 April 2015 and reached the planned total depth of 13,000 feet TVD on 13 May 2015.

4. Review of Operations (continued)

The well intersected the target reservoirs as anticipated and well logs indicated that two intervals were hydrocarbon bearing. However, multiple wireline tests were unable to recover formation fluid samples. In addition, side-wall core samples and analyses indicated low permeability within the intervals. Consequently, the zones were deemed too "tight" to produce at commercial rates and the well was plugged and abandoned. The up-front and drilling costs net to the Company of approximately US$1.5 million has been expensed.

16,700' Williams #2 alternate well on the Mystic Bayou Prospect
Petsec: 25.0% working interest (18. 5% net revenue interest)

The 16,700' Williams #2 alternate well was spud on 4 May 2015 to test the Mystic Bayou exploitation prospect. The well, located in St. Martin Parish onshore Louisiana, reached target depth in mid-June 2015.

The well was directionally drilled utilising a barge drilling rig to a TVD of 16,873 feet (17,266 feet MD) to test the oil and gas potential of the Lower Miocene Planulina sands in a fault closure up-dip from production in Mystic Bayou Field. The well was drilled as an alternate unit well structurally up-dip and in the same producing unit as the Williams #1 well (cumulative production: 17.8 BCFG, 1.5 MMBO, and 7.5 MMBW). The well intersected the target oil and gas pay sands as expected, and was cased for production.

The well was flow tested over an approximate 13 hour test period in late July, and tested at various restricted rates of up to 5.7 MMcf of gas per day and 744 barrels of condensate per day. The well will be tied into existing production facilities adjacent to the location and is expected to be brought into production by early September 2015.

MENA

In 2014, Petsec Energy decided that it required exposure to substantial oil reserves to augment the exploration strategy in the U.S. The Middle Eastern and North African ("MENA") region, and in particular Yemen, was identified as an area that contained leases with substantial oil potential that could be acquired at moderate entry prices.

Appointment of new CEO of Petsec Energy (Middle Eastern) Limited

Petsec Energy's expansion into the MENA region is led by Mr. Maki Petkovski, who was appointed as Chief Executive Officer of Petsec Energy (Middle Eastern) Limited in April 2015. Mr. Petkovski is an experienced geologist with over 25 years' experience in the international upstream oil and gas business sector, most recently managing a portfolio of assets in the MENA Region.

Establishment of new branch office in Dubai, United Arab Emirates

The Company has established an office in Dubai, United Arab Emirates, located at 2908 Indigo Icon Tower, Jumeirah Lakes Towers. This office will be the central business hub for the Company's MENA operations.

Block 7, Al Barqa Permit, Republic of Yemen

Block 7 is an onshore exploration permit covering an area of 5,000 square kilometres (1,235,527 acres) located approximately 340 kilometres east of Sana'a, the capital of Yemen. In 2014, the Company executed agreements to acquire a 29.75% participating interest in the Block 7. In April 2015, Petsec Energy announced that it had executed an agreement with Oil Search Limited (ASX: OSH) to acquire all the shares of its subsidiary Oil Search (ROY) Limited which holds a 34% participating interest in Block 7. The acquisition increases Petsec Energy's overall participating interest in the block to 63.75%. On completion of the transaction Petsec Energy will assume operatorship of the block. The Company is awaiting Yemen government approvals to complete these transactions.

The near term objective of the Company is to bring the two suspended wells on the Al Meashar Oilfield into production. Short term testing of the wells in 2011 delivered flow rates ranging from 200 -1,000 bopd.

Directors' Report (continued)

For the six months ended 30 June 2015

The Al Meashar oil discovery is similar in geology, structure, and contains the same type of oil as the Habban Oilfield, located 14km to the West of Al Meashar and operated by OMV. The field has of recent times been producing at rates of 23,000 barrels of oil per day. The planning of the re-entry and testing programme for Al Meashar has been completed and tendering for equipment and surface facilities will be undertaken during the next quarter with a recommendation to be presented to the Yemen authorities for their approval.

Exploration and long-term testing of the Al Meashar oil discovery is anticipated to begin shortly following Yemen government approval. The estimated costs to the Company are US$3.0 million.

5. Events subsequent to balance date

On 16 July 2015, the Company announced the commencement of drilling on the Hummer exploration prospect in Main Pass Block 270. The exploration well is being drilled offshore Louisiana in the federal waters, USA in approximately 215 feet of water. The Main Pass Block 270 #3 well is being drilled to a true vertical depth ("TVD") of 16,000 feet to test Miocene age sand objectives. The well is expected to take approximately 60 days to reach total depth. Petsec has a 12.5% non-operating working interest (10.24% net revenue interest) in the well. The Company's net share of drilling costs is estimated to be US$2 million.

On 19 July 2015, drilling commenced on the 21210 II Exxon Mobil Corporation 001 well on the Bayou Saint Charles prospect. The well is located in Terrebonne Parish, approximately 40 miles ESE of Morgan City, Louisiana. The well is being drilled directionally to a TVD of 14,000 feet (14,534 feet MD) to test Miocene age Tex (W) sand reservoirs with associated amplitude anomalies identified on 3D seismic. Petsec has a 15% non-operating working interest in the well before pay-out with a 10.5% net revenue interest. After pay-out of the well Petsec will have a 12.32% working interest (8.626% net revenue interest). The Company's net share of exploration costs is estimated to be US$1.0 million.

In August 2015, the Simon Family ET AL No. 001 well was drilled on the North Cossinade prospect in Vermilion Parish, approximately 20 miles SW of Lafayette, Louisiana. The well was drilled directionally to a TVD of 11,560 feet (11,723 feet MD) to test multiple Lower Miocene age "Alliance" sand reservoirs in a fault closure up-dip of two previously drilled wells which have oil and gas shows. The well encountered the object sands approximately 40 feet structurally up-dip to the "show" wells as anticipated. Well logs indicated two of the target reservoirs were either very thin or shaled out on the crest of the structure. Several thin intervals of hydrocarbons were calculated from well logs. However, the zones were deemed to have insufficient pay thickness to produce commercial volumes and the well will be plugged and abandoned. The Company's net share of the cost of the well of approximately US$0.6 million will be expensed in the second half of 2015.

Other than any matter disclosed, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

6. Lead auditor's independence declaration

The Lead Auditor's Independence Declaration is set out on page 8 and forms part of the Directors' Report for the six months ended 30 June 2015.

7. Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the Financial Report and Directors' Report have been rounded off to the nearest one thousand dollars, unless otherwise stated.

This report is made with a resolution of the directors:

T N Fern,
Director   Sydney, 25 August 2015

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Petsec Energy Ltd

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Daniel Camilleri
Partner

Sydney

25 August 2015

Petsec Energy

Consolidated interim statement of comprehensive income

For the six months ended 30 June 2015

	Note	Six months to 30 June 2015 US$'000	30 June 2014 US$'000
Revenues from sale of oil & gas		**678**	7,531
Royalties paid		**(31)**	(413)
Net revenues after royalties		**647**	7,118
Other income and expenses		**541**	(251)
Lease operating expenses		**(296)**	(1,280)
Geological, geophysical and administrative expenses		**(1,995)**	(2,066)
Depreciation, depletion and amortisation		**(182)**	(1,284)
Exploration expense		**(5)**	(107)
Dry hole and impairment expense	5	**(2,316)**	(1,118)
Derivative gains/(losses)	6	**-**	(176)
Financial income		**22**	31
Financial expenses		**(109)**	(125)
Net financial income/(expense)		**(87)**	(94)
Profit/(loss) before income tax		**(3,693)**	742
Income tax benefit/(expense)	7	**-**	608
Profit/(loss) from continuing operations		**(3,693)**	1,350)
Profit/(loss) for the period		**(3,693)**	1,350)
Other comprehensive income/(loss)			
Foreign exchange translation differences		**(67)**	82
Cash flow hedges, net of tax		**-**	(131)
Total comprehensive income/(loss) for the period		**(3,760)**	1,301
		US$	US$
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share	8	**(0.016)**	0.006

The consolidated interim statement of comprehensive income is to be read in conjunction with the notes to the consolidated financial statements set out on pages 13 to 22.

Petsec Energy

Consolidated interim statement of changes in equity

For the six months ended 30 June 2015

In thousands of USD	Share capital US$'000	Translation reserve US$'000	Cashflow hedge reserve US$'000	Share-based Compensation US$'000	Accumulated losses US$'000	Total Equity US$'000
Balance at 1 January 2014	185,955	1,916	2	57	(152,511)	35,419
Total comprehensive income/loss for the period						
Loss for the period	-	-	-	-	1,350	1,350
Other comprehensive income						
Foreign exchange translation differences	-	82	-	-	-	82
Cash flow hedges, net of tax	-	-	(131)	-	-	(131)
Total other comprehensive income/(loss)	-	82	(131)	-	-	(49)
Total comprehensive income/(loss) for the period	-	82	(131)	-	1,350	1,301
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Vesting of share options	47	-	-	(47)	-	-
Share-based payments expense	-	-	-	4	-	4
Total transactions with owners	47	-	-	(43)	-	4
Balance at 30 June 2014	186,002	1,998	(129)	14	(151,161)	36,724
Balance at 1 January 2015	**186,001**	**1,786**	**-**	**17**	**(153,559)**	**34,245**
Total comprehensive income/(loss) for the period						
Profit for the period	**-**	**-**	**-**	**-**	**(3,693)**	**(3,693)**
Other comprehensive income/(loss)						
Foreign exchange translation differences	**-**	**(67)**	**-**	**-**	**-**	**(67)**
Cash flow hedges, net of tax	**-**	**-**	**-**	**-**	**-**	**-**
Total other comprehensive income/(loss)	**-**	**(67)**	**-**	**-**	**-**	**(67)**
Total comprehensive income/(loss) for the period	**-**	**(67)**	**-**	**-**	**(3,693)**	**(3,760)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners		**-**	**-**		**-**	
Shares issued	**380**	**-**	**-**	**-**	**-**	**380**
Vesting of share options	**16**	**-**	**-**	**(16)**	**-**	**-**
Share-based payments expense		**-**	**-**	**5**	**-**	**5**
Total transactions with owners	**396**	**-**	**-**	**(11)**	**-**	**385**
Balance at 30 June 2015	**186,397**	**1,719**	**-**	**6**	**(157,252)**	**30,870**

The consolidated interim statement of changes in equity is to be read in conjunction with the notes to the consolidated interim financial report set out on pages 13 to 22.

Consolidated interim balance sheet

As at 30 June 2015

	Note	30 June 2015 US$'000	31 December 2014 US$'000
ASSETS			
Current assets			
Cash and cash equivalents		**18,586**	27,290
Restricted deposits		**1,769**	-
Trade and other receivables		**3,784**	2,206
Prepayments		**329**	286
Total current assets		**24,468**	29,782
Non-current assets			
Restricted deposits [1]		**3,601**	5,301
Receivables		**1,422**	1,093
Property, plant and equipment		**131**	144
Exploration, evaluation and development expenditure – Tangible	11, 12	**3,395**	1,674
Exploration and evaluation expenditure – Intangible	11, 12	**2,417**	2,064
Intangible assets – Software		**3**	5
Total non-current assets		**10,969**	10,281
Total assets		**35,437**	40,063
LIABILITIES			
Current liabilities			
Trade and other payables		**1,273**	2,638
Rehabilitation provisions	11, 12	**2,920**	618
Employee benefits provisions		**160**	142
Total current liabilities		**4,353**	3,398
Non-current liabilities			
Rehabilitation provisions	11, 12	**21**	2,219
Employee benefits provisions		**193**	201
Total non-current liabilities		**214**	2,420
Total liabilities		**4,567**	5,818
Net assets		**30,870**	34,245
EQUITY			
Issued capital		**186,397**	186,001
Reserves		**1,725**	1,803
Accumulated losses		**(157,252)**	(153,559)
Total equity		**30,870**	34,245

[1] Relates to cash used to guarantee certain future rehabilitation obligations (see *note 13 – Legal Matters and Contingencies* for further details).

The consolidated interim balance sheet is to be read in conjunction with the notes to the consolidated interim financial report set out on pages 13 to 22.

Consolidated interim statement of cashflows

For the six months ended 30 June 2015

	Note	30 June 2015 US$'000	30 June 2014 US$'000
Cashflows from operating activities			
Cash receipts from customers		**875**	7,772
Cash payments for royalties		**(238)**	(500)
Cash payments to suppliers and employees		**(4,694)**	(3,880)
Interest received		**14**	27
Interest paid		**-**	-
Withholding tax refund		**-**	608
Restricted deposits		**(69)**	-
Net cash from operating activities		**(4,112)**	4,027
Cashflows from investing activities			
Payments for property, plant and equipment		**(11)**	(21)
Payments for exploration, evaluation and development expenditure		**(4,548)**	(1,386)
Proceeds from sale of assets		**-**	75
Payments for investments		**-**	(130)
Proceeds from sale of investments		**-**	178
Net cash from investing activities		**(4,559)**	(1,284)
Net increase/(decrease) in cash and cash equivalents		**(8,671)**	2,743
Cash and cash equivalents at 1 January		**27,290**	20,123
Effects of exchange rate changes on cash held		**(33)**	46
Cash and cash equivalents at 30 June		**18,586**	22,912

The consolidated interim statement of cashflows is to be read in conjunction with the notes to the consolidated interim financial report set out on pages 13 to 22.

Condensed notes to the consolidated interim financial statements

For the six months ended 30 June 2015

1. Reporting entity

Petsec Energy Ltd (the "Company") is a company domiciled in Australia. These condensed consolidated interim financial statements ("interim financial statements") as at and for the six months ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "consolidated entity").

The consolidated annual financial report of the consolidated entity for the year ended 31 December 2014 is available upon request from the Company's registered office at Level 13, 1 Alfred St, Sydney NSW 2000 or at http://www.petsec.com.au.

The interim financial statements are presented in United States dollars which is the consolidated entity's choice of presentation currency.

2. Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board. They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the consolidated entity's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2013.

These interim financial statements were approved by the Company's Board of Directors on 25 August 2015.

The consolidated entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Significant accounting policies

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial statements as at and for the year ended 31 December 2014.

4. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

Measurement of fair values

A number of the consolidated entity's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. The consolidated entity has applied fair value methodologies which approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

5. Dry hole and impairment expense

The estimated recoverable amount of oil and gas assets is based on discounted cash flow projections which are based on a range of estimates and assumptions that are subject to change. Key assumptions include the ultimate prices realised on the sale of oil and gas and the reserves ultimately recovered. A sustained deterioration in prices or reduction in reserves may result in further future asset impairments.

During the current period, the consolidated entity recognised total dry hole and impairment expense of US$2,316,000 primarily in relation to the Ruth R. Bravanec, et al #1 well and the Holcombe #1 well drilled on the West Crab Lake and English Bayou Deep prospects, respectively.

In the previous corresponding period, the consolidated entity incurred total dry hole and impairment expense of US$1,118,000, mainly in relation to the cost of the unsuccessful Main Pass 18 G-6 well recompletion.

6. Derivative gains

The following table presents details of the change in fair value recognised in the current and comparative period:

	Six months to	
	30 June 2015 US$'000	30 June 2014 US$'000
Change in fair value of options held in unrelated entities	-	(176)
	-	(176)

In the previous corresponding period, the consolidated entity held share options in an unrelated entity which expired unexercised on 30 June 2014. The carrying amount of the share options was measured at fair value using the Black-Scholes formula. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility, expected term of the instruments, expected dividends and the risk free interest rate (based on Australian government bonds). Changes therein are recognised immediately in profit or loss.

The share options were categorised as a level 2 financial instrument as the measurement inputs used in the calculation of the fair value of these instruments requires the use of inputs other than quoted prices that are observable in the market, either directly (as prices) or indirectly (derived from prices).

7. Income tax expense

Under Australian Accounting Standards, the consolidated entity is required to assess at each reporting period, the extent to which deferred tax assets in respect of the carry-forward of unused tax losses and temporary differences qualify for recognition on the balance sheet based on current facts and circumstances, including projected future taxable profits.

Historically, no deferred tax assets have been recognised in relation to the consolidated entity's operations as they do not qualify for recognition of deferred tax assets until such time that it is probable that future taxable profits will be available against which unused tax losses and temporary differences in the relevant tax jurisdictions can be utilised.

No tax expense/(benefit) was recognised for the current period.

In the previous corresponding period, the consolidated entity recognised a tax benefit of US$608,000 in relation to a refund of U.S. withholding tax amounts paid in prior years.

8. Earnings per share

The Company has only one type of security, being ordinary shares, included in the basic earnings per share calculation.

In addition to the ordinary shares, the Company has 30,000 options outstanding under the Employee Option Plan. In determining potential ordinary shares, none of the options are dilutive for the six months to 30 June 2015.

During the current period, no options were granted and 305,000 options were forfeited. No options were exercised and converted to ordinary shares.

Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share at 30 June 2015 was based on the loss attributable to ordinary shareholders of US$3,693,000 (Six months to 30 June 2014: Profit of US$1,350,000) and a weighted average number of ordinary shares outstanding during the six months ended 30 June 2015 of 231,244,503 (Six months ended 30 June 2014: 231,161,630), calculated as follows:

	Six months to	
Profit/(loss) attributable to ordinary shareholders	**30 June 2015 US$'000**	30 June 2014 US$'000
Profit/(loss) for the period	**(3,693)**	1,350

	Six months to	
Weighted average number of shares (basic) *In thousands of shares*	**30 June 2015**	30 June 2014
Issued ordinary shares at 1 January	**231,162**	231,162
Effect of shares issued in 2015 and 2014, respectively	**83**	-
Weighted average number of ordinary shares at 30 June	**231,245**	231,162

	As at	
Weighted average number of shares (basic and diluted) *In thousands of shares*	**30 June 2015**	30 June 2014
Weighted average number of ordinary shares (basic and diluted)	**231,245**	231,162

	Six months to	
Earnings per share *In USD dollars*	**30 June 2015**	30 June 2014
Basic and diluted earnings/(loss) per share	**(0.016)**	0.006

9. Share-based payments

The Employee Share and Employee Option Plans, established by shareholder resolutions on 29 November 1994, provide for employees, executives and directors to be granted ordinary shares or options over ordinary shares at the discretion of the Nomination and Remuneration Committee. The terms and conditions of the share and option programmes are disclosed in the consolidated financial report as at and for the year ended 31 December 2014.

Employee Share Plan

During the six months ended 30 June 2015, the Company issued 2,500,000 shares under its Employee Share Plan (“ESP”) to key management personnel as long term incentive compensation (2014: Nil).

The shares were issued to the Trustee of the ESP on behalf of the key management personnel and under the terms of the ESP at a price of A$0.20 per share, being the minimum issue price under the terms of the ESP. The funds for the shares was provided to the key management personnel by the Company through an interest free limited recourse loan under the terms of the loan scheme under the ESP, which provides that if the borrower defaults on the loan the Company shall accept the shares issued under the ESP in full satisfaction of the loan. The term of the loan is 5 years.

The shares are unrestricted and vest on various dates from 24 June 2016 through to 24 June 2020.

Employee Option Plan

No option grants were made to key management personnel during the six months ended 30 June 2015 (2014: Nil).

Share and option grants to key management personnel

The following table summarises the fair value assumptions of shares and options granted to key management personnel during the six months ended 30 June 2015 and 2014.

	Six months to	
	30 June 2015	30 June 2014
Weighted average fair value at measurement date	**A$0.03**	-
Weighted average share price	**A$0.10**	-
Weighted average exercise price	**A$0.20**	-
Expected volatility (expressed as weighted average used in the modelling under Black-Scholes model)	**67.02%**	-
Expected option life (expressed as weighted average used in the modelling under Black-Scholes model)	**5.5 years**	-
Expected dividends	**-**	-
Risk-free interest rate (based on national government bonds)	**2.06%**	-

The expected volatility is based on historic volatility (calculated based on the weighted average remaining life of the shares and options), adjusted for any expected changes to future volatility due to publicly available information.

Shares and options are granted under a service condition and minimum share price hurdles. Such conditions are not taken into account in the grant date fair value measurement of the services received, however, are considered in assumptions about the number of shares and options that are expected to become exercisable.

Condensed notes to the consolidated interim financial statements (continued)

For the six months ended 30 June 2015

10. Segment reporting

The consolidated entity operates in the oil and gas industry.

Segment information is presented in the consolidated interim financial statements in respect of the consolidated entity's geographic segments, which reflects the presentation of information to the chief operating decision maker and may differ from the information required to be disclosed in accordance with the Accounting Standards.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. In presenting information on the basis of geographical segments, segment revenue and net profit/(loss) before tax are based on the geographical location of operations.

	Australia		USA		Canada		MENA		Consolidated	
	30 June 2015 US$'000	30 June 2014 US$'000	**30 June 2015 US$'000**	30 June 2014 US$'000	**30 June 2015 US$'000**	30 June 2014 US$'000	**30 June 2015 US$'000**	30 June 2014 US$'000	**30 June 2015 US$'000**	30 June 2014 US$'000
Oil & gas sales and royalties [1]	**-**	-	**678**	7,531	**-**	-	**-**	-	**678**	7,531
Royalties paid	**-**	-	**(31)**	(413)	**-**	-	**-**	-	**(31)**	(413)
Segment net revenues after royalties	-	-	**647**	7,118	-	-	**-**	-	**647**	7,118
Segment net profit/(loss) before tax	**(658)**	(1,268)	**(2,863)**	1,956	**(1)**	62	**(171)**	(8)	**(3,693)**	742
Income tax benefit/(expense)	**-**	608	**-**	-	**-**	-	**-**	-	**-**	608
Net profit/(loss) for the period	**(658)**	(660)	**(2,863)**	1,956	**(1)**	62	**(171)**	(8)	**(3,693)**	1,350
Depreciation, depletion and amortisation	**6**	7	**176**	1,277	**-**	-	**-**	-	**182**	1,284
Dry hole and impairment expense		-	**2,316**	1,211	**-**	(93)	**-**	-	**2,316**	1,118
Exploration expense	**-**	-	**-**	85	**-**	22	**5**	-	**5**	107
Segment assets	**12,122**	13,790	**23,270**	32,972	**-**	-	**45**	8	**35,437**	46,770
Acquisition of property, plant and equipment and exploration, evaluation and development assets	**8**	1	**4,551**	1,347	**-**	51	**-**	8	**4,559**	1,407

[1] There are no inter-segment sales

10. Segment reporting (continued)

	Australia		USA		Canada		MENA		Consolidated	
	30 June 2015 US$'000	30 June 2014 US$'000	**30 June 2015 US$'000**	30 June 2014 US$'000	**30 June 2015 US$'000**	30 June 2014 US$'000	**30 June 2015 US$'000**	30 June 2014 US$'000	**30 June 2015 US$'000**	30 June 2014 US$'000
Segment liabilities	**387**	563	**4,105**	9,475	**64**	8	**11**	-	**4,567**	10,046
Cash flows from operating activities	**(646)**	(162)	**(3,305)**	4,135	**(1)**	62	**(160)**	(8)	**(4,112)**	4,027
Cash flows from investing activities	**(8)**	47	**(4,551)**	(1,272)	**-**	(51)	**-**	(8)	**(4,559)**	(1,284)
Cash flows from financing activities	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-

11. Interests in unincorporated joint operating arrangements

Included in the assets of the consolidated entity are the following items which represent the consolidated entity's interest in the assets and liabilities in joint operating arrangements:

	As at	
Assets	**30 June 2015 US$'000**	31 December 2014 US$'000
Exploration, evaluation and development expenditure – Tangible:		
Leases now in production		
Producing leases – at cost	**38,755**	38,831
Less: accumulated amortisation and impairment	**(37,235)**	(37,157)
	1,520	1,674
Represented by the following lease carrying values:		
- Onshore Louisiana	**1,520**	1,674
	1,520	1,674
Leases not yet in production		
- Onshore Louisiana	**1,806**	-
- Offshore Gulf of Mexico	**69**	-
	1,875	-
Total exploration, evaluation and development expenditure – Tangible	**3,395**	1,674
Exploration and evaluation expenditure – Intangible:		
Not in production		
- MENA	**8**	8
- Onshore Louisiana	**924**	572
- Offshore Gulf of Mexico	**1,485**	1,484
Total exploration, evaluation and development expenditure – Intangible	**2,417**	2,064

	As at	
Liabilities	**30 June 2015 US$'000**	31 December 2014 US$'000
Rehabilitation provision:		
- Onshore Louisiana	**168**	167
- Onshore Canada	**64**	69
- Offshore Gulf of Mexico	**2,369**	2,267
	2,601	2,503

Condensed notes to the consolidated interim financial statements (continued)
For the six months ended 30 June 2015

11. Interests in unincorporated joint operating arrangements (continued)

The contribution of the consolidated entity's joint operating arrangements to EBIT (including exploration write-offs and impairments; and excluding the effects of hedging):	Six months to	
	30 June 2015 US$'000	30 June 2014 US$'000
- Offshore Gulf of Mexico	**(151)**	321
- Onshore Louisiana	**(2,056)**	4,359
- Onshore Canada	**(1)**	62
- MENA	**(171)**	(8)
	(2,379)	4,734

The principal activity of all the joint operating arrangements is oil & gas exploration and production. Listed below is the percentage interest held in the joint operating arrangements of the consolidated entity as at and during the six months ended 30 June:

	Interest Held	
	30 June 2015	30 June 2014
- Onshore Louisiana	**12.50% to 45.00%**	8.00% to 12.50%
- Onshore Canada	**24.50% to 25.00%**	24.50% to 25.00%
- Offshore Gulf of Mexico [1]	**12.50% to 55.00%**	22.50% to 75.00%

1 Certain interests expired in the current period.

12. Wholly owned areas of interest

Included in the assets and liabilities of the consolidated entity are the following items which represent the consolidated entity's wholly owned areas of interest:

	As at	
Assets	**30 June 2015 US$'000**	31 December 2014 US$'000
Exploration, evaluation and development expenditure – Tangible:		
Leases now in production		
Producing leases – at cost	**18,295**	49,600
Less: accumulated amortisation	**(18,295)**	(49,600)
Total exploration, evaluation and development expenditure – Tangible	**-**	-
Liabilities		
Rehabilitation provision:		
- Offshore Gulf of Mexico	**340**	334
	340	334

Condensed notes to the consolidated interim financial statements (continued)

For the six months ended 30 June 2015

12. Wholly owned areas of interest (continued)

	Six months to	
	30 June 2015 US$'000	30 June 2014 US$'000
The contribution of the consolidated entity's areas of interest to EBIT (including exploration write-offs and impairments; and excluding the effects of hedging):		
- Offshore Gulf of Mexico	**(21)**	(1,200)
	(21)	(1,200)

13. Legal matters and contingencies

The consolidated entity is a defendant from time to time in legal proceedings. Where appropriate the consolidated entity takes legal advice. The consolidated entity does not consider that the outcome of any other current proceedings is likely to have a material effect on its operations or financial position.

The production, handling, storage, transportation and disposal of oil and natural gas, by-products thereof and other substances and materials produced or used in connection with oil and natural gas operations were subject to regulation under U.S. federal, state and local laws and regulations primarily relating to protection of human health and environment. To date, expenditure related to complying with these laws and for remediation of existing environmental contamination has not been significant in relation to the results of operations of the consolidated entity.

The Company's U.S. subsidiary, Petsec Energy Inc. ("PEI") is required to provide bonding or security for the benefit of U.S. regulatory authorities in relation to its obligations to pay lease rentals and royalties, the plugging and abandonment of oil and natural gas wells, and the removal of related facilities. As of 30 June 2015, PEI was contingently liable for US$5,301,000 of surety and supplemental bonds (December 2014: US$5,301,000) issued through a surety company to secure those obligations. At balance date, US$5,301,000 of these bonds were collateralised by cash (December 2014: US$5,301,000).

On 2 July 2015, the Company recovered US$1.7 million of the US$5.3 million held in escrow, which represented the guarantee for the plug and abandonment obligations of the Chandeleur Area 31/32 field.

14. Related Parties

Arrangements with related parties continue to be in place. For details on these arrangements refer to the 2014 Annual Report.

15. Dividends

No interim dividend is to be paid on the ordinary shares (previous corresponding period: Nil). No dividend or distribution plans are currently in operation.

16. Subsequent Events

On 16 July 2015, the Company announced the commencement of drilling on the Hummer exploration prospect in Main Pass Block 270. The exploration well is being drilled offshore Louisiana in the federal waters, USA in approximately 215 feet of water. The Main Pass Block 270 #3 well is being drilled to a true vertical depth ("TVD") of 16,000 feet to test Miocene age sand objectives. The well is expected to take approximately 60 days to reach total depth. Petsec has a 12.5% non-operating working interest (10.24% net revenue interest) in the well. The Company's net share of drilling costs is estimated to be US$2 million.

On 19 July 2015, drilling commenced on the 21210 II Exxon Mobil Corporation 001 well on the Bayou Saint Charles prospect. The well is located in Terrebonne Parish, approximately 40 miles ESE of Morgan city, Louisiana. The well is being drilled directionally to a TVD of 14,000 feet (14,534 feet MD) to test Miocene age Tex (W) sand reservoirs with associated amplitude anomalies identified on 3D seismic. Petsec has a 15% non-operating working interest in the well before pay-out with a 10.5% net revenue interest. After pay-out of the well Petsec will have a 12.32% working interest (8.626% net revenue interest). The Company's net share of drilling costs is estimated to be US$1.0 million net.

In August 2015, the Simon Family ET AL No. 001 well was drilled on the North Cossinade prospect in Vermilion Parish, approximately 20 miles SW of Lafayette, Louisiana. The well was drilled directionally to a TVD of 11,560 feet (11,723 feet MD) to test multiple Lower Miocene age "Alliance" sand reservoirs in a fault closure up-dip of two previously drilled wells which have oil and gas shows. The well encountered the object sands approximately 40' structurally up-dip to the "show" wells as anticipated. Well logs indicated two of the target reservoirs were either very thin or shaled out on the crest of the structure. Several thin intervals of hydrocarbons were calculated from well logs. However, the zones were deemed to have insufficient pay thickness to produce commercial volumes and the well will be plugged and abandoned. The Company's net share of the cost of the well of approximately US$0.6 million will be expensed in the second half of 2015.

Directors' Declaration

In the opinion of the directors of Petsec Energy Ltd (“the Company”):

(1) the financial statements and notes set out on pages 9 to 22, are in accordance with the Corporations Act 2001 including:

  (i) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2015 and of its performance, as represented by the results of its operations and cashflows for the six months ended on that date; and

  (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulation 2001; and

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

Signed in accordance with a resolution of the directors:

Terrence N. Fern
Director

Sydney, 25 August 2015

KPMG

Independent auditor's review report to the members of Petsec Energy Ltd

Report on the financial report

We have reviewed the accompanying interim financial report of Petsec Energy Ltd ("the Company"), which comprises the consolidated interim balance sheet as at 30 June 2015, consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the interim period ended on that date, notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The Directors of the Company are responsible for the preparation of the interim 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 interim 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 interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2015 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Petsec Energy Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Petsec Energy Ltd is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the interim period ended on that date; and

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

KPMG

KPMG

Daniel Camilleri
Partner

Sydney

25 August 2015