

## ASX ANNOUNCEMENT

26 August 2015

# FY2015 Full-Year Results Presentation

Drillsearch Energy Limited is pleased to provide the attached presentation that accompanies the release of its 2015 Full-Year Report. A conference call for analysts and investors will be held at 11am (AEST) today, Wednesday 26 August 2015. Details of the call are below and a recording will be available on the Drillsearch website later today.

**Date and time:** 11.00 am (AEST) on Wednesday 26 August 2015

**Access code:** 715420 #

**Dial in number:**

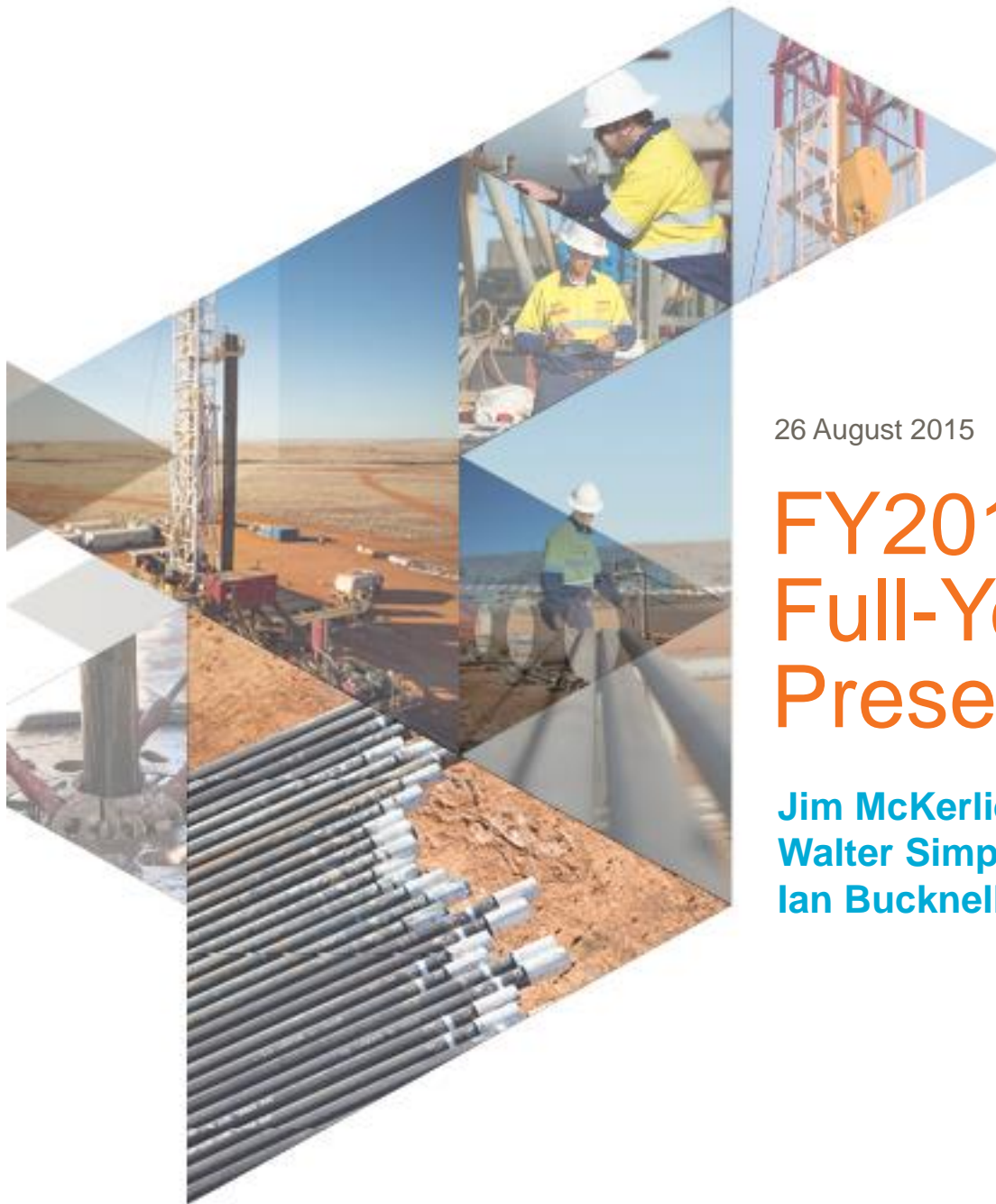
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26 August 2015

# FY2015 Full-Year Results Presentation

**Jim McKerlie – Chairman**  
**Walter Simpson – Acting Chief Executive Officer**  
**Ian Bucknell – Chief Financial Officer**

**Drillsearch**

# Forward Looking Statements and Reserves Disclosures

References to “Drillsearch” in this presentation may be references to Drillsearch Energy Limited or its applicable subsidiaries.

The FY2015 reporting period is the twelve months to 30 June 2015. Unless otherwise shown, comparative period is twelve months to 30 June 2014.

References to \$ are references to Australian dollars unless otherwise stated.

## Forward Looking Statements

This presentation contains forward looking statements. Often, but not always, forward looking statements may be identified by the use of words such as “may”, “will”, “expect”, “intend”, “target”, “anticipate”, “continue”, “planned”, “guidance” and “outlook”, or similar expressions and may include (without limitation) statements regarding plans, strategies, objectives, anticipated operating or financial performance, including production volumes and costs.

Forward looking statements involve subjective judgments regarding future matters which are subject to known and unknown risks, uncertainties and other factors. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations, general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and development activities, political and social risks, both general and those specific to the oil and gas industry, changes to the regulatory framework in which the company conducts its business, environmental conditions, including extreme weather conditions, recruitment and retention of personnel, industrial relation issues and litigation.

While Drillsearch considers that there is a reasonable basis for all forward looking statements made, readers are cautioned not to place undue reliance on forward looking statements as actual results may vary materially from projected future results expressed or implied by forward looking statements. The company gives no assurance that assumptions upon which forward looking statements may be based will prove to be correct, or that the company’s business, performance or results will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or beyond the company’s control.

Forward looking statements in these materials speak only as to the date of issue. Subject to any continuing obligations under applicable law, including the rules of relevant securities exchanges, the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

## Reserves and Resources Statement

Unless otherwise stated, references in this presentation to estimates of petroleum reserves and contingent resources are as at 30 June 2015, as contained in Drillsearch’s 2015 Reserves and Contingent Resources Statement (Annual R&CR Statement) released to the ASX on 26 August 2015. Drillsearch confirms that it is not aware of any new information or data that materially affects the information included in the Annual R&CR Statement and that all the material assumptions and technical parameters underpinning the estimates in the Annual R&CR Statement continue to apply and have not materially changed.

The 2P reserve and 2C contingent resource estimates on slides 12 and 32 are based on, and fairly represent, information and supporting documentation prepared by, or under the supervision of, Neil Thompson who is a member of the American Association of Petroleum Geologists and Sue Hyde who is a member of the Society of Petroleum Engineers, both of whom are full time employees of Drillsearch Energy Limited.

The estimates of petroleum reserves and contingent resources contained in this presentation are as at 30 June 2015. Drillsearch prepares its petroleum reserves and contingent resources estimates in accordance with the Petroleum Resources Management System (PRMS) sponsored by the Society of Petroleum Engineers (SPE). Unless otherwise stated, all references to petroleum reserves and contingent resources quantities in this presentation are Drillsearch’s net share. Petroleum reserves and contingent resources are aggregated by arithmetic summation by category and, as a result, proved reserves may be a very conservative estimate due to the portfolio effects of arithmetic summation. Reserves and contingent resources for the Western Flank Oil Fairway have been estimated probabilistically. For this area reserves to the field level have been aggregated probabilistically; for all other project areas field totals have been estimated arithmetically. For all regions aggregation beyond the field level is arithmetic. As a result the aggregate 1P and 1C figures may be a conservative and the aggregate 3P and 3C figures may be a optimistic due to the portfolio effects of arithmetic summation. Reserves replacement ratio (RRR) is calculated as the change in petroleum reserves divided by production in the same period. Conversion factors: Sales gas is converted to equivalent barrels of oil (boe) using a factor of 6,000 cubic feet per barrel of oil equivalent (boe). LPG is converted to equivalent barrels of oil using a factor of 11.5 thousand boe (Mboe) per MMT of LPG. Condensate is converted at 1 MMbbl = 1 MMboe.

# Non-IFRS Accounting Financial Information

## **Non-IFRS accounting financial information**

This presentation refers to Underlying NPAT (underlying net profit after tax), EBITDAX (earnings before interest, tax, depreciation, amortisation, impairment and exploration write-off), Adjusted Revenue and Net Cash flow which are Non-IFRS accounting financial information used by Drillsearch to measure underlying business performance. The non-IFRS accounting financial information in this presentation has not been the subject of external audit, however, the information has been taken from information prepared in accordance with IFRS accounting and the subject of external audit. Non-IFRS accounting financial information should be used in addition to, and not as a replacement of (Loss)/Profit Before Tax.

**Underlying NPAT** excludes the impact of asset acquisitions, disposals and impairments, as well as items that are subject to significant variability from one period to the next, such as fair value adjustments and fluctuations in exchange rates. A reconciliation of Underlying NPAT to NPAT is set out in Slide 38.

**EBITDAX** is earnings before interest, tax, depreciation and amortisation, exploration and evaluation expenditure, and impairments. A reconciliation of EBITDAX to Operating (Loss)/Profit is set out on Slide 38.

**Net Cash Flow** refers to the net increase/decrease in cash and cash equivalents per the consolidated statement of cash flows.

**Adjusted Revenue** is the aggregate of revenue from sales, and gross income realised from oil hedge gains, as shown on Slide 16.

# Agenda

Chairman's Opening Remarks – Jim McKerlie

FY2015 Operating Highlights – Walter Simpson

FY2015 Financial Results – Ian Bucknell

FY2016 Outlook and Strategy Update – Walter Simpson

Questions





Middleton facility

# Chairman's Opening Remarks

- **A real response to market conditions**
- **Maintenance of underlying profit**
- **Strong balance sheet**
- **Prior year's investment delivering exploration success**
- **Exploration success generating production**
- **Risk management**

- **Capital management strategy**
- **Commitment to technical excellence**
- **Innovation and technical leadership contributing to JVs**
- **Proven business model**
- **Strong Board and senior management**





Bauer facility

# FY2015 Operating Highlights

- **Record work program delivered**
- **Production of 3.0 mmboe**
- **Oil reserves increased post production**
- **Decisive measures** taken in response to lower oil price
- **Strong liquidity maintained** with \$171.5m of cash and undrawn debt

All delivered with improved safety performance

**Platform for continuing growth**

## FY2015 Investment Delivering Future Production

- 41** Wells
- 74%** Success\*
- 12** New discoveries (seven from eight wells with Santos)
- 10** New Bauer development wells
- 50%** Increase in fluids capacity at Bauer after facilities expansion



Oil – Chiton facility



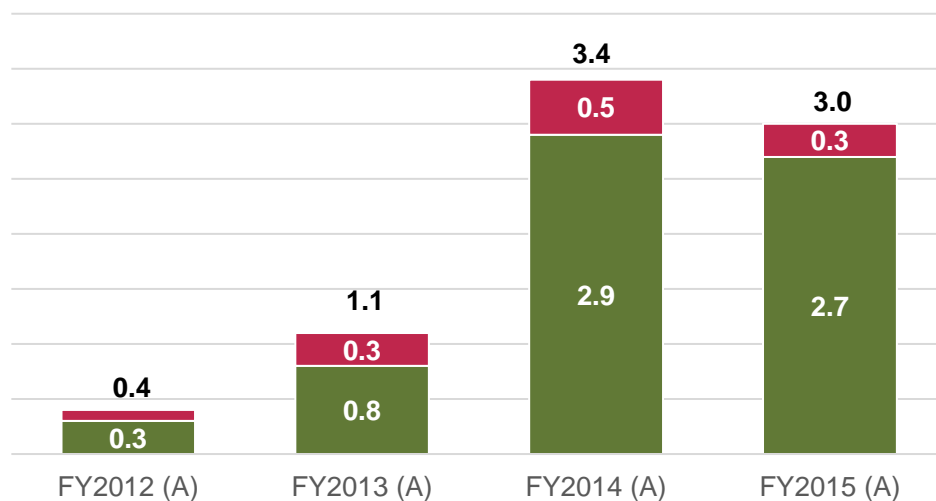
Wet Gas - Spinel-1 Drilling

Technical Expertise Driving JV Success

# Solid Production Performance Maintained in FY2015

## Production

■ Oil ■ Wet Gas

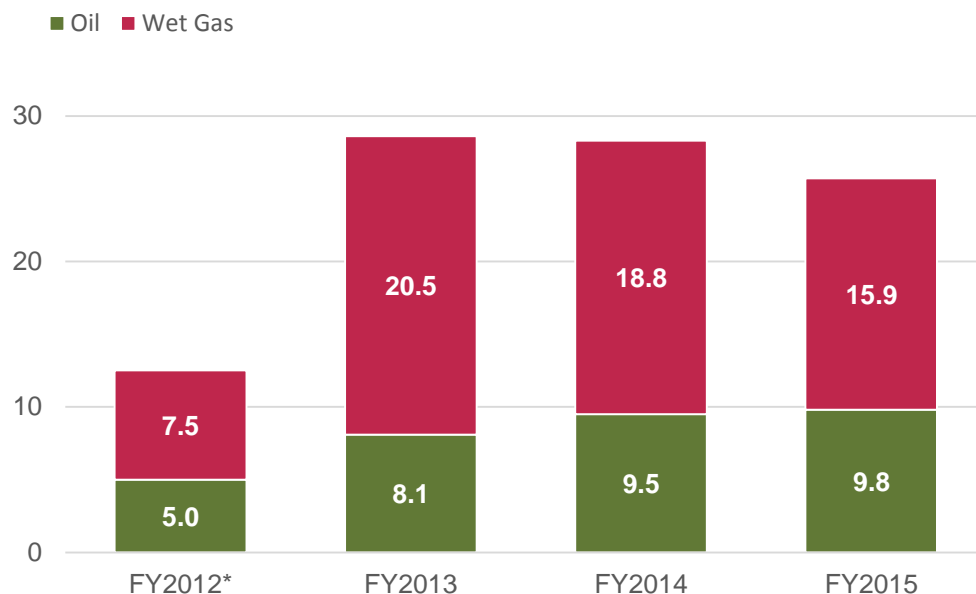


- Production of 3.0 mmboe in line with guidance, 11% lower than FY2014
- Oil Business the key driver
- Average Western Flank production 12,356 barrels/day\* in Q4 FY2015 (FY2015 11,265 bpd) as new wells came online
- Strong oil production continues

Currently Australia's third-largest onshore oil producer

# Reserves Platform Five-Year 2P RRR of 305%

## 2P Reserve Breakdown (mmboe)



## 2015 Reserves and Resources Statement

- Oil reserves increase at 30 June 2015
  - Western Flank Oil Reserves up to 8.6 mmboe
- 2P Wet Gas reserves added at Western Wet Gas JV (Santos).
  - Testing and connections ongoing
- Western Wet Gas JV (Beach) 2P reserves revised
  - Revision follows drilling in offset areas
- Vanessa discovery currently held as 2C contingent resource
- Five-year 2P reserves replacement ratio (RRR) of 305%

## Track Record of Growing Oil Reserves

\*FY2012 2P Reserves numbers as at 31 July 2012

Refer to the 2015 Reserves and Resources Statement released to ASX on 26 August 2015.

Important information regarding Reserve and Resources within this presentation is set out on slide 2



Bauer facility

# FY2015 Financial Results

- **Lower realised oil price** in line with global commodity markets
  - Hedging program delivers additional income
- **Revenue reflects lower prices and production**
- **Reported NPAT – a loss of \$8.1 million**
- **Underlying NPAT\* maintained**
- **Strong liquidity position**

### Solid Underlying Performance

# FY2015 Financial Performance

	Unit	FY2015	FY2014	% Change
Production	mmboe	3.0	3.4	-11%
Revenue	\$m	250.6	387.0	-35%
<b>EBITDAX**</b>	<b>\$m</b>	<b>152.8</b>	<b>232.0</b>	<b>-34%</b>
DD&A	\$m	(56.2)	(40.4)	39%
Exploration & evaluation expensed/write off	\$m	(57.6)	(44.4)*	30%
Impairments	\$m	(51.9)	(0.2)	n/m
<b>EBIT</b>	<b>\$m</b>	<b>(12.9)</b>	<b>147.0*</b>	<b>n/m</b>
Net financing costs	\$m	(6.9)	(9.9)	-30%
Income tax benefit/(expense)	\$m	11.7	(95.2)*	n/m
NPAT				
<b>-Reported</b>	<b>\$m</b>	<b>(8.1)</b>	<b>41.9*</b>	<b>n/m</b>
<b>-Underlying</b>	<b>\$m</b>	<b>57.8</b>	<b>58.5*</b>	<b>-1%</b>
Operating Cash Flow	\$m	84.4	226.6*	-63%
Closing Cash	\$m	131.5	152.4	-14%
Net Debt	\$m	30.6	1.0	n/m
Capital Expenditure***	\$m	142.0	95.7	48%

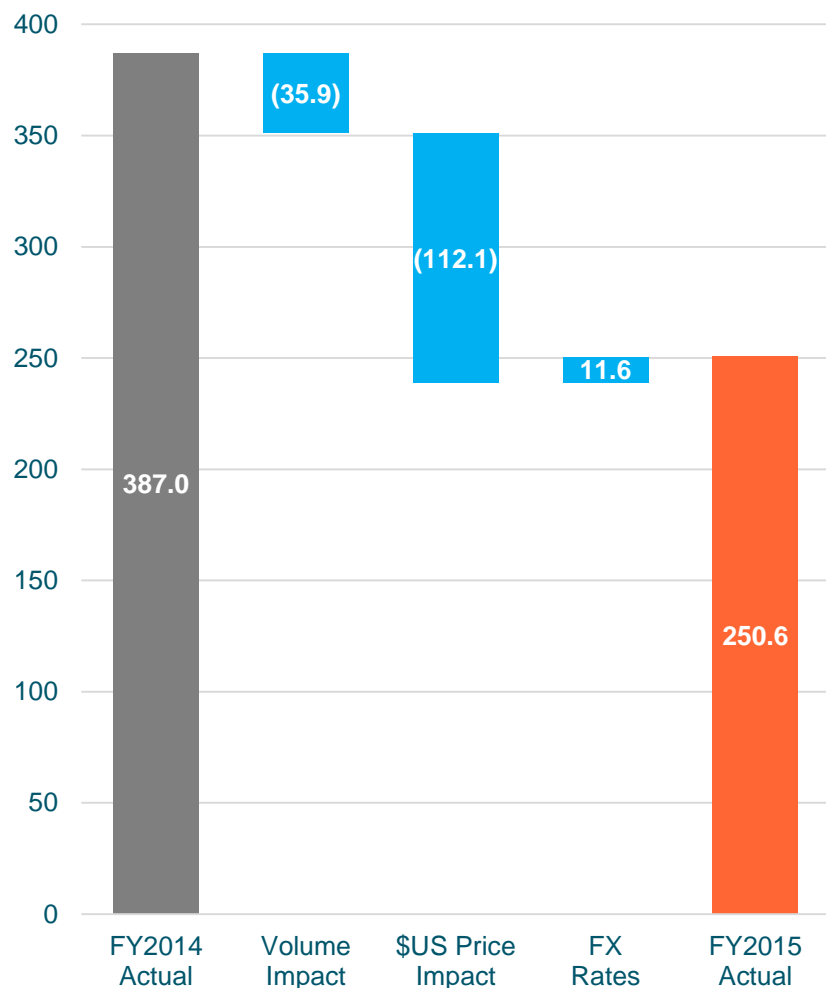
\* Restated following the change in accounting policy to adopt Successful Efforts. Refer to the ASX Announcement dated 6 August 2015 and Note 3 in the financial statements for the year ended 30 June 2015.

\*\*EBITDAX and Underlying (Loss)/Profit are Non-IFRS accounting financial information. Refer to notes on slide 3 for important information regarding the Non-IFRS accounting financial information.

\*\*\*Capital expenditure is cited inclusive of G&A, G&G and seismic expenditure.



## Revenue Oil impact on Revenue partially offset by hedging



### FY2015 Adjusted Revenue\* - \$271.2m

- Impacted by lower production and decline in crude oil prices, offset by hedging and weaker AUD:USD exchange rate
- Average realised price of \$89.50 a barrel, 29% lower than a year earlier before gains from hedging
- Hedging provided \$20.6 million benefit, with additional hedging implemented from November/December onwards

#### Adjusted Revenue\*

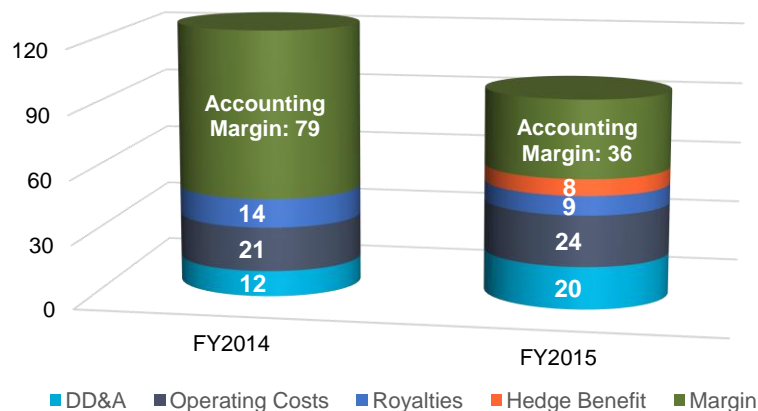
Revenue from sales of oil and gas	250.6
Gross Realised oil price hedge gains	20.6
<b>Total</b>	<b>271.2</b>

\*Adjusted Revenue is a Non-IFRS accounting financial information. Refer to notes on slide 3 for important information regarding the Non-IFRS accounting financial information.

**Weaker Oil Price and Lower Production Leads to Reduced Revenue**

# Margins Strong margins still attractive despite price pressures

## Oil Margins (A\$/bbl)



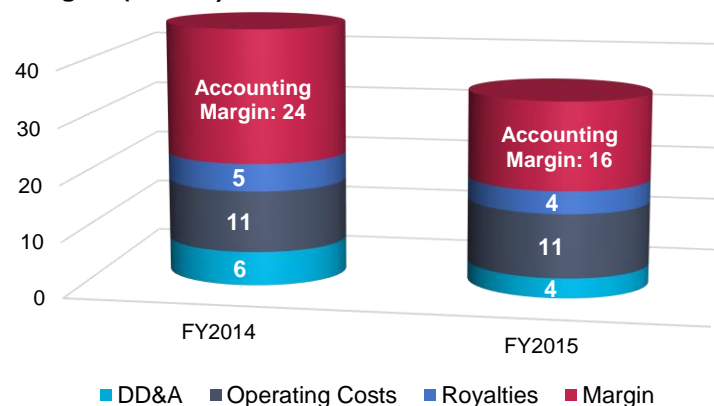
## Oil Margin

- Cash margin of \$56 a barrel\*, 61% lower than in FY2014

## Costs per barrel

- Fall in \$A and reduction in royalties partly offsets impact of oil price
- DD&A reflects updated life of field development costs

## Gas Margins (A\$/boe)

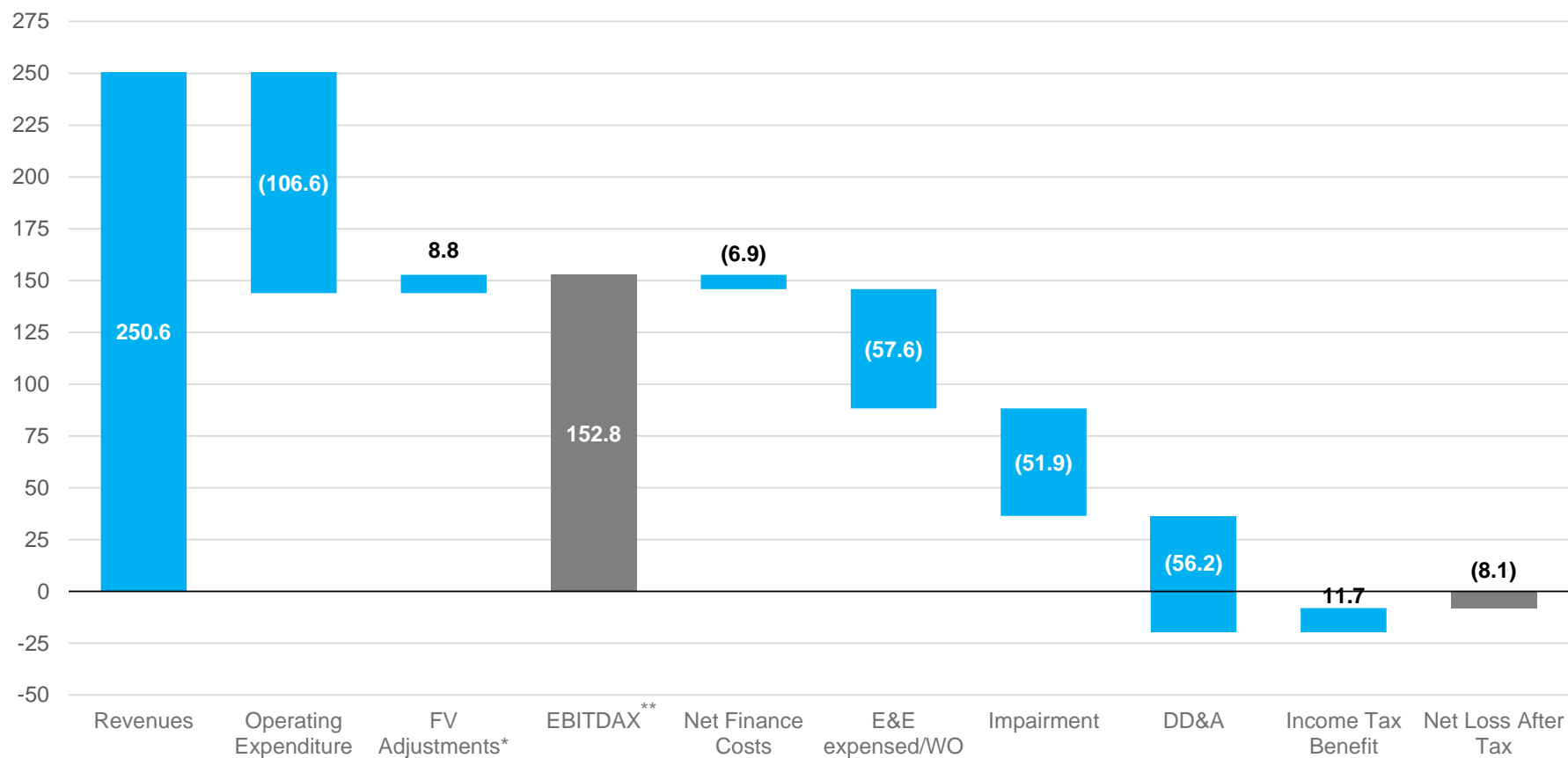


## Gas Margin\*\*

- Average realised gas basket price 17% lower
  - Decrease in realised liquids prices
  - Reduced liquids production

## Strong Margins Despite Lower Prices

# FY2015 Net Loss Reconciliation

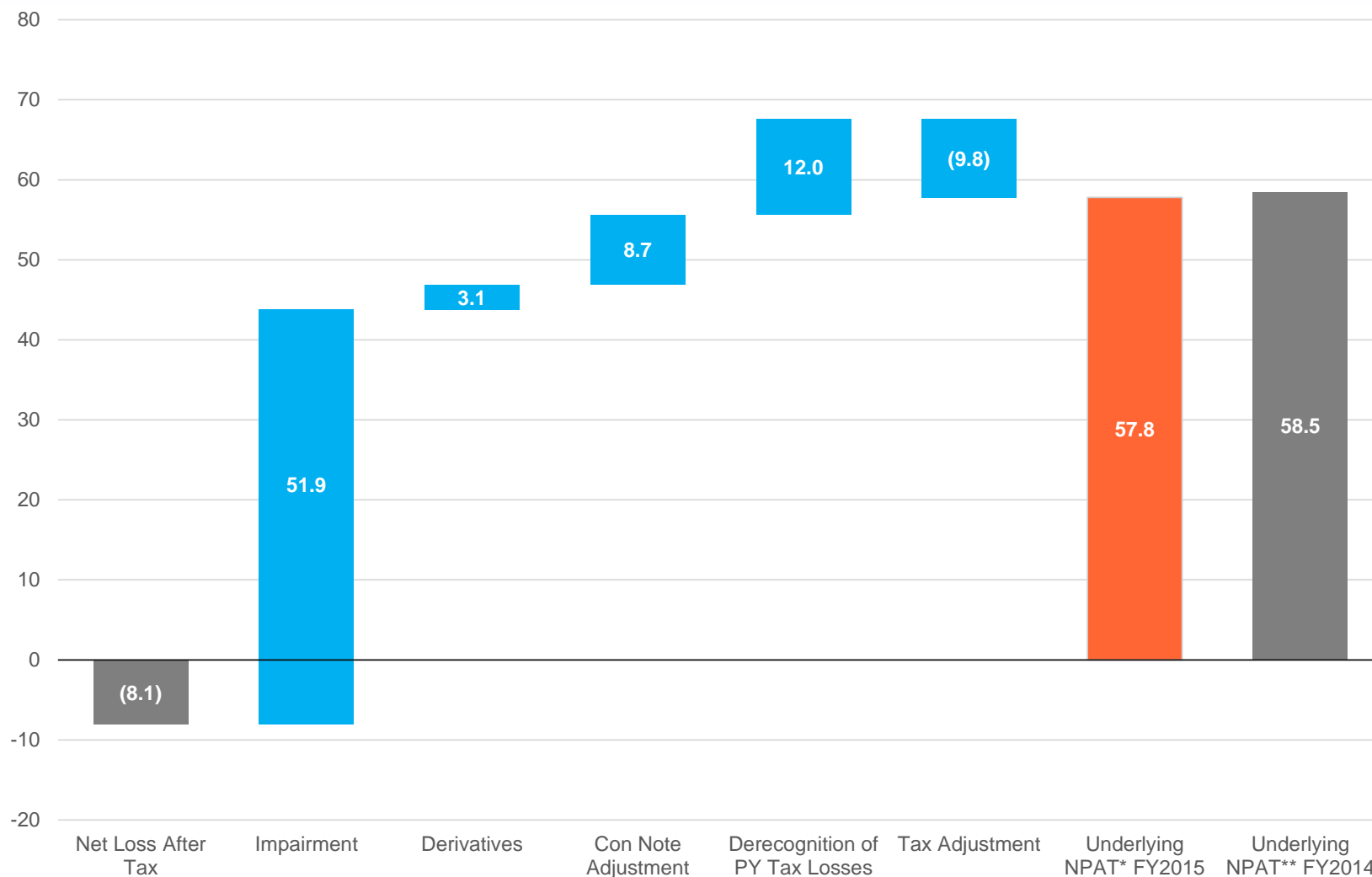


**Net Loss of \$8.1 million**

\*FV relates to the fair value of the Convertible Bond and derivatives

\*\*EBITDAX is Non-IFRS accounting financial information. Refer to notes on slide 3 for important information regarding the Non-IFRS accounting financial information.

# FY2015 Underlying Net Profit\* Reconciliation

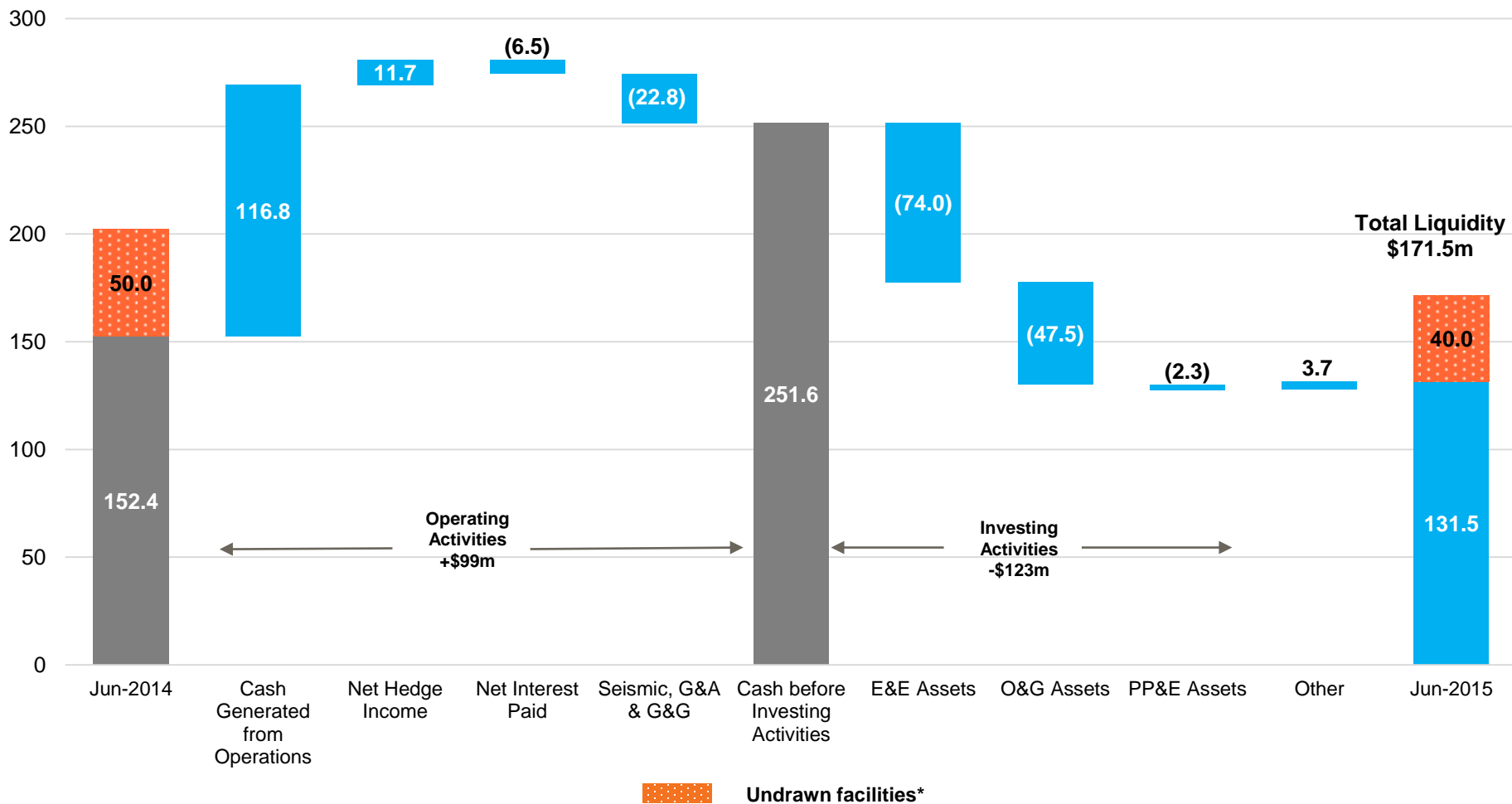


**Underlying Profitability Maintained**

\*Underlying (Loss)/Profit is Non-IFRS accounting financial information. Refer to notes on slide 3 for important information regarding the Non-IFRS accounting financial information.

\*\* Restated following the change in accounting policy to adopt Successful Efforts. Refer to the ASX Announcement dated 6 August 2015 and Note 3 in the financial statements for the year ended 30 June 2015.

# FY2015 Cash Flow, Cash Balance and Liquidity



**Liquidity Remains Strong**



Western Flank Drilling Activity

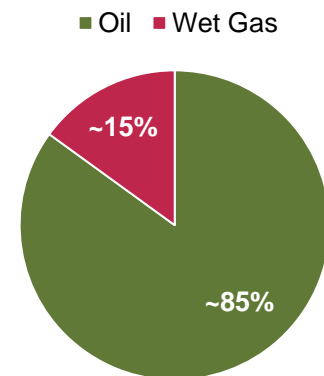
# FY2016 Outlook and Strategy Update

# FY2016 Production Guidance<sup>1</sup>

Guidance	FY2015 (a)	FY2016 (f)
Production (mmboe)	3.0	2.8 – 3.2 <sup>2</sup>

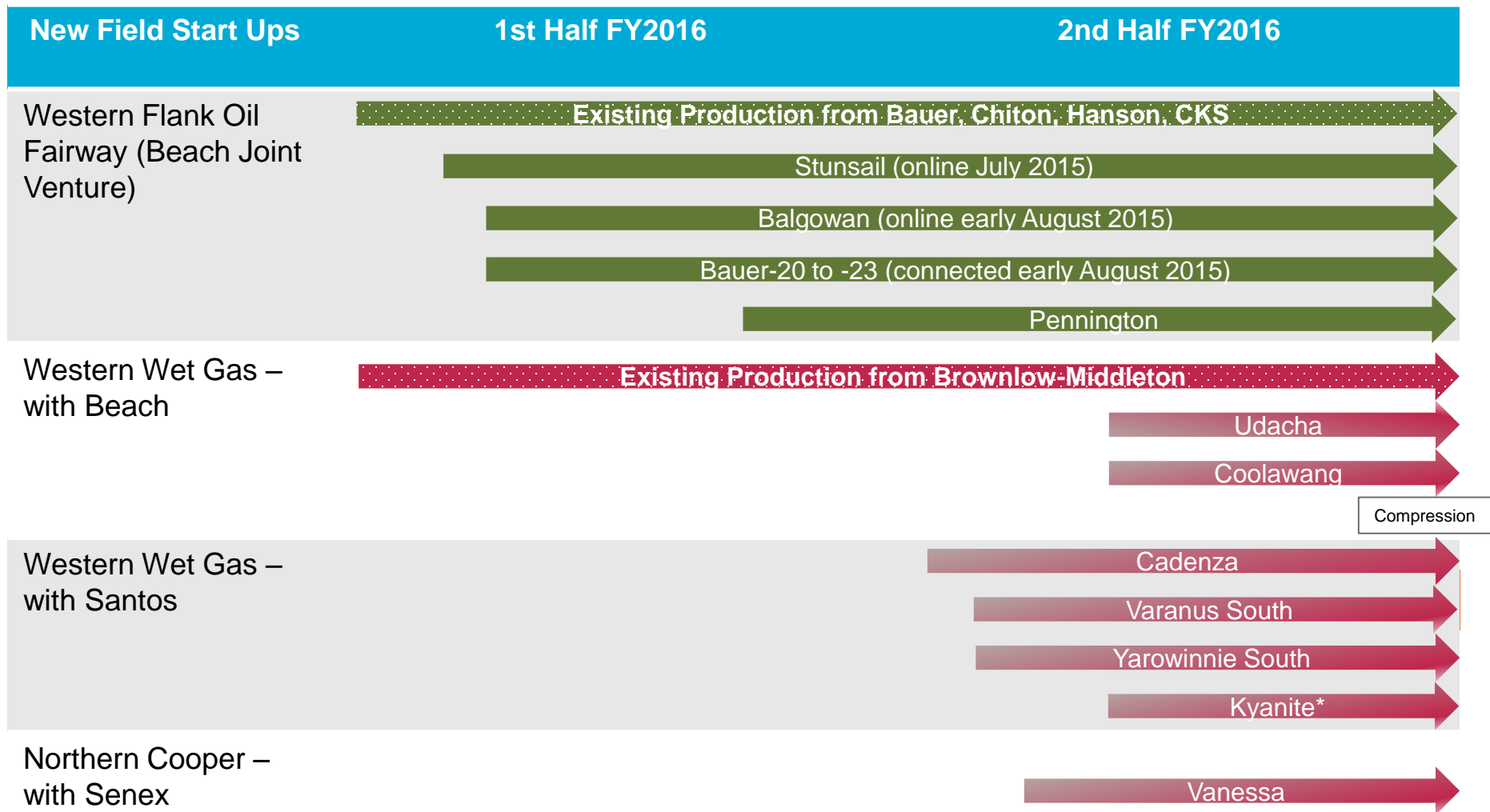
- Investment in FY2015 delivers oil production in FY2016
- Facilities and wellhead capacity to maintain future production
- Commercialising Wet Gas discoveries
  - First production from Santos and Senex joint ventures online from mid-year

## FY2016 Production Split



## Growing Wet Gas Production

# FY2016 Production Guidance **New Fields Coming Online**



Compression

## Diversifying our Production Base



# FY2016 Capex Guidance<sup>1</sup>

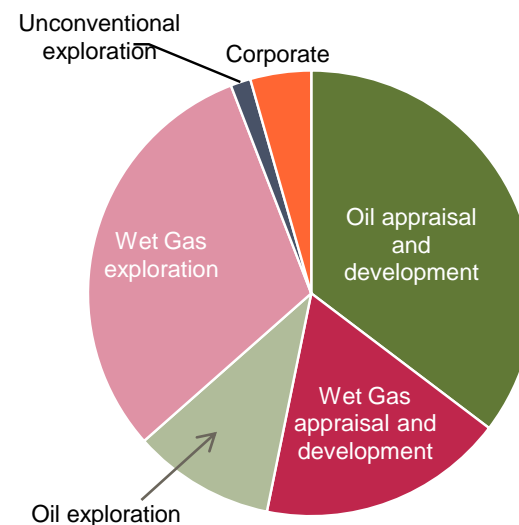
## Our Priorities:

- Production
- Cash flow
- Reserves Replacement

Guidance	FY2015 (a)	FY2016 (f)
Capex (\$m)	\$142m	\$80m – \$110m <sup>2</sup>

- 22 wells planned; with up to 15 exploration wells
- Appraisal in Western Wet Gas (JV with Santos) and Western Flank Oil (JV with Beach)
- Two exploration wells in former PEL 101 early in FY2016
- Free carries deliver additional value:
  - Exploration, appraisal and development activity in Wet Gas JV with Santos
  - Exploration wells in PEL 570 and ATP 924

## FY2016 Capital Expenditure Split



**Disciplined investment while maintaining growth**

<sup>1</sup>Refer to Slide 2 for Important Information relating to Forward Looking Statements.

<sup>2</sup>Capital expenditure is cited inclusive of G&A, G&G and seismic expenditure. Capex guidance does not include the benefit of free carries.

# Exploration and Appraisal Investing in Growth

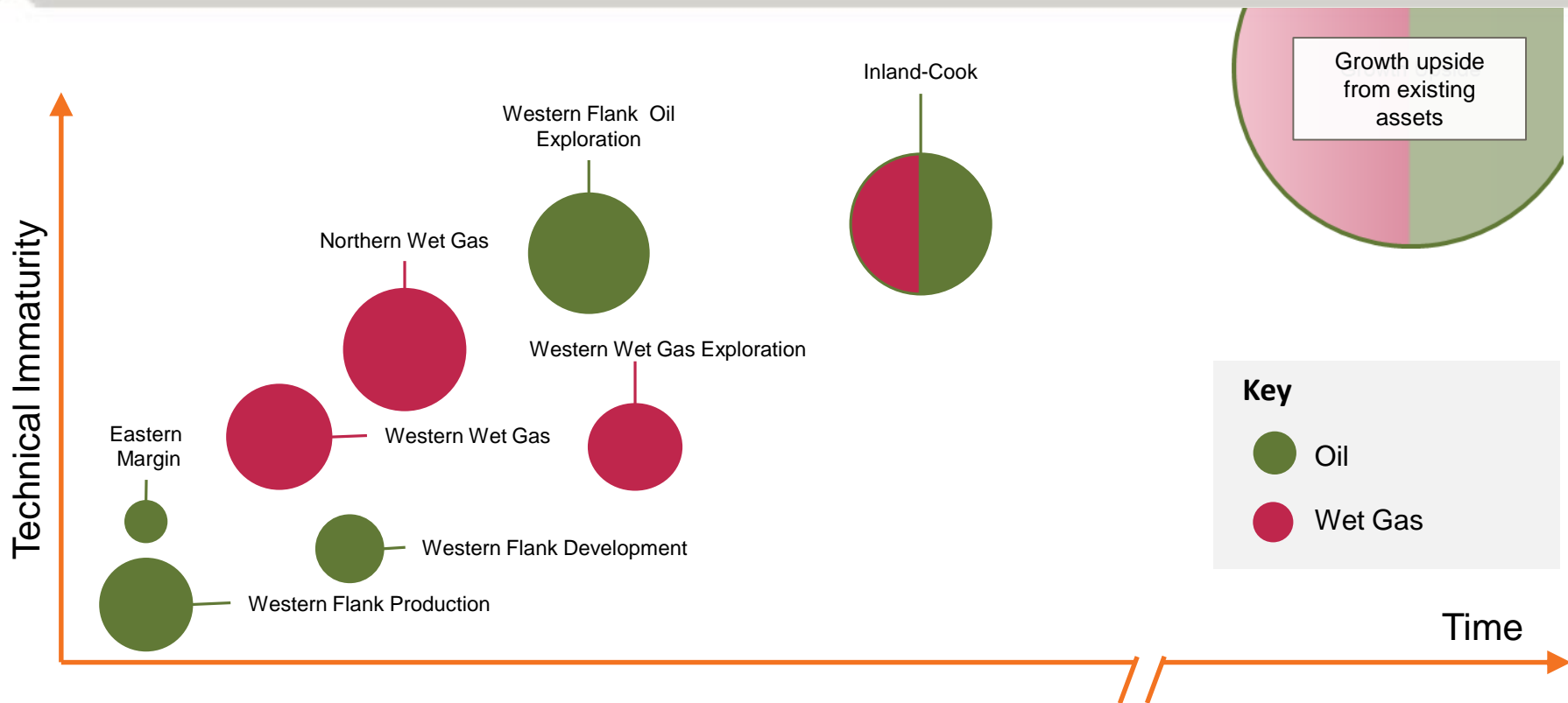
Area	Activity	Operator	FY2016*				Total Wells**	
			Q1	Q2	Q3	Q4		
<b>Oil Business</b>								
<b>Western Flank Oil</b>								
PRLs 151-172	Wells	Beach			4 A/D	2 A/D, 1 Exp	<b>11</b>	
	Facilities		Bauer					
			Pennington		Chiton			
PEL 182***	Wells	Senex				3 Exp		
<b>Inland-Cook</b>								
ATP 924^	Wells	Drillsearch		1 Exp				
<b>Wet Gas Business</b>								
<b>Western Cooper</b>								
Beach JV	Wells	Beach			2 Exp		<b>9</b>	
Santos JV***	Wells	Santos			2 Exp/App	3 Exp/App		
<b>Northern Cooper</b>								
PRL 173-174	Wells	Drillsearch		2 Exp				
	Seismic Reprocessing				Coolibah			
<b>Unconventional Business</b>								
<b>Northern Patchawarra</b>								
PEL 570	Wells	Santos	1 Exp				<b>1</b>	
	3D Seismic Acquisition		Delaware					

\* Refer to slide 2 for important information regarding forward looking statements

\*\* Drillsearch currently has 22 wells approved in its FY2016 budget, however the number of total wells drilled may change as it is subject to JV budgeting

\*\*\* Subject to joint venture budgeting ^ Well to be drilled by Beach

# Cooper Basin Growth Sustainable Repeatable Business



- 50% production growth over five years
  - existing portfolio
  - capital discipline
  - strategic priorities
- Scope for additional growth
  - upside exploration outcomes
  - improvement in market conditions (e.g. Flax)

**Substantial growth platform from existing Cooper Basin business**

# Our Proven Approach to Adding Value Across the Chain



	Cooper	Our Strengths
<b>Technically Driven</b>	✓	<ul style="list-style-type: none"> <li>• Proven technical skills – a history of success</li> <li>• Maintaining an independent technical view</li> <li>• Applying innovative technical solutions</li> </ul>
<b>Focused Portfolio</b>	✓	<ul style="list-style-type: none"> <li>• High quality acreage position</li> <li>• Exposure to all plays types</li> <li>• Balanced across the Value Chain</li> </ul>
<b>Capital Discipline</b>	✓	<ul style="list-style-type: none"> <li>• Return on investment</li> <li>• Prioritising production, cash flow and reserves</li> <li>• Critically assess surplus cash flows, growth or return capital</li> </ul>
<b>Commercial Acumen</b>	✓	<ul style="list-style-type: none"> <li>• Fast monetisation</li> <li>• Leverage Farm In through Free Carries</li> <li>• Supportive Fiscal Regime</li> </ul>
<b>Leveraging Partnerships</b>	✓	<ul style="list-style-type: none"> <li>• Complementing our skills</li> <li>• JVs with proven, low cost operatorship</li> <li>• Access to infrastructure</li> </ul>

**Cooper Remains the Core with Opportunity to Deploy Model Elsewhere**

## Key Takeaways

- Decisive response to changing market
- Underlying profit maintained
- Strong balance sheet
- Refinancing discussions underway
- Continued investment in diversified production growth
- High quality portfolio drives 50% production growth over five years
- Balanced exposure to the value chain

**Proven and Repeatable Approach to Value Creation**



Middleton facility

# Questions



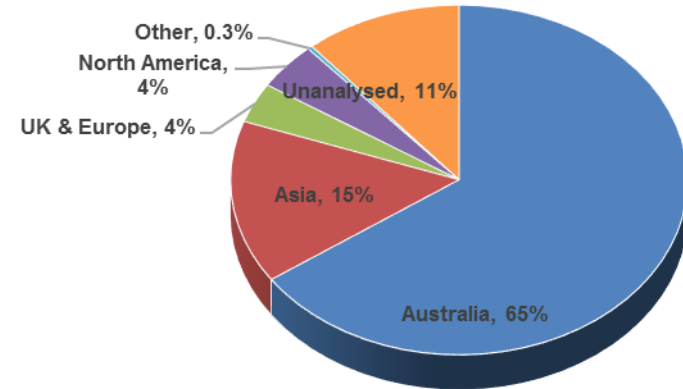
# Appendix

# Corporate Information

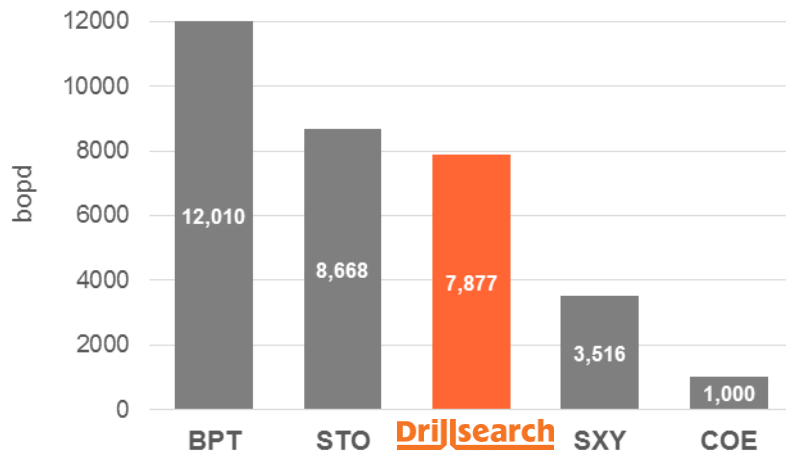
## Financial

ASX Ticker	DLS
S&P/ASX Index	ASX 200
Market Cap (A\$m)	279
Shares on Issue (m)	461
Share Price (25 Aug 2015) (A\$/sh)	0.605
Cash (30 Jun 2015) (A\$m)	131.5

## Drillsearch Shareholder Type as at 27/07/15

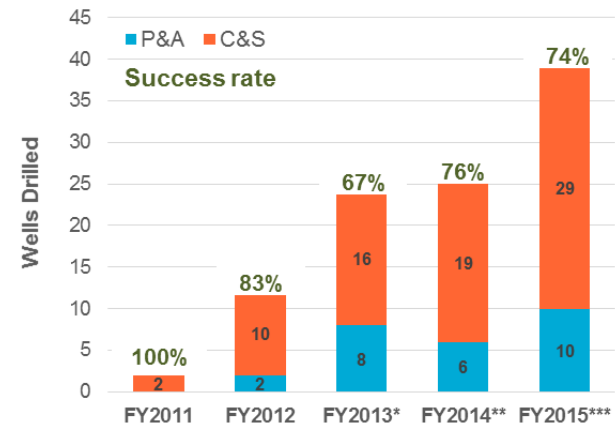


## Australian Onshore Oil Producers (As of June Quarter) Average daily production\*



\* Source: June 2015 Quarterly Production Reports/ASX Announcements

## Drillsearch Drilling Activity



\*Cypress-1 excluded from success rate as operation suspended.

\*\*Anakin-1 and Padme-1 excluded from success rate as ongoing.

\*\*\*Padme-1 and Amidala-1 excluded from success rate as ongoing.

## Strength in performance and execution



# Reserves and Resources 30 June 2015

As a result of the arithmetic aggregation of the field totals, the aggregate 1P estimate may be conservative and the aggregate 3P estimate optimistic, as the arithmetic method does not account for 'portfolio effects'

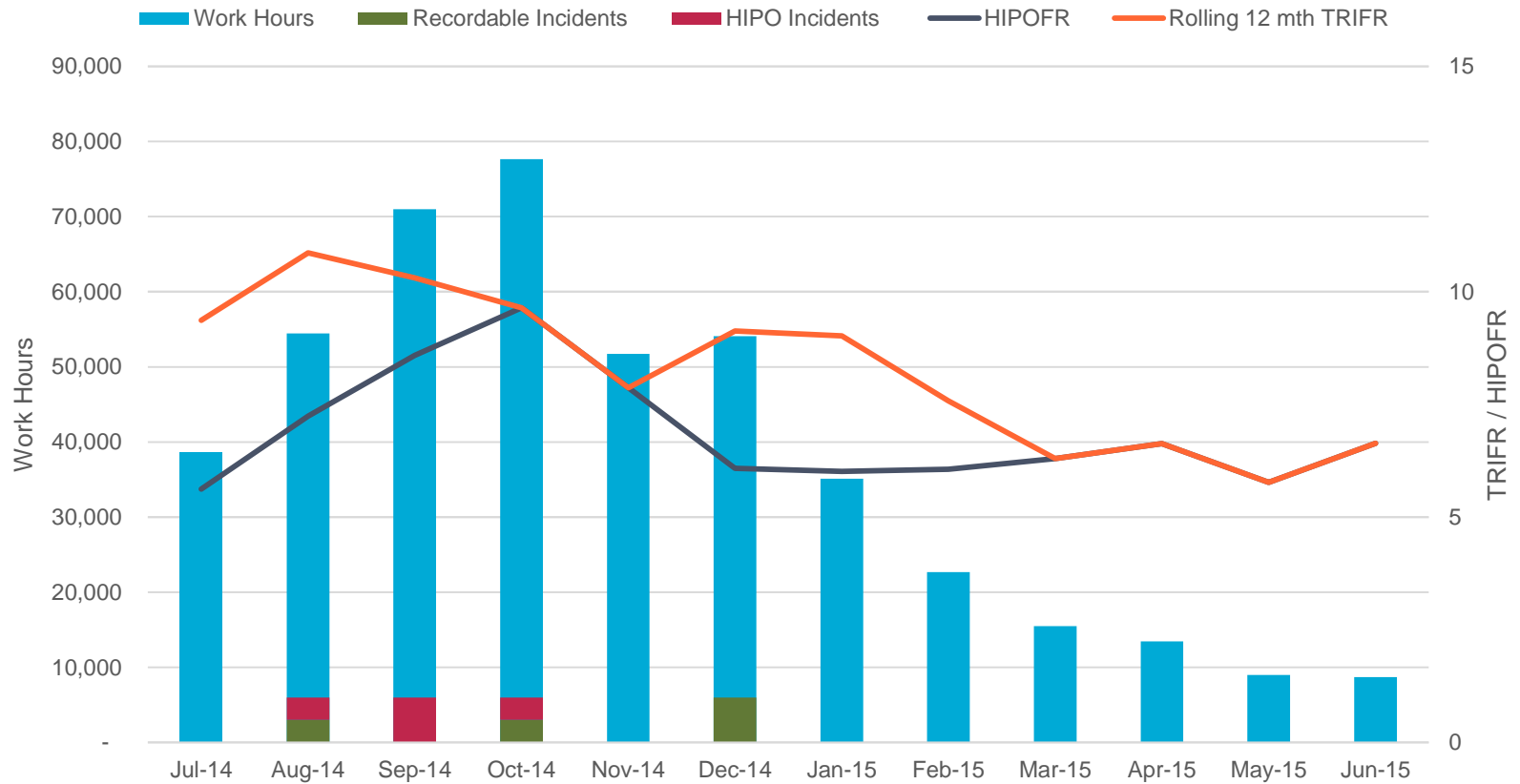
Net Reserves and Contingent Resources as at 30 June 2015*									
Reserves	1P mmboe			2P mmboe			3P mmboe		
	2015	2014	Change	2015	2014	Change	2015	2014	Change
Oil Business	6.6	4.8	38%	9.8	9.5	3%	14.0	16.9	-17%
Wet Gas Business	6.5	7.1	-7%	15.9	18.8	-15%	31.4	37.8	-17%
<b>Total Reserves</b>	<b>13.1</b>	<b>11.9</b>	<b>11%</b>	<b>25.7</b>	<b>28.3</b>	<b>-9%</b>	<b>45.4</b>	<b>54.6</b>	<b>-17%</b>
Contingent Resources	1C mmboe			2C mmboe			3C mmboe		
	2015	2014	Change	2015	2014	Change	2015	2014	Change
Oil Business	5.3	5.7	-7%	15.9	14.0	14%	27.2	26.8	2%
Wet Gas Business	8.4	7.8	7%	19.6	19.7	-1%	41.7	44.3	-6%
Unconventional Business	14.8	0.0	100%	51.4	0.0	100%	123.1	0.0	100%
<b>Total Contingent Resources</b>	<b>28.5</b>	<b>13.5</b>	<b>111%</b>	<b>86.9</b>	<b>33.7</b>	<b>158%</b>	<b>192.0</b>	<b>71.1</b>	<b>170%</b>

\*Refer to the 2015 Reserves and Resources Statement released to ASX on 26 August 2015. Important information regarding Reserve and Resources within this presentation is set out on slide 2

- New production satellites and wells come online on the Western Flank Oil Fairway
- Progressive connection of Wet Gas discoveries
- Active exploration program:
  - Maroochydore-1 well in ATP 924 (Inland Cook)
  - Two-well exploration campaign in the former PEL 101 (Willow and Jute)
  - Washington-1 well in PEL 570 to investigate Permian Coal gas production
  - PEL 182 exploration wells to test extension to Western Flank

# FY2015 Improved Safety at a Time of Record Activity

## Drillsearch Financial Year TRIFR Trend

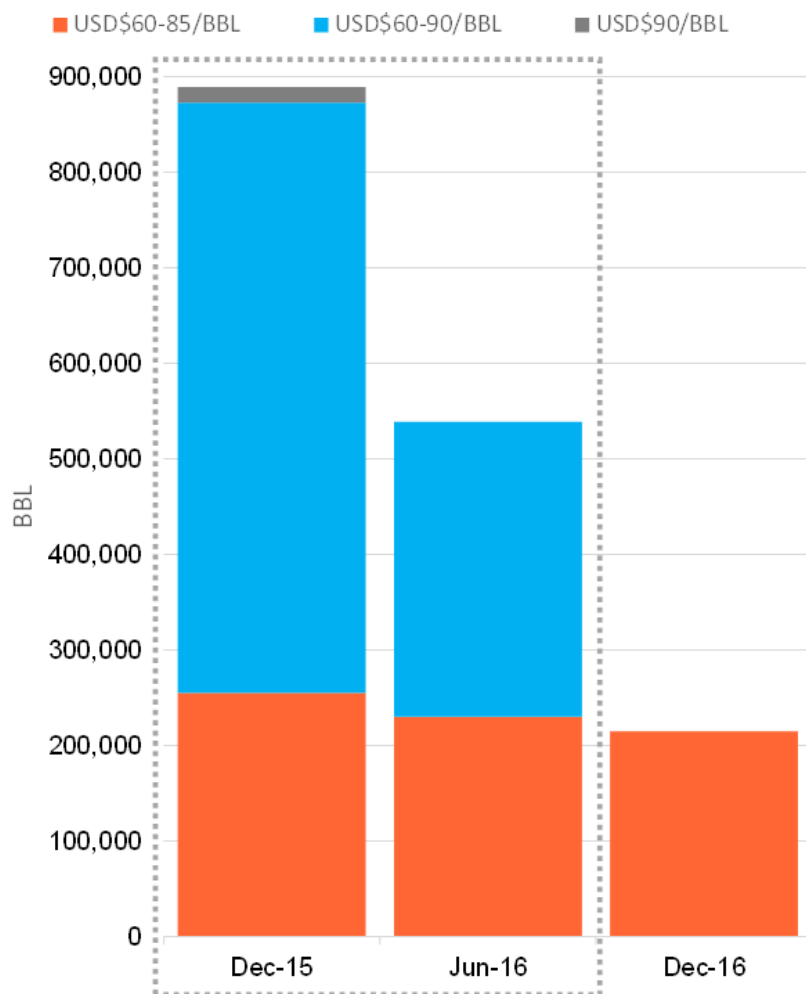


## Our five disciplines:



HIPO – High potential incident  
 HIPOFR – High potential incident frequency rate  
 TRIFR – Total Recordable Injury Frequency Rate

# Active Hedging Program Continues to Provide Protection



## FY2016 Hedge Position

- Gross hedge benefit of \$20.6m realised in FY2015
- 1.43 million barrels of FY2016 production currently hedged at prices of at least US\$60 a barrel
- Additional 215,000 barrels currently hedged for FY2017
- Drillsearch will continue to actively assess opportunities for additional hedging in the current conditions
- Hedging Strategy: Provide downside protection whilst maintaining exposure to oil price improvements

Active hedge program implemented to mitigate against commodity price movements

# FY2015 Change in Accounting Policy

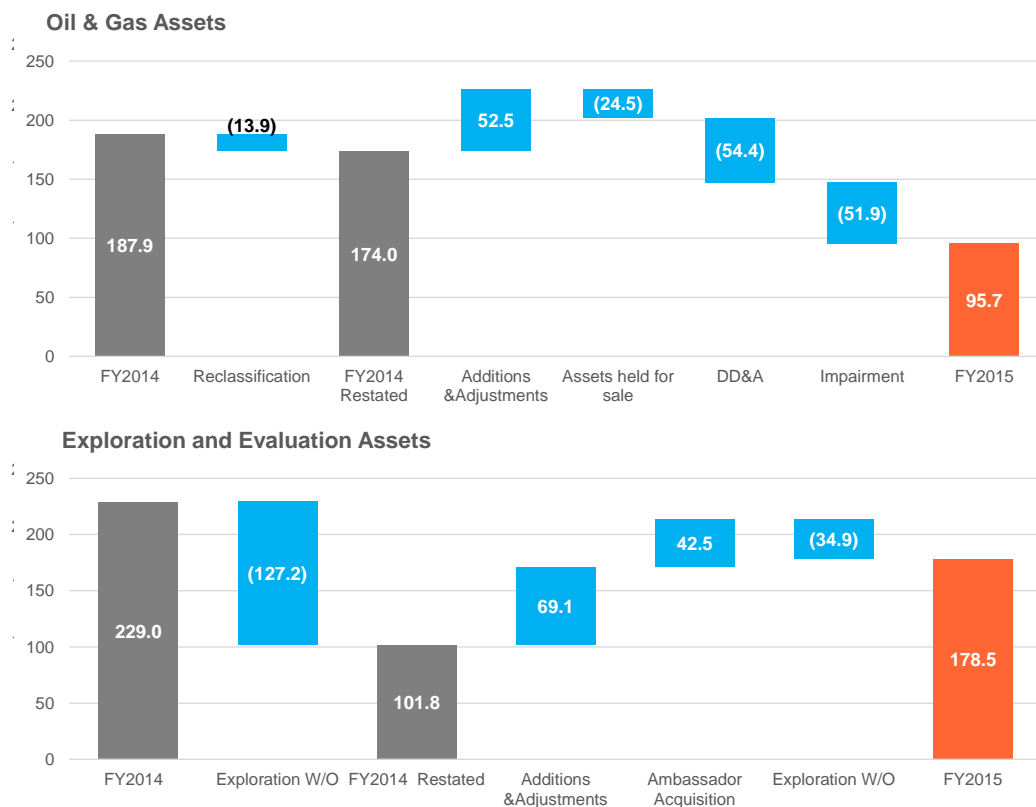
## Impact of prior year results on adoption of Successful Efforts

- Drillsearch adopted the “Successful Efforts” methodology for the year ended 30 June 2015, the prior year balance sheet was restated for comparative purposes.
- Under successful efforts, E&E expenditure in relation to unsuccessful exploration wells and associated costs is expensed as incurred. A well is considered unsuccessful if no recoverable hydrocarbons are identified or the company considers the hydrocarbons are not commercially viable.

	FY2014* (\$m)	Adjustments	Restated (\$m)
Cash	152.4	0.0	152.4
Trade Debtors	85.5	0.0	85.5
Ambassador Shares	25.2	0.0	25.2
E&E Assets	229.0	(127.2)	101.8
O&G Assets	187.9	(13.9)	174.0
Deferred Tax Assets	0.0	11.4	11.4
Other Assets	6.6	0.1	6.7
<b>Total Assets</b>	<b>686.6</b>	<b>(129.6)</b>	<b>557.0</b>
Trade Creditors	(74.6)	0.0	(74.6)
Ambassador Contra Liability	(25.2)	0.0	(25.2)
Provisions	(39.1)	(0.0)	(39.1)
Borrowings	0.0	0.0	0.0
Convertible Bone	(153.4)	0.0	(153.4)
Deferred Tax Asset Liability	(30.9)	30.9	0.0
<b>Total Liabilities</b>	<b>(323.2)</b>	<b>30.9</b>	<b>(292.3)</b>
<b>Net Assets</b>	<b>363.4</b>	<b>(98.7)</b>	<b>264.7</b>

	FY2014 (\$m)	Adjustments	Restated (\$m)
Revenue	387.0	0.0	387.0
Cost of Sales	(151.2)	0.0	(151.2)
<b>Gross Profit</b>	<b>235.8</b>	<b>0.0</b>	<b>235.8</b>
E&E Cost Write-off	(2.1)	(42.3)	(44.4)
Write-off of O&G Assets	(0.2)	0.0	(0.2)
Other Costs	(53.9)	(0.1)	(54.1)
<b>Profit Before Tax</b>	<b>179.5</b>	<b>(42.4)</b>	<b>137.1</b>
Income Tax	(107.9)	12.7	(95.2)
<b>Profit After Tax</b>	<b>71.6</b>	<b>(29.7)</b>	<b>41.9</b>

# FY2015 Impairments and E&E Write-off



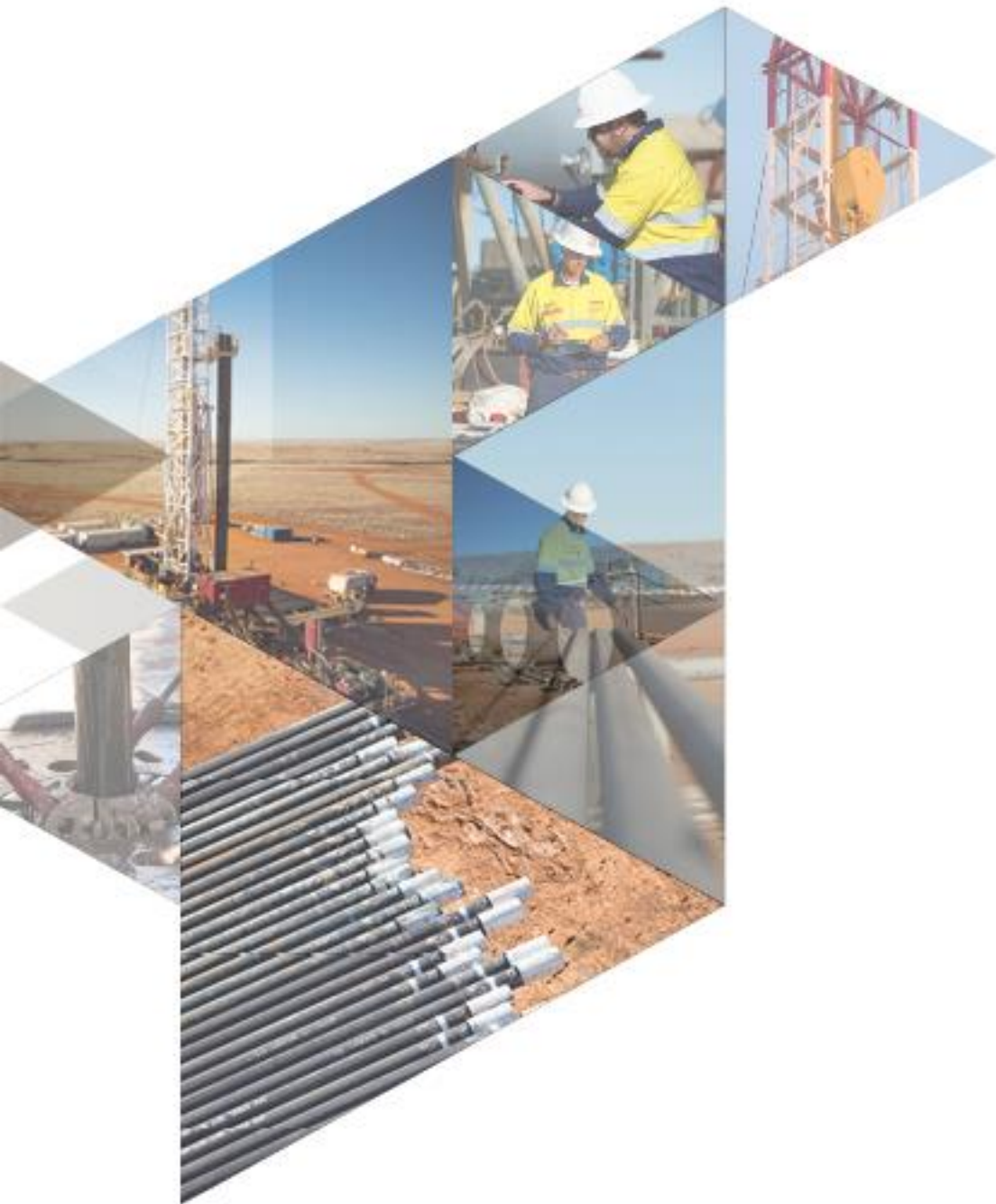
- Total non-cash impairments and write-offs of \$109.5m (pre-tax)
  - Oil & Gas Assets impaired by \$51.9m
  - Exploration write Offs of \$34.9m
- Oil & Gas Impairments relate to:
  - Tintaburra
  - Flax
- E&E write-offs a result of potential relinquishment and cessation of forecast activity
- No cash flow impact from impairments, which are accounting adjustments only
- Asset held for sale relates to Tintaburra

**Weaker crude oil prices impact asset carrying values**

## Reconciliation of Non-IFRS Accounting Financial Information

Reconciliation of Underlying NPAT to Net (Loss)/Profit After Tax	FY2015 \$'000	FY2014 Restated \$'000
Net profit after tax	(8.1)	41.9
<b>Adjusted for:</b>		
Change in fair value of derivatives	3.1	1.8
Change in fair value of convertible note	8.7	23.0
Impairments of oil and gas assets	51.9	0.2
De-recognition of prior year tax losses	12.0	0.0
Tax impact of above changes	(9.8)	(8.4)
<b>Underlying Profit After Tax</b>	<b>57.8</b>	<b>58.5</b>

Reconciliation of EBITDAX to Operating (Loss)/Profit Before Income Tax	FY2015 \$'000	FY2014 Restated \$'000
<b>EBITDAX</b>	<b>152.8</b>	<b>232.0</b>
<b>Adjusted for:</b>		
Interest Income	3.1	1.7
Finance costs	(10.0)	(11.6)
Amortisation and depletion	(54.4)	(38.4)
Depreciation	(1.8)	(2.0)
Impairment of oil and gas assets	(51.9)	(0.2)
Exploration and evaluation costs expensed/written off	(57.6)	(44.4)
<b>Loss/profit before income tax</b>	<b>(19.8)</b>	<b>137.1</b>



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