

Consolidated statement of comprehensive income

	June 2013 \$000's	June 2012 \$000's	December 2012 \$000's
Revenue	2,233	2,283	4,289
Royalties			
Oil and gas production costs	<u>(887)</u>	<u>(945)</u>	<u>(1,478)</u>
Gross profit	1,346	1,338	2,811
General and administrative expense	(1,080)	(955)	(1,793)
Retirement obligation expense	<u>(21)</u>	<u>(18)</u>	<u>(56)</u>
	<u>(1,101)</u>	<u>(973)</u>	<u>(1,849)</u>
Income before non-cash charges, interest and taxes	245	365	962
Depletion, depreciation and amortisation	(277)	(215)	(475)
Share-based payments	<u>(105)</u>	<u>(105)</u>	<u>(211)</u>
Operating income	(137)	45	276
Finance income	4	-	-
Finance costs	<u>(120)</u>	<u>(109)</u>	<u>(255)</u>
Total (loss) / profit for the period	<u>(253)</u>	<u>(64)</u>	<u>21</u>
	Per share	Per share	Per share
	\$	\$	\$
Basic and diluted earnings per share	(0.0004)	(0.0001)	0.00004

Notes:

The most significant point to note with regards these Q2 numbers is that revenues were down in Q1 due to the repairs and maintenance work being carried out, which has now been completed and revenue flows have recovered.

G&A expenditure is higher compared to June 2012; which is largely due to exceptional legal fees included in June 2013 numbers.

Depletion charges are also higher than in the comparative period due to the increased asset base.

Consolidated balance sheet

	June 2013 \$000's	June 2012 \$000's	December 2012 \$000's
Non-current assets			
Intangible assets	5,638	3,871	4,928
Property, plant and equipment	<u>21,847</u>	<u>19,965</u>	<u>21,139</u>
	27,485	23,836	26,067
Current assets			
Cash and cash equivalents	644	2,527	947
Trade and other receivables	<u>489</u>	<u>652</u>	<u>859</u>
	1,133	3,179	1,806
Total assets	<u>28,618</u>	<u>27,015</u>	<u>27,873</u>
Non-current liabilities			
Long- term borrowings	-	-	5,450
Retirement obligation	241	182	220
Asset retirement obligation	<u>1,697</u>	<u>1,619</u>	<u>1,678</u>
	1,938	1,801	7,348
Current liabilities			
Trade and other payables	977	580	627
Current portion of borrowings	<u>5,229</u>	<u>5,879</u>	<u>129</u>
	6,206	6,549	756
Total liabilities	<u>8,144</u>	<u>8,260</u>	<u>8,104</u>
Net assets	<u>20,478</u>	<u>18,755</u>	<u>19,769</u>
Shareholders' equity			
Share capital	24,607	22,967	23,750
Retained deficit	<u>(4,129)</u>	<u>(4,212)</u>	<u>(3,981)</u>
Total equity attributable to equity holders of the parent	<u>20,478</u>	<u>18,755</u>	<u>19,769</u>

Consolidated statement of changes in equity

	Common shares, no par value		Retained deficit \$000's	Total \$000's
	Shares	Amount \$000's		
Balances 1 January 2013	577,581,720	23,750	(3,981)	19,769
Shares issued for cash	108,333,333	967	-	967
Share issuance costs	-	(110)	-	(110)
Compensation expense related to share options	-	-	105	105
Comprehensive income	-	-	(253)	(253)
Balances 30 June 2013	685,915,053	24,607	(4,129)	20,478
Balances 1 January 2012	397,651,006	20,016	(4,253)	15,763
Shares issued for cash	114,285,714	3,167	-	3,167
Share issuance costs	-	(216)	-	(216)
Compensation expense related to share options	-	-	105	105
Comprehensive income	-	-	(64)	(64)
Balances 30 June 2012	511,936,720	22,967	(4,212)	18,755
Balances 31 December 2011	397,651,006	20,016	(4,253)	15,763
Shares issued for cash	179,930,714	4,326	-	4,326
Share issuance costs	-	(592)	-	(592)
Compensation expense related to share options	-	-	211	211
Compensation expense related to share warrants	-	-	40	40
Comprehensive income	-	-	21	21
Balances 31 December 2012	577,581,720	23,750	(3,981)	19,769

Consolidated statement of cash flows

	June 2013 \$000's	June 2012 \$000's	December 2012 \$000's
Cash flows from operating activities			
Operating profit	(253)	(64)	21
Finance costs	120	109	255
Share based payments	105	105	211
Retirement benefit expense	21	18	55
Depreciation	277	215	476
	<u>270</u>	<u>383</u>	<u>1,018</u>
Changes in operating assets and liabilities:			
Changes in trade and other receivable	292	(125)	(378)
Changes in trade and other payables	398	(216)	(82)
Net cash provided by operating activities	<u>960</u>	<u>42</u>	<u>558</u>
Cash flows from investing activities			
Purchase of intangible assets	(710)	(333)	(1,390)
Purchase of property, plant and equipment	(984)	(2,419)	(3,814)
Net cash used in investing activities	<u>(1,694)</u>	<u>(2,752)</u>	<u>(5,204)</u>
Cash flows from financing activities			
Proceeds of issue of new shares	967	3,543	4,326
Expenses of new share issue	(110)	(592)	(592)
Proceeds from notes payable	-	129	129
Payments on notes payable	(350)	(300)	(600)
Interest paid	(76)	(106)	(233)
Net cash provided by financing activities	<u>431</u>	<u>2,674</u>	<u>3,030</u>
Net (decrease) / increase in cash and cash equivalents	(303)	(36)	(1,616)
Cash and cash equivalents at beginning of year	947	2,563	2,563
Cash and cash equivalents at end of year	<u>644</u>	<u>2,527</u>	<u>947</u>