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Wolf Petroleum
Mongolian Oil Exploration Company

ACN 116 249 060

ANNUAL REPORT
30 JUNE 2015

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CORPORATE DIRECTORY

Directors

Mr. Matthew Wood (Executive Chairman)
 Mr. Bataa Tumur-Ochir (Managing Director)
 Mr. Brian McMaster (Non-Executive Director)
 Mr. Daniel Crennan (Non-Executive Director)
 Mr. Jargalsaikhan Dambadarjaa (Non-Executive Director)

Company Secretary

Mr. Jonathan Hart

Registered Office

Level 1
 330 Churchill Avenue
 SUBIACO, WA 6008
 Telephone: +61 8 9200 4428
 Facsimile: +61 8 9200 4469
 Website: www.wolfpetroleum.net

Share Registry

Automic Registry Services
 Level 1
 7 Ventnor Avenue
 WEST PERTH, WA 6005
 Telephone: + 61 8 9324 2099
 Facsimile: + 61 8 9321 2337

Auditors

BDO Audit (WA) Pty Ltd
 38 Station Street
 SUBIACO, WA 6008

Stock Exchange

Australian Securities Exchange Limited
 (Home Exchange: Perth, WA)
 ASX Code: WOF, WOFO, WOFOA

DIRECTORS' REPORT

The Directors present their report for Wolf Petroleum Limited ("Wolf Petroleum" or "the Group") and its subsidiaries for the year ended 30 June 2015.

DIRECTORS

The names, qualifications and experience of the Group's Directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr. Matthew Wood **Executive Chairman**

Mr. Wood has over 23 years' experience in the resource sector with both major and junior resource companies and has extensive experience in the technical and economic evaluation of resource projects throughout the world. Mr. Wood has an honours degree in geology from the University of New South Wales and a graduate certificate in mineral economics from the Western Australian School of Mines and is a member of the AusIMM. Mr. Wood is a founding director in venture capital and advisory firm Garrison Capital Pty Ltd.

Mr. Wood is currently a director of The Carajas Copper Company Limited (appointed 12 June 2009), Haranga Resources Limited (appointed 2 February 2010), Black Star Petroleum Limited (appointed 28 February 2013) and Harvest Minerals Limited (appointed 1 April 2014). Mr. Wood was a director of Avanco Resources Limited (appointed 4 July 2007, resigned 22 September 2014), Lindian Resources Limited (appointed 5 May 2011, resigned 3 October 2014), Antares Mining Limited (appointed 29 May 2009, resigned 12 August 2015) and Castillo Copper Limited (appointed 1 April 2014, resigned 13 August 2015). He has not held any other listed directorships over the past three years.

Mr. Bataa Tumur-Ochir **Managing Director**

Mr. Tumur-Ochir is a Mongolian citizen and has served as Wolf Operations Limited's Chief Operating Officer since its incorporation in 2010 and was appointed as an Executive Director in August 2011. Mr. Tumur-Ochir is responsible for new business acquisitions, development and government and community relations. Mr. Tumur-Ochir is also responsible for daily operations in Mongolia. Under his guidance Wolf Petroleum was awarded with the "Operator of the Year Award" from the Petroleum Authority of Mongolia, and today, Wolf Petroleum is recognised as the fastest growing petroleum exploration company in Mongolia. Mr. Tumur-Ochir holds a bachelors degree in business administration and graduate certificates in international business and marketing from Australia and Singapore.

He has not held any other listed directorships over the past three years.

Mr. Brian McMaster **Non-Executive Director**

Mr. McMaster is a Chartered Accountant, and has over 20 years' experience in the area of corporate reconstruction and turnaround/performance improvement. Formerly, Mr. McMaster was a partner of the restructuring firm Korda Mentha and prior to that was a partner at Ernst & Young. His experience includes significant working periods in the United States, South America, Asia and India.

Mr. McMaster is currently a director of Black Star Petroleum Limited (appointed 9 August 2012), Paradigm Metals Limited (appointed 14 September 2012), Haranga Resources Limited (1 April 2014), Harvest Minerals Limited (appointed 1 April 2014) and The Carajas Copper Company Limited (appointed 27 August 2014). Mr. McMaster was a director of The Waterberg Coal Company (appointed 12 April 2012, resigned 17 March 2014), Firestone Energy Limited (appointed 14 June 2013, resigned 18 March 2014), Lindian Resources Limited (appointed 20 June 2011, resigned 16 September 2014), Antares Mining Limited (appointed 2 December 2011, resigned 12 August 2015) and Castillo Copper Limited (appointed 31 August 2013, resigned 13 August 2015). He has not held any other listed directorships in the past three years.

Mr. Daniel Crennan **Non-Executive Director (appointed 5 January 2015)**

Mr. Crennan completed his Articles at Griffith Hack Patent and Trade Mark Attorneys, Lawyers. He also completed a research internship at the International Criminal Tribunal for former Yugoslavia in the Hague under Judge Richard May. Daniel co-authored the Law Council of Australia submission to the Joint Standing Committee on Treaties in relation to the establishment of the International Criminal Court. Whilst undertaking his law degree, Mr. Crennan studied Public International Law at Leiden University, the Netherlands. Mr. Crennan appears primarily in major commercial disputes or prosecutions conducted by regulators.

Mr. Crennan was previously a director of The Waterberg Coal Company Limited (appointed 12 April 2012, resigned 7 May 2014) and Castillo Copper Limited (appointed 21 May 2013, resigned 13 August 2015). He has not held any other listed directorships over the past three years.

Mr. Jargalsaikhan Dambadarjaa **Non-Executive Director**

Mr. Dambadarjaa is a Mongolian citizen, economist and management consultant, specialising in financial markets, banking, marketing, strategic planning and competitiveness. Mr. Dambadarjaa has extensive experience working in investment and commercial banking, finance, tourism and petroleum companies. His previous positions have included; CEO of XacLeasing Company, CEO of Capital Bank, Chairman of a government agency, Deputy Director of Juulchin Company and Economist at National Petroleum Authority.

DIRECTORS' REPORT

Mr. Dambadarjaa does not currently hold any other directorships and he has not held any other listed directorships in the past three years.

Mr. George Tumur

Former Joint Chairman (resigned 6 July 2015)

Mr. Tumur is a Mongolian citizen and has a Masters of Science in Mining Engineering and a Bachelor of Science in Metallurgical Engineering from the Colorado School of Mines, as well as a Technical degree in Mineral Processing. Mr. Tumur has worked in senior management positions for various Mongolian mining companies, and most notably was the Managing Director of highly successful, formerly, ASX listed Hunnu Coal Limited. Mr. Tumur has an intricate understanding of the mining and legal landscape in Mongolia and has been one of the leaders in introducing western contract mining and mineral processing technologies into the Mongolian mining industry. Mr. Tumur is also a founding Director of Wolf Operations Limited.

Mr. Tumur was a director of Haranga Resources Limited (appointed 15 June 2015, resigned 19 June 2015) and The Carajas Copper Company Limited (appointed 17 September 2009, resigned 6 July 2015). He has not held any other listed directorships over the past three years.

Mr. Jason Peterson

Former Non-Executive Director (resigned 18 May 2015)

Mr. Peterson has more than 16 years of experience in the financial advisory sector, which he obtained by working in both local and international stockbroking companies such as Patersons, Tolhurst, and Merrill Lynch. Mr. Peterson specialises in corporate structuring, capital raisings, corporate and strategic advice to small and medium size companies and reverse takeovers. Mr. Peterson is a Senior Client Advisor, Director and one third shareholder of stockbroking firm CPS Capital Group Pty Ltd.

Mr. Peterson is currently a director of Lithex Resources Limited (appointed 5 December 2013). Mr. Peterson was a director of Black Star Petroleum Limited (appointed 28 February 2013, resigned 24 October 2013). He has not held any other listed directorships over the past three years.

COMPANY SECRETARY

Mr. Jonathan Hart

Mr. Hart's experience includes due diligence investigations, general corporate and commercial drafting, public and private mergers and acquisitions, general corporate advice in relation to capital raising, Corporations Act and ASX compliance. Mr. Hart has a bachelor of laws and commerce from Murdoch University in Western Australia.

Mr. Hart is also the Company Secretary of Harvest Minerals Limited and Black Star Petroleum Limited.

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of Wolf Petroleum Limited are:

Director	Ordinary Shares	Options – exercisable at \$0.20 each on or before 31/12/2015	Options – exercisable at \$0.25 each on or before 31/12/2016	Options – exercisable at \$0.05 each on or before 31/07/2018
Matthew Wood	15,337,220	85,000	2,500,000	19,120,200
Bataa Tumur-Ochir	52,250,000	-	-	9,000,000
Brian McMaster	9,659,801	85,000	2,500,000	10,433,968
Daniel Crennan	-	100,000	-	-
Jargalsaikhan Dambadarjaa	-	-	-	1,000,000

RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members of Wolf Petroleum for the year ended 30 June 2015 was \$1,888,888 (2014: net loss of \$3,079,737).

DIVIDENDS

No dividend was paid or declared by the Company during the year ended 30 June 2015 and up to the date of this report.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of companies within the Group during the financial year ended were mineral exploration and examination of new resource opportunities. There have been no significant changes in the nature of these activities during the year.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

SUKHBAATAR BLOCK - (100%) - 23,047km²

The Sukhbaatar (SB) Block is the Company's flagship project and one of the first identified petroleum blocks in Mongolia. Ground geological and geophysical programs on the Block have identified the large sub-basins, Toson Tolgoi and Talbulag, with an area covering over 3,500 square kilometres. The Company holds a Production Sharing Contract (PSC) with the Government of Mongolia to explore and produce oil for over 35 years in relation to the SB Block.

The Company has previously completed the acquisition of 450km of 2D seismic on the highly prospective Toson Tolgoi and Talbulag basins on the SB Block. Seismic interpretation has identified a large scale number of structural and stratigraphic traps with the potential for significant oil reservoirs.

An independent resource assessment completed on the SB Block has estimated a substantial oil resource with the potentially recoverable oil on seven drill ready targets having a low estimate of 462.3 million barrels of oil and a high estimate of 2.2 billion barrels of oil as noted in the table below. These results are compelling evidence of the significant potential of the Toson Tolgoi and Talbulag basins.

Targets	High Estimate	Best Estimate	Low Estimate
UU #1,2,3	914.6 million	431.3 million	178.5 million
TV #1,2	710.3 million	329.2 million	112.1 million
TB #1,2	607.6 million	332.2 million	171.7 million
Total	2.232 billion	1.092 billion	462.3 million

Prospective Resource Assessment (PRA) was estimated following PRMS (Petroleum Resource Management System) Guidelines. Estimates are for primary recovery from identified leads only and potential stratigraphic and additional leads are not included in this calculation. Refer to ASX announcement 'Oil Resources Estimates Increased' released on 5 May 2014 for further detail in relation to the determination of the estimated resources values including control procedures.

During the year the Company has focused on farming out the SB block to potential strategic partners. As previously reported the Company is in advanced discussions to complete a comprehensive arrangement.

BARUUN URT BLOCK - (100%) - 10,287km²

The Baruun Urt (BU) Block is located in a region with proven and producing petroleum systems and is adjoining the Company's SB Block. The block is proximal to Petro China's multi-billion barrel oil fields in Mongolia.

Previously, the Company completed ground geological and geophysical programmes and acquired 330 km's of 2D seismic data focusing on six sub basins identified. The seismic interpretation revealed 22 lead targets and prospective resources are being estimated.

During the year the Company has prepared work reports and submitted to Petroleum Authority of Mongolia working towards signing a Production Sharing Contract.

JINST BLOCK - (100%) - 41,000km²

The Jinst Block is the largest petroleum exploration block in Mongolia and is proximal to one of the largest oil producing basins in China.

Previously, the Company completed the largest ground geological and geophysical programme in Mongolia and identified twelve sub basins.

During the year the Company has prepared work reports and submitted to Petroleum Authority of Mongolia working towards signing a Production Sharing Contract.

CORPORATE

During the half-year the Company successfully completed a rights issue through the allotment of 30,328,434 shares, each with a free attaching WOFOA option, pursuant to the non-renounceable entitlement issue offered under the Prospectus dated 28 October 2014. The completed issue resulted in the raising of a total of \$1,516,423 before costs. The Company also completed a successful placement of 5,040,000 shares, on the same terms as the rights issue, to sophisticated and professional client of CPS Capital Group Pty Ltd to raise \$252,000.

Mr. Daniel Crennan joined the Board as a Non-Executive Director on 5 January 2015. Mr. Jason Peterson resigned from his position as Non-Executive Director of the Company on 18 May 2015. Mr. George Tumur resigned from his position as Joint Chairman of the Company on 6 July 2015.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group which occurred during the financial year.

DIRECTORS' REPORT

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 6 July 2015 Mr. George Tumur resigned from his position as Joint Chairman on the Board.

There have been no other significant events after the reporting date that would impact on the financial statements.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial years, as the Directors believe that it would be speculative and prejudicial to the interests of the Group.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group is aware of its responsibility to impact as little as possible on the environment, and where there is any disturbance, to rehabilitate sites. The Group is in compliance with the reporting requirements under the National Greenhouse and Energy Reporting Act 2007.

The Group is committed to minimising environmental impacts during all phases of exploration, development and production through a best practice environmental approach. The Group shares responsibility for protecting the environment for the present and the future. It believes that carefully managed exploration programs should have little or no long-lasting impact on the environment. The Group properly monitors and adheres to this approach and there were no environmental incidents to report for the year under review. Furthermore, the Group is in compliance with the state and/or commonwealth environmental laws for the jurisdictions in which it operates. The operations of the Group are presently subject to environmental regulation under the laws of the Commonwealth of Australia and Mongolia. The Group is at all times in full environmental compliance with the conditions of its licences.

SHARE OPTIONS

As at the date of this report, there were 274,307,013 unissued ordinary shares under options (274,307,013 at the reporting date). The details of the options at the date of this report are as follows:

Number	Exercise Price \$	Expiry Date
27,000,000	\$0.20	31 December 2015
1,000,000	\$0.33	28 November 2015
3,400,000	\$0.10	31 March 2016
10,000,000	\$0.25	31 December 2016
232,907,013	\$0.05	31 July 2018
274,307,013		

58,368,434 options with an exercise price of \$0.05 and an expiry date of 31 July 2018 were issued during the financial year.

During the financial year no options were exercised and no options expired.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has made an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the *Corporations Act 2001*. The indemnification specifically excludes wilful acts of negligence.

The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company, including officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

DIRECTORS' MEETINGS

The Board met regularly throughout the course of the financial year to discuss the Company's operational and financial activities, however no formal meetings were held.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Wolf Petroleum Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Wolf Petroleum is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources company.

DIRECTORS' REPORT

During the financial period ended, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company. The Company's Corporate Governance Statement and disclosures are contained elsewhere in the annual report.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the *Corporations Act 2001* requires the Company's auditors to provide the Directors of Wolf Petroleum with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included within this report.

Non-Audit Services

BDO Audit (WA) Pty Ltd, in its capacity as auditor for Wolf Petroleum Ltd, did not provide the Company with non-audit services.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and Executives of Wolf Petroleum Limited in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Remuneration Consultants

No remuneration consultants were used to review existing policies or to provide recommendations.

Details of Key Management Personnel

Mr. Matthew Wood	Executive Chairman
Mr. Bataa Tumur-Ochir	Managing Director
Mr. Brian McMaster	Non-Executive Director
Mr. Daniel Crennan	Non-Executive Director (appointed 5 January 2015)
Mr. Jargalsaikhan Dambadarjaa	Non-Executive Director
Mr. George Tumur	Former Joint Chairman (resigned 6 July 2015)
Mr. Jason Peterson	Former Non-Executive Director (resigned 18 May 2015)

Remuneration Policy

The Board is responsible for determining remuneration policies applicable to Directors and senior Executives of the Group. The Board policy is to ensure that remuneration properly reflects the individuals' duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. At the time of determining remuneration consideration is given by the Board to the Group's financial performance.

The Board currently determines the nature and amount of remuneration for Board members and senior Executives of the Group. The policy is to align Director and Executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives.

The Board policy is to remunerate Non-Executive Directors at market rates based on comparable companies for time, commitment and responsibilities. The Board determines payments to Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. No independent external advice was sought during the year ended 30 June 2015.

The Chairman and the Non-Executive Directors are entitled to draw Director's fees and receive reimbursement of reasonable expenses for attendance at meetings. The Group is required to disclose in its annual report details of remuneration to Directors. The maximum aggregate annual remuneration which may be paid to Non-Executive Directors is \$500,000. This amount cannot be increased without the approval of the Group's shareholders. Please refer below for the remuneration report within the Directors' Report for details regarding the remuneration structure of the Executive Director and senior management.

The table below shows the performance of the Group as measured by loss per share subsequent to reverse acquisition which occurred during the year ended 30 June 2013:

As at 30 June	2015	2014	2013
Loss per share (cents)	(0.66)	(1.18)	(4.35)

There is no link between loss per share and remuneration.

Loans to Directors and Executives

There were no loans to Directors and Executives during the financial year ending 30 June 2015.

Corporate Advisory Agreement

The Company has previously entered service agreements for corporate advisory services and a fully serviced office including administration and information technology support for a term of two years with Garrison Capital Pty Ltd, a company of which Mr. Wood and Mr. McMaster are Directors. The agreements have expired however the Group continues to use Garrison Capital Pty Ltd for corporate advisory services.

DIRECTORS' REPORT

Details of Remuneration

Details of the nature and amount of each element of the remuneration of each Director and Executive, in their capacity as Directors of the Company, as required by the *Corporations Act 2001*, for the year ended 30 June 2015 are as follows.

2015	Short term			Share Based Payments (SBP)		Post employment		Total \$	SBP related %
	Base Salary \$	Director's Fees \$	Consulting Fees \$	Shares \$	Options \$	Superannuation \$	Prescribed Benefits \$		
Directors									
Matthew Wood	-	-	240,000	-	36,000	-	-	276,000	13
Bataa Tumor-Ochir	-	-	283,490	-	36,000	-	-	319,490	11
Brian McMaster	-	-	60,000	127,542	54,000	-	-	241,542	75
Daniel Crennan ¹	-	19,555	-	-	-	-	-	19,555	-
Jargalsaikhan Dambadarjaa	-	-	-	-	9,000	-	-	9,000	100
George Tumor ²	-	60,000	-	-	36,000	-	-	96,000	38
Jason Peterson ³	-	-	30,000	-	18,000	-	-	48,000	38
	-	79,555	613,490	127,542	189,000	-	-	1,009,587	

¹ Mr. Daniel Crennan was appointed as a Non-Executive Director of the Company on 5 January 2015.

² Mr. George Tumor resigned as Joint Chairman of the Company on 6 July 2015.

³ Mr. Jason Peterson resigned as a Non-Executive Director of the Company on 18 May 2015.

No Director or consulting fee payments have been made to any Director, excluding partial payments to the Managing Director, during the year.

There were no other Key Management Personnel of the Company during the financial year ended 30 June 2015.

Details of the nature and amount of each element of the remuneration of each Director and Executive, in their capacity as Directors of the Company, as required by the *Corporations Act 2001*, for the year ended 30 June 2014 are as follows:

2014	Short term			Share Based Payments (SBP)		Post employment		Total \$	SBP related \$
	Base Salary \$	Director's Fees \$	Consulting Fees \$	Shares \$	Options \$	Superannuation \$	Prescribed Benefits \$		
Directors									
Matthew Wood	-	-	240,000	-	-	-	-	240,000	-
George Tumor	-	60,000	-	-	-	-	-	60,000	-
Bataa Tumor-Ochir	-	-	239,918	-	-	-	-	239,918	-
Brian McMaster	-	-	60,000	-	-	-	-	60,000	-
Jason Peterson	-	30,000	-	-	-	-	-	30,000	-
Jargalsaikhan Dambadarjaa	-	-	15,942	-	-	-	-	15,942	-
Timothy Flavel ¹	-	-	45,000	-	-	-	-	45,000	-
	-	90,000	600,860	-	-	-	-	690,860	-

¹ Mr. Timothy Flavel resigned as a Non-Executive Director of the Company on 1 April 2014.

There were no other Key Management Personnel of the Company during the financial period ended 30 June 2014.

Elements of Remuneration

Short-Term Incentives

The Directors accrue consulting fees on a monthly basis. Their services may be terminated by either party at any time.

Long-Term Incentives

As approved as a General Meeting of Shareholders held on 16 March 2015, 6,000,000 shares valued at \$0.021 were issued to Mr. Brian McMaster to compensate for the minimal cash remuneration provided to Mr. Brian McMaster for his performance as a Director. The shares were valued using the 15 day VWAP at the date of issue.

As approved as a General Meeting of Shareholders held on 16 March 2015, 22,000,000 listed options (WOFOA) with an exercise price of \$0.05 and an expiry date of 31 July 2018 were issued to officers of the Company (Directors and the Company Secretary). The options were issued to provide a performance linked incentive component in the remuneration package to motivate and reward the performance of the Company's officers. These options have no vesting conditions and vested immediately; the Company believes the options provide enough incentive to drive performance and thus attached no

DIRECTORS' REPORT

vesting conditions. The value of the listed options granted during the year was \$0.009 per option. The options were valued using the 15 day VWAP at the date of issue.

Shareholdings and option holdings of Key Management Personnel

Shareholdings

The number of shares in the Company held during the financial year held by each Director of Wolf Petroleum Limited, including their personally related parties, is set out below.

2015	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Acquired during the year	Other changes during the year	Balance at the end of the year
Matthew Wood	13,654,310	-	-	1,682,910	-	15,337,220
Bataa Tumur-Ochir	50,250,000	-	-	2,000,000	-	52,250,000
Brian McMaster	3,180,750	6,000,000	-	479,051	-	9,659,801
Daniel Crennan ¹	-	-	-	-	-	-
Jargalsaikhan Dambadarjaa	-	-	-	-	-	-
George Tumur ²	12,734,753	-	-	115,250	(12,850,003)	-
Jason Peterson ³	12,271,277	-	-	2,121,901	(14,393,178)	-

¹ Mr. Daniel Crennan was appointed as a Non-Executive Director of the Company on 5 January 2015.

² Mr. George Tumur resigned as Joint Chairman of the Company on 6 July 2015.

³ Mr. Jason Peterson resigned as a Non-Executive Director of the Company on 18 May 2015.

During the financial year the Group also issued 6,000,000 shares to Mr. Brian McMaster to compensate for the minimal cash remuneration provided to Mr. Brian McMaster for his performance as a Director. Refer to note 18 for further detail.

All other changes refer to shares purchased or sold directly or indirectly by Key Management Personnel.

All equity transactions with Key Management Personnel other than arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Option holdings

The numbers of options over ordinary shares in the company held during the financial year by each Director of Wolf Petroleum Limited and specified executive of the group, including their personally related parties, are set out below:

2015	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Acquired during the year	Other changes during the year	Balance at the end of the year	Exercisable	Un-exercisable
Matthew Wood	14,814,541	4,000,000	-	2,890,659	-	21,705,200	21,705,200	-
Bataa Tumur-Ochir	3,000,000	4,000,000	-	2,000,000	-	9,000,000	9,000,000	-
Brian McMaster	5,332,167	6,000,000	-	1,686,801	-	13,018,968	13,018,968	-
Daniel Crennan ¹	-	-	-	-	100,000	100,000	100,000	-
Jargalsaikhan Dambadarjaa	-	1,000,000	-	-	-	1,000,000	1,000,000	-
George Tumur ²	9,284,725	4,000,000	-	-	(13,284,725)	-	-	-
Jason Peterson ³	8,223,168	2,000,000	-	1,990,678	(12,213,846)	-	-	-

¹ Mr. Daniel Crennan was appointed as a Non-Executive Director of the Company on 5 January 2015.

² Mr. George Tumur resigned as Joint Chairman of the Company on 6 July 2015.

³ Mr. Jason Peterson resigned as a Non-Executive Director of the Company on 18 May 2015.

During the financial year the Group issued 22,000,000 listed options with an exercise price of \$0.05 and an expiry date of 31 July 2018 to officers of the Company (Directors and the Company Secretary). The options were issued to provide a performance linked incentive component in the remuneration package to motivate and reward the performance of the Company's officers. Refer to note 18 for further detail.

All other changes refer to options purchased or sold directly or indirectly by Key Management Personnel. There were no forfeitures and no options issued to Directors lapsed during the year ended 30 June 2015.

DIRECTORS' REPORT

Other transactions with Key Management Personnel

Vega Funds Pty Ltd, a company in which Mr. McMaster is a director, charged the Group consulting fees of \$45,000 (2014: \$60,000). \$70,000 (2014: \$25,000) was outstanding at year end.

Gemstar Investments Limited, a company in which Mr. McMaster is a director, charged the Group consulting fees of \$15,000 (2014: \$nil). \$15,000 (2014: \$nil) was outstanding at year end.

Celtic Capital Pty Ltd, a company in which Mr. Peterson is a director, charged the Group Director fees of \$27,500 (2014: \$30,000). \$60,000 (2014: \$30,000) was outstanding at year end.

Garrison Capital Pty Ltd, a company of which Mr. Wood and Mr. McMaster are directors, provided the Company with corporate advisory services and a fully serviced office including administration and information technology support totalling \$90,000 (2014: \$180,000) and reimbursement of payments for financial accounting fees, courier and other minor expenses, at a cost of \$15,698 (2014: \$70,453). \$27,100 (2014: \$nil) was outstanding at year end.

Service agreements

Directors have not entered into current service agreements but accrue consulting fees on a monthly basis. Their services may be terminated by either party at any time.

Voting and comments made at the Company's 2014 Annual General Meeting ('AGM')

Less than 1% of votes were against Wolf's remuneration report for the 2014 financial year as voted on at the AGM. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

END OF AUDITED REMUNERATION REPORT

Signed on behalf of the board in accordance with a resolution of the Directors.



Mr. Matthew Wood
Executive Chairman
29 September 2015
Perth, Western Australia

Competent Person Statement

The prospective resource information in this report, as disclosed in the 5 May 2014 ASX release titled 'Oil Resources Estimates Increased', in relation to the SB Block is based on, and fairly represents, information and supporting documentation prepared by MHA under the supervision of Debra Gomez. Debra Gomez holds a B.Sc degree in Geology, masters of Science in Geology, is a certified professional geologist and petroleum geologist and has over twenty-five years' experience in the sector. Debra Gomez is a professional member of the American Association of Petroleum Geologists, Rocky Mountain Association of Geologists and Rocky Mountain Section of SEPM – Society for Sedimentary Geology. Debra Gomez is not an employee of the Company and consented in writing to the inclusion of the prospective resources information in the form and context in which it appears.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Continuing Operations			
Interest received		9,275	34,333
Gain on sale of investment		-	213,607
Other income		88,655	5,264
Foreign exchange gain		-	68,725
		<u>97,930</u>	<u>321,929</u>
Employee benefits expense		(154,918)	(154,544)
Professional and consulting fees	4	(645,025)	(1,310,683)
Depreciation expense		(64,135)	(65,121)
Service administration fee		(179,724)	(239,321)
Share based payments	18	(377,055)	(81,346)
Travel and accommodation expenses		(145,527)	(431,979)
Rental expenses		(232,275)	(373,479)
Share of net loss from associate		-	(374,766)
Foreign exchange loss		(5,466)	-
Other expenses		(182,693)	(370,427)
Loss from continuing operations before income tax		<u>(1,888,888)</u>	<u>(3,079,737)</u>
Income tax expense	5	-	-
Loss from continuing operations after income tax		<u>(1,888,888)</u>	<u>(3,079,737)</u>
Other comprehensive loss			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign operations		857,419	(1,382,177)
Other comprehensive income / (loss) for the year, net of tax		<u>857,419</u>	<u>(1,382,177)</u>
Total comprehensive loss for the year		<u>(1,031,469)</u>	<u>(4,461,914)</u>
Loss per share for the year attributable to the members of Wolf Petroleum Ltd			
<i>Continuing and discontinued operations</i>			
Basic loss per share (cents)	16	(0.66)	(1.18)
Diluted loss per share (cents)	16	(0.66)	(1.18)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position *as at 30 June 2015*

	Notes	2015 \$	2014 \$
Current Assets			
Cash and cash equivalents	6	340,979	661,511
Other receivables	7	161,067	129,615
Other current assets		75,071	66,028
Total Current Assets		<u>577,117</u>	<u>857,154</u>
Non-Current Assets			
Property, plant and equipment	8	197,330	329,598
Exploration and evaluation expenditure	9	10,280,282	8,389,836
Total Non-Current Assets		<u>10,477,612</u>	<u>8,719,434</u>
Total Assets		<u>11,054,729</u>	<u>9,576,588</u>
Current Liabilities			
Trade and other payables	10	1,198,237	802,570
Total Current Liabilities		<u>1,198,237</u>	<u>802,570</u>
Total Liabilities		<u>1,198,237</u>	<u>802,570</u>
Net Assets		<u>9,856,492</u>	<u>8,774,018</u>
Equity			
Issued capital	11	22,362,451	20,455,508
Reserves	12	2,513,611	1,449,192
Accumulated losses	13	(15,019,570)	(13,130,682)
Total Equity		<u>9,856,492</u>	<u>8,774,018</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Payments to suppliers and employees		(959,901)	(1,880,257)
Interest received		10,432	33,176
Other receipts		-	218,871
Net cash outflow from operating activities	6	(949,469)	(1,628,210)
Cash flows from investing activities			
Payments for exploration expenditure		(873,050)	(3,053,044)
Payments for acquisition of plant and equipment		-	(1,516)
Receipts for the sale of plant and equipment		1,100	-
Net cash outflow from investing activities		(871,950)	(3,054,560)
Cash flows from financing activities			
Proceeds from issue of shares		1,668,423	990
Proceeds from issue of options		-	2,618,379
Payments for share issue costs		(167,536)	(213,238)
Net cash inflow from financing activities		1,500,887	2,406,131
Net decrease in cash held		(320,532)	(2,276,639)
Cash and cash equivalents at beginning of the year		661,511	2,938,150
Cash and cash equivalents at end of the year	6	340,979	661,511

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity for the year ended 30 June 2015

	Issued capital \$	Accumulated losses \$	Share option reserve \$	Currency translation reserve \$	Total \$
Balance 1 July 2014	20,455,508	(13,130,682)	2,500,845	(1,051,653)	8,774,018
Loss for the year	-	(1,888,888)	-	-	(1,888,888)
Other comprehensive loss	-	-	-	857,419	857,419
Total comprehensive loss for the year	-	(1,888,888)	-	857,419	(1,031,469)
Transactions with owners in their capacity as owners					
Shares issued in lieu of debt	136,000	-	-	-	136,000
Shares issued via placement	252,000	-	-	-	252,000
Shares issued via rights issue	1,516,423	-	-	-	1,516,423
Shares issued as share based payment	170,055	-	-	-	170,055
Options issued as share based payment	-	-	207,000	-	207,000
Costs of rights issue	(167,535)	-	-	-	(167,535)
Balance at 30 June 2015	22,362,451	(15,019,570)	2,707,845	(194,234)	9,856,492
Balance 1 July 2013	20,454,518	(10,050,945)	13,500	330,524	10,747,597
Loss for the year	-	(3,079,737)	-	-	(3,079,737)
Other comprehensive loss	-	-	-	(1,382,177)	(1,382,177)
Total comprehensive loss for the year	-	(3,079,737)	-	(1,382,177)	(4,461,914)
Transactions with owners in their capacity as owners					
Shares issued via exercise of options	990	-	-	-	990
Issue of listed options via placement	-	-	2,618,379	-	2,618,379
Issue of employee options	-	-	81,346	-	81,346
Costs of issue	-	-	(212,380)	-	(212,380)
Balance at 30 June 2014	20,455,508	(13,130,682)	2,500,845	(1,051,653)	8,774,018

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Wolf Petroleum Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2015

1. Corporate Information

The financial statements of Wolf Petroleum Limited for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the Directors on 29 September 2015.

Wolf Petroleum Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Company are described in the Directors' Report.

2. Summary of Significant Accounting Policies

This financial report includes the consolidated financial statements and notes of Wolf Petroleum Ltd and its controlled entities ('Group').

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Wolf Petroleum Limited is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax for the year ended 30 June 2015 of \$1,888,888 and experienced net cash outflows from operating activities of \$949,469 and net cash outflows from investing activities of \$871,950. At 30 June 2015, the Group had a net current liabilities position of \$621,120. The Directors recognise that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets.

Should the Group not obtain funds as detailed above, then a material uncertainty exists which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

In considering the above, the Directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will be successful in securing additional funds through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern.

(b) Compliance Statement

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) Basis of Consolidation

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to the Parent, are shown separately within the Equity section of the Consolidated Statement of Financial Position and Statement of Profit or Loss and other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(d) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non- controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer. Fair value uplifts in the value of pre-existing equity holdings are taken to the Statement of Profit or Loss and Other Comprehensive Income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is re-measured each reporting period to fair value through the Statement of Profit or Loss and Other Comprehensive Income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and other comprehensive income.

(e) New Accounting Standards and Interpretations

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the year ended 30 June 2015, and no change to the Group's accounting policy is required:

Reference	Title	Summary	Impact on Group's financial report	Application date for Group
AASB 9	Financial Instruments	<p>AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.</p> <p>(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p>	The Group has considered these standards and determined that there is no impact on the Group's financial statements.	1 July 2017

Wolf Petroleum Limited**Notes to the Consolidated Financial Statements for the year ended 30 June 2015**

Reference	Title	Summary	Impact on Group's financial report	Application date for Group
		<ul style="list-style-type: none">▪ The change attributable to changes in credit risk are presented in other comprehensive income (OCI)▪ The remaining change is presented in profit or loss <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.</p>		

The Group has not elected to early adopt any new Standards or Interpretations.

(f) Foreign Currency Translation**Functional and presentation currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

(g) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings is recorded at cost.

Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which it is incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Land and Buildings	2%
Plant and Equipment	2-33 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

(h) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Exploration Expenditure

Exploration and evaluation expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(j) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(k) Share-Based Payment Transactions

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to nonemployees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(l) Other Receivables

Other receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently at amortised cost less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. Intercompany loans are impaired based on the ability of the subsidiaries to generate future cash flows to repay the loans.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, and other short-term highly liquid investments with original maturities of three months or less.

(n) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method. Fair value is determined based on current bid prices for all quoted investments.

Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

ii. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(o) Investment in Associates

Associates are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Group. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

Wolf Petroleum Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2015

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition whereby the Group's share of the net fair value of the associate exceeds the cost of investment is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(p) Trade and Other Payables

Liabilities for trade creditors and other amounts are recognised initially at fair value and subsequently at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group.

(q) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(r) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

(t) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Wolf Petroleum Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2015

(u) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the result attributable to equity holders of the Group, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated as net result attributable to members of the Group, adjusted for:

- Costs of servicing equity (other than dividends);
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(v) Goods and Services Tax and Value Added Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(w) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Judgements — Exploration and evaluation

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

3. Segment Information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information. The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

4. Expenses

Professional and consulting fees:

Accounting, audit and taxation fees	83,228	192,172
Consultants	441,602	1,015,893
Director fees	107,055	90,000
Legal fees	13,140	12,618
	645,025	1,310,683

Wolf Petroleum Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2015

	2015 \$	2014 \$
5. Income Tax		
(a) Income tax expense		
Major component of tax expense for the year:		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
(b) Numerical reconciliation between aggregate tax expense recognised in the Statement of Profit or Loss and Other Comprehensive Income and tax expense calculated per the statutory income tax rate.		
A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:		
Loss from continuing operations before income tax expense	(1,888,888)	(3,079,737)
Tax at the Australian rate of 30%	(566,666)	(923,921)
Share based payments	113,117	24,404
Impairment	-	41,930
Income tax benefit not brought to account	453,549	857,587
Income tax expense	<u>-</u>	<u>-</u>
(c) Deferred tax		
The following deferred tax balances have not been brought to account:		
<i>Liabilities</i>		
Deferred tax liability recognised	<u>-</u>	<u>-</u>
<i>Assets</i>		
Losses available to offset against future taxable income	480,084	872,894
Share issue costs deductible over five years	150,329	260,882
Accrued expenses	51,924	53,100
Net deferred tax asset not recognised	682,337	1,186,876
(d) Unused tax losses		
Unused tax losses	1,600,281	2,909,647
Potential tax benefit not recognised at 30%	480,084	872,894
The benefit for tax losses will only be obtained if:		
i. The Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and		
ii. The Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia and		
iii. No changes in tax legislation in Australia, adversely affect the Group in realising the benefit from the deductions for the losses.		
6. Cash and Cash Equivalents		
Reconciliation of Cash		
Cash comprises of:		
Cash at bank	340,979	661,511
Reconciliation of operating loss after tax to net cash flows from operations		
Loss after tax	(1,888,888)	(3,079,737)
Non-cash items		
Share based payment	377,055	81,346
Depreciation	64,135	65,121
Share of net loss from associate	-	374,766
Other receipts	(88,655)	-
Foreign exchange gain	5,466	(68,725)
Change in assets and liabilities		
Trade and other receivables	(31,452)	201,816
Other assets	-	809,824
Trade and other payables	612,870	(12,621)
Net cash outflow from operating activities	(949,469)	(1,628,210)

Wolf Petroleum Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2015

	2015 \$	2014 \$
7. Other Current Receivables		
Debtors	136,248	70,755
Other receivables	9,194	48,554
GST receivables	15,625	10,306
	161,067	129,615

Goods and services tax is non-interest bearing and generally receivable on 30 day terms. It is neither past due nor impaired. The amount is fully collectible. Due to the short term nature of this receivable, the carrying value is assumed to approximate the fair value. There are no receivables that are impaired. Information about the impairment of other receivables, their credit quality and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 17.

8. Property, Plant and Equipment

Plant and Equipment

Opening balance	329,598	481,664
Additions	-	1,515
Disposals	(222,109)	-
Net exchange differences on translation	153,976	(88,460)
Depreciation charge for the year	(64,135)	(65,121)
Closing balance	197,330	329,598
Cost	307,612	458,254
Accumulated depreciation	(110,282)	(128,656)
Net carrying amount	197,330	329,598

9. Exploration and Evaluation Expenditure

Opening balance	8,389,836	6,204,602
Exploration expenditure incurred during the year	990,801	3,052,392
Net exchange differences on translation	899,645	(867,158)
Closing balance	10,280,282	8,389,836

10. Trade and Other Payables

Trade payables	1,173,237	604,490
Accruals	25,000	198,080
	1,198,237	802,570

Trade creditors and other creditors are non-interest bearing and generally payable on 60 day terms. Due to the short term nature of these payable, their carrying value is assumed to approximate their fair value.

11. Issued Capital

(a) Issued and paid up capital

Ordinary shares fully paid	22,362,451	20,455,508
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(b) Movements in shares on issue

	2015		2014	
	No. of shares	\$	No. of shares	\$
Opening balance	261,857,377	20,455,508	261,837,576	20,454,518
Shares issued in lieu of debt (refer to note 18)	2,000,000	136,000	-	-
Shares issued via placement	5,040,000	252,000	-	-
Shares issued via rights issue	30,328,434	1,516,423	-	-
Shares issued as share based payment (refer to note 18)	8,000,000	170,055	19,801	990
Costs of rights issue	-	(167,535)	-	-
Closing balance	307,225,811	22,362,451	261,857,377	20,455,508

Wolf Petroleum Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2015

(c) Ordinary shares

The Company does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

(d) Capital risk management

The Group's capital comprises share capital, reserves less accumulated losses amounting to a net equity of \$9,856,492 at 30 June 2015 (2014: \$8,774,018). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was ungeared at year end and not subject to any externally imposed capital requirements. Refer to note 17 for further information on the Group's financial risk management policies.

(e) Share Options

As at the date of this report, there were 274,307,013 unissued ordinary shares under options (274,307,013 at the reporting date). The details of the options at the date of this report are as follows:

Number	Exercise Price \$	Expiry Date
27,000,000	\$0.20	31 December 2015
1,000,000	\$0.33	28 November 2015
3,400,000	\$0.10	31 March 2016
10,000,000	\$0.25	31 December 2016
232,907,013	\$0.05	31 July 2018
274,307,013		

58,368,434 listed options (WOFOA) with an exercise price of \$0.05 and an expiry date of 31 July 2018 were issued during the financial year.

During the financial year no options were exercised and no options expired.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

12. Reserves

	2015 \$	2014 \$
Share option reserve	2,707,845	2,500,845
Foreign currency translation reserve	(194,234)	(1,051,653)
	2,513,611	1,449,192

Movements in Reserves

<i>Share option reserve:</i>		
Opening balance	2,500,845	13,500
Options issued	-	2,618,379
Share based payment (refer to note 18)	207,000	81,346
Cost of issue	-	(212,380)
Closing balance	2,707,845	2,500,845

The option premium reserve is used to record the amount paid on the issue of options.

<i>Foreign currency translation reserve:</i>		
Opening balance	(1,051,653)	330,524
Foreign currency translation	857,419	(1,382,177)
Closing balance	(194,234)	(1,051,653)

The Foreign Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in note 2(f). The reserve is recognised in the Statement of Profit or Loss and Other Comprehensive Income when the net investment is disposed of.

13. Accumulated Losses

Movements in accumulated losses were as follows:

Opening balance	(13,130,682)	(10,050,945)
Loss for the year	(1,888,888)	(3,079,737)
Closing balance	(15,019,570)	(13,130,682)

Wolf Petroleum Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2015

	2015 \$	2014 \$
14. Auditor's Remuneration		
The auditor of Wolf Petroleum Limited is BDO Audit (WA) Pty Ltd for the current year.		
Amounts received or due and receivable for:		
- an audit or review of the financial statements of the entity and any other entity in the Consolidated group	30,722	29,690
	30,722	29,690

There were no other services provided by the auditor during the years ended 30 June 2015 and 30 June 2014.

15. Related Party Disclosures

(a) Key management personnel

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows:

Short term employee benefits	693,045	690,860
Share based payments	316,542	-
Total remuneration	1,009,587	690,860

For detailed Key Management Personnel remuneration information please refer to the Remuneration Report.

Other transactions with Key Management Personnel

Vega Funds Pty Ltd, a company in which Mr. McMaster is a director, charged the Group consulting fees of \$45,000 (2014: \$60,000). \$70,000 (2014: \$25,000) was outstanding at year end.

Gemstar Investments Limited, a company in which Mr. McMaster is a director, charged the Group consulting fees of \$15,000 (2014: \$nil). \$15,000 (2014: \$nil) was outstanding at year end.

Celtic Capital Pty Ltd, a company in which Mr. Peterson is a director, charged the Group Director fees of \$27,500 (2014: \$30,000). \$60,000 (2014: \$30,000) was outstanding at year end.

Garrison Capital Pty Ltd, a company of which Mr. Wood and Mr. McMaster are directors, provided the Company with corporate advisory services and a fully serviced office including administration and information technology support totalling \$90,000 (2014: \$180,000) and reimbursement of payments for financial accounting fees, courier and other minor expenses, at a cost of \$15,698 (2014: \$70,453). \$27,100 (2014: \$nil) was outstanding at year end.

(b) Subsidiaries

The consolidated financial statements include the financial statements of Wolf Petroleum Limited and the subsidiaries listed in the following table. All subsidiaries are focused on exploration opportunities with the predominant focus being in Mongolia.

Name of Entity	Country of Incorporation	Equity Holding	
		2015	2014
Wolf Operations Limited	Australia	100%	100%
Wolf Investments Pte Limited	Singapore	100%	100%
MME Iron LLC	Mongolia	100%	100%
Land Oil LLC	Mongolia	100%	100%
Wolf Petroleum LLC	Mongolia	100%	100%
Strzelecki Mining Pty Ltd	Australia	100%	100%
The Colonial Copper Company Pty Ltd	Australia	-	100%

During the reporting period, The Colonial Copper Company Pty Ltd was deregistered by the Group as it was dormant.

(c) Terms and Conditions

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties. All other transactions were made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

Wolf Petroleum Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2015

	2015 \$	2014 \$
16. Loss per Share		
<i>Continuing and discontinued operations</i>		
Loss used in calculating basic and dilutive EPS	(1,888,888)	(3,079,737)
<i>Continuing operations</i>		
Loss used in calculating basic and dilutive EPS	(1,888,888)	(3,079,737)
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic loss per share:	284,154,987	261,849,985
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	284,154,987	261,849,985

There is no impact from 274,307,013 options outstanding at 30 June 2015 on the earnings per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future. There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

17. Financial Risk Management

Exposure to interest rate, liquidity, foreign exchange and credit risk arises in the normal course of the Group's business. The Group does not hold or issue derivative financial instruments.

The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

(a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing our future capital needs include our cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. We expect that, absent a material adverse change in a combination of our sources of liquidity, present levels of liquidity along with future capital raising will be adequate to meet our expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables. As at 30 June 2015 and 30 June 2014 all financial liabilities are contractually matured within 60 days.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

Cash and cash equivalents	340,979	661,511
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Wolf Petroleum Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2015

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's Statement of Profit or Loss and Other Comprehensive Income to a reasonably possible change in interest rates, with all other variables constant.

Change in Basis Points	Effect on Post Tax Loss (\$) Increase/(Decrease)		Effect on Equity including retained earnings (\$) Increase/(Decrease)	
	2015	2014	2015	2014
Increase 100 basis points	3,410	6,615	3,410	6,615
Decrease 100 basis points	(3,410)	(6,615)	(3,410)	(6,615)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends.

(c) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group is exposed to credit risk from financial institutions where cash is held and from debtors, in particular from those arising from transactions in foreign jurisdictions. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties.

At 30 June 2015, the Group held cash at bank. These were held with financial institution with a rating from Standard & Poors of -AA or above (long term). The Group has no past due or impaired debtors as at 30 June 2015.

(d) Fair Value

There were no financial assets or liabilities at 30 June 2015 requiring fair value estimation and disclosure.

	Receivables		Payables	
	2015	2014	2015	2014
Carrying values at best representation of fair value	161,067	129,615	1,173,238	604,490

(e) Foreign Currency Risk

Currency risk arises from commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group does not have any material exposure to foreign currency risk.

18. Share Based Payment Plan

(a) Recognised share based payment transactions

Share based payment transactions recognised as operation expenses in the Statement of Profit or Loss and Other Comprehensive income or payments to suppliers on the Statement of Financial Position during the year were as during the year were as follows:

	2015 \$	2014 \$
Officer share based payments	316,541	81,346
Employee share based payments	9,000	-
Supplier share based payments	51,514	-
	377,055	81,346

(b) Share based payment to employees and officers:

As approved as a General Meeting of Shareholders held on 16 March 2015, 6,000,000 shares valued at \$0.021 were issued to Mr. Brian McMaster to compensate for the minimal cash remuneration provided to Mr. Brian McMaster for his performance as a Director. The shares were valued using the 15 day VWAP at the date of issue.

As approved as a General Meeting of Shareholders held on 16 March 2015, 22,000,000 listed options (WOFOA) with an exercise price of \$0.05 and an expiry date of 31 July 2018 were issued to officers of the Company (Directors and the Company Secretary). The options were issued to provide a performance linked incentive component in the remuneration package to motivate and reward the performance of the Company's officers. These options have no vesting conditions and vested immediately; the Company believes the options provide enough incentive to drive performance and thus attached no vesting conditions.

Wolf Petroleum Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2015

The table below summaries the listed options granted to officers during the financial year:

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
26 March 2015	31 July 2018	\$0.05	-	22,000,000	-	-	22,000,000	22,000,000
Remaining contractual life (years)			-	3.35	-	-	3.09	3.09

The value of the listed options granted during the year was \$0.009 per option. The options were valued using the 15 day VWAP at the date of issue.

There were no other options to officers and employees were granted during the year ended 30 June 2015.

The Group operates an employee share ownership plan (ESOP). Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. The fair value at grant date of options granted during the reporting period was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

The table below summaries options granted under the ESOP in the previous financial year:

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
17 April 2014	31 March 2016	\$0.10	3,400,000	-	-	-	3,400,000	3,400,000
Remaining contractual life (years)			1.75	-	-	-	0.75	0.75

The fair value of options granted during the year was \$0.02 per option.

The model inputs, not included in the table above, for options granted during the year ended 30 June 2014 included:

- (a) options are granted for no consideration and vest immediately;
- (b) expected life of options is 1.96 years;
- (c) share price at grant date of \$0.055;
- (d) expected volatility of 110%;
- (e) expected dividend yield of Nil; and
- (f) a risk free interest rate of 2.55%.

There were no options granted to employees during the year ended 30 June 2015.

(d) Share based payment to suppliers:

During the financial year 2,000,000 shares valued at \$0.021 and 1,000,000 listed options (WOFOA) valued at \$0.009 were issued to Palisade Business Consulting Pty Ltd in satisfaction of corporate advisory services provided and for their ongoing commitment and contribution. The shares and options were valued using the 15 day VWAP at the date of issue. The fair value of the services provided by Mr. Brian McMaster were unable to be determined. Therefore, the fair value has been calculated based on the listed price of the shares and options at the date of issue.

The table below summaries the listed options granted to suppliers during the financial year:

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
26 March 2015	31 July 2018	\$0.05	-	1,000,000	-	-	1,000,000	1,000,000
Remaining contractual life (years)			-	3.35	-	-	3.09	3.09

The fair value of the listed options granted during the year was \$0.009 per option. The options were valued using the 15 day VWAP at the date of issue.

There were no other options to suppliers were granted during the year ended 30 June 2015. No options were granted to suppliers during the previous financial year.

Wolf Petroleum Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2015

19. Contingent Liabilities

There are no known contingent liabilities.

20. Events Subsequent to Reporting Date

On 6 July 2015 Mr. George Tumur resigned from his position as Joint Chairman on the Board.

There have been no other significant events after the reporting date that would impact on the financial statements.

21. Parent Entity Information

The following details information related to the parent entity, Wolf Petroleum Limited, at 30 June 2015. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	2015 \$	2014 \$
Current assets	352,867	658,159
Total assets	10,952,722	9,037,938
Current liabilities	(1,096,230)	(263,920)
Total liabilities	(1,096,230)	(263,920)
Net Assets	9,856,492	8,774,018
Issued capital	41,791,374	39,884,431
Reserves	6,726,322	6,519,322
Accumulated losses	(38,661,204)	(37,629,735)
	9,856,492	8,774,018
Profit or loss of the parent entity	(1,031,469)	(3,159,855)
Other comprehensive income for the year	-	-
Total comprehensive LOSS of the parent entity	(1,031,469)	(3,159,855)

22. Commitments

Services agreement

The Group entered a service agreement for certain administrative services and office space for a term of three years starting in October 2014. The Group is required to give three months written notice to terminate the agreement.

Within one year	120,000	-
After one year but not longer than 5 years	150,000	-
	270,000	-

Rental agreement

The Group entered into lease agreements for property and office space in Singapore. The agreement is for a term of two years starting in January 2013, it has now ended.

Within one year	-	57,947
After one year but not longer than five years	-	-
	-	57,947

23. Dividends

No dividend was paid or declared by the Group in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2015.

Directors' Declaration

30 June 2015

In accordance with a resolution of the Directors of Wolf Petroleum Limited, I state that:

1. In the opinion of the Directors:
 - a) The financial statements and notes of Wolf Petroleum Limited for the year ended 30 June 2015 are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the consolidated financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii. Complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b).
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.
3. This declaration has been made after receiving the declarations required to be made by the Directors in accordance with sections of 295A of the *Corporations Act 2001* for the financial period ended 30 June 2015.

On behalf of the Board



Mr. Matthew Wood
Executive Chairman
29 September 2015
Perth, Western Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF WOLF PETROLEUM LIMITED

As lead auditor of Wolf Petroleum Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Wolf Petroleum Limited and the entities it controlled during the period.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2015

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INDEPENDENT AUDITOR'S REPORT

To the members of Wolf Petroleum Limited

Report on the Financial Report

We have audited the accompanying financial report of Wolf Petroleum Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

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Opinion

In our opinion:

- (a) the financial report of Wolf Petroleum Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, and successful exploration and subsequent exploitation of the consolidated entity's tenements. These conditions, along with other matters as set out in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Wolf Petroleum Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO



Phillip Murdoch
Director

Perth, 29 September 2015

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Corporate Governance Statement 2015

This statement has been approved by the Board. It is current as at September 2015.

Wolf Petroleum's approach to Corporate Governance

This Statement addresses how Wolf Petroleum implements the ASX Corporate Governance Council's, 'Corporate

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 – A listed entity should disclose:

- a) the respective roles and responsibilities of its board and management;
- b) those matters expressly reserved to the board and those delegated to management.

Role of the Wolf Petroleum Board ("the Board")

The Board is responsible for the governance of Wolf Petroleum. The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from Wolf Petroleum's Constitution.

The Board's responsibilities are set out in a formal Charter which the Board reviews every two years. The Charter was most recently reviewed in September 2015.

The major powers the Board has reserved to itself are:

- Appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- Approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- Approving the annual, half yearly and quarterly accounts;
- Approving significant changes to the organisational structure;
- Approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with ASX Listing Rules);
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules); and
- Meeting with the external auditor, at their request, without management being present.

Recommendation 1.2 – A listed entity should disclose:

- a) undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a director;
- b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Group does not have a Nomination Committee. The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

When considering the appointment of a new Director, the Board may engage the services of an executive recruitment firm to assist identify suitable candidates to be shortlisted for consideration for appointment to the Board and to carry out appropriate reference checks before the Board makes an offer to a preferred candidate.

Newly appointed directors must stand for reappointment at the next subsequent AGM. The Notice of Meeting for the AGM provides shareholders with information about each Director standing for election or re-election including details of relevant skills and experience.

Recommendation 1.3 – A listed entity should have a written agreement with each director and executive setting out the terms of their appointment.

New Directors consent to act as a Director and receive a formal letter of appointment which sets out duties and responsibilities, rights, and remuneration entitlements.

Corporate Governance Statement

Recommendation 1.4 – *The company secretary of a listed entity should be accountable directly to the chair, on all matters to do with the proper functioning of the board.*

Wolf Petroleum's Company Secretary fulfils a broad range of management responsibilities in addition to company secretarial duties. As a result, the formal reporting line of the Company Secretary is to the Managing Director and Chair. For any matter relevant to the company secretarial duties or conduct of the Board, the Company Secretary has an indirect reporting line, and is accountable, to the Chair of the Board.

Recommendation 1.5 – *A listed entity should:*

- a) *have a diversity policy which includes requirements for the board to or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
- b) *disclose that policy or a summary of it; and*
- c) *disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:*
 1. *the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*
 2. *if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.*

The Group has not disclosed its policy concerning diversity, its measurable objectives for achieving gender diversity and its progress towards achieving those objectives. The Board continues to monitor diversity across the organization however due to the size of the Group, the Board does not consider it appropriate at this time to formally set measurable objectives for gender diversity.

The Group is committed to workplace diversity and to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees, to enhance Group performance. The Board has adopted a Diversity Policy which addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees.

In accordance with this policy, the Board discloses there were two women employed in the organization or on the Board of the Group as at the date of this report.

Recommendation 1.6 – *A listed entity should:*

- a) *have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors;*
- b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

Evaluation of Board and individual Directors

The Board of Wolf Petroleum conducts its performance review of itself on an ongoing basis throughout the year. The small size of the Group and hands on management style requires an increased level of interaction between Directors and Executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Group given its size.

Recommendation 1.7 – *A listed entity should:*

- a) *have and disclose a process for periodically evaluating the performance of its senior executives; and*
- b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Board of Wolf Petroleum conducts its performance review the Managing Director on an ongoing basis throughout the year. The small size of the Group and hands on management style requires an increased level of interaction between Directors and the Managing Director throughout the year. The Board considers that the current approach provides the best guidance and value to the Group given its size.

Principle 2: Structure the Board to add value

Wolf Petroleum's Constitution provides for a minimum of three directors and a maximum of twelve.

The Directors of Wolf Petroleum at any time during the financial year are listed with a brief description of their qualifications, appointment date, experience and special responsibilities in the Annual Report.

The Board met regularly throughout the course of the financial year to discuss the Company's operational and financial activities, however no formal meetings were held.

Corporate Governance Statement

Recommendation 2.1 – The Board of a listed entity should:

- a) have a nomination committee which:
 1. Has at least three members, a majority of whom are independent directors; and
 2. Is chaired by an independent director;and disclose:
 3. the charter of the committee;
 4. the members of the committee; and
 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable to discharge its duties and responsibilities effectively.

The Group does not have a Nomination committee. The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

Recommendation 2.2 – The listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Group does not have an established board skills matrix on the mix of skills and diversity for Board membership. The Board continues to monitor the mix of skills and diversity on the Board however, due to the size of the Group, the Board does not consider it appropriate at this time to formally set matrix on the mix of skills and diversity for Board membership.

Recommendation 2.3 – A listed entity should disclose:

- a) the names of the directors considered by the board to be independent directors;
- b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion and
- c) the length of service of each director.

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report is included in the Directors' Report. Directors of the Group are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The Board has accepted the following definition of an Independent Director:

"An Independent Director is a Director who is not a member of management, is a Non-Executive Director and who:

- is not a substantial shareholder (under the meaning of Corporations Act 2001) of the Group or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Group;
- has not within the last three years been employed in an executive capacity by the Group or another Group member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Group or another Group member;
- is not a significant consultant, supplier or customer of the Group or another Group member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Group or another Group member other than as a Director of the Group;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group."

In accordance with the definition of independence above, two Directors are considered independent. Accordingly, a majority of the Board is not independent. Given the size of the Group the current Board is deemed appropriate. There are procedures in place, as agreed by the Board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Group's expense.

The term in office held by each Director in office at the date of this report is as follows:

Name	Term in office
Mr. Matthew Wood	3 years 6 months
Mr. Brian McMaster	3 years 6 months
Mr. Bataa Tumur Ochir	2 years 9 months
Mr. Daniel Crennan	9 months
Mr. Jargalsaikhan Dambadarjaa	2 years 9 months

Corporate Governance Statement

Recommendation 2.4 – *The majority of the Board of a listed entity should be independent Directors.*

The Group does not have a majority of independent directors. The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Group.

As at 30 June 2015, the Board comprised three non-executive Directors, one executive Director and a Managing Director. In accordance with the definition of independence above, two Directors are considered independent (Mr. Crennan and Mr. Dambadrjaa). Accordingly, a majority of the Board is not independent.

Recommendation 2.5 – *The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.*

Under Wolf Petroleum's Constitution, the Board elects a Chairman from amongst the Directors. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.

Wolf Petroleum's Chairman, Matthew Wood is not considered an independent Director. The Directors consider that the current Chairman of the Board is appropriate to the size and nature of operations of the Group.

Recommendation 2.6 – *The listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.*

The formal letter of appointment and an induction pack provided to Directors contain sufficient information to allow the new Director to gain an understanding of:

- The rights, duties and responsibilities of Directors;
- The role of Board Committees;
- The roles and responsibilities of the Managing Director; and
- Wolf Petroleum's financial, strategic, and operational risk management position.

Directors are encouraged to take appropriate professional development opportunities approved by the Board.

Principle 3: Promote ethical and responsible decision making

Recommendation 3.1 – *A listed entity should:*

- a) have a code of conduct for its directors, senior executives and employees; and*
- b) disclose that code or a summary of it.*

Wolf Petroleum has a Code of Conduct that applies to Wolf Petroleum and its Directors, employees and contractors (all of which are referred to as "employees" in the Code).

The Code of Conduct sets out a number of overarching principles of ethical behaviour which cover:

- Personal and Professional Behaviour;
- Conflict of Interest;
- Public and Media Comment;
- Use of Company Resources;
- Security of Information;
- Intellectual Property/Copyright
- Discrimination and Harassment;
- Corrupt Conduct;
- Occupational Health and Safety;
- Legislation;
- Fair Dealing;
- Insider Trading;
- Responsibilities to Investors;
- Breaches of the Code of Conduct; and
- Reporting Matters of Concern.

Training about the Code of Conduct is part of the induction process for new Wolf Petroleum Directors.

Wolf Petroleum's Code of Conduct is available on Wolf Petroleum's website.

Corporate Governance Statement

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 – A board of a listed entity should:

- a) have an audit committee which:
 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent; and
 2. is chaired by an independent director, who is not the chair of the board, and disclose:
 3. the charter of the committee;
 4. the relevant qualifications and experience of the members of the committee; and
 5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard that integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Group does not have an Audit and Risk Management Committee. The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board. The Directors consider this as appropriate to the size and nature of operations of the Group.

Charter of the Audit and Risk Management Committee

The Board has formally adopted an Audit and Risk Management Committee Charter but given the present size of the Group, has not formed a separate Committee. Instead the function of the Committee will be undertaken by the full Board in accordance with the policies and procedures outlined in the Audit and Risk Management Committee Charter. At such time when the Group is of sufficient size a separate Audit and Risk Management Committee will be formed.

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non- financial information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control of the Group.

Recommendation 4.2 – The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Managing Director and the CFO have provided the Board with written assurances that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 4.3 – A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The external auditor attends Wolf Petroleum's Annual General Meeting. Shareholders may submit written questions to the auditor to be considered at the meeting in relation to the conduct of the audit and the preparation and content of the Independent Audit Report by providing the questions to Wolf Petroleum at least five business days before the day of the meeting. No questions were sent to the auditor in advance of the 2014 Annual General Meeting. Shareholders are also given a reasonable opportunity at the meeting to ask the auditor questions relevant to the conduct of the audit, the Independent Audit Report, the accounting policies adopted by Wolf Petroleum and the independence of the auditor.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 – A listed entity should:

- a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
- b) disclose that policy or a summary of it.

Disclosure

Wolf Petroleum's Disclosure Policy describes Wolf Petroleum's continuous disclosure obligations and how they are managed by Wolf Petroleum. The Policy is reviewed bi-annually and is published on Wolf Petroleum's website. It was most recently reviewed in September 2015.

Accountability

The Company Secretary reports to the Board quarterly on matters that were either notified or not notified to the ASX. Directors receive copies of all announcements immediately after notification to the ASX. All ASX announcements are available on the Wolf Petroleum website.

Corporate Governance Statement

Financial market communications

Communication with the financial market is the responsibility of the Managing Director. Communication with the media is the responsibility of the Managing Director. The Disclosure Policy covers briefings to institutional investors and stockbroking analysts, general briefings, one-on-one briefings, blackout periods, compliance and review as well as media briefings.

The substantive content of all market presentations about the half year and full year financial results and all statements relating to Wolf Petroleum's future earnings performance must be referred to, and approved by, the Board before they are disclosed to the market.

Principle 6: Respect the rights of shareholders

Recommendation 6.1 – *A listed entity should provide information about itself and its governance to investors via its website.*

Wolf Petroleum's website provides detailed information about its business and operations. Details of Wolf Petroleum's Board Members can be found on the website.

The Investor Relations link on Wolf Petroleum's website provides helpful information to shareholder. It allows shareholders to view all ASX and media releases; various investor presentations; a copy of the most recent Annual Report and Annual Reports for at least the two previous financial years; and the notice of meeting and accompanying explanatory material for the most recent Annual General Meeting and the Annual General Meetings for at least the two previous financial years.

Shareholders can find information about Wolf Petroleum's corporate governance on its website at under the About Company link. This includes Wolf Petroleum's Corporate Governance Plan.

The Corporate Governance Plan includes:

- Board Charter
- Corporate Code of Conduct
- Committee Charters
- Performance evaluation processes
- Continuous disclosure processes
- Risk management processes
- Trading policy
- Diversity policy
- Shareholder communications strategy

Recommendation 6.2 – *A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

Wolf Petroleum is committed to communicating effectively with its shareholders and making it easier for shareholders to communicate with the Group.

Wolf Petroleum promotes effective communication with shareholders and encourages effective participation at general meetings, information is communicated to shareholders:

- Through the release of information to the market via the ASX;
- Through the Annual Report, half yearly report and quarterly reports;
- Through the distribution of the annual report and notices of annual general meeting;
- Through shareholder meetings and investor relations presentations; and
- The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

Recommendation 6.3 – *A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

Notices of meeting sent to Wolf Petroleum's shareholders comply with the "Guidelines for notices of meeting" issued by the ASX in August 2007. Shareholders are invited to submit questions before the meeting and, at the meeting, the Chairman attempts to answer as many of these as is practical.

The Chairman also encourages shareholders at the meeting to ask questions and make comments about Wolf Petroleum's operations and the performance of the Board and senior management. The Chairman may respond directly to questions or, at his discretion, may refer a question to another Director or the Managing Director.

New Directors or Directors seeking re-election are given the opportunity to address the meeting and to answer questions from shareholders.

Corporate Governance Statement

Recommendation 6.4 – A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Shareholders have the option of electing to receive all shareholder communications by e-mail. Wolf Petroleum provides a printed copy of the Annual Report to only those shareholders who have specifically elected to receive a printed copy. Other shareholders are advised that the Annual Report is available on the Wolf Petroleum website.

All announcements made to the ASX are available to shareholders by email notification when a shareholder provides the Wolf Petroleum Share Registry with an email address and elects to be notified of all Wolf Petroleum ASX announcements.

The Wolf Petroleum Share Register is managed and maintained by Automic Share Registry Services Pty Ltd. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by quoting their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), via the Automic Share Registry Investor Online Login or by emailing info@automic.com.

Principle 7: Recognise and manage risk

Recommendation 7.1 – A board of a listed entity should:

- a) have a committee or committees to oversee risk, each of which:
 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent; and
 2. is chaired by an independent director, who is not the chair of the board, and disclose:
 3. the charter of the committee;
 4. the members of the committee; and
 5. as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Group does not have an Audit and Risk Management Committee. The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board.

Details of the structure and Charter of the Audit and Risk Management Committee are set out in Recommendation 4.1.

Recommendation 7.2 – The board or a committee of the board should:

- a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- b) disclose, in relation to each reporting period, whether such a review has taken place.

Risk Management Policies

Wolf Petroleum has a number of other policies that directly or indirectly serve to reduce and/or manage risk. These include, but are not limited to:

- Directors and Executive Offices' Code of Conduct
- Code of Business Conduct
- Dealing in Company Securities
- Communications Strategy
- Disclosure Policy
- Risk Management and Internal Control Policy

Roles and responsibilities

The Risk Management Policy, and the other policies listed above, describes the roles and responsibilities for managing risk. This includes, as appropriate, details of responsibilities allocated to the Board.

The Board is responsible for reviewing and approving changes to the Risk Management Policy and for satisfying itself that Wolf Petroleum has a sound system of risk management and internal control that is operating effectively. The Board annually reviews and approves Wolf Petroleum's main risk exposures and the mitigating actions.

Recommendation 7.3 – A listed entity should disclose:

- a) If it has an internal audit function, how the function is structured and what role it performs; or
- b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Group does not have an established internal audit function given the size of its current operations. The risk management functions of the board are summarised under recommendations 7.1 and 7.2.

Corporate Governance Statement

Recommendation 7.4 – A listed entity should disclose whether it has any material exposure to economic and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Board of Wolf Petroleum informally monitors and manages the Groups exposure to economic, environment and social responsibility risks. The Board considers that the current approach that it has adopted with regard to the sustainability risk management process is appropriate to the size and nature of operations of the Group.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 – A board of a listed entity should:

- a) have a remuneration committee which:
 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent; and
 2. is chaired by an independent director, and disclose:
 3. the charter of the committee;
 4. the members of the committee; and
 5. as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Board is responsible for determining and reviewing compensation arrangements for executive directors. The Board has formally adopted a Remuneration Committee Charter however given the present size of the Group, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Remuneration Committee Charter. At such time when the Group is of sufficient size a separate Remuneration Committee will be formed.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors.

Recommendation 8.2 – A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Wolf Petroleum's remuneration structure distinguishes between non-executive Directors and that of the Managing Director. A Remuneration Report required under Section 300A(1) of the Corporations Act is provided in the Directors' Report of the Annual Report.

Recommendation 8.3 – A listed entity which has an equity-based remuneration scheme should:

- a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- b) disclose that policy or a summary of it.

Wolf Petroleum does not have a policy on whether participants in equity based remuneration schemes are able to enter into transactions which limit the economic risk of participating in those schemes as the Group does not have an equity based remuneration scheme.

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 24 September 2015.

Distribution of Share Holders

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	139	95,861
1,001 - 5,000	206	607,813
5,001 - 10,000	89	758,328
10,001 - 100,000	413	18,128,791
100,001 - and over	282	287,635,018
TOTAL	1,129	307,225,811

There were 644 holders of ordinary shares holding less than a marketable parcel.

Top Twenty Share Holders

The names of the twenty largest shareholders are listed below:

Name	Number	%
NEXT LEVEL LLC	43,750,000	14.24
NEFCO NOMINEES PTY LTD	25,281,472	8.23
TAYCOL NOMINEES PTY LTD	17,381,000	5.66
MR JASON PETERSON & MRS LISA PETERSON <J & L PETERSON S/F A/C>	12,550,678	4.09
BRAVE WARRIOR HOLDINGS LTD	12,500,000	4.07
MR TIMOTHY JAMES FLAVEL <THE FLAVEL INVESTMENTS A/C>	10,000,000	3.25
MR BATAA TUMUR-OCHIR	8,500,000	2.77
GEMSTAR INVESTMENTS LIMITED	6,000,000	1.95
MR DANIEL EDDINGTON & MRS JULIE EDDINGTON <DJ HOLDINGS A/C>	5,165,863	1.68
MR KHURELBAATAR URNASAN	4,000,000	1.30
VERVE RESOURCES LLC	3,700,000	1.20
ZIZIPHUS PTY LTD	3,000,000	0.98
JDK NOMINEES PTY LTD <KENNY CAPITAL A/C>	3,000,000	0.98
MRS DECHINTSEREN CHIMED	2,886,366	0.94
MS BYAMBAA ZOLZAYA	2,800,000	0.91
BRUNO & GIUSEPPINA CATENA RUGGIERO <BRUNO RUGGIERO S/FUND A/C>	2,312,500	0.75
APICAL PARTNERS PTY LTD	2,000,000	0.65
MISS NOMINGEREL GANTUMUR	2,000,000	0.65
J P MORGAN NOMINEES AUSTRALIA LIMITED	1,922,684	0.63
CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	1,900,000	0.62
	170,650,563	55.54

ASX Additional Information

The twenty largest holders of listed options expiring 31 December 2015 with an exercise price of \$0.20 are listed below:

Name	Number	%
MR DANIEL EDDINGTON & MRS JULIE EDDINGTON <DJ HOLDINGS A/C>	1,520,000	5.63
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,000,000	3.70
MR BATJARGAL TSOG	1,000,000	3.70
MR KHURELBAATAR URTNASAN	1,000,000	3.70
MULATO NOMINEES PTY LTD	930,000	3.44
KINGSREEF PTY LTD	500,000	1.85
AUSTRALIAN HERITAGE GROUP PTY LTD <AUSTRALIAN HERITAGE A/C>	500,000	1.85
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	500,000	1.85
MR MARTIN GREEN	500,000	1.85
ZIZIPHUS PTY LTD	500,000	1.85
FACILITATE CORPORATION PTY LTD	500,000	1.85
CLELAND PROJECTS PTY LTD <CT A/C>	500,000	1.85
349 SALES PTY LIMITED	500,000	1.85
SELL HIGH PTY LTD	420,000	1.56
JOHN LEWIS & SUSAN WENDY YOUNG <MENDIP HILLS SUPER FUND A/C>	400,000	1.48
MR STEPHEN PAUL THOMPSON	400,000	1.48
ANDREW & DIMMIE MCADAMS <MCADAMS FAMILY S/FUND A/C>	400,000	1.48
VAGABOND RESOURCES PTY LTD	350,000	1.30
MR ROBERT LANCASTER STUMP & MRS SUSAN JOY STUMP	300,000	1.11
MRS NICOLE ANN WEEKS <WEEKS CHILDRENS A/C>	300,000	1.11
	12,020,000	44.52

The twenty largest holders of listed options expiring 31 July 2018 with an exercise price of \$0.05 are listed below:

Name	Number	%
NEFCO NOMINEES PTY LTD	17,997,789	7.73
BRAVE WARRIOR HOLDINGS LTD	12,492,225	5.36
MR JASON PETERSON & MRS LISA PETERSON <J & L PETERSON S/F A/C>	10,213,846	4.39
MR BATAA TUMUR-OCHIR	9,000,000	3.86
MS BYAMBAA ZOLZAYA	6,133,333	2.63
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	6,030,000	2.59
GEMSTAR INVESTMENTS LIMITED	6,000,000	2.58
ZIZIPHUS PTY LTD	5,333,333	2.29
MR MARTIN THOMAS PUCHMAYER	5,035,864	2.16
KOUTO HOLDINGS PTY LTD <WOOD FAMILY SUPER FUND A/C>	4,333,333	1.86
TIMOTHY JAMES & SALLY JANE FLAVEL <FLAVEL SUPER FUND A/C>	4,000,000	1.72
WHISTLING KITE EQUITY LIMITED	4,000,000	1.72
MR MATTHEW GADEN WESTERN WOOD	4,000,000	1.72
MR SALMAN NASSER AL-RASHID	3,933,333	1.69
MR DANIEL EDDINGTON & MRS JULIE EDDINGTON <DJ HOLDINGS A/C>	3,602,530	1.55
MR TIMOTHY JAMES FLAVEL <THE FLAVEL INVESTMENTS A/C>	3,333,333	1.43
JDK NOMINEES PTY LTD <KENNY CAPITAL A/C>	3,000,000	1.29
RAPCORP PTY LTD	2,984,083	1.28
SARUUL SAIKHAN GERELT IREEDUI SAN	2,666,667	1.14
VERVE RESOURCES LLC	2,533,333	1.09
	116,623,002	50.07

Substantial Shareholders

The names of shareholders who have notified the Company in accordance with Section 671B of the *Corporations Act 2001* are:

Shareholder Name	No. of Ordinary Shares	Percentage %
Matthew Wood	15,337,220	5.69

On-Market Buy Back

There is no current on-market buy back.

ASX Additional Information

Voting Rights

All ordinary shares carry one vote per share without restriction. Options have no voting rights.

Restricted Securities

There are no restricted securities.

Petroleum Asset Table

NAME	LOCATION	AREA	PERCENTAGE HOLDING
Jinst Block	Western Mongolia	41,000km ²	100%
Sukhbaatar Block	Eastern Mongolia	23,047km ²	100%
Baruun Urt Block	Eastern Mongolia	10,287km ²	100%