ALEATOR ENERGY
LIMITED

FINANCIAL REPORT

30 JUNE 2015

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CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of your Board, I am pleased to address you on Aleator Energy's activities over the year ended 30 June 2015.

The past year has been a significant transitional period for our Company, which on the one hand has presented us with some disappointing outcomes with respect to our aspirations for operations in Crimea, yet at the same time these events have provided the catalyst to seek out new opportunities, resulting in the transaction with the telecommunications company Vonex Limited, providing a new direction for the Company in the robust high growth 'tech' sector.

During the year there remained the potential for recovering the Company's interest in the Povorotnoye Field, Crimea. However, as time passed it became clear that the nature of sovereign claims on Crimea by Russia, where the project is located, together with ongoing conflict in the region and the resulting negative world sentiment, had placed the Company in an untenable position with respect to physical operations there and to procure funding for the project. In view of this assessment the Company decided to divest its interests in the project and move forward with a full focus on its new business opportunity. Aleator has subsequently progressed a transaction to that end.

Although the outcome is disappointing, our local staff are nevertheless to be commended for working tirelessly to provide us the best possibility of securing the Company's interests in the project under very trying conditions. I take this opportunity to thank them for their outstanding efforts over the past year and wish them well for the future. The Company had made substantive efforts to reduce recurrent costs with reductions in staffing levels and cuts to other costs.

On 8 July 2015 the Company announced that it had entered into a binding heads of agreement to acquire 100% of the issued capital of Vonex Limited, an award winning fully integrated telecommunications company and cloud based PBX business. Since that time, due diligence has been substantially completed with the associated share purchase plan closing at four times oversubscribed. On 13 August the Company announced that it had exercised its option to acquire Vonex and subsequently entered into the phase of raising capital for the ASX listing re-compliance. This also received overwhelming support from Institutional, Sophisticated and Professional investors, with Aleator accepting $4.5 million from bids of over $8 million.

We look forward to the coming years as we stand on the threshold of exciting growth opportunities presented by the Vonex transaction and the expectation of this providing a very productive outcome for our shareholders.

I would like to thank the staff and management of Aleator Energy for their efforts in the past year and to thank you, our shareholders, for your ongoing support.

Lewis Cross
Chairman

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report for Aleator Energy Limited ("Aleator" or "the Company") and its controlled entities (collectively the "Group"), for the year ended 30 June 2015.

Directors

The names and qualifications of persons who have held the position of Director of Aleator Energy Limited at any time during the financial year and up to the date of this report are:

- Lewis Cross – Non-Executive Chairman
- Mark Rowbottam – Executive Director
- Gennady Varitsky – Non-Executive Director

Information on Directors, KMP & Company Secretary

Lewis Cross, BBus (Acc) CPA FAICD, Non-Executive Chairman

Mr Cross was appointed director on 22 May 2006. Mr Cross is a Certified Practising Accountant and has a Bachelor of Business majoring in Accounting from Curtin University and is a Fellow of the Institute of Company Directors. Mr Cross has been involved in the mining industry for many years as well as various other industries in the course of his work in providing accounting and business consulting services. He has had extensive experience as a company director and is currently a director of Aspermont Limited, an international publisher focusing on the various sectors of the mining industry, and White Canyon Uranium Limited. Mr Cross has not been a director of any other public listed companies during the 3 years prior to the current year.

Mark Rowbottam, DipAppSc GradDipBus MBA F Fin MAUCD AGIA, Executive Director

Mr Rowbottam is an experienced corporate executive, advisor and company director. Mr Rowbottam has undergraduate science qualifications and a Master of Business Administration with specialties in corporate administration and marketing. He is a Fellow of the Finance and Securities Institute of Australia and active member of the Australian Institute of Company Directors and Governance Institute of Australia. Mr Rowbottam has more than 15 years' experience in the corporate financial arena and has been involved in numerous IPOs, ASX capital raisings, mergers/acquisitions and corporate transactions in the mineral and energy sectors. Mr Rowbottam is currently Non-Executive Chairman of GRP Corporation Limited and is former Non-Executive Director of Latin Resources Limited (resigned 30 April 2015).

Gennady Varitsky, Non-Executive Director

Mr Varitsky has spent the last seven years as an executive and director of Ukraine oil and gas companies focussed on developing energy assets within Ukraine. He has substantial experience in the sector and has assisted a number of western companies enter the Ukraine oil and gas sector, including Aleator's acquisition of its interest in the Povorotnoye field. He holds degrees in Social Studies and Law and was formerly the Head of the Legal Department of the Ukraine Naval Forces and Head of International Law in the Ministry of Defence. After leaving the Defence Forces, Mr Varitsky held positions as Legal Advisor and International Practice Partner with Grant Thornton Ukraine. Mr Varitsky has not been a director of any other public listed companies during the 3 years prior to the current year.

Wal Muir, BSc (HONS) MBA, Chief Executive Officer (Resigned 1 September 2015)

Mr Muir has a B.Sc. (Hons) degree from the University of New South Wales (1978) with a double major in Geology, a major in Pure Mathematics and Honours in Geophysics. He has a Master of Business Administration (1989) from the University of Queensland. Mr Muir has more than 30 years of experience in the petroleum exploration and production industry, both within Australia and overseas.

Mr Muir is a member of the Australian Society of Exploration Geophysicists, Queensland Petroleum Exploration and is a Distinguished Member of the Petroleum Exploration Society of Australia (PESA). He has filled all the executive positions at PESA Queensland, and was Federal President of PESA from 1997 until 1999. Mr Muir is an Adjunct Professor in Biogeosciences at the Queensland University of Technology.

An experienced and motivated petroleum professional, Mr Muir specialises in the accurate evaluation of the value and risks associated with exploration acreage. He has specific skills in seismic interpretation, risk analysis, play and prospect evaluation and team leadership. Prior to founding his own consulting group in 2001, Mr Muir was the New Ventures and Exploration Manager for Petroz NL. He has worked on all Australian petroleum basins, and extensively in basins overseas including SE Asia, the North Sea, Italy, Falklands and East Africa.

DIRECTORS' REPORT

Ranko Matic, Company Secretary

Mr Matic was appointed to the position of Company Secretary on 1 February 2007. Mr Matic is a Chartered Accountant with over 20 years' experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr Matic has considerable experience in a range of industries with particular exposure to publicly listed companies and large private enterprises. Mr Matic is a director of a Chartered Accounting firm and a Corporate Advisory company based in West Perth, and has specialist expertise and exposure in areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Through these positions Mr Matic has been involved in an advisory capacity to a significant number of initial public offerings on the ASX in the last ten years. Mr Matic has also acted as CFO and company secretary for companies in the publicly listed and private sectors and currently holds non-executive directorships and corporate secretarial roles for several private and publicly listed companies.

Interests in the shares and options of the Company

As at the date of this report, the interests of the directors in the shares and options of the Company were:

Directors	Ordinary Shares	Options over Ordinary Shares
Lewis Cross	10,352,167	-
Mark Rowbottam	15,200,828	-
Gennady Varitsky	3,583,334	-

Meetings of Directors

The attendance of directors at meeting of the company's Board of Directors held during the year is as follows:

Directors	Number of Meetings	
	Attended	Eligible to Attend
Lewis Cross	8	8
Mark Rowbottam	8	8
Gennady Varitsky	6	8

Principal Activities

The principal activity of the consolidated entity during the year has been exploration for oil and gas.

Financial Position & Operating Results

The financial results of the consolidated entity for the financial year ended 30 June 2015 are:

	30-Jun-15	30-Jun-14	% Change
Cash and cash equivalents ($)	19,822	70,729	(72%)
Net (liabilities)/assets ($)	(869,105)	63,967,945	(4%)
Revenue ($)	7,699	790	875%
Net loss after tax ($)	(72,676,683)	(2,067,619)	3,414%
Loss per share (cents)	(24.57)	(0.11)	22,236%

Dividends Paid or Recommended

There were no dividends declared or paid by the company during the year and no dividend is recommended.

DIRECTORS' REPORT

Review of Operations

The principal activities of the entities within the consolidated entity during the year were gas and oil exploration. Aleator Energy Limited is an Australian based energy company with projects in Ukraine and the USA. The Company's flagship operation is based in the Crimea, Ukraine where it jointly operates the Povorotnoye Gas and Condensate field with the license holder. The Company is also the 100% operator of the Golden Eagle Gas Field in Grand County Utah USA. Royalty interests are retained in several mineral projects in Western Australia.

Povorotnoye Gas and Condensate Field

The Povorotnoye project has been in a state of force majeure since 12 March 2014. During the year, the Company and its local subsidiary maintained regular contact with local regulatory authorities regarding the Company's intention to remain in Crimea and proceed with the project. On 3 September 2014 the Company received confirmation:

- that LLC Nadra Kryma has been nationised in accordance with formal Resolution (№ 1926-6/14) of the State Council of the Republic of Crimea and now operates under the Ministry of Environment and Natural Resources of the Republic of Crimea;
- that interim special permits for subsoil use (licenses), including the Povorotnoye license have been issued and will remain valid until 1 January 2015 in accordance with Resolution (№ 205) of the Council of Ministers of the Republic of Crimea; and,
- that renewal of subsoil use permits (licenses) will be made by the granting permission authority within 30 days from receiving documents requesting extension of the permit.

On 9 March 2015, The Company advised that it had completed the registration of its new Crimean subsidiary "Kerch Energy LLC". This process had taken numerous months due to the substantial change in the regulatory process being implemented in Crimea and the vast numbers of companies have to re-register their businesses.

Kerch Energy LLC is being managed by our existing management team which has already made contact with Krym Geologica to re-affirm the Company's interest in the Povorotnoye special permit for subsoil use (license). The Company through Kerch Energy LLC continues to maintain its assets and capability to proceed with the Povorotnoye project, subject to confirmation of our rights and funding.

On 31 August 2015 the Company announced that it had entered into a binding share sale agreement for the sale of its investment in Honoratus Investments Limited (Honoratus), the holding company of its Ukraine assets See note 26 of the financial report for material terms of the share sale agreement.

USA – Golden Eagle Gas Field

The Golden Eagle gas field is located in Grand County, Utah, USA and was discovered by Golden State Resources Ltd in 2006 with the drilling of the first of three Paradox Basin wells, Paradox Basin #1. The field is a large shelf-edge/basement structure with multiple objectives within Pennsylvanian and Mississippian aged strata.

During the first half of 2014 the Company completed a technical review of the project and confirmed that past operations on the Golden Eagle have resulted in no true test of the play potential and the Company considers that the two main targets, the Paradox and Leadville, remain essentially untested by the Paradox Basin wells having been drilled off structure or not penetrating the target formation. It is now apparent that past operations have not disproved original assertions of the field's prospectivity, as described in the Company's Prospectus lodged with the ASX on 4 January 2006 (original prospectus). Past wells have nevertheless provided a significant contribution to understanding the geology in the Golden Eagle and have made significant gas discoveries, which demonstrates the aspect of a hydrocarbon charge and seal which is crucial to prospectivity.

It is now understood that the Golden Eagle Field contains complex geology, with a number of faults and natural fractures, and it is considered that the Company needs to acquire better information on the structure(s) by conducting a seismic program prior to engaging in any further drilling operations. In the opinion of the Company, an initial limited 2D seismic program should be conducted and focused on identifying the form and nature of the Golden Eagle anticlinal structure and determine if it conforms to original inferred projections. Aleator has already sought and received proposals and costings from reputable US geophysical firms. From this information the Company can formally prepare and cost a seismic program to meet its objectives. It is

DIRECTORS' REPORT

considered prudent to phase the evaluation and development of the Golden Eagle field to match a conservative policy approach to expenditure and yet maintain momentum on this project.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Events after the reporting period

On 8 July 2015 the Company announced that it had entered into a binding heads of agreement ("Agreement") to, at its exclusive option, conditionally acquire 100% of the issued capital of Vonex Limited ("Vonex"). The total consideration payable by Aleator to be allocated to Vonex shareholders and convertible securityholders for the acquisition at settlement will be 700,000,000 fully paid ordinary shares and 1,200,000,000 performance shares in Aleator, in each case deemed at an issue price of $0.005 on a pre-Consolidated basis.

On 8 July 2015 the Company also announced an unmarketable parcel share sale facility in accordance with the Company's Constitution and the ASX Listing Rules, which provides eligible shareholders with the opportunity to sell their shareholding without incurring brokerage or transaction costs. Additionally, the Company announced that it was undertaking a Share Purchase Plan (SPP) to provide existing shareholders, including Minority Members, with an opportunity to increase their holdings in the Company and to raise up to $800,000.

On 6 August 2015 the Company announced it had previously entered into agreements with several creditors who have agreed to take shares as consideration for monies owed to them. On 5 August 2015 the Company issued 20,000,000 fully paid ordinary shares to creditors and 140,000,000 fully paid ordinary shares at $0.005 per share under its SPP, with the funds to be used on the proposed transaction with Vonex, trade creditors, minimum expenditure commitments on the existing projects and general overheads.

On 13 August 2015 the Company announced that it had formally given notice to Vonex that it has exercised the Option to acquire 100% of the issued shares of Vonex.

On 31 August 2015 the Company announced that it had entered into a binding share sale agreement ("the Agreement") for the sale of its investment in Honoratus Investments Limited ("Honoratus"), the holding company of its Ukraine assets. The material terms of the share sale agreement are as follows:

- The purchaser will purchase 100% of the shares of Honoratus which are held by the Company, free from encumbrances;
- The consideration receivable by the company is $250,000;
- A non-refundable deposit of $50,000 was due within 48 hours of execution of the Agreement with the remaining $200,000 to be paid at settlement, which is 20 business days from execution of the Agreement. On 24 September 2015 the company announced its lawyers had received all outstanding consideration from the sale; and
- The purchaser will assume all liabilities post settlement.

The sale will allow Aleator to be released from all liabilities and obligations, leaving the Company free to continue its strategic shift into the telecommunications sector through its acquisition of Vonex.

On 1 September 2015 the Company accepted the resignation of Mr Wal Muir from the position of Chief Executive Officer, effective immediately. Mr Muir's resignation coincides with the sale of the Company's Ukraine assets and the ongoing strategic shift into the telecommunication sector through the acquisition of Vonex.

On 24 September 2015 the Company announced it had received irrevocable confirmation of placement share acceptances of $4.5 million to satisfy conditions required to complete the acquisition of Vonex. The Company also accepted, subject to shareholder approval, bids of a total combined value of $250,000 from directors of the post transaction company.
Other than the events previously noted, no matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

DIRECTORS' REPORT

Future Developments, Prospects and Business Strategies

Further information on likely developments in the operations of the company has not been included in this report because at this stage the directors believe it would be likely to result in unreasonable prejudice to the company. As Aleator Energy Limited is listed on the Australian Securities Exchange, it is subject to the continuous disclosure requirements of the ASX Listing Rules which require immediate disclosure to the market of information that is likely to have a material effect on the price or value of Aleator Energy Limited's securities.

Environmental Regulation

Aleator Energy Limited is committed to environmental care and aims to carry out its activities in an environmentally-responsible and scientifically-sound way. In performing exploration activities, some disturbance of the land in the creation of tracks, drill rig pads, sumps and the clearing of vegetation occurs. These activities have been managed in a way that reduces environmental impact to a practical minimum and rehabilitation of any land disturbance commences after exploration activity in an area has been completed.

Aleator Energy Limited has complied with all statutory requirements involving protection of the environment as enforced by the Western Australian Department of Industry and Resources, Department of Environment, and Department of Conservation and Land Management.

The company also has environmental obligations with respect to its proposed operations in Utah, USA. These obligations are regulated by the Utah Division of Oil, Gas and Mining, and the Bureau of Land Management of the Federal Department of the Interior.

The directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of developments, the directors have determined that the NGER Act will have no effect on the company for the current or subsequent financial year. The directors will reassess this position as and when the need arises.

Officer's Indemnities and Insurance

The company has indemnified the directors and executives of the company for the costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Options

At the date of this report the company did not have any options on issue.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

DIRECTORS' REPORT

Remuneration Report (Audited)

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of directors' and key management personnel remuneration
C Service agreements
D Share-based compensation
E Additional information

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its regulations.

A Principles used to determine the nature and amount of remuneration

Remuneration Policy

The remuneration policy of the company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the company.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the company is as follows:

(i) The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as skills, experience and length of service) and superannuation. The Board reviews executive packages annually by reference to the company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

(ii) The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

(iii) Executives are also eligible to participate in the employee share and option arrangements.

(iv) The executive directors and executives receive a superannuation guarantee contribution required by the government, which was 9.5% for the year ended 30 June 2015, and do not receive any other retirement benefits.

(v) All remuneration paid to directors and executives is valued at the cost to the company and expensed.

(vi) The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $500,000). Fees for non-executive directors are not linked to the performance of the company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company.

Performance based remuneration

The company currently has no performance based remuneration component built into director and executive remuneration packages.

Company performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors and executives' performance. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder

DIRECTORS' REPORT

interests. The company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

B Details of directors' and key management personnel remuneration

Details of the remuneration of the directors, the key management personnel of the company (as defined in AASB 124 Related Party Disclosures) and specified executives of the company are set out in the following table. The key management personnel of the company include the directors, the chief executive officer and the chief financial officer. The company secretary is not considered to be key management personnel as he is not involved in management decisions and performs duties in relation to statutory and compliance matters only.

Given the size and nature of operations of the company and the company, there are no other employees who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

Key management personnel compensation

2015	Short-term Benefits				Post-Employment Benefits	Other Long-term Benefits	Share based Payment		Total
Key Management Person	Cash, salary & commis-sions	Cash profit share	Non-cash Benefit	Other	Super-annuation	Other	Equity	Options	
Directors	$	$	$	$	$	$	$	$	$
Lewis Cross	-	-	-	-	-	-	-	-	**-**
Gennady Varitsky	-	-	-	-	-	-	-	-	**-**
Mark Rowbottam	180,000	-	-	-	17,100	-	-	-	**197,100**
Other KMP									
Wal Muir (CEO)	-	-	-	-	-	-	-	-	**-**
Hamish Carnachan (CFO)*	29,844	-	-	-	2,835	-	-	-	**32,679**
	209,844	**-**	**-**	**-**	**19,935**	**-**	**-**	**-**	**229,779**

- H Carnachan (CFO) resigned 22nd August, 2014.

DIRECTORS' REPORT

Key management personnel compensation

2014	Short-term Benefits				Post-Employment Benefits	Other Long-term Benefits	Share based Payment		Total
Key Management Person	Cash, salary & commis-sions	Cash profit share	Non-cash Benefit	Other	Super-annuation	Other	Equity	Options	
Directors	$	$	$	$	$	$	$	$	$
Lewis Cross	60,916	-	-	-	5,635	-	-	-	**66,551**
Gennady Varitsky	27,000	-	-	-	-	-	-	-	**27,000**
Mark Rowbottam	232,499	-	-	-	21,506	-	-	-	**254,005**
Other KMP									
Wal Muir (CEO)	102,212	-	-	-	9,454	-	-	-	**111,666**
Hamish Carnachan (CFO)	209,475	-	-	-	18,853	-	-	-	**228,328**
	632,102	**-**	**-**	**-**	**55,448**	**-**	**-**	**-**	**687,550**

Directors and Key Management Personnel Shareholding

The number of ordinary shares in the company held by each KMP during the financial year is as follows:

Key Management Person	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Share Consolidation (1:15 basis)	Acquired	Balance at end of year
L Cross	7,680,000	-	-	(7,168,000)	3,840,167	4,352,167
M Rowbottam	42,099,888	-	-	(39,293,227)	8,894,167	11,700,828
G Varitsky	20,000,000	-	-	(18,666,666)	2,250,000	3,583,334
W Muir	30,115,959	-	-	(28,108,228)	-	2,007,731
	99,895,847	**-**	**-**	**(93,236,121)**	**14,984,334**	**21,644,060**

Directors and Key Management Personnel Option Holding

The number of options over ordinary shares held by each KMP of the company during the financial year is as follows:

Key Management Person	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Expired during the year	Balance at end of year	Vested during year	Vested and exercisable
L Cross	20,030,000	-	-	20,030,000	-	-	-
M Rowbottam	15,000,000	-	-	15,000,000	-	-	-
G Varitsky	25,000,000	-	-	25,000,000	-	-	-
W Muir	2,777,778	-	-	2,777,778	-	-	-
H Carnachan*	12,012,000	-	-	12,012,000	-	-	-
	74,819,778	**-**	**-**	**74,819,778**	**-**	**-**	**-**

*- *H Carnachan (CFO) resigned 22nd August, 2014.*

DIRECTORS' REPORT

Other transactions with directors and their related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no other transactions with related parties. All related party transactions are on normal commercial terms and conditions.

Directors and Key Management Personnel Balances	2015	2014
	$	$
Amount owing to Mr Mark Rowbottam for director fees	221,046	140,203
Amount owing to Mr Lewis Cross for director fees	10,725	71,652
Amount owing to Mr Gennady Varitsky for director fees	-	27,000
Amount owing to Mr Wal Muir for salary (resigned 1 September 2015)	21,250	123,666
Amount owing to Mr Hamish Carnachan for salary (resigned 22 August 2014)	53,891	57,212
	306,912	**419,733**

C Service agreements

The details of service agreements as at the date of the financial report for the key management personnel and specified executives of the company are as follows:

Lewis Cross, Non-Executive Director
The company had an agreement with Mr Cross for the provision of services for an agreed annual fee of $51,000 plus superannuation. From 1 April 2014 the Company has as agreement with Mr Cross for the provision of services at no cost to the Company.

Mark Rowbottam, Executive Director
The company had an agreement with Allegra Capital Pty Ltd for the provision of Mark Rowbottam's services for an agreed annual fee of $250,000 plus superannuation between May 2013 and March 2014. From 1 April 2014 the Company has as agreement with Mr Rowbottam for the provision of services under a consultancy agreement for an agreed annual fee of $180,000 grossed up to allow for foregone superannuation entitlements.

Gennady Varitsky, Non-Executive Director
From 1 December 2013 the company had a 12 month contract with Mr Varitsky for the provision of services for an agreed monthly fee of $3,000. From 1 April 2014 the Company has as agreement with Mr Varitsky for the provision of services at no cost to the Company.

Wal Muir, CEO – resigned 1 September 2015
From November 2012 to December 2013 the Company has as agreement with Mr Muir for the provision of services for an agreed annual fee of $200,000 plus superannuation plus performance bonuses. From January 2014 Mr Muir had as agreement with the company for the provision of services for an agreed daily rate of $1000 per day or part thereof plus superannuation. Mr Muir was not paid any remuneration in the 2015 financial year.

Hamish Carnachan, CFO – resigned 22 August 2014
The company had an agreement with Mr Carnachan for the provision of services on normal commercial terms and conditions. His annual salary was $209,475 plus statutory superannuation.

D Share-based compensation

There were no options or shares issued to directors and executives as part of their remuneration during the financial year.

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E Additional information

Performance income as a proportion of total compensation

No performance based bonuses have been paid to key management personnel during the financial year except as indicated above.

The directors are entitled to reimbursement of out-of-pocket expenses incurred whilst on company business.

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

This concludes the remuneration report, which has been audited.

NON AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 6 to the financial statements. The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 6 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

AUDITOR

RSM Bird Cameron Partners was appointed as the Group's auditor at the 2011 Annual General Meeting and continues in office in accordance with section 327 of the Corporations Act 2001.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's Independence declaration as required under section 307C of the Corporations Act 2001 is included within this financial report.

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Lewis Cross
Director
30 September 2015

CORPORATE GOVERNANCE STATEMENT

As an integral part of its preparations to list on the Australian Securities Exchange ("**ASX**"), the Company has considered and set up a framework for embracing the ASX Corporate Governance Principles and Recommendations (3rd Edition) ("**Recommendations**"). The Company has followed each of the Recommendations where the Board has considered the practices appropriate, taking into account factors such as size of the Company and the Board, the resources available to the Company and the activities of the Company. Where, after due consideration the Company's corporate governance policies depart from the Recommendations, the Board has outlined the nature of, and reason for, the adoption of its own practice.

Further information about the Company's corporate governance practices is available on the Company's web site at: www.aleatorenergy.com.au

Aleator Energy Limited is listed on the Australian Securities Exchange. The Company is relatively small with a simple corporate structure and it's financial and management control requirements are tailored accordingly. It adheres to the eight Essential Corporate Governance Principles as published by the ASX Corporate Governance Council and has adopted those of the Best Practice Recommendations which its Board of Directors considers to be relevant and essential for the efficient management of the company and its business whilst safe guarding shareholder assets in the context of the inherent and well understood high risk nature of the exploration industry.

The following is a summary of the Corporate Governance measures adopted by the Company:

Board and Management

Objectives of the Board

The Board's key objectives are the addition of value corporate assets whilst safe guarding shareholders' rights and interests together with the provision of an appropriate overview of management. With this in mind, the Board meets regularly in the discharge of its responsibilities.

Board Responsibility

The Board focuses the company on the investigation and development of opportunities which are judged to have the potential for success without exposing the company to undue risk by establishing and maintaining adequate management control through monitoring systems which include:

(a) continually reviewing the performance of the company and its executives, including management and financial performance, overseeing strategy implementation and where necessary, ensuring appropriate resources are available. The Board retains the right to replace the executive management of the company;
(b) regular Board meetings, reviewing, approving and amending where necessary, the Executive Director's annual programmes and budgets and the company's overall corporate objectives;
(c) putting in place systems of risk management and legal control mechanisms and ensuring their effectiveness;
(d) approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
(e) maintaining responsibility for the overall financial management of the company with the ability to approve the appointment (if necessary) of a financial officer and to replace the Company Secretary;
(f) monitoring and approving financial and other reporting;
(g) supervising the overall corporate governance of the company, including conducting regular reviews of the balance of responsibilities to ensure division of functions remain appropriate to corporate needs;
(h) liaising with the company's external auditors;
(i) monitoring, and ensuring compliance with all of the company's legal obligations, in particular those in relation to the maintenance of the company's mineral tenements, the environment, native title, cultural heritage and occupational health and safety requirements.

Materiality

The Board adopts the following guidelines, which are deemed appropriate for a company of the maturity and size of Aleator Energy Limited, for assessing the materiality of matters:

CORPORATE GOVERNANCE STATEMENT

Qualitative

(a) any matters which impact on the reputation of the company and/or its Board;
(b) any activities of the company, its joint ventures, employees or contractors, which may involve a breach of legislation or are in the Board's view outside the ordinary course of its business;
(c) any matter which might negatively affect the company's rights to its assets;
(d) any activities of the company, its joint ventures, employees or contractors which have the capacity to involve a contingent liability that would in the Board's view have a potential material effect on the company's statement of financial position or a similar effect on one or more profit and loss items.

Contracts

Aleator Energy is a relatively small company and its Directors consider most contracts entered into by the company to be material. With the exception of day to day agreements the responsibility for which fall upon the executive directors, all contracts are subjected to review by the Board.

Structure of the Board

The name, expertise, experience and term of the office of each director is set out in the Directors' Report. The structure of the Board, at the date of this report, is comprised of one executive director and two non-executive directors.

Independent Directors

There are two independent directors on the Board. Given the small size of the company this board structure is considered appropriate for the size of the company and to provide an adequate mix of independent and executive directors. The current independent directors are Lewis Cross and Gennady Veritsky. Two thirds of the board is therefore considered independent.

The Chairman

Mr Lewis Cross fulfils the role of Chairman. He is a non-executive, independent director and is responsible for leadership of the Board and for the efficient organisation and conduct of the Board. He also retains overall responsibility, subject to management input, for communication with shareholders. Mr Cross has been on the Aleator board since 22 May 2006

Non-Executive Director

Mr Gennady Varitsky is a non-executive independent director, which has been on the board of Aleator Energy since 30 November 2012. Mr Varitsky assists in providing an independent oversight to the operations of the board.

Executive Director

Mr Mark Rowbottam is the Executive Director of the Company and runs the Company on a day-to-day basis and is responsible from the implementation of Board and corporate policy and planning in accordance with approved programmes and budgets.

Company Secretary

Mr Ranko Matic is the Company Secretary and was appointed 1 February 2007. He is accountable directly to the Board, through the chair, on all matters related to the proper functioning of the Board.

Nomination for Board Positions

The Board will decide on the choice of any new director(s) upon the creation of any new board position and/or if any casual vacancy arises. Decisions to appoint new directors will be minuted. The small size of the company and the Board do not warrant the appointment of a nomination committee. Any new directors will be will be indicted to the Company through the Company's informal induction program and have access to the professional development opportunities that are deemed appropriate.

Independent Professional Advice

Each Director has the right to seek independent professional advice at the company's expense. Prior approval of the Chairman is required and will not be unreasonably withheld.

CORPORATE GOVERNANCE STATEMENT

Ethical and Responsible Decision Making

Code of Conduct

The Board adheres to and is responsible for enforcing the Corporate Code of Conduct set out in this Corporate Governance Statement.

Policy on Share Trading

Directors, officers and employees are prohibited from dealing in Aleator's shares when they possess inside information. The Board is to be notified promptly of any trading of shares in the company by any Director or officer of the Company.

Financial Reporting Integrity

Financial Reports

The CEO and the CFO are required to confirm in writing to the Board that the company's financial reports present a true and fair view in all material respects of the company's financial condition and operational results and are in accordance with relevant accounting standards. And that this opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Audit Committee

The Directors do not consider that the company's affairs are of such a size and complexity as to merit the establishment of a separate audit committee. Until this situation changes, the Board of Aleator Energy will carry out any necessary audit committee functions.

The Company also does not have an internal audit function. The Board monitors the form and content of the company's financial statements; it also has an overview of the company's internal financial control and audit system and risk management systems.

Additionally, on an annual basis the Board, in line with its overall responsibility to shareholders, reviews the performance of the external auditor and the continuation of that appointment. Directors also approve the remuneration and terms of engagement of the external audit firm. Any appointment of a new external auditor is submitted for ratification by shareholders at the next annual general meeting of the Company.

Timely and Balance Disclosure

Detailed compliance procedures, to ensure timely balanced disclosure of information in line with ASX Listing Rule disclosure requirements and Continuous Disclosures Guideline, have been noted and adopted by the company. The whole Board takes responsibility for its continuous disclosure obligations with the Company Secretary charged with ensuring that any necessary steps which need to be taken by the Company are brought before the Board for discussion and, subject to amendment, approval.

Rights of Shareholders

Aleator Energy maintains a website at www.aleatorenergy.com.au

Under various headings Aleator Energy shareholders may find all current information on the Company, its Corporate Governance, recent ASX releases, its projects and its corporate profile. Shareholders may also contact the Company and request a copy of the company's ASX releases.

The Company has a investor relations program tailored to its size and structure with all relevant material available on its website and with the Managing Director and Company Secretary available for security holders to contact direct, specifically during the Company's Annual General Meeting.

Should security holders wish to receive all communications electronically they are able to contact the company's share registry to arrange this.

The Company invites the external auditor to attend its annual general meeting and to be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

CORPORATE GOVERNANCE STATEMENT

Management of Risk

Consistent with the compliance systems detailed elsewhere in this statement the Board takes responsibility for the risk management of the Company.

The Board routinely reviews corporate risk and supervises internal compliance and control systems. A review has not been conducted within the 2015 financial year.

The Chief Executive Officer is responsible to the board for ensuring the systems are complied with and is required annually to make a statement to the board in writing to this effect.

Whilst high priority is given to the management of risk in the company current and potential investors are reminded that they are investors in a company engaged in exploration activities which by their very nature are high risk and where successful may give rise to high rewards.

Performance Evaluation of the Board and Management

The Chairman conducts regular informal reviews of Board and management performance including that of the Company Secretary on at least an annual basis. These evaluations have been conducted within the 2015 financial year.

Remuneration of Directors and Executives

The Chief Executive Officer and Executive Directors are engaged on a service contract with a company related to each Director. The Chairman and any non-executive Directors carry out an annual review of the adequacy of their remuneration which may include participation in share incentive arrangements.

The size of Aleator Energy and the current remuneration of the non-executive Chairman and any non-executive Directors are not considered of a size and nature to warrant independent review.

Details of directors' and executives' remuneration are set out in the annual Financial Report in accordance with accounting standards.

Corporate Code of Conduct

Aleator Energy is committed to:

(a) applying the Company's funds efficiently to provide above average and sustainable return to shareholders through both capital appreciation and the payment of dividends when in a position to do so;
(b) adopting high standards of occupational health and safety, environmental management and ethics;
(c) ensuring that all of its business affairs are conducted legally, ethically and with integrity.

Corporate Responsibility

The Company complies with all legislative and common law requirements that affect its business, particularly environmental regulations, native title and cultural heritage laws.

Employment

The Company policy is to employ the best available staff. At this stage in the Company's development all potential employees will be subject to full Board scrutiny. Upon appointment of directors and staff, appropriate checks are undertaken to ensure a comprehensive background on the potential employee is known. Any material information relevant to a decision on whether or not to elect or re-elect a director is continued within the notice of meeting for the general meeting.

The company does not currently have a Diversity Policy.

The proportion of women employees in the whole organisation, women in senior positions and women on the Board is disclosed as follows.

CORPORATE GOVERNANCE STATEMENT

	2015		2014	
	No.	%.	No.	%
Women on the Board	0	0%	0	0%
Women in senior management roles	0	0%	0	0%
Women employees in the company	0	0%	2	35%

Third Parties

The Company treats third parties in a fair and reasonable manner and does not engage in deceptive practices.

Conflict of Interest

The Board and the executives are obligated to avoid situations of real or apparent conflict of interest between them as individuals and as Directors or employees of Aleator Energy. If a situation where a conflict of interest arises the Chairman is to be notified; the matter will then be considered and the appropriate steps taken to avoid a repetition.

Breach of Corporate Governance

Any breach of Corporate Governance is to be reported directly to the Chairman.

Review of Rules of Corporate Governance

The Board through the Chairman monitors the company's compliance with the Rules periodically.

As required under the ASX Corporate Governance Principles and Recommendations, the Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations. As the Company's activities develop in size, nature and scope, further consideration will be given by the Board to the implementation of additional corporate governance structures.

Summary Statement

	ASX P & R[1]	If not, why not[2]		ASX P & R[1]	If not, why not[2]
Recommendation 1.1	✓		Recommendation 4.2	✓	
Recommendation 1.2	✓		Recommendation 4.3	✓	
Recommendation 1.3	✓		Recommendation 5.1	✓	
Recommendation 1.4	✓		Recommendation 6.1	✓	
Recommendation 1.5		✓	Recommendation 6.2	✓	
Recommendation 1.6	✓		Recommendation 6.3	✓	
Recommendation 1.7	✓		Recommendation 6.4	✓	
Recommendation 2.1		✓	Recommendation 7.1		✓
Recommendation 2.2		✓	Recommendation 7.2	✓	
Recommendation 2.3	✓		Recommendation 7.3		✓
Recommendation 2.4	✓		Recommendation 7.4		✓
Recommendation 2.5	✓		Recommendation 8.1		✓
Recommendation 2.6	✓		Recommendation 8.2	✓	
Recommendation 3.1	✓		Recommendation 8.3		N/A
Recommendation 4.1		✓			

1 Indicates where the Company has followed the Principles & Recommendations and has disclosed above as to how
2 Indicates where the Company has provided "if not, why not" disclosure, with details below.

"If Not, Why Not" Disclosure

During the Company's 2014/2015 financial year ("**Reporting Period**") the Company has followed each of the Principles & Recommendations other than in relation to the matters specified below.

CORPORATE GOVERNANCE STATEMENT

Principle 1

Recommendation 1.5: A listed entity should have a diversity policy

Notification of departure:
During the reporting period the Company did not have a diversity policy

Explanation for departure:
The size of the Company and the current situation of the Company does not see it recruiting any new staff in the near future. The Board is aware of the merits of having a diverse workforce and will take this into consideration should the Company be required to add to its workforce in the future.

Principle 2
Recommendation 2.1: The board should establish a nomination committee.

Notification of departure:
During the reporting period there was no separate nomination committee.

Explanation for departure:
The full Board considers those matters that would usually be the responsibility of a nomination committee. The Board considers given its size and composition that no efficiencies or other benefits would be gained by establishing a separate committee. The Board has adopted a Nomination Committee Charter which it applies, as relevant.

Recommendation 2.2: A listed entity should have and disclose a board skills matrix.

Notification of departure:
The Company has not disclosed a board skills matrix.

Explanation for departure:
The Company currently has a mixture of skills as provided within the Directors Report. A board skills matrix has not been prepared due to the Company going through a potential change in operations.

Principle 4
Recommendation 4.1: The board should establish an audit committee.

Notification of departure:
A separate audit committee has not been formed.

Explanation for departure:
The role of the audit committee is carried out by the full Board. The Board considers that given its size and composition, no efficiencies or other benefits would be gained by establishing a separate committee. When considering audit related matters, the Board functions in accordance with its Audit Committee Charter. The Audit Committee Charter also provides that the Board may meet with the external auditor, without management present, as required.

Principle 7
Recommendation 7.1: The board should establish a risk committee.

Notification of departure:
There is no separate risk committee.

Explanation for departure:
The role of the risk committee is carried out by the full Board. The Board considers that no efficiencies or other benefits would be gained by establishing a separate risk committee.

Recommendation 7.3: A listed entity should disclose if it has an internal audit function.

CORPORATE GOVERNANCE STATEMENT

Notification of departure:
The Company does not have a separate internal audit function.

Explanation for departure:
The Board reviews the internal control systems and risk management policies on an annual basis. The Board considers that no efficiencies or other benefits would be gained by establishing a separate internal audit function.

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

Notification of departure:
The Company has not disclosed its economic, environmental and social sustainability risks.

Explanation for departure:
Given the anticipated change in Company operations, the Board intends to assess its economic, environmental and social sustainability risks at a time when it can more accurately assess the relevant risks for the new proposed operations. The Board intends this recommendation to be complied with during the next financial period.

Principle 8
Recommendation 8.1: The board should establish a remuneration committee.

Notification of departure:
There is no separate remuneration committee.

Explanation for departure:
The role of the remuneration committee is carried out by the full Board. The Board considers that no efficiencies or other benefits would be gained by establishing a separate remuneration committee. However, the Board has adopted a Remuneration Committee Charter, which it applies when convening as the remuneration committee. No Directors participate in any deliberations regarding their own remuneration or related issues.

Recommendation 8.3: Not applicable - The Company does not have an equity-based remuneration scheme.

NOMINATION COMMITTEE
The full Board carries out the role of the Nomination Committee. The full Board did not officially convene as a Nomination Committee during the Reporting Period, however nomination related discussions occurred from time to time during the year as required. To assist the Board to fulfil its function as the Nomination Committee, it has adopted a Nomination Committee Charter (available on the Company's website).

AUDIT COMMITTEE
The full Board carries out the role of the Audit Committee. The full Board did not officially convene as an Audit Committee during the Reporting Period, however audit related discussions occurred from time to time during the year as required. To assist the Board to fulfil its function as the Audit Committee, it has adopted an Audit Committee Charter (available on the Company's website).

REMUNERATION COMMITTEE
Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

The full Board carries out the role of the Remuneration Committee. The full Board did not officially convene as a Remuneration Committee during the Reporting Period, however remuneration related discussions occurred from time to time during the year as required. To assist the Board to fulfil its function as the Remuneration Committee, it has adopted a Remuneration Committee Charter (available on the Company's website).

CORPORATE GOVERNANCE STATEMENT

OTHER

Skills, Experience, Expertise and term of office of each Director

A profile of each director containing their skills, experience and expertise is set out in the Directors' Report.

Assurances to the Board

The Board has received assurance from management that the Company's management of its material business risks are effective. Further, the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) have provided a declaration in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risk.

Identification of Independent Directors and the Company's Materiality Thresholds

In considering the independence of directors, the Board refers to its Policy on Assessing the Independence of Directors (available on the Company's website).

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Board Charter (available on the Company's website):

- Statement of financial position items are material if they have a value of more than 10% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on statement of financial position or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

There is currently one independent director of the Company.

Statement concerning availability of Independent Professional Advice

To assist directors with independent judgement, it is the Board's Policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Confirmation whether performance Evaluation of the Board and its members have taken place and how conducted

During the Reporting Period an evaluation of the performance of the Board, its committees and individual directors was not carried out due to operational priorities. During the Reporting Period a performance evaluation for senior executives was not carried out due to operational priorities.

Existence and Terms of any Schemes for Retirement Benefits for Non-Executive Directors

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

RSM Bird Cameron Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Aleator Energy Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Perth, WA
Dated: 30 September 2015

J A KOMNINOS
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2015	2014
		$	$
Revenue and other income	2	7,699	790
Corporate and administration expenses		(467,383)	(575,763)
Depreciation expense	15	(3,843)	(33,142)
Director and employee benefits expense		(219,445)	(805,148)
Finance costs		(108,651)	(427,875)
Impairment expense	3	(71,851,163)	(12,662)
Loss on disposal of plant and equipment	15	(33,897)	-
Share based payments	25	-	(213,819)
Loss before income tax		**(72,676,683)**	**(2,067,619)**
Income tax expense	4	-	-
Net loss for the year		**(72,676,683)**	**(2,067,619)**
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		6,444,455	(1,725,619)
Income tax relating to components of other comprehensive income for the year		-	-
Other comprehensive income / (loss) for the year, net of tax		**6,444,455**	**(1,725,619)**
Total comprehensive loss for the year		**(66,232,228)**	**(3,793,238)**
Net loss for the year is attributable to:			
Members of the parent entity		(72,530,991)	(1,989,651)
Non-controlling interest		(145,692)	(77,968)
		(72,676,683)	**(2,067,619)**
Total comprehensive loss for the year is attributable to:			
Members of the parent entity		(66,086,536)	(3,715,270)
Non-controlling interest		(145,692)	(77,968)
		(66,232,228)	**(3,793,238)**
Basic and diluted earnings per share for loss attributable to the owners of Aleator Energy Limited (cents per share)	7	(24.57)	(0.11)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2015	2014
		$	$
CURRENT ASSETS			
Cash and cash equivalents	8	19,822	70,729
Trade and other receivables	9	114,187	71,850
Other current assets	10	-	3,560
		134,009	**146,139**
Assets classified as held for sale	11	250,000	-
TOTAL CURRENT ASSETS		**384,009**	**146,139**
NON CURRENT ASSETS			
Trade and other receivables	9	201,652	1,120,748
Property, plant and equipment	15	508	97,746
Deferred exploration and evaluation expenditure	16	-	64,409,184
TOTAL NON CURRENT ASSETS		**202,160**	**65,627,678**
TOTAL ASSETS		**586,169**	**65,773,817**
CURRENT LIABILITIES			
Trade and other payables	17	1,268,246	1,261,974
Borrowings	18	143,846	529,723
Provisions	19	43,182	14,175
TOTAL CURRENT LIABILITIES		**1,455,274**	**1,805,872**
TOTAL LIABILITIES		**1,455,274**	**1,805,872**
NET (LIABILITIES)/ASSETS		**(869,105)**	**63,967,945**
EQUITY			
Issued capital	20	84,110,564	82,715,386
Reserves	21	(2,328,787)	(1,018,653)
Accumulated losses		(82,579,816)	(17,803,414)
Parent entity interest		**(798,039)**	**63,893,319**
Non-controlling interest		(71,066)	74,626
TOTAL EQUITY		**(869,105)**	**63,967,945**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Accumulated Losses	Foreign Exchange Reserve	Option Reserve	Non-controlling interest	Total
	$	$	$	$	$	$
At 1 July 2013	**81,745,962**	**(15,813,763)**	**(7,047,623)**	**7,754,589**	**152,594**	**66,791,759**
Comprehensive income:						
Loss for the year	-	(1,989,651)	-	-	(77,968)	**(2,067,619)**
Foreign currency translation	-	-	(1,725,619)	-	-	**(1,725,619)**
Total comprehensive loss for the year	-	**(1,989,651)**	**(1,725,619)**	**-**	**(77,968)**	**(3,793,238)**
Transactions with owners, in their capacity as owners						
Shares issued during the year	973,832	-	-	-	-	**973,832**
Capital raising costs	(4,408)	-	-	-	-	**(4,408)**
At 30 June 2014	**82,715,386**	**(17,803,414)**	**(8,773,242)**	**7,754,589**	**74,626**	**63,967,945**
At 1 July 2014	**82,715,386**	**(17,803,414)**	**(8,773,242)**	**7,754,589**	**74,626**	**63,967,945**
Comprehensive income:						
Loss for the year	-	(72,530,991)	-	-	(145,692)	**(72,676,683)**
Foreign currency translation	-	-	6,444,455	-	-	**6,444,455**
Total comprehensive income / (loss) for the year	-	**(72,530,991)**	**6,444,455**	**-**	**(145,692)**	**(66,232,228)**
Transactions with owners, in their capacity as owners						
Shares issued during the year	1,437,255	-	-	-	-	**1,437,255**
Capital raising costs	(42,077)	-	-	-	-	**(42,077)**
Lapse of options	-	7,754,589	-	(7,754,589)	-	**-**
At 30 June 2015	**84,110,564**	**(82,579,816)**	**(2,328,787)**	**-**	**(71,066)**	**(869,105)**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2015	2014
		$	$
CASH FLOWS FROM OPERATING ACTIVITES			
Receipts from customers		9,718	-
Payments to suppliers and employees		(676,365)	(959,070)
Payments for exploration expenditure		(107,043)	(524,288)
Finance costs paid		(7,796)	(427,875)
Interest received		200	790
Net cash used in operating activities	**24**	**(781,286)**	**(1,910,443)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from bonds		16,326	5,153
Proceeds received in advance from assets held for sale		44,630	-
Net cash provided by investing activities		**60,956**	**5,153**
CASH FLOWS FROM FINANCING ACTIVITES			
Proceeds from borrowings, net of costs		454,800	1,289,661
Proceeds / (payments) from issue of shares, net of costs		214,623	(4,333)
Net cash provided by financing activities		**669,423**	**1,285,328**
Net decrease in cash and cash equivalents		**(50,907)**	**(619,962)**
Cash and cash equivalents at the beginning of the financial year		70,729	690,691
Cash and cash equivalents at end of the financial year	**8**	**19,822**	**70,729**

The accompanying notes form part of these financial statements.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

The consolidated financial statements and notes represent those of Aleator Energy Limited and the entities it controlled during the year ("the consolidated entity"). Aleator Energy Limited is a listed public company, incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is Unit 18, 40 St Quentin Avenue, Claremont, WA, 6010.

The separate financial statements of the parent entity, Aleator Energy Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue by the Board on 30 September 2015.

Note 1: Statement of Significant Accounting Policies

Basis of Preparation
The financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, Interpretations of the Australian Accounting Standards Board, and International Financial Reporting Standards as issued by the International Accounting Standards Board. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated. Except for cash flow information, the financial statements have been prepared on an accruals basis and are 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
The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the company and consolidated entity incurred net losses of $79,121,215 and $72,676,683, respectively, and the consolidated entity had net cash outflows from operating activities of $781,286 and had net cash outflows of $50,907 for the year ended 30 June 2015. As at that date, the company and consolidated entity had net current liabilities of $963,006 and $1,071,265 respectively and both the company and consolidated entity had net liabilities of $869,105.

These factors indicate significant uncertainty as to whether the company and consolidated entity will continue as going concerns and therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the company and consolidated entity will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- As disclosed in Note 26, on 24 September 2015 the company announced it had received irrevocable confirmation of placement share acceptances of $4.5 million to satisfy conditions required to complete the acquisition of Vonex. The company also accepted, subject to shareholder approval, bids of a total combined value of $250,000 from directors of the post transaction company;
- As disclosed in Note 26, on 5 August 2015 the company raised $800,000 through a share purchase plan of which $100,000 was raised to settle creditor balances;
- As disclosed in Note 26, on 31 August 2015 the company entered into a binding share sale agreement of its investment in Honoratus Investments Limited. In accordance with the agreement the total consideration receivable by the company is $250,000 of which $44,630 was received as at 30 June 2015. On 24 September 2015 the company announced its lawyers had received the outstanding consideration for the sale of Honoratus Investments Limited; and
- Included in the binding share sale agreement noted above the purchaser assumes all liabilities post settlement. At 30 June 2015 liabilities for the subsidiary totalled $339,460 of which $318,090 were assumed by the purchaser

Accordingly, the Directors believe that the company and consolidated entity will be able to continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company and consolidated entity do not continue as going concerns.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(a) Parent Entity Information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 13.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and result of entities controlled by Aleator Energy Limited at the end of the reporting period. A controlled entity is an entity over which Aleator Energy Limited has the ability or right to govern the financial and operating policies so as to obtain benefits from the entity's activities. In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation. Where controlled entities have entered or left the consolidated entity during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

(c) 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 (ie 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 financial statements, 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 and 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 remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of profit and 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.

(d) 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 the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore 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 unused tax losses.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(d) Income Tax (Continued)

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

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, 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, based on tax rates enacted or substantively enacted at the end of the reporting period. 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 legally enforceable right of set-off exists, 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.

(e) Plant and Equipment

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

Depreciation

The depreciable amount of fixed assets is depreciated on the straight line method over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Furniture and Fixtures	15% - 25%
Plant and Equipment	15% - 33.3%
Leasehold Improvements	12%
Motor Vehicles	20%
Computer Equipment	50%

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. 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.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(f) Exploration and Development Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest or sale of that area of interest, or exploration and evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

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 carry forward costs in relation to the area of interest.

(g) Joint Ventures

A joint venture is a joint arrangement where the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture.

(h) Impairment of Assets

At each reporting date, the consolidated entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss and other comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss and other comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Impairment testing is performed annually for intangible assets with indefinite useful lives.

(i) Leases

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

(j) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the entities in the consolidated entity 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 when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised directly in the statement of profit and loss and other comprehensive income except where deferred in equity as a qualifying cash flow or net investment hedge.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(j) Foreign Currency Transactions and Balances (Continued)

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 statement of profit or loss and other comprehensive income.

Group companies

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

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- 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.

(k) Foreign Currency Transactions and Balances

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 statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

(l) Employee Entitlements

Provision is made for the consolidated entity's obligation for short-term employee benefits. Short-term employee benefits are benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The consolidated entity's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position. The consolidated entity's obligations for employees' annual leave entitlements are recognised as provisions in the statement of financial position.

Equity-settled compensation

The consolidated entity 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 non-employees 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.

(m) Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as "at fair value through profit or loss". Transaction costs related to instruments classified as "at fair value through profit or loss" are expensed to the statement of profit or loss and other comprehensive income immediately.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(n) Financial Instruments (Continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the consolidated 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 either discharged, cancelled or expire. 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 the statement of profit and loss and other comprehensive income.

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designed as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the statement of profit or loss and other comprehensive income.

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

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the consolidated entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method. Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

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.

Impairment of Assets

At the end of each reporting date, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to the statement of profit or loss and other comprehensive income at this point.

(o) Cash and Cash Equivalents

Cash and equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments. For the purpose of the statement of cash flows, cash includes deposits at call, which are readily convertible to cash on hand and subject to an insignificant risk of changes in value.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(p) Revenue and Other Income
Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

(q) Goods and Services Tax (GST)
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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Trade and other payables
Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(s) Trade and other receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

(t) Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) Critical Accounting Estimates and Judgements
The directors evaluate estimates and judgements incorporated into the financial statements 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 consolidated entity.

There have been no judgements, apart from those involving estimation, in applying accounting policies that have a significant effect on the amounts recognised in these financial statements. Following is a summary of the key assumptions concerning the future and other key sources of estimation at reporting date that have not been disclosed elsewhere in these financial statements.

Exploration and evaluation expenditure
The board of directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The directors' decision is made after considering the likelihood of finding commercially viable reserves. No areas of interest have been abandoned at the date of this report.

Environmental Issues
Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation
Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the consolidated entity as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(u) Critical Accounting Estimates and Judgements (continued)

Share based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

Impairment

The consolidated entity assesses impairment at the end of each reporting period by evaluation conditions and events specific to the consolidated entity that may be indicative of impairment triggers. Validity for future operations are all elements that are considered. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(v) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The consolidated entity has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The consolidated entity has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The consolidated entity has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

(w) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(w) New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 ' Revenue from Contracts with Customers'	1 January 2017	30 June 2018

Note 2: Revenue and Other Income

	2015	2014
	$	$
OTHER INCOME		
Interest income	199	790
Other income	7,500	-
	7,699	**790**

Note 3: Impairment Expense

	2015	2014
	$	$
Impairment of VAT (Note 9)	677,707	-
Impairment of prepayment (Note 10)	3,977	-
Impairment of property, plant and equipment (Note 15)	66,579	-
Impairment of exploration and evaluation – USA assets (Note 16)	56,879,427	12,662
Impairment of exploration and evaluation – Ukraine assets (Note 16)	13,873,473	-
Impairment of project deposit (refer Note 9)	350,000	-
	71,851,163	**12,662**

Note 4: Income Tax Expense

	2015	2014
	$	$

(a) Reconciliation

The prima facie tax on the loss is reconciled to income tax expense as follows:

Loss for the year	(72,676,683)	(2,067,619)
Prima facie tax expense at 30%	21,803,005	620,286
Non-deductible expenses	3,208	-
Current year temporary differences	(1,096,314)	-
Difference in foreign tax rate	-	(91,179)
Foreign profit/(loss) not taxable in Australia	(20,548,695)	-
Deferred tax asset not brought to account	(161,204)	(529,107)
Income tax benefit relating to loss	-	-

Aleator Energy Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidation group under the Tax Consolidation Regime. Aleator Energy Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidation group. The tax consolidation group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net results of the tax consolidation group.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 4: Income Tax Expense (Continued)

(b) Deferred Tax Asset

Deferred tax asset not brought to account comprises the future benefits at applicable tax rates:

	2015	2014
	$	$
Tax losses – revenue (resident)	4,914,975	4,753,771
Tax losses – revenue (non-resident)	25,683,971	5,135,276
	30,598,946	**9,889,047**

Resident tax losses calculated at the Australian income tax rate of 30%.

Non-resident tax losses calculated at the respective country tax rate threshold of 15%.

This asset has not been recognised as an asset in the statement of financial position as its realisation is not considered probable. The asset will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the asset from the deductions for the loss to be realised;
(b) the company continues to comply with the conditions for deductibility imposed by the law; and
(c) no changes in tax legislation adversely affect the company in realising the asset from deductions for the losses.

Note 5: Key Management Personnel Disclosures

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the company's key management personnel for the year ended 30 June 2015. For details of transactions with KMP, refer to Note 27: Related Party Transactions.

The total remuneration paid to key management personnel of the company and the consolidated entity during the year are as follows:

	2015	2014
	$	$
Short-term employee benefits	209,844	632,102
Post-employment benefits	19,935	55,448
	229,779	**687,550**

Note 6: Auditors' Remuneration

	2015	2014
	$	$
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial report	35,500	38,000
- other review services	7,000	-
- tax advice and compliance services	-	9,540
	42,500	**47,540**

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 7: Earnings per Share

	2015	2014
Loss for the year ($)	(72,676,683)	(2,067,619)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	295,746,951	1,793,424,405

The company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options was unlikely during the year.

Note 8: Cash and Cash Equivalents

	2015	2014
	$	$
Cash at bank and at hand	19,822	70,729

Note 9: Trade and Other Receivables

	2015	2014
	$	$
CURRENT		
Other receivables	-	18,544
GST receivable	114,187	53,306
	114,187	**71,850**
NON CURRENT		
Deposits*	-	350,000
Bond receivable	201,652	164,561
VAT receivable**	-	606,187
	201,652	**1,120,748**

*Deposit was impaired during the year as there was uncertainty regarding its collectability.

**Receivable was impaired during the year as a result of the sale of the company's investment in Honoratus Investments Limited subsequent to balance date (Note 26).

Note 10: Other Current Assets

	2015	2014
	$	$
CURRENT		
Prepayments*	-	3,560

*Prepayments were impaired during the year as a result of the sale of the company's investment in Honoratus Investments Limited subsequent to balance date (Note 26).

Note 11: Assets Classified As Held For Sale

	2015	2014
	$	$
NON CURRENT ASSETS HELD FOR SALE		
Deferred exploration and evaluation expenditure	250,000	-

For further details on terms of the sale see Events After the Reporting Period (Note 26).

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 12: Controlled Entities

Ultimate Parent Entity: Aleator Energy Limited

Subsidiaries	Country of incorporation	Class of shares	Ownership Interest 2015	Ownership Interest 2014
Technology Resource Company Limited (a)	AUS	Ordinary	-	100%
Western Nickel Limited	AUS	Ordinary	100%	100%
Golden Paradox Inc	USA	Ordinary	100%	100%
Golden Eagle Exploration LLC USA	USA	Ordinary	100%	100%
Golden Eagle Production LLC USA	USA	Ordinary	100%	100%
Honoratus Investments Ltd	Cyprus	Ordinary	100%	100%
Honoratus Holdings Ltd (a)	AUS	Ordinary	-	100%
Crimea Energy Limited BVI	British Virgin Isles	Ordinary	100%	100%
East Crimea Energy BV (b)	Netherlands	Ordinary	85%	85%
Pivenspetsbud LLC (c)	Ukraine	Ordinary	85%	85%

(a) Deregistered during the year.
(b) Held via Honoratus Investments Ltd.
(c) Held via East Crimea Energy B.V.

Note 13: Parent Entity Disclosures	**2015**	**2014**
Financial Position	**$**	**$**
Assets		
Current assets	113,280	107,720
Non-current assets	93,901	65,386,106
Total assets	**207,181**	**65,493,826**
Liabilities		
Current liabilities	1,076,286	1,525,881
Total liabilities	**1,076,286**	**1,525,881**
Net Assets	**(869,105)**	**63,967,945**
Equity		
Issued capital	84,110,562	82,715,386
Options reserve	-	7,754,587
Foreign currency reserve	4,028,199	(8,860,790)
Accumulated losses	(89,007,866)	(17,641,238)
Total Equity	**(869,105)**	**63,967,945**
Financial Performance		
Loss for the year	(79,121,215)	(2,853,743)
Other comprehensive income / (loss)	12,888,989	(1,827,115)
Total comprehensive loss for the year	**(66,232,226)**	**(4,680,858)**

Guarantees

Aleator Energy Limited has not entered into any guarantees in relation to the debts of its subsidiary (2014: nil).

Commitments for expenditure

Aleator Energy Ltd has no commitments to acquire property, plant and equipment, and has no contingent liabilities (2014: nil).

Note 14:

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 14: Interests in Joint Venture Operations

Joint venture agreements have been entered into with various tenement holders, whereby the company has purchased an interest in exploration areas or has earned or can continue to earn an interest in exploration areas by expending specified amounts in the exploration areas. The company's percentage interests in the future output of the joint ventures, if all its obligations are fulfilled, are as follows:

Joint Venture – Australia	**Interest %**
• Johnston Range Iron Ore Joint Venture	Royalty – 3
• Leonora (Pig Well Prospect)	Royalty – 1
• Laverton (Barmicoat West Prospect)	Royalty – 2
• Laverton (Mt Ida Prospect)	Royalty – 2

1. Royalty payable to the company is 1% of gross value of minerals produced from the tenements;
2. Royalty payable to the company is 50 cents per tonne of ore mined from the tenements and milled;
3. Royalty payable to the company is 2% of gross value of minerals produced from the tenements

Joint Venture – United States

The company has earned 100% working interest in the Golden Eagle Gas Field through its 100% owned subsidiary Golden Eagle Exploration LLC. Joint venture partners retain a right to back-in with a combined 16.67% working interest.

There are no assets employed by these joint ventures and the company's expenditure in respect of them is brought to account initially as deferred exploration and evaluation expenditure.

Joint Venture – Ukraine

At 30 June 2015 the company holds a 62.1% beneficial interest in a number of oil and gas exploration licences containing the Povortnoye gas/condensate field, in the autonomous region of Crimea, south-eastern Ukraine.

Note 15: Plant and Equipment

	2015	**2014**
	$	**$**
Plant and equipment		
At cost	16,092	240,237
Accumulated depreciation	(15,584)	(142,491)
	508	**97,746**

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

Balance at the beginning of year	97,746	133,034
Loss on disposal of plant and equipment	(33,897)	-
Impairment expense	(66,579)	-
Translation difference	7,081	(2,146)
Depreciation expense	(3,843)	(33,142)
Carrying amount at the end of year	**508**	**97,746**

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 16: Deferred Exploration and Evaluation Expenditure

	2015	2014
	$	$
Balance at the beginning of year	64,409,184	65,561,124
Expenditure incurred during year	107,043	574,780
Effects of foreign exchange on exploration	6,486,673	(1,714,058)
Expenditure impairment for the year	(70,752,900)	(12,662)
Transfer to assets classified as held for sale	(250,000)	-
Carrying amount at the end of year	**-**	**64,409,184**

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful exploration and sale of the oil and gas resources.

Note 17: Trade and Other Payables

	2015	2014
	$	$
Trade payables	851,210	593,002
Sundry payables and accrued expenses	372,406	668,972
Proceeds received in advance for assets classified as held for sale	44,630	-
	1,268,246	**1,261,974**

Trade creditors are expected to be paid within agreed terms.

Note 18: Borrowings

	2015	2014
	$	$
Short term loans (i)	132,388	257,474
Convertible notes (ii)	11,458	272,249
	143,846	**529,723**

(i) Movement in short term loans

***Confadent Ltd* Loan**		
Opening balance	257,474	-
Draw down amount	50,000	358,736
Conversion of convertible note to equity (refer note 20)	(50,000)	-
Conversion of debt to equity (refer note 20)	(280,000)	(101,262)
Debt / equity swap	20,000	-
Loan fee	33,986	-
Interest accrued	65,507	-
Foreign exchange translation	30,421	-
	127,388	**257,474**
Loan - Other		
Opening balance	-	-
Draw down amount	5,000	-
	5,000	**-**
Total Short Term Loans	**132,388**	**257,474**

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 18: Borrowings (Continued)

Confadent Ltd Loan
This loan is unsecured, accrued interest at 25% per annum and accrued a loan fee of $32,000. On 28 January 2015 the Company converted $50,000 of this loan to equity via the conversion of convertible notes. On February 2015 the Company converted $280,000 of this loan into equity at $0.00338 per share, as approved by Shareholders at Annual General Meeting on 28 November 2014. The terms of the remaining portion of this loan is currently being negotiated by the consolidated entity.

Loan - Other
This loan is unsecured and does not accrue interest. The total amount outstanding at 30 June 2015 was repaid subsequent to year end.

(ii) Movement in Convertible notes	**2015**	**2014**
	$	**$**
Convertible Note - T&I Group		
Opening balance	114,000	-
Draw down amount	-	114,000
Debt equity swap	(42,686)	-
Conversion of convertible note to equity (refer note 20)	(71,314)	-
	-	**114,000**
Convertible Note - Revolve		
Opening balance	108,249	-
Draw down amount	29,000	131,000
Conversion of convertible note to equity (refer note 20)	(109,934)	(22,751)
Conversion of debt to equity (refer note 20)	(50,000)	-
Debt equity swap	22,685	-
Interest accrued	11,458	-
	11,458	**108,249**
Convertible Note - Other		
Opening balance	50,000	-
Draw down amount	402,000	50,000
Conversion of convertible note to equity (refer note 20)	(452,000)	-
	-	**50,000**
Total Convertible Notes	**11,458**	**272,249**

Convertible Note - T&I Group
This convertible note was unsecured and interest free. On 28 January 2015 the Company converted $573,314 of this loan into shares at $0.00338 per share, as approved by Shareholders at Annual General Meeting on 28 November 2014.

Convertible Note – Revolve
This convertible note is secured against the assets of the consolidated entity and accrued interest at 25% per annum. On 28 January 2015 the Company converted $109,934 of this loan to shares via the conversion of convertible notes. On 27 February 2015 the Company converted $50,000 of this loan into shares at $0.00338 per share, as approved by Shareholders at Annual General Meeting on 28 November 2014.

Convertible Note - Other
This convertible note was unsecured and interest free. On 27 February 2015 the Company converted $280,000 of this loan into shares at $0.00338 per share, as approved by Shareholders at Annual General Meeting on 28 November 2014.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 19: Provisions

	2015	2014
	$	$
Employee entitlements	43,182	14,175

Note 20: Issued Capital

	2015		2014	
	$	No.	$	No.
Fully paid ordinary shares	84,110,564	529,795,253	82,715,386	2,207,212,167

Movement in ordinary shares		$	No.	Issue price
Balance at 30 June 2013		**81,745,962**	**1,665,769,734**	
Shares issued under funding arrangement	30/10/2013	68,543	11,578,130	0.00592
Shares issued under prospectus	1/11/2013	60	10,000	0.006
Establishment fee under funding arrangement	2/12/2013	6,457	1,090,789	0.00592
Conversion of convertible note	7/01/2014	500,000	100,000,000	0.005
Fee for convertible note arrangement	13/03/2014	70,000	35,000,000	0.002
Shares issued under prospectus	18/03/2014	6	10,000	0.0006
Consideration for professional fees	31/03/2014	37,317	37,319,270	0.001
Conversion of debt under convertible notes	10/04/2014	96,000	120,000,000	0.0008
Consideration for professional fees	23/05/2014	195,439	236,424,244	0.0008
Shares issued as result of cleansing prospectus	23/05/2014	10	10,000	0.001
Cost of capital raising	-	(4,408)	-	-
Balance at 30 June 2014		**82,715,386**	**2,207,212,167**	
Share consolidation (1:15 basis)	8/12/2014	**-**	(2,060,062,588)	**-**
Conversion of Director Fees	17/12/2014	186,506	15,542,167	0.012
Conversion of convertible note	28/01/2015	683,248	201,786,232	0.003386
Options issued	28/01/2015	1	2	0.300
Shares issued to creditors	27/02/2015	330,000	97,460,130	0.003386
Placement shares	27/02/2015	237,500	67,857,143	0.0035
Cost of capital raising	-	(42,077)	-	**-**
Balance at 30 June 2015		**84,110,564**	**529,795,253**	

At the shareholders meetings each ordinary share is entitled to one vote. The company does not have authorised share capital and there is no par value for shares.

Share options

	Exercise price	Expiry date	Balance at beginning of year	Granted during the year	Exercised during the year	Expired or forfeited during the year	Balance at end of year	Options exercisable at end of year
			Number	Number	Number	Number	Number	Number
2015 year								
Listed options	$0.02	31/01/15	1,319,075,939	-	-	1,319,075,939	-	-
			1,319,075,939	**-**	**-**	**1,319,075,939**	**-**	**-**
2014 year								
Listed options	$0.02	31/01/15	1,319,075,939	-	-	-	1,319,075,939	1,319,075,939
			1,319,075,939	**-**	**-**	**-**	**1,319,075,939**	**1,319,075,939**

The weighted average remaining contractual life of share options outstanding at the end of the financial year was nil days (2014: 215 days).

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 20: Issued Capital (Continued)

(b) Capital Risk Management
The Company is not subject to any externally imposed capital requirements.

Management's objectives when managing capital is to ensure the company continues as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the company's activities, being exploration, the company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the company's capital risk management is the current working capital position against the requirements of the company to meet exploration programmes and corporate overheads.

The company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the company at 30 June 2015 and 2014 are as follows:

	2015	2014
	$	$
Total borrowings (including trade and other payables)	1,412,092	1,791,697
Less: cash and cash equivalents	(19,822)	(70,729)
Net debt	**1,392,270**	**1,720,968**
Total equity	(869,105)	63,967,945
Total capital	**523,165**	**65,688,913**
Gearing ratio	266%	2.6%

Note 21: Reserves
The option reserve records items recognised as expenses on valuation of directors and specified consultant share options.

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

Note 22: Contingent Liabilities and Contingent Assets

Contingent Liabilities
There were no known contingent liabilities at reporting date (2014: nil).

Contingent Assets
There are no contingent assets at reporting date (2014: nil).

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 23: Operating Segments

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded during the year, Aleator Energy Limited operated in the exploration industry within the geographical segments of Australia, USA and Ukraine.

Revenues of approximately Nil (2014: Nil) are derived from a single external customer.

SEGMENT INFORMATION
The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2015 and 2014 are as follows:

2015	**Exploration activities AUSTRALIA**	**Exploration Activities USA**	**Exploration Activities Ukraine**	**Consolidated**
	$	**$**	**$**	**$**
Other revenue	7,515	184	-	**7,699**
Total segment revenue	**7,515**	**184**	**-**	**7,699**
Segment result before income tax	(1,184,582)	(56,885,448)	(14,606,653)	**(72,676,683)**
Loss before income tax				**(72,676,683)**
Segment assets	113,788	222,381	250,000	**586,169**
Total assets				**586,169**
Segment liabilities	1,076,286	39,528	339,460	**1,455,274**
Total Liabilities				**1,455,274**

2014	**Exploration activities AUSTRALIA**	**Exploration Activities USA**	**Exploration Activities Ukraine**	**Consolidated**
	$	**$**	**$**	**$**
Other revenue	594	169	27	**790**
Total segment revenue	**594**	**169**	**27**	**790**
Segment result before income tax	(1,843,663)	(35,274)	(188,682)	**(2,067,619)**
Loss before income tax				**(2,067,619)**
Segment assets	107,120	51,019,126	14,647,571	**65,773,817**
Total assets				**65,773,817**
Segment liabilities	1,503,287	28,273	274,312	**1,805,872**
Total Liabilities				**1,805,872**

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 24: Cash Flow Information	2015	2014
	$	$
(a) Reconciliation of Cash Flows from Operations with Loss after Income Tax		
Loss after income tax	(72,676,683)	(2,067,619)
Non-cash items:		
Depreciation expense	3,843	33,142
Impairment expense	71,851,163	12,662
Loss on disposal of plant and equipment	33,897	-
Share based payments	-	213,819
Changes in assets and liabilities:		
(Increase) / Decrease in trade and other receivables	(58,663)	(27,986)
- (Increase) / Decrease in prepayments	-	12,895
- (Decrease) / Increase in trade and other payables	172,200	496,841
- (Decrease) / increase in exploration expenditure capitalised	(107,043)	(584,197)
- **Cash flow from operating activities**	**(781,286)**	**(1,910,443)**

Note 25: Share Based Payments
Employees and Contractors Option Incentive Plan
The company provides benefits to employees (including directors) and contractors in the form of share-based payment transactions, whereby employees render services in exchange for options to acquire ordinary shares.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights.

There were no share based payments for the year ended 30 June 2015 (2014: $213,819).

Note 26: Events After the Reporting Period
On 8 July 2015 the Company announced that it had entered into a binding heads of agreement ("Agreement") to, at its exclusive option, conditionally acquire 100% of the issued capital of Vonex . The total consideration payable by Aleator to be allocated to Vonex shareholders and convertible securityholders for the acquisition at settlement will be 700,000,000 fully paid ordinary shares and 1,200,000,000 performance shares in Aleator, in each case deemed at an issue price of $0.005 on a pre-Consolidated basis.

On 8 July 2015 the Company also announced an unmarketable parcel share sale facility in accordance with the Company's Constitution and the ASX Listing Rules, which provides eligible shareholders with the opportunity to sell their shareholding without incurring brokerage or transaction costs. Additionally, the Company announced that it was undertaking a Share Purchase Plan (SPP) to provide existing shareholders, including Minority Members, with an opportunity to increase their holdings in the Company and to raise up to $800,000.

On 6 August 2015 the Company announced it had previously entered into agreements with several creditors who have agreed to take shares as consideration for monies owed to them. On 5 August 2015 the Company issued 20,000,000 fully paid ordinary shares to creditors and 140,000,000 fully paid ordinary shares at $0.005 per share under its SPP, with the funds to be used on the proposed transaction with Vonex, trade creditors, minimum expenditure commitments on the existing projects and general overheads.

On 13 August 2015 the Company announced that it had formally given notice to Vonex that it has exercised the Option to acquire 100% of the issued shares of Vonex.

On 31 August 2015 the Company announced that it had entered into a binding share sale agreement ("the Agreement") for the sale of its investment in Honoratus Investments Limited ("Honoratus"), the holding company of its Ukraine assets. The material terms of the share sale agreement are as follows:

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 26: Events After the Reporting Period (Continued)

- The purchaser will purchase 100% of the shares of Honoratus which are held by the Company, free from encumbrances;
- The consideration receivable by the company is $250,000;
- A non-refundable deposit of $50,000 was due within 48 hours of execution of the Agreement with the remaining $200,000 to be paid at settlement, which is 20 business days from execution of the Agreement. On 24 September 2015 the company announced its lawyers had received all outstanding consideration from the sale; and
- The purchaser will assume all liabilities post settlement.

The sale will allow Aleator to be released from all liabilities and obligations, leaving the Company free to continue its strategic shift into the telecommunications sector through its acquisition of Vonex.

On 1 September 2015 the Company accepted the resignation of Mr Wal Muir from the position of Chief Executive Officer, effective immediately. Mr Muir's resignation coincides with the sale of the Company's Ukraine assets and the ongoing strategic shift into the telecommunication sector through the acquisition of Vonex.

On 24 September 2015 the Company announced it had received irrevocable confirmation of placement share acceptances of $4.5 million to satisfy conditions required to complete the acquisition of Vonex. The Company also accepted, subject to shareholder approval, bids of a total combined value of $250,000 from directors of the post transaction company.

Other than then events previously noted, no matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

Note 27: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. In addition to the transactions noted in Note 5: Key Management Personnel:

Directors and Key Management Personnel Balances	**2015**	**2014**
	$	**$**
Amount owing to Mr Mark Rowbottam for director fees	221,046	140,204
Amount owing to Mr Lewis Cross for director fees	10,725	71,652
Amount owing to Mr Gennady Varitsky for director fees	-	27,000
Amount owing to Mr Walter Muir for salary	21,250	123,666
Amount owing to Mr Hamish Carnachan for salary (resigned 22 August 2014)	53,891	57,212
	306,912	**419,734**

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 28: Financial Instruments

The consolidated entity's financial instruments consist mainly of deposits with banks, short term investments and accounts receivable and payable. The main risks the consolidated entity is exposed to through its financial instruments are interest rate risk, credit risk, liquidity risk, price risk and foreign exchange risk.

(a) Interest rate risk

The company's exposure to interest rate risk, which is the risk that a financial instrument will fluctuate as a result of changes in market interest rates and effective average interest rates on those financial assets and liabilities, is set out below.

	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Fixed Interest Rate Within 1-5 Years	Non-Interest Bearing	Total
	%	$	$	$	$	$
2015						
Financial Assets:						
Cash	1.1	19,822	-	-	-	**19,822**
Receivables	-	-	-	-	315,839	**315,839**
Total financial assets		**19,822**	**-**	**-**	**315,839**	**335,661**
Financial Liabilities:						
Payables	-	-	-	-	1,268,246	1,268,246
Borrowings	25	-	132,388	-	11,458	143,846
Total financial liabilities		**-**	**132,388**	**-**	**1,279,704**	**1,412,092**
Net financial assets		**19,822**	**(132,388)**	**-**	**(963,865)**	**(1,076,431)**

	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Fixed Interest Rate Within 1-5 Years	Non-Interest Bearing	Total
	%	$	$	$	$	$
2014						
Financial Assets:						
Cash	1.1	70,729	-	-	-	70,729
Receivables	-	-	-	-	1,192,598	1,192,598
Total financial assets		**70,729**	**-**	**-**	**1,192,598**	**1,263,327**
Financial Liabilities:						
Payables	-	-	-	-	1,261,974	1,261,974
Borrowings	4.86	-	257,474	-	272,249	529,723
Total financial liabilities		**-**	**257,474**	**-**	**1,534,223**	**1,791,697**
Net financial assets		**70,729**	**(257,474)**	**-**	**(341,625)**	**(528,370)**

Sensitivity Analysis

The effect on profit and equity as a result of changes in interest rates on net financial assets is immaterial.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 28: Financial Instruments (Continued)

(b) Credit Risk

Credit risk related to balances with banks and other financial institutions is managed by the board of directors in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	2015	2014
		$	$
Cash and cash equivalents			
— AA Rated	8	**19,822**	**70,729**

(c) Net Fair Values

The net fair value of financial assets and liabilities of the consolidated entity approximated their carrying amount. The consolidated entity has no financial assets and liabilities where the carrying amount exceeds the net fair value at reporting date. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and notes to the financial statements.

(d) Liquidity Risk

Liquidity risk arises from the possibility that the consolidated entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The consolidated entity manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- investing only in surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The consolidated entity does not have a significant exposure in terms of financial liabilities or illiquid financial assets and is able to settle its debts or otherwise meet its obligations related to financial liabilities.

The financial asset and financial liability maturity analysis are as follows:

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
Financial liabilities								
Payables	1,268,246	1,261,974	-	-	-	-	**1,268,246**	**1,261,974**
Total Expected outflows	**1,268,246**	**1,261,974**	-	-	-	-	**1,268,246**	**1,261,974**
Financial assets								
Cash and cash equivalents	19,822	70,729	-	-	-	-	**19,822**	**70,729**
Receivables	114,187	71,850	201,652	1,120,748	-	-	**315,839**	**1,192,598**
Total Anticipated Inflows	**134,009**	**142,579**	**201,652**	**1,120,748**	**-**	**-**	**335,661**	**1,263,327**
Net inflow on financial instruments	**(1,134,237)**	**(1,119,395)**	**201,652**	**1,120,748**	**-**	**-**	**(932,585)**	**1,353**

(f) Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities. As at 30 June 2015 and 30 June 2014 the consolidated entity is not exposed to any material price risk.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note 28: Financial Instruments (Continued)

(g) Foreign Exchange Risk
Foreign exchange risks arise when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency.

The consolidated entity is primarily exposed to the fluctuations in the US dollar and the Ukraine Hryvnia as the consolidated entity up holds US dollar bank deposits and much of the consolidated entity's exploration costs and contracts are denominated in US dollars and Ukraine Hryvnia.

Note 29: Commitments for Expenditure

(a) Exploration Expenditure
In order to maintain the mineral tenements in which the company and other parties are involved, the company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure requirements in accordance with the Western Australian Department of Industry and Resources requirements for the next twelve months is $Nil (2014: $Nil). These requirements are expected to be fulfilled in the normal course of operations but maybe varied from time to time subject to approval by the Grantor of Titles. The estimated expenditure represents potential expenditure, which may be avoided by relinquishment of tenure, or the gaining of exemptions from the Grantor of Titles.

The minimum estimated expenditure requirements in accordance with the United States Golden Eagles lease rentals for the next twelve months is $51,686, with a suspended amount payable of $106,906 (2014: $43,462, suspended amount payable of $89,898).

As per the "Framework Share Purchase Agreement" dated 9 January 2012 whereby the Company secured a 61.2% beneficial interest in the Povorotnoye gas and condensate project in Ukraine, the following amounts are payable to Transeuro Energy Corporation:

- Tranche 2 – upon spud of Pov 105 USD$ 500,000
- Tranche 3 – upon commencement of testing Pov 105 USD$ 500,000

There are no other exploration expenditure commitments at 30 June 2015 for the Ukraine areas of interest.

On 31 August 2015 the Company announced that it had entered into a binding share sale agreement for the sale of Honoratus Investments Limited (Honoratus), the holding company of its Ukraine assets. As a result, there were no exploration expenditure commitments post settlement for the Ukraine areas of interest.

(b) Operating Lease Commitments
The property lease expired on May 2015. The company is currently sub-leasing the office on a month by month basis with no future commitments.

	2015	2014
	$	$
Payable:		
No later than twelve months	-	68,472
One to five years	-	-
Greater than five years	-	-
	-	**68,472**

Note 30: Company Details
The registered office is:
- Unit 18, 40 St Quentin Avenue, Claremont, WA, 6010

The principal place of business is:
- Unit 18, 40 St Quentin Avenue, Claremont, WA, 6010

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out in the financial report, are in accordance with the Corporations Act 2001 and:

   a) comply with Australian Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated entity;

2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

3. the directors have been given the declarations required by s295A of the Corporations Act 2001.

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

Lewis Cross
Director
30 September 2015

RSM Bird Cameron Partners

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

ALEATOR ENERGY LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Aleator Energy Limited, which comprises the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 is free from material misstatement, whether due to fraud or error. In Note 1, 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. These Auditing 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 entity's preparation and fair presentation of the financial report 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 entity'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 obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

RSM Bird Cameron Partners

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 Aleator Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Qualified Opinion

As at 30 June 2014, the consolidated entity had deferred exploration and evaluation expenditure of $64,409,184 and other non-current receivables of $1,120,748. As a result of the uncertainties relating to the adoption of the going concern basis of accounting by the company and consolidated entity, their future capital raising and the continuation of their exploration activities, we were unable to obtain sufficient appropriate audit evidence as to the recoverability of these assets at 30 June 2014.

In addition, the consolidated entity had assets located in Ukraine which were recorded in the statement of financial position at a carrying amount of $14,647,571, as at 30 June 2014. There were geo-political uncertainties surrounding the region, which resulted in the consolidated entity suspending its exploration activities in Ukraine. We were unable to obtain sufficient appropriate audit evidence as to the recoverability of these assets at 30 June 2014.

Accordingly, we were unable to determine whether or not the carrying amount of the assets referred to above appropriately reflected their recoverable amounts at 30 June 2014. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Our audit opinion on the financial report for the year ended 30 June 2014 was modified accordingly. During the year ended 30 June 2015, the directors have impaired these assets to reflect their net realisable values. Our opinion on the current year's financial report is also modified because of the possible effect of the impairment charges on the comparability of the current year figures and corresponding figures and the consolidated entity's performance for the year ended 30 June 2015.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs:

(a) the financial report of Aleator Energy 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 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial report, which indicates the company and consolidated entity incurred net losses of $79,121,215 and $72,676,683, respectively, and the consolidated entity had net cash outflows from operating activities of $781,286 and had net cash outflows of $50,907 for the year ended 30 June 2015. As at that date, the company and consolidated entity had net current liabilities of $963,006 and $1,071,265 respectively and both the company and consolidated entity had net liabilities of $869,105. These conditions along with other matters as set forth in Note 1, indicate the existence of material uncertainty which may cast significant doubt about the company's and consolidated entity's ability to continue as going concerns and therefore, the company and consolidated entity may be unable to realise their assets and discharge their liabilities in the normal course of business.

RSM Bird Cameron Partners

Report on the Remuneration Report

We have audited the Remuneration Report contained within 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 Aleator Energy Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Perth, WA
Dated: 30 September 2015

J A KOMNINOS
Partner

ADDITIONAL INFORMATION

SHAREHOLDER INFORMATION (as at 28 SEPTEMBER 2015)

(i) Number of shareholders: 2,039
(ii) Ordinary shares issued: 689,795,253
(iii) The twenty largest shareholders hold 275,021,653 ordinary shares representing 39.87% of the issued capital
(iv) Distribution schedule of holdings

NO OF SHARES	NO OF HOLDERS
1 – 1,000	236
1,001 - 5,000	128
5,001 – 10,000	42
10,001 – 100,000	890
100,001 and over	743

(v) Shareholders with less than a marketable parcel: 554

VOTING RIGHTS OF ORDINARY SHARES

Each member presents in person, or by proxy, representative or attorney, has one vote on a show of hands and one vote per share on a poll for each share held. Each member is entitled to notice of, and to attend and vote at, general meeting.

TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES AT 28 SEPTEMBER 2015

Rank	Name	Units	% of Units
1.	CONFADENT LIMITED	100,000,000	14.50
2.	REVOLVE PROJECTS PTY LTD <THE HEM A/C>	42,000,000	6.09
3.	MR MICHAEL SAFAR	17,000,000	2.46
4.	MR MARK ROWBOTTAM <M J R SOLUTIONS A/C>	10,010,827	1.45
5.	MR SCOTT ANSON TURNER + MRS SAMANTHA JANE TURNER <SCOTT TURNER SUPER FUND A/C>	10,000,000	1.45
6.	MR MARCUS ALLEN KATALINIC	9,680,000	1.40
7.	LAMONDE INDUSTRIES PTY LTD <DORIZZI SUPER FUND A/C>	9,500,000	1.38
8.	MR WALTER FITZGERALD MUIR & MRS ELIZABETH JANE MUIR <WAL AND LIZ MUIR FAM S/F A/C>	7,026,655	1.02
9.	CAPITAL DEVELOPMENT PTY LTD <CAPITAL DEVELOPMENT FUND A/C>	6,840,167	0.99
10.	MR SHING KUI SHA + MS LAI MUI CHAM	6,650,000	0.96
11.	COMSEC NOMINEES PTY LIMITED	6,269,079	0.91
12.	ALEATOR ENERGY LIMITED	6,114,347	0.89
13.	MR TARECQ ELIAS ALDAOUD	6,000,000	0.87
14.	MR STEPHEN JOHN BRONAR <BRONAR FAMILY A/C>	5,967,067	0.87

ADDITIONAL INFORMATION

15.	OW SUPER (WA) PTY LTD <OW SUPERANNUATION FUND A/C>	5,906,675	0.86
16.	ISAIAH SIXTY PTY LTD	5,800,000	0.84
17.	MR GORDON THOMAS SUGGET	5,395,111	0.78
18.	CMC MARKETS STOCKBROKING NOMINEES PTY LIMITED <ACCUM A/C>	5,222,387	0.76
19.	MR PETER FRANCIS SCANLAN	4,839,338	0.70
20.	MR DIONYSIUS VANDERBURG	4,800,000	0.70
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES		**275,021,653**	**39.87**
Total Remaining Holders Balance		**414,773,600**	**60.13**

ADDITIONAL INFORMATION

PROJECT & JOINT VENTURE SCHEDULE

Project	Tenements	AWD's Interest	Other Parties
Leonora (Pig Well)	P37/6426, P37/6427, P37/6428, P37/6431	Royalty(1)	Hannans Reward NL
Mt Ida	E38/2033, E38/2034, P38/3726 – P37/3731 P37/3732 – P38/3738	Royalty	Crescent Gold Limited(2)
Johnston Range Iron Ore Gold and Base Metals	M77/1258	Royalty	Cliffs Asia Pacific(3)
Golden Eagle Oil & Gas JV, Utah	ML47311, ML47365, ML47533, ML48735, ML51681, ML51682, UTU75547, UTU75751, UTU75752, UTU75753, UTU75756, UTU75761, UTU75762, UTU76326, UTU76510, UTU82583, UTU82584, UTU84159	100%(4)	Eclipse Exploration Corporation, GLNA (LCC), Dave Waters
Povorotnoye Joint Activity, Ukraine	1946	61.2%(5)	Crymgeologica, Transeuro Energy Corporation(5)

Notes:

1. Pig Well Sale and Royalty agreement signed April 29 2005. Aleator Energy retains 1% net royalty
2. Deed of assignment and assumption signed 30th July 2012 GSR retains 50c per tonne royalty
3. Aleator Energy sold all of its interests in Johnson Range to Cliffs Asia Pacific. GSR retains a 2% royalty
4. Aleator Energy has earned 100% working interest. Partners retain a right to back-in to 16.7% working interest.
5. Aleator Energy has an 85% interest in East Crimea Energy B.V. (Transeuro 15%). East Crimea Energy B.V. has a 100% interest in Pivdenspetsbud LLC which will receive 72% of profit distribution from the Povorotnoye Field Joint Activity with Nadra Krimu before reimbursement of costs. Subsequent to reimbursement of costs the profit distribution reverts to 60% of Joint Activity profits.