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ANSILA ENERGY

Ansila Energy NL
(formerly Pura Vida Energy NL)
ACN 150 624 169

Interim report
for the half-year ended
31 December 2020

CORPORATE DIRECTORY

DIRECTORS

Bevan Tarratt, *Non-Executive Chairman*
Christopher Lewis, *Chief Executive Officer*
Andrew Matharu, *Chief Financial Officer*
Nathan Lude, *Executive Director*

COMPANY SECRETARY

Matthew Foy

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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DIRECTORS' REPORT

The Directors of Ansila Energy NL (formerly Pura Vida Energy NL) (**Company** or **Ansila**) and the entities it controls (**Consolidated Entity** or **Group**) present their report for the half-year ended 31 December 2020.

DIRECTORS

The names of the Directors in office during the financial period or since the end of the financial period are:

- Bevan Tarratt, Non-Executive Chairman
- Christopher Lewis, Chief Executive Officer – transition from Executive Director on 3 February 2021
- Andrew Matharu, Chief Financial Officer – transition from Executive Director on 3 February 2021
- Nathan Lude, Executive Director

COMPANY SECRETARY

- Matthew Foy, Company Secretary – appointed 11 December 2020
- Ben Secrett, Company Secretary – resigned 11 December 2020

PRINCIPAL ACTIVITIES

Ansila is an Australian-based developer and explorer of oil and gas assets. The Company holds a license covering five blocks in the UK Southern North Sea (SNS), offshore United Kingdom, via its investment in, Hartshead Resources Limited (wholly-owned subsidiary, subsequent to period end), and has an interest in the Gora concession, onshore Poland, the Nkembe block, offshore Gabon and the Ambilobe block, offshore Madagascar. The Company's strategy is to extract value from the Company's assets and to build a diversified portfolio of assets over time.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the half-year (31 December 2020: Nil).

FINANCIAL SUMMARY

The Group made a net loss after tax of \$912,310 for the financial half-year ended 31 December 2020 (31 December 2019: loss \$8,021,506).

At 31 December 2020, the Group had net assets of \$852,339 (30 June 2020: \$1,850,682) and cash assets of \$1,113,424 (30 June 2020: \$1,889,593).

REVIEW OF OPERATIONS

GORA CONCESSION, ONSHORE POLAND

ANSILA 35% AND NON-OPERATOR

The Gora concession (693 km²) (**Figure 1**) covers a Carboniferous unconventional gas play, discovered with the Siciny-2 well drilled in 2012 and estimated to contain 2C contingent resources of 1.6 trillion cubic feet (**Tcf**) of gas according to Netherland Sewell & Associates, Inc (**NSAI**)¹. The licence also hosts a conventional Rotliegendes gas play, containing multiple exploration prospects, yet to be drilled.

¹ Volume estimates are from Netherland, Sewell & Associates, Inc, report entitled "Estimates of Reserves and Future Revenue and Contingent Resources and Cash Flow to the Gemini Resources Ltd Interest and Gross (100%) Prospective Resources in Certain Oil & Gas Properties located in the Nowa Sol and Gora Concessions Permian Basin, Onshore Poland as of May 1, 2019" (Report or CPR). The estimates were first reported to the ASX on 4 July 2019.

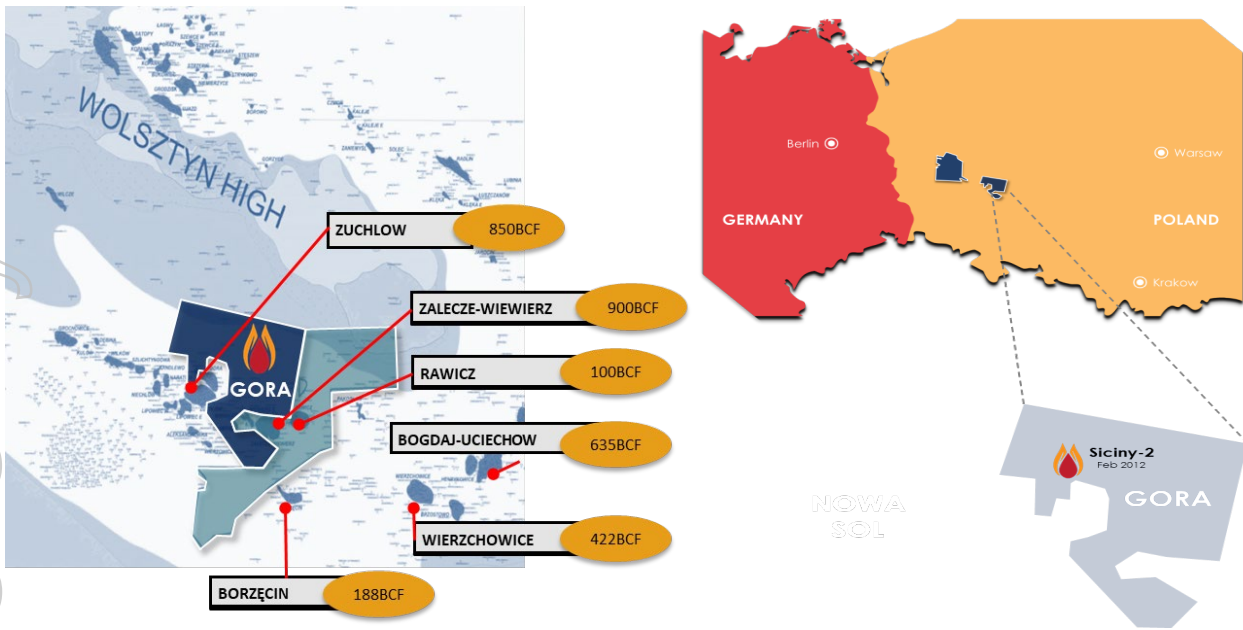


Figure 1 – Location of the Gora gas concession in Poland

During the first half year period the Operator, Gemini Resources Limited (**Gemini, GRL**), held a virtual Operating Committee Meeting (**OCM**) for Gora Energy Sp. zo.o (**Gora**) in which Ansila Energy (**Ansila, ANA**) holds a 35% earned interest.

The OCM focussed on the following technical and operational workstreams of the Gora concession:

Finalised Review of the Siciny-2 Carboniferous Operation

The Siciny-2 appraisal operations, completed in Q1 2020, demonstrated that a two-stage fracture stimulation of the Carboniferous interval could be successfully performed. However, data from a transient pressure build-up test, following the fracture stimulation, indicated that a combination of lower than expected reservoir permeability and the presence of mobile water prevented a natural flow of gas from the reservoir from being established, albeit the detection of free gas (methane) at the surface during the well clean-up operation. This relative permeability effect, specific to a tight gas reservoir, means neither gas nor formation water could flow from the reservoir without assistance from nitrogen lift.

The Operator outlined several potential technical routes to mitigate the relative permeability issue and aid the flow of free gas including:

- The continuation of pumping to create a larger pressure differential to overcome reservoir capillary pressures;
- The drilling of complex multi-frac horizontal wells with up to 20 fracs each to optimise production rates; and
- Drilling a new well at an optimised location, where a higher gas saturation may be encountered, with the potential to combine with a conventional Rotliegendes target to reduce the overall risk of the well.

The costs associated with any of the above options would be material and the risk of failing to establish natural gas flow would likely be considered significant. In addition, the economics of this unconventional gas play would have to be revisited as the much lower than expected permeability will have an impact on any development economics. Therefore, the near-term focus of the Gora concession will be on the conventional prospectivity where a number of lower cost and lower risk options have been identified within the Rotliegendes formation.

Sicity-2 Well Rotliegendes Test

Following the results of the Sicity-2 Carboniferous operation the Operator has focused on the potential of the conventional Rotliegendes reservoir intersected by the Sicity-2 well. Ansila appreciates that re-entering the Sicity-2 well and perforating the Rotliegendes interval may offer a low cost, low risk opportunity to access near-term gas as part of a wider conventional gas strategy across the Gora license. However, a minimum economic recoverable volume would need to be encountered for the Rotliegendes interval at Sicity-2 to be commercially viable.

Gemini presented a review of the conventional potential of the Sicity-2 well, which is estimated to contain a 21 metre² section of conventional gas pay in the shallower Rotliegendes interval. Based on an initial review of the 3D seismic survey acquired across the Sicity area during 2012-13 and petrophysical data, the Operator estimates that the Rotliegendes section of the Sicity-2 well could contain a larger volume of gas compared to independently verified estimates of 13 Bcf¹ by NSAI. To refine the Sicity-2 Rotliegendes volumetrics further the existing 3D seismic dataset would require modern reprocessing and interpretation.

Gora License Conventional Exploration Prospects

A reprocessed 3D seismic dataset which covers part of the Gora licence and specifically covers part of the Rawicz North prospect has been reviewed by the Operator. The quality of this dataset has markedly improved the structural imaging of the conventional Rotliegendes prospects and is being used to generate a new inventory of drill-ready prospects across this part of the licence. Four new prospects have been identified in this part of the Gora license, but require further technical work to progress to the drill-ready stage.

The remaining conventional gas prospects identified on the Gora license total c.210 Bcf¹ (best case estimate) with an average chance of success of 28%. The largest of these prospects is Rawicz North with a best case estimate of 110 Bcf of gas and 24% chance of success. These prospects are covered by a combination of 2D seismic and poorer quality 3D seismic, the latter of which would benefit from reprocessing, or potentially, the acquisition of a new 3D seismic dataset.

Work Program and Financial Review

A firm and contingent work program and budget for 2020 was presented by the Operator. This focuses on the planning and subsurface workstreams necessary to progress the Sicity-2 Rotliegendes interval test and the conventional prospect inventory across the Gora license and remains to be formally proposed to the Operating Committee for approval.

An additional, unapproved (non-AFE) expenditure relating to the completed Sicity-2 appraisal operations of c.£200K (net to Ansila) has been incurred by the Operator in excess of the Gora funding cap of A\$3.91 million³ thereby implying a gross cost of £2.7 million vs an AFE budgeted cost of £2.16 million. All approved costs and expenditure in excess of the Sicity-2 appraisal funding cap would be apportioned according to the respective equity interests of Gemini (65%) and Ansila (35%) in Gora. Ansila currently reserve their rights with respect to any liability relating to unapproved costs incurred by the Operator. Ansila has requested further information from the Operator relating to the non-AFE expenditure and will a financial audit of Gora Energy for the period October 2019 to September 2020.

POLAND PROJECT PORTFOLIO

Gora Concession:

- **Sicity-2 Appraisal Well:** Targeting 2C contingent resources of 1.6 Tcf¹ (circa 270 MMboe⁴) of unconventional gas in an extensive Carboniferous structure with operations undertaken in December 2019 – February 2020; and
- **Conventional Prospects:** At Gora, Ansila has the option to drill several conventional prospects, targeting the Rotliegendes reservoir, with aggregate prospective (P50) resources of 210 Bcf¹. These prospects are located adjacent to the proven Rawicz (c.94 Bcf – 2P reserves) and Zalecze-Wiewierz (900 Bcf) gas fields and offer Ansila additional upside on the Gora Concession. The prospect inventory is partially covered by 3D seismic coverage and

² Gas pay estimate is from Netherland, Sewell & Associates, Inc. report entitled "Estimates of Reserves and Future Revenue and Contingent Resources to the Gemini Resources Ltd. Interest and Gross (100 Percent) Prospective Resources in Certain Oil and Gas Properties located in the Nowa Sol and Gora Concessions Permian Basin, Onshore Poland as of May 1, 2019" (Report).

³ Based on an exchange rate of 1AUD: 0.55GBP or 1AUD: 0.71USD

⁴ The conversion factor used to convert gas (Tcf) to oil (MMboe) is 5.8:1 – this conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency.

lies within a proven petroleum system demonstrated by information from surrounding well control from the adjacent Rotliegendes gas fields. Estimated completed well costs attributable are US\$0.85 million (A\$ 1.2 million as at 31December 2019) net to Ansila.

NKEMBE BLOCK, OFFSHORE GABON

ANSILA 100%⁵ AND OPERATOR

The Nkembe block covers an area of 1,210 km² in water depths of 50-1,100 metres approximately 30 km off the coast of Gabon (Figure 2).

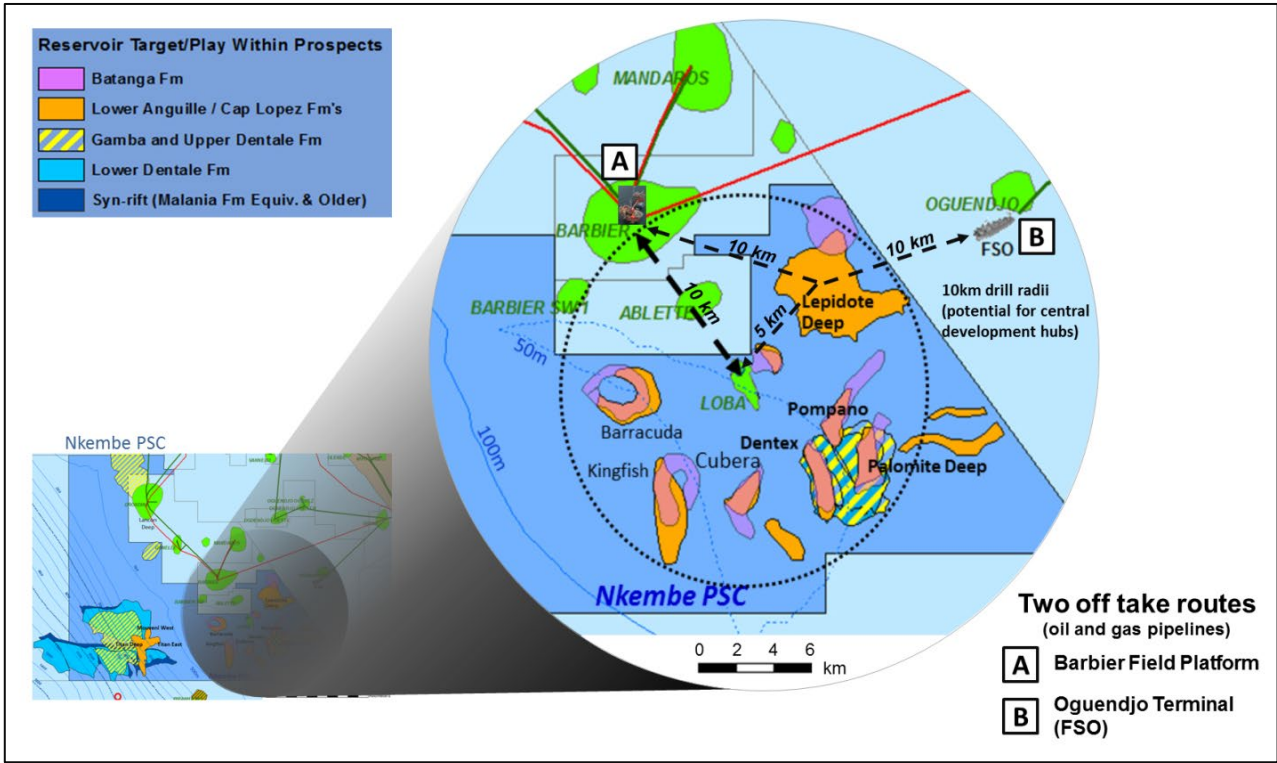


Figure 2 – Shallow water area of the Nkembe block and prospects

During the period the Company maintained its claim of force majeure on the Nkembe Production Sharing Contract (PSC), suspending all obligations. In accordance with Ansila’s legal advice, Ansila has asserted that the PSC start date is the date of the issue of the Presidential Decree (4 December 2014) and that, based on this start date, no funds contributions are outstanding as at the date of the force majeure. Ansila has committed substantial investment over a number of years in Gabon, including a US\$9,000,000 signing bonus paid in January 2013 and accordingly has reserved all its rights in relation to the PSC, including the right to seek recovery of the signing bonus.

In the circumstances Ansila does not intend to commit any further resources to the Nkembe Project unless and until Ansila reaches a resolution with the Directorate General for Hydrocarbons, that enables Ansila to obtain third party funding to conduct further exploration under the PSC.

⁵ Ansila’s interest is subject to the right of the State of Gabon to participate in any development for up to a 20% interest under the Nkembe PSC.

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AMBILOBE BLOCK, OFFSHORE MADAGASCAR

ANSILA 100% AND OPERATOR

The Ambilobe block is located in the Ambilobe Basin, offshore north-west Madagascar covering an area of 17,650 km² (Figure 3).

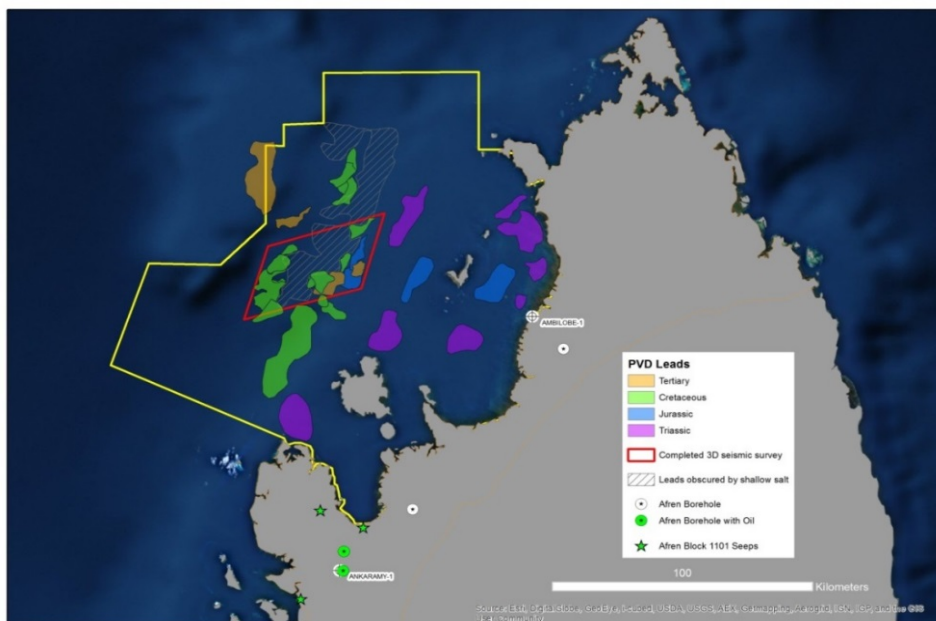


Figure 3 – The Ambilobe block (yellow boundary) showing area of 3D seismic survey (red boundary)⁶

An independent Ambilobe block evaluation report highlighted the potential, interpreted from the 3D seismic data acquired during 2015/16, for significant prospectivity within the block and recommended that Ansila undertake a systematic phased work program to further process and interpret the 3D seismic data for the purposes of improving the definition of and then ranking three previously identified leads. In addition, under the production sharing contract, the Company's subsidiary that holds the block is required to relinquish a portion of the Ambilobe block.

As stated previously, the Company has applied for the second special two (2) year extension of the Ambilobe PSC. Discussions with OMNIS are ongoing and at the date of this report. The Company has not reached agreement with OMNIS on the terms of the 2nd special two (2) year extension of the Ambilobe PSC.

CORPORATE & FINANCIAL

During the half year period Ansila entered into an acquisition that upon completion would transform the Company into a new entrant UK North Sea gas development company with material 2C contingent resources. On 3 September 2020 Ansila requested a trading halt in the Company's securities on the ASX following an announcement by the UK Oil & Gas Authority (OGA) relating to a provisional license award to Hartshead Resources Limited (Hartshead or HRL), in which ANA held a 21.6% equity interest. On 7 September 2020 Ansila formally announced that Hartshead had provisionally been awarded five blocks in the Southern North Sea (SNS), offshore United Kingdom, as part of UK 32nd Offshore Licensing Round. The blocks under provisional award to HRL were 48/15c, 49/6c, 49/11c, 49/12d and 49/17b and contain multiple fields and undeveloped gas resources, together with a number of drill-ready exploration prospects. At the time of this announcement a request was made by Ansila for a voluntary suspension in the trading of the Company's shares pending a further announcement regarding a material investment by Ansila and associated capital raise. Further extensions to the ASX suspension were requested during the latter half of September 2020 and the Company's shares remained suspended until 3 February 2021 when the Company announced the completion of a transaction to acquire Hartshead and an associated Placement of A\$8.0 million.

On 5 November 2020 Ansila announced that Hartshead had received a Data Verification Letter from the OGA with respect to its UK 32nd Offshore Licensing Round application, in which Hartshead was provisionally awarded five blocks. The Data

⁶ Subject to relinquishment and extension of term for a further 2 years as per the terms of the Ambilobe PSC.

DIRECTORS' REPORT

Verification Letter sets out the terms and conditions of the award of a single license consisting of an Initial Term of five (5) years, followed by a Second Term of 2 years and a Third Term (intended for production) of eighteen (18) years.

On 14 December 2020 Ansila announced that it had reached an agreement to acquire the remaining 78.4% interest in Hartshead that Ansila does not already own in an all share deal aiming to create a new UK North Sea gas developer. A Placement for A\$7.0 million at a placing price of A\$0.025 per share was also announced to fully fund work commitments of Phase I operations through to the preliminary field development plan (FDP) submission. The transaction was subject to shareholder approval at the Company's Annual General Meeting (AGM) scheduled for 29 January 2021.

On 11 December 2020 it was announced that Mr Ben Secrett had resigned as Company Secretary and that Mr Matthew Foy had been appointed as the new Company Secretary with immediate effect. Mr Foy is a professional Company Secretary with over 14 years' experience facilitating public company compliance with a core focus on ASX Listing Rules and operational and governance disciplines.

Ansila holds 69,637 shares in the capital of GRL (carrying value of A\$197,460), equating to 2.0% ownership in GRL as a result of the automatic conversion of the exclusivity fee payment at completion of the transaction.

In addition, Ansila holds 102,387 ordinary shares and has an option on 10,611 shares for 2.11% of the total voting power in SSH Group Limited (formerly Jacka Resources Limited (SHH Group)). SSH Group was removed from the ASX Official List on 21 September 2020 following a period of suspension from September 2018. During the period SSH Group announced that it had executed a binding termsheet to acquire 100% of Site Service Holdings and subsequent to the period completed a 1000-for-1 consolidation of its issued capital. Upon completion of the transaction SSH Group intends to re-list on the ASX via an IPO and complete a capital raise of A\$6.25 million.

Ansila's closing cash at 31 December 2020 was A\$1.1 million with the Company holding an additional ~A\$200,000 in financial investments as at 31 December 2020.

PETROLEUM REPORTING STATEMENTS

GORA CONCESSION (POLAND) - CONTINGENT AND PROSPECTIVE RESOURCES

Please refer to the qualified person's statement relating to the reporting of contingent and prospective resources on the Gora concession in Ansila's ASX Announcement dated 4 July 2019 (see Schedule 2). The Company is not aware of any new information or data that materially affects the information about the contingent resource and prospective resource estimates included in this announcement and all the material assumptions and technical parameters underpinning those estimates in this announcement continue to apply and have not materially changed.

Contingent resources reported herein have been estimated and prepared using the probabilistic method.

Contingent Resources		1C	2C	3C
Siciny-2	Tcf	0.7	1.6	3.2
Ansila 35% Interest		0.25	0.56	1.1

Prospective Resources ⁷		Low Case	Best Case	High Case
Bronow	Bcf	16	21.4	28.1
Rawicz North	Bcf	80.1	109.7	148.8
Rawicz South	Bcf	37.8	51.8	70.4
Siciny	Bcf	9.5	13.3	17.8
Zuchlow West	Bcf	10	13.3	17.6
TOTAL	Bcf	153.4	209.3	282.7
Ansila 35% Interest		53.7	73.3	98.9

⁷ Prospective resources are estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) and relate to undiscovered accumulations. These prospective resources estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

SOUTHERN NORTH SEA LICENSE P2607 (UNITED KINGDOM) – CONTINGENT AND PROSPECTIVE RESOURCES

Please refer to the qualified person's statement relating to the reporting of contingent and prospective resources on Hartshead Resources Southern North Sea License P2607 in Ansila's ASX Announcement dated 14 December 2020 (see Schedule 3). The Company is not aware of any new information or data that materially affects the information about the contingent resource and prospective resource estimates included in this announcement and all the material assumptions and technical parameters underpinning those estimates in this announcement continue to apply and have not materially changed.

Contingent resources reported herein have been estimated and prepared using the probabilistic method.

CONTINGENT RESOURCES (Bcf)					
PHASE I PROJECTS			1C	2C	3C
Victoria	49/17b		84	125	177
Viking Wx	49/17b		62	90	124
Combined⁸	49/17b		161	217	285

GAS (BCF)						
CONTINGENT RESOURCES			1C	2C	3C	GCoS
PHASE II	49/6c, 49/11c	Tethys North	14	39	70	100%
	48/15c	Audrey NW	35	100	387	100%
PROSPECTIVE RESOURCES			P90	P50	P10	GCoS
PHASE III	49/17b	Vixen SW	29	56	94	50%
EXPLORATION	49/17b	Vixen SE	43	85	142	30%

RISK MANAGEMENT AND CORPORATE GOVERNANCE

The Board of Ansila is committed to conducting its business in accordance with a high standard of corporate governance commensurate with its size, operations and the industry within which it participates. The Directors of Ansila are responsible for corporate governance of the Company and support the principles of the ASX Corporate Governance Council's Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The Company's Corporate Governance Statement as at 30 June 2020 as approved by the Board on 29 January 2021 remains current. The Company's Corporate Governance Statement can be viewed on the Company's website www.ansilaenergy.com.au under the Governance tab.

EVENTS AFTER THE REPORTING PERIOD

Following shareholder approval at the Company's AGM on 29 January 2021, completion of the acquisition of Hartshead was announced on 3 February 2021 with an increased Placement totalling A\$8.0 million in order to accommodate additional demand from a UK institutional fund manager and a high net worth professional investor. On completion of the transaction existing ANA Executive Directors, Mr Christopher Lewis and Dr Andrew Matharu, were appointed as Chief Executive Officer and Chief Financial Officer, respectively.

On 12 February 2021, the Company issued 1,000,000 fully paid ordinary shares following receipt of notices of exercise from holders of performance rights that have vested following the satisfaction of a performance milestone.

⁸ Volumes combined stochastically to give portfolio volume

DIRECTORS' REPORT

In the opinion of the Directors, no other events of a material nature or transaction, has arisen since period end and the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or its state of affairs.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on the following page of the interim half-year report.

On behalf of the Directors



Bevan Tarratt

Non-Executive Chairman

Perth, Western Australia

12 March 2021

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF ANSILA ENERGY NL

As lead auditor for the review of Ansila Energy NL for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Ansila Energy NL and the entities it controlled during the period.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 12 March 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	31 December 2020 \$	31 December 2019 \$
Revenue from continuing operations			
Interest income		139	11,720
Other income	2	50,000	-
Total income		50,139	11,720
Expenses			
Exploration and evaluation expenditure	3	(328,860)	(5,775,887)
Depreciation expenses		(1,071)	-
Administrative expenses	3	(469,521)	(1,451,883)
Share-based payments expense	3	(178,210)	(660,540)
Unrealised foreign exchange gain/(loss)	3	30,441	132,151
Share of net profit/(loss) of associates accounted for using the equity method	6	(15,228)	(81,919)
Impairment of investment in Associate	6	-	(195,147)
Loss before income tax		(912,310)	(8,021,506)
Income tax expense		-	-
Loss after income tax attributable to the owners of the Company		(912,310)	(8,021,506)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(2,170)	9,114
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of financial assets at fair value through other comprehensive income (FVOCI)	5	(262,073)	(139,232)
Other comprehensive income for the half-year, net of tax		(264,243)	(130,118)
Total comprehensive income/(loss) for the half-year attributable to the owners of the Company		(1,176,553)	(8,151,624)
		Cents	Cents
Earnings per share for the half-year attributable the owners of the Company			
Basic and Diluted loss per share		(0.18)	(2.09)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31 December 2020 \$	30 June 2020 \$
Current assets			
Cash and cash equivalents		1,113,424	1,889,593
Other receivables		31,069	17,397
Total current assets		1,144,493	1,906,990
Non-current assets			
Plant and equipment		3,222	4,294
Financial assets at FVOCI	5	197,461	459,534
Investment in associate	6	17,466	33,099
Total non-current assets		218,149	496,927
Total assets		1,362,642	2,403,917
Current liabilities			
Trade and other payables	7	510,303	553,234
Total current liabilities		510,303	553,234
Total liabilities		510,303	553,234
Net assets		852,339	1,850,682
Equity			
Issued capital	8	54,652,907	54,652,907
Share-based payment reserve		5,707,291	5,529,081
Financial assets at FVOCI		(728,639)	(466,566)
Foreign exchange reserve		(82,521)	(80,351)
Accumulated losses		(58,696,699)	(57,784,389)
Total equity		852,339	1,850,682

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Issued capital \$	Reserves \$	Accumulated gain/(loss) \$	Total equity \$
Balance at 1 July 2019	50,830,012	4,340,339	(48,852,061)	6,318,920
Loss for the half-year	-	-	(8,021,506)	(8,021,506)
Other comprehensive income/(loss) for the half-year	-	(130,118)	-	(130,118)
Total comprehensive income/(loss) for the half-year	-	(130,118)	(8,021,506)	(8,151,624)
Transactions with owners in their capacity as owners				
Contributed equity	4,272,098	-	-	4,272,098
Share issue costs	(449,453)	-	-	(449,453)
Retention and performance rights expense recognised during the half-year	-	886,067	-	886,067
Balance at 31 December 2019	54,652,657	5,096,288	(56,873,567)	2,875,378
Balance at 1 July 2020	54,652,907	4,982,164	(57,784,389)	1,850,682
Loss for the half-year	-	-	(912,310)	(912,310)
Other comprehensive income/(loss) for the half-year	-	(264,243)	-	(264,243)
Total comprehensive income/(loss) for the half-year	-	(264,243)	(912,310)	(1,176,553)
Transactions with owners in their capacity as owners				
Retention and performance rights expense recognised during the half-year	-	178,210	-	178,210
Balance at 31 December 2020	54,652,907	4,896,131	(58,696,699)	852,339

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note	31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities		
Payments to suppliers, consultants and employees	(510,897)	(930,060)
Payments for exploration and evaluation expenditure	(297,224)	(5,853,527)
Interest received	167	11,890
Other income	50,000	-
Net cash outflow from operating activities	(757,954)	(6,771,697)
Cash flows from investing activities		
Payments for financial assets at FVOCI	-	(330,075)
Proceed from sale of financial assets at FVOCI	-	355,420
Net cash inflow/(outflow) from investing activities	-	25,345
Cash flows from financing activities		
Proceeds from issue of shares	-	3,731,831
Proceeds from issue of options	-	250
Share issue costs	-	(223,936)
Net cash inflow/(outflow) from financing activities	-	3,508,155
Net decrease in cash and cash equivalents	(757,954)	(3,238,197)
Cash and cash equivalents at the beginning of the half-year	1,889,593	5,794,861
Effects of exchange rate changes on cash and cash equivalents	(18,215)	141,317
Cash and cash equivalents at the end of the half-year	1,113,424	2,697,981

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

1. SEGMENT INFORMATION

Management has determined that the Group has four reportable segments being interests:

- to explore for gas in acreage in the Southern North Sea, United Kingdom;
- to explore for gas in acreage in Poland;
- to explore for oil in acreage known as the Nkembe block, located at offshore Gabon; and
- to explore for oil and gas in acreage known as the Ambilobe block, located at offshore Madagascar.

This determination is based on the internal reports that are reviewed and used by the Board (chief operating decision maker) in assessing performance and determining the allocation of resources. As the Group is focused on oil and gas exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

	Income from external sources \$	Reportable segment profit/(loss) \$	Reportable segment assets ⁽¹⁾ \$	Reportable segment liabilities \$
For the half-year ended 31 December 2020				
<i>Exploration activities</i>				
United Kingdom	-	(323,317)	-	(37,342)
Poland	-	(5,392)	-	-
Gabon	-	(178)	45,225	(1,907)
Madagascar	-	748	10,483	(379,397)
<i>Other corporate activities</i>	50,139	(584,171)	1,306,934	(91,657)
Total	50,139	(912,310)	1,362,642	(510,303)

	For the half-year ended 31 December 2019		As at 30 June 2020	
<i>Exploration activities</i>				
Poland	-	(5,741,163)	-	-
Gabon	-	(105,529)	46,527	(2,143)
Madagascar	-	(38,468)	15,895	(426,338)
<i>Other corporate activities</i>	11,720	(2,136,346)	2,341,495	(124,753)
Total	11,720	(8,021,506)	2,403,917	(553,234)

¹ As at 31 December 2020 Other corporate activities includes cash held of \$1,061,090, as at 30 June 2020 Other corporate activities includes cash held of \$1,889,593.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

2. OTHER INCOME

	31 December 2020 \$	31 December 2019 \$
Cash flow boost incentive payments ⁽¹⁾	50,000	-

¹ Cash flow boosts payments are delivered as credits in the activity statements and equivalent to the amount withheld from wages paid to employees from June to September 2020.

3. EXPENSES

	31 December 2020 \$	31 December 2019 \$
Profit/(Loss) before income tax includes the following specific items:		
<u>Exploration and evaluation expenditure</u>		
Nkembe block, offshore Gabon	-	-
Ambilobe block, offshore Madagascar	151	32,852
Polish JV assets	5,392	5,741,163
Southern North Sea assets	323,317	-
New venture activity costs ⁽¹⁾	-	1,872
Total exploration and evaluation expenditure	328,860	5,775,887
<u>Share-based payments expense</u>		
Performance rights expense -issued to Directors	79,280	349,242
Performance rights expense -issued to Advisors	98,930	311,298
Total share-based payments expenses	178,210	660,540
<u>Administrative expense includes</u>		
Employee benefits expense	125,925	467,002
Advisory and audit fees	121,281	579,860
Other expenses	222,315	405,021
Total administrative expense	469,521	1,451,883
<u>Unrealised foreign exchange loss/(gain) ⁽²⁾</u>	(30,441)	(132,151)

¹ New venture costs incurred in building and diversifying portfolio of assets.

² Foreign exchange gain was recognised in relation to the retranslation of British Pound, United States and Euro dollar denominated balances.

4. DIVIDENDS

No dividend has been paid or is proposed in respect of the half-year ended 31 December 2020 (31 December 2019: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income (FVOCI) comprise of unlisted equity securities and listed equity securities on the Australian Securities Exchange (ASX).

	31 December 2020 \$	30 June 2020 \$
<u>Unlisted equity securities</u>		
Opening balance	459,534	-
Fair value adjustment	(262,073)	
Conversion on exclusivity fee	-	459,534
Closing balance	197,461	459,534
<u>Australian listed equity securities</u>		
Opening balance	-	797,970
Purchase of securities	-	3,845
Sale of securities	-	(355,420)
Revaluation movement recognised in other comprehensive income	-	(139,232)
Impairment ⁽¹⁾	-	(307,163)
Closing balance	-	-
	197,461	459,534

1 Subsequent to the 30 June 2020 year end Jacka Resources Limited was delisted from the ASX, as a result the carrying value of the investment was impaired to nil.

On disposal of these equity investments, any related balance within the FVOCI reserve remain within other comprehensive income.

Significant accounting estimates, assumptions and judgements

Classification of financial assets at fair value through other comprehensive income

Investments are designated at fair value through other comprehensive income where management have made the election in accordance with AASB 9: *Financial Instruments*.

Fair value for financial assets at fair value through other comprehensive income

Information about the methods and assumptions used in determining fair value is provided in Note 13.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

6. INVESTMENT IN ASSOCIATE

During the prior period the Company has invested into a UK private entity, Hartshead Resources Ltd which is undertaking applications to acquire certain prospective oil & gas licences in the South North Sea, offshore United Kingdom. The Company's investment is recognised as an investment in associates.

Significant accounting judgments

Control assessment

The Directors have determined that they have significant influence over Hartshead Resources Ltd, as a result of the 21.6% ownership and common directorship. The Investment in Associates in the consolidated financial statements is accounted for using the equity method of accounting.

The resulting investment is subsequently accounted for as an Investment in Associate as follows:

	31 December 2020	30 June 2020
	\$	\$
Opening balance	33,099	-
Investment in Hartshead	-	326,230
Share of losses after income tax	(15,228)	(94,819)
Impairment of investment in associate	-	(198,710)
Foreign exchange (loss)/gain	(405)	398
Closing balance	17,466	33,099

	31 December 2020
	\$
Hartshead Resources Ltd	
Assets	85,291
Liabilities	(7,355)
Revenue	-
Profit/(losses)	(72,365)
Share of loss at 21.6%	(15,633)

7. TRADE AND OTHER PAYABLES

	31 December 2020	30 June 2020
	\$	\$
Trade and other payables	453,629	465,529
Other payables	56,674	87,705
	510,303	553,234

Trade and other payables are normally settled within 30 days from receipt of invoice. All amounts recognised as trade and other payables, but not yet invoiced, are expected to settle within 12 months.

The carrying value of trade and other payables are assumed to be the same as their fair value, due to their short-term nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

8. ISSUED CAPITAL

	31 December 2020 Securities	31 December 2019 Securities	31 December 2020 \$	31 December 2019 \$
Fully paid ordinary shares	508,772,127	485,349,636	54,595,622	54,595,621
Partly paid ordinary shares	5,703,550	5,703,550	57,036	57,036
	514,475,677	491,053,186	54,652,658	54,652,657

Movement in fully paid ordinary shares

There has been no movement in the partly paid shares during the half-year period.

Movement in partly paid shares

There has been no movement in the partly paid shares during the half-year period.

9. SHARE BASED PAYMENTS

Share based payment transactions are recognised at fair value in accordance with AASB 2.

The total movement arising from share-based payment transactions recognised during the half-year were as follows:

	Note	31 December 2020 \$	31 December 2019 \$
As part of share-based payment expense:			
Performance rights issued	9(a)	178,210	660,540
As part of exploration costs:			
Shares issue – facilitating fee		-	90,000
As part of administrative costs:			
Shares issue – advisory fee		-	450,000
Recognised in equity as a capital raising cost			
Options issued		-	225,527
		178,210	1,336,157

During the half-year the Group had the following share-based payments:

(a) Performance rights

During the prior period the Company granted performance rights as a long-term incentive to employees which have been issued under the Company's Performance Rights Plans approved by shareholders on 2 September 2011 and 31 October 2014. Each performance right will vest as an entitlement to one fully paid ordinary share upon achievement of certain performance milestones. If the performance milestones are not met, the performance rights will lapse and the eligible participant will have no entitlement to any shares.

Performance rights are not listed and carry no dividend or voting rights. Upon exercise, each performance right is convertible into one fully paid ordinary share to rank pari passu in all respects with existing fully paid ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

9. SHARE BASED PAYMENTS (continued)

Movement in the performance rights for the current period is shown below:

Grant date	Expiry date	Exercise price	Balance at start of the period	Granted during the period	Converted during the period	Balance at period end	Vested at period end
02-Sep-19 ⁽¹⁾	30-Sep-22	-	64,844,991	-	-	64,844,991	6,000,000
Total			64,844,991	-	-	64,844,991	6,000,000

¹ Performance rights granted to Directors, employees and advisors; the securities were approved on the 2 September 2019 at the Company's General Meeting

Key inputs used in the fair value calculation of the performance rights which have been granted during the prior period were as follows:

Number granted	Exercise price	Expected vesting dates	Expiry date	Share price at grant date	Fair value per performance right	Total fair value
Grant date: 02-Sep-19⁽¹⁾						
88,267,482	-	17-Dec-19 to 30-Sep-22	30-Sep-22	\$0.0185	\$0.0185	\$1,632,948

1. Upon achieving either Milestone 1, Milestone 2, Milestone 3, Milestone 4, Milestone 5, Milestone 6 or Milestone 7, a third of the Performance Rights will be eligible to be converted into Shares upon exercise by the holder.

2. Milestones are as follows:

Milestone 1 Completion of an initial feasibility study that derives a Net Present Value (NPV) (utilising a discount rate of 10%) of the Gora project of not less than based on a 2C Contingent Resource;

Milestone 2 Securing necessary funding to undertake the drilling of an additional well at the Gora project or Nowa Sol project, including via equity or debt (or a combination of both) or other funding mechanism such as joint farm-out or forward payments on a supply venture, agreement;

Milestone 3 The Company's VWAP over 10 consecutive trading days being at least \$0.05;

Milestone 4 The Company's VWAP over 10 consecutive trading days being at least \$0.08;

Milestone 5 Securing necessary funding to commence production at the Gora project or Nowa Sol project, including via equity or debt (or a combination of both) or other funding mechanism such as joint venture, farm-out or forward payments on a supply agreement;

Milestone 6 Execution of a binding gas sale agreement on the Gora project or oil sale agreement on the Nowa Sol project with a third party; or

Milestone 7 Successful completion of Fracking and/or Flow Testing on the Gora and Nowa Sol project, including flowing of oil and gas to surface and all necessary data acquisition for project evaluation.

Milestone 7 was achieved in December 2019 and a third of the rights vested. As at 31 December 2020, management believe that the remaining performance and service hurdles will be met and accordingly have recognised a share-based payment expense over the respective vesting periods.

Total expense arising from the above performance rights is \$178,210.

10. RELATED PARTY TRANSACTIONS

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

Transaction with related parties

Investment in Hartshead Resources Ltd

During the prior period the Company has invested into a UK private entity, Hartshead Resources Ltd. The Company's investment is recognised as an investment in associates (See Note 6). Prior to investment Hartshead Resources was controlled by Directors: Dr Matharu and Mr Lewis as a result of ownership and Directorship.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

10. RELATED PARTY TRANSACTIONS (continued)

Payment of fees

Dr Andrew Matharu, Chief Financial Officer – transition from Executive Director on 3 February 2021, is a Director of Firmitas Energy Advisers Limited, which received Dr Matharu's Director fees during the period. At year end the Company had an outstanding balance payable of \$18,853 (30 June 2020: \$16,150).

Mr Christopher Lewis, Chief Executive Officer – transition from Executive Director on 3 February 2021, is a Director of Lewis Petroleum Consulting Limited which received Mr Lewis's Director fees during the period. At year end the Company had an outstanding balance payable of \$15,876 (30 June 2020:\$16,150).

11. COMMITMENTS

There have been no changes to commitments since the last annual reporting date, 30 June 2020.

(a) Capital commitments

Gabon, Nkembe block

The Group is currently in the first exploration phase of the Block, which initially covered a period of four years. On 3 November 2016, Ansila was granted a 12-month extension of the current exploration phase with no additional work commitments. A dispute has arisen with the Directeur Général des Hydrocarbures (DGH) as to whether the first exploration stage commenced when the Nkembe PSC was signed, on 11 January 2013 or on the date of issue of the Presidential Decree, 4 December 2014. As a consequence of this dispute Ansila has claimed force majeure in relation to the Nkembe PSC since 1 April 2018 until such time as the dispute is resolved. In the meantime, the Nkembe PSC remains on foot.

The work commitments for the first exploration stage under the Nkembe PSC includes the acquisition and processing of 3D seismic data and an exploration well. The Nkembe PSC included an estimate of US\$17 million for the work commitments for the first exploration phase and Ansila has expended approximately US\$1.4 million towards these work commitments. Separately to the committed work program an additional US\$8.6 million of allowable costs have been incurred during the first exploration phase. The effect of the dispute with the DGH has meant that Ansila has been unable to make any progress with potential funding partners for an exploration well. Accordingly, until such time as the dispute is resolved it is not possible to quantify the likely commitment and/or payable (if any) in relation to the Nkembe PSC.

Ansila has received legal advice that its obligations to make the fund contributions (refer Note 12) under the Nkembe PSC commenced on the issue of the Presidential Decree, being 4 December 2014. Based on this advice, no fund contributions are outstanding. This issue, however, remains unresolved between Ansila and the DGH and accordingly until this matter is resolved the Board believe it is prudent to recognise a contingent liability.

12. CONTINGENCIES

There have been no material changes to the contingencies disclosed at 30 June 2020, there are no other contingent assets or liabilities as at 31 December 2020.

(a) Contingent liabilities

Gabon, Nkembe block

A dispute has arisen with the Directeur Général des Hydrocarbures (DGH) as to whether the first exploration stage commenced when the Nkembe PSC was signed, on 11 January 2013 or on the date of issue of the Presidential Decree, 4 December 2014. As a consequence of this dispute Ansila has claimed force majeure in relation to the Nkembe PSC since 1 April 2018 until such time as the dispute is resolved. In the meantime, the Nkembe PSC remains on foot, which the DGH has recently confirmed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

12. CONTINGENCIES (continued)

Ansila has received legal advice that its obligations to make the fund contributions under the Nkembe PSC commenced on the issue of the Presidential Decree, being 4 December 2014. Based on this advice, no fund contributions are outstanding and consequently have not been provided for on the statement of financial position as at 31 December 2020. During a prior period, included within the other payables was an amount payable to the Directeur Général des Hydrocarbures (DGH) in Gabon in relation to fund contributions pursuant to the Nkembe PSC for approximately US\$2.91 million, based on the liability for fund contributions commencing on the date on which the Nkembe PSC was signed, being 11 January 2013. This issue, however, remains unresolved between Ansila and the DGH. The potential undiscounted amount of the total payments that the group could be required to make if there was an adverse decision is estimated to be up to US\$2.91 million.

13. FAIR VALUE MEASUREMENTS

This note provides an update on the judgements and estimates made by the group in determining the fair values of the financial instruments since the last annual financial report.

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2020 and 30 June 2020 on a recurring basis:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 31 December 2020				
Financial assets at FVOCI – Equity securities	-	197,460	-	197,460
As at 30 June 2020				
Financial assets at FVOCI – Equity securities	-	459,534	-	459,534

There were no transfers between levels during the period. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The fair value of financial assets and liabilities held by the Group must be estimated for recognition, measurement and/or disclosure purposes. The Group measures fair values by level, per the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Valuation techniques used to determine fair values

The Group did not have any financial instruments that are recognised in the financial statements where their carrying value differed from the fair value. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The carrying amounts of cash and short-term trade and other receivables, trade payables and other current liabilities approximate their fair values largely due to the short-term maturities of these payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

13. FAIR VALUE MEASUREMENTS (continued)

Financial assets at fair value through other comprehensive income – equity securities

Fair Value in Active Market (Level 1)

The fair value of the equity holdings held in ASX listed companies are based on the quoted market prices from the ASX on 31 December 2020, being the last traded price prior to half-year end.

Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets that are not traded in an active market is determined using valuation techniques. These include the use of a recent share price from completed or planned capital raising that provides a reliable estimate of prices obtained in actual market transactions.

14 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This consolidated interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide a full understanding of financial performance, financial position and financing and investing activities of the consolidated entity as full year financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Ansila Energy NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Going concern

The Directors have prepared the financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

During the year the Group incurred cash outflows from operating activities of \$757,954 and had a net loss of \$912,310 (Dec 2019: loss of 8,021,506).

As at 31 December 2020 Pura Vida Mauritius (a subsidiary of the Company) had commitments with an estimated value of \$3.25 million (US\$2.5 million) pertaining to the current exploration phase of the Ambilobe PSC. The third phase ended in July 2019 and may be extended to July 2021, and the company is continuing its discussions with OMNIS regarding the 2nd special two (2) year extension of the PSC to July 2021.

Ansila is currently in a dispute with the Gabonese Government with regards to the Nkembe PSC, (refer to Note 12 for details on the dispute). Until such a time as the dispute is resolved it is not possible to quantify the likely commitments and/or payable (if any) in relation to the Nkembe PSC.

In the event the Company is unable to secure funding to complete the current exploration phase in Madagascar and resolve the dispute with the Gabonese Government the Group may be unable to realize its assets and discharge its liabilities in the normal course of business. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its asset and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the consolidated entity's working capital requirements at the date of this report for the following reasons:

- at 31 December 2020 the consolidated entity had \$1.1 million of cash and a current working capital position of \$0.63 million;
- subsequent to period end on 3 February 2021 the Company completed a Placement totalling A\$8.0 million;
- the Group is progressing realisation of the value of the consolidated entity's assets in Madagascar and has applied for a special two year extension to the PSC and discussions remain on-going with OMNIS;

14 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- the Group is progressing realisation of the value of the consolidated entity's assets in Poland with a focus on the conventional prospectivity within the Rotliegendes formation; and
- the Group has claimed force majeure in relation to the Nkembe PSC since 1 April 2018 (refer note 11 and 12 for details) and continues to consider its options to resolve the Gabonese dispute.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

15. EVENTS OCCURRING AFTER REPORTING DATE

Following shareholder approval at the company's AGM on 29 January 2021, completion of the acquisition of Hartshead was announced on 3 February 2021 with an increased Placement totalling A\$8.0 million in order to accommodate additional demand from a UK institutional fund manager and a high net worth professional investor. On completion of the transaction existing ANA Executive Directors, Mr Christopher Lewis and Dr Andrew Matharu, were appointed as Chief Executive Officer and Chief Financial Officer, respectively.

On 12 February 2021, the Company issued 1,000,000 fully paid ordinary shares following receipt of notices of exercise from holders of performance rights that have vested following the satisfaction of a performance milestone. In the opinion of the Directors, no event of a material nature or transaction, has arisen since period end and the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or its state of affairs.

In the opinion of the Directors, no other events of a material nature or transaction, has arisen since period end and the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or its state of affairs.

DIRECTORS' DECLARATION

In the Directors' opinion:

1. the financial statements, and accompanying notes set out above, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date;
2. there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Bevan Tarratt

Non-Executive Chairman

Perth, Western Australia

12 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ansila Energy NL

Report on the Half-Year Financial Report

Qualified conclusion

We have reviewed the half-year financial report of Ansila Energy NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, except for the effects of the matter described in the *Basis for qualified conclusion* section, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for qualified conclusion

As disclosed in Note 11 to the financial statements, there is a dispute over the commencement date of Ansila Energy NL's (formerly Pura Vida Energy NL) obligations under the Nkembe Production Sharing Contract (PSC), which has prevented Ansila Energy NL progressing funding discussions to meet its obligations under the PSC and has therefore resulted in force majeure being claimed by the Company. The Company has stated that until such time as the dispute is resolved, it is not possible to quantify the likely commitment and/or payable (if any) under the PSC. As such management were unable to provide support as to its commitment or obligation under the PSC as at 31 December 2020 and we were unable to obtain sufficient appropriate evidence to determine whether any adjustments to the commitments or other payables note disclosure was necessary.

Consequently, we were unable to determine whether any adjustments might have been necessary in respect of the carrying amount of other payables as at 31 December 2020, and the elements making up the statement of profit or loss and other comprehensive income.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty related to going concern

We draw attention to Note 14 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO



Jarrad Prue

Director

Perth, 12 March 2021

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