



Appendix 4D -Half year report

**Results for announcement to the market**

Name of Entity	BPH Energy Limited
ABN	41 095 912 002
Half Year Ended	31 December 2011
Previous Corresponding Reporting Period	31 December 2010

\$A'000			
Revenues from ordinary activities	down	46%	to 106
(Loss) from ordinary activities after tax attributable to members	down	28%	to (561)
Net (loss) for the period attributable to members	down	28%	to (561)
<b>Dividends (distributions)</b>		<b>Amount per security</b>	<b>Franked amount per security</b>
Final dividend		Nil	Nil
Interim dividend			
Previous corresponding period		N/A	N/A

Please refer to attached accounts for commentary on the results

**Other notes to the condensed financial statements**

	Current period	Previous corresponding Period
<b>Ratios</b>		
<b>Loss before tax / revenue</b> Consolidated (loss) from ordinary activities before tax as a percentage of revenue	(552.64)%	(410.81)%
<b>Loss after tax / equity interests</b> Consolidated net (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	(1.59)%	(1.83)%

	Current period	Previous corresponding Period
<b>NTA Backing</b>		
Net tangible asset backing per ordinary security	31.04 cps	26.31cps

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## BPH Energy Ltd and its controlled entities

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### Commentary on Results

The consolidated loss of the consolidated entity after providing for income tax amounted to \$561,716 (2010: \$809,220).

The net assets of the consolidated entity decreased by \$1,904,785 to \$48,989,133 at 31 December 2011. This increase has largely resulted from the following factors:

- Cash balances decreasing by \$412k after the provision of funding to Cortical Dynamics Limited and Molecular Discovery Systems Limited
- Current financial assets decreasing after the repayment of the \$1.8M by Advent Energy Limited during the period
- The purchase of \$1.35M of shares through a selective buy back by the Company

Significant developments during the period include :

- During the period BPH Energy Ltd ("BPH") investee Cortical Dynamics Limited Limited ("Cortical Dynamics") was awarded the accolade of being named as one of the finalists in the health category of The Australian Innovation Challenge, a national innovation competition.
- During the period Cortical Dynamics obtained ethics approval from the Human Research Ethics Committee of St Vincent's Hospital (St Vincent's), Melbourne. The study to commence in January 2012 will employ the Brain Anaesthesia Response (BAR) monitor to detect varying levels of anaesthetic agents in an operating room environment where the presence of multiple artifacts are known to complicate the EEG assessment of anaesthetic action
- During the period Advent Energy Limited repaid an amount of \$1.8M in full and final settlement of its obligations under the secured loan agreement entered into with BPH on 15 June 2010.
- During the period independent researchers in China found that reduced HLS5 levels were shown to correlate with worse tumour grade, increased tumour size and elevated serum AFP levels, a marker of liver cancer. The paper indicated that the loss of HLS5 expression is a critical event in liver cancer supporting the research performed by BPH 's investee Molecular Discovery Systems Limited ("MDS") and WAIMR.
- BPH investee Advent Energy Ltd ("Advent Energy") achieved an independently assessed (RISC) mean Contingent Resource for the Weaber Gas Field (RL1) of 18.4 Bcf following reprocessing of seismic data and review of all available well data from Weaber. The field has been assessed as comprising a 3C upside potential Contingent Resource of 45.8 Bcf.
- BPH investee Advent Energy re-entered Vienta-1 located within EP 386 for the purpose of recompletion and production testing. Production testing on the lower zone of Vienta-1 was performed and the well observed strong pressure recovery. Advent Energy also re-entered Waggon Creek-1 located within EP386, and 10km from Vienta-1, for the purpose of recompletion and production testing. The well was flowed for 6 hours before operations were suspended for the northern wet season.
- During the period the Company entered into a selective buyback agreement with MEC Resources Limited ("MEC"). BPH agreed to buy back up to \$1.35 million of MEC's shareholding in the Company. The number of buy-back Shares was determined by dividing the total Consideration by the 5-day volume weighted average closing price of Shares prior to the date of the buy-back.

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## Company Information

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### Directors

David Breeze – Executive Chairman  
Greg Gilbert – Non Executive Director  
Hock Goh – Non Executive Director  
Deborah Ambrosini –Executive Director and  
Company Secretary

### Scientific Advisors

Professor Peter Klinken  
Dr Robin Scaife  
Professor David Liley

### Registered Office

14 View Street  
NORTH PERTH WA 6006

### Principal Business Address

14 View Street  
NORTH PERTH WA 6006  
Telephone: (08) 9328 8366  
Facsimile: (08) 9328 8733  
Website: [www.bphenergy.com.au](http://www.bphenergy.com.au)  
E-mail: [admin@bphenergy.com.au](mailto:admin@bphenergy.com.au)

### Auditor

Deloitte Touche Tohmatsu  
Woodside Plaza  
Level 14,  
240 St Georges Terrace  
PERTH WA 6000

### Share Registry

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

### Australian Business Number

41 095 912 002

## **Directors' Report**

### BPH Energy Ltd and its controlled entities

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The directors of BPH Energy Ltd submit herewith the financial report for the half year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

#### **Directors**

The names of the directors of the company during or since the end of the period are:

D L Breeze  
G Gilbert  
H Goh  
D Ambrosini

#### **Review of Operations**

Operating loss for the consolidated entity after tax for the year was \$561,716 (2010 \$809,220).

During the period BPH Energy Ltd ("BPH") investee Cortical Dynamics Limited ("Cortical Dynamics") was awarded the accolade of being named as one of the finalists in the health category of The Australian Innovation Challenge, a national innovation competition.

During the period Cortical Dynamics obtained ethics approval from the Human Research Ethics Committee of St Vincent's Hospital (St Vincent's), Melbourne. The study to commence in January 2012 will employ the Brain Anaesthesia Response (BAR) monitor to detect varying levels of anaesthetic agents in an operating room environment where the presence of multiple artifacts are known to complicate the EEG assessment of anaesthetic action

During the period Advent Energy Limited repaid an amount of \$1.8M in full and final settlement of its obligations under the secured loan agreement entered into with BPH on 15 June 2010.

During the period independent researchers in China found that reduced HLS5 levels were shown to correlate with worse tumour grade, increased tumour size and elevated serum AFP levels, a marker of liver cancer. The paper indicated that the loss of HLS5 expression is a critical event in liver cancer supporting the research performed by BPH's investee Molecular Discovery Systems Limited ("MDS") and WAIMR.

BPH investee Advent Energy Ltd ("Advent Energy") achieved an independently assessed (RISC) mean Contingent Resource for the Weaber Gas Field (RL1) of 18.4 Bcf following reprocessing of seismic data and review of all available well data from Weaber. The field has been assessed as comprising a 3C upside potential Contingent Resource of 45.8 Bcf.

BPH investee Advent Energy re-entered Vienta-1 located within EP 386 for the purpose of recompletion and production testing. Production testing on the lower zone of Vienta-1 was performed and the well observed strong pressure recovery. Advent Energy also re-entered Waggon Creek-1 located within EP386, and 10km from Vienta-1, for the purpose of recompletion and production testing. The well was flowed for 6 hours before operations were suspended for the northern wet season.

#### **Significant changes in state of affairs**

During the period the Company entered into a selective buyback agreement with MEC Resources Limited ("MEC"). BPH agreed to buy back up to \$1.35 million of MEC's shareholding in the Company. The number of buy-back Shares was determined by dividing the total Consideration by the 5-day volume weighted average closing price of Shares prior to the date of the buy-back.

## Directors' Report

BPH Energy Ltd and its controlled entities

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### Subsequent Events

Other than referred in note 10 of these financial accounts there have not been any matters or circumstance that have arisen since the end of the period, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

### Dividends

The Directors recommend that no dividend be paid in respect of the current period and no dividends have been paid or declared since the commencement of the period.

### Auditor's Independence

The directors received a declaration of independence from the auditor. This is included in the financial report on page 3.

Signed in accordance with a resolution of the directors made pursuant to s.306(c) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'D L Breeze', with a stylized flourish at the end.

D L Breeze  
Executive Chairman  
PERTH, 15 February 2012

The Board of Directors  
BPH Energy Ltd  
14 View Street  
NORTH PERTH A 6004

15 February 2012

Dear Board Members

## **BPH Energy Ltd**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of BPH Energy Ltd.

As lead audit partner for the review of the financial statements of BPH Energy Ltd for the financial half-year ended 31 December 2011, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



**Chris Nicoloff**  
Partner  
Chartered Accountants

## Directors' Declaration

BPH Energy Ltd and its controlled entities

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The directors declare that:

- (a) 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
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'D L Breeze' with a stylized flourish at the end.

D L Breeze  
Executive Chairman  
PERTH, 15 February 2012

## Condensed Consolidated Statement of Comprehensive Income for the half year ended 31 December 2011

BPH Energy Ltd and its controlled entities

		CONSOLIDATED	
	Note	31 December 2011 \$	31 December 2010 \$
Revenue from ordinary activities	4	105,609	196,980
Other Gains/Losses	4	(90,188)	279
Administration expenses		(90,528)	(372,409)
Consulting and legal expenses		(118,815)	(275,833)
Depreciation and amortisation expense		(398)	(1,086)
Employee benefits expense		(35,425)	(35,406)
Insurance expenses		(14,799)	(12,075)
Other expenses		(71,452)	(72,656)
Promotions expenses		-	(26,641)
Share of Associates Loss		(124,053)	(68,370)
Research and Development expenses		(78,068)	(72,403)
Service expenses		(65,520)	(65,520)
Travelling expenses		-	(4,080)
Operating Loss before income tax		(583,637)	(809,220)
Income tax benefit		(21,921)	-
Operating Loss from continuing operations		(561,716)	(809,220)
Other comprehensive income		-	21,450,000
Total Comprehensive income for the period		(561,716)	20,640,780
Loss attributable to non controlling interest		(11,964)	(23,848)
Loss attributable to members of the parent entity		(549,752)	(785,372)
Earnings per share			
From continuing and discontinued operations-			
Basic and Diluted (cents per share)		(0.29)	(0.42)
From continuing operations -			
Basic and Diluted (cents per share)		(0.29)	(0.42)

The accompanying notes form part of these financial statements.



**Condensed Consolidated Statement of Financial Position  
as at 31 December 2011**

BPH Energy Ltd and its controlled entities

	Note	CONSOLIDATED	
		31 December	30 June
		2011	2011
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	5	2,511,133	2,922,830
Trade and other receivables		6,060	2,857
Financial Assets	9	1,475,074	2,720,363
Other Current Assets		30,127	8,778
<b>Total Current Assets</b>		<b>4,022,394</b>	<b>5,654,828</b>
<b>Non-Current Assets</b>			
Financial assets	9	48,949	48,949
Investment in associates	8	50,427,468	50,551,521
Intangible assets		72,454	72,454
Property, plant and equipment		1,663	2,060
<b>Total Non-Current Assets</b>		<b>50,550,534</b>	<b>50,674,984</b>
<b>Total Assets</b>		<b>54,572,928</b>	<b>56,329,812</b>
<b>Current Liabilities</b>			
Trade and other payables		497,282	382,479
Financial liabilities		485,413	434,853
Provisions		13,620	9,161
<b>Total Current Liabilities</b>		<b>996,315</b>	<b>826,493</b>
<b>Non-Current Liabilities</b>			
Provisions		-	-
Deferred Tax liabilities		4,587,480	4,609,401
<b>Total Non-Current Liabilities</b>		<b>4,587,480</b>	<b>4,609,401</b>
<b>Total Liabilities</b>		<b>5,583,795</b>	<b>5,435,894</b>
<b>Net Assets</b>		<b>48,989,133</b>	<b>50,893,918</b>
<b>Equity</b>			
Issued capital	6	41,511,195	42,860,310
Reserve		15,428,812	15,422,766
Accumulated losses		(7,884,982)	(7,335,230)
Non controlling interests		(65,892)	(53,928)
<b>Total Equity</b>		<b>48,989,133</b>	<b>50,893,918</b>

The accompanying notes form part of these financial statements.

## Condensed Consolidated Statement of Changes in Equity for the half year ended 31 December 2011

BPH Energy Ltd and its controlled entities

CONSOLIDATED	Ordinary Share Capital \$	Accumulated losses \$	Options reserve \$	Fair Value Adjustment	Total attributable to owners of the parent entity \$	Non Controlling Interest \$	Total \$
<b>Balance as at 1 July 2010</b>	22,427,420	(7,114,327)	391,056	-	15,704,149	(6,947)	15,697,202
Loss for the period	-	(785,372)	-	-	(785,372)	(23,848)	(809,220)
Other comprehensive income	-	-	-	21,450,000	21,450,000	-	21,450,000
Total comprehensive income for the half year	-	(785,372)	-	21,450,000	36,368,777	(23,848)	36,337,982
Transactions with owners in their capacity as owners							
Entitlement Issue	8,237,507	-	-	-	8,237,507	-	8,237,507
Shares issued during the year	1,533,333	-	-	-	1,533,333	-	1,533,333
Placement Shares - Recompliance	11,514,920	-	-	-	11,514,920	-	11,514,920
Options charges during the period	-	-	6,890	-	6,890	-	6,890
Capital raising costs incurred	(887,870)	-	-	-	(887,870)	-	(887,870)
<b>Balance for the half year ending 31 December 2010</b>	<b>42,825,310</b>	<b>(7,899,699)</b>	<b>397,946</b>	<b>21,450,000</b>	<b>56,773,557</b>	<b>(30,795)</b>	<b>56,742,762</b>
<b>Balance as at 1 July 2011</b>	42,860,310	(7,335,230)	407,766	15,015,000	50,947,846	(53,928)	50,893,918
Loss for the period	-	(549,752)	-	-	(549,752)	(11,964)	(561,716)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the half year	-	(549,752)	-	-	(549,752)	(11,964)	(561,716)
Transactions with owners in their capacity as owners							
Share issued on exercise of options	885	-	-	-	885	-	885
Shares cancelled in selective buyback	(1,350,000)	-	-	-	(1,350,000)	-	(1,350,000)
Options charges during the period	-	-	6,046	-	6,046	-	6,046
<b>Balance for the half year ending 31 December 2011</b>	<b>41,511,195</b>	<b>(7,884,982)</b>	<b>413,812</b>	<b>15,015,000</b>	<b>49,055,025</b>	<b>(65,892)</b>	<b>48,989,133</b>

The accompanying notes form part of these financial statements.

**Condensed Consolidated Statement of Cash Flows  
for the period ended 31 December 2011**

BPH Energy Ltd and its controlled entities

CONSOLIDATED		
Note	31 December 2011 \$	31 December 2010 \$
<b><i>Cash Flows From Operating Activities</i></b>		
Cash receipts from customers	-	-
Cash payments to suppliers	(325,765)	(1,286,041)
Research and Development Rebate	-	22,403
Interest received	82,397	96,193
<b>Net cash used in operating activities</b>	<b>(243,368)</b>	<b>(1,167,445)</b>
<b><i>Cash Flows From Investing Activities</i></b>		
Payment for property, plant and equipment	-	(1,543)
Payment for purchase of investments	-	(12,000,000)
Loans repayments / (provided to) other entities	1,180,786	(4,195,108)
<b>Net cash provided by/(used in) investing activities</b>	<b>1,180,786</b>	<b>(16,196,651)</b>
<b><i>Cash Flows From Financing Activities</i></b>		
Payment for Share Buyback	(1,350,000)	-
Proceeds from capital raising	885	19,757,818
Capital raising costs	-	(727,899)
Repayment of borrowings	-	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(1,349,115)</b>	<b>19,029,919</b>
<i>Net (decrease) / increase in Cash Held</i>	(411,697)	1,665,823
<i>Cash At the Beginning Of The Financial Period</i>	2,922,830	1,855,820
<b><i>Cash At The End Of The Financial Period</i></b>	<b>5 2,511,133</b>	<b>3,521,643</b>

The accompanying notes form part of these financial statements.

## **1. CORPORATE INFORMATION**

The financial report of BPH Energy Ltd authorised for issue in accordance with a resolution of the directors on 15 February 2012.

BPH Energy Ltd is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Statement of Compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 Interim Financial Reporting.

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of BPH Energy Ltd as at 30 June 2011.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period

It is also recommended that the half-year financial report be considered together with any public announcements made by BPH Energy Ltd and its controlled entities during the half-year ended 31 December 2011 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

### **(a) Basis of Preparation**

#### **Reporting Basis and Conventions**

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### **(b) Significant Accounting Policies**

The half-year condensed consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2011, except for the impact of the standards and interpretations below in note 2(c). The accounting policies are consistent with Australian Accounting Standards and with International Reporting Standards.

**(c) New standards and Interpretations Not Yet Adopted**

*(a) Changes in Accounting Policies and Disclosures*

The Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period, being the half year ended 31 December 2011.

Significant new and revised standards and interpretations effective for the current financial reporting period that are relevant to the Company are:

AASB 124: Related Party Disclosures;

- AASB 2010-4: Further Amendments to Australian Accounting Standards arising from Annual Improvements Project;
- AASB 2010-5: Amendments to Australian Accounting Standards;
- AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets.

The adoption of these standards has not had an impact on the Company.

*(b) Accounting Standards and Interpretations issued but not yet effective.*

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Consolidated Entity for the half year ending 31 December 2011. Management are in the process of assessing the impact of the adoption of these standards and interpretations on the consolidated entity.

**3. OPERATING INFORMATION**

Operating segments have been identified on the basis of internal reports of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The chief operating decision maker has been identified as the Board of Directors. On a regular basis, the board receives financial information on the consolidated entity on a basis similar to the financial statements presented in the financial report, to manage and allocate their resources.

The consolidated entity holds investments in two principal industries and these are biotechnology, and oil and gas exploration and development.

**4. REVENUE, INCOME AND EXPENSES**

	Consolidated	
	31 December 2011 \$	31 December 2010 \$
<i>Revenue</i>		
Interest revenue : other entities	105,609	196,980
<b>Total revenue</b>	<b>105,609</b>	<b>196,980</b>

**Notes to the Financial Statements for the period ended 31 December 2011**  
 BPH Energy Ltd and its controlled entities

	Consolidated	
	31 December 2011 \$	31 December 2010 \$
<i>Other gains/losses</i>		
Profit on sale of plant and equipment	-	279
Net gain/loss arising on recognition of derivative	(90,188)	-
	(90,188)	279

**5. CASH AND CASH EQUIVALENTS**

	Consolidated	
	31 December 2011 \$	31 December 2010 \$
For the purpose of the half-year condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:		
Cash at bank and in hand from continuing operations	2,511,133	3,521,643
Cash assets to be disposed of	-	-
	2,511,133	3,521,643

**6. CONTRIBUTED EQUITY**

	Consolidated	
	31 December 2011 \$	30 June 2011 \$
172,562,245 ( June 2011: 216,106,207) fully paid ordinary shares	41,511,195	42,860,310

The Company has no authorised capital and the issued shares do not have a par value.

	Consolidated	
	No.	\$
<b>Movements in ordinary shares on issue</b>		
At the beginning of reporting period	216,106,207	42,860,310
Shares cancelled – Selective buyback	(43,548,387)	(1,350,000)
Shares issued – payment for consultancy services		
Exercise of options	4,425	885
At reporting date	172,562,245	41,511,195

**Capital Raising**

During the period 4,425 options were exercised (June 2011: nil options were exercised).

**Fully Paid Ordinary Share Capital**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

**7. COMMITMENTS AND CONTINGENT LIABILITIES**

There has been no material changes to the commitments and contingencies since 30 June 2011.

**8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**

	<b>31 December 2011 \$</b>	<b>30 June 2011 \$</b>
Molecular Discovery Systems Ltd	1,468,232	1,499,519
Advent Energy Ltd	48,959,236	49,052,002
	<hr/> 50,427,468	<hr/> 50,551,521

*(a) Shares in associates*

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting.

<b>Name of Entity</b>	<b>Country of Incorporation</b>	<b>Ownership Interest %</b>	
		<b>2011</b>	<b>June 2011</b>
Molecular Discovery Systems	Australia	20%	20%
Advent Energy Ltd	Australia	27.4%	27.4%

	<b>Consolidated</b>	
	<b>31 December 2011</b>	<b>30 June 2011</b>
	<b>\$</b>	<b>\$</b>
<b>9. FINANCIAL ASSETS</b>		
<b>Current</b>		
Unsecured Loans to other entities: (b)		
Grandbridge Limited	55,645	55,645
Cortical Dynamics Limited	450,070	100,070
Molecular Discovery Systems Pty Ltd	231,100	231,100
MEC Resources Limited and Advent Energy Limited	44,158	2,494
Secured Loans to other entities: (c)		
Advent Energy Limited (d)	-	1,820,467
Cortical Dynamics Limited	455,425	353,238
Molecular Discovery Systems Pty Ltd	238,676	157,349
	1,475,074	2,720,363
<b>Non current</b>		
Available for sale financial assets (a)	48,949	48,949
	48,949	48,949
(a) Available for sale financial assets comprise:		
Unlisted investments, at fair value		
- Shares in other corporations	48,949	48,949
Total available for sale financial assets	48,949	48,949

(b) These loans are unsecured, non interest bearing and repayable on demand.

(c) These loans are secured by a charge over all of the assets and undertakings of each entity and interest bearing. Subject the entity being admitted to the Official list BPH Energy has the right to conversion to satisfy the debt on or before the termination date.

(d) During the period Advent Energy repaid an amount of \$1.8M in full and final settlement of its obligations under the secured loan agreement entered into with BPH on 15 June 2010.

## **10. EVENTS SUBSEQUENT TO REPORTING DATE**

There have not been any matters or circumstances that have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.



## Independent Auditor's Review Report to the Directors of BPH Energy Ltd

We have reviewed the accompanying half-year financial report of BPH Energy Ltd, which comprises the condensed statement of financial position as at 31 December 2011, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 4 to 13.

### *Directors' Responsibility for the Half-Year 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 is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 BPH Energy Ltd's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of BPH Energy Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

### *Auditor's Independence Declaration*

In conducting our review, 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 BPH Energy Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of BPH Energy Ltd is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



**Chris Nicoloff**  
Partner  
Chartered Accountants  
Perth, 15 February 2012