



MACRO ENERGY

LIMITED

A.B.N. 59 009 575 035

ASX Appendix 4D & Financial Report for the Half-Year Ended

31 December 2013

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**Current reporting period: half-year ended 31 December 2013
and previous reporting period: half-year ended 31 December 2012**

Results				A\$
Revenues	-	-	to	-
Loss from ordinary activities after tax attributable to members	Down	86.88%	to	441,179
Net Loss for the period attributable to members	Down	86.88%	to	441,179
Dividends (distributions)	Amount per security		Franked amount per security	
<i>Current period</i>				
Interim dividend declared	-		-	
Final dividend paid	-		-	
<i>Previous corresponding period</i>				
Interim dividend declared	-		-	
Special dividend paid	-		-	
Final dividend paid	-		-	
Record date for determining entitlements to the dividend,	N/A			
<i>A brief explanation of revenue, net profit and dividends has been detailed in the enclosed Directors' report, Statement of comprehensive income, Statement of financial position, Statement of cash flows and Notes to financial statements.</i>				

Directors' Report

The directors of Macro Energy Limited ("Company" "Macro") submit herewith the financial report of the consolidated entity for the half-year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of Directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Mr. Brett Lawrence
Mr. Mark Freeman
Mr. Scott Jones

Results

The consolidated loss for the half year was \$441,179 (2012: \$3,363,003).

Review of Operations

Macro has been actively seeking and reviewing high quality investment opportunities that are capable of generating significant growth and value for the Company.

Corporate

As approved by shareholders, the Company changed its name to Macro Energy Limited from Verus Investments Limited on 18 July 2013.

The Company completed a partially underwritten and pro-rata renounceable entitlement issue on 12 September 2013, raising \$2,611,292 before costs.

The shareholders resolved to re-elect Mr Scott Jones as a Director at the Annual General Meeting held on 28 November 2013.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Deloitte to provide the directors of the company with an independence declaration in relation to the review of the half-year financial report. This independence declaration is set out on page 3 and forms part of this Directors' Report for the half-year ended 31 December 2013.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Board of Directors,



Brett Lawrence
Managing Director
Perth, 25 February 2014

The Board of Directors
Macro Energy Ltd
Level 7, 1008 Hay Street
PERTH WA 6000

25 February 2014

Dear Board Members

Auditor's Independence Declaration to Macro Energy Limited

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

As lead audit partner for the review of the financial statements of Macro Energy Limited for the half year ended 31 December 2013, 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

Independent Auditor's Review Report to the Members of Macro Energy Limited

We have reviewed the accompanying half-year financial report of Macro Energy Limited, which comprises the condensed statement of financial position as at 31 December 2013, and the condensed statement of profit or loss and other 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 5 to 15.

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 the consolidated entity's financial position as at 31 December 2013 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 Macro Energy Limited, 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 Macro Energy Limited, 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 Macro Energy Limited 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 2013 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, 25 February 2014

Condensed consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2013

		Half-year	
		31	31
		December	December
		2013	2012
	Notes	\$	\$
Continuing operations			
Profit on sale of assets	2	-	390,488
Investment income		28,833	4,018
Employee benefits expense		(48,679)	-
Corporate & administration expenses		(452,244)	(409,161)
Foreign exchange gain/(loss)		12,455	(9,277)
Restoration Provision		19,157	14,259
Impairment – exploration and evaluation assets	2	-	(3,353,193)
Depreciation		(701)	(137)
Loss before income tax	2	(441,179)	(3,363,003)
Income tax expense		-	-
Loss for the period		(441,179)	(3,363,003)
Other comprehensive (loss)/ income			
<i>Items that may be reclassified subsequently to profit or</i>			
<i>Loss</i>			
Exchange differences arising on translation of foreign operations		(864)	(40,154)
Total Comprehensive loss for the period		(442,043)	(3,403,157)
		Cents	Cents
Earnings per share			
From continuing operations			
Basic loss - cents per share		(0.31)	(8.00)
Diluted loss - cents per share		(0.31)	(8.00)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

Condensed consolidated statement of financial position
as at 31 December 2013

		31 December 2013 \$	30 June 2013 \$
	Notes		
ASSETS			
Current assets			
Cash and cash equivalents		3,319,105	1,420,650
Trade & other receivables		234,786	21,796
Total current assets		3,553,891	1,442,446
Non-current assets			
Prepayments		100,088	97,122
Exploration & Evaluation Assets	3	-	-
Oil & Gas Properties	4	-	-
Plant & Equipment		2,912	3,615
Total non-current assets		103,000	100,737
Total assets		3,656,891	1,543,183
LIABILITIES			
Current liabilities			
Trade and other payables		97,932	97,504
Restoration Provision		117,165	113,692
Total current liabilities		215,097	211,196
Total liabilities		215,097	211,196
NET ASSETS		3,441,794	1,331,987
EQUITY			
Contributed equity		29,011,690	26,508,519
Reserves		1,539,057	1,491,242
Accumulated losses		(27,108,953)	(26,667,774)
Total equity		3,441,794	1,331,987

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

Macro Energy Limited
Condensed consolidated statement of changes in equity
for the half-year ended 31 December 2013

	Notes	Issued Capital	Foreign Currency Translation	Reserves			Accumulated Loss	Total
				Equity Settled	Other Equity Settled Reserve	Option Premium		
		\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2012		25,090,385	(474,817)	-	1,198,998	777,834	(22,898,334)	3694,066
Loss attributable to members of the parent entity		-	-	-	-	-	(3,363,003)	(3,363,003)
Exchange differences arising on translation of foreign operations			(40,154)		-	-	-	(40,154)
Total Comprehensive Income		-	(40,154)	-	-	-	(3,360,029)	(3,400,183)
Shares issued		1,016,625	-	-	-	-	-	1,016,625
Share issue costs		(79,114)	-	-	-	-	-	(79,114)
Balance at 31 December 2012		26,027,896	(514,971)		1,198,998	777,834	(26,261,335)	1,228,422
Balance at 1 July 2013		26,508,519	(492,749)	-	1,198,998	784,993	(26,667,774)	1,331,987
Loss attributable to members of the parent entity		-	-	-	-	-	(441,179)	(441,179)
Exchange differences arising on translation of foreign operations			(864)		-	-	-	(864)
Total Comprehensive Income		-	(864)	-	-	-	(441,179)	(442,043)
Shares issued		2,611,292	-	-	-	48,679	-	2,659,971
Share issue costs		(108,121)	-	-	-	-	-	(108,121)
Balance at 31 December 2013		29,011,690	(493,613)		1,198,998	833,672	(27,108,953)	3,441,794

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

	Half-year	
	31 December 2013 \$	31 December 2012 \$
Cash flows from operating activities		
Interest received	28,833	4,019
Payments to suppliers and employees	(454,557)	(441,520)
<i>Net cash used in operating activities</i>	<i>(425,724)</i>	<i>(437,501)</i>
Cash flows from investing activities		
Payments for production	-	(64,825)
(Payment) / proceeds from bonds	(219,992)	7,380
Payments for exploration and evaluation expenditure	-	(185,511)
Proceeds on sale of assets	-	416,435
<i>Net cash (used in) / provided by investing activities</i>	<i>(219,992)</i>	<i>173,479</i>
Cash flows from financing activities		
Proceeds from issues of equity securities	2,611,292	1,016,625
Payments for share issue costs	(80,072)	(59,114)
<i>Net cash provided by financing activities</i>	<i>2,531,220</i>	<i>957,511</i>
Net increase in cash and cash equivalents	1,885,504	693,489
Cash and cash equivalents at the beginning of the half-year	1,420,650	525,505
Effects of exchange rate changes on the balance of cash held in foreign currencies	12,951	(13,516)
Cash and cash equivalents at the end of the half-year	3,319,105	1,205,477

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

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those disclosed in the Company's 2013 annual financial report for the financial year ended 30 June 2013, except for the necessity to enhance the accounting policy with respect to the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New or Revised Standards and Interpretations

The Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and are effective for the current financial reporting period, being the half year ended 31 December 2013.

The following new and revised Standards and Interpretations have been adopted in the current financial reporting period that are relevant to the Consolidated Entity:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'

The adoption of the above standards have not had any material impact on the reported figures.

Going concern

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

The consolidated entity has incurred a loss for the half year after tax of \$441,179 and experienced operating cash outflows of \$425,724. As at 31 December 2013 the consolidated entity has total current assets of \$3,553,891 which includes \$3,319,105 in cash and cash equivalents.

The directors believe that it is appropriate to prepare the financial statements on the going concern basis for the following reasons:

- (i) The Company has in place processes aimed at minimising all discretionary expenditures going forward;
- (ii) The Company believes that it has the capacity to raise new equity to invest in the ongoing development of its prospective oil and gas interests based upon the indicative results achieved to date on each of the projects;
- (iii) The Company is not committed to future drilling and well completion costs, beyond the commitments disclosed in note 9 to these accounts, as such that the Company will only expend future amounts if they have sufficient cash to meet the cost; and
- (iv) Management has reviewed the cash flow forecasts for a period of 12 months from date of approval of this half-year report, and noted that the consolidated entity has sufficient cash resources to continue as a going concern.

The Directors have reviewed the consolidated entity's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis is appropriate in the circumstances.

2. Loss before income tax expense

Half-year

	31 December 2013 \$	31 December 2012 \$
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The following revenue and expense items are relevant in explaining the financial performance for the half-year:

Sale of Assets

Bullseye

Sale	-	127,798
Less : Expenses	-	(15,563)
Net Income	-	112,235

Chorbane

Sale	-	498,413
Less : Expenses	-	(220,160)
Net Income	-	278,253

Total Sale of Assets

- **390,488**

Impairment – oil and gas asset

- (3,353,193)

3. Exploration and Evaluation Assets

Consolidated

	31 December 2013 \$	30 June 2013 \$
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Exploration and evaluation – at cost

Movement for the half year

Opening balance	-	3,331,131
Additions	-	125,842
Impairment of capitalised expenditure	-	(3,401,829)
Translation movement differences	-	(55,144)
Transfer to asset available for sale	-	-
Carrying amount at the end of period	-	-

4. Oil and Gas Properties

	Consolidated	
	31 December 2013 \$	30 June 2013 \$
Oil and Gas Properties at cost	-	-
<i>Movement for the half-year</i>		
Carrying amount at beginning of half-year	-	15,909
Transfer to Prepayments		-
Sales (i)	-	(15,752)
Amortisation		-
Translation movement differences	-	(157)
Carrying amount at end of period	-	-

(i) In August 2012 the company divested its interest in Bullseye

5. Contributed Equity

	Consolidated		Consolidated	
	31 December 2013 No.	30 June 2013 No.	31 December 2013 \$	30 June 2013 \$
Balance brought forward at the beginning of the period	72,535,888	1,885,158,563	26,508,519	25,090,385
Shares issued during the period	145,071,776	1,451,892,422	2,611,292	1,321,312
Capital Raising Costs			(108,121)	(105,991)
Balance before consolidation	217,607,664	3,337,050,985	29,011,690	26,305,706
Balance after consolidation	-	66,741,238	-	26,305,706
Share placements	-	5,794,650	-	202,813
Balance at the end of period	217,607,664	72,535,888	29,011,690	26,508,519

6. Segment information

(a) Description of segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Following adoption of AASB 8, the identification of the Group's reportable segments has not changed. During the half year the Macro's operating segments were located in the USA.

(b) Segment information provided to the Board

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

	Revenue		Segment Profit(Loss)	
	Half-year ended		Half-year ended	
	31 December	31 December	31 December	31 December
	2013	2012	2013	2012
	\$	\$	\$	\$
Continuing operations				
Oil and Gas Activities – USA	-	-	-	(3,319,764)
Oil and Gas Activities – Africa	-	-	-	(224,120)
	-	-	-	(3,543,884)
Interest income			-	4,018
Sale of Assets			-	591,479
Other income			-	-
Corporate and administration costs			-	(414,615)
Loss before tax			-	(3,363,002)

Group Assets by reportable operating segment		
	31 December	30 June
	2013	2013
	\$	\$
Oil and Gas Activities - USA	108,202	114,369
Total segment assets	108,202	114,369
Unallocated assets	3,548,689	1,428,814
Total assets	3,656,891	1,543,183

7. Issues, repurchases and repayments of equity securities

During the half-year, the company issued 145,071,776 ordinary shares at 3.5c each to raise \$2,611,292 before cost.

8. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

9. Contingencies and commitments

At the date of this report, the Directors were not aware of any contingent liabilities or other capital commitments that are of a material nature.

10. Fair value of financial instruments

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

11 . Subsequent events

No other matter or circumstance has arisen since the end of the half-year reporting period which has not been dealt with in the financial statements that has significantly affected or may significantly effect:

- (i) the investments of the Group
- (ii) the results of those investments; or
- (iii) the state of affairs of the Group.

Directors' Declaration

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 the notes thereto are in accordance with the *Corporations Act 2001*, including compliance with the 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 'B. Lawrence', with a long horizontal flourish extending to the right.

Brett Lawrence
Managing Director

Perth, 25 February 2014

<i>Net tangible assets per security</i>	Current period	Previous corresponding Period
Net tangible assets per security	2.45 cents	2.00 cents

Details of entities over which control has been gained or lost during the period

Name of entity	Date of gain or loss of control	Contribution to reporting entity's loss

Details of associates and joint venture entities

Name of entity	Percentage of ownership interest held at end of period		Aggregate share of net profit (loss) contributed to the reporting entity	
	Current period	Previous corresponding period	Current period \$A	Previous corresponding period \$A
Total	-	-	-	-