

# MERIDIAN OIL NL

ABN 81 008 678 091

## 2012 ANNUAL REPORT

### COMPANY INFORMATION

**Registered Office**

Level 4  
47 Neridah Street  
CHATSWOOD NSW 2067

**Auditors**

Ernst and Young

**Solicitors**

Esplins

**Share Registry**

Computershare Investor Services Pty Limited

**Bankers**

St George Bank Limited

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**MERIDIAN OIL NL**  
**ABN 81 008 678 091**

**DIRECTORS REPORT**

Your directors submit their report of Meridian Oil NL ('the Company') for the year ended 30 June 2012.

**DIRECTORS**

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

**Names, qualifications, experience and special responsibilities**

**D Devenish-Meares FCA (Chairman)**

Mr Devenish-Meares is a Chartered Accountant and has held directorships in several mining and petroleum exploration companies.

**I L Veale B. Sc (Geology)**

Mr Veale is a consultant geologist and investment adviser with considerable Australian and overseas experience in mining and petroleum exploration.

**K D Kolinac**

Mr Kolinac has been associated with various business providing services to the mining industry.

**COMPANY SECRETARY**

**I L Veale**

**SHARE OPTIONS**

No options have been granted during or since the year end.

**DIVIDENDS**

The directors of the chief entity recommend that no dividend be paid. No dividend has been declared or paid since the end of the previous year.

**CORPORATE INFORMATION**

**Corporate structure**

Meridian Oil NL is a No Liability company that is incorporated and domiciled in Australia

**Nature of operations and principal activities**

The principal activity of the company during the financial year was reviewing the prospects of restructuring the company.

The continuation of the company as an economic entity and going concern is subject to the receipt of financial support from major shareholders.

**DIRECTORS REPORT – continued**

**Operating Results for the Year**

The group's result for the year was a loss of \$7,478.

Summarised operating results are as follows:

	Year ended 30 June 2012	
	Revenues \$	Results \$
<i>Business segments</i>		
Administration	4	(7,478)
Petroleum products	-	-
<i>Geographic segments</i>		
Australia	4	(7,478)
USA	-	-
Group sales and profit/ (loss) from continuing operations before income tax expense	4	(7,478)

**SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

There have been no significant events from the end of the year to the date of this report.

**LIKELY DEVELOPMENTS AND EXPECTED RESULTS**

Likely developments in the economic entity's operations known at the date of this report have been covered generally within this report and elsewhere in the annual report.

**DIRECTORS' REMUNERATION**

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

**EXECUTIVE REMUNERATION**

The company has no employed executives.

**MERIDIAN OIL NL**  
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**DIRECTORS REPORT - continued**

**INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

The company has not, during or since the year end, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

**DIRECTORS' MEETINGS**

The number of meetings of directors (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director were as follows:

Of the 1 Directors' meeting held during the year ended 30 June 2012, the details of directors' attendance were as follows:

Director	Number of meetings eligible to attend	Number of meetings attended
D Devenish-Meares	1	1
I L Veale	1	1
K D Kolinac	1	1

**MERIDIAN OIL NL**  
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**DIRECTORS REPORT – continued**

**AUDITOR INDEPENDENCE**

The director's received the following declaration from the auditor of Meridian Oil NL.

**Auditor's Independence Declaration to the Director's of Meridian Oil NL.**

In relation to our audit of the financial report of Meridian Oil NL for the financial year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young.

Michael Elliott  
Partner  
Date:

Signed in accordance with a resolution of the directors.



D Devenish-Meares  
Director

Sydney

Date: 24/6/13

**MERIDIAN OIL NL**  
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**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012**

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents		12	1,070
Trade and other receivables	6	56	28
Total Current Assets		68	1,098
 Total Assets		 68	 1,098
<b>LIABILITIES</b>			
Current Liabilities			
Trade and other payables	7	(24,000)	(18,000)
Borrowings	8	(6,251,041)	(6,250,593)
Total Current Liabilities		(6,275,041)	(6,268,593)
Total Liabilities		(6,275,041)	(6,268,593)
Net Liabilities		(6,274,973)	(6,267,495)
Shareholders Deficiency			
Contributed Equity	9	27,906,461	27,906,461
Reserves – asset realisation	10	51,418	51,418
Accumulated losses		(34,232,852)	(34,225,374)
Total Shareholders Deficiency		(6,274,973)	(6,267,495)

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
Other revenue	3	4	15
Administration expenses		(7,482)	(7,998)
Profit/(loss) before income tax	4	(7,478)	(7,983)
Income tax expense	5	-	-
Profit/(loss) for the year		(7,478)	(7,983)
 Other comprehensive income for the year, net of tax		 -	 -
Total comprehensive income for the year		(7,478)	(7,983)
 Profit/(loss) attributable to members of the entity		 (7,478)	 (7,983)
 Total comprehensive income attributable to members of the entity		 (7,478)	 (7,983)

The Statement of Financial Position and Statement of Comprehensive Income are to be read in conjunction with the accompanying notes.

**MERIDIAN OIL NL**  
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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012**

	Contributed Equity	Reserves – asset realisation	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2010	27,906,461	51,418	(34,217,391)	(6,259,512)
Loss for the year	-	-	(7,983)	(7,983)
Balance at 30 June 2011	27,906,461	51,418	(34,225,374)	(6,267,495)
Loss for the year	-	-	(7,478)	(7,478)
Balance at 30 June 2012	27,906,461	51,418	(34,232,852)	(6,274,973)

The statements of changes in equity are to be read in conjunction with the accompanying notes.

**MERIDIAN OIL NL**  
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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
<i><b>Cash flows from operating activities</b></i>			
Interest received		4	15
Receipts from customers		-	1,355
Payments to suppliers		(1,510)	(1,998)
Net cash flows used in operating activities	14	(1,506)	(628)
<i><b>Cash flows from financing activities</b></i>			
Proceeds from borrowings		448	1,661
Net cash flow from financing activities		448	1,661
Net increase/(decrease) in cash held		(1,058)	1,033
Add opening cash brought forward		1,070	37
Closing cash carried forward		12	1,070

The statement of cash flows is to be read in conjunction with the accompanying notes.



**MERIDIAN OIL NL**  
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**Notes to the financial statements for the year ended 30 June 2012**

**NOTE 1 CORPORATE INFORMATION**

The financial report of Meridian Oil NL (the Company) for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the directors on 21 June 2013.

Meridian Oil NL is a No Liability company incorporated in Australia

**NOTE 2 STATEMENT OF ACCOUNTING POLICIES**

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for certain assets and liabilities, which have been measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards.

(c) Foreign currency translation

Both the functional and presentation currency of Meridian Oil NL is Australian dollars. The Group calculates foreign exchange gains and losses in accordance with the provisions of relevant Australian Accounting Standards.

(d) Taxation

The Company has adopted the liability method of tax-effect accounting. Income tax expense shown in the profit and loss account is calculated on the operating profit before tax adjusted for items which, due to treatment under income tax legislation create permanent differences between accounting profit and taxable income.

Deferred income tax liability and future income tax benefits represent the expected future tax effect of timing differences which occur when items of revenue or expenditure are included in the determination of accounting profit in periods different to the periods in which those items are assessable or allowable for income tax purposes.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. In respect of companies incurring losses, future income tax benefits are not brought to account unless in the opinion of the directors realisation of the benefits is virtually certain.

**MERIDIAN OIL NL**  
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**Notes to the financial statements for the year ended 30 June 2012 (con't)**

**NOTE 2 STATEMENT OF ACCOUNTING POLICIES (con't)**

(e) Cash and cash equivalents

Cash and cash equivalents in the balance sheet and the statement of cash flows comprise cash in hand and at bank, and short term deposits that are readily convertible to known amounts of cash.

(f) Trade and other receivables

Trade and other receivables are recognised at fair value.

(g) Trade and other payables

Trade and other payables are carried at cost and are unsecured. They represent liabilities for goods and services provided prior to the end of the financial year that are unpaid.

(h) Going concern

Meridian Oil NL has no independent sources of income and is currently financially dependent on its major shareholder, James Boyd Berry, to meet existing financial requirements. This shareholder has committed to continue to provide financial support by not requiring repayment of its current loan account until Meridian Oil NL is in a position to meet all its financial obligations. The directors have agreed to meet the future ongoing financial requirements of the company. The accounts have been prepared on the going concern basis on the assumption of the continued financial support of this shareholder. The accounts do not include any adjustments relating to the recoverability and classification of liabilities that might be necessary should the entity not continue as a going concern.

(i) Impairment of the investment of the subsidiary

The investment of Meridian Oil NL in its subsidiary, Meridian Energy Resources Inc has been impaired.

**MERIDIAN OIL NL**  
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**Notes to the financial statements for the year ended 30 June 2012 (con't)**

**NOTE 3 REVENUE AND OTHER INCOME**

	Note	2012 \$	2011 \$
Other Revenue			
-Interest received	3a	4	15
Total Revenue		<u>4</u>	<u>15</u>
a. Interest revenue from			
-Other persons		4	15
Total interest revenue		<u>4</u>	<u>15</u>

**NOTE 4 PROFIT FOR THE YEAR**

	2012 \$	2011 \$
Expenses		
Auditors Remuneration – auditing accounts	4,000	4,000
Other expenses	3,482	3,998
Total expenses	<u>7,482</u>	<u>7,998</u>

**NOTE 5 INCOME TAX**

No provision for income tax is necessary as the company has tax losses available from prior years. The company has future income tax benefits resulting from tax losses in respect of previous years. These have not been brought to account as any benefit will only be obtained if:

1. the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deductions for the losses to be realised;
2. the Company continues to comply with conditions for the deductibility imposed by the law; and
3. no changes in the tax legislation adversely affect the company and the Group in realising the benefits of the losses.

**MERIDIAN OIL NL**  
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**Notes to the financial statements for the year ended 30 June 2012 (con't)**

**NOTE 5 INCOME TAX (con't)**

The unrecognised future income tax benefits for company are estimated to be approximately \$2.8 million (2011: approximately \$2.8 million), comprising the items detailed below:

	2012 \$	2011 \$
Taxation losses	1,839,644	1,837,401
Section 122J(3) exploration and prospecting expenditure	66,672	66,672
Section 122J(4) exploration and prospecting expenditure	94,937	94,937
Section 122J(4B) exploration and prospecting expenditure	1,674	1,674
Section 124AH(4B) petroleum exploration and prospecting expenditure	839,608	839,608

**NOTE 6 CURRENT ASSETS – TRADE AND OTHER RECEIVABLES**

	2012 \$	2011 \$
Other receivables	<u>56</u>	<u>28</u>

**NOTE 7 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES**

	2012 \$	2011 \$
Unsecured - Other payables	<u>24,000</u>	<u>18,000</u>

**NOTE 8 CURRENT LIABILITIES – BORROWINGS**

	2012 \$	2011 \$
Unsecured - Other loans –related parties *, unsecured (Note 12)	<u>6,251,041</u>	<u>6,250,593</u>

\* These loans are non-interest bearing and are repayable on demand.

**MERIDIAN OIL NL**  
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**Notes to the financial statements for the year ended 30 June 2012 (con't)**

**NOTE 9 CONTRIBUTED EQUITY**

	2012 \$	2011 \$
(a) Issued and paid-up capital		
Ordinary shares fully paid	72,335,845	72,335,845
Ordinary shares paid to 40c	18,772,967	18,772,967
Ordinary shares paid to 42c	490,854	490,854
	<u>91,599,666</u>	<u>91,599,666</u>
Discount on shares	<u>(63,693,205)</u>	<u>(63,693,205)</u>
	<u>27,906,461</u>	<u>27,906,461</u>

(b) Movement in shares on issue

	2012		2011	
	Number of shares	\$	Number of shares	\$
Ordinary shares fully paid	<u>144,671,690</u>	<u>72,335,845</u>	<u>144,671,690</u>	<u>72,335,845</u>
Ordinary shares paid to 40c				
Balance at beginning of period	46,932,418	18,772,967	46,932,418	18,772,967
Balance at end of the year	<u>46,932,418</u>	<u>18,772,967</u>	<u>46,932,418</u>	<u>18,772,967</u>
Ordinary shares paid to 42c				
Balance at beginning of the year	1,168,700	490,854	1,168,700	490,854
Balance at end of the year	<u>1,168,700</u>	<u>490,854</u>	<u>1,168,700</u>	<u>490,854</u>

**Terms and conditions of contributed equity**

Ordinary shares have the right to receive dividends and entitle their holders to one vote per share.

**NOTE 10 RESERVES**

	2012 \$	2011 \$
Asset realisation	<u>51,418</u>	<u>51,418</u>

**Nature and purpose of reserve**

The reserve was created to record the gain on sale of capital assets in a prior period.

**MERIDIAN OIL NL**  
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**Notes to the financial statements for the year ended 30 June 2012 (con't)**

**NOTE 11      COMMITMENTS**

The company has no known commitments other than those disclosed in Notes 7 and 8 to the financial statements.

**NOTE 12      RELATED PARTY TRANSACTIONS**

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

	2012	2011
	\$	\$
Loans - J Berry	6,159,302	6,159,302
- Meridian Energy Resources Inc.	43,336	43,336
- K Kolinac	2,500	2,500
- D Meares	45,903	45,455
	<u>6,251,041</u>	<u>6,250,593</u>

**NOTE 13      AUDITORS' REMUNERATION**

	2012	2011
	\$	\$
Amounts received or due and receivable by Ernst & Young Australia for:		
- an audit or review of the financial report of the entity and any other entity in the entity	4,000	4,000
- other services	-	-
	<u>4,000</u>	<u>4,000</u>



**MERIDIAN OIL NL**  
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Notes to the financial statements for the year ended 30 June 2012 (con't)

**NOTE 14      NOTES TO THE STATEMENT OF CASH FLOWS**

	2012 \$	2011 \$
Reconciliation of the net operating loss after tax to the net cash flow used in operations		
Net loss	(7,478)	(7,983)
Changes in assets and liabilities:		
Trade and other receivables	(28)	1,355
Trade and other payables	6,000	6,000
Net cash flow used in operating activities	<u>(1,506)</u>	<u>(628)</u>

**NOTE 15      FINANCIAL RISK MANAGEMENT**

**(a)      Interest rate risk**

The entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities both recognised and unrecognised at the reporting date are as follows:

Financial instruments	Floating interest rate		Non interest bearing		Total carrying amount as per the Balance Sheet	
	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
<b>(i) Financial Assets</b>						
Cash assets	12	1,070	-	-	12	1,070
Other receivables	-	-	56	28	56	28
Total financial assets	<u>12</u>	<u>1,070</u>	<u>56</u>	<u>28</u>	<u>68</u>	<u>1,098</u>
<b>(ii) Financial Liabilities</b>						
Other payables	-	-	24,000	18,000	24,000	18,000
Other loans	-	-	6,251,041	6,250,593	6,251,041	6,250,593
Total financial liabilities	<u>-</u>	<u>-</u>	<u>6,275,041</u>	<u>6,268,593</u>	<u>6,275,041</u>	<u>6,268,593</u>

**(b)      Fair Values**

All financial assets and liabilities have been recognised at balance date at their approximate net fair values.

**MERIDIAN OIL NL**  
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**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Meridian Oil NL, I state that:

- (a) the financial statements, notes the additional disclosures included in the directors' report designated as audited of the Company and of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date, and
  - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) the Company is dependent on a major shareholder to provide funds to meet operating costs. The Company is unable to pay its debts as and when they fall due if continuing financial accommodation is not reached with the major shareholder in regard to monies owing to that shareholder.

Signed on behalf of the directors:



D Devenish-Meares

Director

Sydney

Date: 24/6/13





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## **Independent auditor's report to the members of Meridian Oil NL**

### **Report on the financial report**

We have audited the accompanying financial report of Meridian Oil NL, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### **Directors' responsibility for the financial report**

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

### **Auditor's responsibility**

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

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

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

### **Independence**

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.



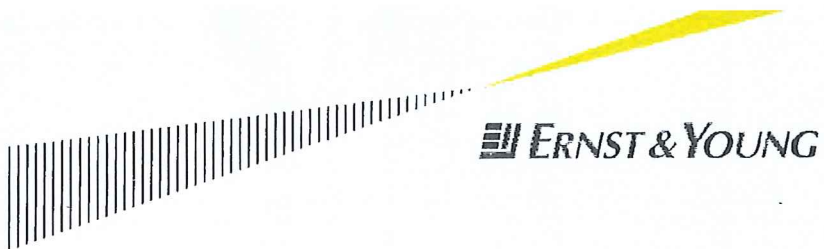
## Opinion

In our opinion:

- a. the financial report of Meridian Oil NL is in accordance with the Corporations Act 2001, including:
  - i giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Ernst & Young

Michael Elliott  
Partner  
Sydney  
24 June 2013



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## Auditor's Independence Declaration to the Directors of Meridian Oil NL

In relation to our audit of the financial report of Meridian Oil NL for the financial year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Michael Elliott  
Partner  
24 June 2013