

GREENVALE ENERGY N.L.

A.B.N. 54 000 743 555

INTERIM FINANCIAL REPORT

HALF-YEAR ENDED
31 DECEMBER 2014

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2014.

CONTENTS

Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14
Directors' Declaration	18
Independent Auditor's Review Report	19

CORPORATE DIRECTORY

DIRECTORS

Elias Khouri (Non-Executive Chairman)
Stephen Baird (Executive Director)
Vince Fayad (Non-Executive Director)
Kris Knauer (Non-Executive Director)

COMPANY SECRETARY

Winton Willesee

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AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
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DIRECTORS REPORT

Your directors submit the financial report of Greenvale Energy N.L. and its subsidiary for the half-year ended 31 December 2014.

DIRECTORS

The names of directors who held office during or since the end of the half-year are:

Elias Khouri (Non-Executive Chairman)
Stephen Baird (Executive Director)
Vince Fayad (Non-Executive Director) *Appointed 31 October 2014*
Joseph Obeid (Non-Executive Director) *Resigned 31 October 2014*
Kris Knauer (Non-Executive Director)

RESULTS

The loss of the Group for the half-year ended 31 December 2014 after providing for income tax amounted to \$624,410 (31 December 2013: \$262,421).

The current year loss was impacted by the following:

- Costs of listing on AIM incurred during the period of \$280,844;
- Reduction in interest revenue due to lower cash balances and lower interest rates;
- Expensing of exploration costs totalling \$22,323 that are general exploration related costs

The Statement of Financial Position has been impacted by the following:

- Conversion of \$1.19 million convertible notes into 25,591,398 fully paid ordinary shares in the Company;
- Issue of 31 convertible notes with a face value of \$9,282 per note totalling \$287,742;

No dividends were declared or paid during the half-year ended 31 December 2014.

REVIEW OF OPERATIONS

Corporate Activity

The Company changed its name from Greenvale Mining NL to Greenvale Energy NL. The Board and Management believe that this change in name recognises the Company's future strategy.

The Company initiated some board changes, with the appointment of Vincent Fayad as a Non-Executive Director of the Company, which became effective on the 31st October 2014. Vince is currently a director of PKF Lawler Corporate Finance Pty Ltd and has 30 years of experience in corporate finance, accounting and other related advisory services. He is also a registered company auditor and tax agent. Vince also previously served as Managing Director of the Company for the period from December 2008 to November 2009. Simultaneously to this the resignation was received from Joseph Obeid from his role as Non-Executive Director.

In October 2014, holders of the Company's existing stream of convertible notes demonstrated their support for the Company by converting those notes into equity ahead of their expiry date of 31 August 2015. The Company then subsequently placed 1,798,368 shares and options to raise approximately \$180,000 before costs and issued convertible notes with a face value of approximately \$288,000 before costs following shareholder approval at the Annual General Meeting held on 6 November 2014. The funds were raised to facilitate the development of the Company's assets and to pursue the listing of the Company's securities on the London AIM stock exchange.

Strategic Planning

Following a Board Meeting on the 1st September, the Company announced its intention to seek a dual listing on the London Alternative Investment Market ("AIM"). The Board believes that admission to AIM will assist the Company in attracting investors, improve liquidity in its shares and allow it to raise additional capital when required. The Company has also seen significant interest from the European investment community and believes that the time is now right to seek a dual listing. The Company is progressing the due diligence process for the dual listing and is hopeful that this can be achieved during the first quarter of 2015.

London based Old Park Lane Capital PLC have initiated analyst coverage of the Company and have produced an initial research note in line with this.

Technology

The Company has continued its activities to identify and assess suitable technologies to maximise the value of its in-ground shale assets.

Asset Management

The management of Greenvale continues to search for opportunities to gain more acreage for appraisal and development, and is currently in the process of assessing assets where the yield is over 60 litres per tonne.

Tenements

Lowmead and Nagoorin

The Lowmead and Nagoorin tenement areas remained on a care and maintenance during the six month period to 31 December 2014.

Field groundwater surveys at both Nagoorin and Lowmead commenced in the last quarter of 2014. Eight bores at Lowmead and 20 bores at Nagoorin were surveyed in May and June respectively. The program has recommenced after a period 2-year period. A combination of wet weather resulting in adverse conditions preventing access together with administrative issues required by changes in requirements for land access to the monitoring sites was responsible for period of non-activity. MDL 234 land access notifications required by the DNRM were put in place to enable the completion of the surveys with no adverse response to the program. Drill site inspection was also undertaken at the time to monitor site rehabilitation. Ongoing maintenance will be required in some locations to maintain the bore site and access in a condition suitable for ongoing monitoring. Results will be reported in the statutory annual reports.

Updated Competent Person Statements have been produced for both Lowmead and Nagoorin to update reserve estimates for both in line with the most recent SPE regulations and these have been published on the Company's website.

The Nagoorin EPM 7721 was renewed following the end of the period and is now current to 21 March 2017. The area of the EPM encompasses MDL 234. The value of retaining the remaining sub-blocks of EPM 7721 outside the MDL 234 boundary will be assessed. Statutory annual report for work activities MDL 234 has been lodged with DNRM.

MDL 234 was granted in late October 2012 for a 5-year period commencing 1 November 2012. The MDL contains the Nagoorin resource within its boundaries. The tenement is subject to the Queensland Oil Shale policy released by the Queensland Government on 14 February 2013. Under the policy, development of an oil shale deposit by a "proposed oil shale technology unproven in Queensland, (it) will be assessed through a trial phase to ascertain whether the technology is meeting environmental standards. If this trial is successful, a staged approach towards commercialisation will be adopted." The normal project EIS process will still be required where an oil shale technology has been proven in Queensland.

Lowmead MDL 188 is current to 30 September 2011. In accordance with Section 197 (3) of the Mineral Resources Act 1989 a renewal for a 5-year term was lodged with the DME on 22 March 2011. The application is still with the Department. The MDL remains in force until the application is finalised by the Department.

Alpha

The Company has commissioned a Geotechnical Report in respect of the Alpha Oil Shale Deposit with a view to developing its strategy for field development appraisal. This has been submitted to the Department of Mines for approval and underpins the Company's renewal application for MDL330, which was approved in January 2015 with the license now current until 2017.

In addition,

- (1) the Company has made two EPM applications with the DNRM, Madre North and Madre South, which were lodged on the 8th October 2014. The Madre North tenement was granted in January whilst the Madre South EPM applications is currently underassessment; and
- (2) PT Danmar Explorindo has prepared a Competent Persons Statement. This has been published on the Company's website.

Appendix A – Statement – SPE-PRMS Petroleum Resource Estimation – Nagoorin and Lowmead Projects

STATEMENT - SPE-PRMS PETROLEUM RESOURCE ESTIMATION - NAGOORIN

The Petroleum Resource estimation is based on the discovered Petroleum Initially in Place (PIIP); estimated using polygonal blocks. The methodology used is a deterministic method where the JORC 2012 guideline levels of categorisation (Measured, Indicated and Inferred) quantify the range of uncertainty or confidence levels for the deposit. The estimate is based on the following constraints and data:

- Interpretation of intersected stratigraphy in 53 pre-collared cored and augurs sample drill holes drilled to a maximum depth of 687 metres below surface for an aggregate 10,567 metres.
- The maximum depth for the estimate is 502 metres.
- In situ oil grade has been determined by modified Fischer Assay (ASTM D3940-90) on 3,716 core samples representing approximately 7,400 metres of cored material.
- An in situ grade cut-off of 50 litres per tonne at zero per cent moisture (LTOM) has been applied.
- The resource is contained within an elongate surface area of 18 square kilometres.
- A recovery factor of 0.95 has been used in this estimate based on recovery data from a number of conventional retort technologies operating and under development.
- The total estimate as at 28 March 2014 is apportioned to the tenement holders according to their beneficial interests in the Nagoorin deposit in Table 1.

Table 1: SPE-PRMS Petroleum Resource Estimate.

Total Resources (million barrels)	Beneficial Interest	1C	2C	3C
Greenvale	67%	211	634	1497
QER	33%	104	312	737
TOTAL	100%	315	946	2,234

Contingent Resources are those quantities of petroleum estimated, as of 28 March 2014, to be potentially recoverable from known accumulations using established technology or technology under development. Commercial recovery of oil from Nagoorin shale has not been established and as such the contingent resources cannot be classified as petroleum reserves. At Nagoorin, resource development is currently considered unclarified or not viable based on the current immature state of knowledge of commercial recovery due to one or more of the following contingencies.

- Development requires the application and grant of a mining lease and environmental approvals from the Queensland Government based on a commercial mine and processing proposal; i.e. legal, environmental, social and governmental factors for development have not been either established or approved.
- A commercial mine and processing development has not at this time been assessed against any current or forecast economic conditions to support commercial viability.
- Commercial recovery is dependent on the suitability of Nagoorin oil shale to be processed in current retorting technology or other technology under development.

Competent Person Statement

Mr Graham Pope, a full-time employee of QER PTY LTD, Brisbane, Australia, in accordance with Petroleum Resource Management System guidelines, determined the petroleum resource estimates for EPM 7721 and MDL 234, Nagoorin Oil Shale Deposit provided in this statement. Mr Pope is a Member of the Australian Institute of Geoscientists and is considered to be a qualified person as defined under the ASX Listing Rule 5.11 and has given his consent to the use of the resource figures in the form and context in which they appear in this statement.

STATEMENT - SPE-PRMS PETROLEUM RESOURCE ESTIMATION - LOWMEAD

The Petroleum Resource estimation is based on the discovered Petroleum Initially in Place (PIIP); estimated using polygonal blocks. The methodology used is a deterministic method where the JORC 2012 guideline levels of categorisation (Measured, Indicated and Inferred) quantify the range of uncertainty or confidence levels for the deposit. The estimate is based on the following constraints and data:

- Interpretation of intersected stratigraphy in 23 pre-collared cored and augur sample drill holes drilled to a maximum depth of 520 metres below surface for an aggregate 4,500 metres.
- The maximum depth for the estimate is 400 metres.
- In situ oil grade has been determined by modified Fischer Assay (ASTM D3940-90) on 1,233 core samples representing approximately 2,400 metres of cored material.
- An in situ grade cut-off of 50 litres per tonne at zero per cent moisture (50LT0M) has been applied.
- The resource is contained within an elongate surface area of 23 square kilometres.
- A recovery factor of 0.95 has been used in this estimate based on recovery data from a number of conventional retort technologies operating and under development.
- The total estimate as at 28 March 2014 is apportioned to the tenement holders according to their beneficial interests in the Lowmead deposit in Table 1.

Table 1: SPE-PRMS Petroleum Resource Estimate.

Total Resources (million barrels)	Beneficial Interest	1C	2C	3C
Greenvale	50%	-	100	335
QER	50%	-	100	335
TOTAL	100%	-	201	671

The level of investigation at Lowmead is at stage where the drill hole density does not support the estimation of 1C resources.

Contingent Resources are those quantities of petroleum estimated, as of 28 March 2014, to be potentially recoverable from known accumulations using established technology or technology under development. Commercial recovery of oil from Lowmead shale has not been established and as such the contingent resources cannot be classified as petroleum reserves. At Lowmead, resource development is currently considered unclarified or not viable based on the current immature state of knowledge of commercial recovery due to one or more of the following contingencies.

- Development requires the application and grant of a mining lease and environmental approvals from the Queensland Government based on a commercial mine and processing proposal; i.e. legal, environmental, social and governmental factors for development have not been either established or approved.
- A commercial mine and processing development has not at this time been assessed against any current or forecast economic conditions to support commercial viability.
- Commercial recovery is dependent on the suitability of Lowmead oil shale to be processed in current retorting technology or technology under development.

Competent Person Statement

The petroleum resource estimates for MDL 188, Lowmead Oil Shale Deposit provided in this statement were determined by Mr Graham Pope, a full-time employee of QER Pty Ltd, Brisbane, Australia, in accordance with Petroleum Resource Management System guidelines. Mr Pope is a Member of the Australian Institute of Geoscientists and is considered to be a qualified person as defined under the ASX Listing Rule 5.11 and has given his consent to the use of the resource figures in the form and context in which they appear in this statement.

Appendix B – Tenement Schedule

Tenement	Interest
Lowmead (MDL 188)	50%
Nagoorin (MDL 234) and (EPM 7721)	67%
Alpha (MDL 330)	99.99%

AUDITORS DECLARATION

The lead auditor's independence declaration has been received under section 307C of the Corporations Act 2001 and is included within this financial report on page 9.

This report is signed in accordance with a resolution of the Board of Directors.



Stephen Baird
Director

Dated this 13th day of March 2015

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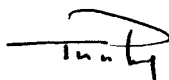
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Greenvale Energy N.L. for the half-year ended 31 December 2014, 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.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 13 March 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	Half-Year Ended 31 Dec 2014 \$	Half-Year Ended 31 Dec 2013 \$
REVENUE			
Interest Income	3	3,747	5,933
TOTAL REVENUE		<u>3,747</u>	<u>5,933</u>
EXPENSES			
Accounting and related fees		(36,093)	(13,212)
Directors and employees		(108,080)	(109,475)
Consultants and advisers		(220,913)	(32,829)
Compliance and legal fees		(132,941)	(64,460)
Exploration expenses		(22,323)	-
Foreign currency translation		(1,597)	-
Other expenses		(106,210)	(48,378)
TOTAL EXPENSES		<u>(628,157)</u>	<u>(268,354)</u>
PROFIT BEFORE INCOME TAX		<u>(624,410)</u>	<u>(262,421)</u>
Income tax expense		-	-
PROFIT AFTER INCOME TAX		<u>(624,410)</u>	<u>(262,421)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>(624,410)</u>	<u>(262,421)</u>
Basic and diluted loss per share (cents)		(0.78)	(0.41)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes to the financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	As at 31 Dec 2014 \$	As at 30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		205,139	387,234
Trade and other receivables		86,485	89,606
TOTAL CURRENT ASSETS		<u>291,624</u>	<u>476,840</u>
NON-CURRENT ASSETS			
Exploration and evaluation expenditure		5,278,916	5,153,769
TOTAL NON-CURRENT ASSETS		<u>5,278,916</u>	<u>5,153,769</u>
TOTAL ASSETS		<u>5,570,540</u>	<u>5,630,609</u>
CURRENT LIABILITIES			
Trade and other payables		150,406	136,105
Convertible notes	4	287,742	1,190,000
TOTAL CURRENT LIABILITIES		<u>438,148</u>	<u>1,326,105</u>
TOTAL LIABILITIES		<u>438,148</u>	<u>1,326,105</u>
NET ASSETS		<u>5,132,392</u>	<u>4,304,504</u>
EQUITY			
Issued capital	5	12,758,704	11,306,406
Reserves		212,645	212,645
Retained losses		(7,838,957)	(7,214,547)
TOTAL EQUITY		<u>5,132,392</u>	<u>4,304,504</u>

The Statement of Financial Position is to be read in conjunction
with the attached notes to the financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

Balance at 1 July 2013	11,306,406	212,645	(6,696,404)	4,822,647
Net (loss) for the half year	-	-	(262,421)	(262,421)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(262,421)	(262,421)
Balance at 31 December 2013	<u>11,306,406</u>	<u>212,645</u>	<u>(6,958,825)</u>	<u>4,560,226</u>

	Note	Issued Capital \$	Options Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2014		11,306,406	212,645	(7,214,547)	4,304,504
Net (loss) for the half year		-	-	(624,410)	(624,410)
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	(624,410)	(624,410)
Share issue (net of costs) relating to convertible notes	5	1,255,358	-	-	1,255,358
Shares issued in lieu (net of costs)		17,103	-	-	17,103
Placement share issue (net of costs)		179,837	-	-	179,837
Balance at 31 December 2014		<u>12,758,704</u>	<u>212,645</u>	<u>(7,838,957)</u>	<u>5,132,392</u>

The Statement of Changes in Equity is to be read in conjunction
with the attached notes to the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-Year Ended 31 Dec 2014	Half-Year Ended 31 Dec 2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(495,198)	(201,236)
Interest received	3,527	5,933
NET CASH USED IN OPERATING ACTIVITIES	(491,697)	(195,303)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(158,003)	(181,584)
NET CASH USED IN INVESTING ACTIVITIES	(158,003)	(181,584)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	179,837	-
Proceeds from issue of convertible notes	287,742	920,099
NET CASH PROVIDED BY FINANCING ACTIVITIES	467,579	920,099
Net increase/(decrease) in cash held	(182,095)	543,212
Cash at the beginning of the financial year	387,234	86,748
CASH AT THE END OF THE HALF-YEAR	205,139	629,960

The Statement of Cash Flows is to be read in conjunction
With the attached notes to the financial statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Greenvale Energy N.L. is a Company domiciled in Australia. This interim financial report of the consolidated entity is for the half-year ended 31 December 2014.

BASIS OF PRESENTATION

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

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the consolidated entity as in the full financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Greenvale Energy N.L. during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting period, except as disclosed below.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

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

NOTES TO THE FINANCIAL STATEMENTS

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$624,410 and had net cash outflows from operating activities of \$491,697 and investing activities of \$158,003 for the half-year ended 31 December 2014. As at that date, the consolidated entity had net current liabilities of \$146,524.

The Directors believe after consideration of the above matters, there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The ability to issue additional shares and/or convertible notes under the *Corporation Act 2001*;
- Certain costs such as directors' fees to be repaid by way of issue of shares (subject to any appropriate regulatory approvals);
- The convertible notes as disclosed in note 4 will not require a cash out flow until 31 August 2016 and are only classified as a current liability in the statement of financial position as at 31 December 2014 due to them being convertible by the note holder from 31 August 2015;
- The ability to enter into a joint venture or farm-in arrangement on its shale assets to conserve cash;
- The ability to dispose of some or all of its shale assets for cash; and
- The consolidated entity has the ability to scale down its operations in order to curtail expenditure, in the event that capital raisings or other funding strategies are delayed or insufficient cash is available to meet projected expenditure.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis of accounting in the preparation of this half-year financial report.

The consolidated entity's ability to continue as a going concern is mainly dependent on being able to obtain additional working capital through the issue of shares and/or convertible notes as and when required.

Should the directors not achieve the matters set out above, there is significant uncertainty whether the consolidated entity will continue as a going concern and therefore whether the consolidated entity will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity is not able to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

2. SEGMENT INFORMATION

This report is based on the Company operating on one segment only. That segment is minerals exploration in Australia. In accordance with AASB 8 *Operating Segments*, a management approach to reporting has been applied.

3. LOSS BEFORE INCOME TAX EXPENSE

	Half-Year Ended 31 Dec 2014 \$	Half-Year Ended 31 Dec 2013 \$
Interest income	3,747	5,933

The consolidated entity is in the exploration phase and does not have any external customers.

4. CONVERTIBLE NOTES

On 5 September 2014, 119 convertible notes maturing 31 August 2015 converted to 25,591,398 fully paid ordinary shares in the Company.

During this half- year, the company issued 31 Convertible notes each with a face value of \$9,282 and maturing 31 August 2016. The key terms of the convertible notes are:

- At the election of the note holder, the full amount of the convertible note will convert into ordinary shares of the company;
- The convertible notes plus accumulated interest will be converted at the lesser of \$0.10 cents per share or 85% of the 5 day volume weighted average price of the company's ordinary shares on the ASX prior to the issue of the conversion notice by the note holder to the company;
- Each conversion share issued will have a free attached unlisted option to subscribe for an ordinary share in the company exercisable on or before 31 August 2018 at a price of \$0.10 per share; and
- The convertible notes can be converted, at any time after 31 August 2015 up until 5 business days after the maturity date of 31 August 2016.

5. ISSUED CAPITAL

	Number of Shares	\$
Movements in shares on issue		
At the beginning of the financial period	64,290,721	11,306,407
Convertible shares converted ⁽ⁱ⁾	26,996,931	1,255,357
Share based payment	269,337	17,103
Placement @ \$0.10 per share	1,798,368	179,837
At end of reporting period	93,355,357	12,758,704

(i) Includes 1,405,533 shares issued representing interest accrued on convertible notes.

NOTES TO FINANCIAL STATEMENTS

6. PERFORMANCE RIGHTS

On 21 November 2013, shareholders approved the issue of 8,000,000 performance rights to the nominee of Mr Stephen Baird as part of his remuneration package for his role as an executive director of the Company. The performance rights were subsequently issued by the Company on 3 December 2013. The vesting conditions of these performance rights are:

Class	Number of Performance Rights	Vesting Condition
Class A	2,000,000	The company achieving a market capitalisation in excess of \$30 million for a continuous period of 1 month
Class B	2,000,000	The company achieving a market capitalisation in excess of \$50 million for a continuous period of 1 month
Class C	2,000,000	The company achieving a market capitalisation in excess of \$100 million for a continuous period of 1 month
Class D	2,000,000	The company achieving a market capitalisation in excess of \$200 million for a continuous period of 1 month

7. DIVIDENDS

No dividends have been paid or declared during the half-year.

8. SUBSEQUENT EVENTS

Since 31 December 2014, there are no other items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to affect significantly, the results of those operations, or the state of affairs of the company entity in future financial years.

9. CONTINGENT LIABILITIES

There have been no material changes in contingent liabilities since the last reporting date.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the Corporations Act 2001.



Stephen Baird
Director

Dated this 13th day of March 2015

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
GREENVALE ENERGY N.L.**

We have reviewed the accompanying half-year financial report of Greenvale Energy N.L. which comprises the statement of financial position as at 31 December 2014 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 2014 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 Greenvale Energy N.L., 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.

Independence

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 Greenvale Energy N.L., 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 Greenvale Energy N.L. is not in accordance with the *Corporations Act 2001* including:

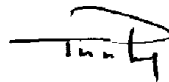
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss of \$624,410 and had net cash outflows from operating activities of \$491,697 and investing activities of \$158,003 for the half-year ended 31 December 2014. As at that date, the consolidated entity had net current liabilities of \$146,524.

These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 13 March 2015