

13 Independent Auditor's Report

To the Members of AusTex Oil Limited

I have audited the financial report of AusTex Oil Limited ("the company") for the financial year ended 31 March 2009 ("the financial year"). The financial report comprises the balance sheet as at 31 March 2009, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the company and the consolidated entity ("the entity") for the year ended 31 March 2009. The company's directors are responsible for the financial report. I have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial statements and notes, comply with International Financial Reporting Standards.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. The Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on the effectiveness of the entity's internal control. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors' of AusTex Oil Limited on 26 June 2009 would be in the same terms if provided to the directors as at the date of this auditor's report.

INDEPENDENT AUDITOR'S REPORT *(cont'd)*

Audit Opinion

In my opinion,

- a) the financial report of AusTex Oil Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company and consolidated entity's financial position as at 31 March 2009 and of their performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards in Australia (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1;
- c) the remuneration disclosures that are contained in the Directors' report and notes to the financial statements comply with Accounting Standard AASB 124, Related Party Disclosures.

COLQUHOUNS
Chartered Accountants

Neil Colquhoun

Principal

Sydney
29 June 2009