



BIG STAR ENERGY

**BIG STAR ENERGY LIMITED
(FORMERLY ANTARES ENERGY LIMITED)**

ABN 75 009 230 835

HALF-YEAR FINANCIAL REPORT

For the half year ended 30 June 2018

BIG STAR ENERGY LIMITED AND CONTROLLED ENTITIES

ABN 75 009 230 835

CONTENTS

	Page No.
Directors' Report	3
Auditor's Independence Declaration	6
Statement of Profit or Loss & Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	19
Independent Audit Report	20

COMPANY DIRECTORY

DIRECTORS:

Ross Warner
Joanne Kendrick
Michael Pollak

AUDITORS:

Stantons International Audit & Consulting Pty Ltd
Level 2, 22 Pitt Street
Sydney, NSW, 2000

COMPANY SECRETARY

Andrew Whitten

BANKERS:

Westpac Banking Corporation
94 Church Street
Middle Brighton, VIC, 3186

REGISTERED OFFICE:

Level 29, 201 Elizabeth Street
Sydney, NSW, 2000
Telephone: + 61 (0) 2 8072 1400

SHARE REGISTRY:

Automic Pty Ltd
Level 29
201 Elizabeth Street
Sydney, NSW, 2000

SOLICITORS:

Whittens & McKeough
Lawyers & Consultants
Level 29, 201 Elizabeth Street
Sydney, NSW, 2000
Telephone: + 61 (0) 2 8072 1400

Telephone: + 61 (0) 2 9698 5414
Facsimile: + 61 (0) 2 8583 3040

AUSTRALIAN COMPANY NUMBER:

ACN 009 230 835

Email: info@bigstarenergy.com.au
Website: www.bigstarenergy.com.au

AUSTRALIAN BUSINESS NUMBER:

ABN 75 009 230 835

ASX CODE:

BNL

DIRECTORS' REPORT

The Directors of Big Star Energy Limited (Formerly Antares Energy Limited) present their report and the financial report of Big Star Energy Limited and the entities it controlled ("the Consolidated Entity") at the end of, or during the half-year ended 30 June 2018.

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.

Name	Particulars
Ross Warner	Executive Director & Chairman – Appointed 23 March 2018
Joanne Kendrick	Managing Director – Appointed 23 March 2018
Michael Pollak	Non Executive Director – Appointed 23 March 2018

The above named directors were formally appointed as directors of the Company under the terms of DOCA on 23 March 2018, being the date the DOCA effectuated.

James Andrew Cruickshank	Chairman & Managing Director – Resigned 27 April 2016*
Gregory David Shoemaker	Director & Chief Scientist – Resigned 28 April 2016*
Vicky Ann McAppion	Director & Finance & Administration Manager – Resigned 28 April 2016*
Mark Gerard Clohessy	Non Executive Director – Resigned 28 April 2016*

* These directors formally ceased to be directors of the Company under the terms of DOCA on 23 March 2018, being the date the DOCA effectuated.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the period were hydrocarbon production and exploration in the United States of America.

OPERATING REVIEW

Big Star Project – Midland Basin, Texas

The handover and transition of the operations to the new management team at Big Star began with the establishment of the in-country team. Paul Jordan, a 30+ year veteran of the US oil industry was appointed as director of the Company's US subsidiary, Antares Energy Company. His experience includes management oversight and direct involvement in engineering production, evaluation and operations at both financial institutions and oil and gas operating companies.

Production Wells – Production and Operations

Operational efforts focused on a maintenance review of the production wells following the long period of administration. Repairs and maintenance at the Stuart and Simmons wells were undertaken to the production and H2S treatment units.

Production Wells – Bypassed Oil Study

Petrophysical Solutions Inc. (PSI) was commissioned to undertake a petrophysical study of Big Star's existing wells for any potential oil zones of interest (ZOI) that have not yet been produced. The study will shortly be completed. Some early results have identified several ZOI in the Upper Spraberry and Wolfcamp D horizons that are prospective development targets. The potential commerciality of a workover program to develop and produce these ZOI is being assessed during the September quarter.

Exploration Acreage and Portfolio Management

The second objective of the PSI study was to assist in the evaluation of the Big Star exploration acreage potential by reviewing the existing wells for horizontal development well opportunities. The conclusions of the study as they relate to the exploration acreage will be completed during the September quarter.

DIRECTORS' REPORT (CONTINUED)

OPERATING REVIEW (CONTINUED)

Big Star Project – Midland Basin, Texas (continued)

Exploration Acreage and Portfolio Management (continued)

Interim findings regarding the prospectivity of the acreage resulted in the directors deciding not to renew the expiring exploration leases.

New Ventures

The Company is actively pursuing upstream oil and gas acquisition opportunities that fit its strategy. Several upstream oil and gas opportunities in North America and elsewhere have been identified and are under review.

Corporate

The Company was suspended from trading on the ASX on 11 September 2015 and placed into voluntary administration on 28 April 2016. On 2 December 2016, the Creditors of the Company resolved to place the Company into a Deed of Company Arrangement ('DOCA').

The shareholders of the Company approved a recapitalisation proposal on 23 January 2018, with the capital of the company subsequently consolidated on 29 January 2018. The DOCA was effectuated on 23 March 2018, at which time the new Board was appointed and the Company was released from any pre-administration creditor claims.

The Company completed placings on 9 April 2018 and 23 May 2018 which, in total, raised \$2,026,875 (before costs of the DOCA and recapitalisation) from the issue of 315,000,000 fully paid ordinary shares and 75,000,000 unlisted options.

The Company changed its name to Big Star Energy Limited on 4 June 2018 and its ASX ticker changed to BNL.

RESULTS OF OPERATIONS

Big Star Energy Limited (formerly Antares Energy Limited) during the period has reported a total comprehensive profit for the period of \$47,403,712 (30 June 2017: loss of \$2,126,899). The profit was generated due to the transfer of the convertible notes and other creditors of the Company caught under the DOCA to the creditors trust of \$48,158,553 as a result of the effectuation of the DOCA on 23 March 2018.

INCOMPLETE RECORDS

The management and affairs of the Company and all its controlled entities have not been under the control of the Directors of the Group since it entered into voluntary administration on 28 April 2016 until the DOCA effectuated on 23 March 2018.

The financial report was prepared by Directors who were not in office at the time the Group entered voluntary administration or for the full periods presented in this report. The Directors who prepared this financial report were appointed on 23 March 2018.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using data extracted from the Group's accounting systems and the record of receipts and payments made available by the Administrator of the Company and its subsidiaries for the period from their appointment. However, it has not been possible for the Directors to obtain all the books and records of the Group for the period prior to their appointment and the effectuation of the DOCA on 23 March 2018.

DIRECTORS' REPORT (CONTINUED)

INCOMPLETE RECORDS (CONTINUED)

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

SIGNIFICANT EVENTS AFTER BALANCE DATE

There have been no significant events after balance date.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The independence declaration as required under section 307C of the Corporations Act 2001 received from the auditor of Big Star Energy Limited (formerly Antares Energy Limited) is set out on page 6 and forms part of this Directors' report for the half - year ended 30 June 2018.

The total fees paid or payable to the Company's auditors Stantons International Audit & Consulting Pty Ltd for non-audit services provided to the Company during the half-year ended 30 June 2018 are \$17,000 (30 June 2017: \$NIL).

INDEMNIFICATION OF DIRECTORS, COMPANY SECRETARY AND AUDITORS

The Company has agreed to indemnify the current directors and company secretary of the Company against all liabilities that may arise from their position as directors or officers of the Company.

Signed in accordance with a resolution of the Directors.



Ross Warner
Chairman
13 September 2018

13 September 2018

Big Star Energy Limited
Level 29, 201 Elizabeth Street
Sydney, NSW 2000

Dear Sirs

RE: BIG STAR 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 Big Star Energy Limited.

As Audit Director for the review of the financial statements of Big Star Energy Limited for the half year ended 30 June 2018, 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 faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

Statement of Profit or Loss & Other Comprehensive Income

For the Half Year Ended 30 June 2018

		Consolidated	
	Note	6 months ended 30 June 2018 \$	6 months ended 30 June 2017 \$
Continuing operations			
Revenue	3(a)	38,357	309,437
Cost of goods sold		(237,175)	(336,226)
Gross loss		(198,818)	(26,789)
Other income	3(b)	1,403	624
Other expenses excluding finance costs	3(c)	(203,063)	(869,891)
Impairment of oil and gas assets	6	(249,762)	-
Employment expenses		(49,355)	-
Business development expenses		(60,795)	-
Administration expenses		-	(625,843)
Legal expenses	3(c)	(30,114)	(277,307)
Loss before income tax		(790,504)	(1,799,206)
Income tax		-	-
Loss from continuing operations		(790,504)	(1,799,206)
Discontinued operations			
Profit from discontinued operations	14	48,158,553	-
Net profit attributable to members of the company		47,368,049	-
Other comprehensive loss			
Exchange differences on translation of foreign operations		35,663	(327,693)
Other comprehensive (loss)/ income net of tax		35,663	(327,693)
Total comprehensive profit /(loss) for the period		47,403,712	(2,126,899)
(Loss)/ Profit per share (cents per share)			
<i>Earnings from continuing operations:</i>			
Basic loss per share for the period		(0.54)	(0.75)
Diluted loss per share for the period		(0.54)	(0.75)
<i>Earnings from discontinuing operations:</i>			
Basic profit per share for the period		32.64	(0.75)
Diluted profit per share for the period		30.90	(0.75)

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

Statement of Financial Position

As at 30 June 2018

Consolidated

	Note	30 June 2018 \$	31 December 2017 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,226,948	254,183
Trade and other receivables	5	40,798	-
Total current assets		1,267,746	254,183
NON-CURRENT ASSETS			
Oil and gas properties	6	48,708	295,916
Property, Plant & Equipment		5,908	
Total non-current assets		54,616	295,916
TOTAL ASSETS		1,322,362	550,099
CURRENT LIABILITIES			
Trade and other payables	7	397,839	1,096,617
Interest-bearing loans and borrowings	9	-	47,500,000
Total current liabilities		397,839	48,596,617
NON-CURRENT LIABILITIES			
Provisions	8	169,125	160,256
Total non-current liabilities		169,125	160,256
TOTAL LIABILITIES		566,964	48,756,873
NET ASSETS/ (LIABILITIES)		755,398	(48,206,774)
EQUITY			
Contributed equity	10	1,882,418	84,436,358
Reserves	11	37,538	32,475,521
Accumulated Losses		(1,164,558)	(165,118,653)
TOTAL EQUITY/ (DEFICIENCY) IN SHAREHOLDERS' FUNDS		755,398	(48,206,774)

The statement of financial position is to be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the Half Year Ended 30 June 2018

CONSOLIDATED

6 months ended 30 June 2018

Balance at 1 January
2018

Profit for the period
**Other comprehensive
income**

Exchange differences
on translation of
foreign operations

**Total comprehensive
loss for the period**

**Transactions with
owners in their
capacity as owners:**

Issue of capital and
options

Costs of Capital

Write back of
accumulated losses

**Balance at 30 June
2018**

	Ordinary Share Capital \$	(Accumulated Losses) \$	Foreign Currency Reserve \$	Convertible Note Premium Reserve \$	Share Option Reserve \$	Total \$
Balance at 1 January 2018	84,436,358	(165,118,653)	22,671,063	3,921,020	5,883,438	(48,206,774)
Profit for the period	-	47,368,049	-	-	-	47,368,049
Other comprehensive income	-	-	35,663	-	-	35,663
Exchange differences on translation of foreign operations	-	-	35,663	-	-	35,663
Total comprehensive loss for the period	-	47,368,049	35,663	-	-	47,403,712
Transactions with owners in their capacity as owners:						
Issue of capital and options	2,025,000	-	-	-	1,875	2,026,875
Costs of Capital	(142,582)	-	-	-	-	(142,582)
Write back of accumulated losses	(84,436,358)	116,586,046	(22,671,063)	(3,921,020)	(5,883,438)	(325,833)
Balance at 30 June 2018	1,882,418	(1,164,558)	35,663	-	1,875	755,398

6 months ended 30 June 2017

Balance at 1 January
2017

Loss for the period
**Other comprehensive
income**

Exchange differences
on translation of
foreign operations

Decrement in AFS fair
value

Impairment of AFS
financial asset

**Total comprehensive
income/(loss) for the
period**

**Transactions with
owners in their
capacity as owners:**

Securities bought back

**Balance at 30 June
2017**

	Ordinary Share Capital \$	(Accumulated Losses) \$	Foreign Currency Reserve \$	Convertible Note Premium Reserve \$	Share Option Reserve \$	Total \$
Balance at 1 January 2017	84,436,358	(162,745,246)	23,055,776	3,921,020	5,883,438	(45,448,654)
Loss for the period	-	(1,799,206)	-	-	-	(1,799,206)
Other comprehensive income	-	-	(327,693)	-	-	(327,693)
Exchange differences on translation of foreign operations	-	-	(327,693)	-	-	(327,693)
Decrement in AFS fair value	-	-	-	-	-	-
Impairment of AFS financial asset	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	(1,799,206)	(327,693)	-	-	(2,126,899)
Transactions with owners in their capacity as owners:						
Securities bought back	-	-	-	-	-	-
Balance at 30 June 2017	84,436,358	(164,544,452)	22,728,083	3,921,020	5,883,438	(47,575,553)

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

For the Half Year Ended 30 June 2018

Consolidated		
Note	6 months ended 30 June 2018	6 months ended 30 June 2017
	\$	\$
Cash flows from operating activities		
Receipts from customers	38,281	309,437
Payments to suppliers and employees	(423,978)	(2,306,360)
Interest received	1,403	-
DOCA Settlement	(510,729)	-
Net cash (outflows) from operating activities	(895,023)	(1,996,923)
Cash flows from investing activities		
Exploration, evaluation and development expenditure	-	-
Payment for Property, plant & equipment	(5,908)	-
Proceeds from sale of Northern Star	-	2,306,186
Net cash(outflows)/ inflows from investing activities	(5,908)	2,306,186
Cash flows from financing activities		
Proceeds from Syndicate loan	498,021	-
Net Proceeds from share issue	1,841,654	-
Repayment of Syndicate loan	(322,800)	-
Transaction costs related to issue of share	(142,582)	-
Net cash inflows from financing activities	1,874,293	-
Net increase in cash and cash equivalents held	973,362	309,263
Cash and cash equivalents at the beginning of the period	254,183	145,039
Effects of exchange rate changes on cash	(597)	-
Cash and cash equivalents at the end of the period	1,226,948	454,302

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

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

BIG STAR ENERGY LIMITED
(FORMERLY ANTARES ENERGY LIMITED)
ABN 75 009 230 835

NOTE 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation and going concern

These general purpose condensed financial statements for the half-year reporting period ended 30 June 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not include all 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 statements. The presentation currency is Australian dollars.

The half-year financial report should be read in conjunction with the Annual Financial Statements of Big Star Energy Limited (formerly Antares Energy Limited) as at 31 December 2017. It is also recommended that the interim half-year financial statements be considered together with any public announcements made by Big Star Energy Limited (formerly Antares Energy Limited) during the half-year ended 30 June 2018 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

The half-year financial report was authorised for issue on 13 September 2018.

Going Concern

For the half year ended 30 June 2018 the consolidated entity incurred a total comprehensive profit of \$47,403,712 (30 June 2017: total comprehensive loss of \$2,126,899) and had working capital of \$869,907 (31 December 2017: deficiency of \$48,342,434). Based upon the Group's existing cash resources of \$1,226,948 (31 December 2017: \$254,183), and on the effectuation of the DOCA on 23 March 2018 and subsequent recapitalisation of the Company, the Directors reviewed the cash flow forecasts and working capital requirements of the Group and consider there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered to be appropriate for the 30 June 2018 half year financial report.

In the event that the Group is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial report.

Incomplete records

The management and affairs of the Company and all its controlled entities have not been under the control of the Directors of the Group since it entered into voluntary administration on 28 April 2016 until the DOCA effectuated on 23 March 2018.

The financial report was prepared by Directors who were not in office at the time the Group entered voluntary administration or for the full periods presented in this report. The Directors who prepared this financial report were appointed on 23 March 2018.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using data extracted from the Group's accounting systems and the record of receipts and payments made available by the Administrator of the Company and its subsidiaries for the period from their appointment. However, it has not been possible for the Directors to obtain all the books and records of the Group for the period prior to their appointment and the effectuation of the DOCA on 23 March 2018.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

BIG STAR ENERGY LIMITED
(FORMERLY ANTARES ENERGY LIMITED)
ABN 75 009 230 835

NOTE 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Incomplete records (continued)

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Adoption of new or revised Standards

Apart from the adoption of new or revised accounting standards, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

New and amended Standards and Interpretations did not result in any significant changes to the Group's accounting policies.

The Group has not elected to early adopt any new standards or amendments that have been issued that are not yet effective.

NOTE 2 SEGMENT REPORTING

For management purposes, the Company is organised into one main operating segment, which involves oil and gas exploration, development and production in the USA. All the Company's activities are interrelated, and discrete financial information is reported to the Chairman and the management team as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The Group derives its revenue from the sale of oil and gas produced in the USA. During the interim half-year reporting periods ended 30 June 2018 and 30 June 2017 external sales of oil and gas were made to customers solely located in the USA.

	Consolidated	
	6 months ended 30 June 2018	6 months ended 30 June 2017
	\$	\$
Analysis of revenue:		
Oil	37,860	290,836
Gas	497	18,601
Interest	1,403	-
	39,760	309,437

	Consolidated	
	30 June 2018	31 Dec 2017
	\$	\$
Geographical split of non-current assets:		
USA	48,708	295,916
Australia	5,908	-
	54,616	295,916

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

BIG STAR ENERGY LIMITED
(FORMERLY ANTARES ENERGY LIMITED)
 ABN 75 009 230 835

NOTE 3	REVENUE, INCOME AND EXPENSES	Consolidated	
		6 months ended 30 June 2018 \$	6 months ended 30 June 2017 \$
	a) Revenue		
	Sale of product	38,357	309,437
		38,357	309,437
	b) Other income:		
	GST refund	-	624
	Interest Income	1,403	-
		1,403	624
	c) Other expenses:		
	General expenses	203,063	869,891
	Administration expenses	-	625,843
	Legal expenses	30,114	277,307
		233,177	1,773,041

NOTE 4	CASH AND CASH EQUIVALENTS	Consolidated	
		30 June 2018 \$	31 Dec 2017 \$
	For the purposes of the half-year cash flow statement, cash and cash equivalents are comprised of the following:		
	Cash at bank and on hand	1,226,948	254,183
		1,226,948	254,183

NOTE 5	RECEIVABLES	Consolidated	
		30 June 2018 \$	31 Dec 2017 \$
	GST Receivable	40,798	-
		40,798	-

NOTE 6	OIL AND GAS PROPERTIES	Consolidated	
		30 June 2018 \$	31 Dec 2017 \$
	Oil and gas properties		
	- at cost	411,183	411,183
	- accumulated amortisation & impairment	(365,029)	(86,113)
	-exchange difference translation	2,554	(29,154)
		48,708	295,916

Oil and gas properties are denominated in \$US dollars.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

BIG STAR ENERGY LIMITED
(FORMERLY ANTARES ENERGY LIMITED)
 ABN 75 009 230 835

	Consolidated	
	30 June 2018	31 Dec 2017
	\$	\$
NOTE 6 OIL AND GAS PROPERTIES (continued)		
Reconciliation		
Reconciliation of carrying amounts of oil and gas properties at the beginning and end of the current financial year:		
Balance at start of period	295,916	411,183
Additions	-	-
Impairment	(249,762)	(86,113)
Foreign exchange translation	2,554	(29,154)
Balance at end of period	48,708	295,916

Oil and gas properties consist of the Big Star project.

The value of the Group's interest in oil and gas properties is dependent upon the continuance of the Group's rights to tenure of the areas of interest, the results of future exploration and the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The directors have impaired the value of the oil and gas assets due to the expiry of exploration leases resulting in the oil and gas property value of \$48,708 (US\$36,000) at 30 June 2018.

	Consolidated	
	30 June 2018	31 Dec 2017
	\$	\$
NOTE 7 PAYABLES		
Trade creditors and accruals	397,839	486,466
Creditors claim under Administration	-	610,151
	397,839	1,096,617

Trade creditors are non-interest bearing and generally payable within 30 – 60 days. Accruals include amounts payable as a result of cash calls made by operators of non-operated projects for upcoming capital expenditure such as wells.

	Consolidated	
	30 June 2018	31 Dec 2017
	\$	\$
NOTE 8 PROVISIONS		
Non Current		
Restoration	169,125	160,256
	169,125	160,256
Reconciliation		
Reconciliation of movements in the restoration provision:		
Balance at start of period	160,256	449,143
Transfer to disposal group held for sale assets	-	(286,637)
Foreign exchange translation	8,869	(2,250)
Balance at end of period	169,125	160,256

The restorations provisions are denominated in \$US dollars. (US\$125,000)

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

BIG STAR ENERGY LIMITED
(FORMERLY ANTARES ENERGY LIMITED)
ABN 75 009 230 835

NOTE 8 PROVISIONS (continued)

The restoration obligations are expected to be incurred over a period from 1 to 15 years.

The Company has recognised a provision for restoration related to the estimated cost of restoration work required at the end of the useful life of the producing fields, including removal of facilities and equipment required or intended to be removed.

These provisions have been created based on the Company's estimate. These estimates are reviewed regularly to take into account any material changes to the assumptions. However actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of the decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil prices, which are inherently uncertain. These estimates of restoration are subject to significant estimates and assumptions.

NOTE 9 INTEREST-BEARING LOANS AND BORROWINGS	Consolidated	
	30 June 2018	31 Dec 2017
	\$	\$
Current		
Convertible notes	-	47,500,000
	-	47,500,000

Convertible Notes

The convertible notes were released upon effectuation of the DOCA (deed of Company Arrangement) on 23 March 2018.

As at 31 December 2017 there was a total of 23,750,000 notes on issue with a face value of \$47,500,000. Notes were convertible to ordinary shares on a 1:3 ratio and had a coupon rate of 10% per annum.

NOTE 10 CONTRIBUTED EQUITY	Consolidated	
	30 June 2018	31 Dec 2017
	\$	\$
Issued and paid up capital		
Fully paid ordinary shares(post consolidation)	1,898,358	84,436,358
Movement in ordinary shares on issue	No. of shares	\$
At 1 January 2018	240,000,000	84,436,358
Consolidation (1:15) (i)	(223,999,983)	-
Issue of shares (First Placement) (ii)	150,000,000	375,000
Issue of shares (Capital Raising) (iii)	165,000,000	1,650,000
Less: Capital raising costs	-	(142,582)
Write back of accumulated losses*	-	(84,436,358)
At 30 June 2018	331,000,017	1,882,418
Movement in ordinary shares on issue	No. of shares	\$
At 1 July 2017	240,000,000	84,436,358
Shares bought back on market	-	-
At 31 December 2017	240,000,000	84,436,358

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

BIG STAR ENERGY LIMITED
(FORMERLY ANTARES ENERGY LIMITED)
ABN 75 009 230 835

NOTE 10 CONTRIBUTED EQUITY

(i) On 29 January 2018 the existing capital of the Company was consolidated on a fifteen (15) to one (1) basis

(ii) 150,000,000 First placement shares were issued to Syndicate members on the 9 April 2018 at an issue price of \$0.0025 cents per placement share.

(iii) 165,000,000 New shares were issued pursuant to the Public offer at an issue price of \$0.01 cents per share.

* The directors of the Company elected to apply relief under section 258F of the Corporations Act 2001, as the Paid Up Share Capital is considered cost or is not represented by available assets.

NOTE 11 RESERVES

	Consolidated	
	30 June 2018	31 Dec 2017
	\$	\$
Option Reserve (i)	1,875	5,883,438
Convertible Notes Reserve	-	3,921,020
FX Translation Reserve	35,663	22,671,063
	37,538	32,475,521

(i) 75,000,000 options were issued to Syndicate members on the 9 April 2018 at an issue price of \$0.0025 cents per option.

Nature and purpose of reserves:

Option reserve

The option reserve is used to record the value of share based payments and other options purchased by/provided to Key Management Personnel, as part of their remuneration. There were 75,000,000 options issued in 2018 (2017: NIL).

Convertible Note reserve

The convertible note reserve is used to record the equity portion of convertible notes issued by the Company.

Foreign currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the conversion of the financial statement of foreign subsidiaries.

NOTE 12 CONTINGENCIES

The Group is not aware of any contingent liabilities as at balance date.

NOTE 13 EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after the balance date.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

BIG STAR ENERGY LIMITED
(FORMERLY ANTARES ENERGY LIMITED)
ABN 75 009 230 835

NOTE14: DISCONTINUED OPERATIONS

(a) Details of operations disposed

On 28 April 2016 the Company was placed into voluntary administration and the Company operations were suspended under the Administrators. The Administrators sought expressions of interest from third parties in either acquiring the assets of the Company or reconstructing and recapitalising the Company.

The Company's creditors subsequently agreed with a proposal presented by a syndicate headed by Pager Partners for the restructure and recapitalisation of the Company at a creditors meeting on 2 December 2016. This proposal was approved by Shareholders of the Company on 23 January 2018 and the DOCA was successfully effectuated on 23 March 2018.

The syndicate headed by Pager Partners loaned \$500,000 to the Deed Administrator (on behalf of the Company) for distribution under the DOCA to the Creditors Trust in return for secured and unsecured creditors releasing all claims against the Company and any charges over the Company. Certain unencumbered assets were retained by the Company including the Company's wholly owned subsidiary Antares Energy Company (which owns the Big Star Project in the Permian Basin in Dawson Country, Texas, USA).

The syndicate loaned the Company the requisite funds to pay for the costs of settling the DOCA, drafting of the DOCA, Creditors Trust Deed, Shareholder's Meetings and Shareholder Notices, Prospectus, Independent Experts Report and preparing historical audited accounts.

The termination of the DOCA is treated as the discontinuation of operations.

(b) Financial performance of operations disposed

	30 June 2018
	\$
Carrying value of Net Liabilities	(48,666,553)
Payment to Creditors Trust	500,000
Payment for expenses	8,020
Net gain on disposal of operations	(48,158,533)

(c) Assets and liabilities of discontinued operations

	30 June 2018
	\$
Cash and cash equivalents	69,407
Trade and other payables	(1,235,960)
Other Liabilities	(47,500,000)
Net liabilities attributable to discontinued operations	(48,666,553)

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

BIG STAR ENERGY LIMITED
(FORMERLY ANTARES ENERGY LIMITED)
ABN 75 009 230 835

NOTE14: DISCONTINUED OPERATIONS (CONTINUED)

(d) Cash flows used in discontinued operations

	30 June 2018	31 Dec 2017
	\$	\$
Net cash used in operating activities	(69,407)	-
Net cash from investing activities	-	-
Net cash used in financing activities	-	-
Net cash outflows for the year	(69,407)	-

**BIG STAR ENERGY LIMITED
(FORMERLY ANTARES ENERGY LIMITED)**

ABN 75 009 230 835

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Big Star Energy Limited (formerly Antares Energy Limited), the Directors' of the Company declare that:

- (a) As disclosed in Note 1 to the Consolidated financial statements, although the Directors have prepared the Consolidated financial statements and Notes of Big Star Energy Limited (formerly Antares Energy Limited) to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that the Consolidated financial statements and Notes of Big Star Energy Limited (formerly Antares Energy Limited) for the half- year ended 30 June 2018 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 30 June 2018 and the performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) As a result of the effectuation of the DOCA on 23 March 2018, and subsequent recapitalisation of the Company, as at the date of this Report, the Directors have reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This report is made with the resolution of the Directors' of Big Star Energy Limited (formerly Antares Energy Limited).

Signed in accordance with a resolution of the Directors.



Ross Warner
Chairman
13 September 2018

**QUALIFIED INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
BIG STAR ENERGY LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Big Star Energy Limited, which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for Big Star Energy Limited (the consolidated entity). The consolidated entity comprises both Big Star Energy Limited (the Company) and the entities it controlled during the half year.

Director's Responsibility for the Half-Year Financial Report

The directors of Big Star Energy Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such 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 Standards 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2018 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 Big Star 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

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*, has been provided to the directors of Big Star Energy Limited on 13 September 2018.

Basis for Disclaimer of Auditor's Review Conclusion

The company was placed into voluntary administration on 28 April 2016 and the Deed of Company Arrangement was effectuated on 23 March 2018. Consequently the collation of the financial information relating to the period under review was not subject to the same accounting and internal controls processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report.

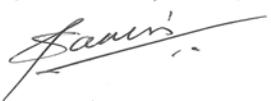
As stated in Note 1, the directors are unable to state that the financial report is in accordance with all the requirements of the *Corporations Act 2001* and the Australian Accounting Standards.

Disclaimer of Auditor's Review Conclusion

Based on our review, which is not an audit, and because of the existence of the limitation on the scope of our work, as described in the Basis for Disclaimer of Auditor's Review Conclusion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, a conclusion as to whether the financial report of Big Star Energy Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd


Samir Tirodkar
Director

West Perth, Western Australia
13 September 2018