



Zeta Resources Limited

ARBN 162 902 481

ASX Appendix 4D

For the six months ended 31 December 2015
(Incorporating information pursuant to ASX Listing Rule 4.2A)

The information contained in this document should be read in conjunction with the accompanying Zeta Resources Limited Directors' Report and Financial Report for the six months ended 31 December 2015 and the Zeta Resources Limited Annual Report for the year ended 30 June 2015 and any public announcements made by Zeta Resources Limited during the year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the ASX Listing Rules.

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ASX Appendix 4D – Results Summary
For the six months ended 31 December 2015

Results for announcement to the market

The functional and presentation currency is United States Dollars.

	31 December 2015 US\$	31 December 2014 US\$
Financial results		
Loss from ordinary activities	(25,314,472)	(45,851,230)
Loss from ordinary activities after tax attributable to members	(26,683,574)	(45,749,941)
Net loss for the period attributable to members	(26,683,574)	(45,749,941)

Dividends

Cents per ordinary share	Nil*	Nil
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*No dividends have been declared or are payable for the period ended 31 December 2015.

Tangible assets per ordinary share

Net tangible assets per share as at 31 December 2015 (in United States cents)	23.05	43.67
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Commentary

Refer to the Directors' Report included in the six months financial report for summary.

Control gained or lost over entities having material effect

None.

Dividends paid or provided for

No dividends declared for the half year ended 31 December 2015. Refer to results summary.

Dividends reinvestment plan

No dividends or distribution reinvestment plan were in operation during the period ended 31 December 2015.

Net tangible assets per share

Details of net tangible asset backing are set out in the results summary.

Details of associates and joint ventures

The group has no investments in associates or joint ventures.

Accounting standards for foreign entities

The financial statements have been prepared in accordance with the provisions of the Bermuda Companies Act 1981 and International Financial Reporting Standards.

Signed:



Date: 18 February 2016

Corporate Directory

Zeta Resources Limited
Company ARBN: 162 902 481
www.zetaresources.co

Directors (Non-Executive)

Peter Sullivan (Chairman)
Marthinus (Martin) Botha
Xi Xi

Registered Office

19 Par-la-Ville Road
Hamilton HM 11
Bermuda
Company Registration Number: 46795

Australian Registered Office

Level 9
45 Clarence Street
Sydney NSW 2000
Australia
Telephone: +61 2 9248 0304

Investment Manager

ICM Limited
1st Floor
19 Par-la-Ville Road
Hamilton HM 11
Bermuda
Telephone: +1 441 299 2897
Email: contact@icmnz.co.nz

Company Secretary

BCB Charter Corporate Services Limited
19 Par-la-Ville Road
Hamilton HM 11
Bermuda

General Administration

ICM Corporate Services (Pty) Ltd
1 Knutsford Road
Wynberg 7800
Cape Town
South Africa

Auditor

KPMG Inc
MSC House
1 Mediterranean Street, Foreshore
8001, Cape Town
South Africa

Custodian

JP Morgan Chase Bank NA
London Branch
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Registrar

Security Transfer Registrars Pty Limited
770 Canning Highway
Applecross WA 6153
Australia
Telephone: +61 8 9315 2333

Stock Exchange Listing

The company's shares are quoted on the Official List of the Australian Securities Exchange, Ticker code: ZER

Directors' Report

Your directors present their report of Zeta Resources Limited ("the company") for the six months ended 31 December 2015.

Directors

The names of directors in office during the six months ended 31 December 2015 and until the date of this report are as follows. Directors were in office for this entire period.

Peter Ross Sullivan

Marthinus Botha

Xi Xi

Principal activities

The principal activities of the company are investing in listed and unlisted resource focussed investments.

No significant change in the nature of these activities occurred during the period.

Review of investing activity

Commodity markets experienced material declines in the six months to 31 December 2015. The WTI crude oil price fell 37.6% to US\$37.13 per barrel. The gold price (London PM fix) was down 9.3% to US\$1,062/oz, while the nickel price was down 25.8% to US\$3.93/lb.

Principally due to these material declines in commodity prices share prices of Zeta's major listed investments declined significantly and the net assets of the company fell from US\$84.4 million to US\$38.6 million.

Financial position

During the period and following approval from the shareholders of the company, 6,769,280 ordinary shares were issued and 86,461,440 options were issued to UIL Limited, raising \$18,617,065 in funds which were utilised to reduce the loan owing to the holding company. No options were exercised during the period.

At the end of the six months the company had \$2,381 in cash and cash equivalents. Investments at fair value totalled \$26,236,515, and the investments in subsidiaries were valued at \$3,020,841.

During the period the company made further advances to its wholly owned subsidiary Zeta Energy Pte Ltd for the purchase of listed investments from its parent company and to make additional purchases in these companies. At the end of the period the loan had been drawn down to the value of \$38,900,524. As a result of the reduction in the share prices, the loan has been impaired, through profit and loss, to the fair value of the listed investments acquired. The impairment for the period amounted to \$7,237,386.

The company has a loan owing to UIL Limited ("UIL") of \$22,571,202 and loans owing to its subsidiary of \$3,618,815 at the period end.

During the six months new loan facilities were also established and have been drawn down to the value of \$111,295 and the proceeds utilised to purchase further investments in existing holdings.

Results

The net loss after income tax attributable to the company for the six months to 31 December 2015 is \$26,683,574.

Dividends

No dividends have been paid or declared since the start of the period. No recommendation is made as to dividends.

After balance date events

On 21 January 2016, following agreement with UIL Limited, the company converted its United States dollar and New Zealand dollar denominated loans from parent into Australian dollar denominated debt. This has had the effect of increasing Zeta's Australian dollar denominated loan from parent by AU\$19.75 million and reducing the United States dollar debt by US\$12.75 million and the New Zealand dollar debt by NZ\$1.5 million.

Auditors' independence declaration

A copy of the auditor's independence declaration is included in the report.

This report is signed in accordance with a resolution of directors.

A handwritten signature in black ink, appearing to read 'P.R. Sullivan', with a stylized flourish extending from the end.

Peter R Sullivan
Chairman
Perth, Western Australia
18 February 2016

Independent Auditors' Review Report



KPMG Inc
MSC House
1 Mediterranean Street, Foreshore, 8001
PO Box 4609, Cape Town, 8000, South Africa

Telephone +27 (0)21 408 7000
Fax +27 (0)21 408 7100
Docex 102 Cape Town
Internet <http://www.kpmg.co.za/>

Report on Review of Interim Financial Information

To Directors of Zeta Resources Limited

Introduction

We have reviewed the accompanying condensed interim financial statements, which comprise the condensed interim statement of financial position of Zeta Resources Limited as at 31 December 2015 and the related condensed interim statements of comprehensive income, changes in equity and cash flows, for the six month period then ended, and selected explanatory notes. The directors are responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, 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 International Standards on Auditing 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements of Zeta Resources Limited for the six month period ended 31 December 2015 are not prepared, in all material respects, in accordance with International Financial Reporting Standards.

KPMG Inc.

Per P Farrand
Chartered Accountant (SA)
Registered Auditor
Director
18 February 2016

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Policy Board:
Chief Executive: TH Hoole

Executive Directors: M Letsisi, SL Louw, NKS Malibe,
M Oddy, CAT Smit

Other Directors: LP Fourie, N Fubis,
AH Jaffer (Chairman of the Board), FA Korneem,
ME Magondo, AMS Mokoabedi,
GM Pickering, JN Pienze

The company's principal place of business is at KPMG Crescent,
185 Empire Road, Parktown, where a list of the directors' names is
available for inspection.

Auditors' Independence Declaration



KPMG Inc
IMSC House
1 Mediterranean Street, Foreshore, 8001
IPO Box 4609, Cape Town, 8000, South Africa

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Fax +27 (0)21 408 7100
Docex 102 Cape Town
Internet <http://www.kpmg.co.za/>

Independent Auditor's Declaration to the directors of Zeta Resources Limited

In relation to our review of the condensed interim financial statements of Zeta Resources Limited for the six month period ended 31 December 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the International Standards on Auditing or any applicable code of professional conduct.

KPMG Inc.

Per P Farrand
Chartered Accountant (SA)
Registered Auditor
Director
18 February 2016

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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Policy Board:
Chief Executive: TH Hoole

Executive Directors: M Letsitsi, SL Louw, NKS Makiba,
M Oddy, CAT Smit

Other Directors: LP Fourie, N Futsi,
AH Jaftler (Chairman of the Board), FA Kameem,
ME Magondo, AMS Mokoabadi,
GM Polesing, JN Pierce

The company's principal place of business is at KPMG Crescent,
85 Empire Road, Parktown, where a list of the directors' names is
available for inspection.

Condensed statement of comprehensive income
For the six months ended 31 December 2015

	Notes	6 months ended 31 December 2015 \$	6 months ended 31 December 2014 \$
Revenue			
Investment loss	13	(25,314,472)	(45,851,230)
Other income		812,449	2,262,411
		(24,502,023)	(43,588,819)
Expenses			
Directors fees		(75,000)	(75,000)
Interest expense		(1,609,266)	(1,497,460)
Management and consulting fees		(332,444)	(353,175)
Operating and administration expenses		(164,841)	(235,487)
Loss before tax		(26,683,574)	(45,749,941)
Income tax	14	-	-
Loss for the period		(26,683,574)	(45,749,941)
Total comprehensive loss for the period		(26,683,574)	(45,749,941)
Loss per share			
Basic and diluted loss per share (cents per share)	15	(0.28)	(0.49)

Condensed statement of financial position
At 31 December 2015

	Notes	31 December 2015 \$	30 June 2015 \$
Non-current assets			
Investment in subsidiaries	4	3,020,841	3,193,721
Investments	5	26,236,515	43,686,192
Loan to subsidiaries	6	20,325,582	23,894,270
Current assets			
Cash and cash equivalents	7	2,381	193,267
Trade and other receivables		13,193	13,171
Balance due from brokers		-	119,912
Total assets		49,598,512	71,100,533
Non-current liabilities			
Loans from subsidiary	8	(3,618,815)	(4,395,787)
Other loans	9	(111,295)	-
Loan from parent	10	(22,571,202)	(35,408,212)
Current liabilities			
Trade and other payables	11	(243,149)	(175,974)
Total liabilities		(26,544,461)	(39,979,973)
Net assets		23,054,051	31,120,560
Equity			
Share capital	12	900	832
Share premium	12	66,233,041	64,881,364
Options	12	17,265,320	-
Accumulated losses		(60,445,210)	(33,761,636)
Total equity		23,054,051	31,120,560

**Condensed statement of changes in equity
For the six months ended 31 December 2015**

	Notes	Share capital \$	Share premium \$	Options \$	Accumulated loss \$	Total \$
Balance at 30 June 2014		832	64,881,364	-	19,480,377	84,362,573
Loss for the period		-	-	-	(45,749,941)	(45,749,941)
Balance at 31 December 2014		832	64,881,364	-	(26,269,564)	38,612,632
Loss for the period		-	-	-	(7,492,072)	(7,492,072)
Balance at 30 June 2015		832	64,881,364	-	(33,761,636)	31,120,560
Balance at 1 July 2015		832	64,881,364	-	(33,761,636)	31,120,560
Issue of share capital	12	68	1,351,677	-	-	1,351,745
Issue of options	12	-	-	17,265,320	-	17,265,320
Loss for the period		-	-	-	(26,683,574)	(26,683,574)
Balance at 31 December 2015		900	66,233,041	17,265,320	(60,445,210)	23,054,051

Condensed statement of cash flows
For the six months ended 31 December 2015

	Notes	6 months ended 31 December 2015 \$	6 months ended 31 December 2014 \$
Cash utilised in operating activities			
Cash utilised by operations	15.1	(273,159)	(3,986,304)
Interest received		1,778	272
Interest paid		(1,609,266)	(1,497,460)
Net cash outflow from operating activities		(1,880,647)	(5,483,492)
Cash flows from investing activities			
Investments purchased		(733,484)	(18,985,260)
Investments sold		277,177	41,321,930
Increase in loan to subsidiaries		(3,668,698)	(39,137,540)
Net cash outflow from investing activities		(4,125,005)	(16,800,870)
Cash flows from financing activities			
Proceeds from issue of shares and options	12	18,617,065	-
(Decrease)/Increase in loan from parent		(12,837,010)	17,742,949
Decrease in loan from subsidiary		(776,972)	(2,687,796)
Increase in other loans		111,295	5,064,431
Net cash inflow from financing activities		5,114,378	20,119,584
Net movement in cash and cash equivalents		(891,274)	(2,164,778)
Cash and cash equivalents at the beginning of the period		193,267	188,012
Effect of exchange rate fluctuations on cash held		700,388	2,262,411
Cash and cash equivalents at end of the period	7	2,381	285,645

Notes to the condensed interim financial statements

1. Reporting entity

Zeta Resources Limited ('the company') is an investment company listed on the Australian Stock Exchange and domiciled in Bermuda. The condensed interim financial statements of the company as at and for the six months ended 31 December 2015 comprise the company and its wholly owned subsidiaries.

2. Basis of preparation

2.1 Statement of compliance

These interim financial statements have been prepared in accordance with IAS34 Interim Financial Reporting. The statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance since the last annual financial statements as at and for the year ended 30 June 2015.

These interim financial statements were authorised for issue by the board of directors on 8 February 2016.

2.2 Basis of measurement

These interim financial statements provide information about the financial position, results of operations and changes in financial position of the company. They have been prepared on the historic cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

2.3 Functional and presentation currency

The company's functional and presentational currency is United States Dollars.

2.4 Use of estimates and judgements

In preparing these interim financial statements, management make judgements, estimates and assumptions with regards to investments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgements made by Management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the period ended 30 June 2015.

3. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the financial statements as at and for the period ended 30 June 2015.

	31 December 2015	30 June 2015
	\$	\$
4. Investment in subsidiaries		
At fair value		
Investment in Kumarina Resources Limited ("Kumarina")	3,020,839	3,193,71
Investment in Zeta Investments Limited ("Zeta Investments")	1	1
Investment in Zeta Energy Pte Ltd ("Zeta Energy")	1	1
	<u>3,020,841</u>	<u>3,193,721</u>

Investments in subsidiaries are held as part of the investment portfolio and consequently, in accordance with IFRS10 are not consolidated but rather shown at fair value through profit and loss. The company had the following subsidiaries as at 31 December 2015:

	Country of incorporation and operations	Number of ordinary shares	Percentage of ordinary shares held
31 December 2015			
Kumarina Resources	Australia	26,245,610	100%
Zeta Investments	Bermuda	1,000	100%
Zeta Energy	Singapore	1	100%
30 June 2015			
Kumarina Resources	Australia	26,245,610	100%
Zeta Investments	Bermuda	1,000	100%
Zeta Energy	Singapore	1	100%

	31 December 2015	30 June 2015
	\$	\$
5. Investments		
Financial assets at fair value through profit or loss	<u>26,236,515</u>	<u>43,686,192</u>
Equity securities at fair value		
Ordinary shares - listed	15,414,148	30,261,217
Subscription and other rights - unlisted	<u>10,822,367</u>	<u>13,424,975</u>
	<u>26,236,515</u>	<u>43,686,192</u>
Equity securities at cost		
Ordinary shares - listed	37,505,761	37,058,471
Subscription and other rights - unlisted	<u>11,573,120</u>	<u>11,573,120</u>
	<u>49,078,881</u>	<u>48,631,591</u>

During the six months ended 31 December 2015 the company held loans from its subsidiary Zeta Energy. To secure the loans Zeta Resources pledged certain quantities of its shares held in listed entities. The shares pledged comprise: Resolute Mining Limited (27,300,000) and Panoramic Resources Limited (5,000,000).

	31 December 2015 \$	30 June 2015 \$
6. Loans to subsidiaries		
Loan to Zeta Energy	20,216,221	23,863,438
Loan to Kumarina	109,361	30,832
	<u>20,325,582</u>	<u>23,894,270</u>

The loan to Zeta Energy is denominated in Australian dollars to the value of AU\$10.3 million, British pounds to the value of GBP 1 million and New Zealand dollars to the value of NZ\$43.7 million. There are no fixed repayment terms and the loan is interest free. During the six months ended 31 December 2015 the loan to Zeta Energy, which was utilised for the purchase of listed investments, was impaired, through profit and loss, to the fair value of the company as determined by the directors. As at 31 December 2015 the impairment to the loan totalled US\$18.665 million. The loan to Kumarina is denominated in Australian dollars and is interest free. There are no fixed repayment terms except that no repayment is due before 31 December 2016.

7. Cash and cash equivalents

Cash balance comprises:

Cash at bank	<u>2,381</u>	<u>193,267</u>
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Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods between 3 to 6 months depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

8. Loan from subsidiary

Loan from Zeta Energy	<u>3,618,815</u>	<u>4,395,787</u>
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The loan from Zeta Energy is denominated in Australian dollars and New Zealand dollars and attracts interest at a rate of 7.36% per annum (30 June 2015: 7.36%) on the Australian dollar loan and at 6.85% per annum (30 June 2015: 7.74%) on the New Zealand dollar loan. There are no fixed repayment terms except that no repayment is due before 31 December 2016.

9. Other loans

Other loans	<u>111,295</u>	<u>-</u>
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Other loans are denominated in Australian dollars and United States dollars and carry interest at 7.5% per annum (30 June 2015: Nil) on the Australian dollar loan and 7.5% per annum (30 June 2015: Nil) on the United States dollar loan. There are no fixed repayment terms except that no repayment is due before 31 December 2016.

10. Loan from parent

Loan from UIL Limited ("UIL")	<u>22,571,202</u>	<u>35,408,212</u>
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The loan from UIL decreased significantly in the six months under review as a result of the shareholder approved ordinary share and option issue to UIL and consequent use of these funds to repay part of the debt.

The loan is denominated in Australian dollars to the value of AU\$ 9.03 million, New Zealand dollars to the value of NZ\$ 1.5 million and United States dollars to the value of US\$ 12.75 million, carries interest at 10% per annum (30 June 2015: 10%) on the Australian dollar loan, 10.5% per annum (30 June 2015: 10.5%) on the New Zealand dollar loan and 7.5% per annum (30 June 2015: 7.5%) on the United States dollar loan. No repayment is due before 31 December 2016.

	31 December 2015 \$	30 June 2015 \$
11. Trade and other payables		
Accruals	243,149	175,974

12. Share capital and share premium

Authorised

5,000,000,000 ordinary shares of par value \$0.00001

Issued

Ordinary shares	Number of Shares	Share Capital	Share Premium
Balance as at incorporation		-	-
Issued at incorporation as \$1 par shares	100	-	-
Shares split into 10,000,000 shares of \$0.00001 each	9,999,900	-	-
Issued in consideration for purchase of investments from UIL	22,835,042	228	32,221,936
Issued in consideration for purchase of 100% of Kumarina	17,775,514	178	13,406,337
Issued under initial public offering	4,000	-	3,795
Issued under public rights issue dated 10 February 2014	42,616,164	426	19,249,296
Balance as at 30 June 2015	93,230,720	832	64,881,364
Issued during the interim period	6,769,280	68	1,351,677
Balance as at 31 December 2015	100,000,000	900	66,233,041

Options	Options	31 December 2015 \$	30 June 2015 \$
Balance at the beginning of the period (Note 1)	10,122,903	-	-
Issued during the interim period (Note 2)	86,461,440	17,265,320	-
Balance at the end of the period	96,584,343	17,265,320	-

Note 1 – These options are exercisable at a price of A\$1.00 into one ordinary share until 7 June 2016.

Note 2 – During the six months ended 31 December 2015, following shareholder approval, the company issued 86,461,440 options at a cost of A\$0.2817 per option, to UIL Limited, raising the equivalent of US\$17.27 million. These options are exercisable at a price of A\$0.001 into one ordinary share until 7 December 2019.

	31 December 2015 \$	31 December 2014 \$
13. Investment (loss)/income		
Interest income	1,778	272
Dividend income	-	829,253
Realised gains	(9,014)	(571,772)
Unrealised fair value gains on financial assets: - at fair value through profit or loss	(25,307,236)	(46,108,983)
	<u>(25,314,472)</u>	<u>(45,851,230)</u>

14. Income tax

The company is domiciled in Bermuda and has elected to be tax exempt in terms of local legislation. As such no tax is payable.

15. Loss per share

Basic and diluted loss per share	<u>(0.28)</u>	<u>(0.49)</u>
Loss used in the calculation of basic and diluted earnings per share	(26,683,574)	(45,749,941)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	94,113,670	93,230,720

The weighted average number of ordinary shares calculation is based on the period beginning 1 July 2015. For details of shares issued during the period refer to note 12.

No adjustment is made for the 10,122,903 options in issue at 31 December 2015 (2014: 10,122,903) as they are not considered to be dilutive.

No Adjustment is made for the 86,461,440 options issued during the period as their effect would have been anti-dilutive.

	31 December 2015 \$	31 December 2014 \$
16. Notes to the cash flow statement		
16.1 Cash utilised by operations		
Loss before tax	(26,683,574)	(45,749,941)
Adjustments for:		
Realised gains on investments	9,014	-
Fair value loss on revaluation of investments	18,069,850	46,108,983
Impairment of loan to subsidiary	7,237,386	-
Foreign exchange gains	(700,388)	(2,262,411)
Interest income	(1,778)	(272)
Interest expense	1,609,266	1,497,460
Operating loss before working capital change	<u>(460,224)</u>	<u>(406,181)</u>
Increase in trade and other receivables	(22)	(63,750)
Increase/(decrease) in trade and other payables	67,175	(3,473,037)
Decrease in balance due to brokers	-	(43,336)
Decrease in balance due from brokers	119,912	-
	<u>(273,159)</u>	<u>(3,986,304)</u>

17. Financial risk management

The Board of Directors, together with the Investment Manager, is responsible for the company's risk management. The Directors' policies and processes for managing the financial risks are set out below. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit and counterparty risk.

The accounting policies which govern the reported statement of financial position carrying values of the underlying financial assets and liabilities, as well as the related income and expenditure, are set out in note 3 to the Accounts. The policies are in compliance with IFRS and best practice, and include the valuation of financial assets and liabilities at fair value through profit and loss.

Categories of financial instruments

The analysis of assets into their categories as defined in IAS 39 "Financial Instruments: Recognition and Measurement" (IAS39) is set out in the following table. For completeness, assets and liabilities of a non-financial nature, or financial assets and liabilities that are specifically excluded from the scope of IAS 39, are reflected in the non-financial assets and liabilities category.

The table below sets out the classification of each class of financial assets and liabilities. All assets and liabilities approximate their fair values:

31 December 2015	Designated at fair value through profit and loss	Loans and receivables	Total carrying value
	\$	\$	\$
Assets			
Cash and cash equivalents	–	2,381	2,381
Trade and other receivables	–	13,193	13,193
Investments	26,236,515	–	26,236,515
Loan to subsidiaries	–	20,325,582	20,325,582
Investments in subsidiaries	3,020,841	–	3,020,841
	<hr/>	<hr/>	<hr/>
	29,257,356	20,341,156	49,598,512
Liabilities			
Trade and other payables	–	243,149	243,149
Other loans	–	111,295	111,295
Loans from subsidiary	–	3,618,815	3,618,815
Loans from parent	–	22,571,202	22,571,202
	<hr/>	<hr/>	<hr/>
	–	26,544,461	26,544,461
30 June 2015			
Assets			
Cash and cash equivalents	–	193,267	193,267
Balance due from brokers	–	119,912	119,912
Trade and other receivables	–	13,171	13,171
Investments	43,686,192	–	43,686,192
Loans to subsidiaries	–	23,894,270	23,894,270
Investments in subsidiaries	3,193,721	–	3,193,721
	<hr/>	<hr/>	<hr/>
	46,879,913	24,220,620	71,100,533

30 June 2015	Designated at fair value through profit and loss \$	Loans and receivables \$	Total carrying value \$
Liabilities			
Trade and other payables	–	175,974	175,974
Loan from subsidiary	–	4,395,787	4,395,787
Loan from parent	–	35,408,212	35,408,212
	–	39,979,973	39,979,973

17.1 Fair values of financial assets and liabilities

The assets and liabilities of the company are, in the opinion of the Directors, reflected in the Statement of Financial Position at fair value. Borrowings under loan facilities do not have a value materially different from their capital repayment amount. Borrowings in foreign currencies are converted into United States Dollars at exchange rates ruling at each valuation date.

Unquoted investments are valued based on professional assumptions and advice that is not wholly supported by prices from current market transactions or by observable market data.

Valuation of financial instruments

The table below analyses financial assets measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

- Level 1: The fair values are measured using quoted prices in active markets.
- Level 2: The fair values are measured using inputs, other than quoted prices, that are included within level 1, that are observable for the asset.
- Level 3: The fair values are measured using inputs for the asset or liability that are not based on observable market data. The directors make use of recognised valuation techniques and may take account of recent arms' length transactions in the same or similar investments.

The Directors regularly review the principles applied by the Investment manager to those valuations to ensure they comply with the company's accounting policies and with fair value principles.

Level 3 financial Instruments

Valuation methodology

The directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuation. The level 3 assets have each been assessed based on its industry, location and business cycle. Where sensible, the Directors have taken into account observable data and events to underpin the valuations.

The level 3 investments are split between a) unlisted companies and b) Investments and loans in subsidiaries.

(i) Unlisted companies

Seacrest Limited ("Seacrest") Bermuda incorporated

Valuation inputs: The unlisted investment comprises an equity interest in Seacrest. The company's sole asset is its holding in Azimuth, a joint venture between Seacrest and PGS (the listed Norwegian seismic data service company).

The valuation of Azimuth is based on fair value GAAP accounting. Using the General Partner's valuation of the Seacrest portfolio a discount is applied to each Azimuth subsidiary. The extent of the discount depends on whether the assets are in a mature or frontier basin. In addition following the fall in the oil price a further discount was applied thereby calculating a fair value for Azimuth. On this basis Azimuth was valued as at 31 December 2015 at US\$80.5m.

Valuation methodology: Zeta has used a fair value valuation of Seacrest of US\$1.03 per share based on the value of Azimuth, described above.

Sensitivities: Given Azimuth is an exploration company its risks are significant in both directions. Should commercially recoverable oil not be discovered then the value will fall to nil. Should substantial commercially recoverable oil be discovered the valuation uplifts are significant.

(ii) Investments and loans in subsidiaries

Zeta Energy Singapore incorporated

Valuation inputs: The key asset is the investment loan to Zeta Energy which was utilised for the purchase of listed investments, and which was impaired, through profit and loss, to the fair value of the company as determined by the directors based on the valuation of the investments held by Zeta Energy as at 31 December 2015.

Valuation methodology: Zeta has used a fair value valuation of losses incurred by Zeta Energy on its investments by which to impair the loan value in the accounts as at 31 December 2016.

Sensitivities: Given Zeta Energy's assets comprise listed investments its risks are significant in both directions. Increases in share prices will increase the value of the loan and decreases in share prices will further decrease the value of the loan

Other investments and loans to subsidiaries

Zeta has further investments and loans to subsidiaries valued at book and realisable value, with a total value of US\$3.1m.

31 December 2015	Level 1	Level 2	Level 3
	\$	\$	\$
Financial assets			
Investments	15,414,148	–	10,822,367
Investment in subsidiaries	–	–	3,020,841
Loan to subsidiaries	–	–	20,325,582

The following table shows a reconciliation from opening balances to closing balances for fair value measurements in level 3 investments of the fair value hierarchy:

	Level 3	Level 3 Investments in subsidiaries	Level 3 loan to subsidiaries
At 1 July 2015	13,424,975	3,193,721	23,894,270
Acquisitions at cost	–	–	3,668,698
Disposals during the year	–	–	–
Total gains/(losses) recognised in:			
- fair value through profit or loss	(2,602,608)	(172,880)	(7,237,386)
Balance at 31 December 2015	10,822,367	3,020,841	20,325,582

30 June 2015	Level 1	Level 2	Level 3
Financial assets			
Investments	30,261,217	–	13,424,975
Investment in subsidiaries	–	–	3,193,721
Loan to subsidiary	–	–	23,894,270

The following table shows a reconciliation from opening balances to closing balances for fair value measurements in level 3 investments of the fair value hierarchy:

	Level 3	Level 3 Investments in subsidiaries	Level 3 loan to subsidiaries
At 30 June 2014	15,968,054	10,275,234	–
Acquisitions at cost	1,000,000	1	35,321,826
Disposals during the year	–	(5,293,501)	–
Total gains/(losses) recognised in:			
- fair value through profit or loss	(3,543,079)	(1,788,013)	(11,427,556)
Balance at 30 June 2015	13,424,975	3,193,721	23,894,270

18. Related parties

18.1 Material related parties

Holding company

The company's holding company is UIL Limited which held 85.22% of the company's issued share capital on 31 December 2015. UIL Limited is in turn owned 61.78% by General Provincial Life Pension Fund (L) Limited.

Subsidiary companies

The only subsidiaries are Kumarina Resources Limited, Zeta Energy Pte Ltd and Zeta Investments Limited, all 100% held subsidiaries.

Key management personnel

Key management personnel and their close family members and entities which they control, jointly or over which they exercise significant influence are considered related parties of the company. The company's directors, as listed in the Director's report are considered to be key management personnel of the company.

Investment manager

ICM Limited is the investment manager of both the company, its subsidiaries and UIL Limited.

	31 December 2015 \$	30 June 2015 \$
18.2 Material related party transactions		
Nature of transactions		
Investments in related parties:		
- Kumarina	3,020,839	3,193,719
- Zeta Investments	1	1
- Zeta Energy	1	1
Loans to related parties:		
- Kumarina	109,361	30,832
- Zeta Energy	20,216,221	23,863,438
Loans from related parties:		
- UIL Limited	22,571,202	35,408,212
- Zeta Energy	3,618,815	4,395,787
- other loans	111,295	–

	31 December 2015 \$	30 June 2015 \$
18.2 Material related party transactions (contd.)		
Interest charged by the subsidiaries	157,887	552,203
Interest charged by the parent company	1,450,719	2,412,137
Interest charged by the investment manager	639	109,120
Fees paid to the investment manager	160,060	431,181
Fees paid to the directors	75,000	150,000

During the six months ended 31 December 2015 the company held a loan from its subsidiary Zeta Energy. To secure the loan Zeta Resources has pledged certain quantities of its shares held in listed entities.

- Resolute Mining Limited	27,300,000	17,500,000
- Panoramic Resources Limited	5,000,000	5,000,000

19. Contingent Liability

As reported to the ASX on 12 November 2015, Zeta has commenced legal proceedings in the Federal Court of Australia, against Oilex Limited a company incorporated and domiciled in Australia.

Zeta has claimed that Oilex failed to disclose to the market and to Zeta the fact that its Indian joint venture partner, relating to one of Oilex's principal undertakings, had for some time been in default in paying cash calls due under the joint venture agreement. Had Zeta known of the true position at the time its decisions to invest, it would have had a different view as to the prospects of Oilex and would not have entered into any funding agreements with Oilex.

Under the investment agreement a further AU\$5.18 million was to have been invested by Zeta for the issue of 124,019,608 shares in Oilex and then, upon settlement, a further AU\$4.24 million of 20 year, zero coupon, unsecured convertible notes in Oilex were to be issued to Zeta.

Oilex Limited are defending the action and a court date has not yet been determined. Taking into account the range of possible outcomes of these proceedings, the board in consultation with its legal advisors, remain confident that it will be successful in these proceedings and consequently, no liability has been raised in respect of further investment.

20. Segmental reporting

The company has four reportable segments, as described below, which are considered to be the company's strategic investments areas. For each investment area, the company's chief operating decision maker ("CODM") (ICM Limited - investment manager) reviews internal management reports on at least a monthly basis. The following summary describes each of the company's reportable segments:

- Gold: Investments in companies which mine gold
- Oil and Gas: Investments in companies which extract or prospect for oil or gas
- Mineral Exploration: Investments in companies who mine minerals other than gold
- Other segments: Activities which do not fit into one of the above segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the company's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the performance of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Gold \$	Oil & gas \$	Mineral exploration \$	Other segments \$	Total \$
31 December 2015					
External revenues	(1,562,344)	(10,070,779)	(13,611,868)	(69,481)	(25,314,472)
Reportable segment revenue	(1,562,344)	(10,070,779)	(13,611,868)	(69,481)	(25,314,472)
Interest revenue	-	-	-	1,778	1,778
Interest expense	-	-	-	(1,609,266)	(1,609,266)
Reportable segment loss before tax	(1,562,344)	(9,958,718)	(13,611,868)	(1,550,644)	(26,683,574)
Reportable segment assets	8,713,825	32,120,396	8,607,769	156,522	49,598,512
Reportable segment liabilities	-	-	-	(26,544,461)	(26,544,461)
31 December 2014					
External revenues	(8,564,213)	(17,047,369)	(19,700,301)	(539,347)	(45,851,230)
Reportable segment revenue	(8,564,213)	(17,047,369)	(19,700,301)	(539,347)	(45,851,230)
Interest revenue	-	-	-	272	272
Interest expense	-	-	-	(1,497,460)	(1,497,460)
Reportable segment profit/(loss) before tax	(8,564,213)	(17,047,369)	(19,700,301)	(438,058)	(45,749,941)
30 June 2015					
Reportable segment assets	9,861,293	38,971,352	21,936,822	331,066	71,100,533
Reportable segment liabilities	-	-	-	(39,979,973)	(39,979,973)

During the period there were no transactions between segments which results in income or expenditure.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities, and other material items

	31 December 2015 \$	31 December 2014 \$
Revenues		
Total revenue for reportable segments	(25,244,991)	(45,311,883)
Revenue for other segments	(69,481)	(539,347)
Revenue	(25,314,472)	(45,851,230)
Profit or loss		
Total loss for reportable segments	(25,132,930)	(45,311,883)
Loss for other segments	(1,550,644)	(438,058)
Consolidated loss before tax	(26,683,574)	(45,749,941)

	31 December 2015 \$	30 June 2015 \$
Assets		
Total assets for reportable segments	49,441,990	70,769,467
Assets for other segments	156,522	331,066
Consolidated total assets	49,598,512	71,100,533
Liabilities		
Total liabilities for reportable segments	-	-
Liabilities for other segments	(26,544,461)	(39,979,973)
Consolidated total liabilities	(26,544,461)	(39,979,973)

21. Events after the reporting date

On 21 January 2016, following agreement with UIL Limited, the company converted its United States dollar and New Zealand dollar denominated loans from parent into Australian dollar denominated debt. This has had the effect of increasing Zeta's Australian dollar denominated loan from parent by AU\$19.75 million and reducing the United States dollar loan by US\$12.75 million and the New Zealand dollar loan by NZ\$1.5 million.

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes of the company:
 - a. give a true and fair view of the financial position as at 31 December 2015 and the performance of the company for the six months ended on that date; and
 - b. comply with IAS 34, Interim Financial Reporting, relevant corporate regulations and any other mandatory professional reporting requirements.
2. 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 made in accordance with a resolution of the Board of Directors.



Peter Sullivan
Director
18 February 2016