Challenger Energy Limited

ABN 45 123 591 382

Half-Year Report
31 December 2012

COMPANY DIRECTORY

Chairman
Michael Fry

Managing Director
Paul Bilston

Non-Executive Director
Michael Much

Company Secretary
Adrien Wing

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Auditors
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Level 4, 130 Stirling Street
PERTH WA 6000

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Securities Exchange Listing
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: CEL

CONTENTS **PAGE**

DIRECTORS' REPORT

Your Directors submit the financial report of the Group for the half-year ended 31 December 2012. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Michael Fry	Chairman
Paul Bilston	Managing Director
Michael Much	Non-Executive Director

Review of Operations

South Africa

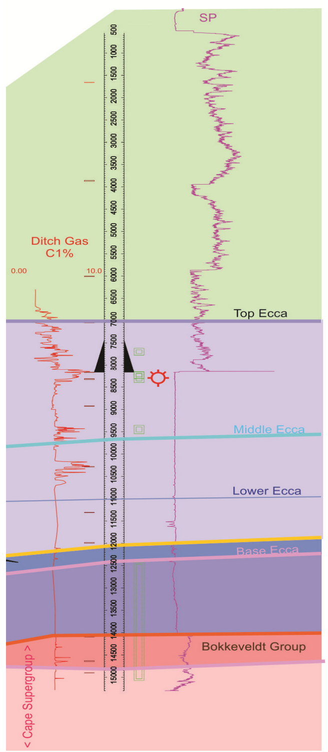
During the half year, Bundu (90% owned by Challenger Energy Limited) continued to support the ongoing assessment of its application for an exploration right located around Cranemere in the Southern Karoo Basin.

The permit is centred around the CR 1/68 well located within the application area which flowed high rates of gas of more than 8 MMcf/day of natural gas from the Fort Brown shale during testing in 1968.

Challenger was pleased to note that Chevron Business Development South Africa Limited (Chevron) has entered into an Agreement with Falcon Oil and Gas Ltd to jointly co-operate on unconventional gas opportunities in the Karoo Basin. The full terms of the agreement have not been disclosed, and this agreement now means that Challenger through its 90% owned subsidiary Bundu Gas & Oil (Pty) Ltd is the only small company with interests in the basin alongside Shell and Chevron.

Following the initial application to explore for shale gas in the basin by Bundu Oil & Gas Pty Ltd (acquired by CEL in April 2010) in February 2009, the Karoo Basin has become the focus of intense interest in the past few years. The US Department of Energy in its April 2011 report: "World Shale Gas Resources: An Initial Assessment" estimated that there is 485 trillion cubic feet of risked technically recoverable shale gas resources in South Africa's Karoo. This ranks as the fifth largest among 32 countries included in the study and is almost half of the reports estimate of risked technically recoverable shale gas resources in North America. The US Department of Energy "World Shale gas resources report" identified a "Risked Recoverable Resource" of approximately 6.8 BCF per square mile across the basin. Applying this to the size of Challengers TCP application is equivalent to more than 8.5 TCF of recoverable resource (based on approx. 800,000 acres conservative expected after accounting for Game Reserves).

Cranemere 1

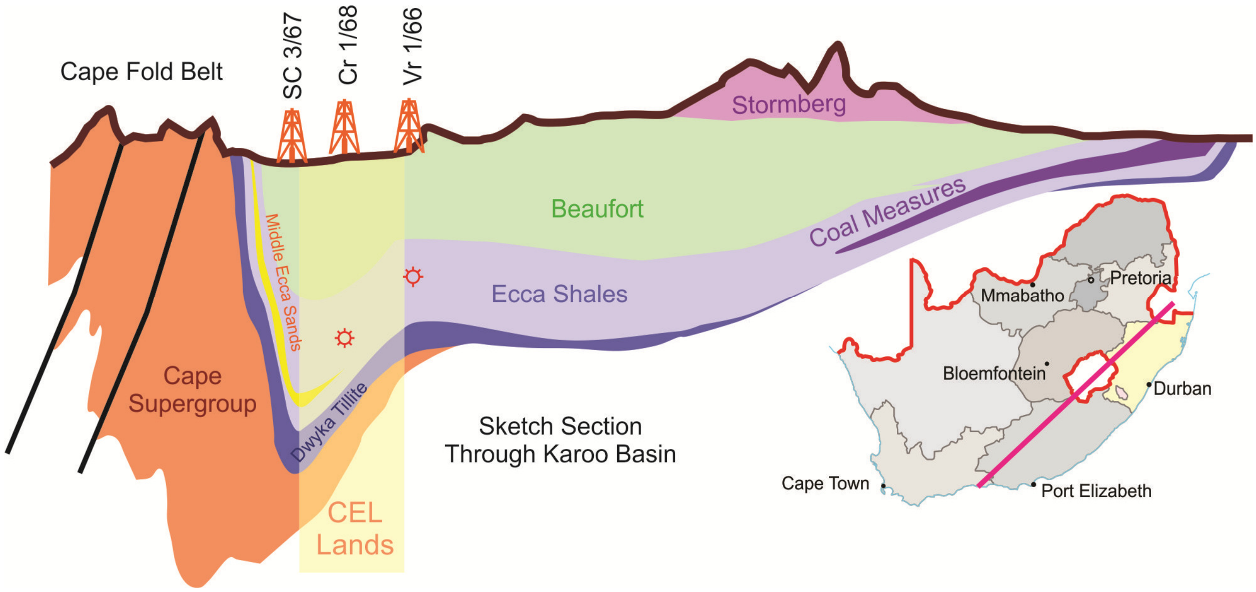


Econometrix, South Africa's largest independent macro-economic consultancy has released a study (commissioned by Shell) on the potential economic and employment benefits of a successful natural gas development in the southern Karoo basin. The Econometrix report estimates that a relative conservative find of 20 TCF could have an annual economic impact of ZAR80 billion and at 50 TCF the impact on the South African economy could be a high as ZAR200 billion. Hundreds of thousands of sustainable employment opportunities could be created and have a knock-on effect on producers, government and consumers.

Importantly Challenger's application is in the heart of the basin. CEL's application covers an area containing thicker and deeper shales which would be expected to significantly exceed the basin average.

The Karoo Basin, which measures 600,000 km2 is located in central and southern South Africa and contains organic rich shales such of Permian age with combined thickness up to 5000 feet. The focus for shale gas exploration is in the southern portion of the basin where the shales are at sufficient depth and where five wells, all pre 1970, have intersected these shales and all had significant gas shows. One well, the Cranmere CR 1/68 well, area flowed more than 8 MMcf/day of natural gas from the Fort Brown shale during testing over a 158 feet interval in 1968. The production was judged to be from fractures and secondary porosity in the shales.

The Cranmere CR 1/68 well is located in the middle of CEL's Application.



Challenger continues to observe a broadly supportive sentiment in the media and an increased in interest in the shale industry in South Africa. The company continues to progress discussions on a potential farm-in with interested parties within this more favourable environment.

Mercury Stetson (earning 50%)

The company has completed the plugging and abandoning of the well drilled in the permit.

Maricopa Project: 50% Working Interest (San Joaquin Basin)

During the half year, the Company entered into an agreement to sell the 120 acre Maricopa property to an undisclosed private buyer for a total purchase price of USD $1,250,000. Challenger received US $625,000 before costs and expenses for its 50% Working Interest.

CORPORATE

The company has focussed on reducing its cash expenditure over the half, and has minimised administration and other costs as much as possible whilst waiting on the outcome of the current processes in South Africa.

Events Subsequent to Balance Date

On 31 January 2013, the sale of the Maricopa project in the United States was completed resulting in net proceeds of $584,413 after costs. Refer to Note 2 for details.

Since balance date 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 Group in future financial years.

DIRECTORS' REPORT (CONTINUED)

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 5 and forms part of this Directors' report for the half-year ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

Yours faithfully

Paul Bilston
Managing Director
Dated this 14th day of March 2013

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Challenger Energy Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
14 March 2013

W M CLARK
Partner

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Note	Consolidated 31 December 2012 $	31 December 2011 $
Revenue			
Sales revenue		144,846	206,893
Cost of sales		(122,550)	(120,828)
Gross profit		**22,296**	**86,065**
Other revenue		37,130	82,917
Depreciation		(9,223)	(1,098)
Consultants		(3,360)	(157,893)
Legal and compliance		(114,188)	(116,867)
Administration and travel expenses		(98,976)	(179,817)
Director fees and employee benefits		(118,000)	(243,034)
Share based remuneration		-	(403,875)
Impairment of production assets		(582,601)	-
Exploration costs written off	3	(6,817,887)	-
Finance costs		-	(3,190)
Foreign exchange gain/(loss)		1,014	(89,329)
Loss before income tax expense		**(7,683,795)**	**(1,026,121)**
Income tax expense		-	-
Net loss for the period		**(7,683,795)**	**(1,026,121)**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign subsidiaries		(350,243)	(465,373)
Income tax on other comprehensive loss		-	-
Other comprehensive loss for the period		**(350,243)**	**(465,373)**
Total comprehensive loss for the period		**(8,034,038)**	**(1,491,494)**
Loss attributed to:			
Owners of the parent		(7,679,684)	(1,016,504)
Non-controlling interests		(4,111)	(9,617)
		(7,683,795)	**(1,026,121)**
Total comprehensive loss attributable to:			
Owners of the parent		(8,011,005)	(1,416,950)
Non-controlling interests		(23,033)	(74,544)
		(8,034,038)	**(1,491,494)**
Basic loss per share (cents per share)	8	(2.47)	(0.48)
Diluted loss per share (cents per share)	8	(2.47)	(0.48)

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	Consolidated 31 December 2012 $	Consolidated 30 June 2012 $
Assets			
Current Assets			
Cash and cash equivalents		247,354	515,493
Trade and other receivables		47,767	88,567
Other assets		48,215	27,117
Non-current assets held for sale	2	584,413	-
Total Current Assets		**927,749**	**631,177**
Non-Current Assets			
Trade and other receivables		13,442	161,063
Property, plant and equipment		1,978	11,200
Deferred exploration and evaluation expenditure	3	4,961,675	12,104,477
Production assets	4	-	1,290,676
Total Non-Current Assets		**4,977,095**	**13,567,416**
Total Assets		**5,904,844**	**14,198,593**
Liabilities			
Current Liabilities			
Trade and other payables		348,969	342,199
Total Current Liabilities		**348,969**	**342,199**
Non-Current Liabilities			
Trade and other payables		8,961	8,961
Provisions	5	-	266,481
Total Non-Current Liabilities		**8,961**	**275,442**
Total Liabilities		**357,930**	**617,641**
Net Assets		**5,546,914**	**13,580,952**
Equity			
Issued capital	6	28,552,678	28,552,678
Reserves		(16,944)	314,377
Accumulated losses		(23,405,893)	(15,726,209)
Equity attributable to owners of the parent		**5,129,841**	**13,140,846**
Non-controlling interest		417,073	440,106
Total Equity		**5,546,914**	**13,580,952**

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Consolidated						
	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Non-Controlling Interest Contribution Reserve	Non-Controlling Interest	Total
	$	$	$	$	$	$	$
Balance at 1 July 2012	28,552,678	(15,726,209)	2,140,321	(1,171,762)	(654,182)	440,106	13,580,952
Loss for the period	-	(7,679,684)	-	-	-	(4,111)	(7,683,795)
Exchange differences on translation of foreign subsidiaries	-		-	(331,321)	-	(18,922)	(350,243)
Total comprehensive loss for the period	-	(7,679,684)	-	(331,321)	-	(23,033)	(8,034,038)
Balance at 31 December 2012	28,552,678	(23,405,893)	2,140,321	(1,503,083)	(654,182)	417,073	5,546,914
Balance at 1 July 2011	24,233,475	(6,340,725)	1,646,146	(604,530)	(654,182)	526,428	18,806,612
Loss for the period	-	(1,016,504)	-	-	-	(9,617)	(1,026,121)
Exchange differences on translation of foreign subsidiaries	-	-	-	(400,446)	-	(64,927)	(465,373)
Total comprehensive loss for the period	-	(1,016,504)	-	(400,446)	-	(74,544)	(1,491,494)
Options issued during the half year	-	-	494,175	-	-	-	494,175
Balance at 31 December 2011	24,233,475	(7,357,229)	2,140,321	(1,004,976)	(654,182)	451,884	17,809,293

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Consolidated	
	31 December 2012 $	31 December 2011 $
Cash flows from operating activities		
Receipts from sales	169,577	227,977
Payments to suppliers and employees	(388,007)	(554,660)
Interest received	1,986	103,719
Net cash (used in) operating activities	(216,444)	(222,964)
Cash flows from investing activities		
Payment for property, plant and equipment	-	(11,000)
Payments for exploration and evaluation expenditure	(226,759)	(3,185,671)
Deposits refunded	207,368	-
Payment for rental bond	-	(6,721)
Net cash (used in) investing activities	(19,391)	(3,203,392)
Cash flows from financing activities		
Payment of equity raising costs	(30,800)	-
Net cash (used in) financing activities	(30,800)	-
Net decrease in cash and cash equivalents held	(266,635)	(3,426,356)
Cash and cash equivalents at 1 July	515,493	6,249,978
Foreign currency translation	(1,504)	(31,280)
Cash and cash equivalents at 31 December	247,354	2,792,342

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

It is recommended that these financial statements be read in conjunction with the financial report for the year ended 30 June 2012 and any public announcements made by Challenger Energy Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The half-year 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 Group as in the full financial report.

Basis of Preparation

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2012 annual financial report for the financial year ended 30 June 2012.

Significant Accounting Judgments and Key Estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions 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 significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2012.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new and revised Accounting Standards (continued)

In the half-year ended 31 December 2012, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for annual reporting periods beginning on or after 1 July 2012.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2012. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and therefore, no change is necessary to Group accounting policies.

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 settlement of liabilities in the ordinary course of business. The net loss of the Group for the financial period amounted to $7,683,795 (2011: $1,026,121). As at 31 December 2012 the Group's net assets were $5,546,914 and net current assets were $578,780.

In the opinion of the Directors, the going concern basis is the appropriate basis for preparing the financial statements based on the following key considerations:

- The Directors expect that its major shareholders will continue to support fund raising as has been demonstrated in the past via share issues.
- Subsequent to balance date, on 31 January 2013, the sale of the Maricopa project in the United States was completed resulting in net proceeds of $584,413 after costs. Refer to Note 2 for details.

NOTE 2: NON-CURRENT ASSETS HELD FOR SALE

	Consolidated	
	31 December 2012	30 June 2012
	$	$
On 31 January 2013, Challenger completed the sale of its Maricopa project in the United States. Assets and liabilities comprising the project as held for sale at balance date were as follows:		
ASSETS		
Production assets	654,066	-
LIABILITIES		
Provision for restoration	(69,653)	-
Net carrying value	584,413	-

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 3: DEFFERED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 December 2012 $	30 June 2012 $
Costs carried forward in respect of areas of interest in the following phases		
Exploration and evaluation phase – at cost		
Balance at beginning of reporting period	12,104,477	11,298,716
Expenditure incurred	114,034	9,030,948
Impairment expense	(6,817,887)	(7,838,708)
Rehabilitation costs	-	196,828
Drilling costs refunded	(96,002)	-
Foreign exchange translation movement	(342,947)	(583,307)
Balance at end of reporting period	4,961,675	12,104,477

An impairment expense for the current period occurred on the Mercury Stetson project following plugging and abandoning of the well.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTE 4: PRODUCTION ASSETS

	31 December 2012 $	30 June 2012 $
Production Assets – at net written down value		
Balance at beginning of reporting period	1,290,676	1,294,480
Expenditure incurred	-	50,656
Rehabilitation costs	-	50,000
Amortisation	(54,009)	(104,460)
Impairment write down to net sale proceeds (Maricopa project)	(582,601)	-
Transferred to non-current assets held for sale	(654,066)	-
Balance at end of reporting period	-	1,290,676

NOTE 5: PROVISIONS

	31 December 2012 $	30 June 2012 $
Provision for Restoration Costs		
Balance at beginning of reporting period	266,481	18,873
Rehabilitation costs/(reversed)	(20,291)	246,828
Expenditure incurred	(173,017)	-
Transferred to non-current assets held for sale	(69,653)	-
Foreign exchange translation	(3,520)	780
Balance at end of reporting period	-	266,481

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 6: ISSUED CAPITAL

	Consolidated	
	31 December 2012 $	30 June 2012 $
Ordinary shares		
311,482,540 Issued and fully paid ordinary shares	28,552,678	28,552,678

No movements in ordinary shares on issue occurred during the period.

NOTE 7: OPTIONS

Consolidated

Options as at 31 December 2012 over Ordinary Shares:

Type	*Expiry Date*	*Exercise Price*	*Number*
Unlisted	28 February 2013	$0.25	2,000,000
Unlisted	28 February 2015	$0.35	2,000,000
Unlisted	1 February 2014	$0.25	2,000,000
Unlisted	20 November 2014	$0.15	11,500,000
Unlisted	1 February 2015	$0.35	2,000,000
Unlisted	20 November 2016	$0.15	7,500,000
Total			27,000,000

NOTE 8: LOSS PER SHARE

	Consolidated	
	31 December 2012 $	31 December 2011 $
(a) Loss used in the calculation of loss per share	(7,683,795)	(1,026,121)
	Number of Shares	
(b) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic and diluted loss per share:	311,482,540	214,021,002

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 9: OPERATING SEGMENTS

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision maker) in assessing performance and determining the allocation of resources.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of reportable segments

(i) *Australia*

Australia is the location of the central management of Challenger Energy Limited, including where company secretarial services, accounting and cash management operations are performed.

(ii) *United States of America*

The United States of America ("USA") is the location of exploration and production activities.

(iii) *South Africa*

South Africa is the location of the subsidiary, Bundu Oil & Gas Exploration (Pty) Ltd, which operates exploration activities.

Segment Information

By Geographical Region	USA	Australia	South Africa	Total
	$	$	$	$
(i) Segment performance				
Six months ended 31 December 2012				
Segment revenue	144,846	37,130	-	181,976
Segment result	(7,385,638)	(293,632)	(4,525)	(7,683,795)
Six months ended 31 December 2011				
Segment revenue	207,335	82,475	-	289,810
Segment result	86,090	(1,108,417)	(3,794)	(1,026,121)
(ii) Segment assets				
31 December 2012				
Segment assets	847,631	90,466	4,966,747	5,904,844
30 June 2012				
Segment assets	8,529,923	476,281	5,192,389	14,198,593

NOTE 10: CONTINGENT LIABILITIES

The Directors are not aware of any significant contingent liabilities as at 31 December 2012.

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

On 31 January 2013, the sale of the Maricopa project in the United States was completed resulting in net proceeds of $584,413 after costs. Refer to Note 2 for details.

Since balance date 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 Group in future financial years.

DIRECTORS' DECLARATION

The directors of the consolidated entity declare that:

1. The financial statements and notes thereto, as set out on pages 6 to 14, are in accordance with the Corporations Act 2001 including:
   a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   b. giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year then ended.
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 s.303(5) of the Corporations Act 2001.

Paul Bilston

Managing Director

Dated this 14th day of March 2013

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Challenger Energy Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Challenger Energy Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2012, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed 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 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 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 2012 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 the company, 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*.

HLB Mann Judd

Accountants | Business and Financial Advisers

Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the consolidated entity for the half-year ended 31 December 2012 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The review report refers only to the half-year financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the half-year financial report. If users of the half-year financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information contained in this website version of the half-year financial 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 Challenger Energy Limited 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 2012 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*.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Perth, Western Australia
14 March 2013

W M CLARK
Partner