

ENEGEX LIMITED

ABN 28 160 818 986

**ANNUAL REPORT
FOR THE YEAR ENDED**

30 JUNE 2018

CORPORATE DIRECTORY

E.G Albers (Chairman)
R.L. Clark
A.P. Armitage

COMPANY SECRETARY

R.J. Wright

Registered Office and Principal Administration Office

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Auditor

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Share Registry

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50 Holt Street
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Stock Exchange Listing

ASX Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne, Victoria 3000 Australia

ASX Code:

ENX **Ordinary Shares**

Incorporated in the State of Victoria

17 October 2012

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CHAIRMAN'S REVIEW

Dear Shareholders

Enegex is a natural resources company, incorporated in Australia, with its securities listed on the ASX. Its focus is on natural resources, with a particular focus on all forms of energy minerals and substances.

Enegex holds a 14.875% participating Interest in the Cornea Retention Lease WA-54-R in which the Cornea oilfield is situated.

The Cornea Retention Lease was granted following the significant new information gained from the Cornea-3 well in which Enegex's predecessor company actively participated. The Cornea Retention Lease work program was formulated to address the technical challenges to development of Cornea; with the ability to achieve threshold production identified as the key barrier to commercialisation of Cornea. and a production test well, designed to achieve such economic production as a key means of moving Cornea towards development.

The parameters of a Cornea production test well have changed considerably since the Retention Lease was granted as a result of the reduced oil price environment and the Cornea Joint Venture has accordingly applied to the authorities to vary the conditions of WA-54-R to enable the work programme.

The Cornea JV is pursuing potential alliances to assist in the development of Cornea.

Enegex maintained extreme fiscal discipline during the year. Directors continue to forgo directors' fees and all other forms of corporate expenditure have been limited or reduced.

Enegex is open to other natural resource opportunities that may present. Enegex is seeking to become involved in innovations that are transforming the storage of energy. Our initial initiatives include corporate investment in the following areas:

- Strategic energy storage minerals
- Energy storage technologies
- Alternative and renewable energy sources

I thank my co-directors for their support during the year.



E.G. Albers
Chairman
26 September 2018

DIRECTORS' REPORT

The directors present their report on the results and state of affairs of Enege Limited (**the company** or **Enege**) for the year ended 30 June 2018.

PRINCIPAL ACTIVITY

The principal activity of the company during the financial year ended 30 June 2018 was the exploration for natural resources, unchanged since the incorporation of the Company.

FINANCIAL RESULTS FOR THE YEAR

The company recorded an operating loss after income tax for the year ended 30 June 2018 of \$83,503 (2017: \$91,307).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs during the financial year and to the date of this report.

DIVIDENDS

No dividend has been paid, provided or recommended during the financial year and to the date of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The likely developments in the company's operations in future years and the expected result from those operations are highly dependent on success in the permit area in which the company holds an interest.

REVIEW OF FINANCIAL POSITION

At 30 June 2018, the company had a working capital (current assets less current liabilities) surplus of \$255,733 (2017: \$402,564).

REVIEW OF OPERATIONS

Interest in WA-54-R Greater Cornea Fields

The company holds a 14.875% working interest in the Cornea Joint Venture. The Cornea Joint Venture ownership is as follows:

Enege Limited	14.875%
Octanex Group (ASX Code: OXX)	18.750%
Cornea Resources Pty Ltd (Operator)	13.100%
Others	53.275%

The Greater Cornea Fields (being the Cornea, Focus and Sparkle Oil Fields and the Cornea North (Tear) Gas Field) are located in the Browse Basin, offshore from Western Australia and held via a Retention Lease (WA-54-R).

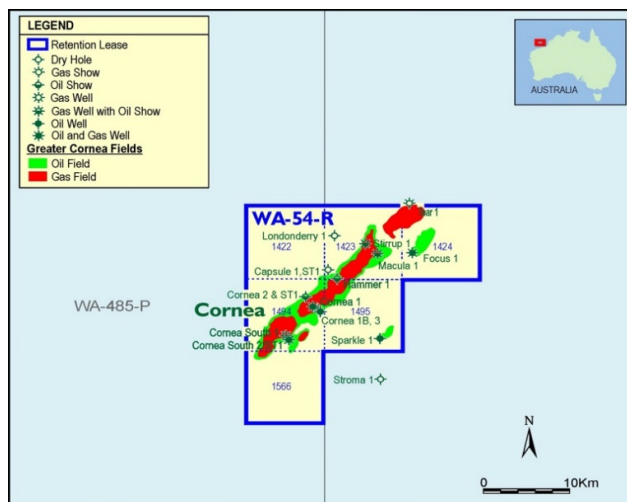


Figure 1 Greater Cornea Field Retention Lease Location Map

The Greater Cornea Fields present a large in-place oil resource contained in a challenging reservoir. At the time the Retention Lease was applied for and granted, production uncertainty was identified as the primary constraint to development. A successful production test well designed to demonstrate threshold productivity for development initiation is required to commercialise Cornea.

Given the favourable prevailing oil price when the Retention Lease was applied for (October 2013), numerous concepts were then considered to be potentially economic (subject to achieving threshold production volumes) and assuming sufficient recoveries.

However, the current oil price environment present a significant challenge to the Cornea field's commerciality, having rendered as non-viable the field development concepts previously considered as potentially viable.

Reflecting our markedly reduced oil price expectations, new development concept screening was undertaken with the objective of identifying a development concept with the potential to be commercial at current oil prices.

Following this screening, a development concept predicated on the use of a Mobile Offshore Production Unit (MOPU) with a subsea holding tank and single point mooring has been selected for further investigation. This concept is significantly different to earlier concepts, with potential for significant cost reductions.

Integrated reservoir modelling and facilities work continued during the year to support design of a production test well capable of delivering threshold productivity using this development concept. The Cornea Joint Venture has applied to vary the conditions of WA-54-R to facilitate this work.

DIRECTORS

The directors in office during the entire financial year and to the date of this report were:

EG Albers LLB, FAICD

Chairman since 12/4/17

Director since 1/10/15

Mr Albers has over 35 years' experience as a director and administrator in corporate law, petroleum exploration and resource sector investment. Mr Albers became involved in oil exploration in 1977 and has a track record of developing significant oil and gas assets.

Mr Albers has held interests in a number of companies active in the petroleum industry in Australia and Malaysia.

Mr Albers is also a director of the ASX listed companies Octanex Limited and Peako Limited.

RL Clark B.Bus (dist), CA, MAICD, AGIA, ACIS

Executive Director

Director since 12/10/15

Mrs Clark has more than 15 years' experience focussed primarily on the natural resources sector. Her experience includes business development, financial modelling and analysis, capital raising and mergers and acquisitions, as well as managing joint venture partners, government, regulator and investor relations.

Mrs Clark is also a director of the ASX listed companies Octanex Limited and Peako Limited.

AP Armitage FCA FAICD

Non-Executive Director

Director since 11/4/17

Mr Armitage began his professional career with an international accounting firm. After qualification he was invited into partnership of a national firm. Since the early 1980s he has been a director of a number of listed exploration companies in both Australia and New Zealand. He is currently a Non-Executive director of ASX listed company Peako Limited.

COMPANY SECRETARY

RJ Wright B Bus, CPA – *appointed 17 October 2012*

Mr Wright is a senior financial professional with over 25 years commercial experience in the resource, energy and manufacturing industries gained at various companies and locations, including 14 years at BHP. As well as carrying out his secretarial duties for EnegeX, he is the company's Chief Financial Officer and the Company Secretary and CFO of the ASX listed companies Octanex Limited and Peako Limited. Mr Wright is a member of CPA Australia.

BOARD AND COMMITTEE MEETINGS

The following table sets out the number of formal meetings held during the year and the number of meetings attended by each director. All other matters that required formal Board resolutions were dealt with via written circular resolutions. In addition, the directors met and corresponded at numerous times throughout the financial year to discuss the Group's affairs.

	Board of Directors		Audit Committee	
	Held	Attended	Held	Attended
EG Albers	2	2	2	2
RL Clark	2	2	2	2
AP Armitage	2	2	2	2

The board undertakes all audit committee functions.

SHARE CAPITAL

ORDINARY SHARES

No shares were issued during the year and to the date of this report.

OPTIONS

No options were issued during the year and to the date of this report.

REMUNERATION REPORT

This report is audited.

Directors / Executives	Position Held
EG Albers	Non-Executive Chairman
RL Clark	Executive Director
AP Armitage	Non-Executive Director

During the year there were no employees or consultants to the company that meet the definition of key management personnel, other than the directors.

Remuneration levels are reviewed annually.

Director Remuneration

During the year under review, directors were remunerated a total of \$Nil (2017: \$Nil).

There is no performance related remuneration for directors. Directors' remuneration paid covers all board activities including serving on committees.

The directors do not receive employee benefits, including annual leave and long service leave, but remuneration may

include the grant of options (share based payments) over shares of the company so as to align directors' interests with that of the shareholders.

There is no direct relationship between remuneration of directors and the company's performance since incorporation.

Components of directors' compensation are disclosed below.

	Year	Short Term		Post Employment	Equity Settled	Total	Options as percentage of Total
		Directors Fees	Other Fees	Super annuation	Options		
		\$	\$	\$	\$	\$	
EG Albers	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
RL Clark	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
AP Armitage	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
TOTAL	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-

There were no shares or options issues to directors as part of compensation during the year ended 30 June 2018.

Directors' interests in shares

The number of shares in the company held during by each director, including their related parties, is set out below:

Directors	Held at 1 July 2017	Net Change Other	Held At 30 June 2018
EG Albers	32,639,070	265,779	32,904,849
RL Clark	75,000	-	75,000
AP Armitage	-	-	-
	<u>32,714,070</u>	<u>265,779</u>	<u>32,979,849</u>

End of Remuneration Report

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year and to the date of this report, the company did not pay premiums in respect of contracts insuring officers or auditors of the company against liabilities arising from their position of officers or auditor of the company.

ENVIRONMENT, HEALTH AND SAFETY

The company has adopted an environmental, health and safety policy and conducts its operations in accordance with the APPEA Code of Practice.

The company's petroleum exploration activities are subject to environmental conditions specified in the Offshore Petroleum and Greenhouse Gas Storage Act 2006, associated Regulations and Directions, as well as the Environment Protection and Biodiversity Conservation Act 1999. There were no known contraventions of any relevant environmental regulations by the company, its subsidiary or by the operator of any of the permits in which an interest is held.

The company believes all injuries are avoidable and has policies and procedures to ensure employees and contractors manage safety accordingly. The company monitors and evaluates its procedures. During the year there were no known contraventions of health and safety by the company or reported health and safety incidents.

CORPORATE GOVERNANCE STATEMENT

A corporate governance statement reporting on EnegeX's governance framework, principles and practices is provided on the EnegeX website www.enegeX.com.au.

WEBSITE

The company has a website that can be found at www.enegeX.com.au where relevant company documents and information are displayed.

EVENTS SINCE BALANCE DATE

There has been no significant after balance date event up to the date of signing this report.

PROCEEDINGS ON BEHALF OF THE COMPANY

There are no proceedings on behalf of the company.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

A copy of the Auditor's Independence Declaration, as required under Section 307C of the Corporations Act 2001, is attached on page 26 and forms part of this Directors' Report for the year ended 30 June 2018.

No fees were paid to the auditor for non-audit services.

Signed in accordance with a resolution of the directors.



E.G. Albers
Director
Melbourne, 26 September 2018

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001;
 - (b) give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
 - (c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).
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.
3. The remuneration disclosures included in pages 4 to 5 of the Directors' Report, (as part of the audited Remuneration Report), for the year ended 30 June 2018, comply with section 300A of the Corporations Act 2001.
4. The directors have been given the declarations by the executive officer and the financial officer required by section 295A of the Corporations Act.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



E.G. Albers
Director
Melbourne, 26 September 2018

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2018 \$	2017 \$
Revenue - interest received		4,626	9,783
Expenses	2	(88,129)	(101,090)
Loss before income tax expense		<u>(83,503)</u>	<u>(91,307)</u>
Income tax expense	3	-	-
Loss for the year		<u>(83,503)</u>	<u>(91,307)</u>
Other comprehensive income			
Increase in fair value of available-for-sale financial asset		4,814	1,970
Total comprehensive income for the year		<u>(78,689)</u>	<u>(89,337)</u>
		cents	cents
Basic loss per share (cent per share)	15	(0.104)	(0.113)
Diluted loss per share (cent per share)	15	(0.104)	(0.113)

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2018

	NOTE	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	4	287,052	431,664
Trade and other receivables	5	2,561	3,757
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		289,613	435,421
NON-CURRENT ASSETS			
Available-for-sale financial assets	6	27,917	23,104
Exploration and evaluation assets	7	185,249	121,920
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		213,166	145,024
		<hr/>	<hr/>
TOTAL ASSETS		502,779	580,445
CURRENT LIABILITIES			
Trade and other payables	8	33,880	32,857
		<hr/>	<hr/>
TOTAL LIABILITIES		33,880	32,857
		<hr/>	<hr/>
NET ASSETS		468,899	547,588
EQUITY			
Issued capital	9	1,366,891	1,366,891
Reserves		6,784	1,970
Accumulated losses		(904,776)	(821,273)
		<hr/>	<hr/>
TOTAL EQUITY		468,899	547,588
		<hr/> <hr/>	<hr/> <hr/>

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2018**

	Issued capital \$	Accumul'd losses \$	AFS Reserve \$	Total Equity \$
At 1 July 2017	1,366,891	(821,273)	1,970	547,588
Loss for the year	-	(83,503)	-	(83,503)
Revaluation of financial asset (net of tax)	-	-	4,814	4,814
Total comprehensive income for the year	-	(83,503)	4,814	(78,689)
At 30 June 2018	1,366,891	(904,776)	6,784	468,899
At 1 July 2016	1,364,941	(729,966)	-	634,975
Cost of Issue (reversal)	1,950	-	-	1,950
Loss for the year	-	(91,307)	-	(91,307)
Revaluation of financial asset (net of tax)	-	-	1,970	1,970
Total comprehensive income for the year	-	(91,307)	1,970	(89,337)
At 30 June 2017	1,366,891	(821,273)	1,970	547,588

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(84,882)	(111,966)
Interest received		3,599	10,293
		<u> </u>	<u> </u>
Net cash outflow in operating activities	(i)	(81,283)	(101,673)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to suppliers - exploration		(63,329)	(32,340)
Payments for investments		-	(21,134)
		<u> </u>	<u> </u>
Net cash outflow from investing activities		(63,329)	(53,474)
CASH FLOWS FROM FINANCING ACTIVITIES			
Costs of share issue		-	(22,200)
		<u> </u>	<u> </u>
Net cash outflow from financing activities		-	(22,200)
		<u> </u>	<u> </u>
Net decrease in cash and cash equivalents		(144,612)	(177,347)
Cash and cash equivalents at the beginning of the year		431,664	609,011
		<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT YEAR END	4	<u><u>287,052</u></u>	<u><u>431,664</u></u>
(i) RECONCILIATION OF LOSS TO NET CASH OUTFLOW IN OPERATING ACTIVITIES			
Loss after income tax		(83,503)	(91,307)
<i>Changes in Assets and Liabilities:</i>			
Decrease in payables		1,023	(15,385)
Decrease in receivables		1,197	5,019
		<u> </u>	<u> </u>
Net cash outflow from operating activities		<u><u>(81,283)</u></u>	<u><u>(101,673)</u></u>

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

EnegeX Limited (“EnegeX” or “the company”) is a for-profit company incorporated in Australia with its registered office and principal place of business located at Level 21, 500 Collins Street, Melbourne, Victoria 3000. The financial report of the company for the year ended 30 June 2018 comprises the company and its interest in joint operations.

The principal activity of the company during the year was natural resources exploration, evaluation and investment.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, including the Accounting Interpretations, issued by the Australian Accounting Standards Board (‘AASB’) and the *Corporations Act 2001*. The financial report of the company complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation

The financial report is presented in Australian dollars which is the company’s functional currency and is prepared on the accrual and historical cost basis.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in note 1(m).

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(c) Exploration and evaluation expenditure

Exploration and evaluation assets, including the costs of acquiring permits or licences, are capitalised as exploration and evaluation assets on an area of interest basis. Exploration and evaluation assets are only recognised if the rights to tenure of the area of interest are current and either:

- i. the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale or partial sale: or
- ii. activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

The tests contained in AASB6.20 are applied to determine whether exploration and evaluation assets are assessed for impairment:

- 1) the exploration and evaluation tenure right has expired or are expected to expire in the near future, and is not expected to be renewed.
- 2) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- 3) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- 4) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Exploration and evaluation expenditure (continued)

Proceeds from the sale of exploration permits or recoupment of exploration costs from farmin arrangements are credited against exploration costs previously capitalised. Any excess of the proceeds over costs recouped are accounted for as a gain on disposal.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are provided for as part of the cost of those activities. Costs are estimated on the basis of current legal requirements, anticipated technology and future costs that have been discounted to their present value. Estimates of future costs are reassessed at each reporting date.

(d) Trade and other receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will not be able to collect all amounts due according to the original terms.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and at call bank deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Impairment of assets

The carrying amounts of the company's assets are reviewed at each statement of financial position date to determine whether there are indicators of impairment. At each reporting date the company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

(g) Share capital

Ordinary share capital is recognised at the fair value of the consideration received by the company. Transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the consideration received, net of any related income tax benefit.

(h) Provisions

A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Trade and other payables

Trade, accruals and other payables are recorded initially at fair value and subsequently at amortised cost. Trade payables are non-interest bearing and are normally settled on 60-day terms.

(j) Revenue

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Revenue (continued)

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(k) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The initial recognition of assets or liabilities that do not affect accounting nor taxable profit is not provided for in determining deferred tax amounts. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be applied. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company recognises deferred tax assets arising from unused tax losses of the company to the extent that it is probable that future taxable profits of the company will be available against which the asset can be utilised.

(l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(m) Accounting estimates and judgements

Management determine the development, selection and disclosure of the company's critical accounting policies and estimates and the application of these policies and estimates. Other than as disclosed in these notes there are no estimates and judgements that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Work requirements achieved by farm-ins materially reduce the level of expenditure incurred by the company to comply with work program commitments.

Management has determined that realisation of the estimated deferred tax asset arising from tax losses and temporary differences is not probable and has not brought to account the asset at balance date (Note 3).

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)
30 June 2018

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Accounting estimates and judgements (continued)

Per Note 1(c) and 1(f) management exercise judgement as to the recoverability of exploration expenditure. Any judgement may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off through profit or loss and other comprehensive income.

Management have considered whether there are impairment indicators for the capitalised exploration and evaluation expenditure relating to WA-54-R (Note 7) applying the tests contained in AASB 6.20, in particular on the basis that the Cornea Joint Venture continues to undertake work to address Cornea's key barriers to commercialisation. The objective of the current work activities is to support design of a production test well to achieve economic production. The Joint Venture has applied to the regulator to vary the conditions of the Retention Lease to move the timing for a production test well so that integrated reservoir modelling and facilities work can be completed in order to design a production test well capable of delivering sufficient threshold productivity to demonstrate economic viability. Management notes that the outcome of this application is significant to the Joint Venture's future activities and tenure of the Lease. A negative decision by the regulator may impact on the Joint Venture's ability to renew the Lease and result in a material adjustment to the carrying amount of capitalised exploration and evaluation expenditure.

(n) Joint Operations

Interest in joint operations is brought to account, by including in the respective classifications, the company's share of individual assets employed, liabilities, income and expenses incurred. Where the company is acquiring or disposing of a joint operation interest the company's share of joint operation assets is based on the contributions made to the joint operation.

(o) Fair value

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures. Fair values for financial instruments traded in active markets are based on quoted market prices at statement of financial position date. The quoted market price for financial assets is the current bid price and the quoted market price.

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Assumptions used are based on observable market prices and rates at balance date. Estimated discounted cash flows are used to determine fair value of the remaining financial instruments.

The carrying value (less impairment provision of trade receivables and payables) are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments

(p) Foreign Currency Translation

The functional and presentation currency of the company is Australian dollars (A\$).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to members of EnegeX, adjusted for the after-tax effect of preference dividends on preference shares, if any, classified as equity, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(r) New and revised accounting standards issued not yet effective

The company has adopted all of the new and revised Accounting Standards issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2017.

The Directors do not believe that new and revised standards issued by AASB (that are not as yet effective), AASB 15 Revenue from Contracts with Customers and AASB 16 Leases, will have any material financial impact on the financial statements as the Group has no revenue or leases.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace AASB139 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. There will be no material impact on the carrying values. Changes in fair value are expected to continue being recorded through OCI, with the one-time election to record equity investments as such expected to be undertaken by the directors. Under AASB 9 the fair value gains/losses in relation to equity are not recycled to the Statement of Profit and Loss (even on disposal of the investment) and are not subject to impairment testing.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

	NOTE	2018	2017
		\$	\$
NOTE 2 EXPENSES			
Audit and other related fees		25,052	25,000
Consultants fees		733	12,275
Office costs		25,550	25,652
Stock exchange and registry costs		20,113	21,264
Other expenses		16,681	16,899
		<u>88,129</u>	<u>101,090</u>
		<u><u>88,129</u></u>	<u><u>101,090</u></u>
NOTE 3 INCOME TAX BENEFIT			
Components of income tax benefit			
Current tax benefit		(25,051)	(27,392)
Deferred tax asset not brought to account		25,051	27,392
Income tax benefit		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
Reconciliation between tax benefit and pre-tax loss			
Loss before tax		(83,503)	(91,307)
		<u>(83,503)</u>	<u>(91,307)</u>
Income tax using statutory income tax rate of 30% (2017: 30%)		<u>(25,051)</u>	<u>(27,392)</u>
Tax benefit		(25,051)	(27,392)
Deferred tax asset not brought to account		25,051	27,392
Income tax benefit		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
Unrecognised deferred tax asset			
The estimated deferred tax asset arising from tax losses and temporary differences not brought to account at balance date as realisation of the benefit is not probable:			
Tax losses carried forward		1,104,913	950,960
Temporary differences		(175,524)	(110,563)
		<u>929,389</u>	<u>840,397</u>
		<u><u>929,389</u></u>	<u><u>840,397</u></u>

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

2018
\$ **2017**
\$

NOTE 4 CASH AND CASH EQUIVALENTS

Cash at bank and on hand	287,052	431,664
	<u>287,052</u>	<u>431,664</u>
	<u>=====</u>	<u>=====</u>

Cash and cash equivalents are subject to interest rate risk as they earn floating rates.
 The bank deposit is at call in 2018

NOTE 5 TRADE & OTHER RECEIVABLES

Other receivables	2,561	3,757
	<u>2,561</u>	<u>3,757</u>
	<u>=====</u>	<u>=====</u>

The carrying amount of all receivables is equal to their fair value as they are short term.
 None of the receivables are impaired or past due. The maximum credit risk for the company is the gross value of all receivables.

All receivables are non-interest bearing.

NOTE 6 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Investments in listed equities

Balance at beginning of year	23,104	-
Purchase of listed equities	-	21,134
Net revaluation increment	4,813	1,970
Balance at end of year	<u>27,917</u>	<u>23,104</u>
	<u>=====</u>	<u>=====</u>

NOTE 7 EXPLORATION AND EVALUATION ASSETS

Balance at beginning of year	121,920	89,580
Expenditure for the year	63,329	32,340
Balance at end of year	<u>185,249</u>	<u>121,920</u>
	<u>=====</u>	<u>=====</u>

Exploration and evaluation assets relate to the areas of interest in the exploration phase for petroleum retention lease WA-54-R. (2017: WA-54-R).

WA-54-R is held through joint operations and details of interests held in the permits can be found in Note 10.

NOTE 8 TRADE AND OTHER PAYABLES

Other payables and accrued expenses	17,981	14,746
Director-related entities – other payables (Note 12)	15,899	18,111
	<u>33,880</u>	<u>32,857</u>
	<u>=====</u>	<u>=====</u>

Trade payables are current liabilities which result in their fair value being equal to the current carrying amount. Information about the company's exposure to foreign exchange risk in relation to other trade payables and accrued expenses, including sensitivities to changes in foreign exchange rates, is provided in Note 14.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

NOTE 9 ISSUED CAPITAL

	2018	2018	2017	2017
	Shares	\$	Shares	\$
Issued Capital				
Ordinary shares fully paid	80,499,737	1,364,941	80,499,737	1,364,941
Ordinary Shares				
Movements during the year				
Balance at beginning of year	80,499,737	1,364,941	80,499,737	1,364,941
Shares issued: costs of issue				
Balance at end of year	<u>80,499,737</u>	<u>1,364,941</u>	<u>80,499,737</u>	<u>1,364,941</u>

Ordinary Shares

Ordinary shares entitle the holder to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company. The company does not have a limited authorised capital and issued shares have no par value.

Share Options

No options were on issue during the year and to the date of this report.

NOTE 10 INTEREST IN JOINT OPERATIONS

The company has an interest in the assets, liabilities and output of joint operations for the exploration and development of petroleum in Australia. The company has taken up its share of joint operations transactions based on the company's contributions to the joint operations. Expenditure commitments in respect of the joint operations are disclosed in Note 13. Details of the company's interests in the joint operations are:

	Interest	Interest	Interest
	30/6/2018	Acquired	30/6/2017
		(Disposed)	
Cornea Joint Venture – WA-54-R	14.875%	-	14.875%

Assets and liabilities of the joint operations are included in the financial statements as follows:

	2018	2017
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	3,551	1,372
Trade and other receivables	390	1,119
TOTAL CURRENT ASSETS	<u>3,941</u>	<u>2,491</u>
NON-CURRENT ASSETS		
Exploration costs	185,249	121,920
TOTAL ASSETS	<u>189,190</u>	<u>124,411</u>
CURRENT LIABILITIES		
Trade and other payables – director related	4,225	7,910
TOTAL LIABILITIES	<u>4,225</u>	<u>7,910</u>

There are no contingent liabilities in any of the joint operations. Minimum work requirements in exploration permit interests held in joint operations is estimated at reporting date and is shown at Note 13.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

NOTE 11 KEY MANAGEMENT PERSONNEL

Non-executive Directors
EG Albers
AP Armitage

Executive Director
RL Clark

During the year the only persons that met the definition of key management personnel were the directors. The company has no employees.

Fees paid to PA Armitage, EG Albers and RL Clark in their capacities as consultants or service providers to Enegex are disclosed below in the Related Party Note 12. Fees paid to directors are summarised in the table below and detailed in the Remuneration Report section of the Directors' Report.

Individual compensation disclosures

Information regarding individual director's compensation is provided in the Remuneration Report section of the Directors' Report. In summary form:

Year	Short Term		Post	Equity Settled	Total
	Directors	Other Fees	Employment	Options	
	Fees		Super-annuation		
	\$	\$	\$	\$	\$
TOTAL	2018	-	-	-	-
	2017	-	-	-	-

NOTE 12 RELATED PARTY TRANSACTIONS

During the year services were provided under normal commercial terms and conditions by director-related entities as disclosed below together with amounts payable as at 30 June including in relation to joint operations*.

Entity	Related director	Service	Amounts paid		Payable at	
			2018	2017	30/06/18	30/06/17
			\$	\$	\$	\$
Samika Pty Ltd	RL Clark	Consulting services	2,957	14,274	182	181
Exoil Pty Ltd	EG Albers	Office services	27,570	28,020	7,287	6,480
Natural Resources Group Pty Ltd	EG Albers	Management of exploration tenements	2,975	10,064	3,272	7,066
Octanex Limited	EG Albers	Accounting and administrative support	11,218	9,456	5,158	4,384
			44,720	61,814	15,899	18,111

* As a participant of the Cornea Joint Venture Enegex holds an interest in a petroleum joint venture with director-related entities: Cornea Petroleum Pty Ltd, Cornea Oil & Gas Pty Ltd, Coldron Pty Ltd, Octanex Cornea Pty Ltd, Moby Oil & Gas Pty Ltd, Octanex Limited, Cornea Resources Pty Ltd and Auralandia Pty Ltd, all director-related entities of EG Albers.

2018 **2017**
\$ \$

NOTE 13 EXPLORATION AND EVALUATION PERMIT COMMITMENTS

Estimated expenditure to satisfy contractual and permit work obligations:

Not later than 1 year - WA-54-R	74,375	37,188
Later than 1 year but not later than 3 years – WA-54-R	-	6,098,750

The Cornea Joint Venture has applied to the regulator to vary the conditions of the WA-54-R Retention Lease to move the production test well to the next term of the Lease (Note 1(m)). Estimated expenditure, arising from retention lease work programme which, may, subject to negotiation and approval, be varied. They may also be satisfied by farmout, sale, relinquishment or surrender.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

NOTE 14 FINANCIAL INSTRUMENTS

Purchases and sales of financial assets and financial liabilities are recognised on trade date; the date on which the company commits to purchase or sell the financial assets or financial liabilities. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Exposure to credit, interest rate, liquidity and currency risks arises in the normal course of the company's business. The company's overall risk management approach is to identify the risks and implement safeguards which seek to minimise potential adverse effects on the financial performance of the company.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. At balance date there were no significant concentrations of credit risk for the company. The maximum exposure to credit risk of financial assets is represented by the carrying amounts of each financial asset in the statement of financial position.

Interest rate risk

All financial liabilities and financial assets at floating rates expose the company to cash flow interest rate risk. The company has no exposure to interest rate risk at balance date, other than in relation to cash and cash equivalents which attract a floating interest rate. Details of cash and cash deposits can be found in Note 4. At balance date a 1% (100 basis point) increase/ decrease in the interest rate would improve / worsen the company's post tax profit by \$2,009 (2017: \$3,022)

Liquidity risk

Liquidity risk is monitored to ensure sufficient monies are available to meet contractual obligations as and when they fall due. All financial assets and liabilities have a maturity date of less than 12 months.

Capital Management

When managing capital, directors' objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

It is the company's plan that capital will be raised by any one or a combination of the following manners: placement of shares to excluded offerees, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares. Should these methods not be considered to be viable, or in the best interests of shareholders, then it would be the company's intention to meet its exploration obligations by either partial sale of its interests or farmout, the latter course of action being part of its overall strategy.

The company is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

NOTE 15 SEGMENT INFORMATION

The company has adopted AASB 8 Operating Segments whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the board of directors

At regular intervals the board is provided management information at a company level for the company's cash position, the carrying values of exploration permits and a company cash forecast for the next twelve months of operation.

On this basis, no segment information is included in these financial statements.

All interest received has been derived in Australia. All exploration and evaluation assets are held in Australia.

NOTE 16 LOSS PER SHARE

The following reflects the loss and share data used in the calculation of basic and diluted loss per share:

	2018	2017
	\$	\$
Net Loss	(83,503)	(91,307)

The weighted average number of shares used for the purposes of calculating diluted earnings per share reconciles to the number used to calculate basic earnings per share as follows:

	Weighted Average Number of Shares	Weighted Average Number of Shares
Basic and diluted loss per share	80,499,737	80,499,737

	2018	2017
	\$	\$

NOTE 17 AUDITOR'S REMUNERATION

Amounts received or due and receivable by the auditor of the Company for:

Audit of the full year and review of the half year financial reports	25,052	25,000
Other assurance services	-	-
	<u>25,052</u>	<u>25,000</u>
	=====	=====

NOTE 18 EVENTS SINCE BALANCE DATE

There are no significant after balance date events up to the signing of this report.

Independent Auditor's Report

To the Members of Enege Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Enege Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Recoverability of Exploration and Evaluation Asset

We draw your attention to Note 7 of the financial statements and the exploration and evaluation asset of \$185,249 relating to petroleum retention lease WA-54-R. We note the Joint Venture has applied to vary certain conditions of the petroleum retention lease. Whilst the Directors are involved in ongoing discussions with the Authority in respect to these variations, the Authority has not currently agreed to make the requested variations. These circumstances give rise to uncertainty in respect to the recoverability of the carrying value of the exploration and evaluation asset. Our opinion is not further modified in respect of this matter.

Key Audit Matters

Except for the matter described in the Emphasis of Matter - Recoverability of Exploration and Evaluation Asset, we have determined that there are no key audit matters to communicate in our report.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's/Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company/Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 4 to 5 of the Directors' report for the year ended 30 June 2018.

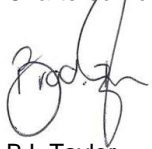
In our opinion, the Remuneration Report of Enege Limited, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B L Taylor
Partner – Audit & Assurance

Melbourne, 26 September 2018

Auditor's Independence Declaration

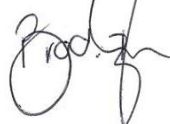
To the Directors of Enege Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Enege Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B L Taylor
Partner – Audit & Assurance

Melbourne, 26 September 2018

SHAREHOLDER AND OTHER INFORMATION

COMPILED AS AT 21 SEPTEMBER 2018

VOTING RIGHTS

At meetings of members or classes of members:

- (a) each member entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a member or a proxy, attorney or representative of a member has one vote; and
- (c) on a poll, every person present who is a member or a proxy, attorney or representative of a member has:
 - (i) for each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, one vote for the share;
 - (ii) for each partly paid share, only the fraction of one vote which the amount paid (not credited) on the share bears to the total amounts paid and payable on the share (excluding amounts credited),

subject to any rights or restrictions attached to any shares or class or classes of shares.

DISTRIBUTION OF ORDINARY SHARES

Numbers of members by size of holding and the total number of shares on issue:

Ordinary Shares	No. of Holders	No. of Shares
1 – 1,000	204	66,230
1,001 – 5,000	298	900,209
5,001 – 10,000	197	1,544,656
10,001 – 100,000	403	13,244,949
100,001 and over	66	64,743,693
TOTAL ON ISSUE	1,168	80,499,737

988 holders held less than a marketable parcel of ordinary shares. There is no current on-market buy-back.

SHAREHOLDER AND OTHER INFORMATION (continued)

COMPILED AS AT 21 SEPTEMBER 2018

SUBSTANTIAL SHAREHOLDERS

As disclosed in notices given to the Company.

Name of Substantial Shareholder	Interest in Number of Shares <i>Beneficial and non-beneficial</i>	% of Shares
Albers Group	32,639,070	40.55
Ross Di Bartolo	8,815,126	10.95

THE 20 LARGEST HOLDERS OF ORDINARY SHARE

Holder	Ordinary Shares	% of Total Issued
Mr Ernest Geoffrey Albers	13,433,600	16.70%
Mr Ross Di Bartolo	8,815,126	10.95%
Auralandia Pty Ltd	5,000,000	6.21%
Gascorp Australia Pty Ltd	4,750,000	5.90%
Pillage Investments Pty Ltd	2,522,667	3.13%
Mr Alfredo Varela	2,500,000	3.11%
Sacrosanct Pty Ltd	2,273,886	2.82%
Small Business Finance Pty Ltd	2,150,000	2.67%
Australis Finance Pty Ltd	1,871,078	2.32%
Strata Resources Pty Ltd	1,769,332	2.20%
Mr Ianaki Semerdziev	1,407,000	1.75%
TRE Pty Ltd	1,345,942	1.67%
ICM Investments Pty Ltd	1,311,233	1.63%
Mr Ernest Geoffrey Albers	1,246,867	1.55%
Peppercorn Hill Pty Ltd	1,125,000	1.40%
Mr Xing Wang Li	1,004,719	1.25%
Albers Custodian Company Pty Ltd	987,906	1.23%
500 Custodian Pty Ltd	765,000	0.95%
Relativity Pty Ltd	603,333	0.75%
Natural Resources Group Pty Ltd	523,221	0.65%

The 20 largest shareholders hold 55,415,910 shares representing 68.84% of the issued share capital.