

Appendix 4D**Energy World Corporation Ltd and Controlled Entities**

ABN 34 009 124 994

Half year ended: 31 December 2020**Previous corresponding reporting period: 31 December 2019**

This information should be read in conjunction with the 30 June 2020 Annual Report.

Results for announcement to the market				US\$'000
Revenue from ordinary activities	Down	16.08 %	to	72,897
Profit before tax	Down	21.50%	to	18,568
Profit after income tax expense for the period attributable to members	Down	16.70%	to	9,474
Dividends (distributions)		Amount per security	Franked amount per security	
Interim dividend		Nil	Nil	
Previous corresponding period		Nil	Nil	
Record date for determining entitlements to the dividend				N/A
Commentary on the results for the period				
The commentary on the results of the period is contained in the Directors Report included in the Half Year Financial Report.				

	31 Dec 2020	31 Dec 2019
Net Tangible Asset Backing		
Net tangible asset backing per ordinary security	37.87 cents	37.17 cents

Loss of control over entities

Control gained or lost over entities during the year: None

Details of associates and joint venture entities

Please see the Annual Report 2020 for details regarding joint venture entities.

Foreign entities

Origin of accounting standards for foreign entities used in compiling the report: Not Applicable.

Audit qualification or review

The accounts were subject to a review by the auditors and the review report is attached.

Attachments

The Report for the half-year ended 31 December 2020 for Energy World Corporation Ltd is attached.

Energy World Corporation Ltd

ABN 34 009 124 994

Interim financial statements

31 December 2020

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Energy World Corporation Ltd and its Controlled Entities
For the Half Year Ended 31 December 2020

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Company Information

Energy World Corporation Ltd and its Controlled Entities
For the Half Year Ended 31 December 2020

Company Information

DIRECTORS	Mr. S.W.G. Elliott Mr. B.J. Allen Mr. G.S. Elliott Mr. M.P. O'Neill Mr. L.J. Charles Mr. K.P. Wong	Chairman, Managing Director and Chief Executive Officer Executive Director and Finance Director Executive Director and Company Secretary Independent Non-Executive Director Independent Non-Executive Director Non-Executive Director
COMPANY SECRETARY	Mr. G.S. Elliott	
REGISTERED AND SYDNEY OFFICE	9A, Seaforth Crescent Seaforth, NSW 2092 AUSTRALIA Telephone: (61-2) 9247 6888 Facsimile : (61-2) 9247 6100	
HONG KONG OFFICE	Suite 08, 48 th Floor Sun Hung Kai Centre 30 Harbour Road HONG KONG Telephone: (852) 2528 0082 Facsimile : (852) 2528 0966	
AUDITORS	Ernst & Young 200 George Street Sydney, NSW 2000 AUSTRALIA	SHARE REGISTRY Computershare Registry Services Pty Ltd Level 4, 60 Carrington Street, Sydney, NSW 2000 AUSTRALIA
LEGAL ADVISORS	Hogan Lovells 11/F One Pacific Place 88 Queensway HONG KONG Clayton Utz Level 15 1 Bligh Street Sydney NSW 2000 AUSTRALIA	BANKERS Mizuho Corporate Bank, Ltd. 17 th Floor, Two Pacific Place 88 Queensway HONG KONG The Hongkong and Shanghai Banking Corporation Limited HSBC Main Building 1 Queen's Road Central HONG KONG Standard Chartered Bank Standard Chartered Bank Building 4-4A Des Voeux Road Central Hong Kong
EMAIL	188ew@optusnet.com.au	
LISTED ON THE AUSTRALIAN STOCK EXCHANGE		CODE EWC
AUSTRALIAN BUSINESS NUMBER		34 009 124 994

Energy World Corporation Ltd, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Directors' Report

The Directors present their report together with the financial report of Energy World Corporation Ltd ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the half year ended 31 December 2020.

Directors

The Directors of the Company at any time during or since the end of the half year are:

Mr. S.W.G. Elliott	Chairman, Managing Director and Chief Executive Officer
Mr. B.J. Allen	Executive Director and Finance Director
Mr. G.S. Elliott	Executive Director and Company Secretary
Mr. M.P. O'Neill	Independent Non-Executive Director
Mr. L.J. Charles	Independent Non-Executive Director
Mr. K.P. Wong	Non-Executive Director

Overview

We are an independent energy company primarily engaged in the production and sale of power and natural gas and we are expanding into liquefied natural gas (LNG). Our strategy is to become a leader in modular LNG development and the operator of a vertically integrated clean energy supply chain delivering power, natural gas and LNG throughout the Asia Pacific region.

The consolidated entity's principal activities during the course of the financial year were:

- development, design, construction, operation and maintenance of power stations;
- development of liquefied natural gas, design, construction, operation and maintenance of LNG plants and road transport of LNG, and design and development of LNG receiving terminals; and
- exploration, development and production of gas and oil, design, construction, operation and maintenance of gas, processing plants and gas pipelines.

Our existing assets comprise:

- a 95% interest in the Sengkang Combined Cycle Power Plant (Block 1 and Block 2) in Indonesia;
- a 100% interest in the Sengkang Gas Field in Indonesia;
- a 100% interest in the Alice Springs Power Plant which is not currently in production;
- a 100% interest in the Alice Springs LNG Facility located at Alice Springs, Australia, which is not currently in production; and
- a 100% interest in the Eromanga Gas Field, Gilmore Gas Field and Vernon Gas Fields for which we have commenced a process to restart production.

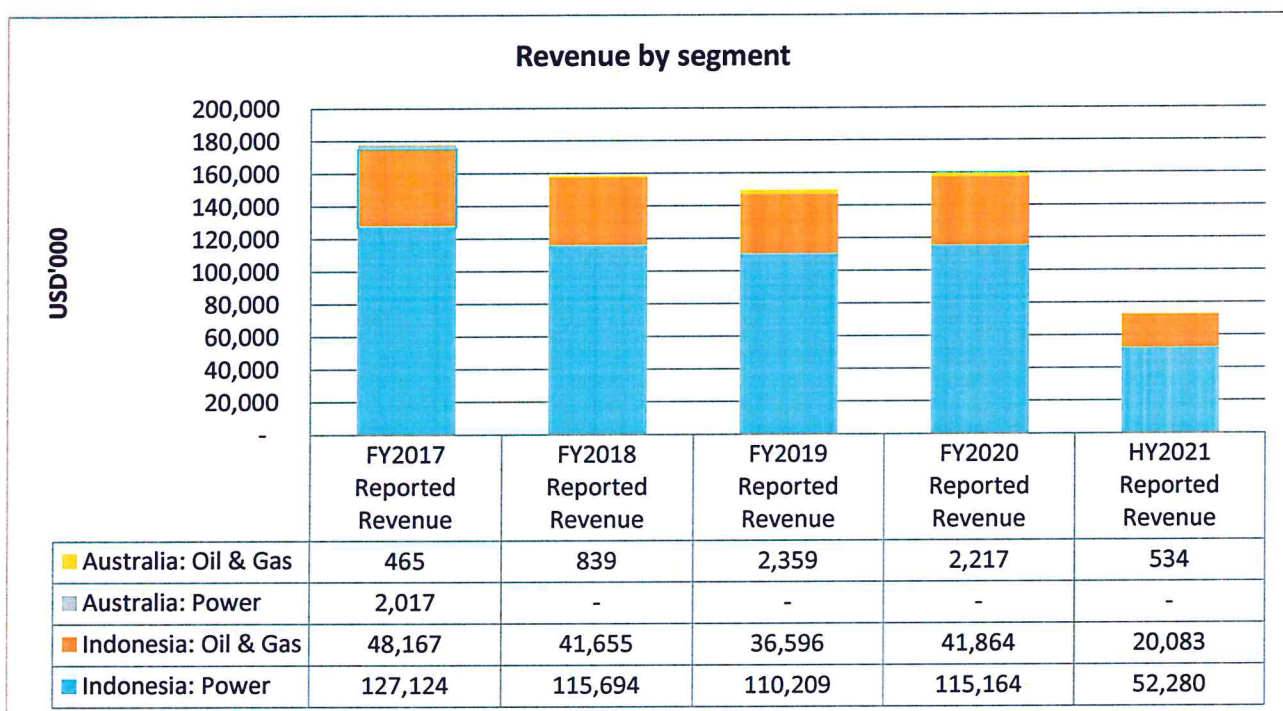
Our projects which are under development comprise:

- a 100% interest in the Sengkang LNG Project in Indonesia;
- a 100% interest in the Gilmore LNG Project in Gilmore, Australia;
- a 100% interest in the Philippines LNG Hub in Pagbilao, Philippines; and
- a 100% interest in the Philippines Power Plant, in Pagbilao, Philippines.
- a 33.33% interest in the PEL 96 joint venture

Review and Results of Operations

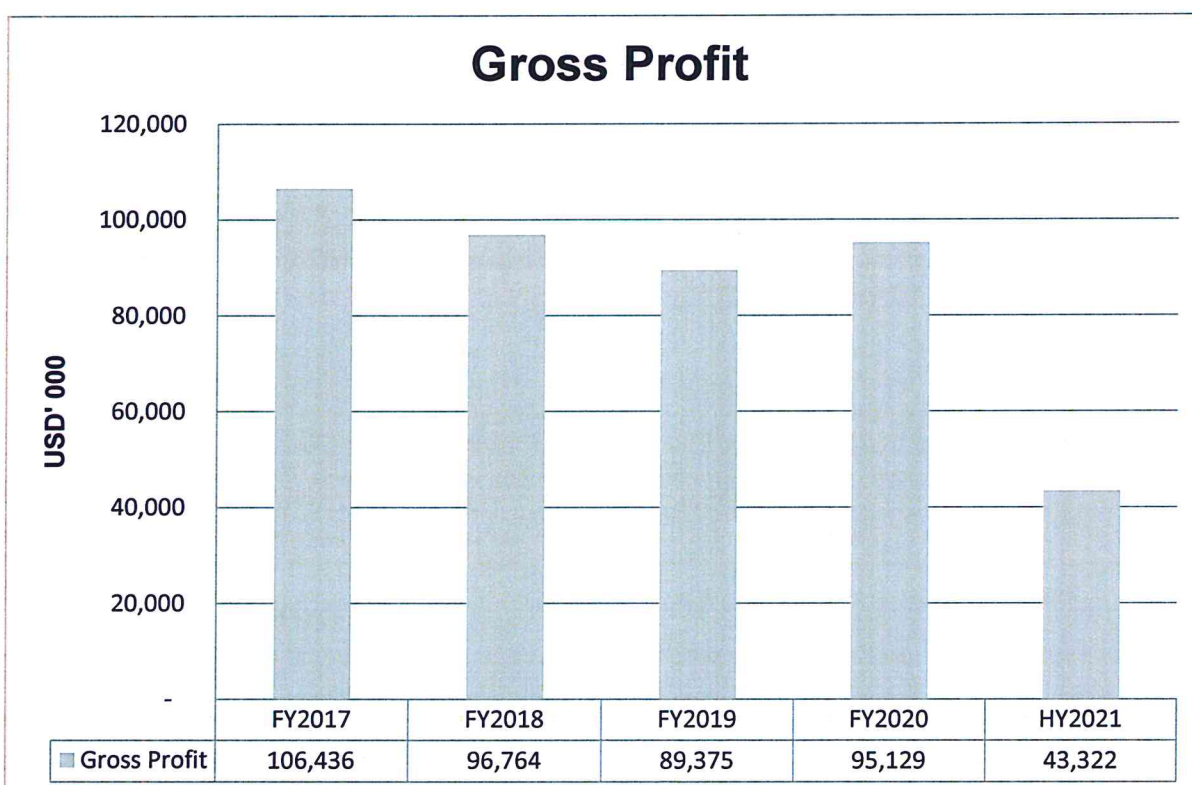
REVENUE BY SEGMENT

Revenue for the consolidated group for the six months period was \$72.9 million.



GROSS PROFIT

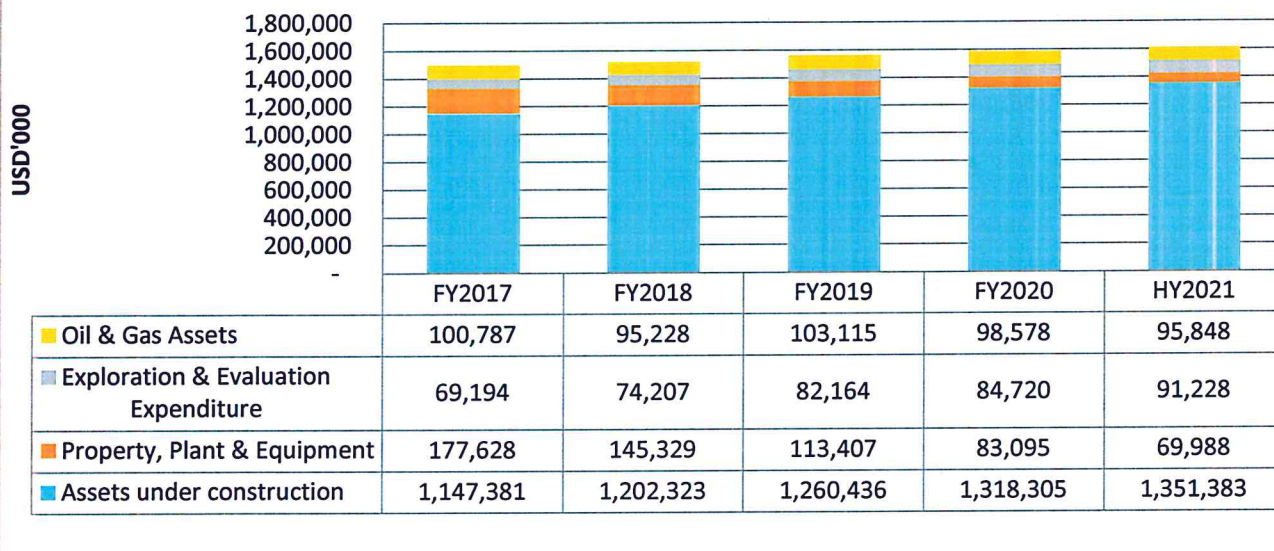
Gross profit for the consolidated group for the six month period was \$43.3 million.



Gross profit as a percentage of revenue for HY21 is 59.4%, which is consistent with FY20 of 59.7%.

OIL & GAS ASSETS, PP&E, ASSETS UNDER CONSTRUCTION and EXPLORATION & EVALUATION ASSETS

Oil & Gas Assets, PP&E, Assets Under Construction and Exploration & Evaluation Assets



Corporate Review

Project Review

Australia

During the half year we progressed the Eromanga gas processing plant, pipelines and well refurbishment program as follows:

- We have advanced discussions and have identified a potential specialist sub-contractor to certify, refurbish as required and upgrade the processing plant to AGF and Australian regulatory requirements.
- We have continued to inspect test and service individual components of the Processing Plant as part of the pre-commissioning phase. This includes upgrades to the control room, warehouse building and office building onsite.
- Internet service NBN upgrades have been completed onsite with the installation of a satellite communication disc and associated hardware.
- We have progressed with the offsite accommodation upgrades in preparation for AGF and sub-contractor manning levels to increase. With the installation of additional ensuite rooms, laundry facilities and kitchen upgrades.
- In an effort to lower AGF's carbon footprint we have engaged a specialist vendor to supply a feasibility study on how AGF can better manage its energy consumption. Eg. Solar array installation at offsite accommodation.
- AGF sub-contractor Slipform Engineering is progressing with planned right of way and access road maintenance. With all heavy machinery due on site in the coming weeks after finishing planned maintenance at Gilmore.

PL 115, 116 & 117 are still with DNRME and are progressing in the approval process. Once approved AGF will have an extension of 7 years on each lease tenure.

PL 184 lease renewal and later development plan are due September 2021. This is in forward planning and will be submitted in coming months.

The application for PL1111-PL1114 (formerly PL1030-PL1033) and an additional application Arima have progressed under the petroleum 1923 act. We received confirmation 18/02/2021 that the applications for PL1111-PL1114 had been received and accepted for approval. We await DNRME approval in granting the 30-year Leases greatly increasing AGF's acreage and production potential.

Indonesia

The Planology Department of Ministry of Forestry, have formally completed the review of historical land documentation and the remapping of the land area which was incorrectly claimed to be forestry land in June 2017.

Consequently PT SSLNG have now been advised that the land upon which we have constructed the mid-scale modular LNG facility has been reconfirmed by all the relevant authorities as industrial land and after a 4 year delay, we have now been encouraged to recommence our project construction and the related commercial discussions associated with the project financing and the offtake of LNG from the plant.

We reiterate that we properly purchased industrial land and built the plant on industrial land. This is consistent with the documentation we possess and the permitting we originally received to allow the commencement of the plant construction until, we were advised, wrongly, the plant was being built on forestry land and to halt all site activity and construction.

The resolution of the land matter, combined with the recent award of a 20 year extension to our gas operations in South Sulawesi now places we Company in a position to fully develop the commercial opportunities previously foreseen and to bring cleaner and affordable energy to the region for power generation, industrial development, city gas and road transportation thus complementing the renewable energy developments being introduced into the region.

Philippines

Our LNG Hub terminal was awarded certification as an Energy Project of National Significance in the Philippines. This certification confirmed the continued support from the Department of Energy ("DOE") at the highest levels, who had previously awarded our 650 MW power station the same certification. This allows both projects to benefit from the specific provisions of Executive Order 30, introduced by President Duterte, to support important energy projects.

Both the LNG Hub and the 650 MW power station projects are registered with the Board of Investments (BOI) with pioneer status. BOI-registered companies in the Philippines are entitled to numerous fiscal and non-fiscal incentives (under E.O. No. 226).

We have received a no objection letter from PSALM to our utilising of the existing right of way of the 69kV transmission line as part of the easement and this is assisting the land acquisition programme that we are undertaking for our transmission line. We are now close to the finalization of all the needed ROW/consent from the landowners.

We continue to work closely with the Department of Energy (“DOE”) and other relevant parties to bring the power plant and related LNG Hub developments into full commercial operation.

On 09 February 2021, we have our meeting with the Natural Gas Management Division (NGMD) of the Oil Industry Management Bureau (OIMB) of the Department of Energy (DOE) spearheaded by Dir. Rino E. Abad together with the other participants, the Electric Power Industry Management Bureau (EPIMB) representatives of the DOE, and the NGCP representatives.

NGCP presented the current status of the construction of the New Pagbilao sub-station. NGCP’s target completion date of the substation is on January 2022. NGCP commits to submit a quarterly update report to the DOE.

In this time of pandemic, DOE is giving assistance to its stakeholders by providing an endorsement for travel ban exemptions for the entry of foreign experts to supervise the project.

Auditor’s Independence Declaration

A Copy of the auditor’s independence as required section 307C of the Corporations Act 2001 is set out on Page 10.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and in accordance with that Corporations Instrument, amounts in the financial report and Directors’ report have been rounded to the nearest thousand dollars unless otherwise stated.

Auditor

Ernst & Young continue in office in accordance with section 327 of the *Corporation Act 2001*.

Signed in accordance with a resolution of the Directors:



Brian Jeffrey Allen
Director

Dated 26 February 2021



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Auditor's Independence Declaration to the Directors of Energy World Corporation Ltd

As lead auditor for the review of the half-year financial report of Energy World Corporation Ltd for the half-year ended 31 December 2020, I declare 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Energy World Corporation Ltd and the entities it controlled during the financial period.

Ernst & Young

Ryan Fisk
Partner
Sydney
26 February 2021

Energy World Corporation Ltd and its Controlled Entities
Interim Consolidated Statement of Comprehensive Income
For the Half Year Ended 31 December 2020

	Note	31 Dec 2020 US\$'000s	31 Dec 2019 US\$'000s
Sales revenue	3	72,897	86,868
Cost of sales		(29,575)	(35,056)
Gross profit		43,322	51,812
Other income		1,025	139
Depreciation and amortisation expenses	4	(18,749)	(19,249)
Other expenses		(6,465)	(7,827)
Profit from operating activities		19,133	24,875
Finance income	5	18	144
Finance expenses	5	(118)	(352)
Net financing income / (expenses)		(100)	(208)
Foreign currency exchange gain / (loss)		(465)	(1,014)
Profit before related income tax expense		18,568	23,653
Income tax expense	6	(8,344)	(11,417)
Net profit for the period		10,224	12,236
Profit for the period attributable to:			
Non-controlling interests		750	862
Owners of the parent		9,474	11,374
		10,224	12,236
		Cents	Cents
Basic earnings per share attributable to ordinary equity holders	13	0.53	0.63
Diluted earnings per share attributable to ordinary equity holders	13	0.53	0.63
Net profit for the period		10,224	12,236
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial (loss) / gains on defined benefit plans		(63)	-
Others		(79)	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net gain / (loss) on cash flow hedges		154	-
Asset Revaluation		341	699
Exchange differences on translation of foreign operations		7,201	39
Other comprehensive income for the period, net of tax		7,554	738
Total comprehensive income for the period		17,778	12,974
Total comprehensive income for the period attributable to:			
Non-controlling interests		757	862
Owners of the parent		17,021	12,112
		17,778	12,974

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

Energy World Corporation Ltd and its Controlled Entities
Interim Consolidated Statement of Financial Position
As at 31 December 2020

		31 Dec 2020	30 June 2020
	Note	US\$'000s	Restated* US\$'000s
Current Assets			
Cash assets		7,644	1,409
Cash held in reserve accounts	7	15,852	27,591
Trade and other receivables	8	30,763	28,431
Related parties receivables		219	252
Inventories		156	704
Prepayment		1,920	907
Total Current Assets		56,554	59,294
Non-current Assets			
Cash held in reserve accounts	7	55,123	55,123
Prepayment		1,858	1,858
Oil and gas assets	16	95,848	98,578
Exploration and evaluation expenditure		91,228	84,720
Property, plant and equipment	9	1,421,492	1,401,400
Right-of-use assets		8,227	7,244
Investment		841	500
Total Non-Current Assets		1,674,617	1,649,423
TOTAL ASSETS		1,731,171	1,708,717
Current Liabilities			
Trade and other payables		38,960	25,426
Trade and other payables – related parties		9,913	17,014
Income tax payable		27,242	24,923
Interest-bearing borrowings	10	121,756	109,597
Derivative liabilities		135	135
Leased Liabilities		2,854	1,900
Provisions		1,005	1,269
Total Current Liabilities		201,865	180,264
Non-current Liabilities			
Trade and other payables		16,945	29,366
Trade and other payable – related parties		152,628	129,786
Interest-bearing borrowings	10	562,779	586,704
Derivative Liabilities		32	-
Leased Liabilities		3,604	3,754
Deferred tax liabilities		20,175	23,524
Provisions		17,421	17,375
Total Non-Current Liabilities		773,584	790,509
TOTAL LIABILITIES		975,449	970,773
NET ASSETS		755,722	737,944
EQUITY			
Issued capital	11	492,733	492,733
Other reserves		24,186	16,639
Retained earnings		223,153	213,679
Equity attributable to owners of the parent		740,072	723,051
Non-controlling interests		15,650	14,893
TOTAL EQUITY		755,722	737,944

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

*refer to note 2(e) for details of restatement

Energy World Corporation Ltd and its Controlled Entities
Interim Consolidated Statement of Changes in Equity
For the Half Year Ended 31 December 2020

	Issued capital US\$'000s	Other Reserve US\$'000s	Retained earnings Restated* US\$'000s	Owners of the Parent US\$'000s	Non-controlling interest US\$'000s	Total equity Restated* US\$'000s
Balance at 1 July 2020	492,733	16,639	213,679	723,051	14,893	737,944
Profit for the period	-	-	9,474	9,474	750	10,224
Other comprehensive income/ (loss)	-	7,547	-	7,547	7	7,554
Total comprehensive income for the half year	-	7,547	9,474	17,021	757	17,778
Balance at 31 December 2020	492,733	24,186	223,153	740,072	15,650	755,722
Balance at 1 July 2019	492,733	16,270	202,088	711,091	14,174	725,265
Profit for the period	-	-	11,591	11,591	728	12,319
Other comprehensive income/ (loss)	-	369	-	369	(9)	360
Total comprehensive income for the year	-	369	11,591	11,960	719	12,679
Balance at 30 June 2020	492,733	16,639	213,679	723,051	14,893	737,944

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

*refer to note 2(e) for details of restatement

Energy World Corporation Ltd and its Controlled Entities
Interim Consolidated Statement of Cash Flows
For the Half Year Ended 31 December 2020

	31 Dec 2020 US\$'000s	31 Dec 2019 US\$'000s
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from customers	72,716	83,130
Payment to suppliers & employees	(43,362)	(49,175)
Income tax paid	(9,374)	(12,456)
Interest received/(paid)	18	(352)
NET CASH FROM OPERATING ACTIVITIES	18,998	21,147
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(4,255)	(940)
Payments for oil and gas assets	-	24
Payments for exploration and development expenditure	(1,335)	(463)
Interest paid – Capitalised into assets under construction	(2,812)	(4,378)
NET CASH USED IN INVESTING ACTIVITIES	(8,402)	(5,757)
CASH FLOWS FROM FINANCING ACTIVITIES		
Transfer to restricted deposits and reserve accounts	11,739	(4,076)
Borrowing transaction costs	(217)	(657)
Repayment of borrowings	(15,026)	(11,429)
Payment of principal portion of lease liability	(499)	-
NET CASH USED IN FINANCING ACTIVITIES	(4,003)	(16,162)
NET (DECREASE) / INCREASE IN CASH HELD		
Cash at the beginning of the financial period	1,409	7,011
Net foreign exchange differences	(358)	(317)
Cash at the end of the financial period	7,644	5,922

The statement of cash flows is read in conjunction with the accompanying notes.

Notes to the Interim Consolidated Financial Statement

1. CORPORATE INFORMATION

The interim financial statements of the consolidated entity (“the Group”) for the half year ended 31 December 2020 were authorised for issue on 26 February 2021 in accordance with a resolution of the directors. Energy World Corporation Ltd is a company incorporated and domiciled in Australia and limited by shares, which are publicly traded on the Australian and OTCQX Stock Exchanges.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Energy World Corporation during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year.

Energy World Corporation has adopted all mandatory applicable Australian Accounting Standards and AASB interpretations as of 1 July 2020.

The financial report is presented in United States Dollars and is prepared on the historical cost basis except for derivative financial instruments that have been measured at fair value. All values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the company under ASIC Corporations Instrument 2016/191. The company is an entity to which the class order applies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Going Concern

As at 31 December 2020 the Group's consolidated balance sheet shows a net current liability position of \$145.3 million. As described in Note 10(f), the Supreme Court of New South Wales issued a judgement in respect of the Standard Chartered Private Equity (Singapore) Pte Ltd (SCPE) \$50 million notes on 15 January 2021. The judgment requires the Group to repay all overdue principal and interest (approximately \$32.8 million) and penalty interest. The Group did not exercise its right to appeal, which expired on 12 February 2021. As a result, the aforementioned amounts are due and payable. Should the noteholders make a demand for payment of these amounts and the Group not make payment within 3 business days the noteholders could invoke a redemption event under the terms of the notes agreement and demand immediate repayment of any and all amounts outstanding under the notes agreement. If such a scenario were to eventuate it could also result in events of cross-default being claimed by certain of the Group's other lenders and those loans becoming due and payable immediately.

The risk associated with the Group's ability to repay the amounts described above and the amounts that would become due if the Group's other debt providers were to demand repayments indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Outlined below are the key factors the Group has considered when assessing the ability of the Group to continue as a going concern.

EWC continues to progress various options to secure sources of funding with which to repay or refinance overdue debts and other debts which will become payable in the normal course, complete the projects under development and provide working capital to the Company. EWC has identified and made substantial progress in respect of funding arrangements to address the SCPE matter described above. The noteholders are aware of the Group's plans and timeline to complete such arrangements.

The directors are confident the Group will successfully secure the required levels of funding at the appropriate time to successfully progress and complete the projects and that EWI and Slipform will continue to support the Company. To that end, the directors have received a commitment from EWI, which states it is willing to and capable of providing additional funding to allow the Group to continue as a going concern should alternate sources of funding not otherwise eventuate timely.

On this basis, the Directors are of the opinion that the Company can continue as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not therefore include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

(c) New accounting standards and interpretations

(i) Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 30 June 2020, except for the adoption of new standards and amendments, which are effective from 1 July 2020 for the Group:

AASB 16 Leases was applicable to the Group effective 1 July 2019 and has superseded all current lease requirements under Australian Accounting Standards.

(ii) Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended that will be effective from the company's financial year beginning 1 July 2020. The Directors have not adopted any of these new or amended standards or interpretations.

At the date of authorization of the financial report, a number of standards and Interpretations were in issue but not yet effective.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Accounting Standards and Interpretations issued but not yet effective (continued)

Initial application of the following Standards is not expected to materially affect any of the amounts recognized in the financial statements, but may change the disclosures made in relation to the Group's financial statements:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Amendments to IFRS 3 - Definition of a Business	1 Jan 2021	30 June 2022
Amendments to IFRS 9, IAS 39 - Interest Rate Benchmark	1 Jan 2021	30 June 2022
Amendments to IAS 1 (Presentation of Financial Statements) and IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) – Definition of Material	1 Jan 2021	30 June 2022

(d) Fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Cash, short-term deposits, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates and the risk characteristics of the financed project.

(iii) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps. The most frequently applied valuation techniques include forward swap models, using present value calculations. The models incorporate various inputs including the interest rate curves of the underlying commodity.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

For the half year ended 31 December 2020, the Group held no financial instruments with the characteristics of level 1 and level 3 financial instruments described above.

The Group holds derivative financial instruments (interest rate swaps) to hedge its risks associated with interest rate fluctuations with the characteristics of level 2. For these financial instruments not quoted in active markets, the Group uses valuation techniques such as present value, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

During the reporting period ended 31 December 2020 and 30 June 2020, there were no transfers between level 1 and level 2 fair value measurements.

The fair value of financial assets and financial liabilities approximate their carrying value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Prior Period Restatement

During the current period, the Group identified \$3.4m of trade receivables that were incorrectly recognised in the financial year ending 30 June 2019. The Group has restated the trade and other receivables balance as at 30 June 2020 in the Statement of Financial Position to derecognise the receivable and a made a corresponding adjustment to opening retained earnings given the adjustment relates to balances that originated prior to the beginning of the comparative period.

3. OPERATING SEGMENTS

(a) 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 makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on geographic locations in which the Group operates, and the nature of the activity performed by the Group. The Group has determined that it has five operating segments, being: oil and gas in Australia, power in Australia, oil and gas in Indonesia, power in Indonesia and project development. While project developments are based in different geographic locations, they are of the same nature of activity, which is assets under construction that are not yet operating. As these assets are not yet operating, they are more alike and suited to aggregation with one another than to the existing operating segments.

Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold and/or the future products to be produced, as these are the sources of the Group's major risks and have the most effect on the rates of return.

(b) Identification of reportable segments (Continued)

The accounting policies used by the Group in reporting segments internally are the same as those contained in this interim financial statements and the annual financial report for the year ended 30 June 2020.

Energy World Corporation Ltd and its Controlled Entities
Notes to the Interim Consolidated Financial Statements
For the Half Year Ended 31 December 2020

3. OPERATING SEGMENT (CONTINUED)

(c) Segment revenue, expenses and assets

All revenues are derived from external customers.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

	<u>Australia</u>						<u>Indonesia</u>						<u>Project development</u>						<u>Corporate</u>						<u>Total</u>							
	Oil & Gas		Oil & Gas		Power		Oil & Gas		Power		Project development		Oil & Gas		Power		Oil & Gas		Power		Oil & Gas		Power		Oil & Gas		Power					
	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19	31 Dec 20			
Sales revenue	534	1,482	20,083	22,229	52,280	63,157	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	72,897	86,868	
Result																																
Segment result	210	1,044	11,875	13,562	27,692	31,229	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,716	45,835
Depreciation and amortisation	(120)	(150)	(2,776)	(3,010)	(15,760)	(16,003)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(18,749)	(19,249)
Net financing cost																															(100)	(208)
Unallocated corporate result																															(1,834)	(1,711)
Foreign currency exchange gain/(loss)																															(465)	(1,014)
Profit before income tax																															18,568	23,653
Income tax expense																															(8,344)	(11,417)
Net profit after tax																															10,224	12,236
Non-controlling interest																															(750)	(862)
Net profit attributable to owners of the parent																															9,474	11,374
Current assets	2,790	2,466	11,696	8,798	39,351	46,061	84	115	2,633	1,854	56,554	59,294	1,854	1,854	56,554	59,294	1,854	1,854	56,554	59,294	1,854	1,854	56,554	59,294	1,854	1,854	56,554	59,294	1,854	1,854	56,554	59,294
Segment assets	82,433	73,503	133,150	133,253	96,178	118,082	1,351,383	1,318,305	68,027	65,574	1,731,171	1,708,717	65,574	65,574	1,731,171	1,708,717	65,574	65,574	1,731,171	1,708,717	65,574	65,574	1,731,171	1,708,717	65,574	65,574	1,731,171	1,708,717	65,574	65,574	1,731,171	1,708,717
Segment liabilities	(7,614)	(6,491)	(42,255)	(39,396)	(24,772)	(30,366)	(608,738)	(582,916)	(292,070)	(311,604)	(975,449)	(970,773)	(311,604)	(311,604)	(975,449)	(970,773)	(311,604)	(311,604)	(975,449)	(970,773)	(311,604)	(311,604)	(975,449)	(970,773)	(311,604)	(311,604)	(975,449)	(970,773)	(311,604)	(311,604)	(975,449)	(970,773)

3. OPERATING SEGMENT (CONTINUED)

(d) Segment assets and liabilities reconciliation to the statement of financial position

Reconciliation of segment operating assets to total assets:

	31 Dec 2020	30 Jun 2020
	US\$'000	US\$'000 Restated
Current operating assets	53,921	57,440
Corporate cash	137	187
Cash held in reserve accounts	205	194
Prepayments and other	2,291	1,473
Current corporate assets	2,633	1,854
Total current assets per the statement of financial position	56,554	59,294

	31 Dec 2020	30 Jun 2020
	US\$'000	US\$'000 Restated
Segment operating assets	1,663,145	1,643,143
Current corporate assets	137	187
Non-current cash held in reserve accounts	51,205	51,194
Non-current prepayments and other	16,684	14,193
Total assets recorded in the statement of financial position	1,731,171	1,708,717

Reconciliation of segment operating liabilities to total liabilities:

	31 Dec 2020	30 Jun 2020
	US\$'000	US\$'000
Segment operating liabilities	683,379	659,169
Deferred tax liabilities	20,175	23,533
Interest-bearing borrowings	190,764	193,021
Provisions and Other	81,131	95,050
Total liabilities recorded in the statement of financial position	975,449	970,773

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	31 Dec 2020	31 Dec 2019
	US\$'000s	US\$'000s
4. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	(15,526)	(15,850)
Depreciation and amortisation of oil and gas assets	(2,759)	(3,042)
Depreciation on ROU assets	(464)	(357)
	<u>(18,749)</u>	<u>(19,249)</u>
5. FINANCIAL INCOME AND EXPENSE		
Interest income – cash at bank and term deposits	18	144
Finance costs *	(118)	(352)
	<u>(100)</u>	<u>(208)</u>

* Finance costs for the current period are \$28.7m (31 Dec 2019: \$28.73m) of which \$28.3m (31 Dec 2019: \$28.3m) has been capitalised in assets under construction.

6. INCOME TAX

A reconciliation between tax expense and the product of accounting profit before tax multiplied by the Group's applicable income tax rate is as follows:

	31 Dec 2020	31 Dec 2019
	US\$'000s	US\$'000s
Accounting profit before tax	18,568	23,653
Prima facie tax expense at the Parent's statutory rate of 30% (31 December 2019: 30%)	(5,570)	(7,096)
<i>Decrease / (increase) in tax expense due to:</i>		
Difference in tax rates	(233)	(1,166)
Non-deductible expenses / non-assessable income	(2,904)	(2,864)
Origination and reversal of other temporary differences	1,897	478
Tax losses not brought into account	(1,534)	(1,543)
Other	-	774
	<u>(8,344)</u>	<u>(11,417)</u>

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	31 Dec 2020 US\$'000s	30 Jun 2020 US\$'000s
7. CASH HELD IN RESERVE ACCOUNTS		
Cash held in reserve accounts – current	15,852	27,591
Cash held in reserve accounts – non-current	55,123	55,123
	<u>70,975</u>	<u>82,714</u>

As at 31 December 2020, cash of \$71.0 million was held in reserve accounts for the following purpose.

- \$51.0 million as security for payment to HSBC of the corporate facility
- \$12.0 million as Debt Service Accrual and Debt Service Reserve Sub Accounts and Surplus Fund Account for PT Energi Sengkang
- \$0.2 million as Security Deposits made by Energy World Corporation Ltd (\$0.04 million); Australian Gasfields Limited (\$0.09 million); Central Energy Australia Pty Ltd. (\$0.06 million)
- \$0.1 million as Security Deposits made by Energy World Gas Operations Philippines Inc.
- \$7.6 million as Security Deposits made by Energy Equity Epic (Sengkang) Pty Ltd

As at 30 June 2020, cash of \$82.7 million is held in reserve accounts for the following purpose.

- \$51.0 million as security for payment to HSBC of the corporate facility (Note 20(d))
- \$26.7 million as Debt Service Accrual Account, Debt Service Reserve Account and Surplus Fund Account for PT Energi Sengkang (Note 20(b))
- \$0.2 million as Security Deposits made by Energy World Corporation Ltd (\$0.04 million); Australian Gasfields Limited (\$0.09 million); Central Energy Australia Pty Ltd. (\$0.06 million) and Energy Equity Epic (Sengkang) Pty Ltd (\$0.06 million)
- \$0.1 million as Security Deposits made by Energy World Gas Operations Philippines Inc. (Note 20(e))
- \$0.5 million as Security Deposits made by Energy Equity Epic (Sengkang) Pty Ltd
- \$3.7 million as Abandonment Site Restoration provision made by Energy Equity Epic (Sengkang) Pty Ltd
- \$0.4 million of Bank Guarantee for further exploration and evaluation work made

8. TRADE AND OTHER RECEIVABLES

	31 Dec 2020 US\$'000s	30 Jun 2020 US\$'000s Restated
Current		
Trade receivables	25,004	24,823
Sundry debtors	5,759	5,040
	<u>30,763</u>	<u>29,863</u>
Less : Allowance for expected credit losses	-	(1,432)
	<u>30,763</u>	<u>28,431</u>

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold land US\$'000 s	Buildings on freehold land US\$'000s	Plant and equipment US\$'000s	Assets under construction US\$'000s	Total US\$'000s
Assets at Cost					
Balance at 1 July 2020	7,227	2,715	416,037	1,318,305	1,744,284
Additions	-	-	939	33,078	34,017
Disposals	-	-	(15)	-	(15)
Foreign currency translation	124	25	4,249	-	4,398
Balance at 31 December 2020	7,351	2,740	421,210	1,351,383	1,782,684
Depreciation					
Balance at 1 July 2020	-	(1,034)	(341,850)	-	(342,884)
Depreciation charge for the period	-	-	(15,526)	-	(15,526)
Foreign currency translation	-	-	(2,782)	-	(2,782)
Balance at 31 December 2020	-	(1,034)	(360,158)	-	(361,192)
Carrying amount					
At 30 June 2020	7,227	1,681	74,187	1,318,305	1,401,400
At 31 December 2020	7,351	1,706	61,052	1,351,383	1,421,492

Impairment Testing

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2020 the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of the assets under construction.

All of the operating businesses (Indonesian Oil & Gas and Indonesian Power) remain profitable and are parties to long term contracts.

The recoverable amounts of the assets under construction were determined based on value in use calculations using cash flow projections from financial budgets approved by the directors and extrapolated for the useful lives of the assets. As a result of the analysis, management did not identify an impairment for any of these CGUs. There have also been no changes in key assumptions during the period that would result in impairment of the operating segments and assets under construction.

Key assumptions used in value in use calculations

The calculation of value in use for projects under construction is most sensitive to the following assumptions:

- LNG, feedstock gas and electricity prices – this has been derived from available supply and demand in the market, signed agreements, expected agreements currently under negotiation and external market pricing reports.
- Demand for LNG and power generation and availability of feedstock gas – based on forecast capacity, market demand and offtake discussions with various parties.
- Discount rates – a post – tax range between 7% - 16.5%
- Inflation rates – a long term inflation rate of 1.5% - 5.25% based on an Oxford Economics Report applicable to the particular intended operating jurisdiction.
- Useful lives of the assets – based on design, external reviews by third party engineering firms, and other recently completed similar facilities.

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10. INTEREST-BEARING LIABILITIES

		31 Dec 2020	30 Jun 2020
		US\$'000s	US\$'000s
Current			
PTES US\$200 million with Development Finance Institutions	(b)	10,642	10,719
EEES US\$125 million Secured Facility with Standard Chartered Bank, Mizuho Corporate Bank and Nataxis Bank	(c)	46,660	52,660
LNG Hub Corporate Notes	(e)	21,543	23,718
US\$50 million Subscription Agreement with Standard Chartered Private Equity (Singapore) Pte. Ltd.	(f)	42,911	22,500
Total current		121,756	109,597
Non-current			
PTES US\$200 million with Development Finance Institutions.	(b)	-	5,162
Slipform US\$432 million Term Loan	(g)	449,210	447,460
US\$50 million Subscription Agreement with Standard Chartered Private Equity (Singapore) Pte. Ltd	(f)	-	20,679
US\$51 million Revolving Loan Facility Agreement with the Hong Kong and Shanghai Banking Corporation Limited	(d)	50,832	50,832
EWI US\$45 million Facility (Maturity date 1 January 2022)	(h)	44,789	44,682
EWI US\$10 million Facility (Maturity date 1 January 2022)	(i)	3,300	3,300
EWI US\$5 million Facility (Maturity date 1 January 2022)	(j)	4,969	4,954
EWI US\$6 million Facility (Maturity date 1 January 2022)	(k)	5,905	5,899
EWI US\$ 2 million Facility (Maturity date 1 January 2022)	(l)	1,984	1,977
EWI US\$5 million Facility (Maturity date 1 January 2022)	(m)	1,790	1,759
Total non-current		562,779	586,704
Total interest-bearing liabilities		684,535	696,301

(a) Assets Pledged as Security

The assets and the shares of the entities PT. Energi Sengkang (Indonesian Power) and Energy Equity Epic (Sengkang) Pty. Ltd. (Indonesian Oil & Gas) are pledged as security to the consolidated entities. The form of security is a floating charge over the aforementioned entity assets. There are no specific conditions on value of assets pledged.

(b) Sengkang loan and PTES US\$200 million with Development Finance Institutions

On 15 July 2011, PTES executed documentation relating to a US\$200.0 million term loan facility (the "PTES Facility") in connection with the Sengkang Power Plant and the Sengkang Expansion.

The PTES Facility is subject to semi-annual repayments of principal and payments of interest and will be fully repaid on 22 April 2022. US\$185 million has been advanced under the PTES Facility, of which US\$10.6 million was outstanding as at 31 December 2020, excluding unamortised borrowing costs.

The PTES Facility is secured by substantially all of the assets and shares of PTES. Such secured assets include PTES' interest in the Sengkang Power Plant, PTES' interests pursuant to the Sengkang PPA, PTES' receivables thereunder and PTES' bank accounts.

PTES held US\$12.0 million in reserve accounts as security for the facility. Refer to Note 7.

10. INTEREST-BEARING BORROWINGS (CONTINUED)

(c) US\$125,000,000 Secured Facility Agreement with Standard Chartered Bank and Mizuho Corporate Bank Ltd and Nataxis Bank

The EEES Facility is secured by substantially all of the assets and shares of EEES. Such secured assets include EEES's interest in the Sengkang PSC, EEES' receivables pursuant to the Gas Supply Agreement, the Gas Sale and Purchase Agreement and the Sengkang PSC and EEES' bank accounts. Further, the Company and Epic Sulawesi Gas Pty Ltd have agreed to subordinate their rights against EEES pursuant to a subordination deed entered into in favour of Mizuho Corporate Bank, Ltd. as security trustee. The amount outstanding under the Loan as at 31 December 2020 was US\$46.7m. This amount was classified as a current liability as at 31 December 2020 since it matures for payment on 31 December 2021. EEES have the right to seek an extension to this facility to 30 September 2022.

(d) US\$51,000,000 Revolving Loan Facility Agreement with The Hongkong and Shanghai Banking Corporation Limited

EWC has a US\$51.0 million revolving loan facility from HSBC which was first entered into on 10 October 2008.

The facility's maturity date is 14 June 2022. As at 31 December 2020, the gross amount the Group owed under the HSBC Corporate Revolving Loan Facility was US\$50.8 million, excluding unamortised borrowing costs and EWC held US\$51 million in reserve accounts as security for the facility.

(e) LNG Hub Corporate Note Facility

On 26 May 2016, the Company executed the financing documentation (Omnibus Loan and Security Agreement) for its LNG Hub Terminal in Pagbilao, Philippines, for the amount of PHP1.5 billion (approximately US\$32 million equivalent). The Corporate Notes Facility provides for a facility of an additional PHP2 billion (approximately US\$43 million equivalent) for new noteholders in the future.

As at 31 December 2020, the aggregate amount owed under the LNG Hub Corporate Note Facility was US\$22.0 million, excluding unamortised borrowing costs.

(f) Standard Chartered Private Equity (Singapore) Pte Limited Subscription Agreement

Standard Chartered Private Equity (Singapore) Pte Ltd ("SCPE") reinvested the entire proceeds of their existing US\$50 million exchangeable convertible note, previously issued by EWC's wholly owned subsidiary, Energy World Philippines Holdings Limited, into a new instrument structured as a US\$50 million loan to EWC and the issue of warrants by EWC.

The loan has a final maturity of 15 October 2021, with interest and principal payments to be made at various times throughout the loan term. SCPE were issued 101,122,149 warrants that are convertible into the capital of EWC at A\$0.50 each at any time on or before 15 October 2023.

We filed proceedings in the Supreme Court of New South Wales seeking declaratory relief against Standard Chartered Private Equity (Singapore) Limited ("SCPE") and Augusta Investment I Pte Limited in relation to the transfer of the SCPE US\$50m note that was issued in October 2018 (the "Notes").

This follows receipt of transfer documents from another entity, Affirma Capital Management (Singapore) Limited, ("Affirma") which were incorrectly presented, and then the subsequent receipt of another set of transfer documents from SCPE; thus leading to multiple and conflicting demands.

10. INTEREST-BEARING BORROWINGS (CONTINUED)

(f) Standard Chartered Private Equity (Singapore) Pte Limited Subscription Agreement (continued)

On 15th January 2021 the Supreme Court of New South Wales issued the judgement in connection with the transfer of the Standard Chartered Private Equity (Singapore) Pte Ltd. (“SCPE”) USD50M Note to Augusta Investments I Pte Ltd. (“Augusta”).

A high level summary of the judgement is as follows:

- (1) The Amended Commercial List Summons filed 9 March 2020 be dismissed.
- (2) The First Plaintiff (EWC) forthwith register, in the register of Noteholders referred to in the Note Deed Poll executed by the First Plaintiff (EWC) dated 14 September 2018 (Note Deed Poll), the transfer from the First Defendant (SCPE) to the Second Defendant (Augusta) of Notes in the principal amount of US\$50 million referred to in Note Certificate No.1 issued by the First Plaintiff (EWC) dated 15 October 2018 (Notes).
- (3) The First Plaintiff (EWC) upon registering the transfer of Notes referred to in order 2, forthwith deliver to the Second Defendant (Augusta) a Note Certificate complying with the requirements of the Note Deed Poll in respect of the Second Defendant’s (Augusta) holding of Notes.
- (4) A declaration that, as at 26 November 2020, the sum of US\$32,826,299.10 was due, payable and owing by the First Plaintiff (EWC) to the First Defendant (SCPE) under the Notes.
- (5) Judgement be entered in favour of the First Defendant (SCPE) against the First Plaintiff (EWC) for US\$32,826,299.10 together with default interest at a daily rate of: (a) US\$2,210.58 for the period from 27 November 2020 to 31 December 2020; and (b) US\$2,216.63 for the period from 1 January 2021 to 15 January 2021.
- (6) The Plaintiffs (EWC) pay the Defendants’ (SCPE/Augusta) costs of the proceedings as agreed or assessed.

The Group did not exercise its right to appeal the judgement, which expired on 12 February 2021. As a result, the amounts referred to above are due and payable. Refer to note 2(b) for additional detail regarding this matter and the Group’s plans to address it.

(g) Slipform US\$432,753,688 Term Loan Agreement

A term loan agreement was entered into between Slipform Engineering International (HK) Limited (SEIL), PT Slipform Indonesia (PTSI) and Energy World Corporation Limited (EWC) to convert the accounts payable of US\$432,753,688 related to projects under construction and accrued interest and fees into a seven year term loan. The maturity due date is 30 June 2024. The credit has a fixed interest rate of 8.00% per annum and was subject to an arrangement fee of 2%. As part of the SCPE Subscription Agreement note 8(h), Slipform has agreed to defer its repayment until 1 January 2022, after the SCPE loan is fully repaid.

10. INTEREST-BEARING BORROWINGS (CONTINUED)

(h) EWI US\$45m Facility

On 31 August 2018, EWI agreed to enter into a revised loan agreement for the total amount of the outstanding loans of US\$45m plus accrued interest. This new loan is due 1 January 2022, the interest rate of this loan is 7%. EWI has the right to convert the loan into equity or equity related instruments at any time subsequent to an agreement on price and the receipt of shareholders' approval (if required), or as payment in relation to EWI's share of any rights issue.

(i) EWI US\$10m facility

On 2 October 2018, EWI agreed a loan facility of US\$10m to EWC for general corporate and project development purpose. Interest is accrued at 7% p.a. and is repayable on 1 January 2022.

As at 31 December 2020 the outstanding balance, exclude borrowing cost, is \$3.3m.

(j) EWI US\$5m facility

On 3 October 2018, EWI agreed a loan facility of US\$5m to EWC for general corporate and project development purpose. Interest is accrued at 7% p.a. and is repayable on 1 January 2022.

As at 31 December 2020 the outstanding balance, exclude borrowing cost, is \$5.0m.

(k) EWI US\$6m facility

In December 2018, EWI provide a \$6m loan advance to the Company for payment of Signature Bons from its subsidiary, Energy Equity Epic (Sengkang) Pty Ltd.

Interest rate is accrued at 8% and is payable on 1 January 2022, as at 31 December 2020, the outstanding balance, exclude borrowing cost, is \$6m.

(l) EWI US\$2m facility

On 20 May 2018 EWI provided a US\$2m loan advance to the Company for payment to Siemens Energy for outstanding amounts owed under the equipment supply contract for the Steam Turbine to be installed at the Pagbilao Power Plant.

Interest rate is accrued at 7% p.a. on the facility amount and is payable on 1 January 2022, after the SCPE loan (note (k)) is fully repaid.

(m) EWI US\$5m facility

On 22 May 2020 EWI provided a loan facility of US\$5million to EWC for general corporate and project development purpose. Interest is accrued at 7% p.a. and is repayable on 1 January 2020.

As at 31 December 2020 the outstanding balance, excluding borrowing costs, is \$1.8m.

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11. ISSUED CAPITAL

	31 Dec 2020	30 June 2020
Ordinary shares (US\$'000)	<u>492,733</u>	<u>492,733</u>
Number of ordinary shares issued and fully paid	<u>1,795,631,672</u>	<u>1,795,631,672</u>

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

12. CONTINGENT LIABILITIES

The Group has determined that there is no contingent liabilities of which the management is aware.

13. EARNINGS PER SHARE

The calculation of basic earnings per share outstanding for the period ended 31 December 2020 was based on the profit attributable to ordinary shareholders of \$9,474,000 (31 December 2019: \$11,374,000) and a weighted average number of ordinary shares outstanding during the period ended 31 December 2020 of 1,795,631,672 (31 December 2019: 1,795,631,672), calculated as follows:

(a) Earnings used in calculating earnings per share:

	31 Dec 2020	31 Dec 2019
	US\$'000s	US\$'000s
Profit attributable to ordinary shareholders for basic and diluted earnings	<u>9,474</u>	<u>11,374</u>

(b) Weighted average number of ordinary shares

	31 Dec 2020	31 Dec 2019
Weighted average number of shares used as a denominator for basic earnings per share	<u>1,795,631,672</u>	<u>1,795,631,672</u>
<i>Effect of dilution:</i>	-	-
Weighted average number of shares used as a denominator for diluted earnings per share	<u>1,795,631,672</u>	<u>1,795,631,672</u>

	31 Dec 2020	31 Dec 2019
	Cent	Cent
Basic earnings per share – cents per share	<u>0.53</u>	<u>0.63</u>
Diluted earnings per share – cents per share	<u>0.53</u>	<u>0.63</u>

Profit attributable to ordinary shareholders is the same for basic and diluted as any additional interest or costs incurred for the convertible notes would be capitalised to projects.

14. RELATED PARTY TRANSACTIONS

There were no new related party contracts entered into during the half year ended 31 December 2020. Please refer to Note 10 for disclosure of related party loans.

(a) Leases of properties

Energy World Corporation Ltd rents a number of properties from related parties for the offices in Sydney, New South Wales and for the site of our proposed LNG Hub terminal and power plant in the Philippines, details of which are set out in the following table:

Premises	Lessor	Lessee	Term	Rental
1. Part of Unit 9A, Seaforth Crescent, Seaforth, Sydney, New South Wales, Australia	Energy World International Limited	Energy World Corporation Ltd	Extended to 31 December 2021	A\$6,000 per month (excluding GST); Payment made during the period of this half year report – US\$25,640 (AU\$36,000)
2. Parcel of land comprising a total area of 282,823 sq.m on Pagbilao Grande Island, Province of Quezon, Lozon, the Philippines	Malory Properties Inc.*	Energy World Corporation Ltd, Energy World Power Operations Philippines Inc. and Energy World Gas Operations Philippines Inc.	25 years commencing 24 May 2017 with an option to extend for a further term of 25 years	20.8 PHP (\$0.4) per square metre per annum with escalation every three years at 3%

* Malory Properties Inc., a company incorporated in the Philippines on 23 March 1993 with limited liability. Mr. Stewart Elliott, who is the Group's Chairman, Managing Director, Chief Executive Officer and one of EWC's Substantial Shareholders has a 40% beneficial interest.

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Commercial Agreements with EWC and Related Parties

EWC has entered into a number of management services agreements with EWI and Slipform Engineering International (H.K.) Ltd, details of which are set out in the following table:

Parties	Date of agreement/ amendment	Scope of services	Fees	Payment made during the half year ended 31 December 2020	Amount remaining on contract at 31 December 2020
EWC and Slipform Engineering International (H.K.) Ltd*	10 October 2011	Slipform Engineering International (H.K.) agrees to provide EWC with engineering assistance, design services and management support for the development of a 56,000 TPA LNG processing plant and related facilities in Gilmore, Queensland Australia.	Fixed fee of US\$5.5 million.	Balance payable as at 31 December 2020: Nil Amount paid: Nil	US\$279,763

* Slipform Engineering International (H.K.) Ltd, a company incorporated in Hong Kong with limited liability, in which Mr. Stewart Elliott, who is EWC's Chairman, Managing Director and Chief Executive Officer and Mr. Graham Elliott, who is an Executive Director, have a 90% and 10% beneficial interest respectively.

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Commercial Agreements with EWC and Connected Persons (Continued)

EWC has entered into an operation and maintenance contract with PT Consolidated Electric Power Asia, details of which are set out in the following table:

Parties	Date of agreement / amendment	Scope of services	Amounts incurred for the half year ended 31 December 2020	Payments made during the half year ended 31 December 2020	Amount payable on contract at 31 December 2020
PTES and PT Consolidated Electric Power Asia *	12 March 2012 30 May 2012 (amendment) 30 May 2012 (addendum)	PT Consolidated Electric Power Asia agrees to be responsible for operation and maintenance services in relation to the Sengkang Power Plant. The initial scope covers the original 135MW units. The O&M will be extended to cover the additional 180MW units upon commercial operation of the 60MW steam turbine.	US\$8.03m	US\$7.92m	US\$3.64m

* PT Consolidated Electric Power Asia, a company incorporated in Indonesia, is 95% owned by Mr. Stewart Elliott, EWC's Chairman, Managing Director and Chief Executive Officer.

14. RELATED PARTY TRANSACTIONS (Continued)

(c) Commercial Agreements with EWC and Connected Persons (Continued)

EWC has entered into a construction services contract with Slipform (Indonesia) and engineering, procurement and construction contracts with Slipform (H.K.), details of which are set out in the following table. These contracts allow for flexibility in payment obligations, through the Company's control over project timetable and progress and thus do not constitute irrevocable payment obligations to the Company and allows the Company to manage its funding on these projects accordingly.

Parties	Date of agreement / amendment	Scope of services	Contract value (\$US millions)	Accumulated invoices received from related parties (\$US millions)	Accumulated invoices received from third parties (\$US millions)	Total invoices received (\$US millions)	Amount remaining on contract (\$US millions)	Related party payable (\$US millions)
EWC and Slipform Engineering International (H.K.) Ltd	12 March 2012 18 June 2012 (amendment)	Slipform Engineering International (H.K.) Ltd agrees to undertake the engineering, procurement and construction of the Gilmore LNG Project.	\$70.0m subject to adjustment and deduction for equipment and consultant services incurred directly by the Company.	31 December 2020: \$21.1 30 June 2020: \$21.1	31 December 2020: \$10.2 30 June 2020: \$10.2	31 December 2020: \$31.3 30 June 2020: \$31.3	31 December 2020: \$38.7 30 June 2020: \$38.7	31 December 2020: \$20.5 30 June 2020: \$20.5
EWC and Slipform Engineering International (H.K.) Ltd	12 March 2012 18 June 2012 (amendment)	Slipform Engineering International (H.K.) Ltd agrees to undertake the engineering, procurement and construction of the Philippines LNG Hub.	\$130.0 subject to adjustment and deduction for equipment and consultant services incurred directly by the Company.	31 December 2020: \$111.6 30 June 2020: \$111.6	31 December 2020: \$18.3 30 June 2020: \$18.3	31 December 2020: \$129.9 30 June 2019: \$129.9	31 December 2020: \$0.1 30 June 2020: \$0.1	31 December 2020: \$21.8 30 June 2020: \$21.8

Energy World Corporation Ltd and its Controlled Entities
Notes to the Interim Consolidated Financial Statements
For the Half Year Ended 31 December 2020

14. RELATED PARTY TRANSACTIONS (Continued)

(d) Commercial Agreements with EWC and Connected Persons (Continued)

Parties	Date of agreement / amendment	Scope of services	Contract value (\$US millions)	Accumulated invoices received from related parties (\$US millions)	Accumulated invoices received from third parties (\$US millions)	Total invoices received (\$US millions)	Amount remaining on contract (\$US millions)	Related party payable (\$US millions)
PT South Sulawesi LNG and PT Slipform Indonesia and its related entities	18 March 2009 12 March 2012 (novation and variation) 18 June 2012 (amendment)	PT Slipform Indonesia agrees to undertake the engineering, procurement and construction of the Sengkang LNG Project. The contract was originally with Slipform Engineering International (H.K.) Ltd, and was novated to PT Slipform Indonesia on 12 March 2012.	\$352.0 subject to adjustment and deduction for equipment and consultant services incurred directly by the Company	31 December 2020: \$148.0 30 June 2020: \$148.0	31 December 2020: \$195.2 30 June 2020: \$195.2	31 December 2020: \$343.2 30 June 2020: \$343.2	31 December 2020: \$8.8 30 June 2020: \$8.8	31 December 2020: \$137.6 30 June 2020: \$137.6
EWC and Slipform Engineering International (H.K.) Ltd	3 March 2014	Slipform Engineering International (H.K.) Ltd agrees to undertake the engineering, procurement and construction of the Philippines Power.	\$588.0 subject to adjustment and deduction for equipment and consultant services incurred directly by the Company	31 December 2020: \$226.7 30 June 2020: \$226.6	31 December 2020: \$128.4 30 June 2020: \$128.3	31 December 2020: \$355.1 30 June 2020: \$354.9	31 December 2020: \$232.9 30 Jun 2020: \$233.1	31 December 2020: \$173.1 30 June 2020: \$173.1

* PT Slipform Indonesia is a 95% owned subsidiary of Slipform Engineering International (H.K.) Ltd. The contracts are structured in a manner that the contract is subject to the Company having available financing in place to proceed with the projects.

15. SUBSEQUENT EVENTS

Aside from those mentioned in Note 2(b) and Note 10(f), there are no other significant events occurring after the balance sheet date which may affect the Company's operations or results of these operations or the Company's state of affairs.

16. OTHER DISCLOSURE

The Company's wholly owned subsidiary, Energy Equity Epic (Sengkang) Pty. Ltd. (EEES) and a third party Indonesian entity ("Local Partner") entered into a Sale and Purchase Agreement and side deeds with respect to the sale and purchase of a 49% Participating Interest (PI) in the Sengkang Production Sharing Contract in November 2018. There are a number of conditions precedent to completion of the transaction including: a) corporate approvals of each party for the performance of the proposed transaction and b) approval from the applicable Indonesian regulatory agencies. The Local Partner will also be required to provide compensation to EEES.

Regulatory approvals were received in August 2019 in respect of the transfer of a PI in the existing PSC, however, as at 31 December 2020 neither the Board of EEES nor the Local Partner had provided approval for completion of the transaction and no compensation has been paid. Further, the transfer cannot complete until the existing bank loan extended to EEES has been fully repaid in 2022. This is because under the conditions of the loan no financial benefit can accrue to any third party until the loan has been fully repaid.

With regard to the PSC extension from 2022 - 2042, separate regulatory approvals are required in order for the transfer of any PI to occur. For the avoidance of doubt and as previously advised, EEES has already been formally granted an extension of the Sengkang PSC until 22 October 2042.

Directors' Declaration

In accordance with a resolution of the directors of Energy World Corporation Ltd, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of Energy World Corporation Ltd for the half year ended 31 December 2020 are in accordance with *the Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standards and *the Corporations Regulations 2001*

- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Brian Jeffrey Allen
Director

26 February 2021



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Independent Auditor's Review Report to the Members of Energy World Corporation Ltd

Report on the Half-Year Financial Report

Qualified Conclusion

We have reviewed the accompanying half-year financial report of Energy World Corporation Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and 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.

Based on our review, which is not an audit, nothing has come to our attention, except for the possible effects of the matter described in the Basis for Qualified Conclusion section of our report, that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial 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*.

Basis for Qualified Conclusion

The Directors have performed assessments of the recoverable amounts of each of the Group's assets under construction and exploration and evaluation assets to support the carrying amount of these assets in the consolidated statement of financial position as at 31 December 2020. We were unable to obtain sufficient evidence to support assumptions used by the Directors in their impairment assessments at 31 December 2020. Consequently, we were unable to determine whether any adjustment to the amounts recorded in assets under construction and exploration and evaluation assets are necessary.

Material Uncertainty Related to Going Concern

Without further qualifying our conclusion, we draw attention to Note 2(b) of the financial report which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt concerning the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets, complete its assets under construction and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to recoverability and classification of recorded assets amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.



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 internal 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, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2020 and its consolidated financial 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 Group, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Energy World Corporation, would be in the same terms if given to the directors as at the time of this auditor's report.

Ernst & Young

Ryan Fisk
Partner
Sydney
26 February 2021