

## 1. Company details

Name of entity:	Molopo Energy Ltd
ABN:	79 003 152 154
Reporting period:	For the half-year ended 30 June 2018
Previous period:	For the half-year ended 30 June 2017

## 2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	down	77.7% to	145
Loss from ordinary activities after tax attributable to the owners of Molopo Energy Ltd	up	1424.1% to	(40,678)
Loss for the half-year attributable to the owners of Molopo Energy Ltd	up	1424.1% to	(40,678)

### Dividends

There were no dividends paid, recommended or declared during the current financial period.

### Comments

The loss for the consolidated entity after providing for income tax amounted to \$40,678,000 (30 June 2017: \$2,669,000).

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	5.71	22.49

## 4. Control gained over entities

Not applicable.

## 5. Loss of control over entities

Not applicable.

## 6. Details of associates and joint venture entities

Not applicable.

## 7. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

#### 8. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

---

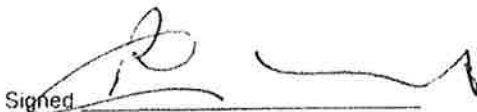
#### 9. Attachments

*Details of attachments (if any):*

The Interim Report of Molopo Energy Ltd for the half-year ended 30 June 2018 is attached.

---

#### 10. Signed

Signed 

Date: 6 May 2019

Roger Corbett  
Non-executive Chairman  
Melbourne

# **Molopo Energy Ltd**

**ABN 79 003 152 154**

## **Interim Report - 30 June 2018**

Corporate directory	2
Directors' report	3
Auditor's independence declaration	7
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12
Directors' declaration	22
Independent auditor's review report to the members of Molopo Energy Ltd	23

## **General information**

The financial statements cover Molopo Energy Ltd as a consolidated entity consisting of Molopo Energy Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Molopo Energy Ltd's functional and presentation currency.

Molopo Energy Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

C/- Accosec & Associates  
Suite 3, Level 2, 470 Collins Street  
Melbourne Victoria, 3000 Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 6 May 2019.

Directors	<p>Roger Corbett AO (Independent Non-executive Chairman)  William Johnson (Non-executive Director)  Ralph Curton (Independent Non-executive Director)  Anthony Hartnell AM (Independent Non-executive Director)</p>
Company secretary	Andrew Metcalfe
Registered office	<p>C/- Accosec &amp; Associates  Suite 3, Level 2, 470 Collins Street  Melbourne Victoria, 3000 Australia</p>
Principal place of business	<p>C/- Accosec &amp; Associates  Suite 3, Level 2, 470 Collins Street  Melbourne Victoria, 3000 Australia</p>
Share register	<p>Computershare Investor Services Pty Ltd  Yarra Falls  452 Johnston Street  Abbotsford VIC 3067  Australia  Telephone: (61 3) 9415 4000</p>
Auditor	<p>BDO East Coast Partnership  Collins Square, Tower 4  Level 18, 727 Collins Street  Melbourne, Victoria 3008  Australia</p>
Bankers	<p>National Australia Bank Limited  330 Collins Street, Melbourne, VIC, 3000, Australia  National Bank of Canada  301 – 6th Avenue, Calgary, AB T2P 4M9, Canada</p>
Stock exchange listing	<p>Molopo Energy Ltd shares are listed on the Australian Securities Exchange (ASX code: MPO)  Australian Securities Exchange Limited  Level 4, North Tower, 525 Collins Street  Melbourne, VIC 3000  Australia</p>
Website	<a href="http://www.molopoenergy.com">www.molopoenergy.com</a>

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Molopo Energy Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2018.

#### **Directors**

The following persons were Directors of Molopo Energy Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Roger Corbett - Independent Non-Executive Chairman (appointed 31 May 2018)  
William Johnson - Non-Executive Director (appointed 31 May 2018)  
Ralph Curton - Non-Executive Director (appointed 31 May 2018)  
Anthony Hartnell - Non-Executive Director (appointed 31 May 2018)  
Baljit Johal - Managing Director (removed 31 May 2018)  
Matthew Cudmore - Non-Executive Director (removed 31 May 2018)  
Richard Matthews - Executive Director (removed 31 May 2018)  
Samuel Belzberg - Non-Executive Director (deceased 30 March 2018)

#### **Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$40,678,000 (30 June 2017: \$2,669,000).

#### **Executive Summary**

##### **Corporate**

Molopo's shares have been suspended from trading since 27 July 2017 as a result of failing to satisfy ASX's requirement for a sufficient level of operations.

On 31 January 2018 Molopo acquired the remaining 50% of Orient FRC Limited (Orient) shares by making a second payment of US\$7 million to ESGM Investments Limited (ESGM), the owner of the shares in Orient, having acquired the initial 50% in July 2017. Orient controlled a right to earn an interest in a joint venture in an oil & gas exploration project in South Florida (Orient Project).

Subsequent to that transaction, the Company redeemed its joint venture partner shares in Orient and committed to full funding of Orient (total US\$21M) in respect of the Orient Project.

In February 2018, Molopo partnered with Drawbridge Energy Holdings Ltd, a BVI registered company, for additional projects by transferring 100% of its interest in Orient US LLC and its interest in the Orient Project to Drawbridge in return for 30% non-voting interest in Drawbridge. This reduced the direct interest Molopo had in the Orient Project resulting in an indirect interest in a range of additional oil and gas projects in the USA, in what is called the Combination Transaction.

On 8 May 2018, Molopo made an ASX announcement disclosing the following actions, namely that:

- (a) On 31 January 2018, Orient acquired the balance of all shares in Orient from ESGM for consideration of US\$7M.
- (b) During the first quarter of 2018, Molopo (or its subsidiaries) provided total funding to Orient of US\$23.5M, in addition to the US\$4.5M provided in December 2017. Of this total amount, US\$7M was used to fund the acquisition of the shares in Orient and US\$20.4M was used as a capital contribution from Orient to its wholly owned subsidiary, Orient US LLC.
- (c) On 21 February 2018, Orient entered into a contribution agreement with Drawbridge contemplating the Combination Transaction, that was completed on 7 March 2018.
- (d) Following completion of the Combination Transaction, Molopo had acquired, via Orient's 30% non-voting interest in Drawbridge, a diversified oil and gas exploration project portfolio with indirect interests in several oil and gas projects in Texas, U.S.A. for US\$35M consisting of its interests in the Orient Project and its investment in Orient US LLC.

On 11 May 2018, ASX notified Molopo that it considered the Orient Transactions announced on 22 August 2017 (as modified by the announcement on 8 May 2018), and the subsequent completion of the Combination Transaction, to be a significant change to the nature or scale of Molopo's activities. ASX exercised its discretion under Listing Rule 11.1.2 to require that the Orient Transactions and the subsequent Combination Transaction (together referred to as the Orient/Drawbridge Transactions), be approved by Molopo shareholders and pursuant to Listing Rule 11.1.3 required Molopo to satisfy the requirements in Chapters 1 and 2 of the Listing Rules, as if it were applying for admission to the Official List, to enable lifting the suspension from trading. Further, ASX also advised that it considered Molopo, under the direction of the directors at that time, had committed serious breaches of the ASX Listing Rules and may also have breached ss1041H and 1309 of the Corporations Act for making misleading disclosures to ASX. Subsequent findings of the Takeovers Panel indicated that breaches of ASX Listing Rules and Corporations Act continuous disclosure obligations had occurred.

The Current Directors of Molopo (Corbett, Johnson, Curton and Hartnell) were elected on 31 May 2018 and immediately commenced and continue to undertake detailed investigations into the Orient/Drawbridge Transactions that were entered into by former directors of the Company.

The Orient/Drawbridge Transactions comprise a combination of a US\$14M investment to acquire all issued shares in Orient FRC Limited, which owns a 30% non-voting A class share interest in Drawbridge for which Molopo contributed funding in total of US\$18M under the Contribution Agreement in February 2018, plus incurring a further US\$3M of associated expenses.

The US\$35M invested in the Orient/Drawbridge Transactions is the principal reason for the Company's cash reserves being depleted from AU\$65.2M at 30 June 2017 to AU\$15 Million as of 30 June 2018 with the only significant asset held by Molopo, other than its cash reserves, being Orient's 30% non-voting interest in Drawbridge.

The Current Directors have serious concerns ascribing any value to the Company's interest in Orient and the 30% non-voting interest in Drawbridge. After undertaking investigations and seeking external advice, as at the date of this report, the Current Director's assessment of the oil & gas exploration and production assets held by Drawbridge is that their value is less than the value implied by the Orient/Drawbridge Transactions and that there is little chance that they will deliver any meaningful value for Molopo in the near future. As such, the Current Directors have fully impaired the investment in, and loans advanced to, Orient and Drawbridge in the amount of US\$35M (AU\$46M).

With the objective of recovering as much value as possible for Molopo shareholders, the Current Directors are vigorously pursuing legal proceedings against former directors of the Company responsible for entering into these transactions to hold them accountable for breaches of their directors' duties. Molopo and Orient are also pursuing proceedings against Drawbridge seeking amongst other things orders to prevent the dissipation of funds from Drawbridge, all of which were advanced by Molopo, and to obtain reliable financial reports as to the financial position of Drawbridge and its projects as required to be provided under the Contribution Agreement. The Current Directors firmly believe this provides the best chance for Molopo shareholders to recover value from the actions undertaken by former directors of the Company.

#### **Drawbridge Operations**

Draft and unaudited financial statements provided by Drawbridge indicated a remaining cash balance as of 30 June 2018 of approximately US\$8.5M and subsequent information suggests that as at 31 December 2018 the remaining cash balance is approximately US\$1.6M. If these financial statements are accurate, which the Current Directors have been unable to verify given that Drawbridge has not provided any supporting bank statements or other reliable evidence, then Drawbridge has, since February 2018, spent in excess of US\$9.5M of the capital contributed by Molopo at 30 June 2018 and in excess of US\$16.4M as at 31 December 2018, on acquiring interests in oil and gas projects or properties and operating expenses including management and consulting fees paid to Drawbridge management and their related entities.

#### **2018 Annual General Meeting**

At the Company's Annual General Meeting (AGM) on 31 May 2018, shareholders voted to remove the Former Directors, who since 2017 committed the Company to the Orient/Drawbridge Transactions amounting to US\$35M (AU\$46M) with various overseas persons and entities.

#### **Takeovers Panel proceedings**

## Takeovers Panel proceedings

On 11 May 2018, Aurora Funds Management Limited (Aurora) submitted an application to the Takeovers Panel in relation to the affairs of Molopo seeking a Declaration of Unacceptable Circumstances in relation to the Orient/Drawbridge Transactions.

Aurora submitted, inter alia, that:

- (a) the transactions and events described in the 8 May 2018 ASX announcement constituted frustrating actions and should have been subject to shareholder approval;
- (b) there were disclosure deficiencies in Molopo's Target Statement and Supplementary Target Statements;
- (c) Molopo failed to comply with its continuous disclosure obligations; and
- (d) the conduct of Molopo's directors (being the Former Directors) in relation to, and the nature of, the transactions, and other circumstances, gave rise to serious concerns regarding the transactions.
- the cumulative effect of the transactions and events has been, and continued, to inhibit the acquisition of control over voting shares in Molopo taking place in an efficient, competitive and informed market.
- it appeared that Molopo had misled the Takeovers Panel in prior Takeover Panel proceedings regarding the urgency and use of the US\$4.5M shareholder loan to Orient.
- in relation to the Orient/Drawbridge Transactions, that certain circumstances "point to the transaction being a sham" including the uncommercial structure of the transaction, the speed at which and the secrecy with which it had been consummated, the lack of oil and gas experience of the Former Directors and the disregard for the ASX Listing Rules.
- it sought an order that all transactions that are capable of being unwound be unwound. If that order was not made (or complied with) and Aurora withdrew its bid due to the frustrating actions, it sought an order for costs associated with its bid.

On 8 June 2018, the Takeovers Panel made a Declaration of Unacceptable Circumstances in relation to the Orient/Drawbridge Transactions.

## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year other than those matters mentioned in detail above under Review of Operations.

## Matters subsequent to the end of the financial half-year

### Legal actions

Molopo is actively pursuing the legal claims referred to above in the USA against Drawbridge.

British Virgin Islands (BVI) registered Sopris Energy Investments Ltd (Sopris), is the majority 70% shareholder of Drawbridge and holds 100% of the voting rights in Drawbridge which it appears to have acquired without contributing any cash or other assets to the transaction (Molopo indirectly holds the other non-voting 30% shareholding of Drawbridge, through its wholly owned subsidiary, Orient).

Molopo has also initiated the legal actions against the former directors of Molopo, Baljit Johal, Richard Matthews, Matthew Cudmore, Ronen Rosengart and subsequently Alexandre Gabovich (Former Directors). Molopo notified its D&O Insurers that the company was making a claim under the policies against those Former Directors. These proceedings are in the Supreme Court of Victoria against those Former Directors for breach of their directors' duties in relation to committing Molopo to the Orient/Drawbridge Transactions.

Molopo will continue to vigorously pursue its claims in the Supreme Court of Victoria against the above-mentioned Former Directors of the Company and is confident that these proceedings will result in a successful recovery against the Former Directors and under the Company's D&O policy.

In addition, Molopo Energy Canada Limited (MECL), a wholly owned subsidiary of the Company, was informed that the plaintiff who initiated the long-standing legal action in Canada against MECL, appointed new legal counsel in Calgary and Court orders have now been made by consent for case management of those proceedings. No further developments in those proceedings have been advised.



#### Takeover Panel Proceedings and Orders

Following the Takeovers Panel decision on 8 June 2018, the Initial Panel made a declaration (Original Orders) on 18 July 2018 that required Molopo to pay to Aurora Funds Management Ltd costs amounting to AU\$46,477 and AU\$24,105. This represents costs incurred by Aurora in relation to Aurora's bid and initial proceedings that Aurora brought to the Takeovers Panel claiming unacceptable circumstances in respect of the Combination Transaction that the former directors of Molopo had entered into with Drawbridge.

By application made on 20 July 2018, Molopo sought a review of the Original Orders. Molopo submitted an application to the Takeovers Panel in relation to the affairs of the Former Directors seeking further orders in relation to their actions in entering into the Orient/Drawbridge Transactions and submitting that the most appropriate orders to remedy the Unacceptable Circumstances were to put Molopo shareholders back in the position they would have been had former Directors not undertaken the Orient/Drawbridge Transactions.

Molopo's application sought a review of the final orders made by the Initial Panel and did not seek a review of the Initial Panel's decision to make a Declaration of Unacceptable Circumstances.

On 26 September 2018, the Review Panel varied the orders of the Initial Panel. The Review Panel's decision required the Former Directors to, inter alia, reimburse Molopo for the costs that Molopo was ordered to pay Aurora in the Initial Panel's findings (AU\$70,582) plus additional costs incurred by Molopo totalling AU\$91,945 (Costs Orders). Pursuant to the varied Orders, payment of the above amounts under the Costs Orders by the Former Directors were to be made by 26 November 2018, liability being joint and several.

In making their decision, the Review Panel agreed with the Initial Panel's findings, among other things, that there had been a blatant disregard of the ASX Listing Rules and Molopo's disclosure obligations by the Former Directors.

The Current Directors will continue to pursue their investigations and legal actions in an effort to recover value for shareholders.

No other matters or circumstances has arisen since 30 June 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### **Rounding of amounts**

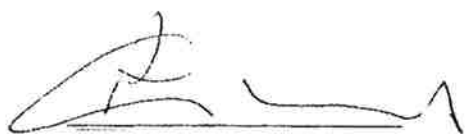
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

#### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

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

On behalf of the Directors



Roger Corbett  
Non-executive Chairman

6 May 2019



Tel: +61 3 9603 1700  
Fax: +61 3 9602 3870  
[www.bdo.com.au](http://www.bdo.com.au)

Collins Square, Tower Four  
Level 18, 727 Collins Street  
Melbourne VIC 3008  
GPO Box 5099 Melbourne VIC 3001  
Australia

## **DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF MOLOPO ENERGY LIMITED**

As lead auditor for the review of Molopo Energy Limited for the half-year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Molopo Energy Limited and the entities it controlled during the period.

James Mooney  
Partner

**BDO East Coast Partnership**

Melbourne, 6 May 2019


**Molopo Energy Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2018**



		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2018</b>	<b>30 Jun 2017</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>			
Other income	3	178	-
Interest revenue		145	649
<b>Expenses</b>			
Withholding tax payable		-	(490)
Salary and employee benefits expense		(598)	(395)
Foreign exchange loss		-	(670)
Impairment of investments	9	(46,366)	-
Reversal of provisions	11	8,497	-
Finance costs		-	(91)
Administration		(450)	(705)
Legal, management and consulting fees		(2,084)	(1,028)
Total expenses		<u>(41,001)</u>	<u>(3,379)</u>
<b>Loss before income tax benefit</b>		(40,678)	(2,730)
Income tax benefit		-	61
<b>Loss after income tax benefit for the half-year attributable to the owners of Molopo Energy Ltd</b>	14	(40,678)	(2,669)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		2,266	(59)
<b>Other comprehensive income for the half-year, net of tax</b>		<u>2,266</u>	<u>(59)</u>
<b>Total comprehensive income for the half-year attributable to the owners of Molopo Energy Ltd</b>		<u>(38,412)</u>	<u>(2,728)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	19	(16.33)	(1.07)
Diluted loss per share	19	(16.33)	(1.07)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

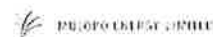
**Molopo Energy Ltd**  
**Statement of financial position**  
**As at 30 June 2018**

 **MOLOPO ENERGY LIMITED**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	15,029	47,689
Trade and other receivables	6	7	22
Total current assets		<u>15,036</u>	<u>47,711</u>
<b>Non-current assets</b>			
Receivables	7	-	6,043
Investment in Orient FRC Ltd – a Joint Venture company	8	-	8,695
Total non-current assets		<u>-</u>	<u>14,738</u>
<b>Total assets</b>		<u>15,036</u>	<u>62,449</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	809	1,266
Total current liabilities		<u>809</u>	<u>1,266</u>
<b>Non-current liabilities</b>			
Provisions	11	-	8,544
Total non-current liabilities		<u>-</u>	<u>8,544</u>
<b>Total liabilities</b>		<u>809</u>	<u>9,810</u>
<b>Net assets</b>		<u>14,227</u>	<u>52,639</u>
<b>Equity</b>			
Issued capital	12	157,321	157,321
Reserves	13	(1,795)	(4,061)
Accumulated losses	14	(141,299)	(100,621)
<b>Total equity</b>		<u>14,227</u>	<u>52,639</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

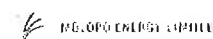
**Molopo Energy Ltd**  
**Statement of changes in equity**  
**For the half-year ended 30 June 2018**



	Issued capital \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Consolidated</b>				
Balance at 1 January 2017	157,321	(4,061)	(94,515)	58,745
Loss after income tax benefit for the half-year	-	-	(2,669)	(2,669)
Other comprehensive income for the half-year, net of tax	-	(59)	-	(59)
Total comprehensive income for the half-year	-	(59)	(2,669)	(2,728)
Balance at 30 June 2017	157,321	(4,120)	(97,184)	56,017
	Issued capital \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Consolidated</b>				
Balance at 1 January 2018	157,321	(4,061)	(100,621)	52,639
Loss after income tax expense for the half-year	-	-	(40,678)	(40,678)
Other comprehensive income for the half-year, net of tax	-	2,266	-	2,266
Total comprehensive income for the half-year	-	2,266	(40,678)	(38,412)
Balance at 30 June 2018	157,321	(1,795)	(141,299)	14,227

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Molopo Energy Ltd**  
**Statement of cash flows**  
**For the half-year ended 30 June 2018**



	<b>Consolidated</b>	
	<b>30 June 2018</b>	<b>30 Jun 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(4,165)	(2,357)
Interest received	164	649
Income taxes refunded	-	58
<b>Net cash used in operating activities</b>	<b>(4,001)</b>	<b>(1,650)</b>
<b>Cash flows from investing activities</b>		
Payment for purchase of subsidiary, net of cash acquired	(8,169)	-
Cash outflow on disposal of subsidiary	(20,892)	-
<b>Net cash used in investing activities</b>	<b>(29,061)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(33,062)</b>	<b>(1,650)</b>
Cash and cash equivalents at the beginning of the financial half-year	47,689	67,485
Effects of exchange rate changes on cash and cash equivalents	402	(669)
<b>Cash and cash equivalents at the end of the financial half-year</b>	<b>15,029</b>	<b>65,166</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 30 June 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2017 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Going concern**

The consolidated entity is considered a going concern as its current assets exceed its current liabilities by \$14,227,000 at the reporting date, and there is no indication that in the 12 month period from the date of this report that the consolidated entity will be in a position that it cannot meet its future commitments as and when they fall due.

## **Note 2. Operating segments**

### *Identification of reportable operating segments*

The consolidated entity is organised into 3 operating segments: Australia, Canada & USA. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

### *Intersegment transactions*

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

### *Intersegment receivables, payables and loans*

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

**Note 2. Operating segments (continued)**

*Operating segment information*

	Australia \$'000	Canada \$'000	USA \$'000	Total \$'000
<b>Consolidated - 30 June 2018</b>				
<b>EBITDA</b>	(3,153)	8,718	(46,388)	(40,823)
Interest revenue	122	-	23	145
<b>Profit/(loss) before income tax expense</b>	(3,031)	8,718	(46,365)	(40,678)
Income tax expense				-
<b>Loss after income tax expense</b>				(40,678)
<b>Assets</b>				
Segment assets	13,222	1,572	242	15,036
<b>Total assets</b>				15,036
<b>Liabilities</b>				
Segment liabilities	809	-	-	809
<b>Total liabilities</b>				809
<b>Consolidated - 30 Jun 2017</b>				
<b>EBITDA</b>	(2,639)	(649)	-	(3,288)
Interest revenue	649	-	-	649
Finance costs	-	(91)	-	(91)
<b>Loss before income tax benefit</b>	(1,990)	(740)	-	(2,730)
Income tax benefit				61
<b>Loss after income tax benefit</b>				(2,669)
<b>Consolidated - 31 Dec 2017</b>				
<b>Assets</b>				
Segment assets	53,989	8,231	229	62,449
<b>Total assets</b>				62,449
<b>Liabilities</b>				
Segment liabilities	1,113	8,670	27	9,810
<b>Total liabilities</b>				9,810

**Note 3. Other income**

**Consolidated**  
**30 June 2018 30 Jun 2017**  
**\$'000 \$'000**

Net foreign exchange gain

178 -



**Note 4. Expenses**

Consolidated	
30 June 2018	30 Jun 2017
\$'000	\$'000

Loss before income tax includes the following specific expenses:

*Impairment*

Investment In Drawbridge Energy Holdings Ltd

46,366	-
--------	---

**Note 5. Current assets - cash and cash equivalents**

Consolidated	
30 Jun 2018	31 Dec 2017
\$'000	\$'000

Cash at bank  
Cash on deposit

7,986	23,385
7,043	24,304

15,029	47,689
--------	--------

**Note 6. Current assets - trade and other receivables**

Consolidated	
30 Jun 2018	31 Dec 2017
\$'000	\$'000

Other receivables  
Interest receivable

7	2
-	20

7	22
---	----

**Note 7. Non-current assets - receivables**

Consolidated	
30 Jun 2018	31 Dec 2017
\$'000	\$'000

Loan to Orient Joint Venture

-	6,043
---	-------

**Note 7. Non-current assets - receivables (continued)**

On 25 July 2017 the Company acquired a 50% shareholding in Orient FRC Ltd (Orient) (incorporated and registered in the British Virgin Islands). Under the terms of the Orient shareholders' agreement, the Company was required to fund 50% of the Orient Project in accordance with the Exploration and Development Agreement. US\$4.5 million (\$A6.043 million) was loaned by the Company in December 2017 for future commitments in the Orient Project.

On 31 January 2018, Molopo acquired the remaining 50% of Orient shares. Subsequent to that transaction, the Company redeemed its joint venture partner shares in the Orient Project and provided total funding to Orient of US\$23.5M, in addition to the US\$4.5M provided in December 2017. Of this total amount, US\$7M was used to fund the acquisition of the shares in Orient and US\$20.4M as a capital contribution from Orient to its wholly owned subsidiary, Orient US LLC.

A summary of the Company's loan to Orient is as follows:

	<b>Consolidated</b>	
	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening carrying amount	6,043	-
Additions	-	6,043
Reclassify prior year loan to Orient Joint Venture to intercompany loan to subsidiary due to current year acquisition of remaining 50% of shares in Orient.	(6,043)	-
Closing carrying amount	-	6,043

**Note 8. Non-current assets - investment in Orient FRC Ltd – a Joint Venture company**

	<b>Consolidated</b>	
	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Investment in Orient Joint Venture	-	8,695

**Interests in joint ventures**

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the consolidated entity are set out below:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership interest</b>	
		<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
		<b>%</b>	<b>%</b>
Orient Joint Venture	British Virgin Islands	-	50.00%

On 25 July 2017 the Company acquired a 50% shareholding in Orient FRC Ltd (Orient) (incorporated and registered in the British Virgin Islands) for a consideration of US\$7.0 million.

At 31 December 2017, the other 50% shareholder was ESGM Investments Limited who held equal voting rights in the Company.

At 31 December 2017, the Company recognised the interest in Orient as an investment and adopted the equity method of accounting in accordance with AASB 128: Investment in Associates and Joint Ventures.

On 31 January 2018, Molopo acquired the remaining 50% interest in Orient for payment of US\$7.0 million. From that date and up to financial reporting date, Orient was a wholly owned entity of Molopo. Refer to note 9 - Investments and note 16 Business Combinations.

A summary of the Company's share of the Orient Joint Venture is as follows:

**Note 8. Non-current assets - investment in Orient FRC Ltd – a Joint Venture company (continued)**

*Summarised financial information*

	<b>Orient Joint Venture 30 Jun 2018 \$'000</b>	<b>Orient Joint Venture 31 Dec 2017 \$'000</b>
<i>Summarised statement of financial position</i>		
Current assets	-	2,507
Non-current assets	-	6,076
<b>Total assets</b>	<b>-</b>	<b>8,583</b>
Current liabilities	-	153
Loan from Molopo Energy Limited	-	6,043
<b>Total liabilities</b>	<b>-</b>	<b>6,196</b>
<b>Net assets</b>	<b>-</b>	<b>2,387</b>
<i>Summarised statement of profit or loss and other comprehensive income</i>		
Other expenses	-	(181)
Loss before income tax	-	(181)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>(181)</b>
<i>Reconciliation of the consolidated entity's carrying amount</i>		
Opening carrying amount	8,695	-
Share of loss after income tax	-	(90)
Investment in joint venture	-	8,785
Reclassify prior year acquisition of 50% interest in Orient from joint venture to investment in subsidiary due to current year acquisition of remaining 50% of shares in Orient	(8,695)	-
<b>Closing carrying amount</b>	<b>-</b>	<b>8,695</b>

**Note 9. Non-current assets - investments - Drawbridge Energy Holdings Ltd**

During the period, Orient FRC Ltd acquired a 30% non-voting interest in Drawbridge Energy Holdings Limited (Drawbridge) and transferred its rights to an oil & gas project located in Florida, USA. During the same period, Molopo contributed funding to Drawbridge of US\$18M under the Contribution Agreement in February 2018, plus incurring a further US\$3M of associated expenses.

As at 30 June 2018, the Directors considered the available information from their extensive investigations into the investment and have determined that based upon the information available it would appear that the investment in Drawbridge had Nil value. As such, the Company has fully impaired the investment in Drawbridge.

A summary of the Company's investment in Drawbridge is as follows:

**Note 9. Non-current assets - investments - Drawbridge Energy Holdings Ltd (continued)**

	<b>Consolidated</b>	
	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:		
Opening fair value of the Company's investment in Drawbridge	-	-
Additions through Contribution Agreement	46,366	-
Impairment of investment in Drawbridge	(46,366)	-
Closing fair value	-	-

**Note 10. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade payables	809	1,266

**Note 11. Non-current liabilities - provisions**

	<b>Consolidated</b>	
	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Legal claims	-	8,544

In March 2011, Molopo Energy Canada Ltd ("MECL"), a wholly owned subsidiary of Molopo was served with a statement of claim ("Claim") by a former joint venture partner (3105682 Nova Scotia ULC ("310 ULC")) claiming MECL breached various agreements relating to the relevant joint venture, including breach of fiduciary duties, trust and good faith. 310 ULC has sought declarations, accountings, damages of 25% revenue, C\$35.0 (A\$35.9) million general damages, C\$1.0 (A\$1.0) million punitive and aggravated damages, interest, GST and indemnity costs.

Subsequent to the filing of the statement of defence, the Company undertook an extensive examination of the transactions that gave rise to the amounts in dispute. This examination resulted in the Company applying a provision in the accounts in 2012 of a net C\$5.0 (A\$5.1) million. In early 2013, 310 ULC settled a counterclaim by making a payment of C\$3.4 (A\$3.5) million to the Company, at which time the Company increased the provision to C\$8.4 (A\$8.6) million.

During the current reporting period the Directors have reconsidered the circumstances that gave rise to recognition of the provision. A significant amount of time has passed since the provision was brought to account with limited progress on the claim. The Directors have reviewed the current status of the claims as provided by its lawyers and based upon this status update, the time elapsed and the limited progress made in the proceedings, they have taken the view that the amount of the provision can no longer be reliably measured, and therefore no longer meets the recognition criteria for a liability. Based on these findings, the Directors have reversed the provision in full and fully disclosed the claims as a contingent liability (refer note 15).

**Note 12. Equity - issued capital**

	<b>Consolidated</b>			
	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$'000</b>	<b>\$'000</b>
Ordinary shares - fully paid	249,040,648	249,040,648	157,321	157,321

**Note 12. Equity - issued capital (continued)**

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

**Note 13. Equity - reserves**

	<b>Consolidated</b>	
	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Foreign currency reserve	<u>(1,795)</u>	<u>(4,061)</u>

**Note 14. Equity - accumulated losses**

	<b>Consolidated</b>	
	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Accumulated losses at the beginning of the financial half-year	(100,621)	(94,515)
Loss after income tax benefit for the half-year	<u>(40,678)</u>	<u>(6,106)</u>
Accumulated losses at the end of the financial half-year	<u><u>(141,299)</u></u>	<u><u>(100,621)</u></u>

**Note 15. Contingent liabilities**

There exists a series of historical legal actions initiated in Canada concerning the Company and Molopo Energy Canada Ltd. ("MECL"), a wholly owned subsidiary of the Company, all of which relate to the sale by MECL of its interests in various oil and gas assets on 1 March 2011, summarised as follows:

1. One of MECL's former joint venture partners (3105682 Nova Scotia ULC ("310 ULC")) commenced legal action in 2011 against MECL claiming MECL breached various agreements relating to the relevant joint venture, including breach of fiduciary duties, trust and good faith. 310 ULC has sought declarations, accountings, damages of 25% revenue, C\$35.0 (A\$35.5) million general damages, C\$1.0 (A\$1.0) million punitive and aggravated damages, interest, GST and indemnity costs.

The Group has previously made a C\$8.4 million provision in its prior financial statements in relation to this litigation (see Note 11 of the financial statements). Molopo Energy Limited as parent company, is itself not a party to these proceedings. Whilst the litigation commenced in 2011, it is considered that the legal action will not be heard in court for at least a further 3 years. Given the information presented it was determined to write-back the provision to Nil and reflect the legal action as a contingent liability.

2. 310 ULC also commenced legal action in 2013 against the purchaser of MECL's interests in the assets, Legacy Oil & Gas Inc. ("Legacy"), as successor in title to MECL, claiming that Legacy continued some breaches allegedly committed by MECL and committed further breaches of the agreements relating to the relevant joint venture, including breaches of fiduciary duties, trust and good faith. 310 ULC has sought declarations, accountings, damages of 25% revenue, C\$90.0 (A\$90.2) million general damages, C\$1.0 (A\$1.0) million punitive and aggravated damages, interest, GST and indemnity costs.

#### Note 15. Contingent liabilities (continued)

Legacy has issued a third-party notice to both MECL and Molopo on the basis of indemnities provided by MECL to Legacy in the sale agreement between MECL and Legacy, and a guarantee provided by Molopo to Legacy in relation to MECL's obligations under the sale agreement. In June 2015, Legacy was acquired by Crescent Point Energy Corporation, an oil and gas company based in Calgary, Canada.

MECL and Molopo have not yet been required to file any defence to the third-party claim.

#### Note 16. Business combinations

##### *Acquisition of Orient FRC Limited*

On 25 July 2017 the Company acquired a 50% shareholding in Orient FRC Ltd (Orient) (incorporated and registered in the British Virgin Islands) for a consideration of US\$7.0 million. Under the terms of the Orient shareholders' agreement, the Company was required to fund 50% of the Orient Project in accordance with the Exploration and Development Agreement. US\$4.5 million was loaned by the Company in December for future commitments in the Orient Project.

At 31 December 2017, the other 50% shareholder was ESGM Investments Limited who held equal voting rights in Orient.

At 31 December 2017, the Company recognised the interest in Orient as an investment and adopted the equity method of accounting in accordance with AASB 128: Investment in Associates and Joint Ventures.

On 31 January 2018, Molopo acquired the remaining 50% interest in Orient for payment of US\$7.0 million. From that date and up to financial reporting date, Orient was a wholly owned entity of Molopo. During the period, Orient acquired a 30% non-voting interest in Drawbridge Energy Holdings Limited and transferred its rights to an oil & gas project located in Florida, USA. As at 30 June 2018, the Directors have determined that the investment in Drawbridge had Nil value.

A summary of the Company's investment in Orient is as follows:

	Fair value \$'000
Cash and cash equivalents	503
Exploration and evaluation rights	18,368
Loan to Drawbridge Energy Holdings Ltd	2,477
Loan to Molopo Energy Ltd	2,832
Loan from Molopo Energy Canada Ltd	(6,813)
	<hr/>
Net assets acquired	17,367
Goodwill	-
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>17,367</u>
Representing:	
Cash paid or payable to vendor	8,672
Reclassify prior year acquisition of 50% interest in Orient from joint venture to investment in subsidiary	8,695
	<hr/>
	<u>17,367</u>



**Note 17. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 Jun 2018 %	31 Dec 2017 %
Molopo USA LLC	USA	100.00%	100.00%
Molopo Energy Texas LLC	USA	100.00%	100.00%
Orient FRC Limited	British Virgin Islands	100.00%	50.00%
Molopo Energy Holdings Ltd	Canada	100.00%	100.00%
Molopo Energy Canada Ltd	Canada	100.00%	100.00%
Molopo Canada Callco Ltd	Canada	100.00%	100.00%

**Note 18. Events after the reporting period**

**Legal actions**

Molopo is actively pursuing the legal claims referred to above in the USA against Drawbridge.

British Virgin Islands (BVI) registered Sopris Energy Investments Ltd (Sopris), is the majority 70% shareholder of Drawbridge and holds 100% of the voting rights in Drawbridge which it appears to have acquired without contributing any cash or other assets to the transaction (Molopo indirectly holds the other non-voting 30% shareholding of Drawbridge, through its wholly owned subsidiary, Orient).

Molopo has also initiated the legal actions against the former directors of Molopo, Baljit Johal, Richard Matthews, Matthew Cudmore, Ronen Rosengart and subsequently Alexandre Gabovich (Former Directors). Molopo notified its D&O Insurers that the company was making a claim under the policies against those Former Directors. These proceedings are in the Supreme Court of Victoria against those Former Directors for breach of their directors' duties in relation to committing Molopo to the Orient/Drawbridge Transactions.

Molopo will continue to vigorously pursue its claims in the Supreme Court of Victoria against the above-mentioned Former Directors of the Company and is confident that these proceedings will result in a successful recovery against the Former Directors and under the Company's D&O policy.

In addition, Molopo Energy Canada Limited (MECL), a wholly owned subsidiary of the Company, was informed that the plaintiff who initiated the long-standing legal action in Canada against MECL, appointed new legal counsel in Calgary and Court orders have now been made by consent for case management of those proceedings. No further developments in those proceedings have been advised.

**Takeover Panel Proceedings and Orders**

Following the Takeovers Panel decision on 8 June 2018, the Initial Panel made a declaration (Original Orders) on 18 July 2018 that required Molopo to pay to Aurora Funds Management Ltd costs amounting to AU\$46,477 and AU\$24,105. This represents costs incurred by Aurora in relation to Aurora's bid and initial proceedings that Aurora brought to the Takeovers Panel claiming unacceptable circumstances in respect of the Combination Transaction that the former directors of Molopo had entered into with Drawbridge.

By application made on 20 July 2018, Molopo sought a review of the Original Orders. Molopo submitted an application to the Takeovers Panel in relation to the affairs of the Former Directors seeking further orders in relation to their actions in entering into the Orient/Drawbridge Transactions and submitting that the most appropriate orders to remedy the Unacceptable Circumstances were to put Molopo shareholders back in the position they would have been had former Directors not undertaken the Orient/Drawbridge Transactions.

Molopo's application sought a review of the final orders made by the Initial Panel and did not seek a review of the Initial Panel's decision to make a Declaration of Unacceptable Circumstances.

**Note 18. Events after the reporting period (continued)**

On 26 September 2018, the Review Panel varied the orders of the Initial Panel. The Review Panel's decision required the Former Directors to, inter alia, reimburse Molopo for the costs that Molopo was ordered to pay Aurora in the Initial Panel's findings (AU\$70,582) plus additional costs incurred by Molopo totalling AU\$91,945 (Costs Orders). Pursuant to the varied Orders, payment of the above amounts under the Costs Orders by the Former Directors were to be made by 26 November 2018, liability being joint and several.

In making their decision, the Review Panel agreed with the Initial Panel's findings, among other things, that there had been a blatant disregard of the ASX Listing Rules and Molopo's disclosure obligations by the Former Directors.

The Current Directors will continue to pursue their investigations and legal actions in an effort to recover value for shareholders.

No other matters or circumstances has arisen since 30 June 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 19. Earnings per share**

	<b>Consolidated</b>	
	<b>30 June 2018</b>	<b>30 Jun 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss after income tax attributable to the owners of Molopo Energy Ltd	<u>(40,678)</u>	<u>(2,669)</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(16.33)	(1.07)
Diluted loss per share	(16.33)	(1.07)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>249,040,648</u>	<u>249,040,648</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>249,040,648</u>	<u>249,040,648</u>



**Molopo Energy Ltd**  
**Directors' declaration**  
**30 June 2018**

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Roger Corbett  
Non-executive Chairman

6 May 2019

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Molopo Energy Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Molopo Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

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

#### 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, we have become aware of any matter that makes us 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 financial position as at 30 June 2018 and its 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

**BDO East Coast Partnership**

A small, stylized version of the BDO logo, featuring the letters 'BDO' in a cursive script.

A handwritten signature in black ink, appearing to read 'James Mooney'.

**James Mooney**  
**Partner**

Melbourne, 6 May 2019