



ABN 61 005 632 315

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2019

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DIRECTORY

BOARD OF DIRECTORS

E.G. Albers (Chairman)
R.L. Clark
J.M.D. Willis
K. How Kow

COMPANY SECRETARY

R.J. Wright

REGISTERED OFFICE

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500 Collins Street,
Melbourne, Victoria 3000

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AUDITOR

Grant Thornton Audit Pty Ltd
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727 Collins Street
Melbourne, Victoria 3008 Australia

SHARE REGISTRY

Automic Pty Ltd
Level 3
50 Holt Street
Surry Hills, NSW 2010, Australia
Telephone: 1300 288 664 (within Australia)
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Website: www.automic.com.au

INCORPORATED

Incorporated in Victoria on 13 March 1980

STOCK EXCHANGE LISTING

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

ASX Code: OXX

CURRENCY

The company's functional and presentation currency is Australian Dollars.

FORWARD LOOKING STATEMENTS

This report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the company or not currently considered material by the company.

DIRECTORS' REPORT

The directors of Octanex Limited (**Octanex** or **the company**) submit their report on the consolidated results of the company and its wholly-owned subsidiaries (**controlled entities**) or (**the group**) for the half year ended 31 December 2019.

Directors

The names of the company's directors in office during the half year and until the date of this report are as follows:

E Geoffrey Albers – Executive Chairman and Chief Executive Officer

Raewyn Clark – Executive Director and Chief Operating Officer

James Willis – Independent Non-Executive Director

Kevin How Kow – Non-Executive Director

Financial Results for the half year

The consolidated entity, being the company and its controlled entities, recorded a consolidated loss for the half year of \$4,934,887 (2018: loss of \$2,930,656).

Dividends

No dividend was declared or paid during the half year.

ASSETS AND ACTIVITIES OVERVIEW

Ascalon Gas Discovery, Bonaparte Basin, 100% interest

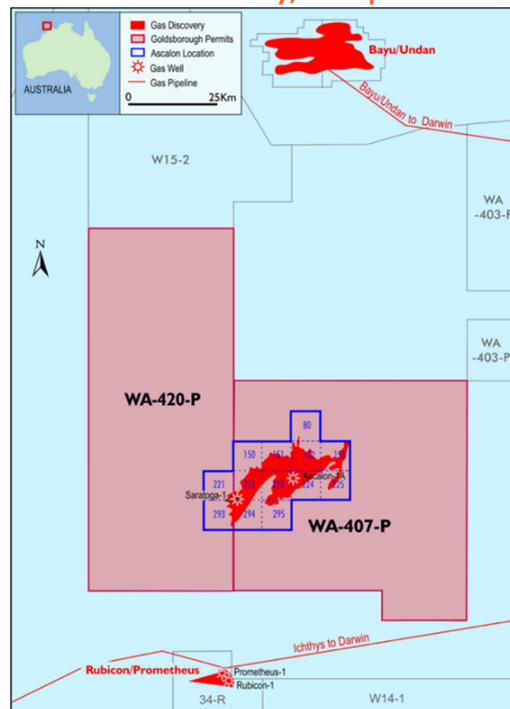


Figure 1 Ascalon gas accumulation location map

The Ascalon gas accumulation is located mostly within exploration permit WA-407-P and extends into the adjacent WA-420-P.

Proximity to existing infrastructure and gas resources presents opportunities for the future development of Ascalon options. Located in shallow water (68 m), wells can be drilled using a jack-up rig, while unmanned wellhead platform development options indicate reduced CAPEX and OPEX potential.

Ascalon-1A, drilled in 1995 by Mobil, encountered 155m TVD¹ gross section in the same Permian formation as the Petrel and Tern Gas accumulations. However, approximately 60% of the shallower reservoir was not flow tested due to mechanical issues.

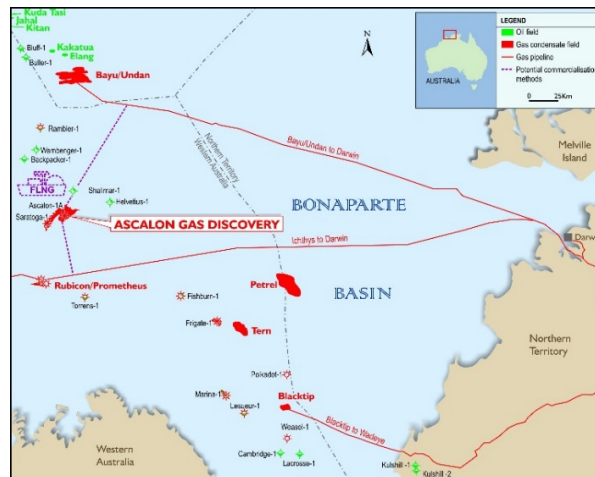
Octanex's activities during the half-year included technical studies focussed on support for development of a drilling objective for an Ascalon appraisal well.

The Ascalon gas accumulation is located mostly within exploration permit WA-407-P and extends into the adjacent WA-420-P.

Ascalon has an aerial extent of 320 km², a proven source/charge, trap, seal and a high reservoir pressure (10,500 psi), which is 3,500 psi over normally pressured and may be due to a much deeper closing contour and greater gas in place.

WA-407-P was in year 5 of its initial term during the half-year, with year 6 commencing in February 2020. The year 6 work program for WA-407-P included the drilling of an appraisal well. Following the end of the half-year Octanex applied to vary the conditions of year-6 to a program of further geotechnical studies designed to inform a decision to drill an appraisal well.

Year 6 of the initial term of WA-420-P ended following the end of the half-year, in February 2020. WA-420-P was previously part of a six permit Bonaparte Basin portfolio (WA-407-P, WA-420-P, WA-421-P, WA-422-P, WA-440-P and WA-441-P). Octanex's basin wide exploration program included the completion of a large seismic related project involving the reprocessing of over 12,000km of older 2D data of multiple vintages. The reprocessed data was then the subject of intensive analysis, interpretation and preliminary mapping ahead of the next region-wide exploration effort; being the acquisition of three new 2D and three new 3D seismic surveys across the portfolio. Octanex concluded that no viable exploration drilling target had been identified and in 2017 commenced an appraisal objective for the Ascalon accumulation located mostly in WA-407-P and extending into WA-420-P.



following the end of the half-year.

Figure 2 Bonaparte Basin

Taking into account the relatively small proportion of the Ascalon accumulation located within the WA-420-P tenement, the higher priority locations for an Ascalon appraisal well being situated in WA-407-P, and the Commonwealth-Western Australia Joint Authority's expectation that any renewal would include the drilling of a well in the guaranteed term, Octanex decided not to apply to renew WA-420-P, and as such the permit expired

¹ True Vertical Depth

Resource exploration

Octanex has expanded its strategy to include the objective of developing green-fields gold exploration projects, targeting large exploration project areas with the following attributes:

- proximal to recent discoveries within underexplored parts of proven gold provinces;
- major regional faults close to regional anticlines, greenstone belts, domal granite intrusions and fault bends where gold deposits are known to accumulate;
- undrilled gold-in-soil anomalies from limited historical company exploration in order to provide an early focus for drilling and exploration; areas with thin transported cover in order to enable cost-effective geochemical screening for underlying large deposit signatures; and
- hosting structural targets identified from aeromagnetic data

Octanex has six exploration licence applications in the largely unexplored Sefton Lineament within the Burtville Terrane of the Eastern Goldfields Superterrane in Western Australia, one of the most endowed gold provinces in the world. (Figure 3).

The tenements were applied for during the half-year pursuant to an agreement with Mr Christopher Reindler (Reindler). Under the terms of the agreement, Octanex, via its wholly owned subsidiary Winchester Exploration Pty Ltd (Winchester), is responsible for making and administering applications for Exploration Licences within an area designated as the “Sefton Project Area”, with any resulting Exploration Licences to be owned beneficially by Winchester and Reindler, with Winchester having the right to earn a 65% interest or 80% interest by satisfying staged farmin milestones with specific exploration expenditure commitments. Key commercial terms of the agreement with Reindler are as follows:

- Winchester to carry out, at its sole expense, initial exploration with the objective of delineating exploration targets and refining the area in which it wishes to carry out further exploration activities (“the Sefton Tenure Area”)
- Following determination of the Sefton Tenure Area the parties shall enter into an agreement or agreements for the exploration of the Sefton Tenure Area (Later Agreements) which shall reflect key terms as follows:

Consideration:

- \$25,000 payable to Reindler upon grant of first Exploration Licence
- \$30,000 payable to Reindler upon Winchester electing to earn an additional 15% interest for a total 80% interest

Exploration Expenditure funding

- Winchester to fund Exploration Expenditure of between \$400,000 and \$500,000 to earn a 65% interest (amount to be determined with reference to the size of the Sefton Tenure Area)
- Winchester may elect to fund further expenditure of between \$180,000 and \$225,000 to earn a further 15% interest for an aggregate 80% interest (amount to be determined with reference to the size of the Sefton Tenure Area)

Other

- Winchester may exit the arrangements up until 30 days following grant of the first tenement within the Sefton Project Area
- Upon Winchester earning an interest of 65% (or 80% should it elect to earn a further 15% interest), a contributing JV will be established with each party contributing to its JV interest

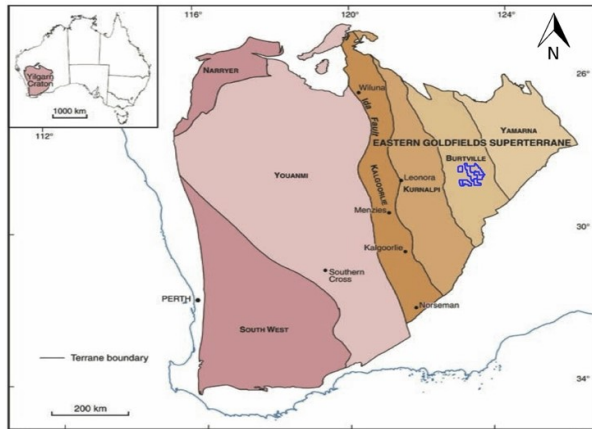


Figure 3 Sefton Project Applications (shown in blue)

Previous exploration in the application areas is limited and on-ground activity has consisted largely of part-coverage geochemical surveys with little or no drilling. In some cases, significant soil anomalies from historical company work have not been drilled. Significant work had been undertaken by the Government in recent years, providing Octanex with access to a large data base of Government data that includes full coverage aeromagnetic data; relatively recent geological mapping; and gravity, seismic, geochronology and in some cases geochemical data.

Octanex's Sefton Project area is an isolated and very little explored high-grade metamorphic granite and granite gneiss terrane for gold surrounded on three sides by emerging world class gold camps (refer Figure). World class gold mines and deposits in the neighbouring regions include Sunrise Dam (10 million ozs Au), Wallaby (8 million ozs Au) and Granny Smith (2.5 million ozs Au) and a number of other nearby deposits (all deposits have combined resources of 25 million ozs Au) are present to the east in the Laverton greenstone belt. Gruyere (6 million ozs Au), a granitoid-hosted deposit, has been identified in the Dorothy Hills Belt (Yamarna greenstone belt) to the east. Tropicana (7.5 million ozs), granite gneiss-hosted deposit, was discovered in the Albany-Fraser Province to the southeast.

It has long been known that granitoid and granite gneiss terranes host gold deposits but it has only been during the last 25 years that their importance to host major gold deposits has become increasingly apparent. The specific targeting of intrusion-related gold (IRG) deposits, code for granite-hosted deposits, in the world's Phanerozoic terranes is also well underway – many of which occur in high-grade metamorphic granite gneiss terranes.

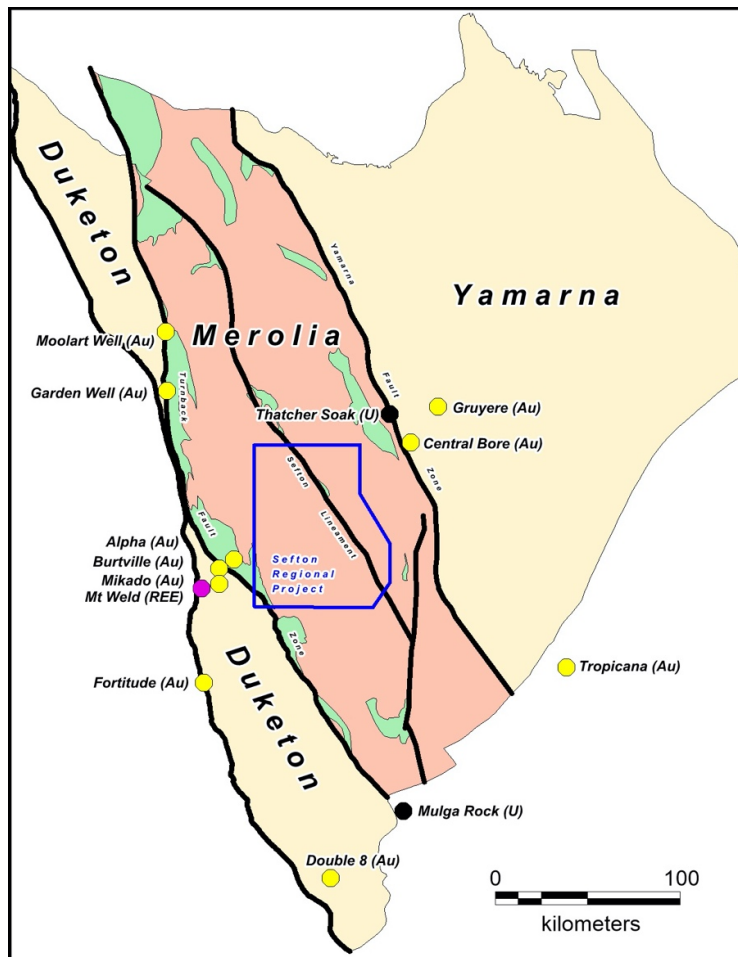


Figure 4 Regional tectonic framework of the Burtville Terrane and its major resource projects

Octanex's near-term objective is target generation with the objective of identifying priority structural targets for early drill and geochemical evaluation. Although focussing mainly on targets presenting opportunities to find large world class gold deposits quickly and cheaply, the Company's structural focus creates potential for locating shear-associated intrusions with associated potential for rare earth metals, niobium and tantalum.

Activities during the quarter included

- summary of historic mineral exploration reports;
- compilation of a GIS dataset (geography, geology, geophysics, geochemistry and drilling);
- review of land use with a focus on environment and land stakeholders in the region (aboriginal, station owners, military and government);
- integrated interpretation of compiled geology, airborne magnetics, radiometric, gravity, SRTM, surface geochemistry and drilling; and
- airborne magnetics and gravity data interpretation mapping

SUBSEQUENT EVENTS

In January 2020 Octanex applied to vary the work program of WA-407-P.

WA-420-P expired on 12 February 2020. The permit was fully impaired at 31 December 2019 (\$4,629,940).

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration as required under section 307C of the Corporations Act 2001 from our auditor, Grant Thornton Audit Pty Ltd, a copy of which is included at page 19.

Signed in accordance with a resolution of the directors



E.G. Albers
Director

Melbourne, 13 March 2020

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Octanex Limited, I state that:

In the opinion of the directors:

- (a) the financial statements of the group, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the financial position of the group as at 31 December 2019 and of its 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; and
- (b) at the date of this declaration 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.



E.G. Albers
Director

Melbourne, 13 March 2020

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	NOTE	CONSOLIDATED 31/12/2019 \$	31/12/2018 \$
Other income		95,235	60,526
Interest income		5,333	941
Consulting		(2,800)	(8,781)
Impairment of exploration assets		(4,629,940)	-
Share of profit from investment in associate		-	183,542
Finance costs		-	(514,109)
Management fees		(10,000)	(10,000)
Office costs		(51,754)	(96,053)
Net foreign exchange loss		-	(385,433)
Other expenses		(75,220)	(119,223)
Project costs		-	(16,845)
Reporting, registry and stock exchange		(18,179)	(25,506)
Salaries		(247,562)	(242,433)
Share of loss in associate and joint venture company		-	(1,756,751)
Loss before income tax		(4,934,887)	(2,930,125)
Income tax benefit		-	(531)
Net loss for the half year		(4,934,887)	(2,930,656)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operation		-	756,431
Income tax effect		-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in financial assets at fair value through other comprehensive income		-	(1,770)
Income tax effect		-	531
Other comprehensive income for the half year net of tax		-	-
Total comprehensive income for the half year		(4,934,887)	(2,175,464)
		Cents	Cents
Basic loss per share		(2.032)	(1.207)
Diluted loss per share		(2.032)	(1.207)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2019**

	NOTE	31/12/2019 \$	CONSOLIDATED 30/6/2019 \$
CURRENT ASSETS			
Cash and cash equivalents		886,048	1,790,892
Trade and other receivables		139,940	108,702
Prepayments	5	104,880	-
TOTAL CURRENT ASSETS		1,130,868	1,899,594
NON-CURRENT ASSETS			
Financial assets at fair value through other comprehensive income	7	17,696	17,696
Exploration and evaluation assets	8	4,890,908	9,382,098
TOTAL NON-CURRENT ASSETS		4,908,604	9,399,794
TOTAL ASSETS		6,039,472	11,299,388
CURRENT LIABILITIES			
Trade and other payables		62,103	392,928
Provisions		137,454	131,658
TOTAL CURRENT LIABILITIES		199,557	524,586
TOTAL LIABILITIES		199,557	524,586
NET ASSETS		5,839,915	10,774,802
EQUITY			
Issued capital	9	68,867,927	68,867,927
Reserves		207,722	207,722
Accumulated losses		(63,235,734)	(58,300,847)
TOTAL EQUITY		5,839,915	10,774,802

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31/12/2019	CONSOLIDATED 31/12/2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Administration fees received	65,588	21,834
Payments to suppliers - other	(837,015)	(488,404)
Interest received	5,333	941
Net cash outflow from operating activities	(766,094)	(465,629)
INVESTING ACTIVITIES		
Payments to suppliers - exploration	(138,750)	(99,632)
Loans to related parties	-	1,926,102
Net cash (outflow) / inflow from investing activities	(138,750)	1,826,470
Net (decrease) /increase in cash and cash equivalents	(904,844)	1,360,841
Effect of exchange fluctuations on cash and cash equivalents	-	120,492
Cash assets at the beginning of the half year	1,790,892	1,331,845
Cash assets at the end of the half year	886,048	2,813,178

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Contributed equity	Accumulated losses	Financial assets at fair value through other comprehensive income	Foreign currency translation reserve	Option reserve	Total
	\$	\$	\$	\$	\$	\$
CONSOLIDATED ENTITY						
At 1 July 2019	68,867,927	(58,300,847)	(829,841)	-	1,037,563	10,774,802
Loss after tax	-	(4,934,887)	-	-	-	(4,934,887)
Total comprehensive income for the year	-	(4,934,887)	-	-	-	(4,934,887)
At 31 December 2019	68,867,927	(63,235,734)	(829,841)	-	1,037,563	5,839,915

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

OCTANEX Limited

ABN 61 005 632 315

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Contributed equity	Accumulated losses	Financial assets at fair value through other comprehensive income	Foreign currency translation reserve	Option reserve	Total
	\$	\$	\$	\$	\$	\$
CONSOLIDATED ENTITY						
At 1 July 2018	68,867,927	(54,546,695)	(826,125)	1,678,893	1,037,563	16,211,563
Loss after tax	-	(2,930,656)	-	-	-	(2,930,656)
<i>Other comprehensive income</i>						
Changes in fair value of financial assets at fair value through other comprehensive						
Income net of tax	-	-	(1,239)	-	-	(1,239)
Exchange differences of translation of foreign operations net of tax	-	-	-	756,431	-	756,431
Total comprehensive income for the year	-	(2,930,656)	(1,239)	756,431	-	(2,175,464)
At 31 December 2018	68,867,927	(57,477,351)	(827,364)	2,435,324	1,037,563	14,036,099

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019****NOTE 1 CORPORATE INFORMATION**

Octanex Limited ("Octanex" or "the company" or "the group") is a for-profit company incorporated and domiciled in Australia with its registered office and principal place of business located at Level 21, 500 Collins Street, Melbourne, Victoria 3000. The consolidated financial report of the company for the half year ended 31 December 2019 comprises the company and its subsidiaries (together referred to as the "consolidated entity" or "the group") and the consolidated entity's interest in joint operations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the annual financial report.

The half year financial report should be read in conjunction with the Annual Financial Report of Octanex Limited as at 30 June 2019. It is also recommended that the half year financial report be considered together with any public announcements made by Octanex Limited and its controlled entities during the half year ended 31 December 2019 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the Listing Rules of the ASX.

(a) Basis of preparation

These general purpose financial statements for the half year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001.

The half year financial report has been prepared on an historical cost basis less impairment losses, except for financial assets at fair value through other comprehensive income that are measured at fair value. For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

(c) New and revised accounting standards applicable for the first time to the current half-year reporting period

The group has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the group.

The group has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the consolidated statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge of the right-of use assets and an interest expense on the recognised leases liabilities. The group has no active leases at 31 December 2019, therefore as a result, the adoption of the standard had no impact.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**
NOTE 3 SEGMENT INFORMATION

Segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the board of directors.

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

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

NOTE 4 EXPLORATION EXPENDITURE COMMITMENTS

	CONSOLIDATED	
	31/12/2019	31/12/2018
	\$	\$
The group's estimated expenditure to satisfy contractual and/or permit work requirements:		
Not later than 1 year	270,000	156,417
Payable later than one year but not later		
Than three years	-	-
	<u>270,000</u>	<u>156,417</u>

Estimated expenditure, arising from retention lease work programme which, may, subject to negotiation and approval, be varied. They may also be satisfied by farmout, sale, relinquishment or surrender.

	CONSOLIDATED	
	31/12/2019	30/06/2019
	\$	\$

NOTE 5 PREPAYMENTS

Prepaid tenement rent	<u>104,880</u>	-
	<u>104,880</u>	-

The company applied for exploration tenements E38/3416, E38/3417 and E38/3418 in August 2019. In September 2019 it applied for E38/3431, E38/3432 and E38/3433. If the tenements are granted rent paid on application will cover rent required on the first year of exploration in all six tenements. As at 31 December 2019 and to the date of signing the report none of the tenements have been granted. If the tenements are not granted the rent paid on application is fully refundable.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019****NOTE 6 EVENTS SUBSEQUENT TO BALANCE DATE**

On 12 February 2020 WA-420-P was not renewed and so expired on that date (Note 8).

CONSOLIDATED	
31/12/2019	30/06/2019
\$	\$

**NOTE 7 FINANCIAL ASSETS AT FAIR VALUE
THROUGH OTHER COMPREHENSIVE INCOME**

Investment in listed equities (Enegex Limited)	<u>17,696</u>	<u>17,696</u>
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AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The consolidated entity's financial assets measured and recognised at fair value at 31 December 2019 and 30 June 2019 on a recurring basis are as follows:

31 December 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Listed securities	17,696	-	-	17,696
30 June 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Listed securities	17,696	-	-	17,696

Measurement of fair value of financial instruments

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

a) Listed securities and money market funds

Fair values have been determined by reference to their quoted bid prices at the reporting date.

The consolidated entity's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The consolidated entity did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2019.

The carrying amounts of cash and cash equivalents, current receivables and current payables are considered to be a reasonable approximation of their fair value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	CONSOLIDATED	
	31/12/2019	30/06/2019
	\$	\$
NOTE 8 EXPLORATION AND EVALUATION ASSETS		
Carrying balance at beginning of the period	9,382,098	16,399,197
Impairment of exploration assets	(4,629,940)	(7,262,178)
Costs incurred during the period	<u>138,750</u>	<u>245,079</u>
Carrying balance at end of the period	<u>4,890,908</u>	<u>9,382,098</u>

Exploration and evaluation assets relate to the areas of interest in the exploration and evaluation phase for petroleum exploration permits and a retention lease.

31/12/2019	30/06/2019
Permits	Permits
WA-407-P	WA-407-P
WA-420-P ⁽¹⁾	WA-420-P

(1) On 12 February 2020 WA-420-P was not renewed and so expired on that date. The permit was fully impaired at 31 December 2019 (\$4,629,940).

Ultimate recovery of exploration and evaluation assets is dependent upon exploration and evaluation success and/or the company maintaining appropriate funding to support continued exploration and evaluation activities.

NOTE 9 ISSUED CAPITAL

No shares were issued during the half year ended 31 December 2019.

Auditor's Independence Declaration

To the Directors of Octanex Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Octanex Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



B L Taylor
Partner – Audit & Assurance

Melbourne, 13 March 2020

ACN-130 913 594

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Independent Auditor's Report

To the Members of Octanex Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Octanex Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Octanex Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

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 gives a true and fair view and 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 31 December 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Octanex Limited, 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*.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B L Taylor
Partner – Audit & Assurance

Melbourne 13 March 2020