



ACN: 062 284 084
ASX Code: SYS

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE 30 July 2014

QUARTERLY REPORT FOR THE PERIOD ENDING 30 June 2014

The Board of Syngas Limited ("Syngas" or "Company") is pleased to present the June 2014 Quarterly Report.

Tenements

Syngas continues to hold a 100% interest in each of MEL 4185 (north-west of Adelaide in the Northern St Vincent Basin Coalfields) and MEL 4785 (south-east of Adelaide covering the known coal deposit of Moorlands) both located in South Australia. The Company is continuing to review its options in respect of these projects and for the past quarter no further field work was conducted. At present no exploration work has been scheduled for the next quarter. MEL 4785 is due for renewal in October 2014 and the Company does not intend to seek to renew this tenement.

Corporate and Future Projects

The Company will continue to draw down on the facility provided by its directors (current facility is for \$250,000 drawn down as at 30 June 2014 to the amount of \$204,803). This facility will be repaid out of the proceeds of the capital raising by the Company.

In addition, Directors have agreed to provide a further facility to the Company of a further \$250,000. This facility will be used to pay for expenditure in the next quarter and will pay outstanding director fees including to Mr Boswarva who retired during the June Quarter, unless alternative arrangements are entered into by the Company.

Due to the assessment that the delineated Lignite Coal deposits on the Clinton prospect MEL 4185 are unlikely to be able to be economically extracted with the current coal prices and the Company having insufficient financial resources to be able to advance the technical innovation needed to bring this project online the Board has decided to impair the current book value of the tenements from \$500,000 to \$nil (an impairment cost of \$500,000).

In order to rebuild the Balance Sheet of the Company, the Board at present intends to offer shareholders the right to subscribe for additional shares by means of pro-rate 1:1 rights issue at an issue price of \$0.001. If fully subscribed this issue will raise an additional \$580,000 (less costs of the issue). The funds received will be used to repay creditors and cover the costs of managing the Company.

The Board will seek to place any shortfall, and in the situation where the Board has been unable to do so, the Board will seek shareholders' approval to place any shortfall with entities associated with Directors.

The Board has received several enquiries from parties seeking to underwrite such an issue and in addition, the Company has been approached by a shareholder offering to arrange a loan facility

Syngas Limited

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to replace the current arrangement and provide additional funds above those required to just maintain the Company.

The Board is continuing with those discussions and seeks to put in place a suitable arrangement that can provide a long term solution to the current financial position that will benefit the Company and its stakeholders.

During the past quarter the Board has considered several opportunities and expects that once the financial position has been resolved it will be in a position to provide additional information to shareholders as to the future direction of the Company.

For Further Information contact:

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Chairman and Executive Director
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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Syngas Limited

ABN

41 062 284 064

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 Months) \$A'000
1.1	Receipts from product sales and related debtors	---	---
1.2	Payments for (a) exploration & evaluation	---	(6)
	(b) development	---	---
	(c) production	---	---
	(d) administration	(6)	(62)
1.3	Dividends received	---	---
1.4	Interest and other items of a similar nature received	---	---
1.5	Interest and other costs of finance paid	---	---
1.6	Income taxes paid	---	---
1.7	Other – reduction in Trade Creditors	---	(9)
	Net Operating Cash Flows	(6)	(77)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	---	---
	(b) equity investments	---	---
	(c) other fixed assets	---	---
1.9	Proceeds from sale of: (a) prospects	---	---
	(b) equity investments	---	---
	(c) other fixed assets	---	---
1.10	Loans to other entities	---	---
1.11	Loans repaid by other entities	---	---
1.12	Other (provide details if material)	---	---
	Net investing cash flows	Nil	Nil
1.13	Total operating and investing cash flows (carried forward)	(6)	(77)

1.13	Total operating and investing cash flows (brought forward)		(77)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	---	---
1.15	Proceeds from sale of forfeited shares	---	---
1.16	Proceeds from borrowings	4	59
1.17	Repayment of borrowings	---	---
1.18	Dividends paid	---	---
1.19	Other (provide details if material)	---	---
	Net financing cash flows	4	59
	Net increase (decrease) in cash held	2	(18)
1.20	Cash at beginning of quarter/year to date	3	19
1.21	Exchange rate adjustments to item 1.20	---	---
1.22	Cash at end of quarter	1	1

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	Nil
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Directors agreed to defer their fees during 2014.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Directors have agreed to defer their fees for 2014. These fees are currently being accrued and the balance of the Directors' Accrued and Service Fees as at 30 June 2014 is approximately \$125,000 in total.

Directors have resolved to impair the carrying value of the Exploration Licences by the amount of \$500,000 from their current book value of \$500,000 to \$Nil.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	250	204
3.2 Credit standby arrangements	250	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	---
4.2 Development	---
4.3 Production	---
4.4 Administration	35
Total	35

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1	3
5.2 Deposits at call	---	---
5.3 Bank overdraft	---	---
5.4 Other (provide details)	---	---
Total: cash at end of quarter (item 1.22)	1	3

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.


	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	Nil	Nil	
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	581,440,288	581,440,288	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities <i>(description)</i>	Nil	Nil	

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	Nil	Nil	<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)	Nil	Nil		
7.12	Unsecured notes (totals only)	Nil	Nil		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



(Director)

Date: 30 July 2014

Print name: Michael Cox

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** the issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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