

# Appendix 4D

Half-year Report  
31 December 2016

## ENEABBA GAS LIMITED AND CONTROLLED ENTITIES

ABN 69 107 385 884

### 1. Reporting periods

Half year ended  
(‘Current period’)  
31 December 2016

Half year ended  
(‘Previous corresponding period’)  
31 December 2015

### 2. Results for announcement to the market

Financial Results				December 2016 \$	December 2015 \$
Revenues from ordinary activities	Down	57%	to	9,304	21,869
Loss from continuing operations	Down	43%	to	(243,363)	(429,153)
Profit from discontinued operations	Up	%	to	1,369,404	-
Total comprehensive profit (loss) for the period	Up	%	to	1,126,041,	(429,153)
Net profit (loss) for the period attributable to owners of the parent	Up	%	to	1,126,041	(429,153)

Brief explanation of above figures – Loss from continuing activities decreased due to disposal of discontinuing operations, being the disposal of GCC Methane Pty Ltd ad Ocean Hill Pty Ltd (which was acquired and disposed of during the period)

Dividends	Amount per Ordinary Security	Franked amount per security
2015 interim dividend	Nil	Nil
2016 interim dividend	Nil	Nil

Record date for determining entitlements to the 2016 interim dividends	N/A
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### 3. Net tangible asset backing

Net Tangible Asset Backing	December 2016	December 2015
Net tangible asset backing per ordinary security	\$0.003 per share	\$0.014 per share

#### **4. Controlled Entities**

Eneabba Gas Ltd disposed of GCC Methane Pty Ltd during the period and also, acquired and disposed of Ocean Hill Pty Ltd during the period.

#### **5. Dividends or Distributions**

Nil

#### **6. Dividend or Distribution Reinvestment Plans**

Nil

#### **7. Material interests in entities which are not controlled entities**

Nil

#### **8. Foreign Entities**

Nil

#### **9. Independent Review Report**

Refer to the Independent Review Report on page 17 and 18 of the attached Interim Financial Report for the half year ended 31 December 2016

#### **10. Compliance Statement**

This report should be read in conjunction with the attached Interim Financial Report for the half year ended 31 December 2016.

**Other explanatory notes**

The information required by listing rule 4.2A is contained in both this Appendix 4D and the attached half-year report. This half-yearly reporting information should be read in conjunction with the most recent annual financial report of the company.



**INTERIM FINANCIAL REPORT**  
**for the half year ended 31 December 2016**



**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**CONTENTS**

CORPORATE INFORMATION.....	1
DIRECTORS' REPORT.....	2
AUDITOR'S INDEPENDENCE DECLARATION.....	5
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	6
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	7
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	8
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....	9
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	10
DIRECTORS' DECLARATION.....	16
INDEPENDENT AUDITOR'S REVIEW REPORT.....	17

This financial report covers Eneabba Gas Limited ("Eneabba" or the "Company") as a Group consisting of Eneabba Gas Limited and its subsidiaries, collectively referred to as the "Group". The financial report is presented in Australian currency.

Eneabba Gas Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Eneabba Gas Limited  
50 Ord Street  
West Perth WA 6005

The Company has the power to amend and reissue the financial report.

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**CORPORATE INFORMATION**

**Directors:**

Barnaby Egerton-Warburton  
*Managing Director*

Gabriel Chiappini  
*Non-Executive Director*

Thomas Goh  
*Non-Executive Director*

**Company Secretary:**

Gabriel Chiappini

**Auditors:**

HLB Mann Judd  
Level 4, 130 Stirling Street  
PERTH WA 6000

**Bankers:**

Westpac Banking Corporation  
109 St Georges Terrace  
PERTH WA 6000

**Solicitors:**

GTP Legal  
68 Aberdeen Street  
PERTH WA 6003

**Registered & Principal Office:**

50 Ord Street  
WEST PERTH WA 6005  
Telephone: + 618 9321 0555  
Facsimile: + 618 9482 0505  
Email: [info@eneabbagas.com.au](mailto:info@eneabbagas.com.au)  
Website: [www.eneabbagas.com.au](http://www.eneabbagas.com.au)

**Postal Address:**

P.O. Box 902  
WEST PERTH WA 6872

**Home Securities Exchange:**

Australian Securities Exchange Limited  
Level 8, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

**ASX Code:**

ENB (Ordinary Shares)

**Share Registry:**

Security Transfers Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153  
Telephone: +618 9315 2333

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**DIRECTORS' REPORT**

The Directors have pleasure in submitting their report on the Group; being the Company and its subsidiaries, for the half year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

**DIRECTORS**

The names and details of Directors in office at any time during or since the end of the half year and until the date of this report are as follows:

Barnaby Egerton-Warburton	Managing Director
Gabriel Chiappini	Non-Executive Director (appointed 22 September 2016)
Thomas Goh	Non-Executive Director (resigned 28 February 2017)
Gary Marsden	Non-Executive Chairman (resigned 22 September 2016)
Morgan Barron	Non-Executive Director (resigned 22 September 2016)

Directors were in office for this entire period unless otherwise stated.

**PRINCIPAL ACTIVITIES**

Eneabba Gas Limited was a diversified Australian Energy company, which held the fully permitted rights to construct and operate the 168MW Centauri-1 Power Station and a portfolio of onshore Perth Basin Gas assets including the Ocean Hill Gas project (100%) and 50% of EP 447 with partner UIL Energy Limited. The onshore Perth Basin Gas assets were disposed of during the period and the Company is currently reviewing new investment opportunities.

**RESULTS**

The net profit after income tax for the half year ended 31 December 2016 amounted to \$1,126,041 (2015: loss \$429,153). The net profit is largely due to the sale of Eneabba Gas's subsidiary, GCC Methane Pty Ltd, and Ocean Hill Pty Ltd, a subsidiary company acquired and disposed of by Eneabba Gas during the half year.

**DIVIDENDS**

There were no dividends paid or declared during the year.

**OPERATING REVIEW**

Eneabba Gas Limited is pleased to provide the following update on the company's activities during the period.

**Non-renounceable Rights Issue**

On 15 November 2016, Eneabba Gas Limited announced a non-renounceable entitlement offer to eligible shareholders. The offer consisted of two new fully paid ordinary shares for every three fully paid ordinary shares at an issue price of \$0.004 per New Share, to raise up to approximately \$802,612 (before costs).

At period end 31 December 2016, a total of 59,770,973 new allotment shares were taken up by Eligible Shareholders and a further 67,934,000 shortfall shares were applied for. Eneabba Gas Limited is in the process of seeking to place the balance of the shortfall shares.



**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**Sale of Perth Basin Assets**

During the 6 months to 31 December 2016, Eneabba Gas Ltd completed the sale of its Perth Basin exploration interests, which include 100% of the Ocean Hill project and its 50% interest in EP447, to UIL Energy Limited (ASX: UIL).

Pursuant to the agreement, UIL purchased Eneabba Gas's two subsidiaries, Ocean Hill Pty Ltd and GCC Methane Pty Ltd that respectively own the Ocean Hill prospect (EPA90) and 50% of EP447 (providing UIL Energy with 100% of EP447).

UIL Energy issued to Eneabba Gas a total of 90 million convertible redeemable preference shares in UIL Energy (CRPS) which Eneabba Gas distributed pro-rata to its shareholders. Immediately upon distribution to the shareholders of Eneabba Gas, 55 million of those CRPS automatically converted into 55 million ordinary shares in UIL that rank equally with current UIL ordinary shares. The remaining 35 million convertible redeemable preference shares (CRPS) distributed to the shareholders of Eneabba Gas will later convert into ordinary UIL Energy shares in the event of successful results from drilling Ocean Hill#2 well.

**CORPORATE REVIEW**

During the period ended 31 December 2016, two non-executive directors, Mr Gary Marsden and Mr Morgan Barron, resigned and Mr Gabriel Chiappini was appointed as non-executive director.

Eneabba Gas also, disposed of two subsidiary companies, Ocean Hill Pty Ltd and GCC Methane Pty Ltd, which held the on shore Perth Basin Gas assets.

Eneabba Gas Limited announced a non-renounceable entitlement offer to eligible shareholders. The offer consisted of two new fully paid ordinary shares for every three fully paid ordinary shares at an issue price of \$0.004 per New Share, to raise up to approximately \$802,612 (before costs).

**SUBSEQUENT EVENTS**

On 7 January 2017, Eneabba Gas received the \$239,084 of funds raised from the non-renounceable entitlement offer.

No other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the half year ended 31 December 2016 has been received and can be found on page 5.

**AUDITOR**

HLB Mann Judd continues in office in accordance with section 327 of the Corporation Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the Corporations Act 2001.



**Barnaby Egerton-Warburton**  
**Managing Director**  
28 February 2017

**Competent Person's Statement**

The reserve and resource information contained in this announcement is based on, and fairly represents information and supporting documentation prepared by and under the supervision of qualified petroleum reserves and resource evaluator, Dr Bevan Warris. Dr Warris is a Certified Petroleum Geologist BSc (Hons), PhD, AAPG, and has over 48 years' experience in petroleum exploration. Dr Warris has consented in writing to the inclusion of this information in the format and context in which it appears.



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Eneabba Gas Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
28 February 2017



**D I Buckley**  
Partner

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

For the half year ended 31 December 2016

	<b>Consolidated</b>	
	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>\$</b>	<b>\$</b>
<b>Continuing Operations</b>		
<b>Revenue</b>		
Finance income	2,185	14,706
Other income	7,119	7,163
<b>Total revenue</b>	<b>9,304</b>	<b>21,869</b>
Feasibility study costs	-	(17,188)
Depreciation	(7,023)	(6,914)
Employee expenses	(50,975)	(167,261)
Share based payments	(21,335)	(81,970)
Other expenses	(173,334)	(177,689)
<b>Total expenses</b>	<b>(252,667)</b>	<b>(451,022)</b>
<b>Profit (loss) before income tax expense</b>	<b>(243,363)</b>	<b>(429,153)</b>
Income tax expense	-	-
<b>Profit (loss) from continuing operations</b>	<b>(243,363)</b>	<b>(429,153)</b>
<b>Discontinued Operations</b>		
Gain on sale of subsidiaries	3 1,982,108	-
Transaction costs	3 (65,768)	-
Impairment expense	3 (546,936)	-
<b>Net Profit (loss) for the period</b>	<b>1,126,041</b>	<b>(429,153)</b>
Other comprehensive income	-	-
<b>Total comprehensive income (loss) for the half year</b>	<b>1,126,041</b>	<b>(429,153)</b>
Basic & Diluted earnings (loss) per share – cents per share	0.39	(0.16)
Basic & Diluted earnings (loss) per share from continuing operations– cents per share	(0.09)	(0.16)

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

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2016

		<b>Consolidated</b>	
		<b>31 December 2016</b>	<b>30 June 2016</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>	<b>Note</b>		
<b>Current assets</b>			
Cash and cash equivalents		320,502	827,165
Receivables		258,160	15,549
Prepayments		11,371	7,321
Non-current assets held for sale	3	320,000	1,842,309
<b>Total current assets</b>		<b>910,033</b>	<b>2,692,344</b>
<b>Non-current assets</b>			
Property, plant and equipment		-	873,959
<b>Total non-current assets</b>		<b>-</b>	<b>873,959</b>
<b>TOTAL ASSETS</b>		<b>910,033</b>	<b>2,631,303</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables – continuing operations		77,954	59,658
Trade and other payables – discontinued operations		75,000	968,921
<b>Total current liabilities</b>		<b>152,954</b>	<b>1,028,579</b>
<b>TOTAL LIABILITIES</b>		<b>152,954</b>	<b>1,028,579</b>
<b>NET ASSETS</b>		<b>757,079</b>	<b>2,537,724</b>
<b>EQUITY</b>			
Issued capital	4	11,327,937	14,255,958
Reserves	4	270,645	249,310
Accumulated losses		(10,841,503)	(11,967,544)
<b>TOTAL EQUITY</b>		<b>757,079</b>	<b>2,537,724</b>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the half year ended 31 December 2016

	<b>Issued Capital</b>	<b>Option Reserve</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
<b>Consolidated 2015</b>				
<b>Total equity at 1 July 2015</b>	\$ 14,249,958	\$ 128,625	\$ (10,333,823)	\$ 4,044,760
Net loss for the period	-	-	(429,153)	(429,153)
Total comprehensive loss for the period	-	-	(429,153)	(429,153)
<b>Transactions with equity holders:</b>				
Share-based payments	-	81,970	-	81,970
Issue of shares	6,000	(2,753)	2,753	6,000
<b>Total equity at 31 December 2015</b>	<b>14,255,958</b>	<b>207,842</b>	<b>(10,760,223)</b>	<b>3,703,577</b>

	<b>Issued Capital</b>	<b>Option Reserve</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
<b>Consolidated 2016</b>				
<b>Total equity at 1 July 2016</b>	\$ 14,255,958	\$ 249,310	\$ (11,967,544)	\$ 2,537,724
Net profit for the period	-	-	1,126,041	1,126,041
Total comprehensive income for the period	-	-	1,126,041	1,126,041
<b>Transactions with equity holders:</b>				
Share Issue	960,000	-	-	960,000
Share-based payments	-	21,335	-	21,335
Entitlement Issue	239,084	-	-	239,084
Issue costs	(3,688)	-	-	(3,688)
Return of capital	(4,123,417)	-	-	(4,123,417)
<b>Total equity at 31 December 2016</b>	<b>11,327,937</b>	<b>270,645</b>	<b>(10,841,503)</b>	<b>757,079</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the half year ended 31 December 2016

	<b>Consolidated</b>	
	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>\$</b>	<b>\$</b>
<i>Cash flows from operating activities</i>		
Interest received	2,185	9,927
Lease income – pastoral	7,119	7,163
Payments to suppliers and employees	(152,963)	(171,602)
Project marketing costs and due diligence	(129,316)	(156,330)
Development costs	(30,000)	-
Power station feasibility costs	-	(17,188)
<b>Net cash used in operating activities</b>	<b>(302,975)</b>	<b>(328,030)</b>
<i>Cash flows from investing activities</i>		
Payments for Ocean Hill acquisition costs	(200,000)	(5,506)
<b>Net cash used in investing activities</b>	<b>(200,000)</b>	<b>(5,506)</b>
<i>Cash flows from financing activities</i>		
Proceeds from issues of shares and options	-	6,000
Capital raising costs	(3,688)	-
<b>Net cash (used)/provided by financing activities</b>	<b>(3,688)</b>	<b>6,000</b>
Net increase / (decrease) in cash and cash equivalents	(506,663)	(327,536)
Cash and cash equivalents at the beginning of the period	827,165	1,499,991
<b>Cash and cash equivalents at the end of the period</b>	<b>320,502</b>	<b>1,172,455</b>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

Eneabba Gas Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half year ended 31 December 2016 comprises the Company and its subsidiaries (collectively referred to as the "Group").

**STATEMENT OF COMPLIANCE**

These interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Eneabba Gas Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

This consolidated interim financial report was approved by the Board of Directors on 28 February 2017.

**BASIS OF PREPARATION**

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the period has been treated as a discrete reporting period.

Financial Position

The interim report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

As at 31 December 2016, the cash balance of the Group was \$320,502. The Group also has a receivable of \$239,084, which it received on 7 January 2017, which it has received as part of a non-renounceable entitlements issue. The Directors consider the going concern basis of preparation to be appropriate for the following reasons:

- Confidence in the Group's ability to place the remaining 67,934,000 shortfall shares as part of Entitlement Issue and to raise additional funds.
- The Group has the ability to scale down its current cash outflows.

Should the Group not be successful in raising required additional funds or in reducing its expenditure, there is a material uncertainty that may cast significant doubt whether the Group will continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES**

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2016.

**ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2016.

In the half-year ended 31 December 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2016.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2016. The Directors have decided against early adoption of any new Standards and Interpretations. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

**NOTE 2: EXPLORATION AND EVALUATION EXPENDITURE**

	<b>Consolidated</b>	
	<b>Six months to 31 December 2016</b>	<b>Year to 30 June 2016</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation expenditure	-	-
Carrying amount at beginning of period	-	850,000
Additions	-	6,506
Deferred consideration		935,000
Transfer to Non-current assets held for sale	-	(1,791,506)
<b>Carrying amount at period end – exploration and evaluation phase</b>	<b>-</b>	<b>-</b>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

**Exploration Commitments**

In order to maintain rights of tenure to its exploration permit, the Group has certain obligations to perform minimum exploration work and expend minimum amounts of money.



**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**NOTE 2: EXPLORATION AND EVALUATION EXPENDITURE(CONTINUED)**

These commitments may be varied as a result of renegotiations, relinquishments, farm-outs, sales or carrying out work in excess of the permit obligations. The minimum expenditure required by the Group on its exploration permit as at the balance date for the next 12 months as required by the Department of Mines & Petroleum is given below. Commitments beyond this time frame cannot be estimated reliably as minimum expenditure requirements are reassessed annually. These commitments have not been provided for in the financial report, and are payable as follows:

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2016</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Within one year	-	989,500
Within two years to five years	-	3,125,000
Later than five years	-	-
<b>Total</b>	<b>-</b>	<b>4,114,500</b>

**NOTE 3: NON-CURRENT ASSET HELD FOR SALE**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2016</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Current		
Opening balance:	1,842,309	-
Completion of the acquisition of the Ocean Hill Project <sup>1</sup>	299,000	-
Transferred from Exploration and Evaluation expenditure	-	1,791,508
Transfer to Non-current asset held for sale	-	50,803
Assets disposed <sup>3</sup>	(2,141,309)	
Transfer from property, plant & equipment <sup>2</sup>	320,000	-
<b>Total Non-Current Assets held for sale</b>	<b>320,000</b>	<b>1,842,309</b>

<sup>1</sup> During the period, the purchase of the Ocean Hill Project from Black Rock Mining Ltd was completed. The Company negotiated a reduced cash consideration of \$200,000 from \$300,000. The fair value of the 40,000,000 shares issued to Black Rock was \$960,000 at the time of transfer which had increased \$400,000 from 30 June 2016.

<sup>2</sup> Land and improvements with a fair value, less costs to sell, of \$320,00 was transferred from property, plant and equipment to held for sale. On transfer \$546,936 was recognised as impairment.

<sup>3</sup> On 7 September 2016, the Company announced it had completed an agreement with ASX Listed UIL Energy Ltd to dispose of 100% of Ocean Hill Pty Ltd and GCC Methane Pty Ltd, which held the Eneabba Gas projects.

The terms of the transaction were that the Group received 55,000,000 fully paid ordinary shares in the capital of UIL Energy Ltd (ASX:UIL) and 35,000,000 Class B Convertible Preference Shares in UIL Energy Ltd (subject to certain milestones). The disposal of the subsidiaries gave rise to a gain on sale of \$1,982,107 to the Group.

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**NOTE 3: NON-CURRENT ASSET HELD FOR SALE (CONTINUED)**

On 20 September 2016, Eneabba Gas Ltd announced that it had completed an in-specie return of capital to its shareholders of the 55,000,000 fully paid ordinary shares and the 35,000,000 Class B Convertible Preference Shares in UIL Energy Ltd. The shares were valued at \$4,123,417 (note 4). The Company retains a liability of \$75,000 relating to Native Title costs.

**NOTE 4: ISSUED CAPITAL & RESERVES**

**Half-year ended 31 December 2016**

**(a) Issued and Paid Up Capital**

Fully paid ordinary shares

	<b>No.</b>	<b>\$</b>
	<b>360,750,285</b>	<b>10,927,937</b>

**(b) Movements in fully paid shares on issue**

Balance as at 1 July 2016

Issue of shares

Entitlement issue<sup>1</sup>

Issue costs

Return of capital<sup>2</sup>

**Balance as at 31 December 2016**

	260,979,312	14,255,958
	40,000,000	960,000
	59,770,973	239,084
	-	(3,688)
	-	(4,123,417)
	<b>360,750,285</b>	<b>11,327,937</b>

**(c) Options Reserve**

Balance as at 1 July 2016

Share based payment

**Balance as at 31 December 2016**

	32,700,000	249,310
	-	21,335
	<b>32,700,000</b>	<b>270,645</b>

<sup>1</sup>At period end 31 December 2016, a total of 59,770,973 new allotment shares were taken up by Eligible Shareholders, raising \$239,084. The funds raised from the allotment were held by the share registrar at 31 December 2016 and were transferred to the Company in January 2017.

<sup>2</sup>On 20 September 2016, Eneabba Gas Ltd announced the completion of an in-specie return of capital to shareholders, being the distribution of 55,000,000 fully paid ordinary shares and the 35,000,000 Class B Convertible Preference Shares in UIL Energy Ltd.

**Year ended 30 June 2016**

**(a) Issued and Paid Up Capital**

Fully paid ordinary shares

	<b>No.</b>	<b>\$</b>
	<b>260,979,312</b>	<b>14,255,958</b>

**(b) Movements in fully paid shares on issue**

Balance as at 1 July 2015

Exercise of options

**Balance as at 30 June 2016**

	260,679,312	14,249,958
	300,000	6,000
	<b>260,979,312</b>	<b>14,255,958</b>

**(c) Option Reserve**

Balance as at 1 July 2015

Expiry of options

Issue of options to Directors and Employees

**Balance as at 30 June 2016**

	15,000,000	128,625
	(300,000)	(2,753)
	18,000,000	123,438
	<b>32,700,000</b>	<b>249,310</b>

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**NOTE 5: SEGMENT REPORTING**

**Description of Segments**  
**Segment Reporting**

The Group conducts operations in three operating segments, energy and electricity generation, petroleum exploration and mineral exploration, and one geographic segment, Australia.

	<b>Energy &amp; Electricity Generation</b>	<b>Petroleum Exploration</b>	<b>Mineral Exploration</b>	<b>Discontinued Operations</b>	<b>Unallocated</b>	<b>Consolidated</b>
<b>31 December 2016</b>	\$	\$	\$	\$	\$	\$
<b>Segment income</b>						
Interest received	-	-	-		2,185	2,185
Disposal of assets	-	-	-	1,982,108	-	1,982,108
Lease Income	7,119	-	-		-	7,119
Total income	7,119	-	-	1,982,108	2,185	1,991,412
<b>Segment expenses</b>						
Feasibility study costs	-	-	-	(65,768)	-	(65,768)
Impairment expenses	-	-	-	(546,936)	-	(546,936)
Net other costs	-	-	-	-	(245,644)	(245,644)
Profit (Loss) before depreciation	7,119	-	-	1,369,404	(243,459)	1,133,064
Depreciation	(7,023)	-	-	-	-	(7,023)
Profit (loss) before income tax	96	-	-	1,369,404	(243,459)	1,126,041
<b>Segment assets and liabilities</b>						
Property, plant & equipment	-	-	-	320,000	-	320,000
Other Non-current assets	-	-	-	-	-	-
Other current assets	-	-	-	-	590,033	590,033
Liabilities	-	-	-	(75,000)	(77,954)	(152,954)
Net assets	-	-	-	245,000	512,079	757,079
	<b>Energy &amp; Electricity Generation</b>	<b>Petroleum Exploration</b>	<b>Mineral Exploration</b>	<b>Discontinued Operations</b>	<b>Unallocated</b>	<b>Consolidated</b>
<b>31 December 2015</b>	\$	\$	\$		\$	\$
<b>Segment income</b>						
Interest received	-	-	-		14,706	14,706
Lease Income	7,163	-	-		-	7,163
Total income	7,163	-	-		14,706	21,869
<b>Segment expenses</b>						
Feasibility study costs	(5,619)	(11,569)	-		-	(17,188)
Net other costs	-	-	-		(426,920)	(426,920)
Profit / (Loss) before depreciation	1,544	(11,569)	-		(412,214)	(422,239)
Depreciation	(6,851)	-	(63)		-	(6,914)
Loss before income tax	(5,307)	(11,569)	(63)		(412,214)	(429,153)
<b>Segment assets and liabilities (30 June 2016)</b>						
Property, plant & equipment	873,959	-	-	-	-	873,959
Other non-current assets	-	-	-	-	-	-
Other current assets	-	-	-	1,842,309	850,036	2,962,345
Liabilities	-	-	-	(968,921)	(59,658)	(1,028,579)
Net assets	873,959	-	-	873,388	790,378	2,537,724



**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**NOTE 6: SUBSEQUENT EVENTS**

On 7 January 2017, Eneabba Gas received the \$239,084 of funds raised from the non-renounceable entitlement offer.

No other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

**NOTE 7: CONTINGENT ASSETS & LIABILITIES**

The Directors are not aware of any other contingent assets or liabilities that may arise from the Group's operations as at 31 December 2016.

**NOTE 8: FAIR VALUE FINANCIAL INSTRUMENTS**

The Directors have assessed that the fair value of financial assets and liabilities at balance date to approximate their carrying value.

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**DIRECTORS' DECLARATION**

In the opinion of the directors of Eneabba Gas Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.

On behalf of the board



**Barnaby Egerton-Warburton**  
**Managing Director**  
Perth  
28 February 2017

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Eneabba Gas Limited

### Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eneabba Gas Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *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 financial position as at 31 December 2016 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 the company, 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*.

*Conclusion*

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 Eneabba Gas Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Emphasis of matter*

Without modifying our conclusion, we draw attention to Note 1 "Basis of Preparation" in the financial report which outlines conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

**HLB Mann Judd**  
**Chartered Accountants**

A handwritten signature in blue ink that reads 'D I Buckley'.

**D I Buckley**  
**Partner**

**Perth, Western Australia**  
**28 February 2017**