



LIMITED

ABN 41 062 284 084

Half-Year Financial Report for the period ended
31 December 2016

CORPORATE DIRECTORY

DIRECTORS: Richard Ong (Chairman)
Drago Panich
Chris Low
Peter Ng
David Low

COMPANY SECRETARY: Ian Gregory

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AUDITORS: Moore Stephens
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SHARE REGISTRY: Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
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This Half-Year Financial Report covers the Consolidated Entity comprising Syngas Limited ("Company") and its subsidiaries. The functional currency and presentation currency of the Company is Australian Dollars.

A description of the Consolidated Entity's operations and its principal activities are included in the Review of Operations in the Directors' Report. The Directors' Report has not been reviewed by the auditors.

DIRECTORS' DECLARATION

The directors present the financial report of Syngas Limited ("Company") and its controlled entities ("Consolidated Entity") for the half-year ended 31 December 2016.

In order to comply with the provisions of the *Corporations Act 2001*, the directors' report is as follows:

DIRECTORS

The names of the directors of the Company who held office during the half-year are:-

Richard Ong

Drago Panich (resigned 3 March 2017)

Chris Low

Peter Ng

David Low

OPERATING RESULTS

The after income tax loss for the Consolidated Entity amounted to \$200,288 (2015: \$214,591).

REVIEW OF OPERATIONS

As earlier announced, the Company had entered into a Memorandum of Understanding with Centuries Andalas Ltd. ("Centuries") for an equity/investment participation in PT Cahaya Terang Makmur ("PT Cahaya") which will construct and operate a 10 MW mini-hydro run-of-river power plant (the "Project") located on Batang Toru river in the Island of Sumatra, Republic of Indonesia.

Company had sought an extension of the MOU up to 30 June 2017 due to the protracted negotiations with the landowners of the identified site for the power plant project and the securing of the water use permits from the Provincial Authorities. Centuries has agreed to a final extension deadline of 30 June 2017. The indicative timeline on the Company review of the Project is as follows:

Finalise Technical Due Diligence	-	End Mar 2017
Financial & Legal Due Diligence	-	End Mar 2017
Review by Group Risk Management	-	End April 2017
Decision on investments	-	End June 2017

The Board is also open to considering investment in other income generating assets such as other existing income generating power plants as well of small potential producing minerals projects in order to generate income and cashflow for the Company.

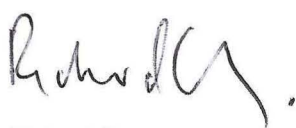
Syngas' cash-in-bank and cash equivalents as at 31 of December 2016 were \$111,139 (30 June 2016: \$76,384).

DIRECTORS' DECLARATION

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the Corporations Act 2001 section 307C the auditors of the Company, Moore Stephens Melbourne, have provided a signed auditor's independence declaration to the directors in relation to the half-year ended 31 December 2016. This declaration has been included on page 6 and forms part of this report.

Signed in accordance with a resolution of the directors.

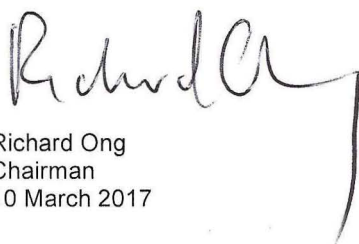


Richard Ong
Chairman
10 March 2017

The directors of Syngas Limited declare that:

- a) in their opinion the accompanying financial statements and notes of the Consolidated Entity;
 - i) give a true and fair view of the financial position as at 31 December 2016 and the performance for the half-year ended on that date of the Consolidated Entity; and
 - ii) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- b) Subject to achievement of the matters set out in Note 1 to the financial report, in their opinion 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 made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Richard Ong
Chairman
10 March 2017

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF SYNGAS LIMITED**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2016, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

MOORE STEPHENS

MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257



RYAN LEEMON
Partner
Audit & Assurance Services

Melbourne, Victoria

10 March 2017

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
HALF-YEAR ENDED 31 DECEMBER 2016**

	Note	Half-Year 2016	Half-Year 2015
CONTINUING OPERATIONS			
Interest received from other persons		17	18
Administrative expenses	3	(200,305)	(214,609)
LOSS BEFORE INCOME TAX (EXPENSE)/BENEFIT		(200,288)	(214,591)
Income tax (expense)/benefit		--	---
LOSS AFTER INCOME TAX (EXPENSE)/BENEFIT		(200,288)	(214,591)
Other comprehensive income for the half-year			---
Minority Interest			---
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR		(200,288)	(214,591)
BASIC AND DILUTED LOSS PER SHARE (CENTS PER SHARE)		(0.03)	(0.04)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016	30 June 2016
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		111,139	76,384
Trade and other receivables		--	--
TOTAL CURRENT ASSETS		111,139	76,384
NON-CURRENT ASSETS			
Property, plant and equipment		466	587
TOTAL NON-CURRENT ASSETS		466	587
TOTAL ASSETS		111,605	76,971
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		291,998	202,427
Borrowings	5	1,176,166	1,030,815
TOTAL CURRENT LIABILITIES		1,468,164	1,233,242
TOTAL LIABILITIES		1,468,164	1,233,242
NET ASSETS		(1,356,559)	(1,156,271)
EQUITY			
Contributed equity	6	35,016,571	35,016,571
Accumulated losses		(36,373,130)	(37,172,842)
TOTAL EQUITY		(1,356,559)	(1,156,271)

The accompanying condensed notes form part of this financial report

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Half-Year 2016	Half-Year 2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers & employees	(65,261)	(102,298)
Interest received	16	18
Other		
NET CASH USED IN OPERATING ACTIVITIES	(65,245)	(102,280)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	--	(737)
NET CASH USED IN INVESTING ACTIVITIES	--	(737)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	100,000	200,000
Borrowing Costs	--	---
Repayment of Borrowings	--	---
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	100,000	200,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	34,755	96,983
Cash and cash equivalents at beginning of period	76,384	115,659
CASH AND CASH EQUIVALENTS AT END OF PERIOD	111,139	212,642

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

Half-Year to 31 December 2016	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
AT 1 JULY 2016	35,016,571	(36,172,842)	(1,156,271)
LOSS FOR THE PERIOD	---	(200,288)	(200,288)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	---	(200,288)	(200,288)
AT 31 DECEMBER 2016	35,016,571	(36,373,130)	(1,356,559)

Half-Year to 31 December 2015	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	
AT 1 JULY 2015	35,016,571	(35,784,802)	(768,231)
LOSS FOR THE PERIOD	---	(214,591)	(214,591)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	---	(214,591)	(214,591)
AT 31 DECEMBER 2015	35,016,571	(35,999,393)	(982,822)

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2016 has been prepared in accordance with 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 134 Interim Financial Reporting.

The half-year financial report does not include all notes of the type normally included within the annual financial report. Accordingly this financial report is to be read in conjunction with the annual report for the year ended 30 June 2016 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 the corresponding period.

Going concern

The Consolidated Entity recorded a loss of \$200,288 for the half year ended 31 December 2016 (2015: \$214,591), net cash inflows of \$34,755 (2015: \$96,983) and has net liabilities of \$1,356,559 at 31 December 2016 (30 June 2016: \$1,156,271). The Consolidated Entity's cash flow forecasts show that it will require additional funding to enable it to meet ongoing expenditure commitments for at least twelve months from the date of signing these financial statements.

The financial report has been prepared on the basis that the Consolidated Entity can continue to meet its commitments as and when they fall due. In arriving at this position the directors have had regard to the fact that they are actively pursuing further funding initiatives to provide additional working capital, including identification and implementation of profitable projects, potential equity issues, have expressed their continued support of the loan facility in place (note 5). Directors have deferred settlement of all entitlements from the company for a period of not less than 12 months or until such time that cashflow permits and is not to the detriment to other financial obligations and commitments of the company.

Commitment has been received from the Directors confirming ongoing financial support to the company as and when it is needed, as to enable the company to meet its financial obligations as and when they fall due and to carry on business without constraint of operations for a period of no less than 12 months.

The directors believe that at the date of the signing of the financial statements there are reasonable grounds to believe that, having regard to the matters set out above, the company will be able to raise sufficient funds to meet its obligations as and when they fall due and continue to proceed with the Consolidated Entity's strategic objectives beyond the currently committed expenditure.

Should the directors not achieve the matters set out above, there is significant uncertainty whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Consolidated Entity not be able to continue as a going concern.

New, revised or amending Accounting Standards and Interpretations adopted.

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

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2016**

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. None of these are expected to have a significant effect on the consolidated financial statements.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that effect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management basis its judgements, estimates and assumptions on historical experience and on other factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation were the same as those applied to the annual financial report as at and for the year ended 30th June 2016.

NOTE 3. ADMINISTRATIVE EXPENSES

	Half-Year to 31 December 2016	Half-Year to 31 December 2015
	\$	\$
Staff and consultants	110,000	135,000
Travel and accommodation expenses	-	1,393
Rental expenses	1,249	486
Depreciation of plant and equipment	122	377
Finance Costs	45,350	36,328
Other	43,583	41,025
	200,304	214,609

NOTE 4. EXPLORATION AND EVALUATION

	31 December 2016	30 June 2015
	\$	\$
Exploration Licences	---	---
Total Exploration Licences	---	---

**MOVEMENTS IN THE CARRYING AMOUNT OF EXPLORATION
LICENCES**

At the beginning of the financial year	---	---
Impairment	---	---
At the end of the period	---	---

As at 31 December 2016, the remaining exploration licence is over the Lignite Coal Deposit at Clinton South Australia (MEL 5186) which expired on 15/08/2015 was surrendered back to the South Australian Department of State Resources.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2016**

NOTE 5. BORROWINGS

	31 December 2016	30 June 2016
	\$	\$
Loan from Director and entity related to Director at the end of the Financial Year	1,176,166	1,030,815
	1,176,166	1,030,815

During the period, the Company draw down additional \$100,000 from the \$350,000 Loan Facility with AsiaPacific Businesslink Sdn Bhd, an entity associated with Mr Chris Low, a director of the Company. As at 31 December 2016, a total of \$300,000 has drawn from this facility. The Company also has a loan facility with Mr Chris Low which balance stood at \$857,260 as at 31 December, 2016, being the principal of \$700,000 and accumulated interest of \$157,260.

NOTE 6. CONTRIBUTED EQUITY

	31 December 2016		30 June 2016	
	Number of Shares	\$	Number of Shares	\$
Ordinary shares	581,440,288	35,016,571	581,440,288	35,016,571

NOTE 7. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to the Balance Date, the Company entered into a final extension of the Memorandum of Understanding with Centuries Andalas Ltd. for an equity/investment participation in PT Cahaya up to 30 June 2017.

The Memorandum of Understanding enables Syngas to investigate participating in a 10 MW mini-hydro run-of-river power plant located in the Island of Sumatra, Republic of Indonesia to be constructed and operated by PT Cahaya. The participation of Syngas in the Project will require an investment outlay of between US\$4.0m to US\$10.0m. Due diligence costs incurred in relation to the investigation are funded by associated entities of Chris Low. It has been agreed that the reimbursement of costs will not be sought from the company.

NOTE 8. DIVIDENDS

No dividends have been paid or declared in the half-year ended 31 December 2016 (31 December 2015: nil).

NOTE 9. SEGMENT REPORTING

The Consolidated Entity:

1. has currently only one operating segment, being energy projects, and the segment operations and results are the same as the Consolidated Entity results; and
2. has based its operating segment reporting on the internal reports that are reviewed and used by executive management on a monthly basis in assessing performance and in determining the allocation of resources.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SYNGAS LIMITED AND CONTROLLED ENTITIES

Report on the Half-Year Financial Report

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

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 (including Australian Accounting Interpretations) 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 Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports 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:

- a. giving a true and fair view of the company's financial position as at 31 December 2016 and 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*.

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 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 company, would be in the same terms if provided to the directors as at the time of this auditor's review report.

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 the company is not in accordance with the *Corporations Act 2001*, including:

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

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion, we draw attention to Note 1- Going Concern which indicates the consolidated company incurred a loss of \$200,288 during the period as well as being in a net liability position of \$1,356,558, for the half year ended 31 December 2016. The directors of the consolidated company have set out the assumptions used in preparing the financial report on a going concern basis in Note 1- Going Concern. If these assumptions do not eventuate, it may cast doubt over the consolidated company's ability to continue as a going concern and therefore the consolidated company may not be able to realise its assets and discharge its liabilities in the normal course of business.

MOORE STEPHENS

MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257



RYAN LEEMON
Partner
Audit & Assurance Services

Melbourne, Victoria

10 March 2017