GLOBAL ENERGY VENTURES LTD

Global Reach | Energy Efficiency | Venture Focus

ABN: 53 109 213 470

Annual Report 2017

DIRECTORS:	Fletcher Maurice Brand (Executive Chairman) Garry Triglavcanin (Executive Director) Paul Garner
COMPANY SECRETARY:	Jack Hugh Toby FCA MACS
ABN:	53 109 213 470
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This annual report covers both Global Energy Ventures Ltd as an individual entity and the consolidated entity comprising Global Energy Ventures Ltd and its subsidiaries. The Group's presentation currency is Australian Dollars ($). The functional currency of Global Energy Ventures Ltd is Australian Dollars ($) and the functional currency of all subsidiaries of Global Energy Ventures Ltd is United States Dollars (US$), except for North Perth Basin Pty Ltd whose functional currency was Australian Dollars ($). A description of the Group's operations and of its principal activities is included in the review of operations and activities in the directors' report. The directors' report is not part of the financial report.

Dear Fellow Shareholder,

It gives me pleasure to present the 2017 Annual Report for Global Energy Ventures Ltd (ASX: GEV), my first in the role of GEV's Executive Chairman. The past year has seen somewhat of a transformation for our Company, with a name change from TTE Petroleum Ltd to Global Energy Ventures Ltd, new Board and Management, and reshaping of our activities, assets, technical partners and consultants to prepare for a stronger future.

Along with Garry Triglavcanin, our new Executive Director, we are working to create new opportunities and provide greater value for our shareholders.

Having sold or lessened our interest in assets in the United States in the first half of the year, by mid-year the Board had identified several highly appealing energy project opportunities to give Global Energy Ventures Ltd a new focus.

The Company plans to expand its capacity to source energy, primarily in the form of natural gas. We believe that we can invest along the gas supply chain, both upstream and midstream for delivery. We have identified reserves and/or production of stranded gas resources for favourable terms where there is no readily available low-cost infrastructure solution to deliver the gas production to a downstream customer, meaning the gas remains stranded. We intend to utilise modern delivery systems to connect stranded gas production to niche markets and thereby commercialise energy resources that have been previously deemed uneconomic. We intend to do this on a global scale, with a focus on the marine transport of gas as Compressed Natural Gas (CNG).

We pursued the first of these opportunities, exploring CNG transport technologies and marketing of CNG to a number of major gas markets. The development of these CNG technologies provides a cost-effective solution to the compression, storage and transportation of natural gas to major foreign markets where alternative gas supplies are not economic (such as pipelines or liquefied natural gas).

To this end, we have signed agreements with Meridian Holdings Co to secure port capacity at Port Meridian in the United Kingdom, with GEV acquiring a 5% interest in Meridian, and Meridian granting GEV gas volume and sales rights to fast-track a maiden CNG opportunity for GEV. This is very exciting and we expect to have more announcements about these plans in the coming months.

As part of our transformative activities this year, a consolidation of capital on a 1-for-20 basis was approved by shareholders in January, taking our shares on issue from 4,191,313,261 to 209,565,471 ordinary shares. We have seen this activity result in greater interest in our Company, as we are now trading at a stronger share price, and we thank Shareholders for their support in this endeavour.

We completed a pro-rata rights issue to shareholders and other significant capital raisings during the year, including a placement of $1.13 million of shares to institutional and sophisticated clients of Foster Stockbroking Pty Ltd in the December quarter, which introduced new institutional and sophisticated shareholders from Australia and Asia, and an oversubscribed $5 million placement to Institutional and Sophisticated clients of Foster Stockbroking in the June quarter. Funds from the $5 million will help GEV accelerate our opportunities in 2018, and we thank our Shareholders for participating in this.

Having completed a strong year, GEV has exciting plans for the next 12 months, and I am pleased to bring my many years of experience to use in leading GEV during this time. I would like to thank my fellow Board members, especially Paul Garner who has been with the Company throughout this year's transformation, for their support as I came into the role. I also thank our staff for their efforts over the past year.

We have plenty to look forward to in the coming year and I hope that we can continue to deliver on our strategy.

Maurice Brand
Executive Chairman

The directors of Global Energy Ventures Ltd A.C.N. 109 213 470 ("GEV" or "Company") present their report including the consolidated financial report of the Company and its controlled entities ("Consolidated Entity" or "Group") for the year ended 30 June 2017. The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

DIRECTORS

The names of the directors of the Company in office at any time during or since the financial year and up to the date of this financial report are as follows. Directors were in office for the entire period unless otherwise stated.

Fletcher Maurice Brand (appointed: 24 November 2016)
Garry John Frank Triglavcanin (appointed: 24 November 2016)
Paul Garner
Darren Levy (resigned: 25 November 2016)
Bradley J Simmons (resigned: 25 November 2016)

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were developing solutions by way of Compressed Natural Gas (CNG) for stranded gas fields and investment in oil and gas resources.

During the year, the Company developed its strategy for the commercialisation of stranded gas fields. There were no other significant changes in the nature of the principal activities during the financial year.

OPERATING RESULTS

The operating loss for the Consolidated Entity, after income tax amounted to $6,413,047 (2016: $3,574,795).

DIVIDENDS

No dividends have been paid or declared since the start of the financial year by the Company.

The directors have recommended that no dividend be paid by the Company in respect of the year ended 30 June 2017.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS AND REVIEW OF OPERATIONS

The following significant changes in the state of affairs of the Consolidated Entity occurred during the financial year:

During the financial year, the Company has had a significant change in Board and management and the new Board has focused on a comprehensive recapitalisation of the Company. Accordingly:

- Fletcher Maurice Brand was appointed Executive Chairman;
- Garry John Frank Triglavcanin was appointed Executive Director
- Paul Garner remains on the Board as a Non-Executive Director

- The Company raised over $7.6 million in cash by equity capital raisings.

- Eliminated $1,775,000 of debt by the conversion of convertible notes into 1,265,216,099 ordinary shares (pre-consolidation) and 632,608,050 free attaching options expiring on 31 May 2020 (pre-consolidation).

On 6 July 2016, the Company cancelled 20,000,000 options expiring on 30 November 2016, 2,500,000 Class A Performance Rights, 4,000,000 Class B Performance Rights and 6,000,000 Class C Performance Rights. On 23 September 2016, the Company cancelled 1,000,000 Class A Performance Rights.

On 14 October 2016, the Company issued a prospectus for a non-renounceable entitlements offer on the basis of one new share for every one share held plus a placement to raise a further $300,000 approved by shareholders at the AGM held on 11 November 2016. The Offer partially underwritten by Barclay Wells Ltd to the Underwritten Amount of $500,000. Accordingly, the Company issued 629,159,750 shares for $0.001 each on 7 November 2016, 163,807,184 shares for $0.001 each on 9 November 2016 and 300,000,000 shares for $0.001 each on 16 November 2016.

On 4 August 2016, the Company signed a Purchase and Sale Agreement effective 1 August, 2016 with Viceroy Petroleum LP (Viceroy) an independent oil & gas production and operating company based in Texas. As part of the alliance, Viceroy assumed operatorship and acquired a 70% Working Interest (WI) in the Allen Dome field (which included the acquisition of the 50% WI currently owned by Gulf South Energy Partners LP and Gulf South Holding Inc). The Company retained a 30% WI in this field. In addition, Viceroy purchased the Boling Dome and Markham Dome Assets from the Company. The sale resulted in net cash receipts to the Company of US$624,884 and the Company retained an Overriding Royalty Interests across all three fields. In addition, the Company granted Viceroy the right, at its option, to purchase GEV's 30% WI in Allen Dome, between the dates of August 1, 2017, and October 31, 2017. The purchase price shall be calculated using the following formula: O * 912.5 * N * B, with O equal to the average oil price, N equal to the net revenue interest and B equal to average monthly production, based on the three-month average oil production immediately preceding the option-exercise date.

On 14 November 2016, the Company signed the Purchase and Sale Agreement (PSA) on the Blue Ridge acreage with Viceroy by which Viceroy assumed operatorship and purchased a 75% Working Interest (WI) in the Blue Ridge field from the Company for US$200,000. The Company retained a 25% Working Interest. As additional consideration Viceroy agrees to carry the Company on up to an initial 5 new wells to casing point for its WI portion until 15 October 2018. This value shall be a dollar total of up to US$250,000 toward the Company's 25% WI in the 5 initial wells. Following either (a) the drilling the 5 initial "carried wells" to casing point, or (b) the depletion of the US$250,000 in drilling related credit towards the Company's 25% obligation, Viceroy and GEV will continue at the aforementioned WI. In the event that Viceroy fails to drill 5 wells during such 12 month period, Viceroy shall have the election to either (a) re-assign to the Company all of Viceroy's right, title and interest in the Subject Lease or (b) pay the sum of US$15,000 for each of the initial 5 obligation wells not drilled. Should there be an adjustment and reduction of the acreage capable of being drilled upon, the Company's drilling credit of US$250,000 shall be adjusted in proportion to the percentage reduction of useable acreage and deducted from the drilling carry portion of the consideration owed to GEV by Viceroy.

On 18 January 2017, the Company changed its name from TTE Petroleum Ltd to Global Energy Ventures Ltd. The ASX code for the Company's listed securities was changed to GEV.

On 18 January 2017, shareholders approved a consolidation of capital on a 1 for 20 basis. The consolidation was implemented on 23 January 2017.

On 30 January 2017, the Company issued 4,000,000 Class A Performance Rights, 4,000,000 Class B Performance Rights and 6,000,000 Class C Performance Rights (together "Performance Rights") to directors. All Performance Rights are subject to the participant remaining employed or engaged with the Company for a continuous period of 12 months from the date of grant. Class A Performance Rights will expire on 31 July 2018 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.10 per Share at any time subsequent to the date of grant. Class B Performance Rights will expire on 31 January 2019 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.20 per Share at any time subsequent to the date of grant. Class C Performance Rights will expire on 31 January 2020 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.30 per Share at any time subsequent to the date of grant. On vesting, each Performance Right converts into one ordinary share in the Company. Any Performance Rights not vested before their expiry date, will lapse. The issue of the Performance Rights was approved at the general meeting of shareholders held on 18 January 2017.

The Company signed an equity investment and capacity agreement with Meridian Holdings Co ("Meridian") for the Company to acquire a 5% interest in Meridian for US$2 million comprising US$1 million was payable upon execution of the Definitive Agreements (paid during the year) and US$1 million payable on 29 December 2017. Meridian granted the Company:

a) Gas volume rights of 300 million standard cubic feet per day (MMscf/d) of port capacity at Meridian's proposed Port Meridian terminal in the United Kingdom, subject to regulatory approvals and a tolling terminal agreement; and

b) Gas sale rights of 300MMscf/d to Uniper under the Gas Sales Agreement dated April 2015 between Meridian LNG Holdings Corp. and Uniper Global Commodities SE (a subsidiary of Uniper SE publicly traded on the Frankfurt Stock Exchange), subject to a gas assignment agreement.

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.

LIKELY DEVELOPMENTS

The directors intend to actively pursue the acquisition of equity positions and the development of commercialisation solutions for Compressed Natural Gas (CNG) in stranded gas fields. By stranded gas fields it covers those gas fields where neither a gas pipeline can be built and/or for various reasons it is not viable to establish a Liquefied Natural Gas (LNG) facility.

ENVIRONMENTAL ISSUES

The Company's operations in Western Australia are subject to environmental regulation under Australian Commonwealth and Western Australia State legislation. The Company has fully complied or is in the process of complying, with all of its environmental obligations in Australia. The Group's operations in the United States of America are subject to federal, state and local environmental regulation. The board has adequate systems in place for the management of its environmental obligations and is not aware of any significant breach of these requirements.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

FLETCHER MAURICE BRAND
CHAIRMAN (EXECUTIVE)
APPOINTED: 24 NOVEMBER 2016

Qualifications and Experience:

Mr Brand is a fellow of the Australian Institute of Management and of the Australian Company Directors Association. He has over 30 years' experience in the international energy industry having foundered ASX listed Liquefied Natural Gas Limited in 2002 and Energy Equity Corporation Limited in 1985 (now known as ASX listed Energy World Corporation Ltd). He was the driving force behind both companies as the Managing Director and Chief Executive Officer, with ASX LNG being admitted to the ASX 200 in September 2014 with a market capitalisation of A$2.5 billion.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Director of Liquefied Natural Gas Limited from 14 August 2002 to 1 August 2016.

Special Responsibilities:

Executive Chairman from his appointment as a director on 24 November 2016.

Interest in shares and options of the Company as at the date of signing this report:

12,000,000 ordinary shares, 2,224,791 options exercisable at $0.40 each and expiring on 31 May 2020, 2,000,000 Class A Performance Rights, 2,000,000 Class B Performance Rights and 3,000,000 Class C Performance Rights in Global Energy Ventures Ltd.

Directors meetings attended during the financial year:

Attended 10 of the 11 meetings held during the financial year while he was a director.

GARRY JOHN FRANK TRIGLAVCANIN
DIRECTOR (EXECUTIVE)
APPOINTED: 24 NOVEMBER 2016

Qualifications and Experience:

Mr Triglavcanin holds a Bachelor of Engineering (Mechanical) and Master of Business Administration (MBA). He has over 25 years' experience in the international energy industry across commercial, technical and legal aspects of project development, negotiation and delivery. He spent 12 years with ASX listed Liquefied Natural Gas Limited as Group Commercial Manager, developing a range of projects, including the Australian Fisherman's Landing LNG Project, Magnolia United States LNG Project and the Middle East Qeshm Island LNG Project (as Project Director for 3 years). He joined Woodside Petroleum in 2001 as Senior Commercial Advisor, working on a portfolio of renewable energy projects, as well as several merger and acquisition opportunities until 2004. As Business Development Manager of Energy Equity Corporation from October 1992 to March 2001, He was responsible for the assessment and development of energy projects in Australia and Indonesia.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

None.

Special Responsibilities:

None.

Interest in shares and options of the Company as at the date of signing this report:

4,190,036 ordinary shares, 994,595 options exercisable at $0.40 each and expiring on 31 May 2020, 2,000,000 Class A Performance Rights, 2,000,000 Class B Performance Rights and 3,000,000 Class C Performance Rights in Global Energy Ventures Ltd.

Directors meetings attended during the financial year:

Attended 11 of the 11 meetings held during the financial year while he was a director.

PAUL CHARLES GARNER
DIRECTOR (NON-EXECUTIVE)

Qualifications and Experience:

Mr Garner has extensive experience in international business and over 40 years experience in the property and equities market. He has extensive experience with public company capital raising and restructuring. He has served on the Boards of various listed oil and gas companies at various stages of their development.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Director of Tomizone Limited from 29 January 2013 to 22 May 2015.

Special Responsibilities:

Managing Director to 24 November 2016.

Interest in shares and options of the Company as at the date of signing this report:

13,039,032 Ordinary Shares, 559,677 Options expiring on 30 May 2020 exercisable at $0.10 each and 800,000 Options expiring on 31 May 2020 exercisable at $0.40 each in Global Energy Ventures Ltd.

Directors meetings attended during the financial year: 26.

JACK TOBY
COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Qualifications

Mr Toby is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate member of the Australian Computer Society.

Experience

Mr Toby has extensive experience as Company Secretary and Chief Financial Officer of several listed public companies and major corporations over the last 30 years.

DARREN STEPHEN LEVY
CHAIRMAN (NON-EXECUTIVE)
RESIGNED: 25 NOVEMBER 2016

Qualifications and Experience:

Mr Levy holds a Bachelor of Commerce degree from Melbourne University, Post Graduate Diploma from the Securities Institute of Australia and has been admitted as a Fellow of the financial services institute of Australia (F.Fin.). He has had 29 years experience in the finance and stockbroking industry.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Director of Tomizone Limited from 29 January 2013 to 3 July 2014.

Special Responsibilities:

None.

Directors meetings attended during the financial year:

Attended 16 of the 16 meetings held during the financial year while he was a director.

BRADLEY JAY SIMMONS
DIRECTOR (NON-EXECUTIVE)
RESIGNED: 25 NOVEMBER 2016

Qualifications and Experience:

Bradley Simmons is a seasoned veteran of the oil patch with over 36 years of Gulf Coast drilling and production operations experience. His career includes investment banking specialising in oil companies and the founding and building of several oil, gas and drilling companies. He has a hands-on style and in roles as Chairman and/or Chief Executive, has nurtured oil and gas companies through development and expansion. Most recently, he retired from his position as Executive Director of Maverick Drilling & Exploration Limited. He holds a Bachelor of Science degree from Yale University and is a former Olympic athlete.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

None.

Special Responsibilities:

None.

Directors meetings attended during the financial year:

Attended 15 of the 16 meetings held during the financial year while he was a director.

DIRECTORS MEETINGS

During the year ended 30 June 2017, 26 meetings of directors were held.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

Remuneration is based on fees set by resolution of the Board of directors.

Remuneration for Mr Fletcher Maurice Brand has been set at $60,000 per year from the date of his appointment on 24 November 2016.

Remuneration for Mr Garry Triglavcanin has been set at $120,000 per year from the date of his appointment on 24 November 2016. Subsequent to the end of the financial year, Mr Triglavcanin's remuneration was increased to $240,000 per year from 1 July 2017.

Remuneration for Mr Paul Garner was set at $120,000 per year plus a utilities allowance of $1,000 per month from 1 July 2016 to 30 September 2016. His remuneration was changed to $180,000 per year plus a utilities allowance of $1,000 per month from 1 October 2016 to 30 November 2016. On 1 December 2016, Mr Garner's role was changed to Non-Executive Director and his remuneration was set at $60,000 per year from 1 December 2016.

Remuneration for Mr Darren Levy was set at $60,000 per year from 1 July 2016 to 30 September 2016. His remuneration was changed to $80,000 per year from 1 October 2016. Mr Levy resigned on 25 November 2016.

Remuneration for Mr Bradley Simmons was set at US$120,000 per year from 1 July 2016 and then changed to US$60,000 per year on his change of role to Non-Executive Director from 1 August 2016. Mr Simmons resigned on 25 November 2016.

Directors are also awarded additional fees for extra services or special exertions. Remuneration consultants were not engaged during the financial year. There are no employment contracts for any of the key management personnel and no termination benefits are payable for any of the key management personnel.

The names and positions of key management personnel of the Company and of the Consolidated Entity who have held office during the financial year are:

DIRECTORS

Fletcher Maurice Brand	Executive Chairman (appointed 24 November 2016)
Garry John Frank Triglavcanin	Executive Director (appointed 24 November 2016)
Paul Charles Garner	Managing Director until 24 November 2016. Non-Executive Director from 24 November 2016.
Darren Stephen Levy	Non-Executive Chairman (resigned 25 November 2016)
Bradley Simmons	Executive Director and joint CEO until 4 August 2016. Non-Executive Director from 4 August 2016.

EXECUTIVES

Jack Toby	Company Secretary and Chief Financial Officer

	Primary Remuneration 2017			
	Salary and Fees $	Bonus $	Super-annuation $	Total $
REMUNERATION OF DIRECTORS BASED ON FEES APPROVED BY THE BOARD OF DIRECTORS.				
Fletcher Maurice Brand	33,015	—	3,136	36,151
Garry John Frank Triglavcanin	66,028	—	6,273	72,301
Paul Garner	100,000	—	—	100,000
Darren Levy	28,333	—	—	28,333
Bradley Simmons	38,797	—	—	38,797
TOTAL PRIMARY REMUNERATION FOR DIRECTORS	266,173	—	9,409	275,582
REMUNERATION OF EXECUTIVES BASED ON FEES APPROVED BY THE BOARD OF DIRECTORS.				
Jack Toby	81,000	—	—	81,000
TOTAL PRIMARY REMUNERATION FOR OTHER KEY MANAGEMENT PERSONNEL	81,000	—	—	81,000

	Total Remuneration 2017			
	Primary Remuneration $	Equity Remuneration $	Total $	Equity Remuneration % of Total
REMUNERATION OF DIRECTORS BASED ON APPROVAL BY THE BOARD OF DIRECTORS.				
Fletcher Maurice Brand	36,151	341,200	377,351	90.42%
Garry John Frank Triglavcanin	72,301	341,200	413,501	82.51%
Paul Garner	100,000	—	100,000	—
Darren Levy	28,333	—	28,333	—
Bradley Simmons	38,797	—	38,797	—
TOTAL REMUNERATION FOR DIRECTORS	275,582	682,400	957,982	71.23%
REMUNERATION OF EXECUTIVES BASED ON APPROVAL BY THE BOARD OF DIRECTORS.				
Jack Toby	81,000	—	81,000	—
TOTAL REMUNERATION FOR OTHER KEY MANAGEMENT PERSONNEL	81,000	—	81,000	—

On 30 January 2017, the Company issued 2,000,000 Class A Performance Rights, 2,000,000 Class B Performance Rights and 3,000,000 Class C Performance Rights to director Fletcher Maurice Brand and issued 2,000,000 Class A Performance Rights, 2,000,000 Class B Performance Rights and 3,000,000 Class C Performance Rights (together "Performance Rights") to director Garry Triglavcanin. All Performance Rights are subject to the participant remaining employed or engaged with the Company for a continuous period of 12 months from the date of grant. Class A Performance Rights will expire on 31 July 2018 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.10 per Share at any time subsequent to the date of grant. Class B Performance Rights will expire on 31 January 2019 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.20 per Share at any time subsequent to the date of grant. Class C Performance Rights will expire on 31 January 2020 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.30 per Share at any time subsequent to the date of grant. On vesting, each Performance Right converts into one ordinary share in the Company. Any Performance Rights not vested before their expiry date, will lapse. The issue of the Performance Rights was approved at the general meeting of shareholders held on 18 January 2017. The Performance Rights were valued using a Monte-Carlo pricing model that simulates the share price of the Company's shares over the period until expiration. The Australian Government bond rate of 1.7% was used as the risk free interest rate.

On 6 July 2016, the Company cancelled 20,000,000 options exercisable at $0.05 each and expiring on 30 November 2016, 2,500,000 Class A Performance Rights, 4,000,000 Class B Performance Rights and 6,000,000 Class C Performance Rights held by nominees of director Bradley Simmons pursuant to an agreement on 30 June 2016.

There is no other relationship between the performance or the impact on shareholder wealth of the Company for the current financial year or the previous four financial years and either the remuneration of directors and executives or the issue of shares and options to directors. Remuneration is set at levels to reflect market conditions and encourage the continued services of directors and executives.

SHARES HELD BY KEY MANAGEMENT PERSONNEL

Year Ended 30 June 2017

	Number of Ordinary Shares				
	1 July 2016 or Appointment	**Capital Consolidation**	**Issued as Remuneration**	**Net Change Other**	**30 June 2017 or Resignation**
Fletcher Maurice Brand	165,083,395	(183,904,226)	—	30,820,831	12,000,000
Garry Triglavcanin	73,800,738	(70,110,702)	—	500,000	4,190,036
Paul Garner	81,000,000	(247,741,613)	—	179,780,645	13,039,032
Darren Levy	31,609,817	—	—	60,999,997	92,609,814
Bradley Simmons	25,000,000	—	—	—	25,000,000
Jack Toby	12,462,274	(88,559,323)	—	80,758,065	4,661,016
	388,956,224	(590,315,864)	—	352,859,538	151,499,898

The Company's securities were consolidated on a 1 for 20 basis on 23 January 2017.

OPTIONS HELD BY KEY MANAGEMENT PERSONNEL

Year Ended 30 June 2017

	Number of Options				
	1 July 2016 or Appointment	**Capital Consolidation**	**Granted as Remuneration**	**Net Change Other**	**30 June 2017 or Resignation**
Fletcher Maurice Brand	44,495,829	(42,271,038)	—		2,224,791
Garry Triglavcanin	19,891,916	(18,897,321)	—		994,595
Paul Garner	—	(5,883,871)	—	7,243,548	1,359,677
Darren Levy	—	—	—	5,000,000	5,000,000
Bradley Simmons	20,000,000	—	—	(20,000,000)	—
Jack Toby	—	(9,500,000)	—	10,000,000	500,000
	84,387,745	(76,552,230)	—	2,243,548	10,079,063

The Company's securities were consolidated on a 1 for 20 basis on 23 January 2017.
All options are vested and exercisable.

PERFORMANCE RIGHTS HELD BY KEY MANAGEMENT PERSONNEL

Year Ended 30 June 2017

	Number of Performance Rights			
	1 July 2016 or Appointment	**Granted as Remuneration**	**Voluntarily Relinquished**	**30 June 2017 or Resignation**
Fletcher Maurice Brand	—	7,000,000	—	7,000,000
Garry Triglavcanin	—	7,000,000	—	7,000,000
Paul Garner	—	—	—	—
Darren Levy	—	—	—	—
Bradley Simmons	13,500,000	—	(13,500,000)	—
Jack Toby	—	—	—	—
	13,500,000	14,000,000	(13,500,000)	14,000,000

The Company's securities were consolidated on a 1 for 20 basis on 23 January 2017.

CONVERTIBLE NOTES HELD BY KEY MANAGEMENT PERSONNEL

Year Ended 30 June 2017

	Number of Convertible Notes			
	1 July 2016 or Appointment	Granted as Remuneration	Net Change Other	30 June 2017 or Resignation
Fletcher Maurice Brand	—	—	—	—
Garry Triglavcanin	—	—	—	—
Paul Garner	200,000	—	(200,000)	—
Darren Levy	—	—	—	—
Bradley Simmons	—	—	—	—
Jack Toby	100,000	—	(100,000)	—
	300,000	—	(300,000)	—

End of Audited Section

OPTIONS GRANTED OVER UNISSUED SHARES

During the year, the Company issued 7,266,687 options exercisable at $0.10 each and expiring on 30 May 2020, 31,630,385 options exercisable at $0.40 each and expiring on 31 May 2020, 2,000,000 options exercisable at $0.14 each and expiring on 18 June 2020 and 3,000,000 options exercisable at $0.21 each and expiring on 19 June 2020. Options granted have been amended to reflect the 1 for 20 capital consolidation which occurred on 23 January 2017.

On 30 January 2017, the Company issued 4,000,000 Class A Performance Rights, 4,000,000 Class B Performance Rights and 6,000,000 Class C Performance Rights (together "Performance Rights") to directors Fletcher Maurice Brand and Garry Triglavcanin. All Performance Rights are subject to the participant remaining employed or engaged with the Company for a continuous period of 12 months from the date of grant. Class A Performance Rights will expire on 31 July 2018 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.10 per Share at any time subsequent to the date of grant. Class B Performance Rights will expire on 31 January 2019 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.20 per Share at any time subsequent to the date of grant. Class C Performance Rights will expire on 31 January 2020 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.30 per Share at any time subsequent to the date of grant. On vesting, each Performance Right converts into one ordinary share in the Company. Any Performance Rights not vested before their expiry date, will lapse. The issue of the Performance Rights was approved at the general meeting of shareholders held on 18 January 2017.

OPTIONS OVER UNISSUED SHARES EXPIRED

During the year, the Company cancelled 3,500,000 Class A Performance Rights, 4,000,000 Class B Performance Rights, 6,000,000 Class C Performance Rights and 20,000,000 Options exercisable at $0.05 each and expiring on 30 November 2016.

OPTIONS OVER UNISSUED SHARES EXERCISED

During and subsequent to the year ended 30 June 2017, no shares were issued by virtue of the exercise of options.

During the year ended 30 June 2017, 63,260,805 ordinary shares plus 31,630,385 free attaching options exercisable at $0.40 each and expiring on 31 May 2020 were issued pursuant to the conversion of 1,775,000 convertible notes of $1.00 each. Shares and Options issued have been amended to reflect the 1 for 20 capital consolidation which occurred on 23 January 2017.

OPTIONS OVER UNISSUED SHARES OUTSTANDING

The following options to subscribe for unissued fully paid ordinary shares in the Company are outstanding at the date of this report:

7,266,687 options exercisable at $0.10 each and expiring on 30 May 2020, 31,630,385 options exercisable at $0.40 each and expiring on 31 May 2020, 2,000,000 options exercisable at $0.14 each and expiring on 18 June 2020 and 3,000,000 options exercisable at $0.21 each and expiring on 19 June 2020.

The following performance rights for the issue of unissued fully paid ordinary shares in the Company are outstanding at the date of this report:

4,000,000 Class A Performance Rights, 4,000,000 Class B Performance Rights and 6,000,000 Class C Performance Rights (together "Performance Rights") to directors Fletcher Maurice Brand and Garry Triglavcanin. All Performance Rights are subject to the participant remaining employed or engaged with the Company for a continuous period of 12 months from the date of grant. Class A Performance Rights will expire on 31 July 2018 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.10 per Share at any time subsequent to the date of grant. Class B Performance Rights will expire on 31 January 2019 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.20 per Share at any time subsequent to the date of grant. Class C Performance Rights will expire on 31 January 2020 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.30 per Share at any time subsequent to the date of grant. On vesting, each Performance Right converts into one ordinary share in the Company. Any Performance Rights not vested before their expiry date, will lapse.

No person entitled to exercise any of these options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

INDEMNIFYING AND INSURING DIRECTORS, OFFICERS OR AUDITORS

During the financial year, the Company paid premiums for Directors and Officers liability insurance. Except as disclosed above, the Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

a) indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or

b) paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the *Corporations Act 2001* section 307C a signed Auditor's Independence Declaration to the directors in relation to the year ended 30 June 2017 has been provided to the Company. This declaration has been included in this document.

Other fees charged by the auditors to the Company or related entities were tax advice and tax return preparation costs of $5,000. The directors are satisfied that the services disclosed did not compromise the auditor's independence.

Signed in accordance with a resolution of the directors.

Fletcher Maurice Brand
Director

25 August 2017
Perth, Western Australia

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Global Energy Ventures Ltd A.C.N. 109 213 470 ("Company"), I state that:

In the opinion of the directors:

1) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001* including:

   a) complying with International Financial Reporting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b) giving a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Consolidated Entity; and

   c) the remuneration report disclosures set out on pages 6 to 10 of the directors' report (as part of the Remuneration Report), for the year ended 30 June 2017, comply with section 300A of the *Corporations Act 2001*.

2) As required by section 295A of the *Corporations Act 2001*, the Chief Executive Officer, Mr Fletcher Maurice Brand, and Chief Finance Officer, Mr Jack Toby, have each declared in writing that:

   a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

   b) the financial statements and notes for the financial year comply with the International Financial Reporting Standards; and

   c) the financial statements and notes for the financial year give a true and fair view.

3) in the director's 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.

On behalf of the Board of Directors.

Fletcher Maurice Brand
Director

25 August 2017
Perth, Western Australia

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated Entity 2017 $	2016 $
Revenue from operating activities	2	124,552	988,605
Cost of sales	2	(226,419)	(383,483)
GROSS (LOSS)/PROFIT		(101,867)	605,122
Revenue from non-operating activities	2	16,329	954,295
Project development expenses		(553,851)	—
Exploration expenses	2	(3,093,308)	(3,756,069)
Share based payments	21	(734,040)	(314,535)
Other expenses	2	(1,946,310)	(1,063,608)
LOSS BEFORE INCOME TAX EXPENSE		(6,413,047)	(3,574,795)
Income tax expense	3	—	—
LOSS AFTER RELATED INCOME TAX EXPENSE		(6,413,047)	(3,574,795)
OTHER COMPREHENSIVE INCOME			
Exchange differences on translating foreign operations		866,452	(559,735)
Income tax relating to components of other comprehensive income		—	—
OTHER COMPREHENSIVE INCOME AFTER INCOME TAX		866,452	(559,735)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(5,546,595)	(4,134,530)
BASIC EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)	4	(4.31)	(0.53)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)	4	(4.31)	(0.53)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	Consolidated Entity 2017 $	2016 $
CURRENT ASSETS			
Cash and cash equivalents	17	3,864,678	148,537
Trade and other receivables	5	77,921	328,957
TOTAL CURRENT ASSETS		3,942,599	477,494
NON-CURRENT ASSETS			
Plant and equipment	6	615	81,299
Receivables	7	997	30,291
Capitalised oil and gas expenditure	8	650,026	4,072,261
Investments	9	1,323,802	—
TOTAL NON-CURRENT ASSETS		1,975,440	4,183,851
TOTAL ASSETS		5,918,039	4,661,345
CURRENT LIABILITIES			
Trade and other payables	10	190,437	861,984
Borrowings	11	—	1,791,403
Other financial liabilities	12	—	698,832
Provisions	13	—	4,684
TOTAL CURRENT LIABILITIES		190,437	3,356,903
TOTAL LIABILITIES		190,437	3,356,903
NET ASSETS		5,727,602	1,304,442
EQUITY			
Issued capital	14	46,104,428	37,491,165
Reserves	15	(1,038,958)	(1,596,244)
Accumulated losses		(39,337,868)	(34,590,479)
TOTAL EQUITY		5,727,602	1,304,442

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated Entity 2017 $	Consolidated Entity 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		130,666	575,144
Payments to suppliers and employees		(868,366)	(716,107)
Production costs		(243,452)	(296,929)
Interest received		8,374	6,546
Interest and finance costs paid		(88,883)	(203,976)
Oil sales proceeds received/(paid) and held in suspense pending resolution of entitlements		(79,603)	(468)
Project development		(553,851)	—
Other income		7,955	545,773
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	17	(1,687,160)	(90,017)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of oil and gas interests		(29,431)	(933,179)
Proceeds from disposal of oil and gas interests		1,077,432	749,101
Payments for exploration expenditure		(1,010,612)	(3,079,823)
Payments for development expenditure		(61,966)	(119,307)
Payments for purchase of plant and equipment		—	(56,144)
Purchase of investments		(1,323,802)	—
Proceeds from disposal of plant and equipment		54,719	41,880
Other		—	16,159
NET CASH OUTFLOW USED IN INVESTING ACTIVITIES		(1,293,660)	(3,381,313)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity issues		7,614,599	298,197
Proceeds from issue of convertible notes		—	1,695,000
Capital raising costs		(378,173)	(68,700)
Borrowings		156,431	345,050
Repayment of borrowings		(691,616)	(30,050)
NET CASH INFLOW FROM FINANCING ACTIVITIES		6,701,241	2,239,497
NET INCREASE/(DECREASE) IN CASH HELD		3,720,421	(1,231,833)
Net foreign exchange differences		(4,280)	29,676
Cash and cash equivalents at beginning of year		148,537	1,350,694
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	3,864,678	148,537

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	CONSOLIDATED ENTITY				
ATTRIBUTABLE TO MEMBERS OF THE COMPANY	**Issued Capital $**	**Option Premium Reserve $**	**Currency Translation Reserve $**	**Accumulated Losses $**	**Total Equity $**
AT 1 JULY 2015	36,830,431	1,437,913	(2,702,167)	(31,015,684)	4,550,493
COMPREHENSIVE INCOME					
Other comprehensive income for the year	—	—	(559,735)	—	(559,735)
Loss for year	—	—	—	(3,574,795)	(3,574,795)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	(559,735)	(3,574,795)	(4,134,530)
TRANSACTIONS WITH OWNERS, IN THEIR CAPACITY AS OWNERS, AND OTHER TRANSFERS					
Securities issued	729,434	227,745		—	957,179
Equity raising costs	(68,700)	—	—	—	(68,700)
TOTAL TRANSACTIONS WITH OWNERS AND OTHER TRANSFERS	660,734	227,745	—	—	888,479
AT 30 JUNE 2016	37,491,165	1,665,658	(3,261,902)	(34,590,479)	1,304,442
COMPREHENSIVE INCOME					
Currency translation	—	—	866,452	—	866,452
Loss for year	—	—	—	(6,413,047)	(6,413,047)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	866,452	(6,413,047)	(5,546,595)
TRANSACTIONS WITH OWNERS, IN THEIR CAPACITY AS OWNERS, AND OTHER TRANSFERS					
Securities issued	9,662,028	1,356,492		—	11,018,520
Equity raising costs	(1,048,765)	—	—	—	(1,048,765)
Option premium transferred to accumulated losses		(1,665,658)		1,665,658	—
TOTAL TRANSACTIONS WITH OWNERS AND OTHER TRANSFERS	8,613,263	(309,166)	—	1,665,658	9,969,755
AT 30 JUNE 2017	46,104,428	1,356,492	(2,395,450)	(39,337,868)	5,727,602

The accompanying notes form part of these financial statements

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies adopted by Global Energy Ventures Ltd A.C.N. 109 213 470 ("Parent Entity" or "Company") and by the Parent Entity and its controlled entities ("Consolidated Entity" or "Group") in the preparation of these financial statements.

Basis of Preparation of Accounts

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) and the *Corporations Act 2001*. The consolidated financial report of the Group also complies with the International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on a historical cost basis, except for any available-for-sale financial assets that have been measured at fair value. The presentation currency used in this financial report is Australian Dollars.

This financial report is issued in accordance with a resolution of the directors of the Company on the same date as the Directors' Declaration above.

Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any material changes to the Group's accounting policies.

At the date of authorisation of the financial report, Standards and Interpretations that have been issued but are not yet effective do not have a material impact on these financial statements.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies adopted by the Company in the preparation of these financial statements. The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at and for the period ended 30 June each year (the Group). Interests in associates are equity accounted and are not part of the consolidated Group. Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intragroup transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition. A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction. Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary; derecognises the carrying amount of any non-controlling interest; derecognises the cumulative translation differences, recorded in equity; recognises the fair value of the consideration received; recognises the fair value of any investment retained; recognises any surplus or deficit in profit or loss and reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

b) *Foreign currency translation*

The presentation currency of the Company and its Australian subsidiaries is Australian dollars. The functional currency of the Company is Australian dollars. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences in the consolidated financial report are taken to the income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The functional currency of overseas subsidiaries is United States dollars. As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of the Company at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period. The exchange differences arising on the retranslation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement as part of the gain or loss on sale as applicable.

c) *Taxes*

Income Tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

d) *Employee Benefits*

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. Employee benefits, expenses and revenues arising in respect of wages and salaries; non monetary benefits; annual leave; long service leave and other leave and other employee entitlements are charged against profits on a net basis.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred. The Group has no legal obligation to cover any shortfall in any superannuation fund's obligation to provide benefits to employees on retirement.

e) *Cash and cash equivalents*

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with a maturity of three months or less. For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts and investments in money market instruments with less than 14 days to maturity.

f) *Revenue recognition*

Revenue from services rendered is recognised upon the delivery of goods or services to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Oil sales are recognised when an invoice for the sale is issued. Management fees are recognised on a proportional basis.

g) *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST except: where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from the investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

h) *Impairment of assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease). An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

i) *Leases*

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis. Contingent rentals are recognised as an expense in the financial year in which they are incurred.

j) *Issued capital*

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

k) *Property, Plant and Equipment*

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Land and buildings are measured at fair value less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 1 to 15 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

l) *Trade and other receivables*

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivable) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default and delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the assets carrying amount and the present value of estimated future cashflows, discounted at the original effective interest rate. Cashflows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of the impairment loss is recognised in the income statements within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

m) *Trade and other payables*

Trade payables and other payables are carried at amortised cost which represents future liabilities for goods and services received, whether or not billed to the Company.

n) *Investments*

Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

Impairment of financial assets

Impairment of available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when: the rights to receive cash flows from the asset have expired; the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or the Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay. When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

o) *Inventories*

Inventories are measured at the lower of cost and net realisable value. The cost of mineral stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

p) *Significant accounting judgements, estimates and assumptions*

Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Exploration and development assets

The Group's accounting policy for exploration and development expenditure is set out below. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves are found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under our policy, we conclude that we are unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Key Estimates - Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the taxation authorities in the jurisdictions in which the Group operates.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Monte Carlo model or a binomial model, using the assumptions detailed. The Group measures the cost of cash-settled share-based payments at fair value at the grant date using a binomial formula taking into account the terms and conditions upon which the instruments were granted.

q) *Exploration and Development Expenditure*

Oil and gas properties include capitalised project expenditure and development expenditure. The Group uses the units of production method to amortise costs carried forward in relation to its oil and gas properties. For this approach , the calculations are based on proved and probable reserves as determined by the Group's estimates. Impairment of the carrying value of oil and gas expenditure is calculated on a field by field basis.

An area of interest refers to an individual geographical area where the presence of oil or a natural gas field is considered favourable or has been proved to exist.

Acquisition costs of rights to explore are accumulated in respect of each identifiable area of interest. These costs are only carried forward while the right to tenure of the area of interest remains current and only to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Other exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward where the right to tenure of the area of interest remains current and only to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Exploration and evaluation expenditures that do not meet the above criteria are expensed as incurred.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

r) *Share-based payment transactions*

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black-Scholes or a binomial model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (‘market conditions’). The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘vesting date’). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

s) *Earnings/(loss) per share*

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for: costs of servicing equity (other than dividends) and preference share dividends; the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTE 2. REVENUE AND EXPENSES

The profit/(loss) before income tax has been determined after:

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
REVENUE FROM CONTINUING OPERATIONS		
Operating activities		
Oil and gas sales	124,552	507,307
Operator fees, net of costs	—	481,298
TOTAL REVENUE FROM OPERATING ACTIVITIES	124,552	988,605
Non-Operating activities		
Interest received from other persons	8,374	6,546
Unrealised exchange gains	—	745,760
Other revenue	7,955	201,989
TOTAL REVENUE FROM NON-OPERATING ACTIVITIES	16,329	954,295
TOTAL REVENUE FROM CONTINUING OPERATIONS	140,881	1,942,900
CHARGING AS EXPENSES		
Cost of sales		
Production costs	226,419	300,749
Depletion of production leases	—	82,734
	226,419	383,483
Exploration expenses		
Exploration expenditure written off	2,705,832	1,393,600
Other exploration expenses	387,476	2,362,469
	3,093,308	3,756,069
Other expenses		
Employee benefits and consultants expenses	383,629	470,497
Depreciation	5,955	32,615
Administrative expenses	485,067	232,895
Rental expense on operating lease	22,635	42,635
Loss on sale of plant and equipment	17,713	21,590
Interest expense and borrowing fees	88,883	263,376
Unrealised exchange loss	942,428	—
	1,946,310	1,063,608

	Consolidated Entity 2017 $	2016 $

NOTE 3. INCOME TAX

	2017 $	2016 $
INCOME TAX BENEFIT	—	—
Numerical reconciliation between tax expense and pre-tax net loss:		
LOSS BEFORE INCOME TAX BENEFIT	(6,413,047)	(3,574,795)
Income tax using the Company's domestic tax rate of 30%	(1,923,914)	(1,072,439)
Share based payments	215,892	94,361
Capital raising costs	(74,540)	(77,480)
Other non-deductible expenses/(deductible tax adjustments)	281,027	(247,650)
Current deferred tax asset not recognised	1,501,535	1,303,208
INCOME TAX BENEFIT (EXPENSE) ATTRIBUTABLE TO ENTITY	—	—

Estimated unused tax losses of $37,296,809 (2016: $30,712,639) have not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Company satisfying the requirements imposed by the relevant regulatory authorities in each of the jurisdictions in which the Company operates. The benefit of deferred tax assets not brought to account will only be brought to account if future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised and the conditions for deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

NOTE 4. EARNINGS PER SHARE

	2017 $	2016 $
Basic loss per share (cents per share)	(4.31)	(0.53)
Diluted loss per share (cents per share)	(4.31)	(0.53)
Profit/(loss) used in the calculation of basic EPS	(6,413,047)	(3,574,795)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share (i)	148,796,293	674,228,435
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share (i)	148,796,293	674,228,435

(i) On 18 January 2017, shareholders approved a consolidation of capital on a 1 for 20 basis. The consolidation was implemented on 23 January 2017. The weighted average of ordinary shares for the year ended 30 June 2017 has been amended to reflect the 1 for 20 capital consolidation.

During the year ended 30 June 2017, 14,000,000 Performance Rights (post consolidation) were issued which convert to ordinary shares subject to various share price hurdles, 13,500,000 Performance rights and 20,000,000 options (pre-consolidation) were cancelled, 777,941,899 options (pre-consolidation) were issued, 5,000,000 options (post-consolidation) were issued, no options were exercised and no options expired unexercised, leaving 14,000,000 Performance Rights and 43,897,072 options outstanding at 30 June 2017 (note 14). In addition, 391,666 convertible notes of $1.00 each with rights to conversion to ordinary shares were redeemed during the year. 1,775,000 convertible notes of $1.00 each were converted to 1,265,216,099 ordinary shares and 632,608,050 free attaching options (pre-consolidation) leaving no convertible notes outstanding at 30 June 2017. These securities are not considered dilutive for the purposes of the calculation of diluted earnings per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share nor increase the net loss from continuing ordinary operations per share. Consequently, diluted earnings per share is the same as basic earnings per share.

During the year ended 30 June 2016, 13,500,000 Performance Rights were issued which convert to ordinary shares subject to various share price hurdles, no options were exercised and 26,679,509 options expired unexercised, leaving 13,500,000 Performance Rights and 20,000,000 options outstanding at 30 June 2016 (note 14). In addition, 2,166,666 convertible notes of $1.00 each with rights to conversion to ordinary shares were issued during the year. 1,800,000 convertible notes of $1.00 each were rolled over to a new class of convertible notes, leaving 2,166,666 convertible notes of $1.00 each outstanding at 30 June 2016. These securities are not considered dilutive for the purposes of the calculation of diluted earnings per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share nor increase the net loss from continuing ordinary operations per share. Consequently, diluted earnings per share is the same as basic earnings per share.

	Consolidated Entity	
	2017 $	2016 $

NOTE 5. TRADE AND OTHER RECEIVABLES (CURRENT)

	2017 $	2016 $
Trade debtors	8,037	210,851
Other debtors and prepayments	69,884	118,106
	77,921	328,957

Other debtors are non-interest bearing and generally on 30 day terms.

NOTE 6. PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

	2017 $	2016 $
At cost	808	103,693
Accumulated depreciation	(193)	(22,394)
TOTAL PLANT AND EQUIPMENT	615	81,299

MOVEMENTS IN THE CARRYING AMOUNT OF PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

	2017 $	2016 $
At the beginning of the financial year	81,299	117,078
Additions	—	56,144
Depreciation expense	(5,955)	(32,615)
Disposals	(54,719)	(41,880)
Loss on disposals	(17,713)	(21,590)
Currency exchange adjustment	(2,297)	4,162
TOTAL PLANT AND EQUIPMENT	615	81,299

NOTE 7. TRADE AND OTHER RECEIVABLES (NON-CURRENT)

	2017 $	2016 $
Deposits	997	30,291
	997	30,291

	Consolidated Entity 2017 $	Consolidated Entity 2016 $

NOTE 8. CAPITALISED OIL AND GAS EXPENDITURE

	2017 $	2016 $
MOVEMENTS IN THE CARRYING AMOUNT OF LEASE ACQUISITION COSTS FOR PRODUCING PROPERTIES		
At the beginning of the financial year	374,085	286,275
Expenditure incurred during the year	53,036	171,173
Written down during the year	—	(56,779)
Disposals	(146,651)	(34,722)
Exchange rate adjustment	(11,109)	8,138
AT THE END OF THE FINANCIAL YEAR	269,361	374,085
MOVEMENTS IN THE CARRYING AMOUNT OF LEASE ACQUISITION COSTS FOR UNDEVELOPED PROPERTIES		
At the beginning of the financial year	2,329,330	1,506,083
Expenditure incurred during the year	74,723	1,209,622
Written down during the year	(1,192,040)	(356,133)
Disposals	(787,950)	(65,414)
Exchange rate adjustment	(43,398)	35,172
AT THE END OF THE FINANCIAL YEAR	380,665	2,329,330
MOVEMENTS IN THE CARRYING AMOUNT OF EXPLORATION AND DEVELOPMENT COSTS ON PRODUCING PROPERTIES		
At the beginning of the financial year	383,419	593,120
Expenditure incurred during the year	70,570	773,131
Depletion	—	(5,437)
Written down during the year	(283,833)	(986,050)
Disposals	(164,259)	(16,502)
Exchange rate adjustment	(5,897)	25,157
AT THE END OF THE FINANCIAL YEAR	—	383,419
MOVEMENTS IN THE CARRYING AMOUNT OF EXPLORATION AND DEVELOPMENT COSTS ON UNDEVELOPED PROPERTIES		
At the beginning of the financial year	985,427	466,531
Expenditure incurred during the year	250,075	572,286
Written down during the year	(1,229,958)	(71,935)
Exchange rate adjustment	(5,544)	18,545
AT THE END OF THE FINANCIAL YEAR	—	985,427
TOTAL CAPITALISED OIL AND GAS EXPENDITURE	650,026	4,072,261

Recoverability of the carrying amount of the capitalised oil and gas expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

	Consolidated Entity 2017 $	2016 $
NOTE 9. INVESTMENTS		
HELD-TO MATURITY INVESTMENTS		
Shares in other unlisted unrelated corporations, at cost	1,323,802	—
	1,323,802	—

Investments comprise a US$1 million investment in Meridian Holdings Co. ("Meridian"), a company registered in the Cayman Islands, pursuant to an agreement whereby the Company has acquired a 5% interest in Meridian for US$2 million in total comprising two instalments of US$1 million each. The Company has paid the first instalment with the second instalment due on 29 December 2017. If the Company chooses to not pay all or part of the second instalment, then the sole consequence of such non-payment is that the Company's holding of shares in Meridian will be proportionally adjusted so that its percentage holding of Meridian shares will be reduced to reflect the amount actually paid compared to the original US$2 million purchase price.

NOTE 10. TRADE AND OTHER PAYABLES (CURRENT)

	2017 $	2016 $
Trade creditors	48,835	756,998
Sundry creditors and accrued expenses	141,602	104,986
	190,437	861,984

NOTE 11. BORROWINGS (CURRENT)

	2017 $	2016 $
Loans	—	323,569
Convertible Notes expiring on 15 July 2016	—	170,000
Convertible Notes expiring on 31 October 2017	—	1,297,834
	—	1,791,403

NOTE 12. OTHER FINANCIAL LIABILITIES (CURRENT)

	2017 $	2016 $
Convertible Note derivatives	—	698,832
	—	698,832

NOTE 13. PROVISIONS (CURRENT)

	2017 $	2016 $
Employee benefits	—	4,684
	—	4,684

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
NOTE 14. ISSUED CAPITAL		
245,279,757 (2016: 690,906,031) fully paid ordinary shares	46,104,428	37,491,165
	46,104,428	37,491,165

	Date	Number of Shares	Consolidated Entity 2017 $	Consolidated Entity 2016 $
MOVEMENTS IN ORDINARY SHARES				
At the beginning of the financial year			37,491,165	36,830,431
Shares issued for $0.003 each (ratified by shareholders on 07-Oct-16) together with 34,020,302 free attaching options expiring on 30-May-20. The options were issued on 25-Oct-16 and were approved by shareholders on 07-Oct-16	29-Jul-16	102,060,903	306,183	—
Shares issued free in consideration for services provided together with 15,120,000 free attaching options expiring on 30-May-20 (approved by shareholders on 07-Oct-16)	25-Oct-16	15,120,000	30,240	—
Shares issued free at a deemed issue price of $0.025 as part consideration for the acquisition of oil and gas interests	25-Oct-16	1,350,000	44,239	—
Shares issued free pursuant to Employee Share Plan approved by shareholders on 06-Feb-15	25-Oct-16	2,000,000	4,000	—
Shares issued for $0.00155 each together with 42,247,311 free attaching options expiring on 30-May-20 (approved by shareholders on 07-Oct-16)	04-Nov-16	126,741,937	196,450	—
Shares issued free pursuant to Employee Share Plan approved by shareholders on 06-Feb-15	04-Nov-16	2,000,000	3,000	—
Shares issued for $0.001566 together with 143,678,160 free attaching options expiring on 31-May-20 pursuant to the conversion of 450,000 convertible notes expiring on 31-Oct-17	04-Nov-16	287,356,320	450,000	—
Shares issued for $0.001 each pursuant to pro rata entitlement issue	07-Nov-16	629,159,750	629,160	—
Shares issued for $0.001 each pursuant to pro rata entitlement issue	09-Nov-16	163,807,184	163,807	—
Shares issued for $0.001 each (approved by shareholders on 11-Nov-16)	16-Nov-16	300,000,000	300,000	—
Shares issued for $0.001355 each together with 18,946,236 free attaching options expiring on 30-May-20 (approved by shareholders on 07-Oct-16)	23-Nov-16	56,838,708	77,016	—
Shares issued for $0.001355 together with 488,929,890 free attaching options expiring on 31-May-20 pursuant to the conversion of 1,325,000 convertible notes expiring on 31-Oct-17	24-Nov-16	977,859,779	1,325,000	—
Shares issued for $0.001355 each (ratified by shareholders on 18-Jan-17)	30-Nov-16	836,112,649	1,132,933	—
Consolidation of Capital	23-Jan-17	(3,981,747,790)	—	—
Shares issued for $0.14 each (ratified by shareholders on 21-Jun-17)	08-May-17	11,764,489	1,647,028	—

			Consolidated Entity	
	Date	Number of Shares	2017 $	2016 $
Shares issued for $0.14 each	08-May-17	20,949,797	2,932,972	—
Shares issued for $0.14 each (approved by shareholders on 21-Jun-17)	21-Jun-17	3,000,000	420,000	—
Shares issued for US$0.02 (approved by shareholders on 02-Jul-15)	06-Jul-15	11,500,000	—	298,197
Shares issued free at a deemed issue price of $0.025 as part consideration for the acquisition of oil and gas interests (approved by shareholders on 25-Nov-15)	23-Dec-15	7,000,000	—	241,947
Shares issued free pursuant to Employee Share Plan approved by shareholders on 06-Feb-15	23-Dec-15	1,570,000	—	34,540
Shares issued for $0.008 (ratified by shareholders on 24-Jun-16)	10-Mar-16	12,500,000	—	100,000
Shares issued free pursuant to Employee Share Plan approved by shareholders on 06-Feb-15	10-Mar-16	4,750,000	—	52,250
Shares issued free as part consideration for the acquisition of oil and gas interests (ratified by shareholders on 07-Oct-16)	30-Jun-16	500,000	—	2,500
Share issue expenses comprising the issue of free options (at valuation)			(670,592)	—
Other share issue expenses			(378,173)	(68,700)
AT THE END OF THE FINANCIAL YEAR			46,104,428	37,491,165

On 18 January 2017, shareholders approved a consolidation of capital on a 1 for 20 basis. The consolidation was implemented on 23 January 2017.

AT 30 JUNE 2017:

57,897,072 unissued ordinary shares for which options were outstanding, comprising:

7,266,687 options which entitle the holder to subscribe for one ordinary share in the Company for $0.10 per share and expire on 30 May 2020;
31,630,385 options which entitle the holder to subscribe for one ordinary share in the Company for $0.40 per share and expire on 31 May 2020;
2,000,000 options which entitle the holder to subscribe for one ordinary share in the Company for $0.14 per share and expire on 18 June 2020;
3,000,000 options which entitle the holder to subscribe for one ordinary share in the Company for $0.21 per share and expire on 19 June 2020: and
4,000,000 Class A Performance Rights, 4,000,000 Class B Performance Rights and 6,000,000 Class C Performance Rights

The Class A Performance Rights, Class B Performance Rights and Class C Performance Rights (together “Performance Rights”) are subject to the participant remaining employed or engaged with the Company for a continuous period of 12 months from the date of grant. Class A Performance Rights will expire on 31 July 2018 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.10 per Share at any time subsequent to the date of grant. Class B Performance Rights will expire on 31 January 2019 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.20 per Share at any time subsequent to the date of grant. Class C Performance Rights will expire on 31 January 2020 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.30 per Share at any time subsequent to the date of grant. On vesting, each Performance Right converts into one ordinary share in the Company. Any Performance Rights not vested before their expiry date, will lapse.

AT 30 JUNE 2016:

170,000 convertible notes of $1.00 each were outstanding. These convertible notes had an expiry date of 15 July 2016 with interest payable on a 9.50% per annum basis. Each convertible note may be converted to fully paid ordinary shares in Titan Energy Ltd prior to maturity at an issue price of $0.04 per Share at the election of the noteholder. Convertible notes that are not converted are repayable at maturity.

1,996,666 convertible notes of $1.00 each were outstanding. These convertible notes had an expiry date of 31 October 2017 with interest payable on a 9.75% per annum basis. Each convertible note may be converted at the election of the Noteholder to fully paid ordinary shares in Global Energy Ventures Ltd prior to maturity at an issue price of $0.03 per Share or 80% of the 10 day VWAP, whichever is lower. On conversion, the Company will issue the Noteholder one free Option exercisable at $0.02 each and expiring on 31 May 2020 for every two Shares issued pursuant to the conversion of these convertible notes. Convertible notes that are not converted are repayable at maturity.

1,000,000 Class A Performance Rights were outstanding. Class A Performance Rights vest when the Company's share price is equal to or greater than a 15 day VWAP of $0.05 per Share. Upon vesting, the Performance Rights will be automatically exercised and the holder will be issued 1 Share for each Performance Right that has vested. The Class A Performance Rights lapse on 23 December 2017.

CAPITAL MANAGEMENT

Management controls the capital of the Group comprising the liquid assets held by the Group in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of, and amounts paid up, of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at any meeting of the Company.

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
NOTE 15. RESERVES		
Option premium reserve	1,356,492	1,665,658
Currency translation reserve	(2,395,450)	(3,261,902)
	(1,038,958)	(1,596,244)

	Date	Number of Securities	Consolidated Entity 2017 $	Consolidated Entity 2016 $
MOVEMENTS IN OPTION PREMIUM RESERVE				
At the beginning of the financial year			1,665,658	1,437,913
Options expiring on 30-May-20 issued for $0.0001 each (approved by shareholders on 07-Oct-16)	25-Oct-16	35,000,000	3,500	—
Consolidation of options expiring on 30-May-20	23-Jan-17	(138,067,162)	—	—
Consolidation of options expiring on 31-May-20	23-Jan-17	(600,977,665)	—	—
Issue of Class A performance rights	30-Jan-17	4,000,000	208,000	—
Issue of Class B performance rights	30-Jan-17	4,000,000	186,400	—
Issue of Class C performance rights	30-Jan-17	6,000,000	288,000	—
Issue of options expiring on 18-Jun-20 issued free in consideration for services provided	21-Jun-17	2,000,000	268,218	—
Issue of options expiring on 19-Jun-20 issued free in consideration for services provided	21-Jun-17	3,000,000	402,374	—
Class A Performance Rights	23-Dec-15	2,500,000	—	53,275
Class B Performance Rights	23-Dec-15	4,000,000	—	67,770
Class C Performance Rights	23-Dec-15	6,000,000	—	104,460
Class A Performance Rights	10-Mar-16	1,000,000	—	2,240
Option premium for expired options transferred to accumulated losses			(1,665,658)	—
AT THE END OF THE FINANCIAL YEAR			1,356,492	1,665,658

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
MOVEMENTS IN CURRENCY TRANSLATION RESERVE		
At the beginning of the financial year	(3,261,902)	
Movement for the year	866,452	
AT THE END OF THE FINANCIAL YEAR	(2,395,450)	

On 6 July 2016, the Company cancelled 20,000,000 options expiring on 30 November 2016, 2,500,000 Class A Performance Rights, 4,000,000 Class B Performance Rights and 6,000,000 Class C Performance Rights. On 23 September 2016, the Company cancelled 1,000,000 Class A Performance Rights.

On 18 January 2017, shareholders approved a consolidation of capital on a 1 for 20 basis. The consolidation was implemented on 23 January 2017.

The option premium reserve is used to accumulate the fair value of options issued and premiums received on the issue of options. The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

NOTE 16. PARENT ENTITY

FINANCIAL INFORMATION ON THE PARENT ENTITY AS AT THE END OF THE FINANCIAL YEAR:

	Company 2017 $	Company 2016 $
CURRENT ASSETS		
Cash and cash equivalents	3,824,704	24,778
Trade and other receivables	57,292	91,577
TOTAL CURRENT ASSETS	3,881,996	116,355
NON-CURRENT ASSETS		
Plant and equipment	615	2,780
Receivables	26,159,755	24,422,553
Capitalised oil and gas expenditure	—	625,061
Investments	1,323,802	—
Other financial assets	10	10
TOTAL NON-CURRENT ASSETS	27,484,182	25,050,404
TOTAL ASSETS	31,366,178	25,166,759
CURRENT LIABILITIES		
Trade and other payables	152,228	184,908
Borrowings	—	2,490,235
TOTAL CURRENT LIABILITIES	152,228	2,675,143
TOTAL LIABILITIES	152,228	2,675,143
NET ASSETS/(LIABILITIES)	31,213,950	22,491,616
EQUITY		
Issued capital	46,104,428	37,491,165
Reserves	1,356,492	1,665,658
Accumulated losses	(16,246,970)	(16,665,207)
TOTAL EQUITY	31,213,950	22,491,616

FINANCIAL INFORMATION ON THE PARENT ENTITY FOR THE FINANCIAL YEAR:

	2017 $	2016 $
Profit/(loss) after related income tax expense	(1,247,421)	496,955
Other comprehensive income	—	—
TOTAL COMPREHENSIVE INCOME	(1,247,421)	496,955

There are no contingent liabilities of the Parent Entity as at the reporting date.

	Consolidated Entity	
	2017	2016
	$	$
NOTE 17. CASH FLOW INFORMATION		
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT/(LOSS) AFTER INCOME TAX		
Profit/(loss) after tax	(6,413,047)	(3,574,795)
Cash flows in profit/(loss) attributable to non-operating activities		
Exploration expenditure	387,476	2,362,469
Non-cash flows in profit/(loss)		
Depletion	—	82,734
Depreciation of plant and equipment	5,955	32,615
Exploration expenditure written down	1,513,791	1,393,601
Lease acquisition expenditure written off	1,192,040	—
Cost of share based payment	734,040	314,535
Loss on disposal of plant & equipment	17,713	21,590
Foreign exchange loss/(profit)	942,428	(745,760)
Charges to provisions	—	(8,890)
Changes in assets and liabilities		
Decrease/(increase) in debtors and receivables relating to operating activities	(7,536)	(13,163)
Increase/(decrease) in creditors and accruals relating to operating activities	(60,020)	45,047
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(1,687,160)	(90,017)
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the end of the financial year is shown in the accounts as:		
Cash	3,864,678	148,537
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	3,864,678	148,537

NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year, the Company entered into the following non-cash financing and investing transactions:

Loan funds of $180,050 applied to subscriptions for shares.
Issue of free shares valued at $7,000 pursuant to an Employee Share Plan.
Issue of performance rights valued at $682,400.
Issue of shares and options valued at $715,232 in consideration for services performed.
Acquisition of oil and gas interests for US$40,000 by set-off against monies owed to the Company.
Issue of shares valued at $44,239 as part consideration for the acquisition of oil and gas leases.

There were no other non-cash financing and investing activities during the year.

There were no financing facilities in place for the Company at 30 June 2017.

	Consolidated Entity 2017 $	2016 $
NOTE 18. AUDITOR'S REMUNERATION		
Remuneration of the auditor for:		
Auditing or reviewing the financial reports	29,225	29,000
Tax compliance services	5,000	4,500
	34,225	33,500

NOTE 19. EXPENDITURE COMMITMENTS

Non-Cancellable operating leases contracted for but not capitalised in the accounts:

	2017 $	2016 $
Payable		
not later than one year	20,250	16,956
AGGREGATE EXPENDITURE CONTRACTED FOR AT REPORTING DATE	20,250	16,956

The property leases are non-cancellable leases with rent payable monthly in advance.

NOTE 20. KEY MANAGEMENT PERSONNEL

REMUNERATION OF KEY MANAGEMENT PERSONNEL

	Consolidated Entity 2017 $	2016 $
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Short term employee benefits	347,173	1,550,615
Post employment benefits	9,409	5,784
Share based payment benefits	682,400	16,500
	1,038,982	1,572,899

The Company issued the following securities:

On 30 January 2017, the Company issued 4,000,000 Class A Performance Rights, 4,000,000 Class B Performance Rights and 6,000,000 Class C Performance Rights (together "Performance Rights") to directors Fletcher Maurice Brand and Garry Triglavcanin. All Performance Rights are subject to the participant remaining employed or engaged with the Company for a continuous period of 12 months from the date of grant. Class A Performance Rights will expire on 31 July 2018 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.10 per Share at any time subsequent to the date of grant. Class B Performance Rights will expire on 31 January 2019 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.20 per Share at any time subsequent to the date of grant. Class C Performance Rights will expire on 31 January 2020 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.30 per Share at any time subsequent to the date of grant. On vesting, each Performance Right converts into one ordinary share in the Company. Any Performance Rights not vested before their expiry date, will lapse. The issue of the Performance Rights was approved at the general meeting of shareholders held on 18 January 2017. The Performance Rights were valued using a Monte-Carlo pricing model that simulates the share price of the Company's shares over the period until expiration, and based on the following assumptions, expressed on a post-consolidation basis:

Assumptions:			
	Class A	**Class B**	**Class C**
Underlying share spot price ($)	0.08	0.08	0.08

Assumptions:			
	Class A	**Class B**	**Class C**
Exercise price	Nil	Nil	Nil
Share price barrier ($)	>$0.10	>$0.20	>$0.30
Issue Date	18/01/2017	18/01/2017	18/01/2017
Expiration Date	31/07/2018	31/01/2019	31/01/2020
Risk free interest rate	1.7%	1.7%	1.7%
Volatility	131%	131%	131%
Number of Performance Rights	4,000,000	4,000,000	6,000,000

The Company cancelled 2,500,000 Class A Performance Rights, 4,000,000 Class B Performance Rights, 6,000,000 Class C Performance Rights and 20,000,000 Options exercisable at $0.05 each and expiring on 30 November 2016 held by nominees of director Bradley Simmons pursuant to an agreement on 30 June 2016.

NOTE 21. SHARE BASED PAYMENTS

OPTIONS ISSUED AS SHARE BASED PAYMENTS	**Number of Options**	**Weighted Average Exercise Price**
Outstanding at beginning of year	20,000,000	$0.05
Granted	5,756,000	$0.1712
Cancelled	20,000,000	$0.05
Exercised	—	—
Expired	—	—
OUTSTANDING AND EXERCISABLE AT YEAR END	5,756,000	$0.1712

The weighted average remaining contractual life of these options as at 30 June 2017 is 1,082 days.

PERFORMANCE RIGHTS ISSUED AS SHARE BASED PAYMENTS	**Number of Rights**	**Weighted Average Hurdle Price**
Outstanding at beginning of year	13,500,000	$0.0796
Granted	14,000,000	$0.2143
Cancelled	13,500,000	$0.0796
Exercised	—	—
Expired	—	—
OUTSTANDING AND EXERCISABLE AT YEAR END	14,000,000	$0.2143

The weighted average remaining contractual life of these performance rights as at 30 June 2017 is 684 days.

The Company's securities were consolidated on a 1 for 20 basis on 23 January 2017.

During the year ended 30 June 2017, the Company issued 956,000 ordinary shares (on a post-consolidation basis) as share based payments, valued at $37,240.

The Company cancelled 3,500,000 Class A Performance Rights, 4,000,000 Class B Performance Rights, 6,000,000 Class C Performance Rights and 20,000,000 Options exercisable at $0.05 each and expiring on 30 November 2016 (on a pre-consolidation basis) on 6 July 2016, pursuant to an agreement on 30 June 2016.

The cost of all share based payments, including shares, options and performance rights, for the year ended 30 June 2017 was $734,040 (2016: $558,982).

NOTE 22. SEGMENT INFORMATION

IDENTIFICATION OF REPORTABLE SEGMENTS

The Group has identified its operating segments based on internal reports that are reviewed and used by the board of directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group's principal activities during the year were developing solutions by way of Compressed Natural Gas (CNG) for stranded gas fields and investment in oil and gas resources, including exploration, development and production for oil and gas. These activities are managed on a project by project basis. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

BASIS OF ACCOUNTING FOR PURPOSES OF REPORTING BY OPERATING SEGMENTS

Unless stated otherwise, all amounts reported to the board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

Segment assets are clearly identifiable on the basis of their nature and physical location.

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payable and certain direct borrowings.

Items of revenue, expense, assets and liabilities are not allocated to operating segments if they are not considered part of the core operations of any segment.

	YEAR TO 30 JUNE 2017			YEAR TO 30 JUNE 2016		
	Oil and Gas Australia $	**Oil and Gas USA $**	**Total $**	**Oil and Gas Australia $**	**Oil and Gas USA $**	**Total $**
SEGMENT PERFORMANCE						
External revenue	—	132,507	132,507	—	1,083,765	1,083,765
TOTAL SEGMENT REVENUE	—	132,507	132,507	—	1,083,765	1,083,765
Segment net profit/(loss) before tax	(777,641)	(2,888,100)	(3,665,741)	(1,078,471)	(3,681,115)	(4,759,586)
RECONCILIATION OF SEGMENT RESULT TO NET PROFIT/(LOSS) BEFORE TAX						
Amounts not included in segment results but reviewed by the Board:						
Interest received			8,374			6,546
Interest expense			(87,235)			(203,976)
Project development			(553,851)			—
Borrowing fees			—			(59,400)
Other income			—			106,829
Unrealised exchange gain/(loss)			(942,428)			745,760
Other expenses			(1,172,166)			589,032
NET PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			(6,413,047)			(3,574,795)

	30 JUNE 2017			30 JUNE 2016		
	Oil and Gas Australia $	**Oil and Gas USA $**	**Total $**	**Oil and Gas Australia $**	**Oil and Gas USA $**	**Total $**
SEGMENT ASSETS						
Segment assets	—	650,026	650,026	625,061	3,638,803	4,263,864
RECONCILIATION OF SEGMENT ASSETS TO TOTAL ASSETS						
Unallocated assets:						
Cash and cash equivalents			3,864,678			148,537
Receivables			78,918			167,645
Plant and equipment			615			81,299
Investments			1,323,802			—
TOTAL ASSETS FROM CONTINUING OPERATIONS			5,918,039			4,661,345

	30 June 2017			30 June 2016		
	Oil and Gas Australia $	**Oil and Gas USA $**	**Total $**	**Oil and Gas Australia $**	**Oil and Gas USA $**	**Total $**
SEGMENT LIABILITIES						
Segment liabilities	10,627	38,208	48,835	86,696	677,077	763,773
RECONCILIATION OF SEGMENT LIABILITIES TO TOTAL LIABILITIES						
Unallocated liabilities:						
Other liabilities			141,602			2,593,130
TOTAL LIABILITIES FROM CONTINUING OPERATIONS			190,437			3,356,903

REVENUE BY GEOGRAPHICAL REGION

Revenue attributed to external customers is disclosed below based on the location of the external customers.

	Year to 30 June 2017 $	**Year to 30 June 2016 $**
Australia	—	—
USA	124,552	988,605
	124,552	988,605

ASSETS BY GEOGRAPHICAL REGION

The location of assets is disclosed below by the geographical location of the assets.

	30 June 2017 $	**30 June 2016 $**
Australia	5,207,410	745,193
USA	710,629	3,916,152
	5,918,039	4,661,345

MAJOR CUSTOMERS

Due to the nature of its current operations, the Group does not provide products and services.

NOTE 23. CONTROLLED ENTITIES

	% Owned		Book value of shares held		Contribution to consolidated profit/(loss)	
			2017	2016	2017	2016
	2017	2016	$	$	$	$
Parent Entity						
Global Energy Ventures Ltd					(3,970,399)	(1,217,899)
Entities controlled by Global Energy Ventures Ltd						
GEV International Pty Ltd	100%	Nil	—	—	—	—
GEV USA Inc	100%	100%	10	10	(275,217)	(989,327)
TTE Royalties LLC	100%	100%	—	—	18,554	42,796
Entities controlled by Titan Energy Inc						
GEV USA LLC	100%	Nil	—	—	—	—
TTE Petroleum LLC	100%	100%	—	—	(2,213,832)	(1,880,495)
TTE Operating LLC	100%	100%	—	—	27,847	470,130
			10	10	(6,413,047)	(3,574,795)

TTE Petroleum Inc changed its name to GEV USA Inc on 15 February 2017.

The Company registered GEV International Pty Ltd on 23 November 2016. The results of GEV International Pty Ltd have been included in the Consolidated Entity from the date of its registration.

The Company registered GEV USA LLC on 16 December 2016. The results of GEV USA LLC have been included in the Consolidated Entity from the date of its registration.

GEV USA Inc, GEV USA LLC, TTE Operating LLC, TTE Petroleum LLC, and TTE Royalties LLC are registered in the State of Delaware in the United States of America.

NOTE 24. SUPERANNUATION COMMITMENTS

The Company makes contributions to complying superannuation funds based on the requirements of the Australian Superannuation Guarantee Charge or such higher amount as has been agreed with individual employees. There is a legally enforceable obligation on the Company to contribute to the superannuation plan for those contributions that have been agreed with individual employees as part of their conditions of employment.

NOTE 25. CONTINGENT LIABILITIES

TTE Operating LLC, a controlled entity of the Company, has received a letter of demand for unpaid royalties. Based on the information provided by the Company's title opinion lawyer, at the time, the Company believes that the claim is without merit and will vigorously oppose it. The letter of demand does not specify an amount claimed, however the Company believes that the maximum potential liability in the event that the claimant is successful is US$129,275. In the event of a successful claim against TTE Operating LLC then the Company will have grounds for a counter claim against the attorney who provided the title opinion over the prospect in question.

There are no other significant contingent liabilities as at 30 June 2017.

NOTE 26. FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, convertible notes and loans to and from subsidiaries, which arise directly from its operations. The Group's policy is that no trading in financial instruments shall be undertaken. The main purpose of non-derivative financial instruments is to finance Group operations. Derivatives are not used by the Group and the Group does not speculate in the trading of derivative instruments.

TREASURY RISK MANAGEMENT

The Board considers the Group's financial risk exposure and treasury management strategies in the context of the Group's operations. The Board's overall risk management strategy seeks to assist the consolidated Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

FINANCIAL RISK EXPOSURES AND MANAGEMENT

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk. The Board reviews each of these risks on an on-going basis.

INTEREST RATE RISK

The Company has a policy of minimising its exposure to interest payable on debt. The Group pays interest on loans and convertible notes. It has no other debt that requires the payment of interest.

FINANCIAL INSTRUMENTS	TERMS AND CONDITIONS AND INTEREST RATE RISK
Bank Deposits	Bank deposits are either held at call, subject to notice of withdrawal or subject to maturity after a specified period of time. All cash held is subject to floating interest rate risk.
Receivables	There are no specific terms and conditions that may affect the amount, timing and certainty of future cash flows as they are all managed on a case by case basis. These are non interest bearing and there is no exposure to interest rate risk.
Other Accounts Payable	There are no specific terms and conditions that may affect the amount, timing and certainty of future cash flows as they are all managed on a case by case basis. These are non interest bearing and there is no exposure to interest rate risk.

FOREIGN CURRENCY RISK

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency. The Group is also exposed to fluctuations in foreign currencies arising from deposits with banks denominated in foreign currencies. The Group does not seek to hedge this exposure.

The aggregate values of the Consolidated Entity's financial assets and financial liabilities denominated in Australian dollars and US dollars are as follows:

	DENOMINATED IN AUD$ 2017 AUD$	DENOMINATED IN USD$ 2017 AUD$	DENOMINATED IN AUD$ 2016 AUD$	DENOMINATED IN USD$ 2016 AUD$
Financial Assets				
Cash assets	3,824,704	39,974	24,778	123,759
Receivables	57,292	20,629	15,345	343,903
Financial Liabilities				
Payables and borrowings	152,228	38,209	2,675,142	677,077

LIQUIDITY RISK

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are available through on-going business activity, the sale of assets, joint venture arrangements and capital raising.

CREDIT RISK

At 30 June 2017, no cash deposits were committed as collateral security for credit cards (2016: US$65,038)

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There are no other material amounts of collateral held as security at 30 June 2017 or at 30 June 2016. Credit risk is managed on a Group basis and reviewed by the Board. It arises from exposures to customers as well as through deposits with financial institutions. The Board monitors credit risk by actively assessing the quality and liquidity of counter parties, consequently only banks are utilised for deposits and all potential customers are assessed for credit worthiness taking into account their size, market position and financial standing. The counterparties included in trade and other receivables at 30 June 2017 and at 30 June 2016 are not rated, however given the amount and nature of these financial instruments, the Board is satisfied that they represent a low credit risk for the Group. There are no significant concentrations of credit risk within the Group.

PRICE RISK

The Group is exposed to commodity price risk through its own activities and its joint venture interests. Oil and gas prices have remained approximately consistent over the last 12 months and the Group does not currently hedge the price at which it sells oil and gas.

FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Consolidated Entity	
	2017	**2016**
	$	**$**
TRADE AND SUNDRY PAYABLES ARE EXPECTED TO BE PAID AS FOLLOWS:		
Less than 6 months	190,437	861,984
6 months to 1 year		—
later than 1 year but not later than 5 years		—
over 5 years		—
	190,437	861,984

FAIR VALUES

The aggregate net fair values of the Consolidated Entity's financial assets and financial liabilities, both recognised and unrecognised are as follows:

	CARRYING AMOUNT IN THE FINANCIAL STATEMENTS 2017 $	AGGREGATE NET FAIR VALUE 2017 $	CARRYING AMOUNT IN THE FINANCIAL STATEMENTS 2016 $	AGGREGATE NET FAIR VALUE 2016 $
Financial Assets				
Cash assets	3,864,678	3,864,678	148,537	148,537
Receivables	77,921	77,921	359,248	359,248
Financial Liabilities				
Payables and borrowings	190,437	190,437	3,352,219	3,352,219

The following methods and assumptions are used to determine the net fair value of financial assets and liabilities:

Cash assets and financial assets are carried at amounts approximating fair value because of their short term nature to maturity. Receivables and payables are carried at amounts approximating fair value. The Group does not carry financial instruments at fair value at 30 June 2016.

Listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.

Sensitivity Analysis

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk, oil price risk and foreign currency risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2017, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Entity	
	2017	**2016**
	$	**$**
Change in profit due to:		
Increase in interest rate by 2%	(10,695)	(19,613)
Decrease in interest rate by 2%	34,278	34,222
Change in equity due to:		
Increase in interest rate by 2%	(10,695)	(19,613)
Decrease in interest rate by 2%	34,278	34,222

Oil Price Sensitivity Analysis

At 30 June 2017, the effect on profit and equity as a result of changes in the oil price, with all other variables remaining constant would be as follows:

	Consolidated Entity	
	2017	**2016**
	$	**$**
Change in profit due to:		
Increase in oil price by 5%	6,228	25,365
Decrease in oil price by 5%	(6,228)	(25,365)
Change in equity due to:		
Increase in oil price by 5%	6,228	25,365
Decrease in oil price by 5%	(6,228)	(25,365)

FOREIGN CURRENCY RISK SENSITIVITY ANALYSIS

At 30 June 2017, the effect on profit and equity as a result of changes in the foreign currency exchange rate, with all other variables remaining constant would be as follows:

	Consolidated Entity	
	2017	**2016**
	$	**$**
CHANGE IN PROFIT DUE TO:		
Improvement in AUD to USD by 5%	1,224,825	1,194,979
Decline in AUD to USD by 5%	(1,108,173)	(1,081,173)
CHANGE IN EQUITY DUE TO:		
Improvement in AUD to USD by 5%	35,441	174,301
Decline in AUD to USD by 5%	(32,065)	(157,699)

NOTE 27. RELATED PARTY TRANSACTIONS

The Company is not controlled by any other entity.

Marven Pty Ltd received benefits from the Company for services performed by Mr Darren Levy, while he was a director of the Company. The remuneration received by Marven Pty Ltd for the services of Mr Darren Levy as a director of the Company is included in the remuneration of Mr Darren Levy in the Remuneration Report which is within the Directors' Report.

Ohio Holdings Pty Ltd received benefits from the Company for services performed by Mr Paul Garner, while he was a director of the Company. The remuneration received by Ohio Holdings Pty Ltd for the services of Mr Paul Garner as a director of the Company is included in the remuneration of Mr Paul Garner in the Remuneration Report which is within the Directors' Report.

Amanterra Management LLC received benefits from the Company for services performed by Mr Bradley Simmons, while he was a director of the Company. The remuneration received by Amanterra Management LLC for the services of Mr Bradley Simmons as a director of the Company is included in the remuneration of Mr Bradley Simmons in the Remuneration Report which is within the Directors' Report.

During the year the Company owed borrowings of $55,000 to Marven Pty Ltd, a company associated with Mr Darren Levy who is a director of the Company. In addition, the Company owed $35,000 to Marven Pty Ltd for unpaid directors fees earned during the previous financial year. The loans were unsecured and attracted interest of 9.75% per year. Both loans were repaid during the financial year ended 30 June 2017.

During the year the Company owed varying amounts to a maximum of $140,431 to entities associated with Mr Paul Garner who is a director of the Company. In addition, the Company owed $73,569 to Ohio Holdings Pty Ltd for unpaid directors fees earned during the previous financial year. The loans were unsecured and attracted interest of 9.75% per year. All of these loans were repaid during the financial year ended 30 June 2017.

During the year, remuneration for Mr Bradley Simmons of US$17,351 was offset against advance director's fees which the Company had paid Mr Simmons in prior years in respect of future periods. In addition, during the financial year the Company repurchased a 1% Overriding Royalty Interest ("ORRI") in various leases in Allen Dome from Joanne Simmons, the spouse of Bradley J Simmons (a director of the Company). Consideration for the acquisition is US$40,000 in total plus a 1% ORRI, subject to proportionate reduction, out of any ORRI that the Company may become entitled to from the acquisition by Viceroy Petroleum LP ("Viceroy") of interests in Boling Dome Areas of Mutual Interest that the Company does not currently have an interest in and pursuant to the agreement between the Company and Viceroy. The repurchased ORRI is required by the Company to fulfil the Company's obligations to Viceroy. The Board considered that this transaction was on normal commercial terms for a transaction of this nature. The purchase price of US$40,000 was offset against advance director's fees which the Company had paid Mr Simmons in prior years in respect of future periods, by agreement with the vendor.

On 30 January 2017, the Company issued 4,000,000 Class A Performance Rights, 4,000,000 Class B Performance Rights and 6,000,000 Class C Performance Rights (together "Performance Rights") to directors Fletcher Maurice Brand and Garry Triglavcanin. All Performance Rights are subject to the participant remaining employed or engaged with the Company for a continuous period of 12 months from the date of grant. Class A Performance Rights will expire on 31 July 2018 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.10 per Share at any time subsequent to the date of grant. Class B Performance Rights will expire on 31 January 2019 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.20 per Share at any time subsequent to the date of grant. Class C Performance Rights will expire on 31 January 2020 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.30 per Share at any time subsequent to the date of grant. On vesting, each Performance Right converts into one ordinary share in the Company. Any Performance Rights not vested before their expiry date, will lapse. The issue of the Performance Rights was approved at the general meeting of shareholders held on 18 January 2017. The Performance Rights were valued using a Monte-Carlo pricing model that simulates the share price of the Company's shares over the period until expiration. The Australian Government bond rate of 1.7% was used as the risk free interest rate.

The Company cancelled 2,500,000 Class A Performance Rights, 4,000,000 Class B Performance Rights, 6,000,000 Class C Performance Rights and 20,000,000 Options exercisable at $0.05 each and expiring on 30 November 2016 (on a pre-consolidation basis) held by nominees of director Bradley Simmons pursuant to an agreement on 30 June 2016.

At 30 June 2017, directors and their related entities held directly, indirectly or beneficially 29,229,068 ordinary shares in the Company, 4,579,063 options over ordinary shares in the Company and 14,000,000 performance rights over ordinary shares in the Company.

At 30 June 2016, directors and their related entities held directly, indirectly or beneficially 137,609,817 ordinary shares in the Company, 20,000,000 options over ordinary shares in the Company and 200,000 convertible notes of $1.00 each.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 28. DIVIDENDS

No dividends have been paid or proposed during the year.

NOTE 29. EVENTS SUBSEQUENT TO BALANCE DATE

There have been no other conversions to, calls of or subscriptions for ordinary shares or issues of potential ordinary shares.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Greenwich & Co

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Independent Audit Report
To the members of Global Energy Ventures Ltd

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

OPINION

We have audited the financial report of Global Energy Ventures Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Capitalised oil and gas expenditure

The carrying value of capitalised oil and gas expenditure was $650,026 as at 30 June 2017. As the carrying value of capitalised oil and gas expenditure represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of this asset may exceed its recoverable amount.

Our audit work included, but was not restricted to the following:

- We obtained evidence that the Group has valid rights to explore in the areas represented by the capitalised oil and gas expenditure by obtaining independent searches of all of the group's significant tenement holdings;

- We enquired with management and reviewed the Group's budgets to ensure that substantive expenditure on further exploration for and evaluation of oil and gas in the Group's area of interest is planned; and

- We enquired with management, reviewed ASX announcements made by the Group and reviewed minutes of directors' meetings to ensure that the Group had not decided to discontinue activities in any of its area of interest for which amounts were capitalised as at 30 June 2017.

Note 1(p) and Note 1(q) to the financial statements contain the accounting policy and Note 8 to the financial statements contain the disclosures in relation to capitalised oil and gas expenditures.

Decentralised Operations

The Group has five subsidiaries whose operations are based in USA. The decentralised and varied nature of these operations require significant oversight by Global Energy Ventures Ltd's management to monitor the activities, review component financial reporting and undertake the Group consolidation.

This was a key audit matter given the significance of the subsidiaries to the Group.

Our audit work included, but was not restricted to the following:

- Tested the financial data used in the consolidation;
- Documented an understanding of the controls related to financial transactions and reporting in USA; and
- Reviewed costs incurred in USA and agreeing recorded transactions to supporting invoices.

Note 22 to the financial statements contains segment information and Note 23 to the financial statements contains disclosures relating to controlled entities.

Valuation of performance rights

Global Energy Ventures Ltd has issued a significant amount of performance rights during the year to its directors. The valuation of the performance rights was based on the Monte Carlo pricing model which include a number of judgemental estimates and assumptions.

Our audit work included, but was not restricted to the following:

- We tested the integrity of management's model in accordance with AASB 2 Share Based Payment; and
- We obtained sufficient evidence to support the key inputs into the model.

Note 1(p) to the financial statements contain the accounting policy and Note 21 to the financial statements contain the disclosure in relation to the share based payments.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Review of Operations and Directors Report and other information included in the Group's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

The other information obtained at the date of this auditor's report is included in the annual report, (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Group are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used in the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, used on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 6 to 10 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Global Energy Ventures Ltd for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

Perth

25 August 2017

Greenwich & Co

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Auditor's Independence Declaration

To those charged with governance of Global Energy Ventures Ltd

As auditor for the audit of Global Energy Ventures Ltd for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

Perth

25 August 2017

ANALYSIS OF HOLDINGS OF SHARES AND OPTIONS IN THE COMPANY

	Listed Ordinary Shares	Unlisted Options expiring 30 May 2020	Unlisted Options expiring 31 May 2020	Unlisted Options expiring 18 June 2020
1 — 1,000	237	0	0	0
1,001 — 5,000	420	0	0	0
5,001 — 10,000	131	0	0	0
10,001 — 100,000	343	2	0	0
100,001 — and over	196	14	36	1
Total number of holders	1,327	16	36	1
Holdings of less than a marketable parcel	504			

	Unlisted Options expiring 19 June 2020	Class A Performance Rights expiring 23 Dec 2017	Class B Performance Rights expiring 23 Dec 2017	Class C Performance Rights expiring 23 Dec 2017
1 — 1,000	0	0	0	0
1,001 — 5,000	0	0	0	0
5,001 — 10,000	0	0	0	0
10,001 — 100,000	0	0	0	0
100,001 — and over	1	2	2	2
Total number of holders	1	2	2	2

REGISTERED OFFICE OF THE COMPANY

Suite 3, 28 Outram St
West Perth
Western Australia 6005

Tel: +61 (8) 9322 6955
Fax: +61 (8) 6267-8155

STOCK EXCHANGE LISTING

Quotation has been granted for all ordinary shares on the Australian Securities Exchange. The State Office of Australian Securities Exchange in Perth, Western Australia has been designated the Home Branch of Global Energy Ventures Ltd.

There are no current on-market buy-back arrangements for the Company.

SHARE REGISTRY

The registers of shares and options of the Company are maintained by:-

Computershare Registry Services Pty Ltd
Level 11
172 St Georges Terrace
Perth, Western Australia 6000

Tel: +61 1300 787 272
Fax: +61 (8) 9323 2033

COMPANY SECRETARY

The name of the Company Secretary is Jack Hugh Toby.

TAXATION STATUS

Global Energy Ventures Ltd is taxed as a public company.

VOTING RIGHTS

For all ordinary shares, voting rights are one vote per member on a show of hands and one vote per share in a poll.

TWENTY LARGEST HOLDERS OF ORDINARY SHARES

	Number of Shares	Percentage of Total
Citicorp Nominees Pty Limited	12,144,547	4.95%
SPO Equities Pty Limited <March Street Equity A/C>	11,388,163	4.64%
Prospect Custodian Ltd	10,415,788	4.25%
Sasigas Nominees Pty Ltd <Fletcher M Brand Family A/C>	10,000,000	4.08%
Marjack Holdings Pty Ltd <Carolan 2013 A/C>	8,180,073	3.33%
HSBC Custody Nominees (Australia) Limited <CW A/C>	7,525,092	3.07%
Merrill Lynch (Australia) Nominees Pty Limited	7,264,220	2.96%
Northgold Pty Ltd <Northgold Super Fund A/C>	4,661,016	1.90%
Mocter Pty Ltd <Noel Carter Family A/C>	4,140,000	1.69%
Marven Pty Ltd	4,000,000	1.63%
Ohio Enterprises Pty Ltd <Ohio Super Fund A/C>	3,939,032	1.61%
North Gate Capital Pty Ltd <North Gate Capital A/C>	3,690,036	1.50%
Riveck Nominees Pty Ltd <Ruth Paneth Super A/C>	3,580,000	1.46%
Jodi Scott Pty Ltd	3,440,863	1.40%
Mr Garry John Frank Triglavcanin	3,440,036	1.40%
HSBC Custody Nominees (Australia) Limited <ST A/C>	3,346,128	1.36%
Mr Simon Peter Wardman <Unwin Investment A/C>	3,124,762	1.27%
Dr Michael Ian Nissen	3,110,643	1.27%
Mocter Pty Ltd <Gunns Plains Super Fund A/C>	3,000,000	1.22%
Foster Stockbroking Nominees Pty Ltd <No 1 Account>	2,981,253	1.22%
	113,371,652	46.21%

TWENTY LARGEST HOLDERS OF OPTIONS EXPIRING ON 30 MAY 2020 EXERCISABLE AT $0.10

	Number of Options	Percentage of Total
Jirachaya Charnchayasuk	1,500,000	20.64%
Marven Pty Ltd	1,000,000	13.76%
Col Tongjai Charnchayasuk	1,000,000	13.76%
Worldwide Energy Co Ltd	878,898	12.10%
Northgold Pty Ltd <Northgold Super Fund A/C>	500,000	6.88%
Marksar Pty Ltd <Charlton Superannuation Fund>	492,004	6.77%
Silvija Palmer	358,333	4.93%
Ohio Holdings Pty Ltd	309,677	4.26%
Mrs Kathryn Valerie Van Der Zwan <Harleston Family A/C>	300,000	4.13%
Ravikan Garner	250,000	3.44%
Simon Peter Wardman <Unwin Investment A/C>	166,666	2.29%
BlueKnight Corporation Pty Ltd	154,838	2.13%
Berne No 132 Nominees Pty Ltd	111,111	1.53%
Goldmine Pty Ltd <Goldmine Super Fund A/C>	107,526	1.48%
Eddy Callisto	100,000	1.38%
Alastair Michael Lagrange	37,634	0.52%
	7,266,687	100.00%

TWENTY LARGEST HOLDERS OF OPTIONS EXPIRING ON 31 MAY 2020 EXERCISABLE AT $0.40

	Number of Options	Percentage of Total
Eyeon No 2 Pty Ltd	2,486,489	7.86%
Citywest Corp Pty Ltd <Copulos (Sunshine) Unit A/C>	2,486,489	7.86%
Sasigas Nominees Pty Ltd <Fletcher M Brand Family A/C>	2,224,791	7.03%
SPO Equities Pty Limited <March Street Equity A/C>	2,188,110	6.92%
Marjack Holdings Pty Ltd <Carolan 2013 A/C>	1,989,191	6.29%
Prospect Custodian Ltd	1,989,191	6.29%
Cranport Pty Ltd	1,491,893	4.72%
Marven Pty Ltd	1,200,000	3.79%
Foster Stockbroking Pty Ltd <No 1 Account>	1,136,272	3.59%
Jackie Au Yeung	994,595	3.14%
North Gate Capital Pty Ltd <North Gate Capital A/C>	994,595	3.14%
Garry John Frank Triglavcanin	994,595	3.14%
Jirachaya Charnchayasuk	953,384	3.01%
Jodi Scott Pty Ltd	845,406	2.67%
Ravikan Garner	800,000	2.53%
Daltura Investments Pty Ltd	798,212	2.52%
Andrew Peterfreund	798,212	2.52%
Southam Investments 2003 Pty Ltd <Warwickshire Investment A/C>	795,676	2.52%
Claymore Ventures Limited	696,217	2.20%
Eric Dyer	646,487	2.04%
	26,509,805	83.78%

TWENTY LARGEST HOLDERS OF OPTIONS EXPIRING ON 18 JUNE 2020 EXERCISABLE AT $0.14

	Number of Options	Percentage of Total
Foster Stockbroking Nominees Pty Ltd <No 1 Account>	2,000,000	100.00%
	2,000,000	100.00%

TWENTY LARGEST HOLDERS OF OPTIONS EXPIRING ON 19 JUNE 2020 EXERCISABLE AT $0.21

	Number of Options	Percentage of Total
Foster Stockbroking Nominees Pty Ltd <No 1 Account>	3,000,000	100.00%
	3,000,000	100.00%

TWENTY LARGEST HOLDERS OF CLASS A PERFORMANCE RIGHTS EXPIRING 31 JULY 2018

	Number of Options	Percentage of Total
Fletcher Maurice Brand	2,000,000	50.00%
Garry John Frank Triglavcanin	2,000,000	50.00%
	4,000,000	100.00%

TWENTY LARGEST HOLDERS OF CLASS B PERFORMANCE RIGHTS EXPIRING 31 JANUARY 2019

	Number of Options	Percentage of Total
Fletcher Maurice Brand	2,000,000	50.00%
Garry John Frank Triglavcanin	2,000,000	50.00%
	4,000,000	100.00%

TWENTY LARGEST HOLDERS OF CLASS C PERFORMANCE RIGHTS EXPIRING 31 JANUARY 2020

	Number of Options	Percentage of Total
Fletcher Maurice Brand	3,000,000	50.00%
Garry John Frank Triglavcanin	3,000,000	50.00%
	6,000,000	100.00%

The Class A Performance Rights, Class B Performance Rights and Class C Performance Rights (together "Performance Rights") are subject to the participant remaining employed or engaged with the Company for a continuous period of 12 months from the date of grant. Class A Performance Rights will expire on 31 July 2018 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.10 per Share at any time subsequent to the date of grant. Class B Performance Rights will expire on 31 January 2019 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.20 per Share at any time subsequent to the date of grant. Class C Performance Rights will expire on 31 January 2020 and will vest where the Company's Share price has equalled or has been greater than a 30 day Volume Weighted Average Price of $0.30 per Share at any time subsequent to the date of grant. On vesting, each Performance Right converts into one ordinary share in the Company. Any Performance Rights not vested before their expiry date, will lapse.

INTERESTS IN PETROLEUM TENEMENTS

LEASE	WORKING INTEREST
AUSTRALIA	
EP 455	18.50%
USA	
Allen Dome	30.00%
Blue Ridge Dome	25.00%

The Company also has a 3% Overriding Royalty Interest on current production from Allen Dome.

SUBSTANTIAL SHAREHOLDERS

Date Announced	Name	Number of Shares
03/03/2017	Copulos Group and Eyeon No 2 Pty Ltd and Citywest Corp Pty Ltd	12,403,335
22/06/2017	Paul Charles Garner and Ohio Holdings Pty Ltd and Ohio Enterprises Pty Ltd and Ravikan Garner	13,039,032

PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND RECOMMENDATIONS

INTRODUCTION

The directors are focussed on fulfilling their responsibilities individually, and as a Board, for the benefit of all the Company's stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the "Principles of Good Corporate Governance and Recommendations – 3rd Edition" established by the ASX Corporate Governance Council.

Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which it considers will enable it to meet the principles of good corporate governance.

The Company's practices are mainly consistent with those of the guidelines and where they do not correlate with the recommendations in the guidelines the Company considers that its adopted practices are appropriate to it. At the end of this statement a table is included detailing the recommendations with which the Company does not strictly comply.

The following section addresses the Company's practices in complying with the principles.

Board Charter

The Board has adopted the following Board Charter:

The business of the Company is managed under the direction of the Board of Directors. The Board is accountable to shareholders of the Company for the performance of the Company.

Each Director of the Company will act in good faith in the best interests of the Company and collectively oversee and appraise the strategies, major policies, processes and performance of the company using care and diligence to ensure that Company's long term sustainability is assured.

Directors will not misuse their position on the Board to advance personal interests nor to represent particular constituencies. Directors will not use information available to them as Board members to advance personal interests or agendas.

Directors are required to inform the Board of any conflicts or potential conflicts of interest they may have in relation to particular items of business. Directors must absent themselves from discussion or decisions on those matters.

The Company's Constitution and Australian corporations law specifies the minimum and maximum number of directors of the Company.

The Directors must elect one of their number as Chairman.

Principle 1: Lay Solid Foundations for Management and Oversight

Role and Responsibilities of the Board

The Company has established the functions reserved to the Board. The Board has primary responsibility to shareholders for the sustainability and relevance of the Company by guiding and monitoring its business and affairs. The Board is responsible for:

- providing leadership and setting the strategic objectives;
- appointing a Chairman;
- overseeing the Company, including its control and accountability systems;
- appointing and removing the chief executive officer, managing director, or equivalent;
- ratifying the appointment and the removal of senior executives;
- providing input into and final approval of management's development of corporate strategy;
- reviewing, ratifying and monitoring risk management, internal control, codes of conduct and legal compliance;
- monitoring senior executives performance and implementation of strategy;
- ensuring appropriate resources are available to senior executives;

- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures; and

- approving and monitoring financial and other reporting.

Role and Responsibilities of Senior Executives

The Company has established the functions reserved to senior executives. Those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance are considered to be senior executives. The functions delegated to senior executives are:

- managing and administer the day-to-day operations of the Company;

- making recommendations to the Board on corporate strategy, risk management, internal control, codes of conduct and legal compliance;

- supervising other staff and represent them to the Board; and

- exercising such specific and express powers as are delegated to them by the Board from time to time.

Background checks on persons proposed for election as a director

The Board undertakes appropriate background checks of biographical details, qualifications, experience and details of other material directorships currently held for persons proposed for election as a director. Material information in the Company's possession on the background of proposed directors is included in the relevant notice of shareholder meeting.

Written agreement with each director and senior executive

The Board determines those circumstances where a written agreement with a director or senior executive is warranted. At present written agreements have not been executed with all directors and senior executives as the Board considers that the roles and responsibilities of all board members and senior executives are clearly defined and understood without a written agreement.

Company Secretary

The Company Secretary is accountable directly to the Board through the Chairman on all matters to do with the proper functioning of the Board. Each director is able to communicate directly with the Company Secretary and vice versa. Any decision to appoint or remove a Company Secretary is made by the Board.

Gender Diversity

The Group does not discriminate on the basis of gender and has no measurable objectives for achieving gender diversity.

There are no women on the Board. There are no women in senior executive positions in the Group. The proportion of women employees in the whole organisation is nil.

Evaluation of the performance of Directors and Senior Executives

A formal evaluation of the performance of directors and senior executives was not carried out in the financial year as the Board monitors the performance of directors and senior executives on an on-going basis and conducts an evaluation of the performance of directors and senior executives as and when the Board considers appropriate. The performance of the Chairman of the Board is assessed on an on-going basis by the Board as a whole.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Composition of the Board

The names of the directors of the Company and their skills, comprising their qualifications and experience are set out in the section headed Directors' Report in the Annual Report for the year ended 30 June 2017.

The mix of skills and diversity for which the Board of directors is looking to achieve in membership of the Board is that required so as to provide the Company with a broad base of industry, business, technical, administrative, financial and corporate skills and experience considered necessary to represent shareholders and fulfil the business objectives of the Company.

The recommendations are that a majority of the directors and in particular the chairperson should be independent. An independent director is one who:

- is not a substantial shareholder of the Company or an officer or otherwise associated directly or indirectly with a substantial shareholder of the Company;
- has not within the last 3 years been employed in an executive capacity by the Company or another Group member or been a director after ceasing to hold such employment;
- has not within the last 3 years been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with such a service provided;
- is not a material supplier or customer of the Company or another Group member, or an officer of, or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or any other Group member other than as a director of the Company;
- has no close family ties with any person who contravenes any of the categories above; and
- is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director's ability to act in the best interests of the Company.

None of the Board members met these criteria. Consequently, the Board does not have a majority of independent directors. Mr Fletcher Maurice Brand is the chairman of the Board. The Chairman is not an independent director.

Mr Fletcher Maurice Brand was appointed a director on 24 November 2016, Mr Garry Triglavcanin was appointed a director on 24 November 2016 and Mr Paul Garner was appointed a director on 19 July 2011.

Mr Fletcher Maurice Brand is the Chief Executive Officer of the Company.

The Board has agreed on the following guidelines for assessing the materiality of matters:

Balance sheet items are material if they have a value of more than 7% of pro-forma net asset. Profit and loss items are material if they will have an impact on the current year operating result of 7% or more. Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

Nomination of Other Board Members

The Board has adopted the following Policy and Procedure for the Selection and (Re) Appointment of Directors.

In determining candidates for the Board, the Board follows a prescribed process whereby it evaluates the mix of skills, experience, expertise and diversity of the existing Board. In particular, the Board considers the particular skills and diversity that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if appropriate, are offered appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next annual general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. An election of directors is held each year. Each director must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one director or one third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of directors is not automatic.

Membership of the Board of directors, including whether the skills, knowledge and familiarity with the Company and its operating environment of each director is sufficient to fulfil their role on the board effectively, is reviewed on an on-going basis by the Chairman of the Board to determine if additional core strengths are required to be added to the Board in light of the nature of the Company's businesses and its objectives. The Board does not believe that at this point in the Company's development it is necessary to appoint additional directors. Consequently, the Board has not established a nomination committee. The Board has not adopted a Nomination Committee Charter.

Independent Advice

Each of the directors is entitled to seek independent advice at the Company's expense to assist them to carry out their responsibilities however prior approval of the Chairman is required which is not unreasonably withheld.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

The Company has established a code of conduct as to the:

- Practices necessary to maintain confidence in the Company's integrity;
- Practices necessary to take into account their legal obligations and the expectations of their stakeholders;
- Responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The terms of the code of conduct are:

Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised.

Directors are required to disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the director or the interests of any other party in so far as it affects the activities of the Company and to act in accordance with the Corporations Act if conflict cannot be removed or if it persists. That involves taking no part in the decision making process or discussions where that conflict does arise.

Each director and senior executive is required to advise the Chairman of the Board of any reports of unethical practices by any director, executive or employee of the Company. The Chairman of the Board will investigate the matter and report back to the Board as a whole.

Directors are required to make disclosure of any trading in securities of the Company.

The Company has a policy for trading in the securities of the Company. The policy is:

POLICY FOR TRADING IN THE SECURITIES OF THE COMPANY

DEFINITIONS

Insider Trading:

'Insider trading' includes the trading of securities or some wider set of financial products (including derivatives and financial products able to be traded on a financial market) while in possession of information that is not generally available and would be likely to have a material effect on their price or value if it were generally available. The prohibition against insider trading extends to applying for, acquiring or disposing of, or entering into an agreement to apply for, acquire or dispose of relevant financial products, or procuring another person to so trade, or communicating that information where trading in the relevant financial products is likely to take place.

The insider trading provisions are found in Part 7.10, Division 3 of the *Corporations Act 2001* ("Corporations Act"). Section 677 of the Corporations Act defines material effect on price or value. A reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, the first mentioned securities.

Company Securities:

Company Securities means shares, options or performance rights over those shares and other securities convertible into shares, and any financial products of the Company traded on ASX.

Closed Periods:

Closed Periods means the following periods of time:

a) From 7 January of each year until the next announcement to the ASX of financial results either in the form of a cashflow report or in the form of profit results; and

b) From 7 July of each year until the next announcement to the ASX of financial results either in the form of a cashflow report or in the form of profit results; and

Key Management Personnel:

Key Management Personnel are defined in the ASX Listing Rules.

Declaration:

A declaration may be validly issued in either written or electronic form. Electronic declarations may take the form of an email, fax or any other electronic recordable communication.

Excluded Trading:

Excluded trading means trading consistent with any of the following categories:

Transfers of Company's Securities already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;

An investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party;

Where a restricted person is a trustee, trading in the Company's Securities of the entity by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a closed period is taken by the other trustees or by the investment managers independently of the restricted person;

Undertakings to accept, or the acceptance of, a takeover offer;

Trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;

A disposal of the Company's Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement, provided that the restricted person obtained the consent of the Chairman or Chief Executive Officer of the Company to enter into agreements that provide lenders with rights over their interests in the entity's securities;

Acquisition of the Company's Securities through an issue of securities by the Company;

The exercise (but not the sale of securities following exercise) of an option or a right, or the conversion of a convertible security; or

Trading under a non-discretionary trading plan for which prior clearance by the Chairman or Chief Executive Officer of the Company has been provided and where:

a) the restricted person did not enter into the plan or amend the plan during a closed period;

b) the trading plan does not permit the restricted person to exercise any influence or discretion over how, when, or whether to trade; and

c) there was no cancellation of the trading plan during a closed period other than in exceptional circumstances.

Trading in Exceptional Circumstances:

Trading in Exceptional Circumstances means trading consistent with any of the following categories:

Trading in accordance with a declaration by the Chairman or Chief Executive Officer of permitted trading. In exceptional circumstances, a member of the Key Management Personnel may apply, together with a description of the circumstances, to the Chairman or Chief Executive Officer for a declaration to permit trading as Trading in Exceptional Circumstances which may be given in circumstances that the Chairman considers appropriate such as severe financial hardship, or a person is required by a court order, or there are court enforceable undertakings or there is some other legal or regulatory requirement to do so. The declaration will specify the duration of permitted trading.

TRADING RESTRICTIONS

All Key Management Personnel and all employees of the Company are required to comply with the prohibition against Insider Trading at all times with respect to the Company's Securities. Contravention of the insider trading prohibition may result in significant penalties.

With the introduction of the continuous disclosure regime, public listed companies and other disclosing entities are now required to disclose Price Sensitive Information on an on-going basis (subject to limited exceptions) so that at all times in the year the market can be fully informed and trading can be lawful. As a result the Company has decided not to specify safe periods but rather to designate periods when Trading by Key Management Personnel should not occur.

All Key Management Personnel are required to refrain from trading in the Company's Securities on the ASX during a Closed Period except for Excluded Trading or Trading in Exceptional Circumstances.

All directors of the Company are required to comply with the Corporations Act and the ASX Listing Rules with regard to disclosure of their interests in the Company's Securities on their appointment as a director, on any change in their interests in the Company's Securities and on resignation as a director.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

No audit committee has been established. The Board has not adopted an Audit Committee Charter. Executive directors play an active role in monitoring the daily affairs of the Company. As a result of the scale of operations it has not been considered necessary to form sub-committees.

Each Board member has access to the external auditors and the auditor has access to each Board member.

In the event of the resignation of external auditors, the Board will appoint a new external auditor which is subsequently ratified by shareholders in General Meeting. In all other cases an external auditor is nominated by a shareholder of the Company and is appointed by shareholders in General Meeting. An external auditor can be removed by shareholders in General Meeting. The Board does not have a policy for the rotation of external audit engagement partners.

Before the Board approves the Company's financial statements for a financial period, the Chief Executive Officer and the Chief Finance Officer each declare that the financial records of the Company for the financial year have been properly maintained, the financial statements and notes for the financial year comply with the appropriate accounting standards, give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The external auditor of the Company attends each Annual General Meeting of shareholders.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Company has established a policy to ensure compliance with ASX Listing Rule disclosure and accountability at senior executive level for that compliance. The terms of the policy are:

All directors, executives and staff are required to abide by all legal requirements, the Listing Rules of the Australian Stock Exchange and the highest standards of ethical conduct. This includes compliance with the continuous disclosure requirements of the listing rules.

The Company Secretary is the person responsible for overseeing and co-ordinating disclosure of information to ASX as well as communicating with the ASX.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

The Company has a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at its Annual General Meetings. The terms of the communications policy are:

The Board seeks to inform security holders of all major developments affecting the Company by:

- preparing half yearly and yearly financial reports and announcing these reports to the ASX;
- preparing quarterly reports in accordance with the listing rules and announcing these reports to the ASX;
- making announcement in accordance with the listing rules and the continuous disclosure obligations;
- maintaining the Company's website and hosting all of the above on the Company's website;
- annually, and more regularly if required, holding a general meeting of shareholders and forwarding to them the notice of meeting and proxy form; and
- voluntarily releasing other information which it believes is in the interest of shareholders.

The Company's investor relations program is based on actively engaging with security holders at the Annual General Meeting, meeting with them upon request and responding to security holder enquiries from time to time. The Annual General Meeting enables shareholders to receive the reports and participate in the meeting by attendance or by written communication. The Board seeks to notify all shareholders so they can be fully informed annually for the voting on the appointment of directors and so as to enable them to have discussion at the Annual General Meeting with the directors and/or the auditor of the Company who is invited to the Annual General Meeting. The Annual General Meeting is held each year at a convenient time and place and all security holders are encouraged to attend and participate.

The Company's website provides facilities for security holders to subscribe to email updates and thereby receive communications from the Company by email.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Board is conscious of the need to continually maintain systems of risk management and controls to manage all of the assets and affairs of the Company. The Company has established a policy for the oversight of material business risks and the management of material business risks. Risk management is a process of continuous improvement that is integrated into existing practices or business processes. The terms of these risk management policies are:

- liaise with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole;
- define the basic parameters within which risks must be managed and set the scope for the rest of the risk management process;
- identify the risks to be managed;
- identify and evaluate existing controls. Determine consequences and likelihood and hence the level of risk. This analysis should consider the range of potential consequences and how these could occur;
- compare estimated levels of risk against pre-established criteria (see risk matrix in Risk Management Guide) and consider the balance between potential benefits and adverse outcomes. This enables decisions to be made about the extent and nature of treatments required and about priorities;
- develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs. Allocate responsibilities to those best placed to address the risk and agree on target date for action;
- the Chairman and Chief Executive Officer are responsible for the implementation and maintenance of sound risk management. In carrying out this responsibility, senior managers review the adequacy of internal controls to ensure that they are operating effectively and are appropriate for achieving corporate goals and objectives;
- the Board is responsible for oversight and for providing corporate assurance on the adequacy of risk management procedures; and
- managers at all levels are to create an environment where managing risk forms the basis of all activities.

The risk management includes asset risk, operational risk, personnel health and safety risk, currency fluctuation risk, amongst others. The Company identifies and manages those risks on a case by case and overall corporate basis.

The Company does not have an internal audit function. The Board has required management to design and implement a risk management and internal control system to manage the Company’s material business risks and has required management to report to it on whether those risks are being managed effectively. The Chief Executive has reported to the board as to effectiveness of the Company’s management of its material business risks.

A formal risk management evaluation was not carried out in the financial year as the Board monitors risk on an on-going basis.

The Company has regulatory responsibility for the environmental consequences of its activities. The Company engages qualified employees or consultants to manage its environmental responsibilities and complies with these obligations.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

There is no formal remuneration committee. The Board has not adopted a Remuneration Committee Charter. The functions that would have been carried out by a remuneration committee are performed as follows:

- The remuneration of executive directors is determined by the Board as a whole. The remuneration of non-director senior executives is determined by the managing director or chief executive officer.

- A maximum amount of remuneration for non-executive directors is fixed by shareholders in general meeting and can be varied in that same manner. The Board as a whole determines the remuneration of each non-executive director. In determining the allocation of remuneration to each non-executive director, the Board takes account of the time demands made on the directors together with such factors as fees paid to other corporate directors and to the responsibilities undertaken by them.

- When the Board as a whole considers the remuneration of a particular director, that director will take no part in the decision making process or discussions.

- Each member of the Board has committed to spending sufficient time to enable them to carry out their duties as a director of the Company. One third of the directors retires annually in accordance with the Constitution and is free to seek re-election by shareholders.

There are no schemes for retirement benefits other than superannuation for non-executive directors. There is no policy on prohibiting transactions in associated products which limit the economic risk to directors and executives of participating in unvested entitlements under an equity based remuneration scheme, other than the Company's policy for trading in the securities of the Company. The Company has from time to time issued securities of the Company and performance rights to executives and directors. Securities issued to directors are pursuant to the approval of the Company's shareholders in general meeting. The Company has an employee share plan in place which was approved by the Company's shareholders in general meeting. The Company does not currently have any other unvested equity based remuneration scheme.

TABLE OF DEPARTURES AND EXPLANATIONS (FROM THE RECOMMENDATIONS OF THE ASX CORPORATE GOVERNANCE COUNCIL)

"Recommendation" Ref ("Principle No" Ref followed by Recommendation Ref)	Departure	Explanation
1.3	Written agreements have not been executed with all directors and senior executives.	Given the nature and size of the Company, its business interests and the stage of development, the Board is of the view that the roles and responsibilities of all directors and senior executives are clearly defined and understood and that written agreements for all directors and senior executives are not warranted as yet.
1.5	No formal diversity policy has been established.	The Company does not discriminate on the basis of gender. While gender imbalances may occur from time to time, all applicants for positions with the Group are assessed on their merits irrespective of their gender. Given the nature and size of the Company, its business interests and the stage of development, the Board is of the view that the current composition of the Board does not disadvantage the Company and a diversity policy is not necessary to provide a competitive advantage at this time.
1.6 and 1.7	No formal process for periodically evaluating the performance of Directors and Senior Executives.	There is no formal process for periodically evaluating the performance of Directors and Senior Executives as the Board monitors the performance of directors and senior executives on an on-going basis and conducts an evaluation of the performance of directors and senior executives as and when the Board considers appropriate.

"Recommendation" Ref ("Principle No" Ref followed by Recommendation Ref)	Departure	Explanation
2.1	A Nomination Committee has not been formed.	The Board comprises four members each of who have valuable contributions to make in fulfilling the role of a nomination committee member. A director will excuse himself where there is a personal interest or conflict.
2.4 and 2.5	The Board does not have a majority of independent directors. The Chairman is not an independent director.	Given the nature and size of the Company, its business interests and the stage of development, the Board is of the view that active director oversight with executive involvement is required in multiple jurisdictions and disciplines, thereby limiting the number of directors who can be independent. Given the nature and depth of their experience, each of the directors are aware of and capable of acting in an independent manner and in the best interests of the shareholders.
2.6	The Company does not have a program for inducting new directors and does not provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Given the nature and size of the Company, its business interests and the stage of development, the Board is of the view that all directors already have sufficient skills, knowledge and familiarity with the Company and its operating environment to fulfil their role on the board and on board committees effectively. All directors are responsible for their own training and development.
4.1	No formal audit committee has been established or formal charter drawn.	Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary that a formal audit committee be established or a charter be drawn.
7.1	No formal risk management committee has been established or formal charter drawn.	Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary to establish a risk management committee or a charter be drawn.
7.2	No formal review of the Company's risk management framework has been carried out.	Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary to conduct a formal review of the Company's risk management framework as the Company's risk profile is monitored by the Board on an on-going basis.

"Recommendation" Ref ("Principle No" Ref followed by Recommendation Ref)	Departure	Explanation
8.1	No formal remuneration committee has been established or formal charter drawn.	Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary to establish a remuneration committee or a charter be drawn.