AND CONTROLLED ENTITIES

ABN 22 009 171 046

ANNUAL FINANCIAL REPORT

30 JUNE 2017

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Directors	John Simpson Jonathan Whyte Rhys Bradley	Non-Executive Chairman Non-Executive Director Non-Executive Director
Company Secretary	Jonathan Whyte	
Registered and Principal Office	Unit 32/33, 22 Railway Road Subiaco WA 6008 PO Box 8129 Subiaco East WA 6008 Telephone: +61 8 9380 9920 Facsimile: +61 8 9381 5064 Website: www.indusenergy.com.au	
Share Registry	Computershare Investor Services Pty Ltd Level 11 172 St Georges Terrace Perth WA 6000	
Auditors	PKF Mack 5th Floor 35 Havelock Street West Perth WA 6005	
Stock Exchange	Indus Energy NL is a public company listed on the Australian Securities Exchange and incorporated in Western Australia.	
ASX Codes	IND – Ordinary Fully Paid Shares	

Your Directors present their report, together with the financial statements of the consolidated group (or 'Indus'), being the Company and its controlled entities, for the financial year ended 30 June 2017.

DIRECTORS AND COMPANY SECRETARY

The names of the directors in office at any time during, or since the end of the financial year, are:

- John Simpson
- Jonathan Whyte
- Rhys Bradley (appointed 13 October 2016)
- Anthony Milewski (resigned 13 October 2016)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN THE NATURE OF ACTIVITIES

The principal activities of the consolidated group during the financial year consisted of pursuing acquisition opportunities, predominantly in the resources sector.

There were no significant changes in the nature of the consolidated group's principal activities during the financial year.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

The consolidated loss of the consolidated group after providing for income tax for the year ended 30 June 2017 amounted to $417,235 (2016: $391,121).

REVIEW OF OPERATIONS 2017

Acquisition Opportunities

IMD Gold

On 24 August 2016 the Company announced that it entered into an option agreement with Western Australia based public unlisted gold mining company IMD Gold Mines Ltd (IMD Gold). IMD Gold was in the process of securing an attractive portfolio of prospective gold projects in the Southern Cross region of Western Australia.

Following the completion of due diligence, Indus and IMD Gold were unable to satisfy some of the key conditions precedent required to enter into a binding sale and purchase agreement to progress the transaction. As announced 20 February 2017, IMD Gold was unable to complete the acquisition of the Battler, British Hill and Parker Dome projects in Western Australia nor, to the satisfaction of Indus, demonstrate sufficient certainty around the prospect of obtaining a binding right to acquire the Marda project in Western Australia.

Based on the above, in February 2017 both Indus and IMD Gold agreed to terminate the Option Agreement.

Indus continued to review several other acquisition opportunities during the year and this process is ongoing. Indus is committed to securing a project that will see the Company recommence trading and provide value to shareholders as soon as is practicable.

CORPORATE

Cost Reduction Measures

The Company continues to keep all expenditure and overheads to a minimum and will maintain this policy until such point as the Company is fully engaged in operational activity. The main expenditures for the year were annual compliance and administration costs.

Board Changes

On 13 October 2016 the Company appointed Mr Rhys Bradley as a Non-Executive Director. Mr Bradley is a Chartered Accountant (CA) with nine years of experience in the resource sector including six as a resources analyst.

Mr Bradley replaced Mr Anthony Milewski who stepped down from the Board on the same date.

FINANCIAL POSITION

The net assets of the consolidated group have decreased by $275,042 from $1,391,820 at 30 June 2016 to $1,116,778 at 30 June 2017. The consolidated group's working capital, being current assets less current liabilities, has decreased to a surplus of $1,116,778 in 2017 from $1,391,820 in 2016.

The Directors believe the consolidated group is in a stable financial position to meet its stated objectives.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company during the financial year.

DIVIDENDS PAID OR RECOMMENDED

The Directors of the Company do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2017.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

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

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Likely future developments in the operations of the consolidated group are referred to in the Annual Report. Other than as referred to in this report, further information as to likely developments in the operations of the consolidated group and expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the consolidated group and its shareholders.

ENVIRONMENTAL ISSUES

The consolidated group's operations are subject to significant environmental regulation. The Directors are of the opinion that sufficient procedures and reporting processes have been established to enable the consolidated group to meet its responsibilities and that the consolidated group's other business segment operations are not subject to any significant environmental regulations under Australian Law and International Legislation where applicable.

INFORMATION ON DIRECTORS

The names and details of the Directors of Indus in office as at the date of this report are:

Mr John Simpson B.Sc, B.A
Non-Executive Chairman

Mr Simpson brings an extensive range of corporate and commercial expertise to the Company and has over twenty five years' experience in the management of companies with international operations. Mr Simpson has the following interest in shares in the Company as at the date of this report – 7,943,284 ordinary shares.

Jonathan Whyte B.Com, CA
Company Secretary and Non-Executive Director

Mr Whyte is a Chartered Accountant and has extensive corporate, company secretarial financial accounting experience across a number of listed and unlisted resource sector companies. Mr Whyte is currently Company Secretary of ASX listed Peninsula Energy Limited. Mr Whyte previously worked in the investment banking sector in London over a period of six years for Credit Suisse and Barclays Capital Plc. Mr Whyte has the following interest in shares in the Company as at the date of this report – 1,221,894 ordinary shares.

Rhys Bradley B.Com, CA
Non-Executive Director

Mr Bradley is a Chartered Accountant (CA) with nine years of experience in the resource sector including six as a resources analyst in Australia and the United Kingdom. Mr Bradley has the following interest in shares in the Company as at the date of this report – nil ordinary shares.

Meetings of Directors

During the financial year three meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors Meetings	
	Number Eligible to Attend	Number Attended
John Simpson	3	3
Jonathan Whyte	3	3
Rhys Bradley	2	2
Anthony Milewski	1	1

Options

At the date of this report, there are no unissued ordinary shares of Indus under option.

Performance Rights

At the date of this report there are no Performance Rights on issue.

Indemnifying Directors and Officers

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has entered into an agreement to indemnify all the Directors and Officers against any liability arising from a claim brought by a third party against the Company. The Company has paid premiums to insure each Director against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was $11,703 to insure the Directors and Officers of the Company.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on Behalf of the 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.

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid to the external auditors during the year ended 30 June 2017:

Service	$
Taxation services	2,400
Total	**2,400**

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 9 of the Annual Report.

ASIC Corporations Instrument 2016/191 Rounding of Amounts

The Company is an entity to which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest dollar.

REMUNERATION REPORT - AUDITED

Remuneration Policy

The Remuneration Policy of Indus has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The Board of Indus believes the Remuneration Policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated group, as well as create goal congruence between Directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the consolidated group is as follows:

- The Remuneration Policy, setting the terms and conditions for the key management personnel, was developed by the Remuneration Committee in conjunction with the Board after seeking professional advice from independent external consultants where necessary;
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits where applicable, options and performance incentives;
- Incentives paid in the form of options or performance rights are intended to align the interests of the directors and Company with those of the shareholders. In this regard, key management personnel are prohibited from limiting risk attached to those instruments by use of derivatives or other means; and
- The Board reviews key management personnel packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The consolidated group did not employ the services of any key management remuneration consultants during the financial year ended 30 June 2017.

The performance of key management personnel is measured against criteria agreed with each executive and is based predominantly on shareholder value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may however, exercise its discretion in relation to the approval of incentives, bonuses and options, and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to Non-Executive Directors and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Key management personnel are also entitled and encouraged to participate in the employee share and option arrangements to align Directors' interests with shareholder interests.

Relationship Between Remuneration Policy and Company Performance

The Remuneration Policy has been tailored to increase goal congruence between Directors, executives and shareholders. The Board have issued options and performance rights to all of the directors and executives to encourage the alignment of personal and shareholder interests.

Employment Details of Members of Key Management Personnel and Other Executives

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the consolidated group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options, shares or performance rights for the year ended 30 June 2017.

Group Key Management Personnel	Position held at 30 June 2017	Proportions of Elements of Remuneration Related to Performance			Proportions of Elements of Remuneration not Related to Performance	
		Non-Salary Cash Based Incentives %	Shares/ Rights %	Options %	Fixed Salary/Fees %	Total %
John Simpson	Chairman (Non-Executive)	-	-	-	100.00	100.00
Jonathan Whyte	Director (Non-Executive)/Company Secretary	-	-	-	100.00	100.00
Rhys Bradley	Director (Non-Executive)	-	-	-	100.00	100.00
Anthony Milewski	N/A				100.00	100.00

The employment terms and conditions of key management personnel are formalised in contracts of employment. Terms of employment require that the relevant group entity provide an executive contracted person with a minimum one month's notice prior to termination of contract. Key Contracts are for an average duration of one to three years, to a maximum of three years. A contracted person deemed employed on a permanent basis may terminate their employment by providing at least one month's notice. Termination payments are not payable on resignation or under circumstances of unsatisfactory performance.

Table of Benefits and Payments for the Year Ended 30 June 2017

		Short-term Benefits		Post-Employment Benefits	Equity Settled Share-based Payments			
Group Key Management Personnel		Salary & Fees $	Other $	Super-annuation $	Accounting Charge for Rights $	Shares $	Termination Benefits $	Total $
John Simpson	2017	50,000	-	-	-	-	-	50,000
	2016	50,000	-	-	12,500	-	-	62,500
Jonathan Whyte	2017	60,000	-	-	-	-	-	60,000
	2016	60,000	-	-	7,500	-	-	67,500
Rhys Bradley (i)	2017	-	-	-	-	27,000	-	27,000
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Anthony Milewski (ii)	2017	20,000	-	-	-	-	-	20,000
	2016	48,167	-	-	48,333	-	-	96,500
Marcus Gracey	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	10,090	-	-	-	-	-	10,090
Ken Bull	2017	-	-	-	-	-	-	-
	2016	13,968	-	-	28,333	-	-	42,301
Total	**2017**	**130,000**	-	-	**-**	**27,000**	**-**	**157,000**
	2016	**182,225**	-	-	**96,666**	-	**-**	**278,891**

(i) Mr Rhys Bradley was appointed Non-Executive Director effective 13 October 2016. Mr Bradley has elected to take his director fees in shares, these have been accrued as at 30 June 2017. No shares have been issued to Mr Bradley as at the date of this report.

(ii) Mr Anthony Milewski resigned from the group effective 13 October 2016.

Number of Shares Held by Key Management Personnel 30 June 2017

	Balance at 1 July 2016	On-Market Trades	Net Change Other	Balance at 30 June 2017
John Simpson	7,943,284	-	-	7,943,284
Jonathan Whyte	1,221,894	-	-	1,221,894
Rhys Bradley (i)	N/A	-	-	-
Anthony Milewski (ii)	1,314,239	-	-	N/A
Ken Bull	4,249,590	-	-	4,249,590
Total	**14,729,007**	-	**-**	**13,414,768**

(i) Mr Rhys Bradley was appointed Non-Executive Director effective 13 October 2016.

(ii) Mr Anthony Milewski resigned from the group effective 13 October 2016; therefore his remaining shares held have not been included in the balance at 30 June 2017.

Other Key Management Personnel Transactions

Ordinary Shares
There were no ordinary shares granted as compensation to key management personnel during the year ended 30 June 2017.

All equity transactions with specified directors and specified executives have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

Service Contracts

Several key management personnel provide their services to the company via service companies on normal terms and conditions.

End of Audited Section

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Jonathan Whyte
Non-Executive Director/Company Secretary
Dated this 29th day of September 2017

Accounting, Financial and Business Advisory

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF INDUS ENERGY NL

In relation to our audit of the financial report of Indus Energy NL for the year ended 30 June 2017, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Mack

PKF MACK

SHANE CROSS
PARTNER

29 SEPTEMBER 2017
WEST PERTH,
WESTERN AUSTRALIA

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

	Notes	2017 $	2016 $
Continuing operations			
Revenue	2	9,716	20,237
Revenue		**9,716**	**20,237**
External professional services		(41,135)	(58,083)
Corporate costs	3	(194,583)	(223,161)
Compliance costs		(45,830)	(45,236)
Share-based payment expense	15	-	(134,166)
Property and lease expense		(786)	(1,260)
Other expenses		(7,967)	(15,688)
Loan forgiveness/impairment reversal		5,705	76,660
Loss on deconsolidation		(142,355)	(1,364)
Unrealised foreign exchange losses		-	(9,060)
Loss before income tax		**(417,235)**	**(391,121)**
Income tax expense	4	-	-
Loss from continuing operations		**(417,235)**	**(391,121)**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign controlled entities		(162)	167
Exchange differences removed from the reserve on deconsolidation		142,355	-
Total comprehensive loss for the year		**(275,042)**	**(390,954)**
Loss attributable to:			
Members of Indus Energy NL		(417,235)	(391,121)
		(417,235)	**(391,121)**
Total comprehensive loss attributable to:			
Members of Indus Energy NL		(275,042)	(390,954)
		(275,042)	**(390,954)**
Basic loss per share (cents per share)	16	(0.26)	(0.25)
Diluted loss per share (cents per share)	16	(0.26)	(0.25)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	2017 $	2016 $
CURRENT ASSETS			
Cash and cash equivalents	5	1,173,198	1,450,328
Trade and other receivables	6	49,850	60,267
TOTAL CURRENT ASSETS		**1,223,048**	**1,510,595**
TOTAL ASSETS		**1,223,048**	**1,510,595**
CURRENT LIABILITIES			
Trade and other payables	8	88,402	100,907
Other liabilities	9	17,868	17,868
TOTAL CURRENT LIABILITIES		**106,270**	**118,775**
TOTAL LIABILITIES		**106,270**	**118,775**
NET ASSETS		**1,116,778**	**1,391,820**
EQUITY			
Issued capital	10	132,912,481	132,912,481
Reserves	11	1,647,685	1,505,492
Accumulated losses		(133,443,388)	(133,026,153)
TOTAL EQUITY		**1,116,778**	**1,391,820**

The accompanying notes form part of these financial statements.

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

	Notes	Share Capital Ordinary $	Accumulated Losses $	Option & SBP Reserve $	Foreign Currency Translation Reserve $	Total $
Balance at 1 July 2015		**132,912,481**	**(134,148,064)**	**1,378,866**	**1,505,325**	**1,648,608**
Loss for the year		-	(391,121)	-	-	(391,121)
Foreign currency translation		-	-	-	167	167
Total comprehensive loss for the year		-	(391,121)	-	167	(390,954)
Transactions with owners in their capacity as owners:						
Share-based payment expense	15	-	-	134,166	-	134,166
Expiry of options & rights	10	-	1,513,032	(1,513,032)	-	-
Balance at 30 June 2016		**132,912,481**	**(133,026,153)**	**-**	**1,505,492**	**1,391,820**
Loss for the year		-	(417,235)	-	-	(417,235)
Foreign currency translation		-	-	-	(162)	(162)
Deconsolidation		-	-	-	142,355	142,355
Total comprehensive loss for the year		-	(417,235)	-	142,193	(275,042)
Transactions with owners in their capacity as owners:		-	-	-	-	-
Balance at 30 June 2017		**132,912,481**	**(133,443,388)**	**-**	**1,647,685**	**1,116,778**

The accompanying notes form part of these financial statements.

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

	Notes	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(292,389)	(335,851)
Interest received		9,716	20,237
Net cash (used in) operating activities	22 (a)	(282,673)	(315,614)
CASH FLOWS FROM INVESTING ACTIVITIES			
Return of funds held in trust		5,705	-
Proceeds from mineral exploration performance bonds		-	-
Net cash provided by investing activities		5,705	-
Net (decrease)/increase in cash and cash equivalents held		(276,968)	(315,614)
Cash and cash equivalents at the beginning of financial year		1,450,328	1,765,775
Effects of exchange rate fluctuations on cash held		(162)	167
Cash and cash equivalents at the end of financial year	5	**1,173,198**	**1,450,328**

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Indus Energy NL (the Company) and controlled entities (consolidated group).

The financial statements were authorised for issue in accordance with a resolution of directors, on 29 September 2017. The directors have the power to amend and reissue the financial statements.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for for-profit orientated entities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and going concern basis, and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Indus Energy NL as at 30 June 2017 and the results of all subsidiaries for the year then ended. Indus Energy NL and its subsidiaries together are referred to in these financial statements as the 'consolidated group'. Details of the consolidated group's interest are shown at Note 7.

Subsidiaries are all those entities over which the consolidated group has control. The consolidated group controls an entity when the consolidated group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated group. Losses incurred by the consolidated group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(b) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

(i) When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

(ii) When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

(c) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated group commits itself to either the purchase or sale of the asset (ie, trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through the profit or loss', in which case transaction costs are expensed to profit and loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair Value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised Cost is calculated as:

a) the amount at which the financial asset or financial liability is measured at initial recognition;
b) less principal repayments;
c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
d) less any reduction for impairment.

The consolidated group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit and loss*
Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the profit and loss.

(ii) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(iii) *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 consolidated group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (all other investments are classified as current assets.) If during the period the consolidated group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) *Available-for-sale financial assets*
Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets include non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

(v) *Financial liabilities*
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(vi) *Impairment*
At each reporting date, the consolidated group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(vii) *Financial guarantees*
Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

(viii) *De-recognition*
Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(d) Impairment of Non-Financial Assets

At the end of each reporting period, the consolidated group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including, where applicable, dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisitions profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(e) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the consolidated group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the consolidated group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in Other Comprehensive Income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

(f) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(g) Earnings Per Share

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition.

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(h) Equity-Settled Compensation

Under AASB 2 Share Based Payments, the consolidated group must recognise the fair value of options granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

The consolidated 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 (including directors) is measured by reference to fair value at the date they are granted. The fair value is determined using the Black Scholes option pricing model.

The consolidated group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity in which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares or performance rights is ascertained as the market bid price. The fair value of options is ascertained independently using a Binomial Model and cross checked using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(i) Provisions

Provisions are recognised when the consolidated group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(k) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the consolidated group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(m) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and assumes that the transaction will take place either in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(o) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(p) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the consolidated group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in the financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(q) Rounding of Amounts

The Company has applied the relief available to it under ASIC Corporations Instrument 2016/191 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest dollar.

(r) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated group.

Key Estimates

(i) *Impairment*
The consolidated group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(s) New, revised or amending Accounting Standards and Interpretations adopted

The Company has not adopted any new and amended Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board as of 1 July 2016.

(t) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the consolidated group. The consolidated group has decided not to early adopt any of the new and amended pronouncements. The consolidated group's assessment of the new and amended pronouncements that are relevant to the consolidated group but applicable in future reporting periods is set out below:

(i) AASB 9: Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

(ii) AASB 2010-7: Amendments arising from Accounting Standards arising from AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2018).

(iii) AASB 2014-1: Amendments to Australian Accounting Standards - Part E – Financial Instruments (applicable for annual reporting periods commencing on or after 1 January 2018).

(iv) AASB 2014-5: Amendments to Australian Accounting Standard Arising from AASB 15 (applicable for annual reporting periods commencing on or after 1 January 2018).

(v) AASB 2014-7: Amendments arising from Accounting Standards arising from AASB 9 (December 2014) (applicable for annual reporting periods commencing on or after 1 January 2017).

(vi) AASB 2014-10: Amendments to Australian Accounting Standards - Sale of Contribution of Assets between Investors and its Associates or Joint Venture (applicable for annual reporting periods commencing on or after 1 January 2018).

(vii) AASB 2016-1: Amendments to Australian Accounting Standards: AASB 112 Recognition of Deferred Tax Assets for Unrealised Losses (applicable for annual reporting periods commencing on or after 1 January 2017).

(viii) AASB 2016-2: Amendments to Australian Accounting Standards: Disclosure Initiative: Amendments to AASB 107 (applicable for annual reporting periods commencing on or after 1 January 2017).

(ix) AASB 2016-3: Amendments to Australian Accounting Standards – Clarifications to AASB 15 (applicable for annual reporting periods commencing on or after 1 January 2018).

(x) AASB 2016-2: Amendments to Australian Accounting Standards – AASB 2 Classification and Measurement of Share-based Payment Transactions (applicable for annual reporting periods commencing on or after 1 January 2018).

(xi) AASB 2017-1: Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments (applicable for annual reporting periods commencing on or after 1 January 2018).

(xii) AASB 2017-2: Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle (applicable for annual reporting periods commencing on or after 1 January 2017).

(xiii) AASB 15: New Standard – Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2018).

(xiv) AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019).

2. REVENUE

	2017 $	2016 $
Revenue		
Interest received	9,716	20,237
Total revenue	**9,716**	**20,237**

3. CORPORATE COSTS

	2017 $	2016 $
Corporate services	(167,312)	(188,753)
Insurance	(12,883)	(11,514)
Annual report	(5,470)	(5,196)
Office administration	(6,109)	(15,395)
Other costs	(2,809)	(2,303)
Total corporate costs	**(194,583)**	**(223,161)**

4. INCOME TAX

	2017 $	2016 $
The components of tax expense comprise:		
Statement of profit or loss		
Current tax	-	-
Deferred tax	-	-
	-	-
The prima facie income tax expense/(benefit) on pre-tax accounting profit/(loss) from operations reconciles to the income tax expense/(benefit) in the financial statements as follows:		
Accounting loss before income tax	(417,235)	(391,121)
At the group's statutory income tax rate of 27.5% (2016: 28.5%)[(i)]	(114,740)	(111,470)
Add/(less) tax effect of:		
Capital raising costs	(15,976)	(16,557)
Non-deductible provision for impairment	-	(21,460)
Non-deductible loss on deconsolidation	39,148	-
Unrealised foreign exchanged differences	-	2,582
Other non-allowable items	1,678	43,522
	(89,890)	(103,383)
Benefit of tax losses not brought to account as an asset	89,890	103,383
Income tax (benefit)/expense	-	-

(i) The corporate tax rate in Australia was changed from 28.5% to 27.5% with effect from 1 July 2016. This revised rate has not impacted the current tax asset for the current year but will do so in future periods. However, the impact of the change in tax rate has been taken into account in the measurement of deferred taxes at the end of the reporting period. The effect of this change in tax rate on deferred taxes has been disclosed in the reconciliation of deferred taxes below.

The following deferred tax balances have not been recognised:	2017 $	2016 $
Deferred Tax Assets at 27.5% (2016: 28.5%)		
Carry forward revenue losses	3,911,562	3,958,112
Carry forward capital losses	201,116	208,429
Capital raising costs	-	16,557
Unrealised foreign exchange losses	-	2,582
Provisions and accruals	5,500	5,016
	4,118,178	4,190,696

The tax benefits of the above Deferred Tax Assets will only be obtained if:

a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
b) the company complies with the conditions for deductibility imposed by law; and
c) no changes in income tax legislation adversely affect the company in utilising the benefits.

5. CASH AND CASH EQUIVALENTS

	2017 $	2016 $
Cash at bank and on hand	1,173,198	1,450,328
	1,173,198	**1,450,328**

6. TRADE AND OTHER RECEIVABLES

	2017 $	2016 $
CURRENT		
GST receivable	1,636	3,511
Prepayments	13,171	20,369
Other receivables	35,043	36,387
	49,850	**60,267**

No receivables are past due or impaired.

7. CONTROLLED ENTITIES

a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Ownership (%) 2017	Percentage Ownership (%) 2016
Parent Entity			
Indus Energy NL	Australia		
Subsidiaries of Indus Energy NL			
Nuenco LLC	USA	100%	100%
Merric Capital Pty Ltd (i)	Australia	-	100%
Enercal Ltd (i)	Guernsey	-	100%
Anzoil (Asia) Pte Ltd (i)	Singapore	-	100%

b) Acquisition and Disposal of Controlled Entities

(i) Merric Capital Pty Ltd, Enercal Ltd and Anzoil (Asia) Pte Ltd were deregistered and removed from the consolidated group. This resulted in a loss on deconsolidation of $142,355.

8. TRADE AND OTHER PAYABLES

	2017 $	2016 $
CURRENT		
Trade payables	41,402	51,307
Accruals	47,000	49,600
Total Trade and Other Payables	**88,402**	**100,907**

Trade and other payables are non-interest bearing and generally settled on 30 day terms. Due to their short-term nature, their carrying amount is assumed to approximate their fair value.

9. OTHER LIABILITIES

	2017 $	2016 $
CURRENT		
Unclaimed funds from unmarketable parcel buy back	17,868	17,868
Total Other Liabilities	**17,868**	**17,868**

10. ISSUED CAPITAL

	Note	2017 No of Shares	2016 No of Shares	2017 $	2016 $
Ordinary shares - fully paid	*(a)*	157,453,599	157,453,599	134,620,966	134,620,966
Ordinary shares - partly paid to 2 cent		4,641	4,641	20,420	20,420
Ordinary shares - partly paid to 0.1 cents		29,147	29,147	6,413	6,413
Share issue costs		-	-	(1,735,318)	(1,735,318)
				132,912,481	**132,912,481**

(a) Movement in ordinary shares - fully paid

For the year ended 30 June 2017	Date	No of shares	Share value $	$
Opening balance	1-Jul-16	157,453,599		134,620,966
Closing balance		**157,453,599**		**134,620,966**

For the year ended 30 June 2016	Date	No of shares	Share value $	$
Opening balance	01-Jul-15	157,453,599		134,620,966
Closing balance		**157,453,599**		**134,620,966**

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value. The Company is not subject to any externally imposed capital requirements. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Movement in share options

For the year ended 30 June 2016	Date	No of options	Option Value $	$
Opening balance	01-Jul-15	39,193,497		1,077,200
Share consolidation	30-Jun-16	(39,193,497)		(1,077,200)
Closing balance		-		-

(c) Movement in share based payment reserve

For the year ended 30 June 2016	**Date**	**$**
Opening balance	01-Jul-15	301,666
Performance Rights brought to account for the period	30-Jun-16	134,166
Expiry of performance rights	30-Jun-16	(435,832)
Closing balance		-
Total option and share based payment reserves		-

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity has no external borrowings and is therefore not subject to any external borrowing requirements.

11. RESERVES

	2017 $	2016 $
Foreign currency translation reserve (a)	1,647,685	1,505,492
Share-based payments reserve (b)	-	-
Option reserve (c)	-	-
Total Reserves	**1,647,685**	**1,505,492**

(a) Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign operations.

(b) Share-Based Payments Reserve

The share-based payments reserve records items recognised as expenses on valuation of employee share options.

(c) Option Reserve

The option premium reserve is used to record premiums received on options issued to investors in the Company.

Refer to the Statement of Changes in Equity for a reconciliation of movements in reserves during the year.

12. AUDITOR'S REMUNERATION

	2017 $	2016 $
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	31,780	35,850
- Taxation services	2,400	4,750
Total Auditor's Remuneration	**34,180**	**40,600**

13. KEY MANAGEMENT PERSONNEL COMPENSATION

Names and positions held of consolidated group and Company key management personnel in office at any time during the financial year are:

Key Management	***Position***
John Simpson	Non-Executive Chairman
Jonathan Whyte	Company Secretary/Non-Executive Director
Rhys Bradley	Non-Executive Director (appointed 13 October 2016)
Anthony Milewski	Managing Director (resigned 13 October 2016)
Ken Bull	Chief Operating Officer

Refer to the Remuneration Report contained in the Directors Report for details of the remuneration paid or payable to each member of the consolidated group's key management personnel for the year ended 30 June 2017.

The totals of remuneration paid to key management personnel of the Company and the consolidated group during the year are as follows:

	2017 $	2016 $
Short-term employee benefits	130,000	182,225
Share-based payments	27,000	96,666
	157,000	**278,891**

14. EVENTS SINCE THE END OF THE FINANCIAL YEAR

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

15. SHARE-BASED PAYMENTS

Share-based payment expenses for the year to 30 June 2017 totalled $nil (2016: $134,166) and comprised:

	2017 $	2016 $
Performance Rights expensed [(i)]	-	134,166
Total expensed in statement profit or loss and other comprehensive income	**-**	**134,166**

(i) During the 30 June 2013 financial year, 9,875,000 (post consolidation) Class A, B, C, D, E and F Performance Rights were issued to key management personnel. The fair value of the Performance Rights has been brought to account over their vesting periods. The Performance Rights expired on 30 June 2016.

16. LOSS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

a) Reconciliation of earnings to loss	2017 $	2016 $
Loss	(417,235)	(391,121)
Earnings used to calculate basic and dilutive EPS	(417,235)	(391,121)

b) Weighted average number of ordinary shares outstanding during the year	2017 No.	2016 No.
Weighted average number of ordinary shares used in calculating basic and dilutive EPS	157,453,599	157,453,599

All potential ordinary shares on issue would decrease the loss per share and therefore are not considered dilutive.

17. FINANCIAL RISK MANAGEMENT

The consolidated group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable, loans to subsidiaries, bills and leases.

Financial Risk Management Policies

The consolidated group manages its exposure to a variety of financial risks, market risk (including currency risk, commodity price risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk in accordance with the Risk Management and Internal Control Charter and specific approved group policies. These policies are developed in accordance with the consolidated groups operational requirements. The consolidated group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessment of prevailing and forecast interest rate and foreign exchange rates. The consolidated group manages credit risk by only dealing with recognised, creditworthy third parties and liquidity risk is managed through the budgeting and forecasting process.

Specific Financial Risk Exposures and Management

The main risks the consolidated group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and equity price risk.

a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the consolidated group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for approval, granting and removal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from invoice date.

Risk is also minimised by investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at reporting date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The consolidated group has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographical basis, the consolidated group has significant credit risk exposures to the Indonesia and Australia given the substantial operations in those regions. Details with respect to credit risk of Trade and Other Receivables are provided in Note 6. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 6.

Credit risk related to balances with banks and other financial institutions are managed in accordance with approved Board policy. The consolidated group's current investment policy is aimed at maximising the return on surplus cash with the aim of outperforming the benchmark, within acceptable levels of risk return exposure and to mitigate the credit and liquidity risks that the consolidated group is exposed to through investment activities.

The carrying amount of the consolidated group's financial assets represents the maximum credit exposure. The consolidated group's maximum exposure to credit risk at the reporting date was:

	Notes	2017 $	2016 $
Trade and other receivables	6	49,850	60,267
Cash and cash equivalents	5	1,173,198	1,450,328
		1,223,048	1,510,595

b) Liquidity Risk

Liquidity risk arises from the possibility that the consolidated group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The consolidated group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The consolidated group's liquidity needs can be met through a variety of sources, including the issue of equity instruments and short or long term borrowings.

Alternative sources of funding in the future could include project debt financing and equity raisings, and future operating cash flow. These alternatives will be evaluated to determine the optimal mix of capital resources.

The following table details the consolidated group's non-derivative financial instruments according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial Liability Maturity Analysis

	Within 1 Year		1-5 Years		Over 5 Years		Totals	
Financial Liabilities	2017 $	2016 $	2017 $	2016 $	2017 $	2016 $	2017 $	2016 $
Trade and other payables	88,402	100,907	-	-	-	-	88,402	100,907
Deposits held	17,868	17,868	-	-	-	-	17,868	17,868
Total Financial Liabilities	**106,270**	**118,775**	**-**	**-**	**-**	**-**	**106,270**	**118,775**

c) Market Risk

(i) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The consolidated group does not use derivatives to mitigate these exposures.

At reporting date, the details of outstanding contracts are as follows:

Maturity of Amounts	2017 $	2016 $
Less than 1 year	1,208,198	1,485,328
1 to 2 years	-	-
2 to 5 years	-	-
Total Interest Bearing Financial Assets	**1,208,198**	**1,485,328**

Maturity of Amounts	2017 $	2016 $
Less than 1 year	-	-
1 to 2 years	-	-
2 to 5 years	-	-
Total Interest Bearing Financial Liabilities	**-**	**-**

Cash flow sensitivity analysis for variable rate instruments

A change of 100 (2016: 100) basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2016.

	Profit or loss		Equity	
	100bp increase $	100bp decrease $	100bp increase $	100bp decrease $
30 June 2017				
Variable rate instruments	12,082	(12,082)	-	-
Cash flow sensitivity (net)	12,082	(12,082)	-	-
30 June 2016				
Variable rate instruments	14,853	(14,853)	-	-
Cash flow sensitivity (net)	14,853	(14,853)	-	-

(ii) Foreign Exchange Risk

The consolidated group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the consolidated group's measurement currency. The consolidated group has no hedging contracts in place as at the date of this report.

A 10% (2016: 10%) strengthening of the AUD against the following currencies at 30 June 2017 would have decreased equity and loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2016.

	Equity $	Profit or loss $
2017		
USD	516	-
2016		
USD	533	-

A 10.00% weakening of AUD against the above currencies at 30 June 2017 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Fair Value

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market prices.

Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

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

- Cash and short-term investments – the carrying amount approximates fair value because of their short term to maturity;
- Trade receivables and trade creditors – the carrying amount approximates fair value;
- Other assets and liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

18. CONTINGENT LIABILITIES

The Board is not aware of any circumstances or information which leads them to believe there are any material contingent liabilities outstanding as at 30 June 2017.

19. RELATED PARTY TRANSACTIONS

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

Transactions with Related Parties:

Ultimate Parent Entity

Indus Energy NL is the ultimate parent entity. The parent entity has related party transactions with its subsidiaries whereby the parent funds and pays for the exploration and evaluation expenses, and general and administrative expenses incurred by its subsidiaries. These expenses are charged to the subsidiaries through inter-company loans. The loans outstanding between the parent entity and its subsidiaries have no fixed date of repayment and are non-interest bearing. As at 30 June 2017, the recoverable amount of such loans to subsidiaries totalled $nil (2016: $nil).

20. OPERATING SEGMENTS

The consolidated group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Segments are identified on the basis of area of interest. Financial information about each segment is provided to the chief operating decision makers on at least a monthly basis.

The consolidated entity has one reportable operating segment as follows:

- Australia

21. PARENT ENTITY INFORMATION

	2017 $	2016 $
Current Assets	1,217,848	1,504,809
Total Assets	**1,217,848**	**1,504,809**
Current Liabilities	106,270	118,776
Total Liabilities	**106,270**	**118,776**
Issued Capital	132,912,479	132,912,479
Reserves	(16,502)	624,410
Accumulated Losses	(131,784,399)	(132,150,856)
Total Equity	**1,111,578**	**1,386,033**
Profit/(Loss) of Parent Entity	**366,457**	**(913,002)**
Other Comprehensive Income	**(640,912)**	**624,410**
Total Comprehensive Loss of Parent Entity	**(274,455)**	**(288,592)**

22. CASH FLOW INFORMATION

a) Reconciliation of cash flow from operations with loss after income tax	2017 $	2016 $
Loss after income tax	(417,235)	(391,121)
Non-cash flows in profit:		
Share-based payments	-	134,166
Loan forgiveness/impairment reversal	(5,705)	(76,660)
Loss on deconsolidation	142,355	1,364
Change in assets and liabilities		
Decrease in trade and other receivables	10,417	23,946
(Decrease) in trade and other payables	(12,505)	(7,309)
Cash Flow from Operations	**(282,673)**	**(315,614)**

b) Acquisition and disposal of entities
During the financial year the group did not acquire or dispose of any entities that materially affected cash flows.

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2017

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

(1) (a) the financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated group's financial position at 30 June 2017 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards and Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) the audited remuneration disclosures set out in the Remuneration Report of the Directors' Report for the year ended 30 June 2017 comply with section 300A of the *Corporations Act 2001*.

(2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2017.

(3) The consolidated group has included in the notes to the financial statements and explicit and unreserved statement of compliance with International Financial Reporting Standards.

On behalf of the Board

Jonathan Whyte
Non-Executive Director/Company Secretary

Perth, 29 September 2017

PKF MACK

Accounting, Financial and Business Advisory

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDUS ENERGY NL

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Indus Energy NL (the company), 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the financial report of Indus Energy NL is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the year ended on that date; 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

Independence

We are independent of the consolidated entity in accordance with 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.

Key Audit Matter

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was 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 this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

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Deconsolidation of subsidiaries

Why significant	How our audit addressed the key audit matter
During the year ended 30 June 2017, three subsidiaries were deconsolidated from the consolidated entity. This resulted in a loss on deconsolidation of $142,355 within the Statement of Profit or Loss and Other Comprehensive Income. No proceeds were received from the foreign subsidiaries and any inter-company loans were forgiven during the year. Two of the subsidiaries were foreign subsidiaries. The restatement of these foreign accounts to the presentation currency of the consolidated entity resulted in Foreign Currency Translation Reserves. On deconsolidation, these accumulated amounts were recycled through the other comprehensive income from the foreign currency translation reserve to the profit and loss, resulting in the above loss on deconsolidation. The deconsolidation of the local subsidiary resulted in a gain on forgiveness of the loan of $5,705 within the Statement of Profit or Loss and Other Comprehensive Income due to amounts recovered on the loan. The remainder of the inter-company loans were forgiven during the year.	Our work included, but was not limited to, the following procedures: • recalculate the movement in the foreign exchange reserve: ○ confirming which subsidiaries remain within the consolidated entity and the effect that these subsidiaries have on the foreign exchange reserve; ○ recalculating the closing balance of the foreign exchange reserve based on the above; and ○ performing a reconciliation of the movement in the foreign exchange reserve for the year; • assessing the appropriateness of the related disclosures in Notes 1(a), 1 (e), 7 and 11. • Review management's calculation of the loss on deconsolidation is in accordance with relevant Australian Accounting Standards.

Other Information

Other information is financial and non-financial information in the annual report of the consolidated entity which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report, ASX Additional Notes and Corporate Governance Statement. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The Directors of the company 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 Note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity'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. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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.

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 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

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Indus Energy NL 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.

PKF Mack

PKF MACK

SHANE CROSS
PARTNER

29 SEPTEMBER 2017
WEST PERTH,
WESTERN AUSTRALIA

a) Distribution of Shareholders (as at 29 September 2017)

Spread of Holdings	Number of Ordinary Shareholders	Number of Shares
1 - 1,000	1,089	357,224
1,001 - 5,000	627	1,709,586
5,001 - 10,000	268	2,035,474
10,001 - 100,000	658	23,820,238
100,001 - and over	226	129,534,077
TOTAL	**2,868**	**157,453,599**

b) Top Twenty Shareholders (as at 29 September 2017)

	Name	Number of Ordinary Shares held	%
1.	AVIEMORE CAPITAL PTY LTD	5,763,025	3.66
2.	LEXTON HOLDINGS PTY LTD <SIMPSON ACCOUNT>	5,053,128	3.21
3.	MR RAYMOND JEPP	4,895,766	3.11
4.	MR JOHN ANDREW SIMPSON	4,307,823	2.74
5.	MR KENNETH BULL	4,249,591	2.70
6.	ALBA CAPITAL PTY LTD	4,155,271	2.64
7.	MR SONG YIN ZHU	3,564,024	2.26
8.	STATE ONE STOCKBROKING LTD <SOS HOUSE MMX A/C>	3,563,091	2.26
9.	GECKO RESOURCES PTY LTD	3,000,000	1.91
10.	CITICORP NOMINEES PTY LIMITED	2,425,831	1.54
11.	MR DONALD EDWARD PRZIBILLA	2,423,914	1.54
12.	ARREDO PTY LTD	2,102,500	1.34
13.	MR JOHN ANDREW SIMPSON	1,997,696	1.27
14.	HEMDIN PTY LTD	1,817,051	1.15
15.	MR STANLEY ALLAN MACDONALD	1,802,433	1.14
16.	KANGSAV PTY LIMITED	1,718,601	1.09
17.	MR PAUL WATSON	1,685,724	1.07
18.	ETCHELL CAPITAL PTY LTD	1,637,764	1.04
19.	MR DONALD PRZIBILLA	1,576,086	1.00
20.	COGOI KIDZ PTY LTD <SHARE TRADING A/C>	1,526,566	0.97
Total: Top 20 holders of Ordinary Fully Paid Shares		**59,265,885**	**37.64**
Total: Other Shareholders		**98,187,714**	**62.36**
Total Ordinary Shares on Issue		**157,453,599**	**100.00**

The number of shareholders holding less than a marketable parcel of shares is 2,238 totalling 8,068,641 shares.

At 29 September 2017 there were 2,868 holders of 157,453,599 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

(a) each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;

(b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a shareholder has one vote; and

(c) on a poll, every person present who is a shareholder or a proxy, attorney or Representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

CASH USAGE

Since the time of listing on ASX, the entity has used its cash and assets in a form readily converted to cash that it had at the time of admission to the official list of ASX in a manner which is consistent with its business objectives.

PRINCIPLES AND RECOMMENDATIONS

OVERVIEW

The Company's Corporate Governance Statement is structured below with reference to the Australian Securities Exchange (ASX) Corporate Governance Council "Corporate Governance Principles and Recommendations, 3rd Edition" (CGC Recommendations).

The Company's practices are largely consistent with the CGC Recommendations, and the Board has made appropriate statements reporting on the adoption of the CGC Recommendations. Where the Company's corporate governance practices depart from the practices in the CGC Recommendations, the Board has disclosed this departure and the reasons for the adoption of the Company practices as they stand, in compliance with the 'if not, why not" principle, and these are summarized in the Appendix 4G and this Corporate Governance Statement

Further information on the Company's corporate governance policies is located on the website:

Set out below are the principles and recommendations contained in the CGC Recommendations and a discussion on how they have been implemented by the Company during the year ended 30 June 2017.

1. PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1: A listed entity should establish and disclose the respective roles and responsibilities of its Board and management and how their performance is monitored and evaluated.

The Board considers that the essential responsibility of directors is to oversee the Company's activities for the benefit of its shareholders, employees and other stakeholders and to protect and enhance shareholder value. Responsibility for management of The Company's business is delegated to the Executive Director, who is accountable to the Board.

Further, the Board takes specific responsibility for:-

- Contributing to the development of and approving corporate strategy;
- Appointing, assessing the performance of and, if necessary removing the Executive Director;
- Reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- Overseeing and monitoring:
    - Organizational performance and the achievement of strategic goals and objectives
    - Compliance with the Company's code of conduct
    - Progress of major capital expenditures and other corporate projects including acquisitions, mergers and divestments;
- Monitoring financial performance including approval of the annual, half yearly and quarterly reports and liaison with the auditor;
- Ensuring there are effective management processes in place, including reviewing and ratifying systems of risk identification and management, ensuring appropriate and adequate internal control processes, and that monitoring and reporting procedures for these systems are effective;
- Enhancing and protecting the Company's reputation;
- Approving major capital expenditure, capital management, acquisitions and divestments;
- Reporting to shareholders;
- Appointment of directors; and
- Any other matter considered desirable and in the interest of the Company.

The Board is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Company has a formal Board Charter which is on the Company's website and summarised above. In broad terms, the Board is accountable to the shareholders and must ensure that the Company is properly managed to protect and enhance shareholders' wealth and other interests. The Board Charter sets out the role and responsibilities of the Board within the governance structure of the Company and its related bodies corporate (as defined in the Corporations Act).

Senior executives are responsible for the ongoing management of the Company's operations and report to the Board. They are accountable for all functions that are necessary to the operations of the Company and not specifically reserved to the Board. Senior Executives performance is reviewed on a regular basis by the Board.

Recommendation 1.2: A listed entity should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re- elect a director.

The Board has formally adopted a Nomination Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead this function is undertaken by the full Board in accordance with the policies and procedures outlined in the Nomination Committee Charter. The Company also has a procedure guideline for the selection and appointment of Directors.

New candidates are considered with reference to a number of factors which include, but are not limited to, their relevant experience, expertise and professional qualifications, compatibility with the existing Board and possession of complimentary skill sets, absence of conflicts of interest or other legal impediments to serving on the Board, credibility within the Company's industry and scope of activities and their overall integrity and reputation.

The Company has in place appropriate procedures to ensure that material information relevant to a decision to re-elect a Director is disclosed in the notice of meeting provided to security holders.

Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

New directors, senior executives and employees receive a letter of appointment which provide the key terms and conditions including position description, remuneration and incentives provided, requirements to adhere to Company policies, term and termination provisions.

Non-Executive Directors are not appointed for fixed terms and are subject to re-election by security holders. Executive Directors and senior executives have written service agreements which set out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements.

Recommendation 1.4: The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Company Secretary reports to the Chair on all matters concerning the Board's activities and responsibilities, including:

a) advising the Board and its committees on governance matters;

b) monitoring that Board and committee policy and procedures are followed;

c) timely completion and despatch of Board and committee papers;

d) ensuring business at Board and committee meetings is accurately captured in the minutes; and

e) assisting with the induction of directors.

Directors may contact the Company Secretary directly and vice versa.

In accordance with the Company's constitution, the appointment and removal of the Company Secretary is a matter for the Board as a whole. A biography of the Company Secretary is available on the website and in the Director's Report contained within the Annual Report.

Recommendation 1.5: A listed entity should have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; disclose that policy or a summary of it; and disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them.

The Board has adopted a Diversity Policy as per Recommendation 1.5. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees. The Diversity Policy outlines the processes by which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company.

The Company is committed to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees and is utilised to enhance the Company's performance.

The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives.

Gender Diversity
As a priority, the Company is focusing on the participation of women on its Board and within senior management. The Board is in the process of determining appropriate measurable objectives for achieving gender diversity.

Women Employees, Executives and Board Members
The Company and its consolidated entities have one (1) female employee:
- an accountant.

which represents approximately 25% of the total employees, executives and/or board members of the Company and its consolidated entities. There are currently no female members of the Board of the Company.

Recommendation 1.6: A listed entity should have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

As noted in Recommendation 1.2, the Board assumes the responsibilities of the Nomination Committee in overseeing Board and Board Committee membership, succession planning and performance evaluation, in addition to Board member induction and development.

The criteria for Board, Board Committee and Director evaluation is described in the Board Charter and also the Remuneration Committee Charter.

Recommendation 1.7: A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives; and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

As detailed in Recommendation 1.6, an annual performance review of all Executive Directors and senior executives will occur to measure their performance against set objectives.

2. PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1: The Board of a listed entity should have a nomination committee which has at least three members, a majority of whom are independent directors; and is chaired by an independent director.

The Board has formally adopted a Nomination Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Nomination Committee Charter. When the Company is of sufficient size, a separate Nomination Committee will be formed.

Recommendation 2.2: A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

Details of the current Directors, their respective skills, experience, qualifications and a record of their attendance at meetings are included in the Directors Report within the Annual Report. The Board seeks to achieve a balance in its structure with the appropriate diversity of experience including commercial, technical, legal, corporate finance, business development, relevant industry or other experience as the Board sees fit. The Company does not prepare a Board skills matrix as the Board does not believe its current size and scale warrants that level of detail.

Recommendation 2.3: A listed entity should disclose the names of the directors considered by the Board to be independent directors; if a director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and the length of service of each director.

The directors have been chosen for their particular expertise to provide the company with a competent and well-rounded decision-making body and which will assist the company and shareholders in meeting their objectives.

The term in office held by each director in office at the date of this report is as follows and details of the professional skills and expertise of each of the directors are set out in the Directors' Report.

Name	Position	Term in Office
John Simpson	Non-Executive Chairman	7 Years
Jonathan Whyte	Non-Executive Director	2 Years
Rhys Bradley	Non-Executive Director	1 Year

The directors meet frequently, both formally and informally, so that they maintain a mutual, thorough understanding of the Company's business and to ensure that the Company's policies of corporate governance are adhered to.

Recommendation 2.4: A majority of the Board of a listed entity should be independent directors.

Given the size of the entity the Board does not have a majority of independent directors at the date of this report.

Recommendation 2.5: The Chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

The Board as a whole comprises a Non-Executive Chairman and two Non-Executive Directors. No CEO is currently appointed at the date of this report.

Recommendation 2.6: A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The Company does not have a formalised induction program but adheres to the Board Charter and Nomination Committee Charter in inducting new Directors. For a new Director, the Company Secretary provides the following documents:

- Letter of Appointment including appointment terms, Directors duties and obligations, and Director entitlements; and
- Consent to Act, which requires formal written consent to become a Director, containing the minimum information required by the Company.

The Company encourages Directors to attend relevant external seminars, conferences and educational programs for professional development purposes and relevant industry knowledge. Directors also have the right to seek independent professional advice at the Company's expense in accordance with agreed procedures established by the Board.

3. PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1: A listed entity should have a code of conduct for its directors, senior executives and employees; and disclose that code or a summary of it.

The Board acknowledges and emphasises the importance of all Directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring Directors and employees to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law; and
- encourage the reporting and investigating of unlawful and unethical behaviour.

Directors are obliged to be independent in judgement and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

4. PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation 4.1: The Board of a listed entity should have an audit committee which has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and is chaired by an independent director, who is not the Chair of the Board.

The Board has not established a separate audit committee and as such has not complied with Recommendation 4.1 & 4.2. The duties and responsibilities typically delegated to such a committee are the responsibility of the full Board, due to the size and current level of operations of the Company.

The processes the Board applies in performing this function include:-

- reviewing internal control and recommending enhancements;
- monitoring compliance with Corporations Act 2001, Securities Exchange Listing Rules, matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investment Commission and financial institutions;
- improving the quality of the accounting function, personnel and processes;
- reviewing external audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- liaising with the external auditors and ensuring that the annual audit and half-year review are conducted in an effective manner; and
- reviewing the performance of the external auditors on an annual basis and nomination of auditors is at the discretion of the Board.

Recommendation 4.2: The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and 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 Board imposes stringent policies and standards to ensure compliance with all corporate financial and accounting standards. Where considered appropriate, the Company's external auditors, professional advisors and management are invited to advise the Board on these issues and the Board meets quarterly to consider audit matters prior to statutory reporting.

The Company requires that its auditors must not carry out any other major area of service to the Company and should have expert knowledge of both Australian and international jurisdictions.

The Board assumes responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information. The Board maintains responsibility for a framework of internal control and ethical standards for the management of the consolidated entity.

The Board, consisting of members with financial expertise and detailed knowledge and experience of the mineral exploration and evaluation business, advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. The Executive Director declared in writing to the Board that the Company's financial reports for the year ended 30 June 2017 present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. This statement is required annually.

Recommendation 4.3: A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The Company's external auditors attend each Annual General Meeting and are available for security holders to ask questions.

5. PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: A listed entity should have a written policy for complying with its continuous disclosure obligations under the Listing Rules.

The Company has a formal Continuous Disclosure Policy as required by Recommendation 5.1. This policy was introduced to ensure the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules and ensuring The Company and individual officers do not contravene the Corporations Act or ASX Listing Rules. A full copy of this policy can be found on the Company's website.

The Company is required to immediately tell the ASX once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

Therefore to meet this obligation the Company undertakes to:

- (a) Notify the ASX immediately it becomes aware of any information that a reasonable person would expect to have a material effect on the price and value of the companies securities, unless that information is not required to be disclosed under the listing rules;
- (b) Disclose notifications to the ASX on the Company website following confirmation of the publishing of the information by the ASX; and
- (c) Not respond to market speculation or rumour unless the ASX considers it necessary due to there being, or likely to be, a false market in the Company's securities.

The Company Secretary is responsible for co-ordinating the disclosure requirements. To ensure appropriate procedure all directors, officers and employees of the Company coordinate disclosures through the Company Secretary**,** including:

- (d) Media releases;
- (e) Analyst briefings and presentations; and
- (f) The release of reports and operational results.

6. PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.

The Company's web site contains details of its key projects, all of its activities and operations and corporate information. Information about the Company's corporate governance policies is also available on the Company's website at: http://www.indusenergy.com.au/corporate/corporate_governance.phtml.

Recommendation 6.2: A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company encourages security holder communication throughout the year and at all times security holders can contact the Company via the contact details provided on the Company's website. Security holders may also subscribe to the Company's mailing list via the website.

The Company also encourages security holder participation at general meetings and shareholders who are unable to attend general meetings of the Company are encouraged to participate in the meetings by way of appointment of a proxy.

Recommendation 6.3: A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Company encourages participation at meetings of security holder meeting by making Notice of Meetings available on its website. The Company's auditors attend the Annual General Meeting and are available to answer questions from security holders with regard to the conduct of the external audit for the relevant financial year as well as the preparation and content of the Annual Report.

Security Holders are encouraged to ask questions at each security holder meeting.

Recommendation 6.4: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company encourages security holder communication throughout the year and at all times security holders can contact the Company via the contact details provided on the Company's website. Security holders may also subscribe to the Company's mailing list via the website.

Security holders have the option to receive electronic versions of the Notice of Meeting and Annual Report.

7. PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1: The Board of a listed entity should have a committee or committees to oversee risk, each of which has at least three members, a majority of whom are independent directors; and is chaired by an independent director.

Risk oversight, management and internal control are dealt with on a continuous basis by management and the Board, with differing degrees of involvement from various Directors and management, depending upon the nature and materiality of the matter.

Given the size of the Company and its operations, the Company believes that it is appropriate for all Board members to be a part of the risk management process, and as such the Board has not established a separate audit and risk management committee. The Board oversees the establishment, implementation and annual review of the Company's risk management policies as part of the Board approval process for the strategic plan, which encompasses the Company's vision and strategy, designed to meet stakeholder's needs and manage business risks.

The Board has established a formal policy to effectively recognise and manage risk as required by Recommendation 7.1. The Company's policy is to achieve levels of operation that balance risk and reward with the ultimate aim of optimising shareholder value. The Risk Management and Internal Control policy is detailed in full on our website.

Recommendation 7.2: The Board or a committee of the Board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and disclose, in relation to each reporting period, whether such a review has taken place.

The Board takes a proactive approach to risk management. The Board is responsible for oversight of the processes whereby the risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. This oversight encompasses operational, financial reporting and compliance risks.

The Executive Director has declared, in writing to the Board and in accordance with section 295A of the Corporations Act, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively. All risk assessments covered the whole financial year and the period up to the signing of the annual financial report for all material operations in the Company.

Recommendation 7.3: A listed entity should disclose if it has an internal audit function, how the function is structured and what role it performs; or if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company does not have an internal audit function due to its current size.

Recommendation 7.4: A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Company, as a commodity extraction/ mining company, faces inherent risks in its activities, including economic, financial, environmental, operational, regulatory, social sustainability and market related risks.

The Board regularly monitors the operational and financial performance of the Company's activities. It monitors and receives advice on all areas of operation and financial risk and implements strategies to manage these risks. The Board ensures that good internal control systems are in place and monitors compliance with these systems.

The Board acknowledges that it is responsible for the overall internal control framework, but recognizes that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that deals with:

- Financial reporting - there is a comprehensive budgeting system with an annual budget, updated on a regular basis approved by the Board. Monthly actual results are reported against these budgets.
- Investment appraisal - the Company has clearly defined guidelines for capital expenditure including annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where businesses or assets are being acquired or divested.
- Quality and integrity of personnel - the Company's policies are detailed in an approved induction manual. Formal appraisals are conducted annually for all employees.

The Board effectively manages the consolidated group's capital by assessing 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.

8. PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1: The Board of a listed entity should have a remuneration committee which has at least three members, the majority of whom are independent directors.

The Company does not currently have a separate remuneration committee and as such has not complied with Recommendation 8.1. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full board, given the size and nature of the Company's activities. The Company has established a formal Remuneration Committee Charter, and the Board undertakes the Remuneration Committee function in accordance with the policies and procedures outlined in the Remuneration Committee Charter. A copy of the Remuneration Committee charter is available on the Company's website under Corporate/Corporate Governance

Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Remuneration of Directors are formalised in service agreements. The Board is responsible for determining and reviewing compensation arrangements for the directors themselves, the Executive Director and the executive team.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating directors and senior executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board links the nature and amount of executive directors' and senior executives emoluments to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

1. Retention and Motivation of senior executives
2. Attraction of quality management to the Company
3. Performance incentives which allow executives to share the rewards of the success of the Company

Remuneration of non-executive directors is determined by the Board with reference to comparable industry levels and, specifically for directors' fees, within the maximum amount approved by shareholders. There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

For details on the amount of remuneration and all monetary and non-monetary components for all directors refer to the Remuneration Report on pages 6 to 9 of the Annual Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the Company and the performance of the individual during the period.

Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme, and if so then disclose that policy.

The Company's Share Trading policy specifically prohibits Directors and senior executives, employees from engaging in short term trading in the Company's securities.. The Company's Remuneration Committee Charter includes a statement of the Board's policy that participants in the Company's equity based remuneration schemes are prohibited from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.