

Tuesday, 14 August 2018

ASX Code: OEQ

MARKET ANNOUNCEMENT

Net Tangible Asset Backing – 31 July 2018

Month Ending:	% Change	31 July 2018 Consolidated	30 June 2018 Consolidated
Net tangible assets (NTA) (before tax)		\$4.221m	\$4.174m
Pre-Tax NTA Backing per share	+1.09%	\$0.2697	\$0.2668
Net tangible assets (after tax)		\$4.221m	\$4.174m
Post-Tax NTA Backing per share	+1.09%	\$0.2697	\$0.2668
Based on total issued share capital		15,649,228	15,649,228

The NTA position comprises the following items:

Net Tangible Assets	Current Month \$'millions	Previous Month \$'millions
Investment in listed Associated Entity:		
(a) Shares in Bentley Capital Limited (BEL)	1.298	1.329
Investments in other listed securities:		
(a) Shares in Strike Resources Limited (SRK)	0.560	0.530
(b) Other listed securities	0.019	0.022
Investment in property (held for development/resale)	1.220	1.220
Agribusiness assets	1.479	1.546
Net cash/receivables/payables/other assets/provisions	(0.356)	(0.473)
Pre-Tax NTA	4.221	4.174
Tax Provisions:		
(a) Prior year tax	-	-
(b) Current year tax	-	-
(c) Net deferred tax asset / (liability)	-	-
Post-Tax NTA	4.221	4.174

Notes:


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- (1) The Company's investment in BEL, an Associated Entity (i.e. in which the Company has a greater than 20% interest), is accounted for under the equity method in the consolidated financial statements. Under the equity method, the carrying amount of such investment is cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial year to month end as provided to the Company by such Associated Entity. Refer also Note 22 (Investments in Associates) on pages 42 and 43 of the Company's [2017 Annual Report](#) for further details in this regard.

Accordingly, as at 31 July 2018, the Company's 20,513,783 shares (26.95% interest) (30 June 2018: 20,513,783 shares and 26.95%) in BEL have a carrying value of \$0.063 per share (\$1.298m); this compares with BEL's last bid price on ASX of \$0.100 per share (\$2.051m) and BEL's after-tax NTA backing of \$0.12426 per share (\$2.548m), as at month end.

- (2) The fair value of investments in ASX-listed Strike Resources Limited (**SRK**) comprise 10,000,000 shares (31 July 2018: 10,000,000 shares) with a value of \$0.056 per share (based on the closing bid price as at 31 July 2018) (30 June 2018: \$0.053).
- (3) The fair value of investments in other listed securities is based on each security's last bid price on market at month end.
- (4) Units invested in the managed fund are valued at the audited unit price published by the investment manager, as at month end – the unit price reflects the net asset backing of the fund; there is no buy/sell spread price; there is no recognition of realisation costs as there are no exit fees charged on redemption of units.
- (5) Investment in property (held for resale) was valued by an independent qualified valuer (a Certified Valuer and Associate Member of the Australian Property Institute) as at 9 June 2017. Refer also Note 12 (Property held for Resale) on page 36 of the Company's [2017 Annual Report](#) for further details in this regard.
- (6) Agribusiness assets comprise a 143 hectare property comprising olive grove freehold land (with a water licence entitlement), olive trees (with approximately 64,500, 18 year old plantings) and depreciable plant and equipment. The land (with the water licence entitlement) was valued by an independent qualified valuer (a Certified Valuer and Associate Member of the Australian Property Institute) as at 15 June 2017. The olive trees and depreciable plant and equipment are carried at net realisable value. Refer also Note 13 (Property, Plant and Equipment) on pages 36 and 37 of the Company's [2017 Annual Report](#) for further details in this regard.
- (7) Tax Provision Item (c) includes where applicable, a provision for income tax on net unrealised gains on the Company's investments in securities and its share of Associated Entities' after-tax net profit for the month (deferred tax liability) and the recognition of future income tax benefits on net unrealised losses on the Company's investments in securities and its share of Associated Entities' after-tax net loss for the month (deferred tax asset). Refer also Note 5 (Tax) on pages 28 to 29 of the Company's [2017 Annual Report](#) for further details in this regard.