

GLOBAL ENERGY VENTURES LTD APPENDIX 4E - PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

29 August 2018

DETAILS OF THE REPORTING PERIOD

This report details the consolidated results of Global Energy Ventures Ltd, ABN: 53 109 213 470 ("GEV" or "Company" or "Parent Entity") and its controlled entities ("Consolidated Entity" or "Group") for the year ended 30 June 2018. Comparatives are for the year ended 30 June 2017.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				2018 \$'000	2017 \$'000
2.1	Revenue from ordinary activities	Down	72%	35	125
2.2	Profit/(Loss) from ordinary activities after tax attributable to members	Down	7%	(5,964)	(6,413)
2.3	Net profit/(loss) for the year attributable to members	Down	7%	(5,964)	(6,413)
				Cents	Cents
2.4	Net Tangible assets per security – at the end of the year			2.49	2.41

ANNUAL GENERAL MEETING DATE

The Global Energy Ventures Ltd Annual General Meeting will be held 10:30 am (WST) on Friday 23 November 2018.

DIVIDENDS

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

The directors have recommended that no dividend be paid by the Company in respect of the year ended 30 June 2018.

The Company does not have a dividend reinvestment plan.

DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

On 7 December 2017, the Company acquired 100% of Sea NG Corporation (SeaNG). The results of SeaNG have been included in the Consolidated Entity from the date of its acquisition. On 1 March 2018, SeaNG changed its name to GEV Canada Corporation.

The Company registered Global Gas Ventures Ltd on 7 August 2017. The results of Global Gas Ventures Ltd have been included in the Consolidated Entity from the date of its registration. On 10 November 2017, Global Gas Ventures Ltd changed its status to a proprietary company and changed its name to Global Gas Ventures Pty Ltd.

The Company registered Global Shipping Ventures Ltd on 30 August 2017. The results of Global Shipping Ventures Ltd have been included in the Consolidated Entity from the date of its registration. On 10 November 2017, Global Shipping Ventures Ltd changed its status to a proprietary company and changed its name to Global Shipping Ventures Pty Ltd.

The Company registered Global Infrastructure Ventures Pty Ltd on 20 September 2017. The results of Global Infrastructure Ventures Pty Ltd have been included in the Consolidated Entity from the date of its registration.

The Company registered GEV Technologies Pty Ltd on 29 November 2017. The results of GEV Technologies Pty Ltd have been included in the Consolidated Entity from the date of its registration.

TTE Petroleum LLC was registered in the State of Delaware in the United States of America. The registration of TTE Petroleum LLC was cancelled on 27 June 2018.

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DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Prior to 1 December 2017, the Group was a 30% participant in a joint venture for oil exploration and production in the Allen Dome and the Blue Ridge fields in Texas, USA with Viceroy Petroleum LP ("Viceroy") an independent oil & gas production and operating company based in Central Texas ("JV"). The Group terminated its interest in the JV by the sale of all its rights, titles and interests in the Allen Dome and the Blue Ridge fields (comprising its interest in the JV and various royalty rights) to Viceroy for US\$341,000 with an effective date of 1 December 2017.

All of the Group's oil and gas sales and production costs during the year were derived from the JV.

COMMENTARY ON THE RESULTS

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

During the year, the Company's shareholders approved a change in the scale and nature of the Company's activities and the acquisition of Sea NG Corporation and associated intellectual property rights. The Company was therefore required to re comply with Chapters 1 and 2 of the ASX Listing Rules. Accordingly, the Companies securities were suspended from official quotation on the Australian Securities Exchange from 30 November 2017 to 15 December 2017.

On 7 December 2017, the Company acquired 100% of Sea NG Corporation (SeaNG), a Calgary based compressed natural gas (CNG) marine transport technology company, and associated CNG intellectual property rights for US\$0.585 million in cash, 24,100,051 ordinary shares and 15,850,000 performance shares, with conversion of the performance shares to ordinary shares based on certain future milestone events. The Effective Date for the acquisition of SeaNG was 6 December 2017.

On acquisition of SeaNG, the Company acquired the rights to SeaNG's patented Coselle technology and its subsequent and more advanced patented Optimum technology, for the marine transportation of compressed natural gas (CNG). The Optimum Technology is revolutionary for the CNG industry as the volume of gas that can be stored on a ship is much larger and as a result the comparative shipping costs is drastically reduced relative to traditional marine CNG technologies. The Company has embarked on a project to obtain formal approval from the American Bureau of Shipping (ABS) for the GEV CNG Optimum 200 ship design.

Also on 7 December 2017, the Company completed a capital raising of A\$4.0 million at an issue price of A\$0.17 pursuant to the prospectus dated 8 November 2017 and the replacement prospectus dated 20 November 2017 and issued 12,000,000 performance rights to directors with a one for one entitlement to ordinary shares based on certain future milestone events.

On 15 December 2017, the securities of the Company were reinstated to official quotation on the Australian Securities Exchange.

On 30 December 2017, the Company sold all of its US based oil and gas assets for US\$341,000.

On 6 February 2018, the Company raised approximately \$6.75 million (before costs) by the issue of 16,876,000 ordinary shares at \$0.40 each. In addition, the Company issued 14,000,000 ordinary shares pursuant to the exercise of Class A, Class B and Class C performance rights and issued a further 600,000 free ordinary shares pursuant to the Company's Employee Share Plan.

On 8 March 2018, the Company announced that it had executed a Heads of Agreement (HOA) with the National Iranian Gas Company (NIGC) for a 20-year sale and purchase of 6.85 million m3 of natural gas (~240 MMscf/d) to the Port of Chabahar, Iran. Under the terms of the HOA, GEV and NIGC will work together to enter into a legally binding 20-year termed gas supply agreement ("Gas Supply Agreement"); the gas sales price will be based on the Iranian Government's approved gas export pricing formula, to be finalised in the Gas Supply Agreement in order to be internationally competitive; and the parties have preliminary agreement on gas specification, gas delivery point, take or pay levels, and delivery pressure in order to commence port design and safety studies.

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On 4 April 2018, the Company announced that it had appointed Clarksons Platou (Clarksons) as its exclusive ship broker. Clarksons are the world's leading integrated shipping services group and their appointment will assist with negotiations with the shipyards; assist with the management of the contracts during construction and assist with funding options and financing arrangements.

On 26 April 2018, the Company announced that it had executed a Memorandum of Understanding (MOU) with the General Directorate of Sistan and Balochistan (PMO, the Port Authority at Chabahar) for a six month period, to finalise a 20-year Port Access / Lease Agreement for the proposed CNG Export Terminal site at the Port of Chabahar, Iran.

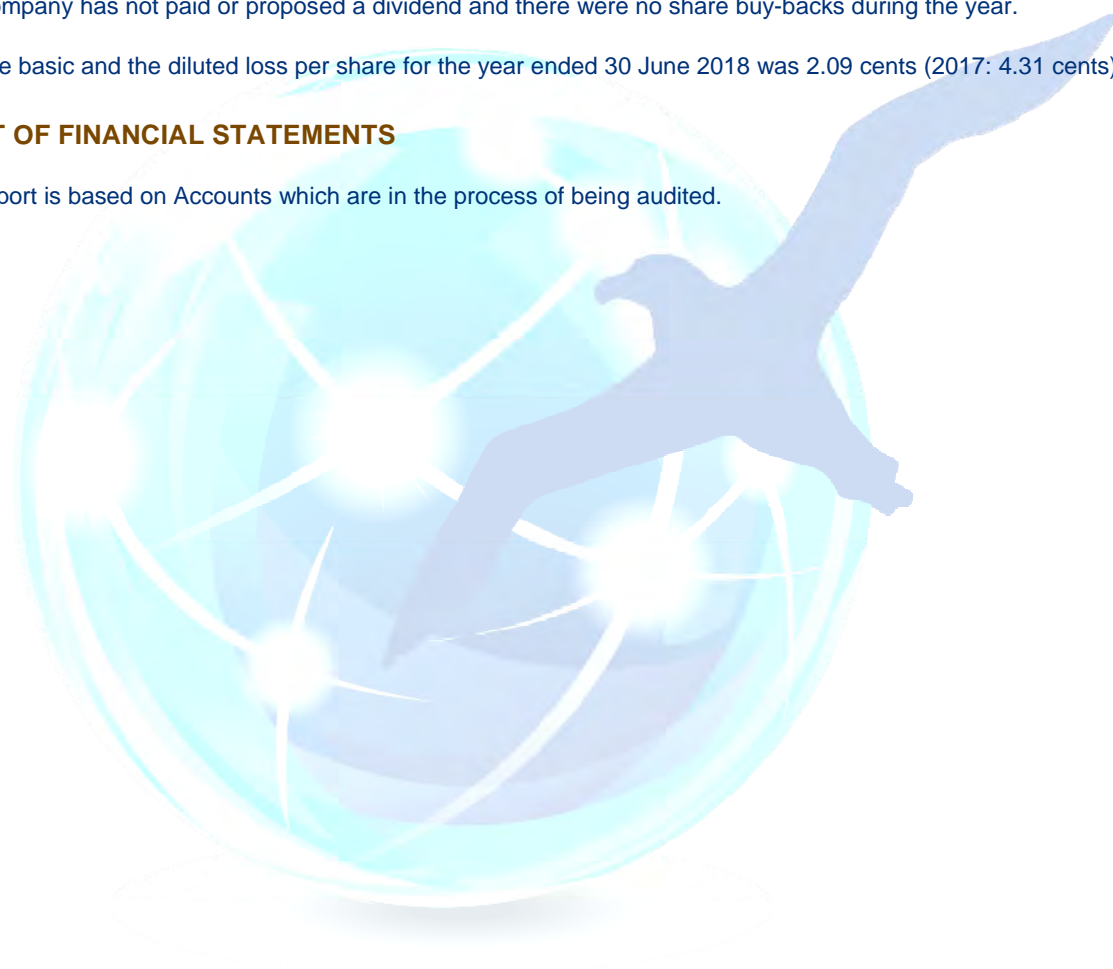
On 4 May 2018, the Company issued 1,000,000 ordinary shares as remuneration to a director, issued 492,004 ordinary shares for \$0.10 each pursuant to the exercise of options expiring on 30-May-20 and issued 2,000,000 performance rights to consultants with a one for one entitlement to ordinary shares based on certain future milestone events.

The Company has not paid or proposed a dividend and there were no share buy-backs during the year.

Both the basic and the diluted loss per share for the year ended 30 June 2018 was 2.09 cents (2017: 4.31 cents)

AUDIT OF FINANCIAL STATEMENTS

This report is based on Accounts which are in the process of being audited.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated Entity	
	Note	2018	2017
		\$	\$
Revenue from operating activities	2	34,828	124,552
Cost of sales	2	(36,157)	(226,419)
GROSS (LOSS)/PROFIT		(1,329)	(101,867)
Revenue from non-operating activities	2	1,330,198	16,329
Research and development		(2,985,979)	—
Project development expenses		(1,614,031)	(553,851)
Exploration expenses	2	(330,510)	(3,093,308)
Share based payments	16	(570,000)	(734,040)
Other expenses	2	(1,792,771)	(1,946,310)
LOSS BEFORE INCOME TAX EXPENSE		(5,964,422)	(6,413,047)
Income tax expense	3	—	—
LOSS AFTER RELATED INCOME TAX EXPENSE		(5,964,422)	(6,413,047)
OTHER COMPREHENSIVE INCOME			
Exchange differences on translating foreign operations		(1,070,302)	866,452
Income tax relating to components of other comprehensive income			—
OTHER COMPREHENSIVE INCOME AFTER INCOME TAX		(1,070,302)	866,452
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(7,034,724)	(5,546,595)
BASIC EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)	4	(2.09)	(4.31)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)	4	(2.09)	(4.31)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	Consolidated Entity 2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	12	5,380,088	3,864,678
Trade and other receivables		38,812	77,921
TOTAL CURRENT ASSETS		5,418,900	3,942,599
NON-CURRENT ASSETS			
Plant and equipment		16,341	615
Receivables		43,417	997
Investments	5	2,639,591	1,323,802
Intellectual Property	6	6,214,830	—
Capitalised oil and gas expenditure	7	—	650,026
TOTAL NON-CURRENT ASSETS		8,914,179	1,975,440
TOTAL ASSETS		14,333,079	5,918,039
CURRENT LIABILITIES			
Trade and other payables	8	743,076	190,437
Provisions		7,816	—
TOTAL CURRENT LIABILITIES		750,892	190,437
TOTAL LIABILITIES		750,892	190,437
NET ASSETS		13,582,187	5,727,602
EQUITY			
Issued capital	9	60,993,737	46,104,428
Reserves	10	(2,109,260)	(1,038,958)
Accumulated losses		(45,302,290)	(39,337,868)
TOTAL EQUITY		13,582,187	5,727,602

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated Entity 2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		42,865	130,666
Payments to suppliers and employees		(1,965,721)	(868,366)
Production costs		(36,157)	(243,452)
Research and development		(2,626,121)	—
Project development		(1,347,641)	(553,851)
Interest received		15,908	8,374
Interest and finance costs paid		—	(88,883)
Oil sales proceeds received/(paid) and held in suspense pending resolution of entitlements		—	(79,603)
Other income		71,096	7,955
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	12	(5,845,771)	(1,687,160)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of oil and gas interests		(2,224)	(29,431)
Proceeds from disposal of oil and gas interests		461,372	1,077,432
Payments for exploration expenditure		(158,996)	(1,010,612)
Payments for development expenditure		—	(61,966)
Payments for purchase of plant and equipment		(16,595)	—
Purchase of investments		(3,300,690)	(1,323,802)
Proceeds from disposal of plant and equipment		—	54,719
NET CASH OUTFLOW USED IN INVESTING ACTIVITIES		(3,017,133)	(1,293,660)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity issues		10,799,801	7,614,599
Capital raising costs		(577,500)	(378,173)
Receipts from Borrowings		—	156,431
Repayment of borrowings		—	(691,616)
NET CASH INFLOW FROM FINANCING ACTIVITIES		10,222,301	6,701,241
NET INCREASE IN CASH HELD		1,359,397	3,720,421
Net foreign exchange differences		156,013	(4,280)
Cash and cash equivalents at beginning of year		3,864,678	148,537
CASH AND CASH EQUIVALENTS AT END OF YEAR	12	5,380,088	3,864,678

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

CONSOLIDATED ENTITY					
ATTRIBUTABLE TO MEMBERS OF THE COMPANY	Issued Capital \$	Option Premium Reserve \$	Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 JULY 2016	37,491,165	1,665,658	(3,261,902)	(34,590,479)	1,304,442
COMPREHENSIVE INCOME					
Currency translation	—	—	866,452	—	866,452
Loss for year	—	—	—	(6,413,047)	(6,413,047)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	866,452	(6,413,047)	(5,546,595)
TRANSACTIONS WITH OWNERS, IN THEIR CAPACITY AS OWNERS, AND OTHER TRANSFERS					
Securities issued	9,662,028	1,356,492	—	—	11,018,520
Equity raising costs	(1,048,765)	—	—	—	(1,048,765)
Option premium transferred to accumulated losses	—	(1,665,658)	—	1,665,658	—
TOTAL TRANSACTIONS WITH OWNERS AND OTHER TRANSFERS	8,613,263	(309,166)	—	1,665,658	9,969,755
At 30 JUNE 2017	46,104,428	1,356,492	(2,395,450)	(39,337,868)	5,727,602
COMPREHENSIVE INCOME					
Currency translation	—	—	(1,070,302)	—	(1,070,302)
Loss for year	—	—	—	(5,964,422)	(5,964,422)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	(1,070,302)	(5,964,422)	(7,034,724)
TRANSACTIONS WITH OWNERS, IN THEIR CAPACITY AS OWNERS, AND OTHER TRANSFERS					
Securities issued	15,466,809	—	—	—	15,466,809
Equity raising costs	(577,500)	—	—	—	(577,500)
TOTAL TRANSACTIONS WITH OWNERS AND OTHER TRANSFERS	14,889,309	—	—	—	14,889,309
At 30 JUNE 2018	60,993,737	1,356,492	(3,465,752)	(45,302,290)	13,582,187

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation of Accounts

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

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

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

Adoption of new and revised Accounting Standards

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

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

Summary of Significant Accounting Policies

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

a) *Basis of consolidation*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

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

b) *Foreign currency translation*

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

c) *Taxes*

Income Tax

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

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

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

d) *Employee Benefits*

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

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

e) *Cash and cash equivalents*

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

f) *Revenue recognition*

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

g) *Goods and Services Tax (GST)*

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

h) *Impairment of assets*

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

i) *Leases*

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

j) *Issued capital*

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

k) *Property, Plant and Equipment*

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

Plant and equipment – over 1 to 15 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Impairment

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

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

l) Trade and other receivables

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

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

m) Trade and other payables

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

n) Investments

Investments and other financial assets

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

Held-to-maturity investments

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Loans and receivables

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

Available-for-sale investments

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

Impairment of financial assets

Impairment of available-for-sale investments

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

Derecognition of financial assets

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

o) Inventories

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

p) *Significant accounting judgements, estimates and assumptions*

Significant accounting judgements

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

Exploration and development assets

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

Significant accounting estimates and assumptions

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

Key Estimates - Taxation

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

Recovery of deferred tax assets

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

Share-based payment transactions

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

q) *Exploration and Development Expenditure*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

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

r) *Share-based payment transactions*

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

s) *Earnings/(loss) per share*

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

t) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred. The useful lives of the intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of economic future benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortised expense of intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supported. If not, the changes in the useful life from indefinite to finite are made on a prospective basis.

Consolidated Entity
2018 **2017**
\$ **\$**

NOTE 2. REVENUE AND EXPENSES

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

REVENUE FROM CONTINUING OPERATIONS

Operating activities

Oil and gas sales	34,828	124,552
TOTAL REVENUE FROM OPERATING ACTIVITIES	34,828	124,552

Non-Operating activities

Interest received from other persons	15,908	8,374
Realised exchange gains	67,268	—
Unrealised exchange gains	1,168,156	—
Profit on disposal of oil and gas properties	7,770	—
Other revenue	71,096	7,955
TOTAL REVENUE FROM NON-OPERATING ACTIVITIES	1,330,198	16,329

TOTAL REVENUE FROM CONTINUING OPERATIONS

1,365,026 140,881

CHARGING AS EXPENSES

Cost of sales

Production costs	36,157	226,419
	36,157	226,419

Exploration expenses

Exploration expenditure written off	232,471	2,705,832
Other exploration expenses	98,039	387,476
	330,510	3,093,308

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Consolidated Entity 2018 \$	2017 \$
<i>Other expenses</i>		
Employee benefits and consultants expenses	983,905	383,629
Depreciation	869	5,955
Administrative expenses	743,205	485,067
Rental expense on operating lease	64,792	22,635
Loss on sale of plant and equipment	—	17,713
Interest expense and borrowing fees	—	88,883
Unrealised exchange loss	—	942,428
	<u>1,792,771</u>	<u>1,946,310</u>

NOTE 3. INCOME TAX

INCOME TAX BENEFIT

Numerical reconciliation between tax expense and pre-tax net loss:

LOSS BEFORE INCOME TAX BENEFIT	(5,964,422)	(6,413,047)
Income tax using the Company's domestic tax rate of 27.5% (2017: 30%)	(1,640,216)	(1,923,914)
Share based payments	156,750	215,892
Capital raising costs	(46,645)	(74,540)
Other non-deductible expenses/(deductible tax adjustments)	448,456	281,027
Current deferred tax asset not recognised	1,081,655	1,501,535
INCOME TAX BENEFIT (EXPENSE) ATTRIBUTABLE TO ENTITY	<u>—</u>	<u>—</u>

Estimated unused tax losses of \$43,524,013 (2017: \$37,296,809) have not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Company satisfying the requirements imposed by the relevant regulatory authorities in each of the jurisdictions in which the Company operates. The benefit of deferred tax assets not brought to account will only be brought to account if future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised and the conditions for deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

NOTE 4. EARNINGS PER SHARE

Basic loss per share (cents per share)	(2.09)	(4.31)
Diluted loss per share (cents per share)	(2.09)	(4.31)
Profit/(loss) used in the calculation of basic EPS	(5,964,422)	(6,413,047)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share (i)	284,902,857	148,796,293
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share (i)	284,902,857	148,796,293

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

During the year ended 30 June 2018, 14,000,000 Performance Rights were issued which entitle the holder to receive ordinary shares subject to various conditions, 14,000,000 ordinary shares were issued pursuant to the vesting and exercise of Performance rights, no options were issued, 492,004 options exercisable at \$0.10 each were exercised and no options expired unexercised, leaving 14,000,000 Performance Rights and 43,405,068 options outstanding at 30 June 2018 (note 9). In addition, 15,850,000 Performance Shares with rights to conversion to ordinary shares were issued during the year and remained outstanding at 30 June 2018. These securities are not considered dilutive for the purposes of the calculation of diluted earnings per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share nor increase the net loss from continuing ordinary operations per share. Consequently, diluted earnings per share is the same as basic earnings per share.

During the year ended 30 June 2017, 14,000,000 Performance Rights (post consolidation) were issued which entitle the holder to receive ordinary shares subject to various share price hurdles, 13,500,000 Performance rights and 20,000,000 options (pre-consolidation) were cancelled, 777,941,899 options (pre-consolidation) were issued, 5,000,000 options (post-consolidation) were issued, no options were exercised and no options expired unexercised, leaving 14,000,000 Performance Rights and 43,897,072 options outstanding at 30 June 2017 (note 9). In addition, 391,666 convertible notes of \$1.00 each with rights to conversion to ordinary shares were redeemed during the year. 1,775,000 convertible notes of \$1.00 each were converted to 1,265,216,099 ordinary shares and 632,608,050 free attaching options (pre-consolidation) leaving no convertible notes outstanding at 30 June 2017. These securities are not considered dilutive for the purposes of the calculation of diluted earnings per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share nor increase the net loss from continuing ordinary operations per share. Consequently, diluted earnings per share is the same as basic earnings per share.

Consolidated Entity 2018 2017 \$ \$

NOTE 5. INVESTMENTS

AVAILABLE-FOR-SALE INVESTMENTS

Shares in other unlisted unrelated corporations, at cost	2,639,591	1,323,802
	<u>2,639,591</u>	<u>1,323,802</u>

Investments comprise a 5% interest in Meridian Holdings Co. ("Meridian"), a company registered in the Cayman Islands. The Meridian investment has long term strategic value to the Company as Meridian has granted the Company gas volume rights of 300 MMscf/d of port capacity at Meridian's proposed Port Meridian terminal in the United Kingdom, subject to regulatory approvals and a tolling terminal agreement and gas sale rights of 300 MMscf/d to Uniper under the Gas Sales Agreement dated April 2015 between Meridian LNG Holdings Corp. and Uniper Global Commodities SE (a subsidiary of Uniper SE publicly traded on the Frankfurt Stock Exchange), subject to a gas assignment agreement.

NOTE 6. INTELLECTUAL PROPERTY

On 7 December 2017, the Company acquired 100% of Sea NG Corporation (**SeaNG**), a Calgary based compressed natural gas (**CNG**) marine transport technology company, and associated CNG intellectual property rights. The Effective Date for the acquisition of SeaNG was 6 December 2017. The fair value of assets and liabilities held by this entity at acquisition were:

FAIR VALUE OF ASSETS AND LIABILITIES

Cash and cash equivalents	37,091
Receivables	10,125
Intellectual Property	6,214,830
Payables	(415,987)

FAIR VALUE OF NET ASSETS ACQUIRED

	<u>5,846,059</u>
Cash consideration	1,749,050
Equity consideration	4,097,009
TOTAL CONSIDERATION	<u>5,846,059</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Consolidated Entity
2018 **2017**
\$ **\$**

In addition, the Company issued 15,850,000 performance shares, with conversion of the performance shares to ordinary shares based on certain future milestone events, as part of the acquisition of the intellectual property (refer note 9). These Performance Shares have not been valued or recognised for accounting purposes and will not be recognised for accounting purposes until there is greater certainty of the non-market vesting conditions.

NOTE 7. CAPITALISED OIL AND GAS EXPENDITURE

MOVEMENTS IN THE CARRYING AMOUNT OF LEASE ACQUISITION COSTS FOR PRODUCING PROPERTIES

At the beginning of the financial year	269,361	374,085
Transferred to undeveloped properties	(93,139)	—
Expenditure incurred during the year	—	53,036
Written down during the year	(87,065)	—
Disposals	(96,063)	(146,651)
Exchange rate adjustment	6,906	(11,109)
AT THE END OF THE FINANCIAL YEAR	—	269,361

MOVEMENTS IN THE CARRYING AMOUNT OF LEASE ACQUISITION COSTS FOR UNDEVELOPED PROPERTIES

At the beginning of the financial year	380,665	2,329,330
Transferred from producing properties	93,139	—
Expenditure incurred during the year	2,224	74,723
Written down during the year	(120,692)	(1,192,040)
Disposals	(365,309)	(787,950)
Exchange rate adjustment	9,973	(43,398)
AT THE END OF THE FINANCIAL YEAR	—	380,665

MOVEMENTS IN THE CARRYING AMOUNT OF EXPLORATION AND DEVELOPMENT COSTS ON PRODUCING PROPERTIES

At the beginning of the financial year	—	383,419
Expenditure incurred during the year	—	70,570
Written down during the year	—	(283,833)
Disposals	—	(164,259)
Exchange rate adjustment	—	(5,897)
AT THE END OF THE FINANCIAL YEAR	—	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Consolidated Entity	
	2018	2017
	\$	\$
MOVEMENTS IN THE CARRYING AMOUNT OF EXPLORATION AND DEVELOPMENT COSTS ON UNDEVELOPED PROPERTIES		
At the beginning of the financial year	—	985,427
Expenditure incurred during the year	24,714	250,075
Written down during the year	(24,714)	(1,229,958)
Exchange rate adjustment	—	(5,544)
AT THE END OF THE FINANCIAL YEAR	—	—
TOTAL CAPITALISED OIL AND GAS EXPENDITURE	—	650,026

NOTE 8. TRADE AND OTHER PAYABLES (CURRENT)

Trade creditors	725,076	48,835
Sundry creditors and accrued expenses	18,000	141,602
	743,076	190,437

NOTE 9. ISSUED CAPITAL

ORDINARY SHARES

325,878,224 (2017: 245,279,757) fully paid ordinary shares	60,993,737	46,104,428
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PERFORMANCE SHARES

15,850,000 (2017: Nil) performance shares	—	—
	60,993,737	46,104,428

	Date	Number of Shares	Consolidated Entity	
			2018	2017
			\$	\$
MOVEMENTS IN ORDINARY SHARES				
At the beginning of the financial year			46,104,428	37,491,165
Shares issued for \$0.17 each (approved by shareholders on 30-Nov-17)	07-Dec-17	23,529,412	4,000,000	—
Shares issued as part consideration for the acquisition of Sea NG Corporation (shareholders approved the issue of 24,100,000 of these shares on 30-Nov-17)	07-Dec-17	24,100,051	4,097,008	—
Shares issued for \$0.20 each	07-Dec-17	1,000	200	—
Shares issued pursuant to the vesting and exercise of classes A, B and C performance rights	06-Feb-18	14,000,000	—	—
Shares issued free pursuant to Employee Share Plan approved by shareholders on 30-Nov-17	06-Feb-18	600,000	240,000	—
Shares issued for \$0.40 each (ratified by shareholders on 30-Apr-18)	06-Feb-18	16,876,000	6,750,400	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Date	Number of Shares	Consolidated Entity 2018 \$	2017 \$
Shares issued free as remuneration to director (approved by shareholders on 30-Apr-18)	04-May-18	1,000,000	330,000	—
Shares issued for \$0.10 each pursuant to the exercise of options expiring on 30-May-20	04-May-18	492,004	49,201	—
Shares issued for \$0.003 each (ratified by shareholders on 07-Oct-16) together with 34,020,302 free attaching options expiring on 30-May-20. The options were issued on 25-Oct-16 and were approved by shareholders on 07-Oct-16	29-Jul-16	102,060,903	—	306,183
Shares issued free in consideration for services provided together with 15,120,000 free attaching options expiring on 30-May-20 (approved by shareholders on 07-Oct-16)	25-Oct-16	15,120,000	—	30,240
Shares issued free at a deemed issue price of \$0.025 as part consideration for the acquisition of oil and gas interests	25-Oct-16	1,350,000	—	44,239
Shares issued free pursuant to Employee Share Plan approved by shareholders on 06-Feb-15	25-Oct-16	2,000,000	—	4,000
Shares issued for \$0.00155 each together with 42,247,311 free attaching options expiring on 30-May-20 (approved by shareholders on 07-Oct-16)	04-Nov-16	126,741,937	—	196,450
Shares issued free pursuant to Employee Share Plan approved by shareholders on 06-Feb-15	04-Nov-16	2,000,000	—	3,000
Shares issued for \$0.001566 together with 143,678,160 free attaching options expiring on 31-May-20 pursuant to the conversion of 450,000 convertible notes expiring on 31-Oct-17	04-Nov-16	287,356,320	—	450,000
Shares issued for \$0.001 each pursuant to pro rata entitlement issue	07-Nov-16	629,159,750	—	629,160
Shares issued for \$0.001 each pursuant to pro rata entitlement issue	09-Nov-16	163,807,184	—	163,807
Shares issued for \$0.001 each (approved by shareholders on 11-Nov-16)	16-Nov-16	300,000,000	—	300,000
Shares issued for \$0.001355 each together with 18,946,236 free attaching options expiring on 30-May-20 (approved by shareholders on 07-Oct-16)	23-Nov-16	56,838,708	—	77,016
Shares issued for \$0.001355 together with 488,929,890 free attaching options expiring on 31-May-20 pursuant to the conversion of 1,325,000 convertible notes expiring on 31-Oct-17	24-Nov-16	977,859,779	—	1,325,000
Shares issued for \$0.001355 each (ratified by shareholders on 18-Jan-17)	30-Nov-16	836,112,649	—	1,132,933
Consolidation of Capital	23-Jan-17	(3,981,747,790)	—	—
Shares issued for \$0.14 each (ratified by shareholders on 21-Jun-17)	08-May-17	11,764,489	—	1,647,028
Shares issued for \$0.14 each	08-May-17	20,949,797	—	2,932,972
Shares issued for \$0.14 each (approved by shareholders on 21-Jun-17)	21-Jun-17	3,000,000	—	420,000
Share issue expenses comprising the issue of free options (at valuation)			—	(670,592)
Other share issue expenses			(577,500)	(378,173)
AT THE END OF THE FINANCIAL YEAR			60,993,737	46,104,428

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

On 7 December 2017, Global Energy Ventures Ltd ("GEV") issued 1,850,000 Class A Performance Shares, 2,200,000 Class B Performance Shares, 2,350,000 Class C Performance Shares, 6,250,000 Class D Performance Shares and 3,200,000 Class E Performance Shares (together "Performance Shares"). All Performance Shares remained on issue at the end of the year. All Performance Shares expire on 6 December 2022 (Expiry Date) and on achievement of the relevant milestone for each Class of Performance Share, each Performance Share of that class will convert into one ordinary share in the Company. Class A Performance Shares will convert when either (a) a notice to proceed for a contract for the construction of CNG ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on Sea NG Corporation Technology (Project) is given (Notice to Proceed Date); or (b) when (i) the 30-day VWAP of GEV Shares exceeds A\$0.35 at any time subsequent to 6 December 2017 (Effective Date); and (ii) GEV obtains ABS Full Approval for construction of a CNG Ship reliant on the Optimum Technology (Optimum CNG Ship) of any size; and (iii) a period of 24 months or more has elapsed since the Effective Date. Class B Performance Shares will convert when either (a) the Notice to Proceed Date occurs; or (b) when (i) the 30-day VWAP of GEV Shares exceeds A\$0.45 at any time subsequent to the Effective Date; and (ii) either GEV obtains ABS Full Approval for construction of an Optimum CNG Ship with net design gas storage capacity exceeding 250 MMscf or a contract for the construction of a CNG Ship for the Project is executed (Contract Date); and (iii) a period of 30 months or more has elapsed since the Effective Date. Class C Performance Shares will convert when either (a) the Notice to Proceed Date occurs; or (b) the 30-day VWAP of GEV Shares exceeds A\$0.55 at any time subsequent to the Effective Date; and (ii) the Contract Date occurs; and (iii) a period of 36 months or more has elapsed since the Effective Date. Class D Performance Shares will convert when the Notice to Proceed Date occurs. Class E Performance Shares will convert when a notice to proceed for a contract for the construction of CNG Ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on SeaNG Coselle Technology is given. If the relevant milestones above are not achieved by the Expiry Date, then each Performance Share in the relevant class will be automatically redeemed by the Company for the sum of A\$0.00001 within 14 days of the Expiry Date. The issue of the Performance Shares was approved at the general meeting of shareholders held on 30 November 2017. No Performance Shares were converted or cancelled during the year. None of the Performance Shares had their vesting conditions met during the year. These Performance Shares have not been valued or recognised for accounting purposes and will not be recognised for accounting purposes until there is greater certainty of the non-market vesting conditions. Subsequent to the issue of these Performance Shares, Sea NG Corporation changed its name to GEV Canada Corporation.

At 30 JUNE 2018:

57,405,068 unissued ordinary shares for which options were outstanding, comprising:

6,774,683 options which entitle the holder to subscribe for one ordinary share in the Company for \$0.10 per share and expire on 30 May 2020;
 31,630,385 options which entitle the holder to subscribe for one ordinary share in the Company for \$0.40 per share and expire on 31 May 2020;
 2,000,000 options which entitle the holder to subscribe for one ordinary share in the Company for \$0.14 per share and expire on 18 June 2020;
 3,000,000 options which entitle the holder to subscribe for one ordinary share in the Company for \$0.21 per share and expire on 19 June 2020; and
 2,500,000 Class D Performance Rights, 4,600,000 Class E Performance Rights and 6,900,000 Class F Performance Rights

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

On 7 December 2017, GEV issued 2,000,000 Class D Performance Rights, 4,000,000 Class E Performance Rights and 6,000,000 Class F Performance Rights (together "DEF Performance Rights") to directors. On 4 May 2018, GEV issued 500,000 Class D Performance Rights, 600,000 Class E Performance Rights and 900,000 Class F Performance Rights. All DEF Performance Rights remained on issue at the end of the year. All DEF Performance Rights expire on 30 November 2022 and on vesting, each Performance Right entitles the holder to one ordinary share in the Company. Class D Performance Rights will vest when either a notice to proceed for a contract for the construction of CNG Ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on SeaNG Technology (Project) is given (Notice to Proceed Date) or both the 30-day VWAP of GEV Shares exceeds A\$0.35 at any time subsequent to the acquisition by GEV of Sea NG Corporation (SeaNG) and GEV obtains ABS Full Approval for construction of a CNG Ship reliant on the Optimum Technology (Optimum CNG Ship) of any size. Class E Performance Rights will vest when either the Notice to Proceed Date occurs or both the 30-day VWAP of GEV Shares exceeds A\$0.45 at any time subsequent to the acquisition by GEV of SeaNG and either GEV obtains ABS Full Approval for construction of an Optimum CNG Ship with net design gas storage capacity exceeding 250 MMscf or a contract for the construction of a CNG Ship for the Project is executed (Contract Date). Class F Performance Rights will vest when either the Notice to Proceed Date occurs or both the 30-day VWAP of GEV Shares exceeds A\$0.55 at any time subsequent to the acquisition by GEV of SeaNG and the Contract Date occurs. Any DEF Performance Rights not vested before their expiry date, will lapse. The issue of the DEF Performance Rights was approved at the general meetings of shareholders held on 30 November 2017 and 30 April 2018. No DEF Performance Rights were exercised or cancelled during the year. None of the DEF Performance Rights had their vesting conditions met during the year. These DEF Performance Rights have not been valued or recognised for accounting purposes and will not be recognised for accounting purposes until there is greater certainty of the non-market vesting conditions. Subsequent to the issue of these Performance Rights, Sea NG Corporation changed its name to GEV Canada Corporation.

At 30 JUNE 2017:

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

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

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

CAPITAL MANAGEMENT

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

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

NOTE 10. RESERVES

Option premium reserve
 Currency translation reserve

Consolidated Entity
2018
\$

2017
\$

1,356,492	1,356,492
(3,465,752)	(2,395,450)
(2,109,260)	(1,038,958)

	Date	Number of Securities	Consolidated Entity 2018 \$	2017 \$
MOVEMENTS IN OPTION PREMIUM RESERVE				
At the beginning of the financial year			1,356,492	1,665,658
Issue of Class D performance rights	07-Dec-17	2,000,000	—	—
Issue of Class E performance rights	07-Dec-17	4,000,000	—	—
Issue of Class F performance rights	07-Dec-17	6,000,000	—	—
Issue of Class D performance rights	04-May-18	500,000	—	—
Issue of Class E performance rights	04-May-18	600,000	—	—
Issue of Class F performance rights	04-May-18	900,000	—	—
Exercise of options expiring on 30-May-20	04-May-18	(492,004)	—	—
Options expiring on 30-May-20 issued for \$0.0001 each (approved by shareholders on 07-Oct-16)	25-Oct-16	35,000,000	—	3,500
Consolidation of options expiring on 30-May-20	23-Jan-17	(138,067,162)	—	—
Consolidation of options expiring on 31-May-20	23-Jan-17	(600,977,665)	—	—
Issue of Class A performance rights	30-Jan-17	4,000,000	—	208,000
Issue of Class B performance rights	30-Jan-17	4,000,000	—	186,400
Issue of Class C performance rights	30-Jan-17	6,000,000	—	288,000
Issue of options expiring on 18-Jun-20 issued free in consideration for services provided	21-Jun-17	2,000,000	—	268,218
Issue of options expiring on 19-Jun-20 issued free in consideration for services provided	21-Jun-17	3,000,000	—	402,374
Option premium for expired options transferred to accumulated losses			—	(1,665,658)
AT THE END OF THE FINANCIAL YEAR			1,356,492	1,356,492

Consolidated Entity
2018
\$

2017
\$

MOVEMENTS IN CURRENCY TRANSLATION RESERVE

At the beginning of the financial year
 Movement for the year

(2,395,450)	(3,261,902)
(1,070,302)	866,452
(3,465,752)	(2,395,450)

AT THE END OF THE FINANCIAL YEAR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

On 7 December 2017, Global Energy Ventures Ltd ("GEV") issued 2,000,000 Class D Performance Rights, 4,000,000 Class E Performance Rights and 6,000,000 Class F Performance Rights (together "DEF Performance Rights") to directors. On 4 May 2018, GEV issued 500,000 Class D Performance Rights, 600,000 Class E Performance Rights and 900,000 Class F Performance Rights. All DEF Performance Rights remained on issue at the end of the year. All DEF Performance Rights expire on 30 November 2022 and on vesting, each Performance Right entitles the holder to one ordinary share in the Company. Class D Performance Rights will vest when either a notice to proceed for a contract for the construction of CNG Ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on SeaNG Technology (Project) is given (Notice to Proceed Date) or both the 30-day VWAP of GEV Shares exceeds A\$0.35 at any time subsequent to the acquisition by GEV of Sea NG Corporation (SeaNG) and GEV obtains ABS Full Approval for construction of a CNG Ship reliant on the Optimum Technology (Optimum CNG Ship) of any size. Class E Performance Rights will vest when either the Notice to Proceed Date occurs or both the 30-day VWAP of GEV Shares exceeds A\$0.45 at any time subsequent to the acquisition by GEV of SeaNG and either GEV obtains ABS Full Approval for construction of an Optimum CNG Ship with net design gas storage capacity exceeding 250 MMscf or a contract for the construction of a CNG Ship for the Project is executed (Contract Date). Class F Performance Rights will vest when either the Notice to Proceed Date occurs or both the 30-day VWAP of GEV Shares exceeds A\$0.55 at any time subsequent to the acquisition by GEV of SeaNG and the Contract Date occurs. Any DEF Performance Rights not vested before their expiry date, will lapse. The issue of the DEF Performance Rights was approved at the general meetings of shareholders held on 30 November 2017 and 30 April 2018. No DEF Performance Rights were exercised or cancelled during the period. None of the DEF Performance Rights had their vesting conditions met during the period. These DEF Performance Rights have not been valued or recognised for accounting purposes and will not be recognised for accounting purposes until there is greater certainty of the non-market vesting conditions. Subsequent to the issue of these Performance Rights, Sea NG Corporation changed its name to GEV Canada Corporation.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Company
2018 2017
\$ \$

NOTE 11. PARENT ENTITY

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

CURRENT ASSETS

Cash and cash equivalents	5,243,844	3,824,704
Trade and other receivables	37,625	57,292
TOTAL CURRENT ASSETS	5,281,469	3,881,996

NON-CURRENT ASSETS

Plant and equipment	16,341	615
Receivables	28,040,521	26,159,755
Capitalised oil and gas expenditure		—
Investments	8,485,660	1,323,812
TOTAL NON-CURRENT ASSETS	36,542,522	27,484,182

TOTAL ASSETS

41,823,991 31,366,178

CURRENT LIABILITIES

Trade and other payables	731,410	152,228
Provisions	7,816	—
TOTAL CURRENT LIABILITIES	739,226	152,228

TOTAL LIABILITIES

739,226 152,228

NET ASSETS/(LIABILITIES)

41,084,765 31,213,950

EQUITY

Issued capital	60,993,737	46,104,428
Reserves	1,356,492	1,356,492
Accumulated losses	(21,265,464)	(16,246,970)
TOTAL EQUITY	41,084,765	31,213,950

FINANCIAL INFORMATION ON THE PARENT ENTITY FOR THE FINANCIAL YEAR:

Profit/(loss) after related income tax expense	(5,018,494)	(1,247,421)
Other comprehensive income	—	—
TOTAL COMPREHENSIVE INCOME	(5,018,494)	(1,247,421)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Consolidated Entity
2018 **2017**
\$ **\$**

NOTE 12. CASH FLOW INFORMATION

RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH LOSS AFTER INCOME TAX

Loss after tax	(5,964,422)	(6,413,047)
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Cash flows in loss attributable to non-operating activities

Exploration expenditure	98,039	387,476
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Non-cash flows in loss

Depreciation of plant and equipment	869	5,955
Exploration expenditure written down	24,714	1,513,791
Lease acquisition expenditure written off	207,757	1,192,040
Cost of share based payment	570,000	734,040
Profit on disposal of oil and gas properties	(7,770)	17,713
Foreign exchange loss/(profit)	(1,235,424)	942,428
Charges to provisions	7,816	—

Changes in assets and liabilities

Increase in debtors and receivables relating to operating activities	(13,419)	(7,536)
Increase/(decrease) in creditors and accruals relating to operating activities	466,069	(60,020)

NET CASH FROM/(USED IN) OPERATING ACTIVITIES

	(5,845,771)	(1,687,160)
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RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year is shown in the accounts as:

Cash	5,380,088	3,864,678
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CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR

	5,380,088	3,864,678
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NON-CASH FINANCING AND INVESTING ACTIVITIES

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

FINANCING FACILITIES

There were no financing facilities in place for the Company at 30 June 2018.

NOTE 13. AUDITOR'S REMUNERATION

Remuneration of the auditor for:

Auditing or reviewing the financial reports	33,495	29,225
Tax compliance services	7,000	5,000

	40,495	34,225
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Consolidated Entity
2018 **2017**
\$ **\$**

NOTE 14. EXPENDITURE COMMITMENTS

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

Payable

not later than one year	110,808	20,250
later than 1 year but not later than 5 years	175,446	—

AGGREGATE EXPENDITURE CONTRACTED FOR AT REPORTING DATE

	286,254	20,250
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The property leases included above are non-cancellable leases with rent payable monthly in advance.

NOTE 15. KEY MANAGEMENT PERSONNEL

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Consolidated Entity
2018 **2017**
\$ **\$**

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Short term employee benefits	638,649	347,173
Post employment benefits	17,351	9,409
Share based payment benefits	470,000	682,400
	1,126,000	1,038,982

The Company issued the following securities:

On 7 December 2017, GEV issued 2,000,000 Class D Performance Rights, 4,000,000 Class E Performance Rights and 6,000,000 Class F Performance Rights (together "DEF Performance Rights") to directors. 1,000,000 Class D Performance Rights, 2,000,000 Class E Performance Rights and 3,000,000 Class F Performance Rights were issued to Fletcher Maurice Brand. 750,000 Class D Performance Rights, 1,500,000 Class E Performance Rights and 2,250,000 Class F Performance Rights were issued to Garry John Frank Triglavcanin. 250,000 Class D Performance Rights, 500,000 Class E Performance Rights and 750,000 Class F Performance Rights were issued to Paul Garner. All DEF Performance Rights remained on issue at the end of the period. All DEF Performance Rights expire on 30 November 2022 and on vesting, each Performance Right entitles the holder to one ordinary share in the Company. Class D Performance Rights will vest when either a notice to proceed for a contract for the construction of CNG Ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on SeaNG Technology (Project) is given (Notice to Proceed Date) or both the 30-day VWAP of GEV Shares exceeds A\$0.35 at any time subsequent to the acquisition by GEV of Sea NG Corporation (SeaNG) and GEV obtains ABS Full Approval for construction of a CNG Ship reliant on the Optimum Technology (Optimum CNG Ship) of any size. Class E Performance Rights will vest when either the Notice to Proceed Date occurs or both the 30-day VWAP of GEV Shares exceeds A\$0.45 at any time subsequent to the acquisition by GEV of SeaNG and either GEV obtains ABS Full Approval for construction of an Optimum CNG Ship with net design gas storage capacity exceeding 250 MMscf or a contract for the construction of a CNG Ship for the Project is executed (Contract Date). Class F Performance Rights will vest when either the Notice to Proceed Date occurs or both the 30-day VWAP of GEV Shares exceeds A\$0.55 at any time subsequent to the acquisition by GEV of SeaNG and the Contract Date occurs. Any DEF Performance Rights not vested before their expiry date, will lapse. The issue of the DEF Performance Rights was approved at the general meeting of shareholders held on 30 November 2017. No DEF Performance Rights were exercised or cancelled during the period. None of the DEF Performance Rights had their vesting conditions met during the period. These DEF Performance Rights have not been valued or recognised for accounting purposes and will not be recognised for accounting purposes until there is greater certainty of the non-market vesting conditions. Subsequent to the issue of these Performance Rights, Sea NG Corporation changed its name to GEV Canada Corporation.

On 6 February 2018, 7,000,000 ordinary shares were issued to Fletcher Maurice Brand and 7,000,000 ordinary shares were issued to Garry John Frank Triglavcanin pursuant to the vesting and exercise of Class A, Class B and Class C performance rights on the basis of one ordinary share for each performance right.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The Company issued 350,000 free ordinary shares valued at \$140,000 to Mr Jack Toby on 6 February 2018, pursuant to the Company's employee share plan approved by shareholders on 30 November 2017. The shares were valued at \$0.40 per share based on the market price of the shares on the day of issue.

The Company issued 1,000,000 free ordinary shares valued at \$330,000 to Mr Jens Martin Jensen on 4 May 2018. The shares were valued at \$0.33 per share based on the market price of the shares on the day of issue. The issue of these shares was approved at the general meeting of shareholders held on 30 April 2018.

NOTE 16. SHARE BASED PAYMENTS

OPTIONS ISSUED AS SHARE BASED PAYMENTS

	Number of Options	Weighted Average Exercise Price
Outstanding at beginning of year	5,756,000	\$0.1712
Granted	—	—
Cancelled	—	—
Exercised	—	—
Expired	—	—
OUTSTANDING AND EXERCISABLE AT YEAR END	5,756,000	\$0.1712

The weighted average remaining contractual life of these options as at 30 June 2018 is 717 days.

PERFORMANCE RIGHTS ISSUED AS SHARE BASED PAYMENTS

	Number of Rights	Weighted Average Hurdle Price
Outstanding at beginning of year	14,000,000	\$0.2143
Granted	—	—
Cancelled	—	—
Exercised	14,000,000	\$0.2143
Expired	—	—
OUTSTANDING AND EXERCISABLE AT YEAR END	—	—

On 7 December 2017, GEV issued 2,000,000 Class D Performance Rights, 4,000,000 Class E Performance Rights and 6,000,000 Class F Performance Rights (together "DEF Performance Rights"). On 4 May 2018, GEV issued 500,000 Class D Performance Rights, 600,000 Class E Performance Rights and 900,000 Class F Performance Rights. All DEF Performance Rights expire on 30 November 2022 and on vesting, each Performance Right entitles the holder to one ordinary share in the Company. Class D Performance Rights will vest when either a notice to proceed for a contract for the construction of CNG Ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on SeaNG Technology (Project) is given (Notice to Proceed Date) or both the 30-day VWAP of GEV Shares exceeds A\$0.35 at any time subsequent to the acquisition by GEV of Sea NG Corporation (SeaNG) and GEV obtains ABS Full Approval for construction of a CNG Ship reliant on the Optimum Technology (Optimum CNG Ship) of any size. Class E Performance Rights will vest when either the Notice to Proceed Date occurs or both the 30-day VWAP of GEV Shares exceeds A\$0.45 at any time subsequent to the acquisition by GEV of SeaNG and either GEV obtains ABS Full Approval for construction of an Optimum CNG Ship with net design gas storage capacity exceeding 250 MMscf or a contract for the construction of a CNG Ship for the Project is executed (Contract Date). Class F Performance Rights will vest when either the Notice to Proceed Date occurs or both the 30-day VWAP of GEV Shares exceeds A\$0.55 at any time subsequent to the acquisition by GEV of SeaNG and the Contract Date occurs. Any DEF Performance Rights not vested before their expiry date, will lapse. The issue of the DEF Performance Rights was approved at the general meetings of shareholders held on 30 November 2017 and 30 April 2018. No DEF Performance Rights were exercised or cancelled during the year. None of the DEF Performance Rights had their vesting conditions met during the year. Subsequent to the issue of these Performance Rights, Sea NG Corporation changed its name to GEV Canada Corporation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

On 7 December 2017, Global Energy Ventures Ltd ("GEV") issued 1,850,000 Class A Performance Shares, 2,200,000 Class B Performance Shares, 2,350,000 Class C Performance Shares, 6,250,000 Class D Performance Shares and 3,200,000 Class E Performance Shares (together "Performance Shares"). All Performance Shares remained on issue at the end of the year. All Performance Shares expire on 6 December 2022 (Expiry Date) and on achievement of the relevant milestone for each Class of Performance Share, each Performance Share of that class will convert into one ordinary share in the Company. Class A Performance Shares will convert when either (a) a notice to proceed for a contract for the construction of CNG ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on Sea NG Corporation Technology (Project) is given (Notice to Proceed Date); or (b) when (i) the 30-day VWAP of GEV Shares exceeds A\$0.35 at any time subsequent to 6 December 2017 (Effective Date); and (ii) GEV obtains ABS Full Approval for construction of a CNG Ship reliant on the Optimum Technology (Optimum CNG Ship) of any size; and (iii) a period of 24 months or more has elapsed since the Effective Date. Class B Performance Shares will convert when either (a) the Notice to Proceed Date occurs; or (b) when (i) the 30-day VWAP of GEV Shares exceeds A\$0.45 at any time subsequent to the Effective Date; and (ii) either GEV obtains ABS Full Approval for construction of an Optimum CNG Ship with net design gas storage capacity exceeding 250 MMscf or a contract for the construction of a CNG Ship for the Project is executed (Contract Date); and (iii) a period of 30 months or more has elapsed since the Effective Date. Class C Performance Shares will convert when either (a) the Notice to Proceed Date occurs; or (b) the 30-day VWAP of GEV Shares exceeds A\$0.55 at any time subsequent to the Effective Date; and (ii) the Contract Date occurs; and (iii) a period of 36 months or more has elapsed since the Effective Date. Class D Performance Shares will convert when the Notice to Proceed Date occurs. Class E Performance Shares will convert when a notice to proceed for a contract for the construction of CNG Ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on SeaNG Coselle Technology is given. If the relevant milestones above are not achieved by the Expiry Date, then each Performance Share in the relevant class will be automatically redeemed by the Company for the sum of A\$0.00001 within 14 days of the Expiry Date. The issue of the Performance Shares was approved at the general meeting of shareholders held on 30 November 2017. No Performance Shares were converted or cancelled during the year. None of the Performance Shares had their vesting conditions met during the year. These Performance Shares have not been valued or recognised for accounting purposes and will not be recognised for accounting purposes until there is greater certainty of the non-market vesting conditions. Subsequent to the issue of these Performance Rights, Sea NG Corporation changed its name to GEV Canada Corporation.

During the year ended 30 June 2018, the Company issued 24,100,051 ordinary shares valued at \$4,097,008 and 15,850,000 performance shares as share based payments as part consideration for the acquisition of Sea NG Corporation. These Performance Shares have not been valued or recognised for accounting purposes and will not be recognised for accounting purposes until there is greater certainty of the non-market vesting conditions. In addition, the Company issued a further 1,600,000 ordinary shares as share based payments, valued at \$570,000.

The cost of all share based payments, including shares, options and performance rights, for the year ended 30 June 2018 was \$4,667,009 (2017: \$734,040).

NOTE 17. SEGMENT INFORMATION

IDENTIFICATION OF REPORTABLE SEGMENTS

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

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

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

BASIS OF ACCOUNTING FOR PURPOSES OF REPORTING BY OPERATING SEGMENTS

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

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

	YEAR TO 30 JUNE 2018			YEAR TO 30 JUNE 2017		
	Australia \$	North America \$	Total \$	Australia \$	North America \$	Total \$
SEGMENT PERFORMANCE						
External revenue	—	34,828	34,828	—	132,507	132,507
TOTAL SEGMENT REVENUE	—	34,828	34,828	—	132,507	132,507
Segment net profit/(loss) before tax	<u>(1,803,127)</u>	<u>(356,311)</u>	<u>(2,159,438)</u>	<u>(777,641)</u>	<u>(2,888,100)</u>	<u>(3,665,741)</u>
RECONCILIATION OF SEGMENT RESULT TO NET PROFIT/(LOSS) BEFORE TAX						
<i>Amounts not included in segment results but reviewed by the Board:</i>						
Interest received			15,908			8,374
Interest expense			—			(87,235)
Project development			(1,614,031)			(553,851)
Research and Development			(2,985,979)			—
Other income			78,866			—
Realised and unrealised exchange gain/(loss)			1,235,424			(942,428)
Other expenses			<u>(535,172)</u>			<u>(1,172,166)</u>
NET PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			<u>(5,964,422)</u>			<u>(6,413,047)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	30 JUNE 2018			30 JUNE 2017		
	Australia \$	North America \$	Total \$	Australia \$	North America \$	Total \$
SEGMENT ASSETS						
Segment assets	—	—	—	—	650,026	650,026

RECONCILIATION OF SEGMENT ASSETS TO TOTAL ASSETS

Unallocated assets:

Cash and cash equivalents			5,380,088			3,864,678
Receivables			82,229			78,918
Plant and equipment			16,341			615
Investments			2,639,591			1,323,802
Intellectual Property			6,214,830			—
TOTAL ASSETS FROM CONTINUING OPERATIONS			14,333,079			5,918,039

	30 JUNE 2018			30 JUNE 2017		
	Australia \$	North America \$	Total \$	Australia \$	North America \$	Total \$
SEGMENT LIABILITIES						
Segment liabilities	—	11,667	11,667	10,627	38,208	48,835

RECONCILIATION OF SEGMENT LIABILITIES TO TOTAL LIABILITIES

Unallocated liabilities:

Other liabilities			739,225			141,602
TOTAL LIABILITIES FROM CONTINUING OPERATIONS			750,892			190,437

REVENUE BY GEOGRAPHICAL REGION

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

	Year to 30 June 2018 \$	Year to 30 June 2017 \$
Australia	—	—
North America	34,828	124,552
	34,828	124,552

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

ASSETS BY GEOGRAPHICAL REGION

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

	30 June 2018 \$	30 June 2017 \$
Australia	11,686,437	5,207,410
North America	2,646,642	710,629
	<u>14,333,079</u>	<u>5,918,039</u>

MAJOR CUSTOMERS

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

NOTE 18. CONTROLLED ENTITIES

	% Owned		Book value of shares held		Contribution to consolidated profit/(loss)	
	2018	2017	2018 \$	2017 \$	2018 \$	2017 \$
<i>Parent Entity</i>						
Global Energy Ventures Ltd					(5,018,494)	(3,970,399)
<i>Entities controlled by Global Energy Ventures Ltd</i>						
GEV Canada Corporation	100%	Nil	5,846,059	—	(194,244)	—
GEV USA Inc	100%	100%	10	10	(550,666)	(275,217)
TTE Royalties LLC	100%	100%	—	—	(8,773)	18,554
GEV International Pty Ltd	100%	100%	—	—	—	—
Global Gas Ventures Pty Ltd	100%	Nil	—	—	—	—
Global Shipping Ventures Pty Ltd	100%	Nil	—	—	—	—
Global Infrastructure Ventures Pty Ltd	100%	Nil	—	—	—	—
GEV Technologies Pty Ltd	100%	Nil	—	—	—	—
<i>Entities controlled by GEV USA Inc</i>						
GEV USA LLC	100%	100%	—	—	—	—
TTE Petroleum LLC	Nil	100%	—	—	(192,245)	(2,213,832)
TTE Operating LLC	100%	100%	—	—	—	27,847
			<u>5,846,069</u>	<u>10</u>	<u>(5,964,422)</u>	<u>(6,413,047)</u>

On 7 December 2017, the Company acquired 100% of Sea NG Corporation (SeaNG). The results of SeaNG have been included in the Consolidated Entity from the date of its acquisition. On 1 March 2018, SeaNG changed its name to GEV Canada Corporation.

The Company registered Global Gas Ventures Ltd on 7 August 2017. The results of Global Gas Ventures Ltd have been included in the Consolidated Entity from the date of its registration. On 10 November 2017, Global Gas Ventures Ltd changed its status to a proprietary company and changed its name to Global Gas Ventures Pty Ltd.

The Company registered Global Shipping Ventures Ltd on 30 August 2017. The results of Global Shipping Ventures Ltd have been included in the Consolidated Entity from the date of its registration. On 10 November 2017, Global Shipping Ventures Ltd changed its status to a proprietary company and changed its name to Global Shipping Ventures Pty Ltd.

The Company registered Global Infrastructure Ventures Pty Ltd on 20 September 2017. The results of Global Infrastructure Ventures Pty Ltd have been included in the Consolidated Entity from the date of its registration.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The Company registered GEV Technologies Pty Ltd on 29 November 2017. The results of GEV Technologies Pty Ltd have been included in the Consolidated Entity from the date of its registration.

TTE Petroleum LLC was registered in the State of Delaware in the United States of America. The registration of TTE Petroleum LLC was cancelled on 27 June 2018.

GEV USA Inc, GEV USA LLC, TTE Operating LLC, and TTE Royalties LLC are registered in the State of Delaware in the United States of America. GEV Canada Corporation is incorporated pursuant to the provisions of the Business Corporations Act (Alberta) in Canada.

NOTE 19. SUPERANNUATION COMMITMENTS

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

NOTE 20. CONTINGENT LIABILITIES

TTE Operating LLC, a controlled entity of the Company, has received a letter of demand for unpaid royalties. Based on the information provided by the Company's title opinion lawyer, at the time, the Company believes that the claim is without merit and will vigorously oppose it. The letter of demand does not specify an amount claimed, however the Company believes that the maximum potential liability at 30 June 2018 in the event that the claimant is successful is US\$80,890. The leases on which these royalties have been claimed have been sold during the year and as part of the sale agreement, the purchaser has accepted responsibility for this claim.

There are no other significant contingent liabilities as at 30 June 2018.

NOTE 21. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT POLICIES

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

TREASURY RISK MANAGEMENT

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

FINANCIAL RISK EXPOSURES AND MANAGEMENT

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

INTEREST RATE RISK

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

FINANCIAL INSTRUMENTS

TERMS AND CONDITIONS AND INTEREST RATE RISK

Bank Deposits

Bank deposits are either held at call, subject to notice of withdrawal or subject to maturity after a specified period of time. All cash held is subject to floating interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

FINANCIAL INSTRUMENTS

TERMS AND CONDITIONS AND INTEREST RATE RISK

Receivables	There are no specific terms and conditions that may affect the amount, timing and certainty of future cash flows as they are all managed on a case by case basis. These are non interest bearing and there is no exposure to interest rate risk.
Other Accounts Payable	There are no specific terms and conditions that may affect the amount, timing and certainty of future cash flows as they are all managed on a case by case basis. These are non interest bearing and there is no exposure to interest rate risk.

FOREIGN CURRENCY RISK

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

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

	DENOMINATED IN AUD\$ 2018 AUD\$	DENOMINATED IN CAD\$ OR USD\$ 2018 AUD\$	DENOMINATED IN AUD\$ 2017 AUD\$	DENOMINATED IN USD\$ 2017 AUD\$
<i>Financial Assets</i>				
Cash assets	3,097,955	2,282,133	3,824,704	39,974
Receivables	81,042	1,187	57,292	20,629
<i>Financial Liabilities</i>				
Payables and borrowings	731,409	11,667	152,228	38,209
Provisions	7,816	—	—	—

LIQUIDITY RISK

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

CREDIT RISK

At 30 June 2018 and at 30 June 2017, no cash deposits were committed as collateral security for credit cards.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There are no other material amounts of collateral held as security at 30 June 2018 or at 30 June 2017. Credit risk is managed on a Group basis and reviewed by the Board. It arises from exposures to customers as well as through deposits with financial institutions. The Board monitors credit risk by actively assessing the quality and liquidity of counter parties, consequently only banks are utilised for deposits and all potential customers are assessed for credit worthiness taking into account their size, market position and financial standing. The counterparties included in trade and other receivables at 30 June 2018 and at 30 June 2017 are not rated, however given the amount and nature of these financial instruments, the Board is satisfied that they represent a low credit risk for the Group. There are no significant concentrations of credit risk within the Group.

PRICE RISK

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS

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

	Consolidated Entity 2018 \$	2017 \$
TRADE AND SUNDRY PAYABLES ARE EXPECTED TO BE PAID AS FOLLOWS:		
Less than 6 months	743,076	190,437
	<u>743,076</u>	<u>190,437</u>

FAIR VALUES

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

	CARRYING AMOUNT IN THE FINANCIAL STATEMENTS 2018 \$	AGGREGATE NET FAIR VALUE 2018 \$	CARRYING AMOUNT IN THE FINANCIAL STATEMENTS 2017 \$	AGGREGATE NET FAIR VALUE 2017 \$
<i>Financial Assets</i>				
Cash assets	5,380,088	5,380,088	3,864,678	3,864,678
Receivables	82,229	82,229	78,918	78,918
<i>Financial Liabilities</i>				
Payables and borrowings	743,076	743,076	190,437	190,437
Provisions	7,816	7,816	—	—

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

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

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

SENSITIVITY ANALYSIS

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

INTEREST RATE SENSITIVITY ANALYSIS

At 30 June 2018, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Entity 2018 \$	2017 \$
CHANGE IN PROFIT DUE TO:		
Increase in interest rate by 2%	82,653	(10,695)
Decrease in interest rate by 2%	(15,908)	34,278
CHANGE IN EQUITY DUE TO:		
Increase in interest rate by 2%	82,653	(10,695)
Decrease in interest rate by 2%	(15,908)	34,278

OIL PRICE SENSITIVITY ANALYSIS

At 30 June 2018, the effect on profit and equity as a result of changes in the oil price, with all other variables remaining constant would be as follows:

	Consolidated Entity 2018 \$	2017 \$
CHANGE IN PROFIT DUE TO:		
Increase in oil price by 5%	1,741	6,228
Decrease in oil price by 5%	(1,741)	(6,228)
CHANGE IN EQUITY DUE TO:		
Increase in oil price by 5%	1,741	6,228
Decrease in oil price by 5%	(1,741)	(6,228)

FOREIGN CURRENCY RISK SENSITIVITY ANALYSIS

At 30 June 2018, the effect on profit and equity as a result of changes in the foreign currency exchange rate, with all other variables remaining constant would be as follows:

	Consolidated Entity 2018 \$	2017 \$
CHANGE IN PROFIT DUE TO:		
Improvement in AUD to USD and CAD\$ by 5%	1,536,688	1,224,825
Decline in AUD to USD and CAD\$ by 5%	(1,390,337)	(1,108,173)
CHANGE IN EQUITY DUE TO:		
Improvement in AUD to USD and CAD\$ by 5%	119,560	35,441
Decline in AUD to USD and CAD\$ by 5%	(108,174)	(32,065)