

Appendix 4E

Full Year Report *Rules 4.3A*

Name of entity

ENEABBA GAS LIMITED

ABN or equivalent company
reference

69 107 385 884

Financial year ended ('current period')

30 June 2018

Results for announcement to the market (All comparisons to year ended 30 June 2017)

	2018	2017	Change %
Revenues from continuing operations	\$11,566	\$11,600	Decrease 1%
Profit / (loss) from ordinary activities after tax attributable to members*	(\$1,348,140)	\$968,197	Decrease 239%
Net profit / (loss) for the year attributable to members*	(\$1,348,140)	\$968,197	Decrease 239%
<u>Dividends (distributions)</u>	<u>Amount per security</u>	<u>Franked amount per security</u>	
Final dividend/ Interim dividend	None	None	
Previous corresponding period	None	None	
Record date for determining entitlements to the dividend	N/A	N/A	
Net tangible asset backing per ordinary security (cents) (excludes exploration and evaluation expenditure)	0.10	0.23	

*The change from the prior year result is primarily due to the gain on sale arising from the UIL transaction and further impairment of Property, Plant and Equipment during the financial year.

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.
- 2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed.
- 4 This report is based on *accounts to which one of the following applies.

<input type="checkbox"/>	The accounts have been audited.	<input type="checkbox"/>	The accounts have been subject to review.
<input checked="" type="checkbox"/>	The accounts are in the process of being audited or subject to review.	<input type="checkbox"/>	The accounts have <i>not</i> yet been audited or reviewed.

***Gabriel Chiappini,
Company Secretary
31 August 2018***



Eneabba
Gas Limited

PRELIMINARY FINAL RESULTS
for the year ended 30 June 2018



ENEABBA GAS LIMITED
PRELIMINARY FINAL RESULTS
ABN: 69 107 385 884

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note	Consolidated 2018 \$	Consolidated 2017 \$
Continuing Operations			
Revenue			
Finance income	3	3,655	4,577
Other income		7,911	7,119
Total revenue		11,566	11,696
Depreciation		-	(7,023)
Employee benefits expenses		(190,809)	(153,441)
Other expenses		(520,334)	(223,322)
Share based payments	13	(182,762)	(21,335)
Transaction costs		(465,801)	-
Total costs from continuing operations		(1,359,706)	(405,121)
Loss before income tax expense		(1,348,140)	(393,425)
Income tax benefit		-	-
Loss for the year from continuing operations		(1,348,140)	(393,425)
Discontinued Operations			
Gain on sale of subsidiaries	14	-	1,982,108
Transaction costs	14	-	(73,550)
Impairment expense	14	-	(546,936)
Gain (Loss) after income tax for the year		-	968,197
Other Comprehensive Income		-	-
Total Comprehensive Gain (Loss) for the year		(1,348,140)	968,197
Basic and diluted Gain (Loss) per share from continuing operations – cents per share	5	(0.27)	(0.11)
Basic and diluted Gain (Loss) per share from discontinued operations – cents per share	5	-	0.37

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

ENEABBA GAS LIMITED
PRELIMINARY FINAL RESULTS
ABN: 69 107 385 884

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

		Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
	Note		
ASSETS			
Current assets			
Cash and cash equivalents	6	174,222	879,952
Receivables	7	18,046	14,467
Prepayments		5,032	5,169
Current assets held for sale	8	320,000	320,000
Total current assets		517,299	1,219,588
TOTAL ASSETS		517,299	1,219,588
LIABILITIES			
Current liabilities			
Trade and other payables – continuing operations	10	297,911	56,737
Total current liabilities		297,911	56,737
TOTAL LIABILITIES		297,911	56,737
NET ASSETS		219,388	1,162,851
EQUITY			
Issued capital	11	12,108,760	11,886,845
Reserves	11	327,535	144,773
Accumulated losses		(12,216,907)	(10,868,767)
TOTAL EQUITY		219,388	1,162,851

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

ENEABBA GAS LIMITED
PRELIMINARY FINAL RESULTS
ABN: 69 107 385 884

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Note	Issued Capital	Option Reserve	Accumulated Losses	Total Equity
Consolidated 2017					
Total equity at the beginning of the year		14,255,958	249,310	(11,967,544)	2,537,724
Total comprehensive income for the year		-	-	968,197	968,197
Transactions with equity holders:					
Share-based payments	13	-	21,335	-	21,335
Issued capital		802,612	-	-	802,612
Share issue costs		(8,308)	-	-	(8,308)
Options expired		-	(125,872)	125,872	-
Return of capital		(4,123,417)	-	-	(4,123,417)
Shares issued to Black Rock		960,000	-	-	960,000
Other		-	-	4,708	4,708
Total equity at 30 June 2017		11,886,845	144,773	(10,868,767)	1,162,851
Consolidated 2018					
Total equity at the beginning of the year		11,866,845	144,773	(10,868,767)	1,162,851
Total comprehensive income for the year		-	-	(1,348,140)	(1,348,140)
Transactions with equity holders:					
Share-based payments	13	225,000	196,910	-	421,910
Share issue costs		(3,085)	-	-	(3,085)
Unvested options		-	(14,148)	-	(14,148)
Total equity at 30 June 2018		12,108,760	327,535	(12,216,907)	219,388

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

		Consolidated 2018 \$	Consolidated 2017 \$
	Note		
<i>Cash flows from operating activities</i>			
Interest received	3	3,655	4,577
Other income		7,911	7,119
Payments to suppliers and employees		(248,410)	(246,427)
Project marketing cost		-	(45,000)
Project due diligence		(465,801)	(186,787)
Net cash (used) in discontinued operations		-	-
Net cash (used in) operating activities		(702,646)	(466,517)
<i>Cash flows from investing activities</i>			
Cash paid on acquisition of subsidiary		-	(275,000)
Net cash (used in) investing activities		-	(275,000)
<i>Cash flows from financing activities</i>			
Proceeds from share issue		-	802,612
Capital raising costs	11	(3,085)	(8,307)
Net cash flows provided by financing activities		(3,085)	794,304
Net (decrease) in cash and cash equivalents		(705,730)	52,787
Cash and cash equivalents at the beginning of the year		879,952	827,165
Cash and cash equivalents at the end of the year	6	174,222	879,952

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1: REPORTING ENTITY

Eneabba Gas Limited (the "Company") is a company domiciled in Australia. The consolidated financial report of the Company as at and for the year to 30 June 2018 comprises the Company and its subsidiaries (collectively referred to as the "Group").

NOTE 2: BASIS OF PREPARATION

This General Purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations), the *Corporations Act 2001*, and other requirements of the law.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Standards (IFRS).

Eneabba Gas Limited was incorporated in Australia on 12 December 2003 and is a company limited by shares. The financial report is presented in the functional currency of the Group, being Australian Dollars.

NOTE 3: FINANCE INCOME

	Consolidated	
	2018	2017
	\$	\$
Finance income		
Interest	3,655	4,577
Total	3,655	4,577

NOTE 4: SIGNIFICANT PROFIT / (LOSS) ITEMS

	Consolidated	
	2018	2017
	\$	\$
Profit / loss before income tax is determined after crediting (charging) the following items:		
Depreciation of plant and equipment	-	(7,023)
Share based payments – consultants	(196,910)	(21,335)
Share based payments – transaction costs	(225,000)	-
Transaction costs	(240,801)	-
Withholding tax penalty	(173,056)	-
Total	(832,113)	(23,781)

NOTE 5: GAIN (LOSS) PER SHARE

	Consolidated	
	2018	2017
	\$	\$
Basic and diluted (loss) per share – cents – continuing operations	(0.27)	(0.11)
(Loss) used in the calculation of basic and diluted loss per share – continuing operations	(1,348,140)	(393,425)
Basic and diluted gain per share – cents – discontinued operations	-	0.37
Gain used in the calculation of basic and diluted loss per share – discontinued operations	-	1,361,622
Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share – continued and discontinued operations	506,792,099	368,933,187
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted loss per share – continued and discontinued operations	506,792,099	368,933,187

Options outstanding during the year have not been taken into account in the calculation of the weighted average number of ordinary shares as they are considered anti-dilutive.

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated	
	2018	2017
	\$	\$
Reconciliation to Statement of Financial Position		
Cash at bank	174,222	879,952
Total cash and cash equivalents ⁽¹⁾	<u>174,222</u>	<u>879,952</u>

⁽¹⁾ Cash at bank is subject to floating interest rates at an effective interest rate of 0.50% (2017: 0.60%)

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated	
	2018	2017
	\$	\$
Current		
Other receivables ⁽¹⁾	18,046	15,549
Total trade and other receivables (net of GST)	<u>18,046</u>	<u>15,549</u>

⁽¹⁾ Other receivables are non-trade receivables, are non-interest bearing and have an average term of 3 months and generally receivable from the ATO for GST.

The above amounts do not bear interest and their carrying amount is equivalent to their fair value.

NOTE 8: CURRENT ASSETS HELD FOR SALE

	Consolidated	
	2018	2017
	\$	\$
Opening balance:	320,000	1,842,309
Completion of the acquisition of the Ocean Hill Project	-	299,000
Asset disposed ¹	-	(2,141,309)
Transfer from property, plant & equipment ²	-	320,000
Total current assets held for sale	320,000	320,000

¹ On 7 September 2016, the Company announced it had completed an agreement with ASX Listed UIL Energy Ltd to dispose of 100% of Ocean Hill Pty Ltd and GCC Methane Pty Ltd, which held the Eneabba Gas projects.

The terms of the transaction were that the Group received 55,000,000 fully paid ordinary shares in the capital of UIL Energy Ltd (ASX: UIL) and 35,000,000 Class B Convertible Preference Shares in UIL Energy Ltd (subject to certain milestones). The disposal of the subsidiaries gave rise to a gain on sale of \$1,982,107 to the Group.

On 20 September 2016, Eneabba Gas Ltd announced that it had completed an in-specie return of capital to its shareholders of the 55,000,000 fully paid ordinary shares and the 35,000,000 Class B Convertible Preference Shares in UIL Energy Ltd. The shares were valued at \$4,123,417. The Company retained a liability of \$75,000 relating to Native Title costs, which was settled during the year.

² Land and improvements with a fair value, less costs to sell, of \$320,000 was transferred from property, plant and equipment to held for sale. On transfer \$546,936 was recognised as impairment. The land is carried at fair value less costs to sell.

NOTE 9: CONTINGENT ASSETS & LIABILITIES

The Directors are not aware of any other contingent assets or liabilities that may arise from the Group's operations as at 30 June 2018.

NOTE 10: TRADE AND OTHER PAYABLES

	Consolidated	
	2018	2017
	\$	\$
Trade and other payables – continuing operations ⁽¹⁾	271,961	37,121
Accruals	25,950	19,616
	297,911	56,737

⁽¹⁾ Trade payables are non-interest bearing and are normally settled on 30-day terms.

NOTE 11: ISSUED CAPITAL & RESERVES

CONSOLIDATED 2018

(a) Issued and Paid Up Capital

	No.	\$
Fully paid ordinary shares	524,132,187	12,108,760

(b) Movements in fully paid shares on issue

Balance as at 1 July 2017	501,632,187	11,886,845
Issue of shares	22,500,000	225,000
Issue costs	-	(3,085)
Balance as at 30 June 2018	524,132,187	12,108,760

(c) Option Reserve

Balance as at 1 July 2017	18,000,000	144,773
Share based payment	42,000,000	196,910
Expiry of options	-	(14,148)
Balance as at 30 June 2018	60,000,000	327,535

CONSOLIDATED 2017

(a) Issued and Paid Up Capital

	No.	\$
Fully paid ordinary shares	501,632,187	11,886,845

(b) Movements in fully paid shares on issue

Balance as at 1 July 2016	260,979,312	14,255,958
Issue of shares	40,000,000	960,000
Entitlement issue	200,652,875	802,612
Issue costs	-	(8,308)
Return of capital	-	(4,123,417)
Balance as at 30 June 2017	501,632,187	11,886,845

(c) Option Reserve

Balance as at 1 July 2016	32,700,000	249,310
Share based payment	-	21,335
Expiry of options	(14,700,000)	(125,872)
Balance as at 30 June 2017	18,000,000	144,773

As at the year end the Company had a total of 60,000,000 unissued ordinary shares on which options are outstanding with a weighted average exercise price of 2.30 cents (2017: 18,000,000 unissued ordinary shares on which options are outstanding with a weighted average exercise price of 5.63 cents). The remaining contractual life of all share options outstanding at the end of the year is 1.84 years (2017: 1.38 years). No options were exercised during the current year. 18,000,000 options are due to expire on 16 November 2018 (which have varying vesting conditions as shown below) and the remaining 42,000,000 options are due to expire on 18 December 2020

Nature and purpose of reserves

Option reserve

The option reserve is used to recognise the fair value of all options on issue but not yet exercised.

42,000,000 options were issued during the year ended 30 June 2018 (2017: nil).

NOTE 12: ISSUED CAPITAL & RESERVES (CONTINUED)

2018	Terms & Conditions					
Granted						
#	Grant Date	Fair Value at Grant Date	Exercise Price per Option	Expiry Date	First Exercise Date	Last Exercise Date
42,000,000*	19 Dec 2017	\$0.0047	\$0.013	18 Dec 2020	19 Dec 2017	18 Dec 2020

*22,000,000 options were issued to Directors

There are no voting rights attached, the options are not transferable and they may be exercised at any time until 18 December 2020, if they have vested successfully and are not subject to an escrow period.

NOTE 13: SHARE BASED PAYMENTS

Share-based payment transactions

The Group has an ownership-based compensation scheme for executives and senior employees. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees may be granted options to purchase ordinary shares.

Each employee share option converts into one ordinary share of Eneabba Gas Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the performance-based formula approved by shareholders at a previous annual general meeting and is subject to approval by the remuneration committee. The formula rewards executives and senior employees to the extent of the consolidated entity's and the individual's achievement judged against both qualitative and quantitative criteria from the following financial and customer service measures:

- Improvement in share price
- Improvement in net profit
- Improvement in return to shareholders
- Reduction in warranty claims
- Results of client satisfaction surveys
- Reduction in rate of staff turnover

Director, Employee and Consultant Options

42,000,000 options were issued in the year ended 30 June 2018 (2017: nil). The options issued to Directors and Employees were issued on the terms and conditions as detailed in Note 12 above.

NOTE 14: DISCONTINUED OPERATIONS

During the prior year, Eneabba Gas Ltd completed the sale of its Perth Basin exploration interests, which include 100% of the Ocean Hill project and its 50% interest in EP447, to UIL Energy Limited (ASX: UIL).

Pursuant to the agreement, UIL purchased Eneabba Gas's two subsidiaries, Ocean Hill Pty Ltd and GCC Methane Pty Ltd that respectively own the Ocean Hill prospect (EPA90) and 50% of EP447 (providing UIL Energy with 100% of EP447).

UIL Energy issued to Eneabba Gas a total of 90 million convertible redeemable preference shares in UIL Energy (CRPS) which Eneabba Gas distributed pro-rata to its shareholders. Immediately upon distribution to the shareholders of Eneabba Gas, 55 million of those CRPS automatically converted into 55 million ordinary shares in UIL that rank equally with current UIL ordinary shares. The remaining 35 million convertible redeemable preference shares (CRPS) distributed to the shareholders of Eneabba Gas will later convert into ordinary UIL Energy shares in the event of successful results from drilling Ocean Hill#2 well.

NOTE 14: DISCONTINUED OPERATIONS (CONTINUED)

Items of profit or loss relating to the discontinued operation are summarised as follows:

	2018	2017
	\$	\$
Gain on sale of subsidiary	-	1,982,108
Transaction costs	-	(73,550)
Impairment expense	-	(546,936)
Gain (Loss) from discontinued operations before tax	-	1,361,622

Land and improvements with a fair value, less costs to sell, of \$320,000 was transferred from property, plant and equipment to held for sale. On transfer \$546,936 was recognised as impairment.

The carrying amounts of assets and liabilities in these discontinued operations are summarised as follows:

	2018	2017
	\$	\$
<i>Current Assets:</i>		
Current assets held for sale	-	-
Assets classified as discontinued operations	-	-
<i>Current liabilities:</i>		
Trade and other payables	-	-
Deferred consideration on acquisition of permit	-	-
Liabilities classified as discontinued operations	-	-

NOTE 15: SUBSEQUENT EVENTS

On 20 July 2018 the Company entered into a conditional agreement for the sale of its freehold property located in the Shire of Irwin for \$425,000. The sale is conditional upon the buyer obtaining bank finance and other standard settlement conditions.

As part of the sale, the Company has agreed to an 18% fee (\$76,500) to the current lessee on the property to break the current lease arrangement. The Company is expecting to receive proceeds net of the lease break fee and brokerage of approximately \$320,000.