

# MARKET ANNOUNCEMENT

## Net Tangible Asset Backing – 30 September 2018

Month Ending:	% Change	30 September 2018 Consolidated	31 August 2018 Consolidated
Net tangible assets (NTA) (before tax)		<b>\$3.795m</b>	\$3.811m
<b>Pre-Tax NTA Backing per share</b>	-0.41%	<b>\$0.2425</b>	\$0.2435
Net tangible assets (after tax)		<b>\$3.795m</b>	\$3.811m
<b>Post-Tax NTA Backing per share</b>	-0.41%	<b>\$0.2425</b>	\$0.2435
Based on total issued share capital		<b>15,649,228</b>	15,649,228

The NTA position comprises the following items:

<b>Net Tangible Assets</b>	Current Month \$'millions	Previous Month \$'millions
Investment in listed Associated Entity:		
(a) Shares in Bentley Capital Limited ( <b>BEL</b> )	<b>1.215</b>	1.147
Investments in other listed securities:		
(a) Shares in Strike Resources Limited ( <b>SRK</b> )	<b>0.500</b>	0.500
(b) Other listed securities	-	-
Investment in property (held for development/resale)	<b>1.220</b>	1.220
Agribusiness assets	<b>1.396</b>	1.396
Net cash/receivables/payables/other assets/provisions	<b>(0.536)</b>	(0.452)
<b>Pre-Tax NTA</b>	<b>3.795</b>	3.811
Tax Provisions:		
(a) Prior year tax	-	-
(b) Current year tax	-	-
(c) Net deferred tax asset / (liability)	-	-
<b>Post-Tax NTA</b>	<b>3.795</b>	3.811

In October 2018, the Company completed the sale of its Olive Grove Agribusiness Assets and received the cash consideration of \$1.45 million (gross). The sale resulted in an accounting profit of approximately \$0.15 million for the current financial year (net of costs)<sup>1</sup>.

<sup>1</sup> Refer OEQ's ASX Announcement dated 11 October 2018: Sale of Olive Grove Assets



**Notes:**

- (1) The Company's investment in BEL, an Associated Entity (i.e. in which the Company has a greater than 20% interest), is accounted for under the equity method in the consolidated financial statements. Under the equity method, the carrying amount of such investment is cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial year to month end as provided to the Company by such Associated Entity. Refer also Note 23 (Investments in Associates) on pages 45 and 46 of the Company's 2018 Full Year Report for further details in this regard.

Accordingly, as at 30 September 2018, the Company's 20,513,783 shares (26.95% interest) (31 August 2018: 20,513,783 shares and 26.95%) in BEL have a carrying value of \$0.0592 per share (\$1.215m); this compares with BEL's last bid price on ASX of \$0.10 per share (\$2.051m) and BEL's after-tax NTA backing of \$0.1228 per share (\$2.518m), as at month end.

- (2) The fair value of investments in ASX-listed Strike Resources Limited (**SRK**) comprise 10,000,000 shares (31 August 2018: 10,000,000 shares) with a value of \$0.05 per share (based on the closing bid price as at 30 September 2018) (31 August 2018: \$0.05).
- (3) The fair value of investments in other listed securities is based on each security's last bid price on market at month end.
- (4) Units invested in the managed fund are valued at the audited unit price published by the investment manager, as at month end – the unit price reflects the net asset backing of the fund; there is no buy/sell spread price; there is no recognition of realisation costs as there are no exit fees charged on redemption of units.
- (5) Investment in property (held for resale) was valued by an independent qualified valuer (a Certified Valuer and Associate Member of the Australian Property Institute) as at 9 June 2017. Refer also Note 12 (Property held for Resale) on page 38 of the Company's 2018 Full Year Report for further details in this regard.
- (6) Agribusiness assets comprise a 143 hectare property comprising olive grove freehold land (with a water licence entitlement), olive trees (with approximately 64,500, 19 year old plantings) and depreciable plant and equipment. The land (with the water licence entitlement) was valued by an independent qualified valuer (a Certified Valuer and Associate Member of the Australian Property Institute) as at 15 June 2017. The olive trees has been fully impaired. The depreciable plant and equipment are carried at net realisable value. Refer also Note 13 (Property, Plant and Equipment) on pages 39 and 40 of the Company's 2018 Full Year Report for further details in this regard.
- (7) Tax Provision Item (c) includes where applicable, a provision for income tax on net unrealised gains on the Company's investments in securities and its share of Associated Entities' after-tax net profit for the month (deferred tax liability) and the recognition of future income tax benefits on net unrealised losses on the Company's investments in securities and its share of Associated Entities' after-tax net loss for the month (deferred tax asset). Refer also Note 5 (Tax) on pages 30 to 31 of the Company's 2018 Full Year Report for further details in this regard.