# ODIN ENERGY LIMITED

## *FINANCIAL REPORT*

**FOR THE YEAR ENDED 31ST DECEMBER 2017**

**ANNUAL REPORT – 31 December 2017**

**CONTENTS**

# CORPORATE INFORMATION

| | |
|---|---|
| Directors | |
| Chairman | Alex Bajada |
| Non-Executive Director/Company Secretary | Roland Berzins |
| Non-Executive Director | David Ballantyne |
| Address | 14 Emerald Terrace<br>WEST PERTH WA 6005<br>Telephone: + 618 9429 2900<br>Facsimile: + 618 9486 1011 |
| Postal Address | P.O. Box 1779<br>West Perth WA 6872 |
| Auditors | Greenwich and Co Audit Pty Ltd<br>Level 2, 35 Outram Street<br>West Perth WA 6005 |
| Solicitors | Hopgood Ganim<br>Level 27, Allendale Square<br>77 St George's Terrace<br>Perth WA 6000 |
| Bank | National Australia Bank<br>1232 Hay Street<br>West Perth WA 6005 |
| Stock exchange listings | Odin Energy Limited shares are listed on the Australian Stock Exchange under the code ODN |
| ODN Website Address | www.odinenergy.com.au |

# DIRECTORS' REPORT

Your Directors present their report for Odin Energy Ltd (or ''the Company'') and its controlled entities (or ''the Group'') for the year ended 31 December 2017.

## a) Directors

The names and details of the Company's Directors in office at any time during the financial year and until the date of this report are detailed below.

A. Bajada
R. Berzins
D. Ballantyne

## b) Principal activities

The principle activity of the Company during the financial year was the preparation of documentation for the proposed acquisition of gridComm Pte Ltd ("gridComm"), a Singapore incorporated company operating in the technology sector, enabling data communications across existing power grid systems in cities to achieve control and cost savings not previously considered possible.

## c) Operating results

The net operating profit of the Company for the year ended 31 December 2017 before income tax amounted to $1,083,439 (year ended 31 December 2016: loss $207,695). The current year profit includes an amount of $1,457,029 in debts forgiven.

## d) Dividends paid or recommended

No dividend was paid or declared during the period and the Directors do not recommend the payment of a dividend.

## e) Review of operations

On 27th February 2017 the Company announced an extension of the Public Offer closing date to Friday 10th March 2017, for its Replacement Prospectus dated 12 October 2016.

On 10th March 2017 the Company lodged with the ASIC a Second Supplementary Prospectus to the Replacement Prospectus, extending the quotation condition and minimum subscription condition dates to 10th June 2017 and 10th July 2017 respectively; and also announcing a new closing date for the public offer of 23rd May 2017. The First Supplementary Prospectus to the Replacement Prospectus had been lodged on 12 December 2016.

On 23rd May 2017 the Company announced a further extension of the Public Offer closing date to Tuesday 6th June 2017.

On 6th June 2017 the Company decided that it had given the current gridComm transaction sufficient time to raise the minimum subscription for the Public Offer, and that this had not been achieved. It therefore announced to the ASX that it had withdrawn the Replacement Prospectus dated 12th October 2016, by lodging another supplementary prospectus reflecting this withdrawal, had terminated the existing SSA and had executed a revised MOU with gridComm. The revised MOU eliminated the 110 million performance shares contemplated under the original MOU. The announcement confirmed that the revised structure and deal would be put to shareholders in due course and that the ASIC and ASX approvals would also be required. The announcement also acknowledged that the Company's securities would remain suspended from official trading until such time as the Company could re-comply with Chapters 1 and 2 of the ASX Listing Rules.

On 30th August 2017 the Company provided an update to the market on gridComm's activities in South East Asia and South Africa. The update also discussed the continued development and marketing of gridComm's Building Lighting Control Systems, confirmed ongoing discussions between Odin and gridComm, and also confirmed the payment of the current year's ASX listing fees.

Effective 31st December 2017 a significant number of creditors, including the directors, agreed to write off the majority of their debts totalling in excess of $1.5 million. The same creditors also agreed to convert the balance of what they were owed, being slightly over $1.1 million as at 31st December 2017, into fully paid ordinary shares at an agreed value of 10 cents per share, subject to the Company obtaining re-admission to official quotation on ASX. Shareholder approval will be required for this proposed issue of shares. These debt arrangements continue the balance sheet clean-up which was started with the disposal of the Company's oil and gas assets in the 2016 financial year.

f) Significant changes in the state of affairs

There have been no changes in the state of affairs, and as at the date of this report the Company is still focused on the acquisition of gridComm and the necessary preparation of documentation and raising of capital to make this happen. Refer to Principal activities and Review of operations for more information.

g) Matters subsequent to the end of the financial year

On 12th January 2018, 8th March 2018 and 18th May 2018 the Company provided updates to the market predominantly on gridComm's Asian activities in Vietnam, Indonesia, Hong Kong, and Singapore, but also on its activities in South Africa. These announcements also dealt with the following new product developments:

- The SLC 500 SN, a hybrid power communication smart light controller which can operate through power line or wireless channels; and
- DPS, a combination of the gridComm digital power supply with its proven, reliable high noise immunity data communications.

h) Likely Developments

As referred to in Principal activities, the review of operations, significant changes in the state of affairs and matters subsequent to the end of the financial year (all above) the Company is in the process of completing, subject to certain conditions precedent, the acquisition of gridComm. The Company's major business activity, if the acquisition is completed, will be gridComm and Odin Energy Limited will change its name to gridComm Limited.

i) Environmental Regulations

Following shareholders' approval of the disposal of KEI, the Group has no manufacturing or mining operations and so no measurements have been recorded. The Group will implement systems and processes for the collection and calculation of the data required as and when its operations reach a level where this process and the data obtained is meaningful.

j) Information on Directors and Secretary

| | |
|---|---|
| **Mr Alex Bajada** DOB 11 December 1950 | Executive Chairman (appointed 20 March 2007) |
| Qualifications: | B.Econ |
| Experience | Mr Bajada is Executive Director of Spartan Nominees Pty Ltd, corporate consultants. He is a former stockbroker with many years' experience in the corporate sector and has been involved in the management of public companies for many years fulfilling chairman and director roles. |
| Interests in shares and options | 811,050 ordinary shares and nil options to acquire further ordinary shares |
| Other current directorships | None |
| Other former directorships in the last three years. | Dropsuite Limited (formerly Excalibur Mining Corporation Ltd) (resigned 30 June 2017). |
| **Roland Berzins** – DOB 18 February 1953 | Non-Executive Director – appointed on 23 February 2009<br>Company Secretary – appointed 29 April 2011 |
| Qualifications | B. Comm, ACPA, TA, FFIN |
| Experience | Mr. Berzins graduated from the University of Western Australia with a Bachelor of Commerce degree majoring in accounting and finance. Mr Berzins has extensive experience in the mining Industry and has also worked in retail and merchant banking, venture capital and SME business advisory. Since 1996 Mr Berzins has been a Director and Company Secretary for a variety of ASX listed companies. |
| Interests in shares and Options | 59,524 ordinary shares and nil options to acquire further ordinary shares |
| Other current directorships | None |
| Other former directorships in the last three years. | Activistic Ltd (resigned 31 July 2015)<br>Dropsuite Limited (formerly Excalibur Mining Corporation Ltd) (resigned 20 December 2016)<br>Tikforce Limited (resigned 28 November 2017) |

| | |
|---|---|
| **David Ballantyne** - DOB 1 March 1960 | Non-Executive Director, – Appointed 4 March 2015 |
| Qualifications | MA, ACA |
| Experience | David is a Chartered Accountant who has considerable commercial experience in the resources industry, both oil and gas, and hard rock. In addition, he has experience outside resources in technology, primary production and international trade. David has also had extensive experience in corporate management, directorship and company secretary roles in listed companies, and has been involved in listings on ASX and AIM. |
| Interests in shares and Options | 68,572 ordinary shares and nil options to acquire further ordinary shares |
| Other current directorships | None |
| Other former directorships in the last three years. | None |

Meetings of Directors:

During the financial year, 7 meetings of directors (including circular resolutions) were held. Attendances were:

| Director | Number of meetings attended | Number of meetings held |
|---|---|---|
| Alex Bajada | 7 | 7 |
| David Ballantyne | 7 | 7 |
| Roland Berzins | 7 | 7 |

Securities held and controlled by Directors

As at the date of this report, the interests of the current Directors in shares, Convertible Preference Shares ("CPS") and options of the Company were:

| Holder | Ordinary shares Balance B/Fwd 1 January 2017 | Acquired | (Disposed) | Balance 31 December 2017 and at the date of this report |
|---|---|---|---|---|
| Alex Bajada [1] | 811,050 | - | - | 811,050 |
| David Ballantyne | 68,572 | - | - | 68,572 |
| Roland Berzins | 59,524 | - | - | 59,524 |
| Total | 939,146 | - | - | 939,146 |

[1] – A Bajada also holds 1,750 CPS performance shares. When the Company disposed of its interests in KEI, this right to acquires shares by virtue of the CPS ceased.

## k) Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for Key Management Personnel (''KMP'') of the Group. This report has been set out under the following main headings:

A. Principles Used to Determine the Nature and Amount of Remuneration
B. Service Agreements
C. Details of Remuneration
D. Additional Information

The Board is responsible for the remuneration of the Groups KMP including share and benefit plans. This will result in the Company establishing appropriate remuneration levels and incentive policies for all KMP. Establishment of a remuneration committee will be reviewed as the Company's operations evolve. Remuneration is not directly linked to performance as it is considered that all Directors have other material vested interests in the success of the business.

The information provided in this remuneration report has been audited as required by S308 (3c) of the Corporations Act, 2001.

### A. Principles Used to Determine the Nature and Amount of Remuneration

The Board of Directors is responsible for determining and reviewing compensation arrangements for the KMP. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered and the Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation;
- transparency; and
- capital management

The Board policy is to remunerate non-executive Directors at fair market rates for comparable companies for the relevant time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually based on market practice, duties and accountability. The maximum amount of fees that can be paid to Directors is subject to approval by shareholders at the Annual General Meeting to a fixed sum not exceeding the aggregate maximum of $300,000 per annum. Fees for non-executive Directors are not linked to the performance of the Group. However, to align director's interests with shareholder interests the Directors are encouraged to hold shares in the Company and may be issued with additional securities as deemed appropriate.

The Board believes that the remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate for aligning director and executive objectives with shareholder and business objectives. The Board will look to develop new practices which are appropriate to the Company's size and stage of development.

Executive Officers are those directly accountable for the operational management and strategic direction of the Company and the consolidated entity.

All contracts with KMP may be terminated by either party with three months' notice.

### Fixed remuneration

Fixed remuneration consists of a base remuneration package, which includes Directors' fees (in the case of Directors), salaries, consulting fees and employer contributions to superannuation funds if applicable.

Fixed remuneration levels for KMP will be reviewed annually by the Board through a process that considers the employee's personal development, achievement of key performance objectives for the year, industry benchmarks wherever possible and CPI data.

Appropriate key performance indicators (KPIs) will be developed by the Board for each KMP for each year, and they will reflect an assessment of how that KMP can fulfil their particular responsibilities in a way that best contributes to Company performance and shareholder wealth in that year.

### Performance-linked remuneration

Bonuses to KMP are paid based upon unspecified performance criteria as determined by the Board from time to time. No bonuses or any other form of performance remuneration were paid in the current period. In considering the Company's performance and its effect on shareholder wealth, the Board have regard to a wide range of factors, some of which are financial and others which relate to the progress of the Company's projects and results. The Board also gives consideration to the Company's result and cash consumption for the year. Earnings per share is not utilised as a performance measure and nor is the payment of any dividends in the short to medium term contemplated given that efforts are currently being expended in trying to acquire gridComm, and once acquired efforts will be expended in building the business and establishing self-sustaining revenue streams.

### B. Service Agreements

Remuneration, consulting and other terms of employment for the KMP are determined by the Board and are not currently formalised by way of a Service Agreement but by board resolution. All of the current Directors have fully paid ordinary shares in the Company which gives them incentive to see the Company perform well. Other current provisions are set out below. It should be noted that the Company is at a low level of operational activity and that increased formalisation is anticipated when a new project (likely to be gridComm) is acquired by the Company during the current financial year.

The KMP personnel during the year were:

### Directors

#### Mr A Bajada, Chairman

Consulting fees (which includes Directors' fees), for the year ended 31 December 2017 of $105,000 to be reviewed annually by the Board with no termination date. A termination benefit on early termination by the Company, other than for gross misconduct, equal to six month's consulting will be paid. No fees were paid in the current or previous financial year. Effective 31 December 2017 Spartan Nominees Pty Ltd, the entity which charges all fees for Mr Bajada, agreed to forgive the majority of the outstanding fees and agreed, conditional to the re-quotation of the Company on ASX, to settle the balance (excluding GST) for shares at a price of 10 cents per share.

#### Mr R Berzins, Director and Company Secretary

Directors' fees for the period ended 31 December 2017 of $40,000 per annum, to be reviewed annually by the Board with no termination date. In addition, corporate consulting fees are charged on an ad hoc basis. A termination benefit on early termination by the Company, other than for gross misconduct, equal to six month's directors' fees will be paid. During the year ended

31 December 2017 corporate consulting fees of $4,499 were charged by entities associated with Mr Berzins. No fees were paid in the current financial year, or previous financial period. Effective 31 December 2017 Sealblue Investments Pty Ltd and RH Berzins and Associates, the entities which charge fees for Mr Berzins, agreed to forgive the majority of their outstanding fees and agreed, conditional to the re-quotation of the Company on ASX, to settle the balance (excluding GST) for shares at a price of 10 cents per share.

Mr D Ballantyne, Director

Directors' fees for the period ended 31 December 2017 of $40,000 per annum, to be reviewed annually by the Board with no termination date. In addition, Mr Ballantyne is paid for corporate consulting services based on an hourly rate of $100. A termination benefit on early termination by the Company, other than for gross misconduct, equal to six month's directors' fees will be paid. During the year ended 31 December 2017 corporate consulting fees of $NIL were either charged by, or accrued for, entities associated with Mr Ballantyne. The directors' fees and corporate consulting fees charged during the year were not paid. Effective 31 December 2017 the entities which charge fees for Mr Ballantyne, agreed to forgive the majority of their outstanding fees and agreed, conditional to the re-quotation of the Company on ASX, to settle the balance (excluding GST) for shares at a price of 10 cents per share.

C. Details of Remuneration

The KMP of Odin Energy Limited during the year ended 31 December 2017 includes all Directors mentioned above and covers all consulting and directors' fees for the whole year. The majority of these fees remain unpaid. All directors in office during the year are deemed to be KMP.

| | | **Short-term employee benefits** | | **Post -employment benefits** | | **Equity Performance Related** |
|---|---|---|---|---|---|---|
| | | Salary, consulting and directors' fees $ | Superannuation, services after termination $ | Share based payments $ | Total $ | **Proportion of remuneration performance related %** |
| **Executive Directors** | | | | | | |
| **A Bajada** | **2017** | **105,000** | - | - | **105,000** | **-** |
| | 2016 | 120,000 | - | - | 120,000 | - |
| **Non-executive Directors** | | | | | | |
| **R Berzins** | **2017** | **44,999** | - | - | **44,999** | **-** |
| | 2016 | 68,000 | - | - | 68,000 | - |
| **D Ballantyne** | **2017** | **40,000** | **-** | **-** | **40,000** | **-** |
| | 2016 | 192,269 | - | - | 192,269 | - |
| **Total compensation** | **2017** | **189,999** | **-** | **-** | **189,999** | **-** |
| | **2016** | **380,269** | **-** | **-** | **380,269** | **-** |

As noted in section B (Service Agreements), the majority of these fees were not paid and, effective 31 December 2017, have been forgiven by the charging entities associated with each director. In addition, the remaining outstanding fees (excluding GST), after the debt forgiveness, will be conditionally converted into shares at a price of 10 cents per share, subject to shareholder approval and the Company's successful re-quotation on ASX.

D. Additional Information

Equity instrument disclosures relating to KMP

**Ordinary Shares**

| Holder | | Held at beginning of year | Acquired | Consolidation of Capital | Balance at end of year |
|---|---|---|---|---|---|
| **Alex Bajada** | 2017<br>2016 | 811,050<br>28,386,668 | -<br>- | -<br>(27,575,618) | 811,050<br>811,050 |
| **Roland Berzins** | 2017<br>2016 | 59,524<br>- | -<br>2,083,335 | -<br>(2,023,811) | 59,524<br>59,524 |
| **David Ballantyne** | 2017<br>2016 | 68,572<br>2,400,000 | -<br>- | -<br>(2,331,428) | 68,572<br>68,572 |

**Convertible Performance Shares (CPS)**

| Holder | | Held at beginning of year | Acquired | Sold | Converted CPS | Balance at end of year |
|---|---|---|---|---|---|---|
| **Alex Bajada** | 2017<br>2016 | 1,750<br>1,750 | -<br>- | -<br>- | -<br>- | 1,750<br>1,750 |
| **Roland Berzins** | 2017<br>2016 | -<br>- | -<br>- | -<br>- | -<br>- | -<br>- |
| **David Ballantyne** | 2017<br>2016 | -<br>- | -<br>- | -<br>- | -<br>- | -<br>- |

Refer to Note 15 for information relating to the CPS.

**Options**

There were no options issued to directors during the years ended 31 December 2017 or 31 December 2016.

**Use of remuneration consultants**

In the years ended 31 December 2017 and 31 December 2016, the Company has not employed a remuneration consultant.

**Voting and comments made at the Company's 2017 Annual General Meeting**

The Remuneration Report was approved at the 2016 Annual General Meeting of the Company and it did not receive a strike notice. The Company, as at the date of this report, has not held its 2017 Annual General Meeting.

**END OF AUDITED REMUNERATION REPORT**

l) Indemnities and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company did not pay a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The Company does plan to pay a premium at some stage in the future. These contracts of insurance, when entered into, prohibit disclosure of the nature of the liability and the amount of the premium.

m) Indemnity and insurance of auditor

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

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

n) Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

o) Non-Audit Services

During the year ended 31 December 2017 there were no non-audit services provided by the Company's auditor, Greenwich and Co Audit Pty Ltd. During the year ended 31 December 2016 Greenwich and Co Audit Pty Ltd completed the Company's Investigating Accountants Report both for its prospectus dated 12 September 2016 and for its replacement prospectus dated 12 October 2016. No other non-audit services were provided during that year.

p) Auditors Independence Declaration

The Auditor's Independence Declaration, as required under Section 307C of the Corporations Act 2001, for the financial year ended 31 December 2017 has been received and can be found on page 11.

Signed in accordance with a resolution of the Board of Directors.

Alex Bajada
Chairman

West Perth, Western Australia
26 November 2018

Greenwich & Co Audit Pty Ltd | ABN 51 609 542 458
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# Auditor's Independence Declaration

To those charged with the governance of Odin Energy Limited

As auditor for the audit of Odin Energy Limited for the half year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Greenwich & Co Pty Ltd

**Greenwich & Co Audit Pty Ltd**

Nicholas Hollens

**Nicholas Hollens**
Managing Director

Perth

26 November 2018

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

**For the Year Ended 31st December 2017**

| | Notes | Company<br>Year ended 31st December 2017<br>A$ | Group<br>Year ended 31st December 2016<br>A$ |
|---|---|---|---|
| **Other income** | 5 | 1,457,029 | - |
| | | | |
| Accounting and audit expenses | | (33,660) | (57,881) |
| Staff/consultancy expenses | | (21,800) | (368,838) |
| Legal expenses | | (129,583) | (146,632) |
| Regulatory expenses | | 27,398 | (167,002) |
| Travel expenses | | (11,850) | (61,010) |
| Administration expenses | | (199,451) | (428,903) |
| Loans written off | | - | (61,991) |
| Interest expense | | (4,644) | (259) |
| **Operating profit/(loss) before income tax from continuing operations** | | **1,083,439** | **(1,292,516)** |
| Income tax expense | 7 | - | - |
| **Operating profit/(loss) after income tax from continuing operations** | | **1,083,439** | **(1,292,516)** |
| Profit from discontinued operations | | - | 1,084,821 |
| **Profit/(loss) from all operations after income tax** | | **1,083,439** | **(207,695)** |
| **Other Comprehensive Income for the year:** | | | |
| Items that may be reclassified subsequently to profit of loss: | | | |
| Reclassification adjustment relating to foreign operations disposed of during the year | | - | 271,353 |
| **Other Comprehensive Income for the year after tax** | | **-** | **271,353** |
| **Total Comprehensive Income attributable to:** | | | |
| **-members of Odin Limited** | | **1,083,439** | **63,658** |
| | | | |
| Profit/(loss) per share from continuing operations attributable to the ordinary equity holders of the Company: | | | |
| Basic and diluted profit/(loss) per share | 15 | 6.74 | (0.08) |
| Profit/(loss) per share from continuing and discontinuing operations attributable to the ordinary equity holders of the Company: | | | |
| Basic and diluted profit/(loss) per share | 15 | 6.74 | (0.01) |

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

## STATEMENT OF FINANCIAL POSITION

**As at 31st December 2017**

| | | Company | Group |
|---|---|---|---|
| | | **December 2017** | **December 2016** |
| | **Notes** | **A$** | **A$** |
| **Assets** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 7 | 25,698 | 134,972 |
| Trade and other receivables | 8 | 324,307 | 182,379 |
| **Total current assets** | | **350,005** | **317,351** |
| **Total assets** | | **350,005** | **317,351** |
| **Current liabilities** | | | |
| Trade and other payables | 10 | 1,974,999 | 2,938,966 |
| Borrowings | 11 | 205,359 | 198,274 |
| Other-share subscriptions received in advance | | 20,000 | 113,903 |
| **Total current liabilities** | | **2,200,358** | **3,251,143** |
| **Total liabilities** | | **2,200,358** | **3,251,143** |
| **Net liabilities** | | **(1,850,353)** | **(2,933,792)** |
| **Equity** | | | |
| Contributed Equity | 12 | 15,747,058 | 15,747,058 |
| Accumulated losses | 14 | (17,597,411) | (18,680,850) |
| **Total Equity** | | **(1,850,353)** | **(2,933,792)** |

The Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

**For the year ended 31st December 2017**

| | Notes | Company<br>Year ended 31st December 2017<br>A$ | Group<br>Year ended 31st December 2016<br>A$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Payments to suppliers & employees | | (116,359) | (689,476) |
| **Net cash (used in) operating activities** | 17 | **(116,359)** | **(689,476)** |
| **Cash flows from investing activities** | | | |
| Loans to other entities | | - | (89,526) |
| Proceeds from sale of available for sale financial assets | | - | 22,438 |
| **Net cash generated (used in) investing activities** | | **-** | **(67,088)** |
| **Cash flows from financing activities** | | | |
| Proceeds from share issues and share applications, net of costs | | - | 747,317 |
| Proceeds from borrowings | | 7,085 | 148,761 |
| **Net cash (used in)/from financing activities** | | **7,085** | **891,078** |
| **Net movement in cash and cash equivalents** | | **(109,274)** | **134,514** |
| Opening cash and cash equivalents | | 134,972 | 458 |
| **Closing cash and cash equivalents** | 8 | **25,698** | **134,972** |

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| **Year ended 31st December 2016 A$** | **Contributed Equity** | **Foreign Exchange Reserve** | **Accumulated Losses** | **TOTAL** |
|---|---|---|---|---|
| **Balance at beginning of year** | **14,868,644** | **(271,353)** | **(18,473,155)** | **(3,875,864)** |
| **Comprehensive income** | | | | |
| **Loss for the year** | - | - | (207,695) | (207,695) |
| **Other comprehensive income** | - | 271,353 | - | 271,353 |
| **Total comprehensive income for the year** | **-** | **271,353** | **(207,695)** | **63,658** |
| **Transactions with owners, in their capacity as owners** | | | | |
| **Issued share capital** | 878,414 | - | - | 878,414 |
| **Total transactions with owners** | **878,414** | **-** | **-** | **878,414** |
| **Balance at end of year** | **15,747,058** | **-** | **(18,680,850)** | **(2,933,792)** |

| **Year ended 31st December 2017 A$** | **Contributed Equity** | **Reserves** | **Accumulated Losses** | **TOTAL** |
|---|---|---|---|---|
| **Balance at beginning of year** | **15,747,058** | **-** | **(18,680,850)** | **(2,933,792)** |
| **Comprehensive income** | | | | |
| Profit for the year | - | - | 1,083,439 | 1,083,439 |
| Other comprehensive income | - | - | - | - |
| **Total comprehensive income for the year** | **-** | **-** | **1,083,439** | **1,083,439** |
| **Balance at end of year** | **15,747,058** | **-** | **(17,597,411)** | **(1,850,353)** |

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements represent the consolidated entity consisting of Odin Energy Limited (or ''the Company'') and its subsidiaries (or ''the Group''). The Company disposed all of its subsidiaries during the year ended 31 December 2016, so the current year figures comprise the Company only.

**(a) Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

*i)* Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a net profit after tax for the year ended 31 December 2017 of $1,083,439 (year ended 31 December 2016: loss $207,695) and experienced net cash outflows from operations of $116,359 (year ended 31 December 2016: $689,476). As at 31 December 2017, the Company had net liabilities of $1,850,353 (31 December 2016: net liabilities of $2,933,762). These conditions indicate uncertainty that may cast significant doubt as to whether the Company will be able to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in these financial statements.

Effective 31st December 2017 a significant number of creditors agreed to write off the majority of their debts, totalling $1,457,029. This was the reason that the Company produced a profit for the year ended 31 December 2017 of $1,083,439. Without this the loss for the year would have been $373,590. The same creditors also agreed to convert the balance of what they were owed (excluding GST), being $1,133,311 as at 31st December 2017, into fully paid ordinary shares at an agreed value of 10 cents per share, subject to the Company obtaining re-admission to official quotation on ASX. Shareholder approval will be required for this proposed issue of shares. These debt arrangements continue the balance sheet clean-up which was started with the disposal of the Company's oil and gas assets in the 2016 financial year.

As a result of the debt forgiveness of $1,457,029 and conditional conversions to equity outlined above, the directors believe that there are sufficient funding strategies and alternatives to meet the Company's small working capital requirements and believe the Company will be able to raise funds in the future. The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate, especially with the potential acquisition of gridComm. As such, the directors believe that they will continue to be successful in securing additional funds as and when the need to raise working capital arises in order for the Company to pay its debts as and when they fall due for at least one year from the date of this financial report.

The major shareholders, the directors and related entities remain committed to ensuring the Company remains a going concern. This is evidenced by the debt arrangements referred to above.

However, the directors recognise that the ability of the Company to continue as a going concern and to pay its debts as and when they fall due is dependent on the ability of the Company to securing additional funding through either the issue of further shares, options and/or convertible notes.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

*ii) Compliance with IFRSs*

These financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

*iii) Early adoption of standards*

The Group has not elected to apply any early pronouncements.

*iv) Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

**(b) Principles of Consolidation**

*Subsidiaries*

The consolidated financial statements incorporated the assets and liabilities of all subsidiaries of Odin Energy Limited as at 31 December 2016 and the results of the Group for the year then ended. During the financial year ended 31 December 2016 the Company disposed of its subsidiaries. So as at 31 December 2017 and 31 December 2016 the statement of financial position only includes the assets and liabilities of the Company. The statement of profit and loss and comprehensive income for the year to 31 December 2016 includes its subsidiaries up to the date of their disposal, but for the year ended 31 December 2017 comprises the Company only.

Subsidiaries are all those entities (including special purpose entities) over which the Group has, or had, the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases; which happened in the prior financial year.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Odin Energy Limited, as adjusted by any necessary provision for diminution.

**(c) Segment reporting**

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker ("CODM"), which has been identified by the Company as the board of directors.

**(d) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties.

Interest income is recognised on a time proportion basis using the effective interest method.

**(e) Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Trade receivables are due for settlement between thirty (30) and ninety (90) days from the date of recognition.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit and loss and other comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of profit and loss and other comprehensive income.

Recoverability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the allowance is recognised in the statement of profit and loss and other comprehensive income.

**(f) Leases**

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense in the statement of profit and loss and other comprehensive income on a straight line basis over the lease term.

**(g) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss and other comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

**(h) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which remain unpaid at year end. The amounts are unsecured and are usually paid within 60 days of recognition. They are recognised initially at fair value and subsequently at amortised cost.

**(i) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**(j) Employee benefits**

*(i) Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

*(ii) Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(k) Share Based Payments**

The Company may at times provide benefits to employees (including Directors) and consultants of the Company 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 an external valuer using the Black & Scholes method. The valuation will take into consideration the current market conditions affecting the equity.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than those specified in the Terms and Conditions of the Convertible Preference Shares.

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 Company, will ultimately vest. This opinion is formed based on the best available information at reporting 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.

**(l) Borrowing Costs**

Borrowing costs are recognised as an expense when incurred except if costs were incurred for the construction of any qualifying asset, where the costs are capitalised over the period that is required to complete and prepare the asset for its intended use or sale.

**(m) Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**(n) Income Tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and are recognised for all taxable temporary differences:

i) 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

ii) 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 can be utilised:

i) 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 the taxable profit or loss; and

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests and 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 extent that it is probable that the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position 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 statement of financial position date. Deferred tax assets and liabilities are recognised when it is probable that the future taxable amounts will be available to utilise those temporary differences and losses or that it is probable that the timing differences will not reverse in the foreseeable future.

Income taxes relating to items recognised directly in equity are recognised in other comprehensive income and not in the profit or loss.

**(o) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except:

i) Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authorities, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense item as applicable; and

ii) 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 statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

**(p) Contributed Equity**

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, net of tax, of the share proceeds received.

**(q) Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

**(r) Earnings per share**

(i) *Basic earnings per share*

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

(ii) *Diluted earnings per share*

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

**(s) New accounting standards and interpretations**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 31 December 2017. These standards and interpretations would not have materially impacted on the figures or disclosure in these financial statements if they had been adopted early.

## 2. FINANCIAL RISK MANAGEMENT

From time to time the Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, and other price risks, and aging analysis for credit risk.

Risk management is carried out by the Board of Directors.

### (a) Market risk

*(i) Foreign exchange risk*

At present the Company is not materially exposed to foreign exchange risk as its financial assets and liabilities are predominately denominated in Australian dollars.

*(ii) Price Risk*

At present the Company is not materially exposed to price risk on its financial instruments.

*(iii) Cash flow and fair value interest rate risk*

At present the Company is not materially exposed to interest rate risk on its financial instruments. The Company's borrowings are interest free (Note 12).

*(i) Credit risk*

The Company's significant concentration of credit risk is with its related party receivables.

The credit quality of financial assets that are neither due nor impaired is desired by reference to historical credit behavior of each counter party. The maximum exposure to credit risk is the financial assets disclosed in the statement of financial position.

### (b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of cash facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Company aims at maintaining flexibility in funding by keeping committed cash facilities available or the establishment of credit facilities if required with a variety of counterparties. The Company's liquidity risk is outlined at Note 1(a)(i).

### (c) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature.

### (d) Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern. Where possible it seeks to optimise the use of longer-term debt and to minimise additional equity capital, to avoid unnecessary shareholder dilution. Refer to Note 1(a) for further information on current working capital arrangements.

In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt.

## 3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions significant to these financial statements are discussed below and at Note 1a(i) (going concern).

*(i) Recoverability of trade and other receivables*

The Company assesses the recoverability of trade and other receivables on an ongoing basis. Amounts receivable which are known to be uncollectible are written off. A provision for doubtful receivables is estimated when there is objective evidence that the Company will or may not be able to collect all amounts due. The amount estimated to be recoverable is based on information obtained of the counterparties. The actual amount ultimately recovered may differ from this estimate.

*(ii) Taxation*

Balances disclosed in this financial report in relation to taxation are based on the best estimates of the directors and take into account the financial performance and position of the Company as they pertain to prevailing taxation legislation, and future activities of the Company considered likely, but which may not ultimately occur. No adjustment has been made for pending or future taxation legislation.

## 4. SEGMENT REPORTING

The Company currently only operates in Australia. It currently has no operational businesses, and therefore, no current business segment. Should it finalise the acquisition of gridComm the new group will operate in the technology sector, enabling data communications across existing power grid systems in cities to achieve control and cost savings not previously considered possible.

## 5. REVENUE

| | COMPANY | GROUP |
|---|---|---|
| **Revenue** | **Year to December 2017<br>$** | **Year to December 2016<br>$** |
| Debt forgiveness | 1,457,029 | - |
| **Total Revenue** | **1,457,029** | **-** |

Debt forgiveness:

As noted elsewhere in this report, and effective 31 December 2017, a significant number of parties agreed to write off amounts owed to them by the Company, totalling in excess of $1.5 million, which is excluding the GST component which the Company can recover. Further details of the amounts forgiven is outlined in Note 17. The same creditors also agreed to convert the balance of what they were owed (excluding GST), being slightly over $1.1 million as at 31st December 2017, into fully paid ordinary shares at an agreed value of 10 cents per share, subject to the Company obtaining re-admission to official quotation on ASX.

## 6. INCOME TAX

**Income tax recognised in loss**

| | COMPANY | GROUP |
|---|---|---|
| | Year to December 2017 $ | Year to December 2016 $ |
| **Tax expense/(income) comprises:** | | |
| Current tax expense/(income) in respect of the current year | - | - |
| Deferred tax expense/(income) relating to the origination and reversal of temporary differences | - | - |
| **Total tax expense/(income)** | **-** | **-** |

The prima facie income tax expense/(income) on pre-tax accounting loss from operations reconciles to the income tax expense/(income) in the financial statements as follows:

| | COMPANY | GROUP |
|---|---|---|
| | Year to December 2017 $ | Year to December 2016 $ |
| **Profit/(Loss) before tax** | **1,083,439** | **(207,695)** |
| Income tax expense/(income) calculated at 27.5% (December 2016:30%) | 297,946 | (62,309) |
| Effect of income and expenses that are not assessible/deductible in determining taxable profit | (38,098) | (210,608) |
| Effect of unused tax losses and tax offsets not recognised as deferred tax assets | - | 272,917 |
| Tax losses utilised | (259,848) | |
| | - | - |

The tax rate used for the December 2017 and December 2016 reconciliations above is the corporate tax rate of 27.5% and 30% respectively payable by Australian corporate entities on taxable profits under Australian tax law.

**Unrecognised deferred tax balances**

| | COMPANY | COMPANY |
|---|---|---|
| | December 2017 $ | December 2016 $ |
| **Deferred tax assets/(liabilities) recognised and un-recognised:** | | |
| Tax losses: | | |
| Tax losses – revenue | - | - |
| Temporary differences: | - | - |
| **Unrecognised deferred tax assets** | **-** | **-** |

Net deferred tax assets have not been brought to account as it is not probable that immediate future profits will be available against which deductible temporary differences and tax losses can be utilised. Moreover, should the gridComm transaction (or another acquisition) proceed, it is unlikely that these losses will be available into the future, due to a change in the ownership and business of the Company. Further it is worth noting that a significant portion of the losses brought forward relate to Kilgore Exploration Inc (the Company's former US subsidiary), which was disposed of during the prior year. These losses will no longer provide any benefit to the Company. For these reasons the quantum of a deferred tax asset, based on tax losses, which is unlikely ever to be capable of being used, is presumed to be Nil.

## 7. CASH AND CASH EQUIVALENTS

| | COMPANY | |
|---|---|---|
| | December 2017 $ | December 2016 $ |
| Cash at bank | **25,698** | **134,972** |

Cash at bank earned a floating rate of interest of between 0% and 2.5% (Year ended 31 December 2016: between 0.0% and 3.2%).

The Company's exposure to interest rate risk is discussed in Note 2.

## 8. TRADE AND OTHER RECEIVABLES

| | COMPANY | |
|---|---|---|
| | December 2017 $ | December 2016 $ |
| Trade receivables | 60,446 | 56,900 |
| GST receivable | 124,196 | 125,479 |
| Loans receivable | 139,665 | - |
| | **324,307** | **182,379** |

## 9. SHARE BASED PAYMENTS

During the year there were no share-based payments issued (Year to December 2016: $Nil).

## 10. TRADE AND OTHER PAYABLES

| | COMPANY | |
|---|---|---|
| | December 2017 $ | December 2016 $ |
| Trade creditors | 1,941,208 | **1,794,577** |
| Accruals | 1,490,820 | **1,144,389** |
| **Debt forgiveness** | (1,457,029) | - |
| | **1,974,999** | **2,938,966** |

As noted elsewhere in this report, and effective 31 December 2017, a significant number of parties agreed to write off amounts owed to them by the Company, totalling in excess of $1.5 million, which is excluding the GST component which the Company can recover. Further details of the amounts forgiven is outlined in Note 17. The same creditors also agreed to convert the balance of what they were owed (excluding GST), being slightly over $1.1 million as at 31st December 2017, into fully paid ordinary shares at an agreed value of 10 cents per share, subject to the Company obtaining re-admission to official quotation on ASX.

## 11. BORROWINGS

| | COMPANY | |
|---|---|---|
| | December 2017 $ | December 2016 $ |
| Loans payable | 205,359 | **198,274** |
| | **205,359** | **198,274** |

The loans are interest free, with no fixed repayment date.

## 12. CONTRIBUTED EQUITY

**Movement in ordinary fully paid shares on issue**

| | Year to December 2017 | | Year to December 2016 | |
|---|---|---|---|---|
| | Number of shares | $ | Number of shares | $ |
| **Opening balance** | 16,077,466 | 15,747,058 | 265,077,968 | 14,868,644 |
| Notes converted January 2016 | - | - | 245,000,000 | 245,000 |
| Rights issue entitlements January 2016 | - | - | 28,267,519 | 339,210 |
| Rights issue shortfall placement February 2016 | - | - | 24,344,083 | 294,204 |
| September 2016 capital consolidation (1:35) | - | - | (546,612,104) | - |
| **Closing balance** | **16,077,466** | **15,747,058** | **16,077,466** | **15,747,058** |

- Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

- At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Options**

No options were issued or exercised in the years ended 31 December 2017 or 2016.

**Converting Preference Shares**

All convertible preference shares were issued during the period ended 30 June 2007.
There were no movements in Converting Preference Shares (CPS) during the years ended 31 December 2017 or 2016:

| Class | No. at beginning of year | Issued | Converted into ordinary shares | No. at 31 December 2017 |
|---|---|---|---|---|
| CPS - A | - | - | - | - |
| CPS - B | - | - | - | - |
| CPS - C | 3,500 | - | - | 3,500 |
| CPS - D | 3,500 | - | - | 3,500 |
| | **7,000** | **-** | **-** | **7,000** |

Each CPS converts into approximately 28.57 ordinary shares (1,000 ordinary shares pre- consolidation of capital which occurred in the year ended 31 December 2016) as follows:
CPS-A – converted upon the Company's shares being listed on the main Board of the ASX in September 2007
CPS-B – converted upon completion of the first well in which the Company participated (2008).
CPS-C – upon the Company proving up reserves of 2 Bcfe.
CPS-D – upon the Company proving up reserves of 4 Bcfe.

The Company disposed of its oil and gas assets during the year ended 31 December 2016 and doesn't anticipate that these will be converted in the foreseeable future.

## 13. RESERVES

| | COMPANY | |
|---|---|---|
| | December 2017<br>$ | December 2016<br>$ |
| Foreign exchange reserve (i) | - | - |
| | Year to 31 December 2017 | Year to 31 December 2016 |
| Opening balance | - | (271,353) |
| Other comprehensive income | - | - |
| Overseas subsidiary disposed of in April 2016 (Note 6) | - | 271,353 |
| **Closing balance** | - | - |

Nature and purpose of reserves

Foreign exchange reserve

Exchange differences arising on translation of the foreign controlled entity were, in prior periods, taken to the foreign currency translation reserve. The reserve was recognised in profit and loss when the overseas subsidiary was disposed of in April 2016.

## 14. ACCUMULATED LOSSES

| | COMPANY | GROUP |
|---|---|---|
| | Year to December 2017<br>$ | Year to December 2016<br>$ |
| Accumulated losses at the beginning of the year | (18,680,850) | **(18,473,155)** |
| Net profit/(loss) attributable to the members | 1,083,439 | **(207,695)** |
| Accumulated losses at the end of the financial year | **(17,597,411)** | **(18,680,850)** |

## 15. EARNINGS PER SHARE

| | COMPANY | GROUP |
|---|---|---|
| | Year to December 2017<br>$ | Year to December 2016<br>$ |
| Profit/(Loss) from continuing operations in the calculation of basic and dilutive EPS | 1,083,439 | **(1,292,516)** |
| Profit/(Loss) from discontinuing and continuing operations in the calculation of basic and dilutive EPS | 1,083,439 | **(207,695)** |
| | **Number** | **Number** |
| **Weighted average number of ordinary shares outstanding during the period used in calculation of basic and dilutive EPS.** | **16,077,466** | **15,715,900** |

There were no share issues during the year ended 31 December 2017. Refer to Note 12 for share issues during the year ended 31 December 2016. Also note that the Company's share capital was consolidated on a 1:35 basis in September 2016. For consistency, the prior period weighted average number of shares is stated as if the share consolidation occurred on 1 January 2016. Thus, the earnings per share for both the year ended 31 December 2017 and the year ended 31 December 2016 is shown on a post consolidation of capital basis. Dilutive EPS is not disclosed in the year ended 31 December 2016 as it would result in the reduction of the loss per share. For the year ended 31 December 2017, the conversion of CPS (Note 12) during the year would not have materially changed the EPS and therefore the diluted EPS is disclosed as the same as the basic EPS.

## 16. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss from continuing operations after income tax

| | COMPANY | GROUP |
|---|---|---|
| | Year to December 2017 $ | Year to December 2016 $ |
| **Profit/(Loss) after income tax** | **1,083,439** | **(207,695)** |
| **Non-cash flows in loss for the year** | | |
| **Profit from discontinued operations** | - | **(1,084,821)** |
| **Debt forgiveness** | (1,457,029) | **-** |
| **Loans written off** | - | **61,991** |
| **Changes in assets and liabilities** | | |
| **Increase in operating trade creditors and accruals, excluding debt forgiveness and movement from disposal of subsidiaries** | 257,231 | **541,049** |
| **(Increase)/decrease in operating trade and other receivables** | - | **-** |
| **Cash flows from (used in) operations** | **(116,359)** | **(689,476)** |

Non-cash investing and financing activities are outlined in Note 13.

## 17. RELATED PARTY TRANSACTIONS

Details of remuneration accrued or paid during the year to Directors or their related entities, are as follows:

| Specified Director/Officer | Transaction | Note | Year to 31 December 2017 $ | Year to 31 December 2016 $ |
|---|---|---|---|---|
| Alex Bajada | Consulting fees | (i) | 105,000 | **120,000** |
| Roland Berzins | Director & Consulting fees | (ii) | 44,999 | **68,000** |
| David Ballantyne | Director & consulting & fees | (iii) | **40,000** | **192,269** |

(i) The Company used the management consulting services of Spartan Nominees Pty Ltd, a Company of which Mr Alex Bajada is a director and shareholder. No fees were paid in the current year or previous financial period.

(ii) The Company used the consulting services of Mr Roland Berzins (R H Berzins and Associates) and of Sealblue Investments of which Mr Berzins is a director and shareholder. No fees were paid in the current year or previous financial period.

(iii) The Company used the consultancy services of Sandgroper Pty Ltd and Austasia Technologies Ltd, companies of which Mr David Ballantyne is a director and shareholder. No fees were paid in the current year, and the majority of fees were not paid in the previous year.

The amounts above constitute the short-term benefits as disclosed in Note 18 and the Remuneration Report in the Directors' Report.

In addition, the following related party transactions occurred during the year:

During the year ended 31 December 2017, services and travel reimbursements, net of GST, of $NIL (Year ended 31 December 2016: $192,990) were charged by AAG Management Pty Ltd (''AAG''); and during the year ended 31 December 2016 corporate advisory services, net of GST, of $NIL (Year ended 31 December 2016: $60,000) were incurred by the Group from GCP Capital Limited (''GCP''). The fees in respect of the last two financial years are only accrued and remain unpaid for both GCP and AAG.

AAG is a management company which provides facilities (which includes rent, telephone and office), human resources, and other administration and consulting services. AAG is a related party because it is 100% owned by GCP. Alex Bajada is a director and shareholder of GCP.

In addition, there is a success fee due to AAG, should the gridComm transaction (or another transaction introduced by AAG) proceed, of $250,000 (net of GST).

The following amounts were owed to related parties as at 31 December 2016 and 31 December 2017:

| Related Party | Entity | Amount Owing 31 December 2017 Before Forgiveness | Amount Forgiven at 31 December 2017 | Amount Owing After Forgiveness at 31 December 2017 | Amount Owing 31 December 2016 |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| Alex Bajada | AAG Management Pty Ltd | 555,107 | 282,507 | 272,600 | 560,412 |
| Alex Bajada | Alex Bajada | 3,127 | 1,791 | 1,336 | - |
| Alex Bajada | GCP Capital Pty Ltd | 382,949 | 202,464 | 180,485 | 319,300 |
| Alex Bajada | Gondwana Securities Pty Ltd | 10,210 | 5,849 | 4,361 | 5,210 |
| Alex Bajada | Spartan Nominees Pty Ltd | 726,184 | 378,184 | 348,000 | 610,684 |
| Roland Berzins | R H Berzins and Associates | 118,562 | 61,749 | 56,813 | 161,898 |
| Roland Berzins | Sealblue Investments Pty Ltd | 131,767 | 68,622 | 63,145 | 106,100 |
| David Ballantyne | Sandgroper Pty Ltd | 119,687 | 62,331 | 57,356 | 75,687 |
| David Ballantyne | Austasia Technologies Ltd | 107,500 | 56,062 | 51,438 | 106,000 |
| | | | | | |
| **Total** | | **2,155,093** | **1,119,559** | **1,035,534** | **1,945,291** |

The above table details the debts forgiven as at 31 December 2017 in respect to related parties. A further commitment was made by the above creditors, amongst others, to convert the remaining balance owing (net of the GST element upon invoicing which is included in the above) into shares at 10 cents per share, subject to shareholder approval, and the Company's re-quotation on ASX.

## 18. KEY MANAGEMENT PERSONNEL DISCLOSURES

### (a) Key management personnel remuneration:

| | COMPANY | GROUP |
|---|---|---|
| | Year to December 2017 | Year to December 2016 |
| | $ | $ |
| Short-term employee benefits | 189,999 | 380,269 |
| | **189,999** | **380,269** |

Refer to the Remuneration Report in the Directors' Report for information of the Share and Converting Preference Shares held by the Key Management Personnel during the year. Messrs Bajada, Berzins and Ballantyne received no payments for services in the current financial year. In the previous financial year Messrs Bajada and Berzins received no payments for services and Mr Ballantyne was not paid the majority of his fees. Refer to Note 17 for information in regard to the debts forgiven by the directors, and the conditional agreement to take shares for the balance of outstanding fees.

## 19. REMUNERATION OF AUDITORS

| | COMPANY | GROUP |
|---|---|---|
| | Year to December 2017 | Year to December 2016 |
| | $ | $ |
| Audit and review | **10,000** | **21,000** |

## 20. COMMITMENTS

The Company was one of the three tenants of part of the ground floor, 16 Ord Street in West Perth. The other tenants were AAG Management Pty Ltd and Excalibur Mining Corporation Limited (now Dropsuite Limited). The term of the lease was 3 years from 1 September 2014. The annual rent for the area was $156,954. At 31 December 2016 the remaining rental commitment under this lease was $105,000 (31 December 2015 $262,000). The other costs payable under the lease included rates and taxes, services charges and the landlord's operating costs. During the 2017 year this lease finished. At 31 December 2017 and the date of this report there are no commitments.

## 21. EVENTS SUBSEQUENT TO REPORTING DATE

On 12th January 2018, 8th March 2018 and 18th May 2018 the Company provided updates to the market predominantly on gridComm's Asian activities in Vietnam, Indonesia, Hong Kong, and Singapore, but also on its activities in South Africa. These announcements also dealt with the following new product developments:

- The SLC 500 SN, a hybrid power communication smart light controller which can operate through power line or wireless channels; and
- DPS, a combination of the gridComm digital power supply with its proven, reliable high noise immunity data communications.

## 22. CONTINGENT ASSETS AND LIABILITIES

There is a success fee due to AAG Management Pty Ltd ("AAG"), should the gridComm transaction (or another transaction introduced by AAG) proceed, of $250,000 (net of GST).

As outlined elsewhere in this report, and effective 31 December 2017, a significant number of parties agreed to write off amounts owed to them by the Company, totalling in excess of $1.5 million, which is excluding the GST component which the Company can recover. Further details of the amounts forgiven is outlined in Note 17. The same creditors also agreed to convert the balance of what they were owed (excluding GST), being slightly over $1.1 million as at 31st December 2017, into fully paid ordinary shares at an agreed value of 10 cents per share, subject to the Company obtaining re-admission to official quotation on ASX.

There are no other contingencies as at the date of this report or as at 31 December 2017.

## 23. PARENT ENTITY INFORMATION

The Statement of Financial Position as at 31 December 2017 and 31 December 2016 is only in respect of Odin Energy Ltd. All subsidiaries were disposed of during the year ended 31 December 2016.

## 24. DIVIDENDS

There were no dividends paid or payable in respect of the current year or the previous financial period.

## DIRECTORS' DECLARATION

The directors of the Company declare that:

1) The financial statements and notes, as set out on pages 12 to 32, are in accordance with the Corporations Act 2001 and:

    a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b) give a true and fair view of the financial position as at 31st December 2017 and of the performance for the year ended on that date of the company and Group;

2) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board

4) The directors have been given the declaration by the chief executive officer and chief financial officer required by section 295A of the Corporation Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

Alex Bajada
Chairman

West Perth, Western Australia
26 November 2018

# Independent Audit Report to the members of Odin Energy Limited

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Odin Energy Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

***Emphasis of Matter – Inherent uncertainty regarding continuation as a going concern***

Without modifying our opinion, we draw attention to Note 1, which outlines that the going concern basis is dependent upon the ability to secure additional funding through either the issue of further shares and/or options and convertible notes, and/or through the conversion of a significant portion of liabilities into equity.

As a result, there is material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, and therefore whether it will realise its asset and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Completeness of Liabilities**
Refer to Note 10, Trade and Other Payables and accounting policy Notes 1(h).

| Key Audit Matter | How our audit addressed the matter |
|---|---|
| During the year ended 31 December 2017, the Company owed $3,432,028 in Trade and Other Payables, however they received debt forgiveness of $1,457,029. The Payables amount is still a significant portion of the Company's net liability for the year, we considered it necessary to assess the facts and circumstances associated with the expense. | Our audit work included, but was not restricted to, the following:<br>• Obtaining evidence of the Company's debt forgiveness and Loan Payables;<br>• Understanding and assessing managements assumptions and analysis of the Debt Forgiveness and Payables; and<br>• Enquiring with management, reviewing the Company's ASX announcements, and reviewing minutes of Board meetings. |

**Responsibilities of Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 31 December 2017. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Odin Energy Limited for the year ended 31 December 2017 complies with section 300A of the *Corporations Act 2001*.

Greenwich & Co Pty Ltd

**Greenwich & Co Audit Pty Ltd**

Nicholas Hollens

**Nick Hollens**
Managing Director

26 November 2018
Perth

# CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Odin Energy Limited ("Odin" or "the Company") is committed to conducting the Company's business in accordance with the highest standards of corporate governance. The Board is responsible for the Company's Corporate Governance and the governance framework, policy and procedures, and charters that underpin this commitment. The Board ensures that the Company complies with the corporate governance requirements stipulated in the Corporations Act 2001 (Cth), the ASX Listing Rules, the constitution of the Company and any other applicable laws and regulations.

The table below summarises the Company's compliance with the ASX Corporate Governance Councils Corporate Governance Principles and Recommendations (3rd Edition), in accordance with ASX Listing Rule 4.10.3.

| | | | |
|---|---|---|---|
| **Principle 1 – Lay solid foundations for management and oversight** | | | |
| 1.1 | A listed entity should disclose:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to | These matters are disclosed in the Company's Board Charter, which is available on the Company's website which is in transition / reconstruction | Does not comply |
| 1.2 | A listed entity should:<br>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and<br>(c) provide security holders with all material information in its possession relevant to a decision on whether to not to elect or re- elect a director. | When a requirement arises for the selection, nomination and appointment of a new director, the Board forms a sub-committee that is tasked with this process, and includes undertaking appropriate checks and any potential candidates.<br><br>When directors retire and nominate for re-election, the Board does not endorse a director who has not satisfactorily performed their role. | Complies<br><br>Complies |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | The Company executes a letter of appointment with each director and services agreements with senior executives. | Complies |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair; on all matters to do with the proper functioning of the board. | The Company Secretary reports to the chair of the board on all matters to do with the proper function of the board. | Complies |
| 1.5 | A listed entity should:<br>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; | Due to its size and limited scope of operations, the Company does not currently have a diversity policy.<br><br>As the Company's activities increase in size, scope and/or nature, the board will consider the appropriateness of adopting a diversity policy. | Does not comply |

| | | | |
|---|---|---|---|
| 1.5 | (b) disclose that policy or a summary of it; and<br><br>(c) disclose as at the end of each reporting period the measurable objective for achieving gender diversity set by the boards or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:<br><br>1. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or<br><br>2. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act. | | |

| Principle 2 – Structure the board to add value | | | |
|---|---|---|---|
| 2.1 | A listed entity should:<br>(a) have a nomination committee which;<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director; and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or<br>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate skills, knowledge, experience, independence and diversity to enable it to discharge it duties and responsibilities effectively. | Due to its size and limited scope of operations, the Company does not currently have a nomination committee, however board sub-committees are formed, as required, to manage matters that would normally be dealt with by a formally constituted nomination committee,.<br><br>As the Company's activities increase in size, scope and/or nature, the board will consider the appropriateness of a nomination committee. | Does not comply |
| 2.2 | A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. | A copy of the board skill matrix is appended to this Corporate Governance Statement. | Complies |

| | | | |
|---|---|---|---|
| 2.3 | A listed entity should disclose:<br>(a) the names of the directors considered by the board to be independent directors; and<br><br>(b) if a director has an interest, position, association or relationship of the type described in Box .2.3 but the board is of the opinion that it does no compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and<br><br>(c) the length of service of each director. | Mr David Ballantyne and Mr Roland Berzins are considered by the board to be independent directors and this is disclosed on the Company web site and in its annual and half- yearly director reports.<br><br>The length of service of each director is disclosed in the Company's annual and half yearly director reports and in notices of meetings when directors are nominated for re-election. | Complies |
| 2.4 | A majority of the board of a listed entity should be independent directors. | Mr David Ballantyne and Mr Roland Berzins are considered by the board to be independent directors and this is disclosed on the Company web site and in its annual and half- yearly director reports. | Complies. |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular; should not be the same person as the CEO of the entity. | Mr Alex Bajada is the Chairman and is not an independent non-executive director. | Complies. |
| **Principle 3 – A listed entity should act ethically and responsibly** | | | |
| 3.1 | A listed entity should:<br>(a) have a code of conduct of its directors, senior executives and employees; and<br><br>(b) disclose that code or a summary of it. | The Company code of conduct is available on the Company web site which is in transition / reconstruction. | Complies |

| Principle 4 – Safeguard integrity in corporate reporting | | | |
|---|---|---|---|
| 4.1 | The board of a listed entity should:<br>(a) have an audit committee which:<br>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and<br>(2) is chaired by an independent director; who is not the chair of the board,<br>and disclose<br>(3) the relevant qualifications and experience of the members of the committee; and<br>(4) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotations of the engagement partner. | Due to its size and limited scope of operations, the Company does not currently have an audit committee, however the auditors do meet with the full board, without management present to its audit report and any other matters that have arisen during its audit work.<br><br>As the Company's activities increase in size, scope and/or nature, the board will consider the appropriateness of an audit committee. | Does not comply, however the auditors do meet with the full board without management present. |

| | | | |
|---|---|---|---|
| 4.2 | The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management, and internal control which is operating effectively. | The Board does receive a statement signed by those performing the roles of the Managing Director and the Chief Financial Officer. | Complies |
| 4.3 | A listed entity that has an Annual General Meeting (AGM) should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit, | The Company's auditors are present at the Annual General Meeting. | Complies |
| **Principle 5 – Make timely and balanced disclosure** | | | |
| 5.1 | A listed entity should:<br>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and<br>(b) disclose that policy or a summary of it. | The Company does have a Continuous Disclosure policy, which is available on the Company web site which is currently in transition / reconstruction. | Complies |
| **Principle 6 – Respect the rights of security holders** | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investor via its website. | The Company does have a company information and governance statement, which is available on the Company web site which is currently in transition / reconstruction | Complies |
| 6.2 | A Listed entity should design and implement an investor relations program to facilitate effective tow-way communication with investors. | The Company has implemented an investor relations program targeting retail investors and encourages all investors or potential investors to communicate with the Company via its web site which is currently in transition / reconstruction | Complies |

| | | | |
|---|---|---|---|
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | The Company Shareholder Communication Policy is available on the Company web site which is currently in transition / reconstruction | Complies |
| 6.4 | A listed entity should give security holder the option to receive communications from, and send communication to, the entity and is security registry electronically. | Security holder can elect to receive communications from the Company electronically either by contacting the Company's share registrar, or the Company directly. | Complies |
| **Principal 7 – Recognise and manage risk** | | | |
| 7.1 | The board of a listed entity should:<br>(a) have a committee or committees to oversee risk, each of which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director and disclose<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meetings; or<br>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. | Due to its size and limited scope of operations, the Company does not currently have a risk committee; however, management does present and discuss risk with the full board.<br><br>As the Company's activities increase in size, scope and/or nature, the board will consider the appropriateness of a risk committee. | Does not Comply |

| | | | |
|---|---|---|---|
| 7.2 | The board or a committee of the board should:<br>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and<br>(b) disclose, in relation to each reporting period, whether such a review has taken place. | The board reviews the company's risk management framework at least annually and discloses this in each periodic report. | Complies |
| 7.3 | A listed entity should disclose:<br>(a) if it has an internal audit function, how the function is structured and what role it performs; or<br>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. | The Company does not have an internal audit function. | Does not comply |
| 7.4 | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | The Company does make these disclosures. | Complies |

| Principle 8 – Remunerate fairly and responsibly | | | |
|---|---|---|---|
| 8.1 | The board of a listed entity should:<br>(a) have a remuneration committee which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director and disclose<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meetings; or<br>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. | Due to its size and limited scope of operations, the Company does not currently have a remuneration committee.<br><br>As the Company's activities increase in size, scope and/or nature, the board will consider the appropriateness of a remuneration committee. | Does not Comply |
| 8.2 | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive director and other senior executive. | The Company discloses its practices in relation to the remuneration of non-executive directors and senior executives in its annual remuneration report. | Complies |

| | | | |
|---|---|---|---|
| 8.3 | A listed entity which has an equity-based remuneration scheme should:<br>(a) have a policy on whether participants are permitted to enter into transaction (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and<br>(b) disclose that policy or a summary of it. | The Company's Security Trading Policy obliges all directors, officers and employees of the Company to advise the Company, via the Company Secretary, or any securitisation of Company securities. A copy of the policy is available on the Company's web site.<br>As at the date of this statement the Company Secretary has not been advised by an officer or employee of the Company of any securitisation of Company securities that they own. | Complies |

As the Company's activities increase in size, scope and/or nature, the Company's corporate governance principles will be reviewed by the Board and amended as appropriate.

**Diversity**

The Company and all its related bodies corporate are committed to workplace diversity. The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefitting from all available talent.

Diversity includes, but is not limited to gender, age, ethnicity and cultural background.

The Diversity Policy is available on the Company's website which is in transition / reconstruction.

As stated earlier, the Company is at a stage of its development that the application of measurable objectives in relation to gender diversity, at the various levels of the Company's business, are not considered to be appropriate nor practical.

The participation of women in the Company at 31 December 2017 was as follows:

- *Women employees in the consolidated entity* *0%*
- *Women in senior management positions* *0%*
- *Women on the board* *0%*

Further details of the Company's corporate governance policies and practices are available on the Company's website at www.odinenergy.com.au

# ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by the Australian Stock Exchange (ASX) listing rules were set out below.

**1.** **Equity Security Holders** (Current as at 29 October 2018).

The names of the twenty largest holders of quoted equity securities are listed below.

**Ordinary Shares**

| Ranking | Name | Shares Held | % of total shares |
|---|---|---|---|
| 1 | SPARTAN NOMINEES PTY LTD | 811,050 | **5.045** |
| 2 | Ms PATRICIA PAULINE RUSSO & MR HARRY HOHOLIS < RUSSO FAMILY S/F A/C> | 428,572 | **2.666** |
| 3 | MR KONSTANTINOS BAGIARTAKIS | 419,506 | **2.609** |
| 4 | MR SIANG TIAL TEOH & MRS BEE LING TEOH <W2W SUPERANNUATION FUND A/C> | 400,000 | **2.488** |
| 5 | COSMOS NOMINEES PTY LTD | 383,262 | **2.384** |
| 6 | MR JUSTIN LAURENCE BARRY | 301,372 | **1.874** |
| 7 | MRS MENG HIENG JEUNG | 245,715 | **1.528** |
| 8 | MS SUE ZUO | 245,572 | **1.527** |
| 9 | NEWMEK INVESTMENTS PTY LTD | 205,715 | **1.280** |
| 10 | EST MR EAN FREDERICK MARSHALL | 200,000 | **1.244** |
| 11 | MR MURRY JOHN HEWETT & MRS DIANNE LORRAINE HEWITT | 197,143 | **1.226** |
| 12 | MR KENNETH ERNEST CLARK | 171,429 | **1.066** |
| 13 | MORRISSEY SUPERANNUATION Pty LTD | 171,429 | **1.066** |
| 14 | MR MATHEW JOHN MCALLISTER | 164,454 | **1.023** |
| 15 | TREK GROUP PTY LTD | 158,572 | **0.986** |
| 16 | MR DENNIS RAYMOND BOYLE | 157,843 | **0.982** |
| 17 | MR SCOTT GREGORY PERRY | 151,429 | **0.942** |
| 18 | DYNAMIK CAPITAL PTY LTD | 114,286 | **0.711** |
| 19 | MR CHRISTOPHER CHANDLER | 114,286 | **0.711** |
| 20 | MR JIANG LIU | 114,286 | **0.711** |
| **Total of top 20 Shareholders** | | **5,155,921** | **59.601** |

**2.** **Substantial Shareholders** (Current as at 29 October 2018)

Substantial holders of equity securities in the Company are set out

below. **Ordinary Shares**

| Name | Shares held | % of total shares |
|---|---|---|
| SPARTAN NOMINEES PTY LTD | 811,050 | 5.044 |

**3. Distribution of Equity Securities** (Current as at 29 October 2018) Analysis of numbers of equity security holders by size of holdings:

Class of Security – **Ordinary Shares –**

**TOP SPREAD REPORT**

| **SPREADS OF HOLDINGS** | **NUMBER OF HOLDERS** | **NUMBER OF UNITS** | **% OF TOTAL ISSUED CAPITAL** |
|---|---|---|---|
| 1 - 1,000 | 310 | 141,454 | 0.88% |
| 1,001 - 5,000 | 489 | 1,164,854 | 7.25% |
| 5,001 - 10,000 | 204 | 1,441,870 | 8.97% |
| 10,001 - 100,000 | 278 | 7,694,585 | 47.86% |
| 100,001 - 999,999,999,999 | 27 | 5,634,703 | 35.05% |
| **TOTAL** | **1,308** | **16,077,466** | **100%** |

There are 6 holders of Convertible preference shares. There are no voting rights attached to these convertible preference shares.

**Enquiries**

Shareholders with any enquiries about any aspect of their shareholding should contact the Consolidated Entity's share register as follows:

Advanced Share Registry Services Pty Ltd
110 Stirling Highway Nedlands WA 6009
Tel: +61 8 9389 8033
Fax: +61 8 9389 7871
Web: www.advancedshare.com.au

**Electronic Announcements and Report;**

Shareholders who wish to receive announcements made to the ASX, as well as electronic copies of the Annual Report and Half Yearly Report, are invited to provide their e mail address to the Company. This can be done in writing to the Company Secretary.

**Removal from the Printed Annual Report mailing list**

Shareholders who do not wish to receive the Annual report should advise the Share Registry in writing to remove their names from the mailing list. Those shareholders will continue to receive all shareholder information.

**Change of name / address**

Shareholders who are Issue Sponsored should advise the Share registry promptly of any changes of name and / or address so that correspondence with them does not go astray. All such changes must be advised in writing and cannot be accepted via telephone. Forms can be found on the share Registry website or obtained by contacting the Share registry.

Shareholders who are in CHESS and Brokered Sponsored should instruct their sponsoring brokers in writing to notify the Share Registry of any changes of name and / or address.

In the case of a name change, the written advice must be supported by documentary evidence.

**Consolidation of Shareholdings**

Shareholders who wish to consolidate their separate shareholdings into one account should write to the Share Registry or their sponsoring broker, whichever is applicable.

**Stock Exchange Listing**

The Consolidated Entity's shares are listed on the ASX. Details of share transactions and prices published in the financial papers of the daily capital city newspapers under the code PXR.

**Registered Office**

| | |
|---|---|
| The registered office of the Consolidated Entity is: | Odin Energy Limited<br>14 Emerald Tce WEST<br>PERTH WA 6005 |
| Telephone: | +61 8 9429 2900 |
| E mail : | info@odinenergy.com.au |
| Website : | www.odinenergy.com.au |
| Company Secretary: | Roland Berzins |