RAVEN ENERGY LIMITED

Raven Energy Limited
ACN 107 708 305

Annual Report

For the year ended 30 June 2018

Corporate Directory

ACN 107 708 305

Directors

Mr Nathan Featherby Executive Chairman
Mr David Scoggin Non-Executive Director
Mr Nicholas Halliday Non-Executive Director
Mr Saxon Ball Non-Executive Director (resigned 30 November 2017)

Company Secretary

Mr Kar Chua

Registered Office

Level 11, 52 Phillip Street
Sydney NSW 2000
Tel: +61 2 8316 3994
Fax:+61 2 8316 3999

Principal Place of Business

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Sydney NSW 2000
Tel: +61 2 8316 3994
Fax:+61 2 8316 3999

Share Register

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Tel: +61 2 9290 9600
Fax:+61 2 9279 0664

Website

www.magnumgpl.com

Auditors

Crowe Horwath Sydney
Level 15, 1 O'Connell Street
Sydney NSW 2000
Tel: +61 2 9262 2155

Securities Exchange Listing

Raven Energy Limited's shares are listed on:
Australian Securities Exchange (ASX: REL)
Botswana Stock Exchange (BSE: RAVEN)

Contents

DIRECTORS' REPORT

The Directors of Raven Energy Limited ('Raven' or 'the Company') submit herewith the annual financial report of Raven and its subsidiaries ("the Group") for the financial year ended 30 June 2018. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report as follows:

Overview of Operations

Raven Energy Limited is an Australian-based energy and gas resources exploration and development company, working to develop gas exploration and production projects. The Company is currently focused on its investment in the Tulainyo Gas Project in California, which is the subject of the Company's shareholding in Gasfields LLC.

The Company's goal is to foster and develop shareholder value through expanding and developing its energy and gas interests both in Australia and internationally. Throughout the financial year, the Company focussed on this goal, continuing to source and evaluate acquisition opportunities to add to the Company's portfolio of energy and exploration assets.

Tulainyo Gas Project:

On 5 June 2017, the Company announced that it signed an agreement to invest in the Tulainyo Gas Discovery in the Sacramento Basin in California, United States of America.

The Company signed an agreement with Gas Fields LLC (**Gas Fields**), Bombora Natural Energy Pty Ltd (a subsidiary of Pancontinental Oil & Gas NL) (**Bombora**), and United Energy Royalties Pty Ltd, pursuant to which the Company has the opportunity to earn up to a 60% economic interest in Gasfields. Bombora will retain the remaining 40% economic interest. Gas Fields has the rights to farm-in to the Tulainyo Gas Discovery (**Tulainyo Project**) (*Refer to Figure 1*), to earn up to 33.33% of that project.

Gas Fields is a limited liability company incorporated in the United States of America. Gas Fields has a farm-in agreement with Cirque Resources LP and California Resources Production Corporation, the project operator and a subsidiary of a substantial, New York Stock Exchange listed oil and gas production company. According to the Tulainyo Farm-in Agreement, Gas Fields has the right to earn and acquire, subject to it meeting certain funding requirements, the following farm-in interests in the Tulainyo Project, in three separate stages, as follows:

a) (**Initial Well Farm-in Interest**): a 10% interest in gas reservoirs in the south block of the Tulainyo Project penetrated by an initial well which has now been drilled;

b) (**Second Well Farm-in Interest**): a 33.33% interest in gas reservoirs in the south block of the Tulainyo Project penetrated by the initial and second wells to be drilled; and

c) (**North Block Well Farm-in Interest**): a 33.33% interest in gas reservoirs in the north block of the Tulainyo Project penetrated by a well to be drilled in the north block.

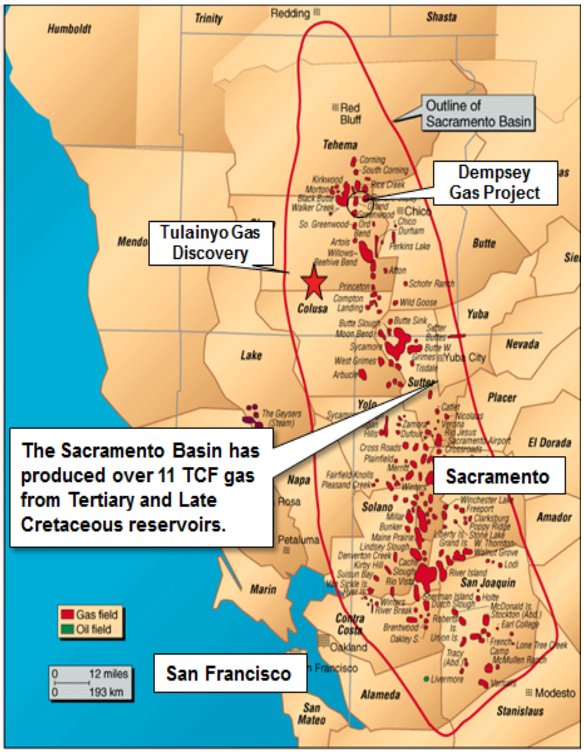


Figure 1 Location of the Tulainyo Gas Discovery

The terms of Raven's investment in Gas Fields require Raven to, by assisting Gas Fields to satisfy its funding obligations under the Tulainyo Farm-in Agreement, subscribe for a 60% shareholding in Gas Fields in return for the acquisition of:

a) a 60% economic interest in the Initial Well Farm-in Interest; and

b) the right to earn a further 60% economic interest in the Second Well Farm-in Interest and the North Block Well Farm-in Interest.

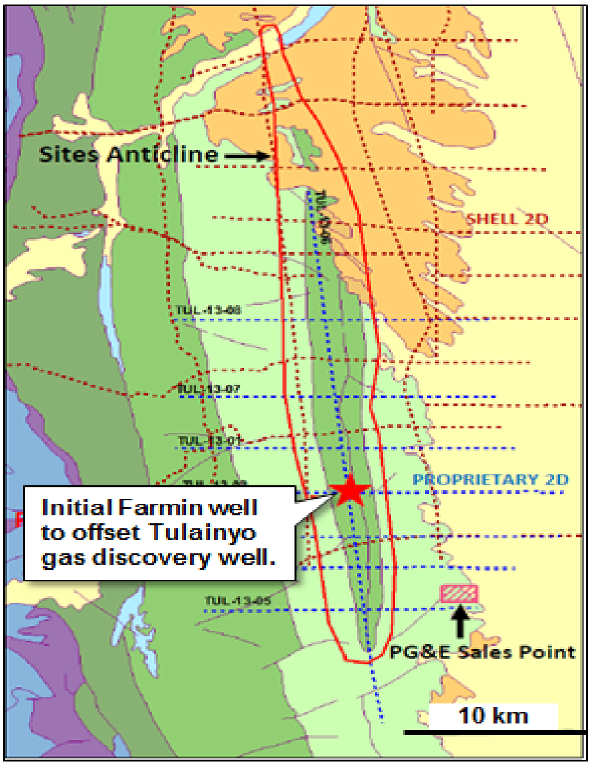
During the financial year, The Tulainyo 2-7 well was drilled as planned to a total depth of 5,710 feet (1740 metres), within the very large, over pressured anticlinal structure following extensive pre-planning. Post well analysis indicated multiple stacked sandstone units, varying as expected in thickness and quality, all gas saturated.

A two-stage test program was carried out with perforations into the selected reservoir intervals using Tubing Conveyed Perforating Equipment or TCPs. Testing commenced across a zone lower in the well with perforations across at least three separate sands with varying, interpreted reservoir quality. After sufficient data is captured from the first test, a removable bridge plug will be set to isolate the lower test zone and a second test will be conducted over a shallower, thicker sand package.

On 16 April 2018 the Company announced that the flow testing had been conducted in two stages over a range of zones between a total depth of 5,710 feet and 3,600 feet.

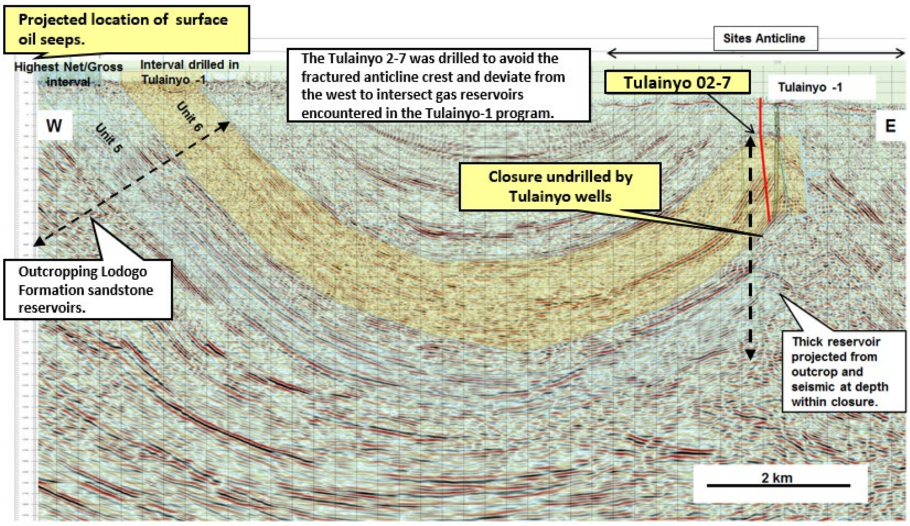
A range of potential gas reservoirs were identified in the well based on gas shows, drill and sample data and wireline logs from both the Tulainyo 2-7 and the nearby Tulainyo-1 well.

Figure 2: Surface Structure of the Sites Anticline



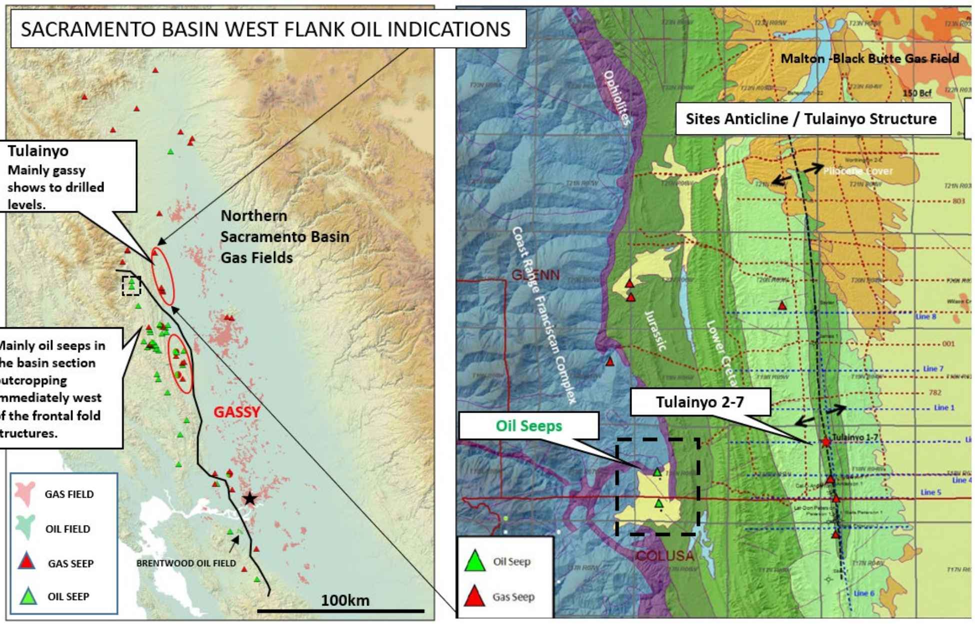
The operations at Tulainyo 2-7 were deliberately designed to evaluate the flow potential of shallow reservoirs observed in the original Tulainyo-1 discovery well and tied to outcrop. To date, the drilling activity has evaluated less than half of the potential stacked reservoir targets within closure, with up to 2,000 m of undrilled vertical closure mapped below the deepest zones encountered in the Tulainyo wells as drilled to date. Correlations to the outcrop in the adjacent range to the west indicate that the thickest reservoir sections are yet to be penetrated and may be present in this deeper, undrilled stratigraphic interval.

Figure 3: Regional seismic line indicating oil seeps, reservoir outcrop and large anticline structure. Courtesy Cirque Resources.



Further analysis will be conducted on the potential for liquid hydrocarbons (oil and condensate) in addition to the deeper gas potential in the deeper part of the structure. This is based on oil seeps in the equivalent age sections outcropping in the ranges just west of the structure and in a similar structure on trend to the south.

Figure 3: Diagram showing position of oil and gas seeps relative to the frontal folds, including Tulainyo, on the western edge of the Sacramento Basin.



<u>Acquisition of Gasfields LLC</u>

On 28 June 2018 the Company executed a binding share sale and purchase agreement (**SPA**) with Bombora to acquire Bombora's 40% shareholding in Gasfields, 60% of which is currently owned by the Company (**Transaction**). As a result of the Transaction, Gasfields became a wholly owned subsidiary of the Company.

Under the SPA, the Company has agreed to purchase all of Bombora's shares in Gasfields on the following terms and conditions:

(a) The Company will pay to Bombora (or its nominee):

(i) A$25,000 payable within fifteen (15) business days of the execution of the SPA;

(ii) A$275,000 payable within seven (7) days of Raven raising by debt or equity at least $1,000,000 (**Cash Consideration Condition**); and

(iii) 555,555,555 ordinary fully paid shares in the Company at an issue price of A$0.0018 per share (**Share Consideration**). The Share Consideration will be payable within fourteen (14) days of Raven obtaining any required ASX or regulatory approval, including from its shareholders (if necessary) to issue the shares to Bombora or its nominee (**Share Consideration Condition**). In the event, there is no requirement to satisfy the Share Consideration Condition, the Share Consideration must be issued to Bombora or its nominee with fourteen days of completion. Bombora and the Company have agreed that the Share Consideration will be restricted securities and will be voluntary escrowed for a period of twelve (12) months from the date of issue (On 6 August 2018, the Company issued 555,555,555 ordinary fully paid shares in the Company to Bombora in order to satisfy the consideration element of the Transaction),

(Collectively, **Consideration**).

(b) The Company will also pay to Bombora:

(i) A$500,000 if within 3 years of completion, the Tulainyo Joint Venture determines that the flow of gas to the surface as part of the Tulainyo Project, is economic to connect into a gas trunkline. The SPA does not define economic, but if the Joint Venture elects to connect to a trunkline it would mean that a sufficient quantity of gas is present to do so;

(ii) A$5,000,000 if within 3 years of completion and based on the SPE PRMS standard it is determined by a suitably qualified expert (**Expert**) that the Tulainyo Project contains a reserve of at least 500 billion cubic feet of gas gross to the Tulainyo Project; and

(iii) A$10,000,000 if within 3 years of completion and based on the SPE PRMS standard it is determined by an Expert that the Tulainyo Project contains reserve of at least 1 trillion cubic feet of gas gross to the Tulainyo Project. If any payments have been made under b(ii) above, those payments will be deducted from the A$10,000,000 payable,

(Collectively, **Deferred Consideration**).

Note 1. Suitable qualified expert is not defined in the SPA, but "suitably qualified" would mean someone with appropriate oil and gas experience and capability. Any determination of such a person, as stated in the SPA, has to be to SPE PRMS standard.

(c) The Company must use its best to satisfy as soon as possible the Cash Consideration Condition and Share Consideration Condition (if applicable). If the Cash Consideration is not satisfied within six (6) months of completion or such longer period as Bombora allows, payment referred to in (a)(ii) must be made within twelve (12) months of completion and interest at a rate of ten percent (10%) per annum shall be payable on that sum.

(d) If the Share Consideration is not satisfied within six (6) months of completion or such longer period as Bombora allows, the Company must pay Bombora the sum of $1,000,000 in lieu of Share Consideration, upon written demand of Bombora.

(e) The parties acknowledge and agree that if Raven is in default of any obligations under the agreement, Bombora's sole remedy for that default is in a claim for money and not any claim for the return of the Bombora Shares.

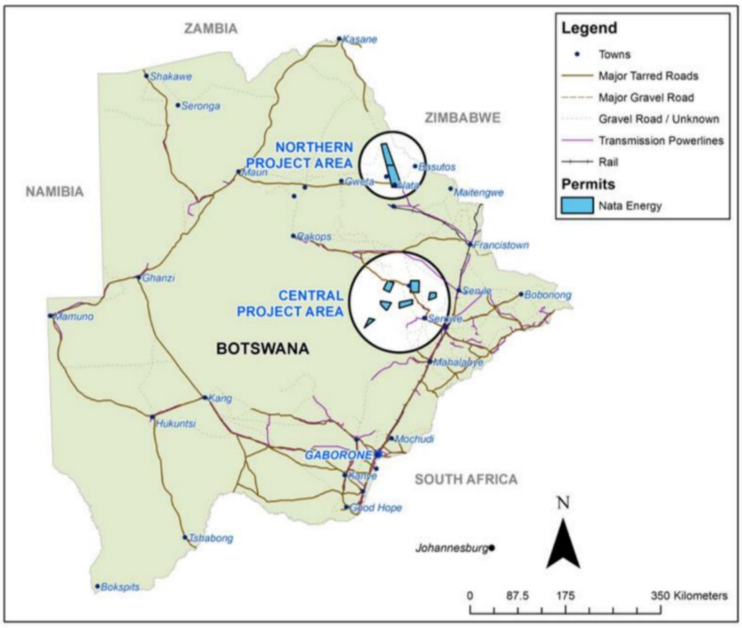
Completion of the Transaction occurred concurrently with signing of the SPA on 28 June 2018 (**Completion**). However, the Company and Bombora have agreed pursuant to the SPA, that any obligation and in particular the Consideration and Deferred Consideration obligations that have not already been performed will remain in full force after Completion.

Strata-X Farm-In Agreement and Divestment of Botswana Assets:

The Company had a strong focus on Botswana since 2012. Raven's current Botswanan exploration portfolio consists of multiple prospecting licenses focused on two separate project areas, Central and Northern, within the overall Kalahari basin of Botswana Africa. In December 2016, the Company entered a farm-in agreement with Strata-X Energy Limited (ASX:SXA) (**SXA**) via which SXA would have the opportunity to earn up to a 75% interest in the Company's Serowe CBM projects, namely prospecting licenses 352/2008 and 353/2008 (**Tenements**) (**Serowe Project**) (*Refer to Figure 2*).

The Company during the year put its Botswana tenements on the market for sale.

Figure 2: Botswana permits



On 3 January 2018, the Company announced that SXA had elected to exercise its rights of under its Farm-in Agreement to acquire the Company's remaining 25% in the entity . Accordingly, the Company and SXA agreed that the Company will sell its 25% shareholding in the entity that owned the Tenements:

- SXA providing an immediate deposit of A$25,000 to the Company;
- upon completion of the sale and purchase agreement (**SPA**)(**Completion**), SXA will pay to the Company A$125,000 in cash;

- within 60 days of Completion, SXA will pay to the Company a further A$200,000; and
- within 135 days of Completion, SXA will pay to the Company a further A$200,000.

Additionally, the Company has been granted a 3.5% overriding royalty interest over the Serowe Region Licences net to the Company's 25% interest.

All consideration has now been received by the Company with the final $200,000 received on 19 July 2018.

Following completion of the SXA Transaction, the Company has the following remaining exploration licences in Botswana:

Prospecting Licence	Botswana Project Area	Size (km^2)	Raven Interest
644/2009	Northern CBM Project	479	100%
645/2009	Northern CBM Project	653	100%

On 3 August 2018, the Company announced that it had entered into a non-binding agreement to divest itself of its remaining assets in Botswana.

Following the sale of the Company's Serowe Basin prospecting licences to Strata-X Australia Pty Ltd (see Company announcement of 6 March 2018), the Company retained its non-core, central Kalahari Karoo basin prospecting licences PL 644/2009 and PL 645/2009 (**Kalahari Licences**).

The Kalahari Licences are the remaining licences the Company holds as part of its Coal Bed Methane Project in Botswana. The Kalahari Licenses make up part of the Northern Coal Bed Methane Project with an area of 1,132km^2. The Kalahari Licences are strategically placed in the Kalahari Karoo basin which is in the early stages of field development with significant exploration programmes being conducted by neighbouring global energy companies. The Company does not currently have a planned exploration program for them.

During recent months, the Company has conducted negotiations with prospective purchasers surrounding the potential divestment which have now culminated in the execution of a non-binding agreement with Acumen Diamonds (Proprietary) Limited (**Acumen**), pursuant to which Acumen will acquire the Kalahari Licences from Raven in exchange for a 1.5% net royalty over the Kalahari Licences (**Botswana Transaction**).

The Botswana Transaction will be subject to the parties entering into a legal binding sale and purchase agreement and the execution of a royalty deed (**Agreements**). The Agreements will contain conditions and clauses customary for transactions of this nature and otherwise to be agreed between the parties.

The Transaction is subject to the following conditions precedent:

- Raven ensuring that the Kalahari Licences are in good standing, including all rents, fees, rates and other payments being paid up to the date of completion.

- Acumen undertaking to, for the duration of the royalty agreement relating to the Kalahari Licences:

  - observe the legislative provisions relating to the Kalahari Licences, including lodging all required reports, paying all fees, rents, rates and other royalties and taxes relating to them;
  - making best endeavours to renew and extend each of the Kalahari Licences as and when they become due for renewal and extension in accordance with the relevant laws;
  - not permit the creation of any encumbrance, or sell or assign or deal with or dispose of the whole or any part of its interest in the Kalahari Licences, without Raven's consent.

- The execution of a royalty deed.

- Each party obtaining any approvals as required to give effect to the Botswana Transaction.

Acquisition of XGas LLC and the Dempsey Project

As announced to the market on 7 May 2018, the Company entered into a binding Letter of Intent (**LOI**) with Xstate Resources Limited (**Xstate**) an ASX listed company.

Under the LOI, the Company had the option to purchase all of the issued capital in XGas and its working interests in the Dempsey Project from its sole shareholder, Xstate (**Acquisition**), on the following terms and conditions:

(a) The Company provide to Xstate, US$500,000 cash consideration payable as follows:

(i) a non-refundable deposit of US$35,000, payable within five business days of execution of the LOI; and

(ii) US$465,000 payable on completion of the Acquisition (**Completion**), (Collectively, **Cash Consideration**).

(b) The Company at its sole discretion provide to Xstate, within 90 days of Completion a final payment of A$500,000 either in cash or Raven fully paid ordinary shares at A$0.0018 per share and subject to a 12 month voluntary escrow period (**Share Consideration**).

The Acquisition was subject to due diligence and certain conditions precedent which had to be satisfied prior to completion.

Completion was due to occur on or by 15 July 2018 unless extended by written agreement between the parties (**End Date**). An extension was granted for the payment of an additional non-refundable deposit of US$35,000 (**Extension Deposit**). The Extension Deposit was to reduce will reduce the final payment of Cash Consideration payable by the Company.

On 17 August 2018, the Company the LOI was varied:

- Raven has agreed to pay Xstate an additional non-refundable extension payment of US$20,000 (**Second Extension Deposit**) payable on 31 August 2018. In consideration for payment of the Second Entension Deposit, Xstate has agreed to extend the end date of the Acquisition to 31 October 2018, unless extended by written agreement between the parties (**End Date**). The Second Extension Deposit will reduce the final payment of cash consideration payable on completion of the Acquisition by $US20,000. The balance of US$410,000 (total US$500,000) is due and payable on completion of the Acquisition which must occur before the End Date.

- The share consideration element of the Acquisition has been amended whereby Raven shall issue Xstate the value of A$500,000 in fully paid ordinary shares in Raven at a deemed issue price of $A0.0018 per Share (**Shares**) subject to a 12 month voluntary escrow (**Share Consideration**) payable as follows:

  (i) The issue of 138,888,889 Shares to Xstate representing 50% of the Share Consideration payable on execution of the Deed (**Tranche 1 Shares**); and
  (ii) The issue of 138,888,889 Shares to Xstate representing the remaining 50% of the Share Consideration payable on Completion being no later than the End Date.

All other terms and conditions of the Acquisition pursuant to the LOI remain unchanged and continue to apply. The parties also agreed that should the Acquisition not complete, the Second Extension Deposit, Tranche 1 Shares issued to Xstate and any other prior payments made to Xstate as part of the Acquisition are non-refundable and will be forfeited by Raven.

On 17 August 2018, the Company issued the Tranche 1 Shares to Xstate.

Subsequent to the reporting period, on 1 November 2018, the Company announced that Raven received a notice of termination from Xstate terminating the Acquisition for not making the settlement payment of approximately US$410,000 or issue the second tranche of A$250,000 of shares by the close of business on 31 October 2018 (**Termination**). As a result of the Termination Xstate will retain the non-refundable payments of approximately US$88,500 paid by Raven and the 138,888,889 shares issued.

Corporate

Capital Raising

As announced on 24 July 2017, the Company executed an agreement to conduct a placement to raise A$4.0 million (before costs) (**July Placement**). The July Placement was underwritten by DJ Carmichael Pty Ltd to the value of A$2.75 million with firm commitments for a further A$1.25 million. The issue of shares under the July Placement was approved at the Company’s general meeting held on 31 July 2017.

The A$4.0 million raised under the Placement was used for the purposes of meeting the Company’s initial commitments for its investment in Gasfields, which related to the Gas Fields farm in to the Tulainyo Project in the Sacramento Basin in California.

On 28 September 2017, the Company announced that it had conducted a strategic placement to sophisticated and professional investors (**Strategic Placement**). 371,000,000 shares and 371,000,000 attaching options (quoted, exercisable at $0.003 and expiring 31 October 2020) were issued to sophisticated and professional investors on 24 October 2017 at $0.0015 per share, using the Company’s capacity under ASX Listing Rules 7.1 and 7.1A.

The Company conducted two further placements to sophisticated and professional investors in September and November of 2017, raising A$956,500 in total via the issue of shares and attaching options.

On 19 February 2018, the Company announced that it had undertaken to issue convertible notes to raise up to A$2.2 million convertible notes with will the following terms (**Convertible Notes**) for the purpose of funding the Tulainyo Project and working capital:

- Conversion price: $0.00176 per share.
- One free attaching option ($0.003 exercise price, expiry 31 October 2020) for every two Convertible Note issued.
- Interest rate of 10% per annum, payable semi-annually via the issue of shares at the 5 trading day volume weighted average price prior to issue.
- Maturity: 12 months from the date of issue.
- Any conversion of the Convertible Notes will be subject to Raven shareholders first providing approval to the issue of shares.

The Executive Chairman also agreed to participate in the issue of the convertible notes for up to $500,000 (subject to shareholder approval).

The Company received $1,350,000 in cash from the issue of the Convertible Notes.

Management Update

During the financial year, Mr Saxon Ball resigned as a non-executive director of the Company. Further details of the Company's Board and management team is provided within the remuneration report.

Change of Name

Following approval at the Company's 2017 Annual General Meeting on 30 November 2017, the Company changed its name from Magnum Gas & Power Limited, to Raven Energy Limited. Subsequently, the Company's ticker code changed from MPE to REL.

Subsequent Events

Following the end of the financial year, the following events have taken place in respect of the Company:

Tulainyo Gas Project Overruns

Subsequent to the reporting period, on 3 September 2018 the Company announced that Bombora received a claim from the operator of the Tulainyo Gas Project California Resources Production Corporation (**Operator**), claiming that:

1. Gasfields has failed to provide the required completion funds for costs allegedly incurred by the Operator in the drilling of the Tulainyo 2-7 gas appraisal well;
2. the sum allegedly owed by Gasfields has now increased to US$1,738,273; and
3. as Bombora has guaranteed the obligations of Gasfields in the original Farmin Agreement between Gasfields, Bombora and Cirque Resources LP of 21 March 2017, the Operator would look to Bombora to make that payment in the event that Gasfields failed to pay it,

(Collectively, the **Claims**).

On 30 November 2018, the Company announced that following discussion with the Operator, it has reached an agreement for full settlement of the Final Well Costs. The Operator and Raven have agreed the following:

- Upon completion of the Company's proposed Capital Raising, Raven will immediately provide payment of US$1,000,000 (**Cash Consideration**) to the Operator. Upon receipt of the Cash Consideration, Raven shall be assigned 6% interest in the South Block in the Tulainyo Gas Project and any associated South Block leases.

- Raven shall be assigned a further 4% interest in the South Block of the Tulainyo Gas Project upon Operator receiving the balance of the Final Well Costs after first deducting the Cash Consideration (**Balance Payment**). The Balance Payment will result in full and final settlement of the Claims made by the Operator.

The terms of the settlement above will be subject to a formally legally binding agreement and will include terms that are customary in agreements of this nature.

The Cash Consideration will be paid from the proceeds of the Company's proposed placement to sophisticated, wholesale and professional investors via the issuance of up to 2,000,000,000 new fully paid ordinary shares in the Company at an issue price of $0.001 per Share (**Placement**). The Placement was approved following shareholder approval at the extraordinary general meeting dated 30 November 2018.

Raven has entered into a Confidentiality Agreement (**CA**) with California Resources Production Corporation (**Operator**) to provide access to proprietary data and interpretations and evaluate investment in various projects in Northern Sacramento Basin (**Sacramento Basin Projects**).

Acquisition of XGas LLC

Subsequent to the reporting period on 17 July 2018 Raven announced that it had elected to exercise its option to extend the End Date by 45 days and subsequently paid the Extension Deposit to Xstate.

Furthermore, on 17 August 2018, the Company announced that Raven and XState agreed to vary the LOI by entering into a deed of variation (**Deed**). Under the Deed the terms of the LOI have been amended as follows:

- Raven has agreed to pay Xstate an additional non-refundable extension payment of US$20,000 (**Second Extension Deposit**) payable on 31 August 2018. In consideration for payment of the Second Extension Deposit, Xstate has agreed to extend the end date of the Acquisition to 31 October 2018, unless extended by written agreement between the parties (**End Date**). The Second Extension Deposit will reduce the final payment of cash consideration payable on completion of the Acquisition by $US20,000. The balance of US$410,000 (total US$500,000) is due and payable on completion of the Acquisition which must occur before the End Date.

- The share consideration element of the Acquisition has been amended whereby Raven shall issue Xstate the value of A$500,000 in fully paid ordinary shares in Raven at a deemed issue price of $A0.0018 per Share (**Shares**) subject to a 12 month voluntary escrow (**Share Consideration**) payable as follows:

  (i) The issue of 138,888,889 Shares to Xstate representing 50% of the Share Consideration payable on execution of the Deed (**Tranche 1 Shares**); and

(ii) The issue of 138,888,889 Shares to Xstate representing the remaining 50% of the Share Consideration payable on Completion being no later than the End Date.

All other terms and conditions of the Acquisition pursuant to the LOI remain unchanged and continue to apply. The parties also agreed that should the Acquisition not complete, the Second Extension Deposit, Tranche 1 Shares issued to Xstate and any other prior payments made to Xstate as part of the Acquisition are non-refundable and will be forfeited by Raven.

On 17 August 2018, the Company issued the Tranche 1 Shares to Xstate.

On 1 November 2018, the Company announced that Raven received a notice of termination from Xstate terminating the Acquisition for not making the settlement payment of approximately US$410,000 or issue the second tranche of A$250,000 of shares by the close of business on 31 October 2018 (**Termination**). As a result of the Termination Xstate will retain the non-refundable payments of approximately US$88,500 paid by Raven and the 138,888,889 shares issued.

<u>Acquisition of Bombora Natural Energy</u>

Subsequent to the reporting period on 1 November 2018, the Company announced that it had executed a binding share sale and purchase agreement (**SPA**) with Pancontinental to acquire its wholly owned subsidiary, Bombora Natural Energy Pty Ltd (**Bombora**) (**Bombora Acquisition**). As a result of the Bombora Acquisition, Bombora Natural Energy became a wholly owned subsidiary of the Company. Bombora in particular holds a 10% working interest in the Dempsey Gas Project and leased interests in associated follow up prospects, including the Anzus Prospect that are located in the Sacramento Basin, California.

Under the Sale and Purchase Agreement, the Company has agreed to purchase all of the issued capital in Bombora Natural Energy Pty Ltd from Pancontinental on the following terms and conditions:

(a) The Company will issue to Pancontinental Oil & Gas NL as consideration for the Bombora Acquisition, 295,000,000 fully paid ordinary shares in the Company (**Shares**) at a deemed issue price of $0.0018 per Share (**Consideration**). The Consideration will be issued in the following manner:

   (i) 267,806, 533 Shares within 5 business days of execution of the SPA, being the completion date (**Completion)** from existing share capacity 7.1**;** and
   (ii) 27,193,467 fully paid shares in the capital of Raven within sixty (60) days of Completion subject to shareholder approval,

   the Consideration will be subject to a 6-month voluntary escrow.

(b) Pancontinental Oil & Gas NL agrees to participate in the Company's proposed placement to raise up to $2,000,000 (**Capital Raising**) and will subscribe for 160,000,000 Shares at a deemed issue price of $0.001. The Company must use its best endeavours to complete the Capital Raising by 31 December 2018 subject to shareholder approval.

(c) Upon Completion of the Bombora Acquisition, Raven's obligations set out below will be owed to its wholly owned subsidiary, Bombora and not to a subsidiary of Pancontinental Oil & Gas NL:

(i) The Company's obligation to pay $325,000.00 cash consideration as contemplated within clause 3.1.1 and 3.1.2 (**Gasfields Cash Consideration**) of the Sale and Purchase Agreement entered into between Raven and Bombora on 28 June 2018 relating to Bombora's sale to Raven of Gasfields LLC (**Gasfields SPA**); and

(ii) Raven's obligation to pay up to a total of A$15,500,000.00 deferred cash consideration in the event of a number of project milestones being achieved as contemplated within clause 3.1.4, 3.1.5 and 3.1.6 of the Gasfields SPA (**Gasfields Deferred Consideration**).

Note: The Company notes that the acquisition of Gasfield LLC has been completed and that Gasfield LLC is a wholly subsidiary of Raven.

Completion of the Bombora Acquisition shall take place within 5 business days of execution of the SPA.

<u>Divestment of Remaining Botswana Assets</u>

On 3 August 2018, the Company announced that it had entered into a non-binding agreement to divest itself of its remaining assets in Botswana.

Following the sale of the Company's Serowe Basin prospecting licences to Strata-X Australia Pty Ltd (see Company announcement of 6 March 2018), the Company retained its non-core, central Kalahari Karoo basin prospecting licences PL 644/2009 and PL 645/2009 (**Kalahari Licences**).

The Kalahari Licences are the remaining licences the Company holds as part of its Coal Bed Methane Project in Botswana. The Kalahari Licenses make up part of the Northern Coal Bed Methane Project with an area of 1,132km^2. The Kalahari Licences are strategically placed in the Kalahari Karoo basin which is in the early stages of field development with significant exploration programmes being conducted by neighbouring global energy companies. The Company does not currently have a planned exploration program for them.

During recent months, the Company has conducted negotiations with prospective purchasers surrounding the potential divestment which have now culminated in the execution of a non-binding agreement with Acumen Diamonds (Proprietary) Limited (**Acumen**), pursuant to which Acumen will acquire the Kalahari Licences from Raven in exchange for a 1.5% net royalty over the Kalahari Licences (**Botswana Transaction**).

The Botswana Transaction will be subject to the parties entering into a legal binding sale and purchase agreement and the execution of a royalty deed (**Agreements**). The Agreements will contain conditions and clauses customary for transactions of this nature and otherwise to be agreed between the parties.

The Transaction is subject to the following conditions precedent:

- Raven ensuring that the Kalahari Licences are in good standing, including all rents, fees, rates and other payments being paid up to the date of completion.

- Acumen undertaking to, for the duration of the royalty agreement relating to the Kalahari Licences:

  - observe the legislative provisions relating to the Kalahari Licences, including lodging all required reports, paying all fees, rents, rates and other royalties and taxes relating to them;
  - making best endeavours to renew and extend each of the Kalahari Licences as and when they become due for renewal and extension in accordance with the relevant laws;
  - not permit the creation of any encumbrance, or sell or assign or deal with or dispose of the whole or any part of its interest in the Kalahari Licences, without Raven's consent.

- The execution of a royalty deed.

- Each party obtaining any approvals as required to give effect to the Botswana Transaction.

Appointment of Upstream Adviser

Subsequent to the reporting period on 19 September 2018, the Company confirmed the appointment of Mr Iain Smith as the Company's independent Upstream Oil & Gas Advisor. Mr Smith will assist the Company with technical review and evaluation of a number of North American energy projects and provide advice in relation to the Company's North American energy strategy.

Mr Smith has over 29 years' experience in the upstream oil and gas industry, initially in technical positions before moving into commercial and executive management roles. He has broad international and domestic experience with diverse roles including wellsite operations, new ventures, and management of a junior exploration company.

Mr Smith's previous positions include New Ventures Explorationist with Premier Oil Plc, Commercial Advisor with Woodside Energy Ltd and Commercial Manager with Neon Energy Ltd. While at Neon Energy, Mr Smith gained valuable experience in the Californian oil and gas industry, overseeing numerous commercial transactions and multiple joint ventures before ultimately managing the divestment of Neon's California assets in 2015.

Mr Smith holds a Bachelor of Science (Hons) degree from the University of Liverpool in Geophysics with Geology, a Master of Science in Petroleum Geology with Geophysics from Imperial College, and a Graduate Diploma in Business Administration from the University of Western Australia.

Capital Raising

On 26 October 2018, the Company announced that it would undertake a placement to sophisticated and wholesale investors to raise up to $2 million via the issue of up to 2,000,000,000 shares at a price of $0.001 (**Placement**). The issue of shares under the Placement will be subject to shareholder approval. Raven's Executive Chairman, Mr Nathan Featherby and/or nominees has agreed to provide a firm and irrevocable commitment to participate for no less than AUD$500,000 in the Placement, subject to shareholder approval.

Other material matters

Other than the above, there has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Financial Results

For the financial year reporting period ending 30 June 2018, the Group recorded a loss of $6,020,661 (30 June 2017: loss $2,370,837).

The Group incurred exploration and development expenditure of $3,600,938 during the financial year ending 30 June 2018 (30 June 2017 $165,923). The total net assets of the Group stands at $4,533,373 (30 June 2017: $5,498,198) of which investment in exploration expenditure accounts for $7,899,600 (June 2017: $4,298,662).

Future Development

The Company expects to add value through the continued focus on its exploration activities in the Tulainyo Gas Project and by acquiring complementary assets and investments both in Australia and internationally, in line with its previously announced value-adding strategy.

Dividends

No dividend has been declared for the year, and the Directors do not recommend the payment of a dividend in respect of the financial year (2017: $nil).

Environmental Regulation

The operation of the Group is within Australia, Botswana and the USA and due to its current operations is not subject to any specific environmental laws. The Group is not aware of any breach of any environmental regulations during or since the end of the financial year from its activities.

Information about Directors and the Senior Management

The names of the Directors of the Company during or since the end of the financial year are:

- Mr N Featherby Executive Chairman
- Mr S Ball Non-executive Director (*Resigned 30 November 2017)*
- Mr D Scoggin Non-executive Director
- Mr N Halliday Non-executive Director

Board Changes

The composition and particulars of the Board during or since the end of the financial year are:

Nathan Featherby – Executive Chairman

Nathan Featherby was appointed as a non-executive director in September of 2016 and was appointed Executive Chairman in November 2016. Mr Featherby has a Bachelor of Commerce from Curtin University, and has spent most of his career in stockbroking and merchant banking, with a focus on small-to-medium mining and exploration companies. Mr Featherby is also a director of Ochre Group Holdings Limited and ATC Alloys Limited.

Directorships of other listed companies in last 3 years for Nathan Featherby are as follows:

Company	Period of directorship
Ochre Group Holdings Limited (de-listed in 2018)	15 March 2011 – to date
ATC Alloys Limited	18 November 2016 – to date
Ascot Resources Limited (de-listed in 2015)	22 October 2014 – 20 April 2018
Silver Mines Limited	23 October 2014 – 26 August 2016
Clancy Exploration Limited	22 October 2014 – 7 July 2016

David Scoggin – Non-Executive Director

David Scoggin has a Bachelor of Arts from Princeton University, majoring in international relations and finance. He currently works in the international finance industry as a senior trader/portfolio manager, specialising in mergers and acquisitions analysis and risk assessment, with a particular focus on the Australian natural resources industry.

Directorships of other listed companies in last 3 years for David Scoggin are as follows:

Company	Period of directorship
Clancy Exploration Limited	31 March 2016 – to date
Rision Limited	5 March 2014 – 2 February 2016

Nicholas Halliday – Non-Executive Director

Nicholas Halliday has a Bachelor of Management and a Masters in Commerce from the University of Sydney, with a background in financial services and advisory. He was a director of listed company ATC Alloys Limited and has substantial experience in business development, risk management and finance, working with multiple listed resource companies in these capacities. The Board believes he will be integral to the Company in implementing future development strategies.

Directorships of other listed companies in last 3 years for Nicholas Halliday are as follows:

Company	Period of directorship
ATC Alloys Limited	10 March 2017 – 24 May 2018

During the financial year, Mr Saxon Ball resigned from his position as non-executive director on the Board.

Company Secretary

Kar Chua – Company Secretary

Mr Kar Chua has a Bachelor of Accounting and Finance and is a member of the Institute of Chartered Accountants in Australia. He has a range of experience assisting a number of ASX listed companies with their reporting and accounting functions, in addition to having a background in reporting responsibilities for a subsidiary of a substantial multi-national company.

Director's Shareholdings

The following table sets out each Director's relevant interest in shares and options in shares of the Group as at the date of this report:

Name	Number of shares	Number of options
Mr N Featherby	-	-
Mr N Halliday – direct	15,000,000	-
Mr D Scoggin – indirect	119,574,889	52,500,000

Remuneration of Key Management Personnel

Information about the remuneration of Key Management Personnel is set out below in the remuneration report which forms part of the Directors' Report.

Share Options

At the date of this report, quoted and unquoted options include:

Options	Exercise Price per Option	Expiring on or before	Quotation
3,359,147,135	$0.003	31 October 2020	Quoted
4,200,000,000	$0.0025	2 August 2019	Unquoted
275,000,000	$0.002	31 October 2020	Unquoted

Indemnification of Officers and Auditors

During or since the financial year the Company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Group or of any related body corporate, except to the extent permitted by law, against a liability incurred as such an officer or auditor. In addition, the Group has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Director's Meetings

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or Committee member). During the financial year, 11 Board meetings meeting were held:

	Directors' Meetings	
	Eligible to attend	Attend
Mr N. Featherby	11	11
Mr N. Halliday	11	11
Mr S. Ball	4	4
Mr D. Scoggin	10	11

Remuneration report

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel (**KMP**) of the Group for the financial year ended 30 June 2018. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report, which has been audited, outlines key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its regulations.

The following persons were KMP of the Company during the financial year:

Directors:

- Mr N Featherby Executive Chairman
- Mr S Ball Non-executive Director (Resigned 30 November 2017)
- Mr D Scoggin Non-executive Director
- Mr N Halliday Non-executive Director

Executives:

- Mr K Chua (Company Secretary)

Other than the Company Secretary, there were no senior executives of the Company or the Group during or since the end of the financial year that did not hold a position as a Director of the Group.

The Company's policy for determining the remuneration of KMP is based on a number of factors including length of service, the particular experience of the individual concerned and the overall performance of the Group.

The remuneration policy has been framed with particular regard to the early stage of the Group's operations. At this stage it is not considered appropriate for base remuneration to be dependent upon an individual's performance rated against key performance indicators or the Group's performance as measured by earnings or the Company's share price.

Hedging positions over shares and options over shares or the loaning of shares and options over shares held by KMP in the Group are not permitted.

As at the date of this report the Company had a number of service agreements in place for the Directors of the Group:

Mr N. Featherby The Company entered into a Non-Executive Director Agreement with Mr Featherby who is paid $8,000 per month. Termination is a notice period of 90 days in writing.

Remuneration report (continued)

Mr N. Halliday The Company entered into a Non-Executive Director Agreement with Mr Halliday who is paid $3,000 per month. Mr Halliday may terminate the agreement by giving 30 days' notice in writing.

Mr D. Scoggin The Company entered into a Non-Executive Director Agreement with Mr Scoggin who is paid $3,000 per month. Mr Scoggin may terminate the agreement by giving 30 days' notice in writing.

Mr S. Ball The Company entered into a Non-Executive Director Agreement with Mr Ball who is paid $3,000 per month. Mr Ball resigned on 30 November 2017.

Mr K. Chua Mr Chua provides company secretarial and accounting services to the Company on behalf of Enrizen Accounting. This engagement also includes accounting services provided by Enrizen. Enrizen Accounting is paid fees of $5,000 per month for its services.

Details of remuneration

Details of the remuneration of each KMP of the Company including their personally related entities are set out in the following table.

2018	**Short-term employee benefits**		**Post-employment**		**Share-Based payment**		
Name	**Cash salary and fees $**	**Bonus $**	**Super-annuation $**	**Other Retire-ment benefits $**	**Options $**	**% of Remun-eration %**	**Total $**
Directors							
Mr N. Featherby	96,000	-	-	-	-	-	96,000
Mr N. Halliday	36,000	-	-	-	-	-	36,000
Mr D. Scoggin	36,000	-	-	-	-	-	36,000
Mr S. Ball	15,000	-	-	-	-	-	15,000
Secretary							
Mr K. Chua*	68,000	-	-	-	-	-	68,000
TOTAL	**251,000**	**-**	**-**	**-**	**-**	**-**	**251,000**

* Fees payable to Mr. K Chua were paid to Enrizen Accounting Pty Ltd in consideration of company secretarial and accounting services provided to the Group.

Remuneration report (continued)

2017	Short-term employee benefits		Post-employment		Share-Based payment		
Name	**Cash salary and fees $**	**Bonus $**	**Super-annuation $**	**Other Retire-ment benefits $**	**Options $**	**% of Remun-eration %**	**Total $**
Directors							
Mr N. Featherby	45,000	-	-	-	-	-	45,000
Mr N. Halliday	21,000	-	-	-	-	-	21,000
Mr D. Scoggin	21,000	-	-	-	-	-	21,000
Mr S. Ball	24,000	-	-	-	-	-	24,000
Mr T. Fontaine	10,000	-	-	-	-	-	10,000
Mr T. Wheeler	118,767	-	-	-	-	-	118,767
Mr R. Wheeler	22,500	-	-	-	-	-	22,500
Mr B. Montgomery	-	-	-	-	-	-	-
Secretary							
Mr M. Pitts	25,035	-	-	-	-	-	25,035
Ms B. Nichols	18,000	-	-	-	-	-	18,000
Ms E. O'Neil	60,000*	-	-	-	-	-	60,000
Mr K. Chua	5,000*	-	-	-	-	-	5,000
TOTAL	**370,302**	**-**	**-**	**-**	**-**	**-**	**370,302**

* Fees payable to Mr. K Chua were paid to Enrizen Accounting Pty Ltd in consideration of company secretarial and accounting services provided to the Group.

Remuneration report (continued)

The table below sets out summary information about the Group's earnings and movements in shareholder wealth for the five years to 30 June 2018:

	30-Jun-18 $	30-Jun-17 $	30-Jun-16 $	30-Jun-15 $	30-Jun-14 $
Revenue	691,160	29,763	356	254,183	17,768
Loss attributable to equity holders	(6,020,661)	(2,370,837)	(6,734,407)	(473,506)	(7,659,146)
Share price at start of year	0.001	0.003	0.005	0.010	0.020
Share price at end of year	0.002	0.001	0.003	0.005	0.010
Loss per share (cents)	(0.0007)	(0.001)	(0.770)	(0.060)	(0.960)

There have been no dividends paid during the period of analysis above.

Loans to Key Management Personnel

No loans have been made to KMP in their individual capacities.

Loans and accruals payable to Mr N. Featherby is $10,535, Mr S. Ball is $15,200, Mr N. Halliday is $47,000 and Mr D. Scoggin is $18,000.

Options Issued

No options have been issued to any KMP of the Group during the current financial year (2017: 52,500,000 options exercisable at $0.003 with expiry 31/10/2020 were issued to Evo Fund entity related to David Scoggin).

Remuneration report (continued)

The number of options over ordinary shares in the Company held during the financial year by each key management personnel of the company, including their related entities, are set out below.

Option holdings

30 June 2018						
Name	**Balance at the start of the year or when appointed**	**Granted during the year as remuner-ation**	**Exercised during the year**	**Expired during the year**	**Balance at the end of the year**	**Vested and exercisable at the end of the year**
Mr N. Featherby	-	-	-	-	-	-
Mr N. Halliday	-	-	-	-	-	-
Mr D. Scoggin	52,500,000	-	-	-	52,500,000	
Mr S. Ball	-	-	-	-	-	-
Mr K. Chua	-	-	-	-	-	-

30 June 2017						
Name	**Balance at the start of the year or when appointed**	**Granted during the year as remuner-ation**	**Exercised during the year**	**Expired during the year**	**Balance at the end of the year**	**Vested and exercisable at the end of the year**
Mr N. Featherby	-	-	-	-	-	-
Mr N. Halliday	-	-	-	-	-	-
Mr D. Scoggin	52,500,000	-	-	-	52,500,000	
Mr S. Ball	-	-	-	-	-	-
Mr T. Fontaine	-	-	-	-	-	-
Mr T. Wheeler	-	-	-	-	-	-
Mr R. Wheeler	-	-	-	-	-	-
Mr B. Montgomery	-	-	-	-	-	-
Mr M. Pitts	-	-	-	-	-	-
Ms B. Nichols	-	-	-	-	-	-
Ms E. O’Neil	-	-	-	-	-	-
Mr K. Chua	-	-	-	-	-	-

Remuneration report (continued)

Shareholdings

The numbers of shares in the Company held during the financial year by each KMP of the Company, including their related entities, are set out below:

30-Jun-18						
Name	**Balance at the start of the year**	**Balance when commenced**	**Received during the year on the exercise of options**	**Other changes during the year**	**Balance at end of employment**	**Balance at the end of the year**
Mr N. Featherby	-	-	-	-	-	-
Mr N. Halliday	10,000,000			5,000,000		15,000,000
Mr D. Scoggin	114,574,889	104,574,889		5,000,000		119,574,889
Mr S. Ball	10,000,000			50,000,000	60,000,000	-
Mr K. Chua	-	-	-	25,000,000	-	25,000,000

30-Jun-17						
Name	**Balance at the start of the year**	**Balance when commenced**	**Received during the year on the exercise of options**	**Other changes during the year**	**Balance at end of employment**	**Balance at the end of the year**
Mr N. Featherby	-	-	-	-	-	-
Mr N. Halliday	-	-	-	10,000,000	-	10,000,000
Mr D. Scoggin	-	104,574,889	-	10,000,000	-	114,574,889
Mr S. Ball	-	-	-	10,000,000	-	10,000,000
Mr T. Fontaine	113,425,190	-	-	372,190,540	(485,615,730)	-
Mr R. Wheeler	84,960,933	-	-	-	(84,960,933)	-
Mr T. Wheeler	69,051,842	-	-	-	(69,051,842)	-
Mr M. Pitts	-	-	-	-	-	-
Ms B. Nichols	-	-	-	-	-	-
Ms E. O’Neil	-	-	-	-	-	-
Mr K. Chua	-	-	-	-	-	-

Remuneration report (continued)

Other transactions with Directors

A number of Directors, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or joint control, for transactions other than services as director, were as follows:

a) Ochre Group Holdings Limited (OGH) has common directors with the Group, being Nathan Featherby and Saxon Ball. OGH has 100,000,000 shares in the Group with a value of $165,000 at cost and loan receivable of $105,879 (2017: $99,917). Prepayments of $120,000 related to OGH. The Group also paid advisory and rental fees to OGH $895,614 for the period. The loan is secured and attracts interest of 10% p.a. and repayable on demand.

- End of Remuneration Report -

Shares Issued on the Exercise of Options

25,000,000 ordinary shares of the Company were issued at $0.002 per share during the year ended 30 June 2018 on the exercise of 25,000,000 unquoted options issued at $0.002 per option.

Non-Audit Services

No non-audit services were provided during the year by the auditor.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 29 of the financial report.

This report is made in accordance with a resolution of the Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the Directors

Mr Nathan Featherby
Executive Chairman

Crowe Horwath Sydney
ABN 97 895 683 573
Member Crowe Horwath International

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12 December 2018

The Board of Directors
Raven Energy Limited
Level 11, 52 Phillip Street
Sydney NSW 2000

Dear Board Members

Raven Energy Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Raven Energy Limited.

As lead audit partner for the audit of the financial report of Raven Energy Limited for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

CROWE HORWATH SYDNEY

L Russell

LEAH RUSSELL
Senior Partner

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated Year ended 30-Jun-18 $	Year ended 30-Jun-17 $
Interest revenue		28,535	29,763
Other Revenue		550,000	
Cost of Sales - Botswana tenements		(937,545)	
Gains on sales of assets		112,625	(12,169)
Fair value increment		13,925	
Accounting fees		(68,000)	(108,035)
Administration expenses		(269,332)	(515,414)
Audit fees		(50,210)	(70,790)
Consulting fees		(1,231,014)	(1,076,670)
Directors fees		(183,000)	(304,267)
Insurances		(19,926)	(19,511)
Marketing expenses		(229,608)	-
Travel expenses		(223,669)	(254,299)
Interest expense		(58,276)	(3,082)
Impairment of financial assets		(40,574)	(36,364)
Impairment of exploration assets	11	(3,414,592)	-
Loss before income tax expense		**(6,020,661)**	**(2,370,837)**
Income tax expense		-	-
Net loss for the period		**(6,020,661)**	**(2,370,837)**
Other comprehensive income			
Item that may be subsequently classified to profit and loss:			
Exchange differences on translation of foreign operations		76,331	388,763
Total other comprehensive (loss) / income for the period		76,331	388,763
Total comprehensive loss for the period		**(5,944,330)**	**(1,982,074)**
		Cents per share	**Cents per share**
Loss per share			
Basic loss per share	16	(0.0007)	(0.0001)
Diluted loss per share	16	(0.0007)	(0.0001)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	Consolidated	
		30-Jun-18	30-Jun-17
		$	$
Current assets			
Cash and cash equivalents	25	2,381	60,814
Receivables	7	332,896	789,140
Financial assets - held for sales	8	238,272	313,636
Prepayments	9	129,071	732,501
Total current assets		**702,621**	**1,896,091**
Non-current assets			
Exploration and evaluation assets	11	7,899,600	4,298,662
Total non-current assets		**7,899,600**	**4,298,662**
Total assets		**8,602,221**	**6,194,753**
Current liabilities			
Payables	12	2,596,635	655,383
Borrowings	13	75,931	41,173
Total current liabilities		**2,672,566**	**696,556**
Non-current liabilities			
Borrowings	13	1,396,282	-
Total non-current liabilities		**1,396,282**	**-**
Total liabilities		**4,068,848**	**696,556**
Net assets		**4,533,373**	**5,498,198**
Equity			
Issued capital	14	40,550,910	35,571,405
Reserves	15	332,985	256,654
Accumulated losses		(36,350,522)	(30,329,861)
Total equity		**4,533,373**	**5,498,198**

The accompanying notes form part of these financial statements.

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

	Consolidated			
	Share capital	**Accumulated losses**	**Foreign Currency Translation Reserve**	**Total**
	$	**$**	**$**	**$**
Balance at 1 July 2016	31,000,999	(27,959,024)	(132,109)	2,909,866
				-
Comprehensive income for period				-
Loss for the period	-	(2,370,837)	-	(2,370,837)
Translation of foreign subsidiaries	-	-	388,763	388,763
Total comprehensive loss for the period	-	(2,370,837)	388,763	(1,982,074)
Transactions with owners, in their capacity as owners				
Share issue (net of costs)	4,570,406	-	-	4,570,406
Total transactions with owners, in their capacity as owners	4,570,406	-	-	4,570,406
Balance at 30 June 2017	**35,571,405**	**(30,329,861)**	**256,654**	**5,498,198**
Balance at 1 July 2017	35,571,405	(30,329,861)	256,654	5,498,198
Comprehensive income for period				
Loss for the period	-	(6,020,661)	-	(6,020,661)
Translation of foreign subsidiaries	-	-	76,331	76,331
Total comprehensive loss for the period	-	(6,020,661)	76,331	(5,944,330)
Transactions with owners, in their capacity as owners				
Share issue (net of costs)	4,979,505	-	-	4,979,505
Total transactions with owners, in their capacity as owners	4,979,505	-	-	4,979,505
Balance at 30 June 2018	**40,550,910**	**(36,350,522)**	**332,985**	**4,533,373**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2018

	Note	Consolidated Year ended 30-Jun-18 $	Year ended 30-Jun-17 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,246,637)	(2,833,911)
Interest received		28,535	29,763
Interest expenses		(95)	(15,250)
Net cash used in operating activities	25	**(1,218,197)**	**(2,819,398)**
Cash flows from investing activities			
Proceeds from sale of PPE		566,261	-
Purchase of equity instruments		(404,922)	(931,842)
Exploration expenditure		(5,434,071)	(212,946)
Proceeds from sale of tenements		350,000	-
Net cash used in investing activities		**(4,922,732)**	**(1,144,788)**
Cash flows from financing activities			
Proceeds from share issue		5,170,574	5,188,802
Payments for share issue costs		(512,502)	(618,395)
Loans from/to related parties		24,424	(89,594)
Loans from/to non-related parties		1,350,000	(460,026)
Proceeds from loans		50,000	-
Net cash provided by financing activities		**6,082,495**	**4,020,786**
(Decrease) / increase in cash and cash equivalents		**(58,434)**	**56,600**
Cash and cash equivalents at the beginning of the period		60,814	4,216
Cash and cash equivalents at the end of the period	25	**2,381**	**60,816**

The accompanying notes form part of these financial statements.

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

NOTE 1: GENERAL INFORMATION

Raven Energy Limited (the "Company") is a public company incorporated in Australia and operating in Australia, Botswana and the USA. The Company listed on the Australian Securities Exchange trading under the symbol 'REL' and listed on the Botswana Stock Exchange trading under the symbol 'RAVEN'.

The financial statements comprise the consolidated financial statements for the Group, consisting of Raven Energy Limited and its subsidiaries. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

NOTE 2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

The Directors have commenced a review of all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2018. As a result of this review the Directors expect that there is no material impact, of the new and revised Standards and Interpretations on the Group but this will be confirmed in future reporting periods.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements were authorised for issue by the Directors on 12 December 2018.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS) and the *Corporations Act 2001*. Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation

These financial statements have been prepared on an accruals basis and based on historic costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. Historical costs is based on the fair values of the consideration given in exchange for goods and services. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report and have been consistently applied to all of the years presented, unless otherwise stated:

a. Going concern

The Directors have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As at 30 June 2018 the Group has $2,381 in cash and net current liabilities of $1,969,945. For the year then ended, the Group expended net cash from operations of $1,218,197 and net cash from investing activities of $4,922,732.

The Group will need to continue to raise additional funds to meet its ongoing obligations and subject to the results of its ongoing exploration activities, expand or accelerate its work programs. The Group's capacity to raise additional funds via equity issues will be impacted by the success of ongoing exploration activities. The Group may consider securing additional funds through a capital raising via preferential issues to existing shareholders (pro rata offers and/or share purchase plans), placements to new and existing investors or through the realisation of assets. The Directors have instituted cost saving measures to further reduce corporate and administrative costs.

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Going concern (continued)

The Directors will continue to closely monitor operations to ensure the momentum of transformation and growth can be maintained but within available resources. The Group enjoys the support of its Directors and major shareholders and Chairman. The Directors believe that the Group will be able to raise sufficient equity funds to enable operations to continue.

The Directors have reviewed the Group's overall position and, in light of those matters mentioned above, are confident of securing funds if and when necessary to meet the Group's exploration and development plans and obligations as and when they fall due, and consider the adoption of the going concern basis to be appropriate in the preparation of this financial report. However, in the event that the Group is unsuccessful in raising sufficient funding, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

b. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company and its subsidiaries (referred to as 'the Group' in these financial statements).

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability in its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes do one or more of the three elements listed above.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Basis of consolidation (continued)

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

c. Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Business combinations (continued)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- Liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 Share-based Payment; and
- Assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Revenue

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e. Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

g. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.
Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Foreign currency translation

Both the functional and presentation currency of the Company is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currency of the foreign operations, Nata Energy (Pty) Ltd and Baobab Resources (Pty) Ltd, is Pula (BWP) and for Nata Energy (Mauritius) Inc, and Gasfields LLC is US Dollars (US$).

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of the Company at the rate of exchange ruling at the balance date and their statements of comprehensive income are translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the statement of comprehensive income

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is an arrangement where the parties have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised on the consolidated statement of financial position and adjusted thereafter to recognised the Groups' share of the profit or loss in other comprehensive income of the associate if joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in associate or joint venture, the Group discontinues to recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Investment in associates and joint ventures (continued)

The requirements of AASB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associate or joint venture. When necessary, the entire carrying amount if the investment (including goodwill) is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceased to be an associate or a joint venture, or when the investment is classified as held for sale. When the group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 139. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities., the Group reclassified the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l. Investment in associates and joint ventures (continued)

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassified to profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and loss resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

k. Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interests a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with AASBs applicable to the particular assets, liabilities, revenues and expenses.

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Interests in joint operations (continued)

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

NOTE 4: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Exploration and evaluation

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable “area of interest”. An area of interest may be determined by reference to one or more interest, lease or licence holdings, by geological association or by economic association or dependency.

Exploration and evaluation costs are fully capitalised as incurred so long as the rights to tenure of the area of interest are current and the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operation in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Capitalised exploration costs are reviewed each reporting date to determine whether an indication of impairment exists. For each exploration licence, this would involve consideration of an extensive field evaluation that has yielded no expected results. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any).

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

NOTE 4: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Exploration and evaluation (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Accumulated costs (net of any impairment losses) in relation to an abandoned exploration area are written off in full against profit in the year in which the decision to abandon the area is made.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance will be classified to development. At this point in time the Group does not have any assets in the development stage.

In the application of the Group's accounting policies, which are described above, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTE 4: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Exploration and evaluation (continued)

(a) Impairment of exploration assets

Determining the recoverability of exploration and evaluation expenditure capitalised in accordance with the Group's accounting policy, requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. Critical to this assessment is estimates and assumptions as to reserves, the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information about the presence or recoverability of on ore reserve becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after having capitalised the expenditure, a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the income statement. The carrying amounts of exploration and evaluation assets are set out in note 11.

(b) Deferred tax assets

The application of accounting judgments is established in the Group's approach to the recognition of deferred tax assets arising from operating losses. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

NOTE 5: SEGMENT NOTE

The Board has determined that the Group has two reportable segments, being mineral exploration and evaluation in Botswana and the Sacramento Basin in California.

As the Group is focused on mineral exploration and evaluation, the Board monitors the Group based on actual versus budgeted exploration and evaluation expenditure incurred.

This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration and evaluation activities, while also taking into consideration the results of exploration and development work that has been performed to date.

30-Jun-18	Exploration Botswana	Tulainyo Project	Total Segments	Corporate	Consolidated
	$	$	$	$	$
Segment revenue	550,000	-	550,000	155,085	705,085
Segment result	(3,802,137)	-	(3,802,137)	(2,218,524)	(6,020,661)
Segment assets	200,000	7,842,283	8,042,283	559,938	8,602,221
Segment liabilities	(79,069)	(1,911,389)	(1,990,458)	(2,078,390)	(4,068,848)

30-Jun-17	Exploration Botswana	Tulainyo Project	Total Segments	Corporate	Consolidated
	$	$	$	$	$
Segment revenue	-	-	-	29,763	29,763
Segment result	(34,909)	(70,000)	(104,909)	(2,265,928)	(2,370,837)
			-		-
Segment assets	4,298,662	581,842	4,880,504	1,314,249	6,194,754
Capital expenditure	85,726	-	85,726	-	85,726
			-		-
Segment liabilities	(130,921)	-	(130,921)	(565,634)	(696,555)

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

NOTE 6: INCOME TAX EXPENSE

The expense for the year can be reconciled to the accounting profit as follows:

	2018 $	2017 $
Loss from continuing operations:	(6,020,661)	(2,370,837)
Income tax benefit using the Company's domestic tax rate of 27.5%	(1,655,682)	(651,980)
Effect of tax rates in foreign jurisdictions	50,776	3,090
Effect of impairment expense	11,158	10,000
Movement of deferred tax assets	(118,403)	(227,195)
Effect of unused tax losses and temporary differences not recognised as deferred tax assets	1,712,151	866,085
Total tax benefit relating to continuing operations	**-**	**-**

The effective tax rate used for the reconciliations of income tax expense and deferred tax is the corporate tax rate payable by on taxable profits under applicable tax law from each jurisdiction that the Group operates in.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable income for the year. Taxable income differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

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

NOTE 6: INCOME TAX EXPENSE (CONTINUED)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

This benefit for tax losses will only be recognised if:

(a) It is probable that the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
(b) The Group continues to comply with the conditions for deductibility imposed by tax legislation; and
(c) No changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

At the current stage, the Group is unable to ascertain whether the condition as set in part (a) will eventuate and hence no deferred tax asset is recognised as a result.

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

NOTE 7: RECEIVABLES

	2018 $	2017 $
CURRENT		
Other receivables	212,221	1,523
Input tax credits receivable	14,796	105,858
Receivables - Ochre Group Holdings Limited	105,879	99,917
Receivable - Tulainyo Project	-	581,842
TOTAL	**332,896**	**789,140**

Other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business and $200,000 from the sale of Botswana tenements received in July 2018. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

The receivable of $105,879 from Ochre Group Holdings Limited has interest at 10%. It is secured over Ochre Group Holding Limited's share portfolio in listed companies.

NOTE 8: INVESTMENTS

	2018 $	2017 $
Current		
Financial assets at fair value – held for sale		
Opening fair value	313,636	-
Additions in year	405,232	350,000
Proceeds	(566,571)	-
Gain on disposal	112,625	-
Fair value gain	13,925	-
Fair value diminution	(40,574)	(36,364)
Shares in quoted entities at fair value	**238,272**	**313,636**

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

NOTE 8: INVESTMENTS (CONTINUED)

Investments are initially measured at fair value. Transaction costs are expensed in the profit and loss. They are subsequently measured at fair value as they have been classified as held for trade. Fair value movements are recognised in profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

NOTE 9: PREPAYMENTS

	2018 $	2017 $
Current		
Prepayments	129,071	732,501
TOTAL	**129,071**	**732,501**

The prepayment includes $120,000 paid to Ochre Group Holdings Limited for monthly service fees.

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

NOTE 10: PROPERTY, PLANT & EQUIPMENT

	2018 $	2017 $
Cost	54,330	54,330
Accumulated depreciation	(54,330)	(54,330)
TOTAL	**-**	**-**

NOTE 11: EXPLORATION & EVALUATION ASSETS

	2018 $	2017 $
NON-CURRENT		
Balance at start of year	4,298,662	4,085,715
Expenditure incurred during the year	57,316	85,726
Acquisition of Tulainyo project	7,842,283	-
Cost of Sold tenement	(937,545)	-
Foreign exchange adjustments	53,476	146,009
Less: impairment of exploration and evaluation assets	(3,414,592)	(18,878)
Balance at end of year	**7,899,600**	**4,298,662**

Recoverability of the carrying amount of exploration assets is dependent upon the successful exploration and/or sale of resources (refer to note 4(a)).

The Directors' assessment of the carrying amount for the Group's exploration and evaluation expenditure was after consideration of AASB6 which amends impairment as the Botswana assets that remain unsold have been amended at Nil on the basis of the current potential only being a potential royalty stream that is not measurable.

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

NOTE 12: PAYABLES

	2018 $	2017 $
CURRENT		
Trade payables and other accruals	1,296,635	655,383
Other payables	1,300,000	-
TOTAL	**2,596,635**	**655,383**

The other payables relate to the combination of Share and Cash Considerations totalling $1,300,000 that are payable to purchase all of Bombora's shares in Gasfields.

NOTE 13: BORROWINGS

	2018 $	2017 $
CURRENT		
Loans - unrelated party	75,931	37,173
Loans – related party (N. Featherby)	-	4,000
	75,931	**41,173**
NON-CURRENT		
Convertible notes	1,396,282	-
	1,396,282	**-**
TOTAL	**1,472,213**	**41,173**

Prior year's related party loan was repaid through the payment of director fees. Unrelated party loans include an unsecured loan of $45,856 that has interest at 2% per month.

The convertible notes have a maturity date of 31 October 2020, interest rate of 10% paid six monthly.

NOTE 14: ISSUED CAPITAL

	2018 $	2017 $
9,691,196,993 (2017: 5,544,080,114) fully paid ordinary shares	40,550,910	35,571,405

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

NOTE 14: ISSUED CAPITAL (CONTINUED)

a. ORDINARY SHARES	2018 No.	2018 $	2017 No.	2017 $
At the beginning of reporting period	5,544,080,114	35,571,405	882,375,705	31,000,999
Rights Issue at 0.1 cent/share			1,738,751,410	1,738,751
Placement at 0.1 cent/share			100,000,000	100,000
Approved issue to creditors at 0.2 cent/share			303,812,115	607,624
Placement at 0.1 cent / share			750,734,807	750,735
Placement at 0.1 cent / share			960,265,193	960,265
Approved issue to KMP at 0.15 cent/share			85,000,000	127,500
Placement at 0.125 cent/share	3,371,259,116	4,214,074	723,140,884	903,926
Exercise unquoted options at 0.12 cent/share	25,000,000	50,000		
Placement at 0.15 cent / share	448,333,334	672,500		
Placement at 0.175 cent / share	228,571,429	400,000		
Nov 17 AGM at 0.2 cent/share	73,953,000	147,906		
Less: Share issue cost		(504,975)	-	(618,395)
As at 30 June	**9,691,196,993**	**40,550,910**	**5,544,080,114**	**35,571,405**

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

b. SHARE OPTIONS - Listed	Number of Options	
	2018	2017
At the beginning of reporting period	1,969,875,700	-
Share options issued	1,389,271,429	1,969,875,706
Share options expired	-	-
Share options cancellation	-	-
As at 30 June	**3,359,147,129**	**1,969,875,700**

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

NOTE 14: ISSUED CAPITAL (CONTINUED)

c. SHARE OPTIONS - Unquoted	Number of Options	
	2018	2017
At the beginning of reporting period	300,000,000	-
Share options issued	4,200,000,000	300,000,000
Share options exercised	(25,000,000)	-
Share options cancellation	-	-
As at 30 June	**4,475,000,000**	**300,000,000**

NOTE 15: RESERVES

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

NOTE 16: LOSS PER SHARE

	2018 $	2017 $
Basic loss per share		
From continuing operations	(0.0007)	(0.001)
Diluted loss per share		
From continuing operations	(0.0007)	(0.001)
Loss used to calculate earnings per share		.
From continuing operations	(6,020,661)	(2,370,837)
	2018 No.	**2017 No.**
Weighted average number of ordinary shares outstanding during the period used in calculating basic loss per share	9,136,468,473	3,032,735,793

The dilutive loss per share is the same as the basic loss per share as the Group is in a loss position.

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

NOTE 17: DIVIDENDS

There have been no dividends paid or proposed during the current financial year.

NOTE 18: COMMITMENTS

In order to maintain current rights of tenure to exploration tenements the Company is required to perform minimum exploration.

These obligations are not provided for in the financial report:

At balance date there were no other commitments not otherwise disclosed in these accounts.

Commitments	**2018** **$**	**2017** **$**
Gas properties		
Not longer than 1 year	805,029	1,335,878
Longer than 1 year and not longer than 5 years	-	1,145,038
Longer than 5 years	-	-
Operating leases	-	-
Not longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	-	-
TOTAL	**805,029**	**2,480,916**

NOTE 19: CONTINGENT ASSETS & LIABILITIES

The Company has a 3.5% overriding royalty interest over the Serowe Region Licences net to the Company's 25% interest.

At balance date there were no other contingent assets and liabilities not otherwise disclosed in these accounts.

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

NOTE 20: SUBSIDIARIES

	Country of Incorporation	Percentage Owned (%)*	
		2018	**2017**
Controlled entities consolidated:			
Parent Entity:			
Raven Energy Limited	Australia		
Subsidiaries of Raven Energy Limited:			
Gasfields LLC	Australia	100	0
Ormil Operations Pty Limited	Australia	100	100
Sydney Basin CBM Pty Ltd	Australia	100	100
Ulalume Pty Ltd	Australia	100	100
Energy Botswana Pty Ltd	Australia	100	100
Nata Energy (Mauritius) Inc	Mauritius	100	100
Nata Energy (Pty) Ltd	Botswana	100	100
Baobab Resources (Pty) Ltd	Botswana	100	100
Gasco International Ltd	Mauritius	100	100
Rhino CBM (Pty) Ltd	Botswana	0	25
** Percentage of voting power is in proportion to ownership*			

NOTE 21: FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximizing the return to stakeholders through holding cash only to the extent necessary to meet Group commitments and its immediate exploration program. The Group's overall capital strategy remains unchanged from 2017.

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

NOTE 21: FINANCIAL INSTRUMENTS

(a) Capital risk management (CONTINUED)

The capital structure of the Group consists of cash and cash equivalents, and equity attributable to equity holders of the parent comprising issued capital and accumulated respectively. The Group operates in Australia, Botswana and the USA, and none of the Group's entities are subject to externally imposed capital requirements going forward.

(b) Categories of financial instruments

	2018 $	2017 $
Financial assets		
Cash and cash equivalents	2,381	60,814
Receivables	332,896	789,140
Financial assets - held for sales	238,272	313,636
Financial liabilities		
Payables	(2,596,635)	(655,383)
Borrowings	(1,472,213)	(41,173)

The carrying amount reflected above represents the Company's and the Group's maximum exposure to credit risk for other loans and receivables.

(c) Financial risk management objectives

The Board monitors and manages financial risks relating to the operations of the Group on an individual case basis. These risks include market risk (includes interest rate risk), credit risk, liquidity risk and currency risk. The Group does not use derivatives to manage its exposure nor trade instruments for speculative purposes.

(d) Market risk

The Group's current activities do not expose it to significant market risk.

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

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

(e) Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group attempts to deal with only creditworthy counterparties and obtain sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

(f) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who are informed of current cash burn and all liquidity issues at each board meeting. The Group manages liquidity by continuously monitoring forecast and actual cash flows against cash held.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity profile for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows based on the earliest date on which the Group will receive/pay the funds. Note that the following tables exclude the commitments identified and disclosed in note 19.

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

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2018	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	3 months to 1 year $	Total $
Cash - variable interest rate	0.01%	2,381	-	-	2,381
Receivable - interest bearing	10.00%	105,879	-	-	105,879
Receivable – not interest bearing	-	227,015	-	-	227,015
Financial assets - held for sales	-	238,272	-	-	238,272
		573,549	-	-	573,549
Payables – not interest bearing	-	2,596,635	-	-	2,596,635
Borrowings – variable interest rate	10%	1,396,282	-	-	1,396,282
Loans	2%	75,931	-	-	75,931
		4,068,848	-	-	4,068,848

30 June 2017	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	3 months to 1 year $	Total $
Cash - variable interest rate	0.01%	60,814	-	-	60,814
Receivable - interest bearing	10.00%	99,917	-	-	99,917
Receivable – not interest bearing		689,223	-	-	689,223
Financial assets - held for sales		313,636	-	-	313,636
		1,163,590	-	-	1,163,590
Payables – not interest bearing	-	655,383	-	-	655,383
Borrowings – variable interest rate	10.00%	41,173	-	-	41,173
		696,556	-	-	696,556

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

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

Sensitivity analysis

An increase or decrease in the interest rates at 30 June would have affected the financial instruments in cash, receivables and payables and increased or decreased equity and profit and loss by the amounts shown below. This analysis is based on interest rates movements that the Group considered to be reasonable at the end of the reporting period. The analysis assumes all other variables, in particular foreign exchange rates, remain constant. The analysis for 2018 is performed on the same basis.

30-Jun-18	Equity		Profit or loss	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
Variable rate instruments	-	-	(13,500)	13,500

30-Jun-17	Equity		Profit or loss	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
Variable rate instruments	-	-	(4,858)	4,858

(g) Currency risk

The Group is exposed to currency risk on purchases and cash balances that are denominated in a currency other than the respective functional currencies of Group entities; which are Australian Dollar (AUD), US Dollar (USD) or Botswana Pula (BWP). The currencies which these transactions primarily are denominated are AUD and USD.

The Group has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency.

The Group's investments in subsidiaries are not hedged as those currency positions are considered to be long term in nature.

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

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

(g) Currency risk (continued)

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk at balance date was as follows:

30 Jun 2018	PULA:AUD	USD:AUD
Cash and cash equivalent	-	
Trade payables	(19,319)	(25,460)
Net statement of financial position exposure	(19,319)	(25,460)

30 Jun 2017	PULA:AUD	USD:AUD
Cash and cash equivalent	-	2,353
Trade payables	(69,308)	(19,841)
Net statement of financial position exposure	(69,308)	(17,488)

The following significant exchange rates applied during the year:

30 Jun 2018	Average rate	Reporting date spot rate
PULA:AUD	7.67	7.59
USD:AUD	0.78	0.74

30 Jun 2017	Average rate	Reporting date spot rate
PULA:AUD	7.84	7.86
USD:AUD	0.75	0.77

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

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

(g) Currency risk (continued)

Sensitivity analysis
A strengthening or weakening of the AUD at 30 June 2018 by 2% would have affected the measurement of financial instruments denominated in a foreign currency and increased or decreased equity, profit and loss by less than $1,000. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonable at the end of the reporting period. The analysis assumes all other variables, in particular interest rates, remain constant. The analysis for 2017 is performed on the same basis.

(h) Net Fair values of financial assets and liabilities

The carrying amounts of financial assets and liabilities as disclosed in the statement of financial position equate to their estimated net fair value.

NOTE 22: SHARE BASED PAYMENTS

Options to purchase shares have been issued in prior years to Directors, and to KMP of the Group as approved by the Board of Directors and General Meetings of Shareholders. Each share option converts into one ordinary share of Raven Energy Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights.

None expired or lapsed during the financial year (2017: Nil)

25,000,000 unquoted options have been exercised during the financial year. (2017: Nil).

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

NOTE 23: RELATED PARTY TRANSACTIONS

Key management personnel compensation

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Key Management Person	Position	
N. Featherby	Executive Chairman	(Appointed 29 September 2016)
S. Ball	Non-executive Director	(Appointed 3 November 2016 and resigned 30 November 2017)
D. Scoggin	Non-executive Director	(Appointed 19 December 2016)
N. Halliday	Non-executive Director	(Appointed 19 December 2016)
K. Chua	Company Secretary	(Appointed 22 May 2017)

The aggregate compensation made to Directors and other members of key management personnel of the company and Group is set out below:

	2018 $	2017 $
Short-term employee benefits	251,000	370,302
Post-employment benefits	-	-
TOTAL	**251,000**	**370,302**

Loans to Key Management Personnel

No loans were made to Directors of Raven Energy Limited, including their personally-related entities.

Accruals payable to directors for director fees are:

	Accruals	Trade creditors	Total
Mr N. Featherby	10,535	-	10,535
Mr N. Halliday	24,000	23,000	47,000
Mr D. Scoggin	18,000	-	18,000
Mr S. Ball	12,000	-	12,000
	64,535	**23,000**	**87,535**

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

NOTE 23: RELATED PARTY TRANSACTIONS (CONTINUED)

Other transactions with Key Management Personnel

A number of Directors, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or joint control, for transactions other than services as director, were as follows:

a) Ochre Group Holdings Limited (OGH) has common directors with the Group, being Nathan Featherby and Saxon Ball. OGH has 100,000,000 shares in the Group with a value of $165,000 at cost and loan receivable of $105,879 (2017: $99,917). Prepayments of $120,000 related to OGH. The Group also paid advisory and rental fees to OGH of $864,916 for the period. The loan is secured and attracts interest of 10% p.a. and repayable on demand.

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

NOTE 24: AUDITORS' REMUNERATION

	2018 $	2017 $
Remuneration of the auditor of the parent entity for:		
Auditing or reviewing the financial reports for the current year	50,000	50,000

NOTE 25: CASH AND CASH EQUIVALENTS

	2018 $	2017 $
Cash at bank and on hand	2,381	60,814
Cash at call	-	-
TOTAL	**2,381**	**60,814**

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

NOTE 25: CASH AND CASH EQUIVALENTS

Reconciliation of loss for the period to net cash flows from operating activities

	2018 $	2017 $
Loss for the year	(6,020,661)	(2,370,837)
ADJUSTMENTS FOR NON CASH ITEMS		
- Depreciation expense	-	-
- Loss of security deposit	-	-
- Impairment	3,455,166	36,364
- Fair value increment	(13,925)	-
- Cost of Sales - Botswana Tenements	937,545	-
- Gain on sale of assets	(112,625)	-
- Share based payments	263,906	-
CHANGES IN WORKING CAPITAL		
- Proceeds from exploration activities	(350,000)	-
- (Increase)/Decrease in receivables and prepayments	483,795	(798,047)
- Increase in payables & borrowings	138,601	313,122
Net cash from operating activities	(1,218,197)	(2,819,398)

NOTE 26: PARENT ENTITY DISCLOSURES

Financial Position	2018 $	2017 $
Assets		
Current Assets	638,949	1,886,296
Non-Current Assets	7,489,262	1,076,489
Total Assets	8,128,211	2,962,786
Liabilities		
Current Liabilities	3,618,619	607,406
Non-Current Liabilities	-	-
Total Liabilities	3,618,619	607,406
Net Assets	4,509,592	2,355,379
Equity		
Issued Capital	40,550,910	35,571,405
Retained Earnings	(36,041,318)	(33,216,025)
Total Equity	4,509,592	2,355,379

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

NOTE 26: PARENT ENTITY DISCLOSURES

Financial Performance	**2018** **$**	**2017** **$**
Loss for the year	(2,708,437)	(2,337,047)
Other Comprehensive Income	-	-
Total Comprehensive Loss	(2,708,437)	(2,337,047)

NOTE 27: ACQUISITION OF GASFIEDS LLC

Term of the Acquisition

On 28 June 2018 the Company executed a binding share sale and purchase agreement (**SPA**) with Bombora to acquire Bombora's 40% shareholding in Gasfields, 60% of which is currently owned by the Company (**Transaction**). As a result of the Transaction, Gasfields became a wholly owned subsidiary of the Company.

Under the SPA, the Company has agreed to purchase all of Bombora's shares in Gasfields on the following terms and conditions:

(a) The Company will pay to Bombora (or its nominee):

(i) A$25,000 payable within fifteen (15) business days of the execution of the SPA;

(ii) A$275,000 payable within seven (7) days of Raven raising by debt or equity at least $1,000,000 (**Cash Consideration Condition**); and

NOTE 27: ACQUISITION OF GASFIEDS LLC (CONTINUED)

(iii) 555,555,555 ordinary fully paid shares in the Company at an issue price of A$0.0018 per share (**Share Consideration**). The Share Consideration will be payable within fourteen (14) days of Raven obtaining any required ASX or regulatory approval, including from its shareholders (if necessary) to issue the shares to Bombora or its nominee (**Share Consideration Condition**). In the event, there is no requirement to satisfy the Share Consideration Condition, the Share Consideration must be issued to Bombora or its nominee with fourteen days of completion. Bombora and the Company have agreed that the Share Consideration will be restricted securities and will be voluntary escrowed for a period of twelve (12) months from the date of issue (On 6 August 2018, the Company issued 555,555,555 ordinary fully paid shares in the Company to Bombora in order to satisfy the consideration element of the Transaction),

(Collectively, **Consideration**).

(b) The Company will also pay to Bombora:

(i) A$500,000 if within 3 years of completion, the Tulainyo Joint Venture determines that the flow of gas to the surface as part of the Tulainyo Project, is economic to connect into a gas trunkline. The SPA does not define economic, but if the Joint Venture elects to connect to a trunkline it would mean that a sufficient quantity of gas is present to do so;

(ii) A$5,000,000 if within 3 years of completion and based on the SPE PRMS standard it is determined by a suitably qualified expert (**Expert**) that the Tulainyo Project contains a reserve of at least 500 billion cubic feet of gas gross to the Tulainyo Project; and

(iii) A$10,000,000 if within 3 years of completion and based on the SPE PRMS standard it is determined by an Expert that the Tulainyo Project contains reserve of at least 1 trillion cubic feet of gas gross to the Tulainyo Project. If any payments have been made under b(ii) above, those payments will be deducted from the A$10,000,000 payable,

(Collectively, **Deferred Consideration**).

NOTE 27: ACQUISITION OF GASFIEDS LLC (CONTINUED)

Note 1. Suitable qualified expert is not defined in the SPA, but "suitably qualified" would mean someone with appropriate oil and gas experience and capability. Any determination of such a person, as stated in the SPA, has to be to SPE PRMS standard.

(c) The Company must use its best to satisfy as soon as possible the Cash Consideration Condition and Share Consideration Condition (if applicable). If the Cash Consideration is not satisfied within six (6) months of completion or such longer period as Bombora allows, payment referred to in (a)(ii) must be made within twelve (12) months of completion and interest at a rate of ten percent (10%) per annum shall be payable on that sum.

(d) If the Share Consideration is not satisfied within six (6) months of completion or such longer period as Bombora allows, the Company must pay Bombora the sum of $1,000,000 in lieu of Share Consideration, upon written demand of Bombora.

(e) The parties acknowledge and agree that if Raven is in default of any obligations under the agreement, Bombora's sole remedy for that default is in a claim for money and not any claim for the return of the Bombora Shares.

Completion of the Transaction occurred concurrently with signing of the SPA on 28 June 2018 (**Completion**). However, the Company and Bombora have agreed pursuant to the SPA, that any obligation and in particular the Consideration and Deferred Consideration obligations that have not already been performed will remain in full force after Completion.

Name of acquiree:	Acquisition date	% of voting equity interest acquired
Gasfields LLC	28/06/2018	100%

The assessment of whether an acquisition meets the definition of a business or whether assets are acquired is an area of management judgement. It requires judgements by management to determine whether the acquired property is substantially undeveloped or developed with significant production; associated processes are included in the acquired operation; exploration and evaluation costs have to be incurred after the acquisition to establish economic viability of the acquired property; development costs have to be incurred to bring the property into a producing status; and whether staff and equipment have been acquired.

NOTE 27: ACQUISITION OF GASFIEDS LLC (CONTINUED)

On acquisition of Gasfields LLC, management determined the transaction to be an asset acquisition based on a detailed assessment and is recorded as an asset on the acquisition date.

NOTE 28: EVENTS AFTER THE REPORTING DATE

Following the end of the financial year, the following events have taken place in respect of the Company:

Tulainyo Gas Project Overruns

Subsequent to the reporting period, on 3 September 2018 the Company announced that Bombora received a claim from the operator of the Tulainyo Gas Project California Resources Production Corporation (**Operator**), claiming that:

(i) Gasfields has failed to provide the required completion funds for costs allegedly incurred by the Operator in the drilling of the Tulainyo 2-7 gas appraisal well;
(ii) the sum allegedly owed by Gasfields has now increased to US$1,738,273; and
(iii) as Bombora has guaranteed the obligations of Gasfields in the original Farmin Agreement between Gasfields, Bombora and Cirque Resources LP of 21 March 2017, the Operator would look to Bombora to make that payment in the event that Gasfields failed to pay it,

(Collectively, the **Claims**).

On 30 November 2018, the Company announced that following discussion with the Operator, it has reached an agreement for full settlement of the Final Well Costs. The Operator and Raven have agreed the following:

- Upon completion of the Company's proposed Capital Raising, Raven will immediately provide payment of US$1,000,000 (**Cash Consideration**) to the Operator. Upon receipt of the Cash Consideration, Raven shall be assigned 6% interest in the South Block in the Tulainyo Gas Project and any associated South Block leases.

NOTE 28: EVENTS AFTER THE REPORTING DATE (CONTINUED)

- Raven shall be assigned a further 4% interest in the South Block of the Tulainyo Gas Project upon Operator receiving the balance of the Final Well Costs after first deducting the Cash Consideration (**Balance Payment**). The Balance Payment will result in full and final settlement of the Claims made by the Operator.

The terms of the settlement above will be subject to a formally legally binding agreement and will include terms that are customary in agreements of this nature.

The Cash Consideration will be paid from the proceeds of the Company's proposed placement to sophisticated, wholesale and professional investors via the issuance of up to 2,000,000,000 new fully paid ordinary shares in the Company at an issue price of $0.001 per Share (**Placement**). The Placement was approved following shareholder approval at the extraordinary general meeting dated 30 November 2018.

Raven has entered into a Confidentiality Agreement (**CA**) with California Resources Production Corporation (**Operator**) to provide access to proprietary data and interpretations and evaluate investment in various projects in Northern Sacramento Basin (**Sacramento Basin Projects**).

Acquisition of XGas LLC

Subsequent to the reporting period on 17 July 2018 Raven announced that it had elected to exercise its option to extend the End Date by 45 days and subsequently paid the Extension Deposit to Xstate.

Furthermore, on 17 August 2018, the Company announced that Raven and XState agreed to vary the LOI by entering into a deed of variation (**Deed**). Under the Deed the terms of the LOI have been amended as follows:

- Raven has agreed to pay Xstate an additional non-refundable extension payment of US$20,000 (**Second Extension Deposit**) payable on 31 August 2018. In consideration for payment of the Second Extension Deposit, Xstate has agreed to extend the end date of the Acquisition to 31 October 2018, unless extended by written agreement between the parties (**End Date**). The Second Extension Deposit will reduce the final payment of cash consideration payable on completion of the Acquisition by $US20,000. The balance of US$410,000 (total US$500,000) is due and payable on completion of the Acquisition which must occur before the End Date.

NOTE 28: EVENTS AFTER THE REPORTING DATE (CONTINUED)

- The share consideration element of the Acquisition has been amended whereby Raven shall issue Xstate the value of A$500,000 in fully paid ordinary shares in Raven at a deemed issue price of $A0.0018 per Share (**Shares**) subject to a 12 month voluntary escrow (**Share Consideration**) payable as follows:

  (iii) The issue of 138,888,889 Shares to Xstate representing 50% of the Share Consideration payable on execution of the Deed (**Tranche 1 Shares**); and

  (iv) The issue of 138,888,889 Shares to Xstate representing the remaining 50% of the Share Consideration payable on Completion being no later than the End Date.

All other terms and conditions of the Acquisition pursuant to the LOI remain unchanged and continue to apply. The parties also agreed that should the Acquisition not complete, the Second Extension Deposit, Tranche 1 Shares issued to Xstate and any other prior payments made to Xstate as part of the Acquisition are non-refundable and will be forfeited by Raven.

On 17 August 2018, the Company issued the Tranche 1 Shares to Xstate.

On 1 November 2018, the Company announced that Raven received a notice of termination from Xstate terminating the Acquisition for not making the settlement payment of approximately US$410,000 or issue the second tranche of A$250,000 of shares by the close of business on 31 October 2018 (**Termination**). As a result of the Termination Xstate will retain the non-refundable payments of approximately US$88,500 paid by Raven and the 138,888,889 shares issued.

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

NOTE 28: EVENTS AFTER THE REPORTING DATE (CONTINUED)

Acquisition of Bombora Natural Energy

Subsequent to the reporting period on 1 November 2018, the Company announced that it had executed a binding share sale and purchase agreement (**SPA**) with Pancontinental to acquire its wholly owned subsidiary, Bombora Natural Energy Pty Ltd (**Bombora**) (**Bombora Acquisition**). As a result of the Bombora Acquisition, Bombora Natural Energy became a wholly owned subsidiary of the Company. Bombora in particular holds a 10% working interest in the Dempsey Gas Project and leased interests in associated follow up prospects, including the Anzus Prospect that are located in the Sacramento Basin, California.

Under the Sale and Purchase Agreement, the Company has agreed to purchase all of the issued capital in Bombora Natural Energy Pty Ltd from Pancontinental on the following terms and conditions:

(a) The Company will issue to Pancontinental Oil & Gas NL as consideration for the Bombora Acquisition, 295,000,000 fully paid ordinary shares in the Company (**Shares**) at a deemed issue price of $0.0018 per Share (**Consideration**). The Consideration will be issued in the following manner:

  (i) 267,806, 533 Shares within 5 business days of execution of the SPA, being the completion date (**Completion)** from existing share capacity 7.1**;** and
  (ii) 27,193,467 fully paid shares in the capital of Raven within sixty (60) days of Completion subject to shareholder approval,

the Consideration will be subject to a 6-month voluntary escrow.

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

NOTE 28: EVENTS AFTER THE REPORTING DATE (CONTINUED)

(b) Pancontinental Oil & Gas NL agrees to participate in the Company's proposed placement to raise up to $2,000,000 (**Capital Raising**) and will subscribe for 160,000,000 Shares at a deemed issue price of $0.001. The Company must use its best endeavours to complete the Capital Raising by 31 December 2018 subject to shareholder approval.

(c) Upon Completion of the Bombora Acquisition, Raven's obligations set out below will be owed to its wholly owned subsidiary, Bombora and not to a subsidiary of Pancontinental Oil & Gas NL:

(i) The Company's obligation to pay $325,000.00 cash consideration as contemplated within clause 3.1.1 and 3.1.2 (**Gasfields Cash Consideration**) of the Sale and Purchase Agreement entered into between Raven and Bombora on 28 June 2018 relating to Bombora's sale to Raven of Gasfields LLC (**Gasfields SPA**); and

(ii) Raven's obligation to pay up to a total of A$15,500,000.00 deferred cash consideration in the event of a number of project milestones being achieved as contemplated within clause 3.1.4, 3.1.5 and 3.1.6 of the Gasfields SPA (**Gasfields Deferred Consideration**).

Note: The Company notes that the acquisition of Gasfield LLC has been completed and that Gasfield LLC is a wholly subsidiary of Raven.

Completion of the Bombora Acquisition shall take place within 5 business days of execution of the SPA.

<u>Divestment of Remaining Botswana Assets</u>

On 3 August 2018, the Company announced that it had entered into a non-binding agreement to divest itself of its remaining assets in Botswana.

Following the sale of the Company's Serowe Basin prospecting licences to Strata-X Australia Pty Ltd (see Company announcement of 6 March 2018), the Company retained its non-core, central Kalahari Karoo basin prospecting licences PL 644/2009 and PL 645/2009 (**Kalahari Licences**).

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

NOTE 28: EVENTS AFTER THE REPORTING DATE (CONTINUED)

The Kalahari Licences are the remaining licences the Company holds as part of its Coal Bed Methane Project in Botswana. The Kalahari Licenses make up part of the Northern Coal Bed Methane Project with an area of 1,132km^2. The Kalahari Licences are strategically placed in the Kalahari Karoo basin which is in the early stages of field development with significant exploration programmes being conducted by neighbouring global energy companies. The Company does not currently have a planned exploration program for them.

During recent months, the Company has conducted negotiations with prospective purchasers surrounding the potential divestment which have now culminated in the execution of a non-binding agreement with Acumen Diamonds (Proprietary) Limited (**Acumen**), pursuant to which Acumen will acquire the Kalahari Licences from Raven in exchange for a 1.5% net royalty over the Kalahari Licences (**Botswana Transaction**).

The Botswana Transaction will be subject to the parties entering into a legal binding sale and purchase agreement and the execution of a royalty deed (**Agreements**). The Agreements will contain conditions and clauses customary for transactions of this nature and otherwise to be agreed between the parties.

The Transaction is subject to the following conditions precedent:

- Raven ensuring that the Kalahari Licences are in good standing, including all rents, fees, rates and other payments being paid up to the date of completion.

- Acumen undertaking to, for the duration of the royalty agreement relating to the Kalahari Licences:

    - observe the legislative provisions relating to the Kalahari Licences, including lodging all required reports, paying all fees, rents, rates and other royalties and taxes relating to them;
    - making best endeavours to renew and extend each of the Kalahari Licences as and when they become due for renewal and extension in accordance with the relevant laws;
    - not permit the creation of any encumbrance, or sell or assign or deal with or dispose of the whole or any part of its interest in the Kalahari Licences, without Raven's consent.

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

NOTE 28: EVENTS AFTER THE REPORTING DATE (CONTINUED)

- The execution of a royalty deed.
- Each party obtaining any approvals as required to give effect to the Botswana Transaction.

Appointment of Upstream Adviser

Subsequent to the reporting period on 19 September 2018, the Company confirmed the appointment of Mr Iain Smith as the Company's independent Upstream Oil & Gas Advisor. Mr Smith will assist the Company with technical review and evaluation of a number of North American energy projects and provide advice in relation to the Company's North American energy strategy.

Mr Smith has over 29 years' experience in the upstream oil and gas industry, initially in technical positions before moving into commercial and executive management roles. He has broad international and domestic experience with diverse roles including wellsite operations, new ventures, and management of a junior exploration company.

Mr Smith's previous positions include New Ventures Explorationist with Premier Oil Plc, Commercial Advisor with Woodside Energy Ltd and Commercial Manager with Neon Energy Ltd. While at Neon Energy, Mr Smith gained valuable experience in the Californian oil and gas industry, overseeing numerous commercial transactions and multiple joint ventures before ultimately managing the divestment of Neon's California assets in 2015.

Mr Smith holds a Bachelor of Science (Hons) degree from the University of Liverpool in Geophysics with Geology, a Master of Science in Petroleum Geology with Geophysics from Imperial College, and a Graduate Diploma in Business Administration from the University of Western Australia.

Capital Raising

On 26 October 2018, the Company announced that it would undertake a placement to sophisticated and wholesale investors to raise up to $2 million via the issue of up to 2,000,000,000 shares at a price of $0.001 (**Placement**). The issue of shares under the Placement will be subject to shareholder approval. Raven's Executive Chairman, Mr Nathan Featherby and/or nominees has agreed to provide a firm and irrevocable commitment to participate for no less than AUD$500,000 in the Placement, subject to shareholder approval.

DIRECTOR'S DECLARATION

1. In the opinion of the Directors of Raven Energy Limited (the 'Company'):

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year then ended; and
      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

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

Mr Nathan Featherby
Executive Chairman

12 December 2018

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Raven Energy Limited

Independent Auditor's Report to the Members of Raven Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Raven Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then 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:

(a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended;
(b) 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3(a) in the financial report, which indicates that the Group expended net cash from operations and net cash from investing activities during the year ended 30 June 2018 and, as of that date, the Group's current liabilities exceeded its current assets. As stated in Note 3(a), these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Crowe Horwath™

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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How we addressed the Key Audit Matter
Recognition of Capitalised Exploration and Evaluation Expenditure **Refer to Note 11 'Exploration and Evaluation Expenditure'**	
The capitalised exploration expenditure of the Group represents the most significant item on the consolidated statement of financial position and involves judgement. We focused on this area as a key audit matter due to the judgements that are applied when considering costs to be capitalised. The consideration includes determining expenditures directly related to the exploration activities and allocating overheads between costs that are expensed and costs that are capitalised.	Our procedures included, amongst others: ▪ Reviewed management's accounting policy and ensured that it is in line with AASB 6 *Exploration and Evaluation of Mineral Resources*. ▪ Evaluated the directors' process regarding the capitalisation and recognition of exploration and evaluation expenditure. ▪ Selected a sample of exploration expenditure capitalised for the year. We assessed the existence, valuation and allocation of the expenditure by agreeing the original invoice to the general ledger, agreeing the project reference and ensuring capitalisation was in line with AASB 6 and the Group's accounting policy.
Consideration of Impairment for Capitalised Exploration and Evaluation Expenditure **Refer to Note 11 'Exploration and Evaluation Expenditure'**	
Exploration assets must also be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The Group shall then present and disclose any resulting impairment loss in accordance with AASB 136 *Impairment of Assets.* The impairment consideration is highly dependent on the following key factors: ▪ Detailed knowledge of the individual tenements held and status of operations and exploration activities in the specified area. ▪ Viability of the tenements and how this is affected by any changes such as industry	We challenged the directors' assumptions that support their position on impairment for exploration and evaluation expenditure as follows: ▪ Reviewed the provided budgets and drilling programs and assessed whether they cover the committed expenditure before the expiry date. ▪ Assessed the Group's capacity to fund future committed exploration expenditure. ▪ Obtained the Resource Authority Public Report to verify the Group's ownership interest of each of the tenements to which the exploration expenditure relates and to ensure appropriate disclosures were made in the notes to the financial report.

Key Audit Matter	How we addressed the Key Audit Matter
impacts, geography of project, committed expenditure and tenement expiry date. The directors perform regular (every six months) assessments of the outstanding balance of exploration cost capitalised. This assessment is based on activities that had occurred between assessment dates. We focused on this area as a key audit matter due to the high degree of estimation and judgement required by the directors to assess whether impairment is required for the specified tenements held and the high value of the capitalised deferred exploration expenditure.	
Acquisition of Gasfields LLC **Refer to Note 27**	
When a company is acquired management are required to assess whether the acquisition is an asset acquisition or a business acquisition. Management assessed that the acquisition was an asset acquisition. Judgement was required for considering consideration paid, given that contracts included deferred consideration.	Our procedures included obtaining support for the following assumptions; ▪ Accounting treatment ▪ Acquisition date ▪ Assessment of inputs, processes and outputs required for the determination of an asset acquisition. ▪ Fair value of assets acquired ▪ Fair value of consideration paid

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the 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 ability of the Group 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 the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 27 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Raven Energy Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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 conducted in accordance with Australian Auditing Standards.

CROWE HORWATH SYDNEY

L Russell

LEAH RUSSELL
Senior Partner

Dated at Sydney this 12th day of December 2018

Additional Securities Information

Information regarding share holdings is current as at 12 December 2018.

Ordinary Shareholders

The total number of shares on issue is **10,653,447,970.** (555,555,555 shares subject to voluntary escrow until 7 August 2019, 138,888,889 shares subject to voluntary escrow until 17 August 2019 and 267,806,533 shares subject to escrow until 1 May 2019).
The total number of shareholders is 2,304.
Each fully paid ordinary share entitles the holder to one vote at general meetings of shareholders and is entitled to dividends when declared.
As of 12 December 2018, 328 shareholders hold less than a marketable parcel.

Twenty largest holders of ordinary shares

Holder Name	Shareholding	%
BOMBORA NATURAL ENERGY PTY LTD	555,555,555	5.215%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	407,388,888	3.824%
WATERBEACH INVESTMENTS PTY LTD	386,688,969	3.630%
AVATAR ENERGY PTY LTD	369,178,064	3.465%
DJ CARMICHAEL PTY LTD	342,918,630	3.219%
ZERO NOMINEES PTY LTD	274,285,714	2.575%
PANCONTINENTAL OIL & GAS NL	267,806,533	2.514%
JEMAYA PTY LTD <THE FEATHERBY FAMILY A/C>	200,000,000	1.877%
TWO TOPS PTY LTD	200,000,000	1.877%
LTL CAPITAL PTY LTD	162,991,000	1.530%
CITICORP NOMINEES PTY LIMITED	144,550,174	1.357%
XSTATE RESOURCES LIMITED	138,888,889	1.304%
PARETO NOMINEES PTY LTD <THE DAMELLE A/C>	134,838,970	1.266%
BNP PARIBAS NOMINEES PTY LTD <LDN UK BCH DRP A/C>	119,574,889	1.122%
TEXAS GOLD PTY LTD <TEXAS GOLD SUPER FUND A/C>	118,500,000	1.112%
OCHRE GROUP HOLDINGS LIMITED	100,000,000	0.939%
GREENBUCK GLOBAL PTY LTD <GBG FUND A/C>	100,000,000	0.939%
BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	99,590,000	0.935%
REC (WA) PTY LTD <THE RYEM A/C>	90,000,000	0.845%
MR LEO FONTAINE & MRS MARY-ANN FONTAINE	82,882,686	0.778%
Total	**4,295,638,961**	**40.322%**

Substantial Shareholders

Name	No. of ordinary shares held
Bombora Natural Energy Pty Ltd	555,555,555

Distribution of ordinary shareholders

Category of shareholding	Number of Shareholders
1-1,000	27
1,001-5,000	24
5,001-10,000	61
10,001-100,000	146
100,001-9,999,999,999	2,046
Total	**2,304**

Corporate Governance Statement

Approved by the Board and dated 12 December 2018

The Company has adopted the 3rd Edition of the Recommendations and guidelines as promulgated by the ASX Corporate Governance Council. This statement outlines the main Corporate Governance practices that were in place throughout the financial year, unless otherwise stated.

Role of the Board of Directors (The "Board")

The Directors' are responsible for the direction and supervision of the Company's business and for its overall corporate governance. This includes ensuring that internal controls and reporting procedures are adequate and effective. The Directors' recognise the need to maintain the highest standards of behaviour, ethics and accountability. During the year responsibility for the management of the day-to-day operations and administration is delegated to the Managing Director and responsibility for corporate actions is delegated to the Executive Chairman and Company Secretary.

The primary functions of the Board include:

- Formulating and approving objectives, strategies and long-term plans for the Company's continued development and operation;
- Monitoring the implementation of these objectives, strategies and long-term plans to ensure the Company, to the best of its ability, delivers shareholder value;
- Approval of capital expenditure;
- Monitoring the Company's overall performance and financial results, including adopting annual budgets and approving the Company's financial statements;
- The management of the treasury function of the Company and approving capital management decisions;
- Ensuring that adequate systems of internal control exist and are appropriately monitored for compliance;
- Selecting and reviewing the performance of the Executive Chairman;
- Ensuring significant business risks are identified and appropriately managed;
- Ensuring that the Company meets the statutory, regulatory and reporting requirements of the ASX and requirements under the Corporations Act; and
- Reporting to shareholders on performance.

The Board currently consists of an Executive Chairman and two Non-Executive Directors. The term of Directors' appointments is governed by the Company's Constitution. At least one third in number of the Directors, other than Executive Chairman, must retire and seek re-election at each Annual General Meeting of the Company. In addition, all Directors appointed to the Board during the year must stand for election at the next Annual General Meeting of the Company.

From time to time, the Board may determine to establish specific purpose sub-committees to deal with specific issues.

Composition of the Board

The Directors of the Company in office at the date of this statement and details of their skills and experience are detailed in the Directors' Report.

The composition of the Board is determined in accordance with the constitution.
There are three members of the Board of Directors with a majority of Non-Executive Directors. Mr N Halliday and Mr D Scoggin are considered Independent Directors of the Company, according to the definitions by the Australian Securities Exchange Corporate Governance Council ("Council").

The Board comprises Directors with a broad range of expertise both nationally and internationally.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to the Board duties and physical ability to undertake Board duties and responsibilities.

Independent Professional Advice

Each Director has the right to seek independent professional advice in the furtherance of their duties as directors at the Company's expense. However, prior approval of the Chairman is required.

All Directors are able to access members of the management team at any time to request information on the activities of the Company.

Board Performance

The Company does not have a formal process for the evaluation of the performance of the Board. The Chairman assesses the performance of the Board, individual directors and key executives on an informal basis.

Audit Committee

The Board does not have a separate audit committee. Given the size and composition of the Board and the nature of the Company's activities, the Board performs the role of the audit committee. In carrying out this function, the Board fulfils the following responsibilities when it convenes as the audit committee:

- Assess the appropriateness of accounting policies, practices and disclosures and whether the quality of financial reporting is adequate;
- Ensure that the appropriate accounting policies and procedures are implemented;
- Review the scope and results of external and compliance audits and the adequacy and quality of the audits;
- Maintain open lines of communication between the Board and external auditors;
- Reviewing proposed annual reports and financial statements, and the half-yearly financial reports;
- Assess the adequacy of the Company's internal controls and whether they are of a sufficiently high standard to provide timely and accurate information for the proper management of the business;
- Make informed decisions regarding compliance policies, practices and disclosures;
- Assist in monitoring and controlling the financial aspects of the Company's business risks; and
- Nominate the external auditors.

Remuneration and Nominee Committee

The Board does not have a separate remuneration and nominee committee. Given the size and composition of the Board and the nature of the Company's activities, the Board performs the role of the remuneration and nominee committee. In carrying out this function, the Board fulfils the following responsibilities when it convenes as the remuneration and nominee committee:

- considering the terms and conditions of remuneration for each director (with that director abstaining from such discussions);
- reviewing the composition of the Board to ensure it comprises an appropriate mix of skills and experience and, if appropriate, proposing suitable nominees as Directors to the Board; and
- reviewing general employment policies.

The Committee will assess the performance and recommend the remuneration of the Executive Chairman.

Code of Ethics

The Company recognises the need for every Director, officer, employee, agent, sub-contractor and consultant of the Company to observe the highest standards of behaviour and business ethics. All are expected to act in accordance with the law and with the highest standard of propriety. The Company has a formal Code of Conduct as per Recommendation 3.1. This code outlines how Directors and employees of the Company and its related bodies corporate are to behave when conducting business. A full copy of this Code of Conduct is available on the Company's website.

All Directors and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Disclosure of Information

Continuous Disclosure to ASX

The continuous disclosure policy requires all executives and Directors to inform the Executive Chairman of any potentially material information as soon as practicable after they become aware of that information.

Information is material if it is likely that the information would influence investors who commonly acquire securities on ASX in deciding whether to buy, sell or hold the Company's securities.

The Executive Chairman is responsible for interpreting and monitoring the Company's disclosure policy and where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX.

The Company has a formal Continuous Disclosure Policy, a full copy of which is available on the Company's website.

The Role of Shareholders

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

The annual report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document). The Board ensures that the annual report includes relevant information about the operations of the group during the year, changes in the state of affairs of the group and details of future development, in addition to the other disclosures required by the *Corporations Act 2001*.

Half-year financial reports, prepared in accordance with the requirements of Accounting Standards and the *Corporations Act 2001*, are lodged with the Australian Securities and Investment Commission and the Australian Securities Exchange. The half-year financial reports are sent to any shareholder who requests them and quarterly reports are submitted to the Australian Securities Exchange under the requirements of the ASX relating to mining companies.

There is also an email address and contact number on the Company's website available to shareholders who have enquiries or are seeking further information. Investors may contact the Company by email at info@magnumgasandpower.com or via telephone at +61 2 8316 3994.

Role of auditor

The *Corporations Act 2001* requires the auditor to attend the Annual General Meeting and to be available to answer shareholders questions about the conduct of the audit and the preparation and content of the auditor's report. The external auditor attends the Company's AGM and is available to answer questions from security holders relevant to the audit.

Risk Management

The Board is responsible for the oversight of the Group's risk management and control framework. Responsibility for control and risk management is delegated to the Executive Chairman who has ultimate responsibility to the Board for the risk management and control framework of the Group.

Integrity of Financial Reporting

The Company's Executive Chairman and Company Secretary who is acting as Chief Financial Officer have reported in writing to the Board that:

- The consolidated financial statements of the Company and its entities for the half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- The above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- The Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

Remuneration Arrangements

The Board remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities. The Board believes that the best way to achieve this is to provide executives or consultants with a remuneration package consisting of fixed components and incentives that reflect the person's responsibilities, duties and personal performance.

The remuneration of Non-Executive Directors is determined by the Board as a whole having regard to the level of fees paid to Non-Executive Directors by other companies of similar size in the industry.

The amount payable to the Company's Non-Executive Directors must not exceed the maximum annual amount approved by the Company's shareholders of $160,000.

Information on the role of the board when convening as remuneration & nomination committee is contained in a separate heading within this Corporate Governance Statement.

Interests of Other Stakeholders

The Company's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for the Company to achieve.

The table below summarises the status of the Company's compliance with each of the recommendations contained in the 3rd Edition of the ASX Principles and Recommendations, and discloses reasons for non-compliance where necessary.

ASX Principles and Recommendations		Status
1	**Lay solid foundations for management and oversight**	
1.1	Companies should establish and disclose the respective roles and responsibilities of Board and management and those matters expressly reserved to the Board and those delegated to Management.	Compliant. The role of the Board, delegations of authority, and powers of the Board have been formalised in the Board Charter, and have been disclosed on the Company website and in the Corporate Governance Statement.
1.2	A listed entity should: • Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director. • Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director	Compliant. The Board will ensure that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the persons suitability for serving on the Board of the Company and which would be relevant to a decision on whether or not to elect or re-elect a Director.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment	Compliant. The Company currently has implemented services agreements with each director.
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	Compliant. The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

1.5	A listed entity should: • 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 • Disclose that policy or a summary of it • Disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board, and the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including a definition of 'senior executive')	Non-Compliant. Whilst the Board has not implemented a formal Diversity Policy due to the size of the Company it believes that promotion of diversity in senior management and within the Company is generally good practice. The Board has not set measurable objectives for achieving gender diversity at this time. The Company has no female employees or members of the Board. As the Company increases in size the Board will review its practices and implement formal diversity policies as appropriate to its activities.
1.6	A listed entity should: • Have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors • Disclose in relation to each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process	Non-Compliant. The Company does not have a formal process for the evaluation of the performance of the Board and as such does not comply with Recommendation 1.6 of the Corporate Governance Council. The Chairman assesses the performance of the Board, individual directors and key executives on an informal basis.

1.7	A listed entity should: • Have and disclose a process for periodically evaluating the performance of its senior executives • Disclose in relation to each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process	Non-compliant The Company does not have a formal process for the evaluation of the performance of the senior executives. The Chairman assesses the performance of the Board, individual directors and key executives on an informal basis.
2	**Structure the Board to add value**	
2.1	The Board of a listed entity should: • Have a nomination committee which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance • 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 balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively	Non-Compliant. The Board has considered the need for a nomination committee and believes that the Company is not of a size to justify the establishment of a separate committee. At this stage it is believed more appropriate for such responsibilities to be met by the full Board rather than a separate committee.

2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership	Non-Compliant. The Company has not prepared a formal skills matrix for the Board. However, the Board believe that the skills of the current Board are sufficient for the Company in its present stage of development. The Company will consider reviewing the Board composition in response to any actual or proposed changes in the Company's activities or operations.
2.3	A listed entity should disclose: • The names of the directors considered by the Board to be independent directors • If a director has an interest, position, association or relationship of the type described in Box 2.3 (independence guidelines) but the Board is of the opinion that it does not compromise the independence of the director, the nature of the relationship and an explanation of why the Board is of that opinion • The length of service of each director	Compliant. 1) Nathan Featherby, Executive Chairman, has been a director of the Company for 2 years and 2 months (since September 2016), and is not considered an independent director. 2) Nicholas Halliday, non-executive director, has been a director of the Company for 1 year and 11 months (since December 2016) and is considered an independent director. 3) David Scoggin, non-executive director, has been a director of the Company for 1 year and 11 months (since December 2016) and is considered an independent director.
2.4	A majority of the Board of a listed entity should be independent directors	Compliant. The Board currently comprises three directors, two of whom are independent. The Board considers that its composition is appropriate at the current time.

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	Non-Compliant. Due to the size and nature of the Company's operations, the Company does not have an independent Chairman. Mr Nathan Featherby, the Company's Chairman, is an executive director and is accordingly not considered an Independent Director.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively	Non-Compliant. The Company does not have a formal program for inducting new directors, due to the size of its board. However, it does provide new directors with access to professional development if required and it does provide a director's agreement to director's which describes the expectations and responsibilities that will come with the role.
3	**Act ethically and responsibly**	
3.1	A listed entity should: • Have a code of conduct for its directors, senior executives and employees, and • Disclose that code or a summary of it	Compliant. The Company has a Code of Conduct for its directors, senior executives and employees. The Code of Conduct can be found on the Company's website.
4	**Safeguard integrity in corporate reporting**	

4.1	The Board of a listed entity should: • Have an audit committee which has at least 3 members (all of whom are non-executive directors and a majority independent), be chaired by an independent director who is not Chair of the Board, disclose the committee charter, the relevant qualifications and experience of the members of the committee, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance • If it does not have an audit committee disclose that fact and the processes it employs that independent verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner	Non-Compliant. Due to the size and nature of the Board itself, the Board does not have a separate audit committee. The audit committee does not have a formal charter however its roles and responsibilities are outlined above, along with its composition, and structure. Minutes of meetings are kept within the Board's minutes. There is also no formal reporting mechanism between the Audit Committee and Board due to the duplication of membership and the detailed report tabled by the auditor who attends the Board meeting by invitation.
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	Compliant. The Board receives a declaration form the Executive Chairman and Company Secretary before approving the financial statements.

4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit	Compliant. The Company ensures that the engagement audit partner, or their representative, attends the AGM. The Company will enable security holders to ask questions relevant to the audit at, or ahead of, its AGM.
5	**Make timely and balanced disclosure**	
5.1	A listed entity should: • Have a written policy for complying with its continuous disclosure obligations and the listing rules, and • Disclose that policy or a summary of it	Compliant. The Company's policies and procedures for compliance with the ASX Listing Rule disclosure requirements are included in the Company's Continuous Disclosure Policy and Procedure document on the Company website.
6	**Respect the rights of security holders**	
6.1	A listed entity should provide information about itself and its governance to investors via its website	Compliant. The Company provides information about itself and its governance to investors via its website. Investors are able to contact the Company by phone or email.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors	Non-Compliant. The Company does not have an investor relations program in place, due to the size and nature of the Company's operations. Investors are able to contact the Company by phone or email.
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	Non-Compliant. The Company does not have a formal policy in place, however it does encourage shareholder participation at all general meetings.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically	Compliant. The Company encourages electronic communications.
7	**Recognise and manage risk**	

7.1	The Board of a listed entity should: • Have a committee, or committees, to oversee risk, each of which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance • If it does not have a risk committee, or committees that satisfy the above requirements, disclose that fact and the processes it employs for overseeing the entity's risk management framework	Non-Compliant. The Company does not have a separate risk committee, due to the size and nature of its operations. The Company works with skilled technical advisors in relation to its operations who assist with ensuring that risks relating to activities are adequately managed and prevented. The Board is responsible for managing material business risks and is very mindful of the operating risks in the localities in which it works. To the extent the Company's operations expand or increase in size, the Board will review the policies for risk management.
7.2	The Board, or committee, of the Board should: • Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, and • Disclose in relation to each reporting period whether such a review has taken place	Non-Compliant. The Board has not undertaken a formal review of material business risks in the current financial year due to the variation throughout the year in the Company's activities.
7.3	A listed entity should disclose: • If it has an internal audit function, how the function is structured and what role it performs, or • 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	Compliant. The Company does not have an internal audit function. The Board oversees risk management and is moving to establish an appropriate strategy and framework. The processes adopted to date have been appropriate for the Company's size.

7.4	A listed entity should disclose whether it has any material exposure and social sustainability risks, and if it does, how it manages or intends to manage those risks	Non-Compliant. Policies on risk oversight and management have not been implemented. The Board is of the view that once full field operations are re commenced the potential for material exposure to social sustainability risks will increase.
8	**Remunerate fairly and responsibly** Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear	
8.1	The Board of a listed entity should: • Have a remuneration committee which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance • 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	Non-Compliant. The Company does not have a separate Remuneration Committee. The Board has considered the need for a remuneration committee, and believes that the Company is not of a size to justify the establishment of a separate committee. The responsibilities in this area are being met by the full Board.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives	Compliant. The Company's remuneration report, which is published in the Annual Report, provides information regarding remuneration policy and also sets out the specific remuneration of directors and other senior executives.

8.3	A listed entity which has an equity based remuneration scheme should: • Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk and participation in the scheme, and • Disclose that policy or a summary of it	Compliant. The Company does not have an Equity based remuneration scheme, however it specifically prohibits directors and executives of the Company from entering into arrangements for the purpose of limiting the economic risk of any securities which are held. Refer to the Company Securities Trading Policy available on the website.