

Thursday, 13 December 2018

ASX Code: OEQ

MARKET ANNOUNCEMENT

Net Tangible Asset Backing – 30 November 2018

Month Ending:	% Change	30 November 2018 Consolidated	31 October 2018 Consolidated
Net tangible assets (NTA) (before tax)		\$3.604m	\$3.791m
Pre-Tax NTA Backing per share	-4.92%	\$0.2303	\$0.2422
Net tangible assets (after tax)		\$3.604m	\$3.791m
Post-Tax NTA Backing per share	-4.92%	\$0.2303	\$0.2422
Based on total issued share capital		15,649,228	15,649,228

The NTA position comprises the following items:

Net Tangible Assets	Current Month \$'millions	Previous Month \$'millions
Investment in listed Associated Entity:		
(a) Shares in Bentley Capital Limited (BEL)	1.011	1.098
Investments in other listed securities:		
(a) Shares in Strike Resources Limited (SRK)	0.550	0.570
Investment in property (held for development/resale)	1.220	1.220
Net cash/receivables/payables/other assets/provisions	0.823	0.903
Pre-Tax NTA	3.604	3.791
Tax Provisions:		
(a) Prior year tax	-	-
(b) Current year tax	-	-
(c) Net deferred tax asset / (liability)	-	-
Post-Tax NTA	3.604	3.791


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Notes:

- (1) The Company's investment in BEL, an Associated Entity (i.e. in which the Company has a greater than 20% interest), is accounted for under the equity method in the consolidated financial statements. Under the equity method, the carrying amount of such investment is cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial year to month end as provided to the Company by such Associated Entity. Refer also Note 23 (Investments in Associates) on pages 42 and 43 of the Company's 2018 Annual Report for further details in this regard.

Accordingly, as at 30 November 2018, the Company's 20,513,783 shares (26.95% interest) (31 October 2018: 20,513,783 shares and 26.95%) in BEL have a carrying value of \$0.0493 per share (\$1.011m); this compares with BEL's last bid price on ASX of \$0.095 per share (\$1.949m) and BEL's after-tax NTA backing of \$0.1121 per share (\$2.3m), as at month end.

- (2) The fair value of investments in ASX-listed Strike Resources Limited (**SRK**) comprise 10,000,000 shares (31 October 2018: 10,000,000 shares) with a value of \$0.055 per share (based on the closing bid price as at 31 October 2018) (31 October 2018: \$0.057).
- (3) The fair value of investments in other listed securities is based on each security's last bid price on market at month end.
- (4) Units invested in the managed fund are valued at the audited unit price published by the investment manager, as at month end – the unit price reflects the net asset backing of the fund; there is no buy/sell spread price; there is no recognition of realisation costs as there are no exit fees charged on redemption of units.
- (5) Investment in property (held for resale) was valued by an independent qualified valuer (a Certified Valuer and Associate Member of the Australian Property Institute) as at 9 June 2017. Refer also Note 12 (Property held for Resale) on page 35 of the Company's 2018 Annual Report for further details in this regard.
- (6) Tax Provision Item (c) includes where applicable, a provision for income tax on net unrealised gains on the Company's investments in securities and its share of Associated Entities' after-tax net profit for the month (deferred tax liability) and the recognition of future income tax benefits on net unrealised losses on the Company's investments in securities and its share of Associated Entities' after-tax net loss for the month (deferred tax asset). Refer also Note 5 (Tax) on pages 27 to 29 of the Company's 2018 Annual Report for further details in this regard.