

# **ENEABBA GAS LIMITED**

**A.B.N. 69 107 385 884**

**APPENDIX 4D**

**AND**

**HALF YEAR FINANCIAL REPORT**

**31 DECEMBER 2014**

**ENEABBA GAS LIMITED – HALF-YEAR REPORT**

**Appendix 4D**

Eneabba Gas Limited and Controlled Entities

**ABN 69 107 385 884**

**Half Year ended 31 December 2014 - Additional Disclosures**

**1. Reporting periods**

Half year ended (‘Current period’)	Half year ended (‘Previous corresponding period’)
31 December 2014	31 December 2013

**2. Results for announcement to the market**

				\$A'000
Revenues from ordinary activities	Down	8%	to	38
Profit / (loss) from ordinary activities after tax attributable to members	Down	247%	to	(177)
Profit / (loss) for the period attributable to members	Down	247%	to	(177)

**Brief explanation of above figures** – Revenues dropped in the current period due to lower interest income.

The operating result for the Company was lower due to increased expenditure on the evaluation of additional power and energy projects, including the Ocean Hill Gas Project, and a research and development tax offset being recognised in the prior period.

**Dividends** - There were no dividends declared or paid during the period and the directors do not recommend that any dividend be paid.

**3. Net tangible asset backing**

	Current period	Previous corresponding period
Net tangible asset backing / (deficiency) per ordinary security	1.68 cents / share	3.45 cents / share

## ENEABBA GAS LIMITED – HALF-YEAR REPORT

### 4. Controlled Entities

There were no controlled entities gained or lost during the period.

### 5. Dividends or Distributions

Nil.

### 6. Dividend or Distribution Reinvestment Plans

N/A.

### 7. Material interests in entities which are not controlled entities

N/A.

### 8. Foreign Entities

N/A.

### 9. Independent Review Report

Refer to the Independent Review Report on page 18 and page 19 of the attached Financial Report for the half year ended 31 December 2014.

### 10. Compliance statement

This report should be read in conjunction with the attached Half Year Financial Report for the half year ended 31 December 2014.

Sign here:



Date: 20<sup>th</sup> February 2015

Print name:

Brett Tucker



# **ENEABBA GAS LIMITED**

ABN 69 107 385 884

**INTERIM FINANCIAL REPORT**  
**for the half year ended 31 December 2014**

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

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This financial report covers Eneabba Gas Limited ("Eneabba" or the "Company") as a Group consisting of Eneabba Gas Limited and its subsidiaries, collectively referred to as the "Group". The financial report is presented in Australian currency.

Eneabba Gas Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Eneabba Gas Limited  
Ground Floor  
16 Ord Street  
West Perth WA 6005

The Company has the power to amend and reissue the financial report.

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**CORPORATE INFORMATION**

**Directors:**

Morgan Barron  
*Non-Executive Director*

Thomas Goh  
*Non-Executive Director*

Greg Allen  
*Non-Executive Director*

**Company Secretary:**

Brett Tucker

**Auditors:**

HLB Mann Judd  
Level 4, 130 Stirling Street  
PERTH WA 6000

**Bankers:**

Westpac Banking Corporation  
109 St Georges Terrace  
PERTH WA 6000

**Registered & Principal Office:**

Ground Floor  
16 Ord Street  
WEST PERTH WA 6005  
Telephone: + 618 9321 0555  
Facsimile: + 618 9482 0505  
Email: [info@eneabbagas.com.au](mailto:info@eneabbagas.com.au)  
Website: [www.eneabbagas.com.au](http://www.eneabbagas.com.au)

**Postal Address:**

P.O. Box 902  
WEST PERTH WA 6872

**Home Securities Exchange:**

Australian Securities Exchange Limited  
Level 8, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

**ASX Code:**

ENB (Ordinary Shares)

**Share Registry:**

Security Transfers Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153  
Telephone: +618 9315 2333

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**DIRECTORS' REPORT**

The Directors have pleasure in submitting their report on the Group; being the Company and its subsidiaries, for the half year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

**DIRECTORS**

The names and details of Directors in office at any time during or since the end of the half year and until the date of this report are as follows:

Morgan Barron	Non-Executive Director
Thomas Goh	Non-Executive Director
Greg Allen	Non-Executive Director

Directors were in office for this entire period unless otherwise stated.

**PRINCIPAL ACTIVITIES**

The activities of Eneabba Gas Limited ("Eneabba" or the "Company") during the period included the acquisition of the Ocean Hill Block Oil and gas application to its energy portfolio. The Ocean Hill Block is located in the North Perth Basin close to the town of Eneabba.

The Company continued to locate parties interested in funding and developing the Company's proposed 168MW Centauri-1 Power Station near Dongara, Western Australia with a number of interested parties approaching the Company in the period. The Company's energy portfolio also comprises the Sargon UCG coal resource also located near Dongara, Western Australia.

**RESULTS**

The net loss after income tax for the half year ended 31 December 2014 amounted to \$176,960 (2013: \$51,067). The net loss is due to the evaluation of power and energy projects, due diligence and acquisition costs related to the Ocean Hill Gas Project, as well as power plant feasibility costs and administration costs relating to an ASX listed entity.

**DIVIDENDS**

There were no dividends paid or declared during the year.

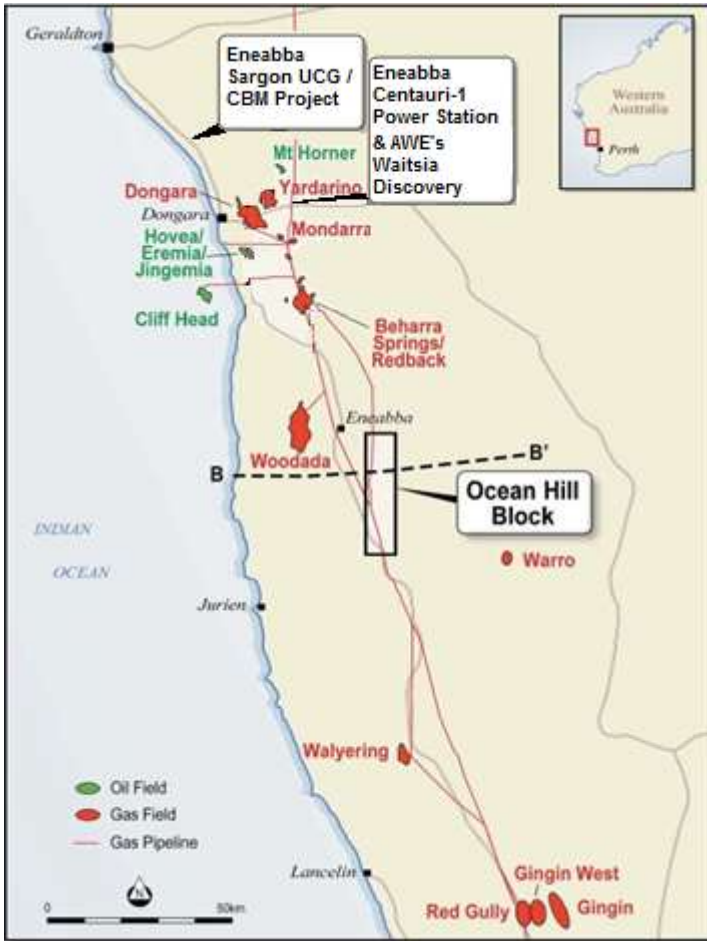
**OPERATING REVIEW**

**Ocean Hill Gas Acquisition**

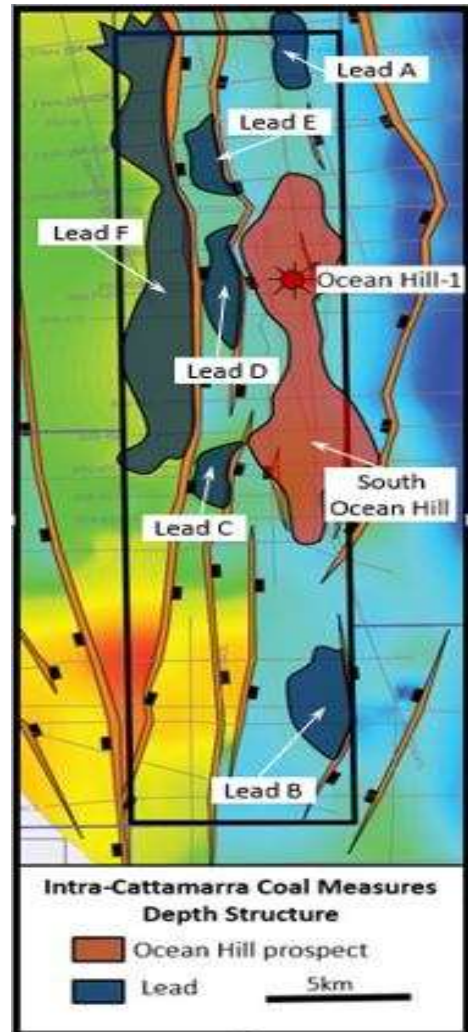
In October 2014, the Company signed a permit sale agreement with Green Rock Energy to acquire 100% of the Ocean Hill Block Application (STP EPA 0090, formerly designated Bid Area L12-7), located in the North Perth Basin (Figure 1), Western Australia ("Ocean Hill Block").

The Ocean Hill application and Oil and Gas rights (STP EPA 0090, formerly Bid Area L12-7) comprise 297 km<sup>2</sup> and is located in the North Perth Basin, about 225 km north of Perth and 90 km southeast of Dongara and the Eneabba Centauri-1 Power station site (**Figure 1**).

**DIRECTORS' REPORT**



**Figure 1 – Location of the Ocean Hill Block**



**Figure 2 – Ocean Hill Block Prospects and Leads**

Green Rock is currently the preferred applicant for the Ocean Hill Block. The area will be converted to an Exploration Permit once Native Title negotiations have been concluded. These negotiations are currently being finalised and are expected to be completed in the first quarter of 2015. Subsequent to Native Title negotiations being finalised, granting of the permit to Green Rock is also expected to be completed by the end of the first quarter of 2015.

In January of this year Eneabba signed a farm-in agreement with FINDER No 6 Pty Ltd (“FINDER”) covering the Ocean Hill Block (STP EPA 0090). FINDER is a wholly owned subsidiary of the successful private West Australian based oil and gas explorer FINDER Exploration Pty Ltd. Under the agreement, subject to the satisfaction of several conditions precedent as to native title, permit award and funding, FINDER has agreed to fund a two stage work program totaling up to \$A15 million at the Ocean Hill Project to earn an 85% interest in the Ocean Hill Project. In addition Eneabba is required to vary the conditions of the permit award to match the agreed work program.

The planned first stage in year one of the Project is the drilling of an offset exploration well to Ocean Hill #1 well that was drilled in 1991 and flowed 700mcfpd on test, and subsequent evaluation and testing in the first year of the permit. The second stage work program includes the acquisition of a two hundred and fifty (250) square kilometre 3D seismic survey in year two of the permit. FINDER may elect to withdraw from the joint venture after the year one program.

Eneabba will be carried up to a gross expenditure of \$A10 million on the Ocean Hill #2 exploration well and up to \$A5 million on the 3D seismic survey before it is required to contribute at its 15% equity level.



**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**DIRECTORS' REPORT**

Further, under the agreement Eneabba will receive a reimbursement of past capital expenditure on the Project of up to \$540,750, with 50% due upon commencement of drilling operations and the remaining 50% due upon Finders' commitment to participate in the second year of the permit. Farm-in operations will commence following permit award and the subsequent completion of the Green Rock Energy - Eneabba agreement.

**About the Ocean Hill Block**

The Dampier to Bunbury Pipeline runs directly through the Ocean Hill block and a compressor station is located 6.5 km from the proposed Ocean Hill-2 location, providing excellent infrastructure access and a substantial benefit for the project economics.

The block area contains a large faulted four-way dip closure that was tested by drilling of the Ocean Hill-1 well in 1991. The well reached a total depth of 3,840m in the Jurassic Cattamarra Coal Measures before being suspended as an uneconomic gas discovery. Good gas shows were encountered in the Jurassic Cadda Formation and Cattamarra Coal Measures over the entire interval of over 800m from about 3,000m to total depth, and analysis of the electric logs indicated over 100m of net gas pay within multiple sands through the zone. An open hole drill stem test flowed gas rate of 0.7MMscf/d from the interval 3,063-3130mKB in the Cadda Formation with associated liquids of 15-23 bbl/MMcf.

Eneabba believes that Ocean Hill can be commercialised through the application of modern drilling and completion technology advances in 3D seismic and notes that gas prices are significantly higher than when the Ocean Hill-1 well was originally drilled.

The Ocean Hill discovery demonstrates similar geological setting to the Gingin Gas Field and Red Gully Gas Project, where Empire Oil & Gas commenced production in late 2013.

Mapping and re-evaluation of the available 2D seismic data by Green Rock indicates the presence of a substantial closure associated with the Ocean Hill-1 location and a number of additional prospects and leads have been identified (refer to Figure 2).

Historical seismic data at Ocean Hill was shot between 1961 and 1996, with the majority being acquired in 1989.

The Ocean Hill structure has two culminations and the northern one has been assigned 2C contingent resources of 360 BCFG and 1.2 MMBBL of condensate by an independent evaluation by DeGolyer and MacNaughton, as announced to the ASX by Greenrock on 4 October 2013, as shown in Table 1:-

<b>Gross Separator Gas</b>		
<b>1C</b>	<b>2C</b>	<b>3C</b>
24 BcF	360 BcF	796 BcF
<b>Gross Condensate</b>		
<b>1C</b>	<b>2C</b>	<b>3C</b>
145 Mbbl	1,191 Mbbl	2,558 Mbbl

**Table 1. Ocean Hill prospect unrisked Contingent Resources**

Three other prospects identified in the mapping by Greenrock were evaluated by DeGolyer and MacNaughton, being Ocean Hill South, Lead D and Lead F as shown in Figure 2. These features have been attributed unrisked Prospective Resources as shown in Table 2:-

<b>Low Estimate</b>	<b>Best Estimate</b>	<b>High Estimate</b>
557 BcF	809 BcF	1,155 BcF

**Table 2. Combined Unrisked Prospective Resources for South Ocean Hill Leads D & F.**

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**DIRECTORS' REPORT**

**Centauri-1 Power Station Concept and Sargon Coal Project**

Eneabba has been approached recently by a number of parties interested in funding and developing the Centauri-1 Power Station project and the Company's land holding in Dongara, Western Australia.

The Power Station concept is located in Mid-West Western Australia (North Perth Basin), in close proximity to the Ocean Hill Block. The acquisition of the Ocean Hill Block shall complement the Company's current Power Station concept with potential energy supplies from the Ocean Hill Block being able to fuel the Power Station.

The Company continues to keep the required state and federal permitting for the construction and operation of the power station in good standing, as well as maintaining the power station site on Company land at minimum cost.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the half year ended 31 December 2014 has been received and can be found on page 6.

**AUDITOR**

HLB Mann Judd continues in office in accordance with section 327 of the Corporation Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the Corporations Act 2001.



**Morgan J Barron**  
**Non-Executive Director**  
20 February 2015

**Competent Person's Statement**

*The information in this announcement has been reviewed by Mr Mark Ballesteros (a Petroleum Geologist) who has over 30 years' experience in petroleum geology, geophysics, prospect generation and evaluations and project level resource and risk estimations. Mr Ballesteros reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any estimated hydrocarbon resources in the form and context in which they appear.*

*The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development.*

*Further exploration appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.*

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Eneabba Gas Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia  
20 February 2015

L Di Giallonardo  
Partner

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

For the half year ended 31 December 2014

	<b>Consolidated</b>	
	<b>31 December 2014</b>	<b>31 December 2013</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Finance income	31,320	34,658
Other income	7,063	6,849
<b>Total revenue</b>	<b>38,383</b>	<b>41,507</b>
Feasibility study costs	(12,174)	(5,468)
Depreciation	(8,774)	(9,565)
Other expenses	(194,395)	(140,811)
<b>Total costs</b>	<b>(215,343)</b>	<b>(155,844)</b>
<b>Loss before income tax expense</b>	<b>(176,960)</b>	<b>(114,337)</b>
Income tax benefit (research & development tax offset)	-	63,270
<b>Net loss for the period</b>	<b>(176,960)</b>	<b>(51,067)</b>
Other comprehensive income	-	-
<b>Total comprehensive loss for the half year</b>	<b>(176,960)</b>	<b>(51,067)</b>
Basic & Diluted Loss per share – cents per share	(0.10)	(0.03)

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

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2014

		<b>Consolidated</b>	
		<b>31 December</b>	<b>30 June</b>
		<b>2014</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Note</b>			
<b>ASSETS</b>			
<b>Current assets</b>			
	Cash and cash equivalents	2,665,389	1,776,964
	Receivables	23,189	14,004
	Prepayments	8,126	3,152
	<b>Total current assets</b>	<b>2,696,704</b>	<b>1,794,120</b>
<b>Non-current assets</b>			
	Exploration and evaluation expenditure	-	-
2	Property, plant and equipment	1,688,656	1,697,430
3	Other non-current assets	46,663	-
	<b>Total non-current assets</b>	<b>1,735,319</b>	<b>1,697,430</b>
	<b>TOTAL ASSETS</b>	<b>4,432,023</b>	<b>3,491,550</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
	Trade and other payables	56,416	57,472
	<b>Total current liabilities</b>	<b>56,416</b>	<b>57,472</b>
	<b>TOTAL LIABILITIES</b>	<b>56,416</b>	<b>57,472</b>
	<b>NET ASSETS</b>	<b>4,375,607</b>	<b>3,434,078</b>
<b>EQUITY</b>			
	Issued capital	14,246,029	13,254,665
	Reserves	1,442,863	1,315,738
	Accumulated losses	(11,313,285)	(11,136,325)
	<b>TOTAL EQUITY</b>	<b>4,375,607</b>	<b>3,434,078</b>

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

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the half year ended 31 December 2014

	Note	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Consolidated 2014</b>					
<b>Total equity at 1 July 2014</b>		13,254,665	1,315,738	(11,136,325)	3,434,078
Total comprehensive loss for the period		-	-	(176,960)	(176,960)
<b>Transactions with equity holders:</b>					
Share-based payments		-	127,125	-	127,125
Issue of shares	4	1,203,135	-	-	1,203,135
Capital raising costs	4	(211,771)	-	-	(211,771)
<b>Total equity at 31 December 2014</b>		<b>14,246,029</b>	<b>1,442,863</b>	<b>(11,313,285)</b>	<b>4,375,607</b>
<b>Consolidated 2013</b>					
<b>Total equity at 1 July 2013</b>		13,254,665	1,315,738	(8,978,386)	5,592,017
Total comprehensive loss for the period		-	-	(51,067)	(51,067)
<b>Total equity at 31 December 2013</b>		<b>13,254,665</b>	<b>1,315,738</b>	<b>(9,029,453)</b>	<b>5,540,950</b>

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

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the half year ended 31 December 2014

	Note	Consolidated	
		31 December 2014 \$	31 December 2013 \$
<i>Cash flows from operating activities</i>			
Interest received		33,074	36,672
Lease income – pastoral		7,063	6,849
Payments to suppliers and employees		(176,465)	(118,452)
Project marketing cost		(8,500)	(20,000)
Power station feasibility costs		(12,174)	(24,718)
<b>Net cash used in operating activities</b>		<b>(157,002)</b>	<b>(119,649)</b>
<i>Cash flows from investing activities</i>			
Payments for exploration expenditure		(16,399)	(45,593)
Payments for petroleum offshore energy licence applications		-	(32,732)
Payments for Ocean Hill non-refundable deposit		(30,000)	-
Payments for Ocean Hill acquisition costs		(26,663)	-
<b>Net cash used in investing activities</b>		<b>(73,062)</b>	<b>(78,325)</b>
<i>Cash flows from financing activities</i>			
Proceeds from issues of shares and options	4	1,203,135	-
Capital raising costs		(84,646)	-
<b>Net cash provided by financing activities</b>		<b>1,118,489</b>	<b>-</b>
Net increase / (decrease) in cash and cash equivalents		888,425	(197,974)
Cash and cash equivalents at the beginning of the period		1,776,964	2,018,202
<b>Cash and cash equivalents at the end of the period</b>		<b>2,665,389</b>	<b>1,820,228</b>

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

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the half year ended 31 December 2014

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

Eneabba Gas Limited (the “Company”) is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half year ended 31 December 2014 comprises the Company and its subsidiaries (collectively referred to as the “Group”).

**STATEMENT OF COMPLIANCE**

These interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 ‘Interim Financial Reporting’, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (‘AASB’). Compliance with AASB 134 ensures compliance with IAS 34 ‘Interim Financial Reporting’.

This condensed interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Eneabba Gas Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

This consolidated interim financial report was approved by the Board of Directors on 20 February 2015.

**BASIS OF PREPARATION**

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the period has been treated as a discrete reporting period.

**SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES**

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2014.

**ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2014.

In the half-year ended 31 December 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014.

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



**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the half year ended 31 December 2014

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)**

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. The Directors have decided against early adoption of any new Standards and Interpretations. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

**NOTE 2: EXPLORATION AND EVALUATION EXPENDITURE**

	<b>Consolidated</b>	
	<b>Six months to 31 December 2014</b>	<b>Year to 30 June 2014</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation expenditure	-	-
Carrying amount at beginning of period	-	1,880,520
Additions	-	57,023
Impairment <sup>(1)</sup>	-	(1,937,543)
<b>Carrying amount at period end – exploration and evaluation phase</b>	<b>-</b>	<b>-</b>

<sup>(1)</sup> The capitalised exploration and evaluation expenditure in relation to the Sargon UCG coal resource project was fully impaired to nil at 30 June 2014 due to indicators of impairment existing. Exploration and evaluation expenditure in relation to the Sargon UCG coal resource project since 1<sup>st</sup> July 2014 has not been capitalised due to indicators of impairment existing.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

**Exploration Commitments – Sargon Coal Project**

In order to maintain rights of tenure to its exploration permit, the Group has certain obligations to perform minimum exploration work and expend minimum amounts of money.

These commitments may be varied as a result of renegotiations, relinquishments, farm-outs, sales or carrying out work in excess of the permit obligations. The minimum expenditure required by the Group on its exploration permit for the next 12 months as required by the Department of Mines & Petroleum is given below. Commitments beyond this time frame cannot be estimated reliably as minimum expenditure requirements are reassessed annually. These commitments have not been provided for in the financial report, and are payable as follows:

	<b>Consolidated</b>	
	<b>31 December 2014</b>	<b>30 June 2014</b>
	<b>\$</b>	<b>\$</b>
Within one year	87,000	87,000
Within two years to five years	-	-
Later than five years	-	-
<b>Total</b>	<b>87,000</b>	<b>87,000</b>

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the half year ended 31 December 2014

**NOTE 3: OTHER NON-CURRENT ASSETS**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2014</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Other Non-Current Assets</b>		
Acquisition costs of Ocean Hill gas project	46,663	-
<b>Total Other Non-Current Assets</b>	<b>46,663</b>	<b>-</b>

On 22 October 2014, the Company announced it had executed an agreement with ASX Listed Green Rock Energy Limited (“Green Rock”) to acquire 100% of the Ocean Hill Block Application located in the North Perth Basin, Western Australia.

Eneabba and Green Rock entered into a Permit Sale Agreement whereby Eneabba may acquire 100% of the Ocean Hill Block for the following consideration:

- (a) Upfront payment of \$30,000 on signing of binding agreement;
- (b) Cash payment of \$300,000;
- (c) 40,000,000 Eneabba Ordinary Shares; and
- (d) Eneabba to pay applicable native title costs to a maximum of \$75,000.

The Agreement is subject to the following conditions:-

- Completion of due diligence to the satisfaction of Eneabba within 30 days;
- Eneabba obtaining all necessary consents and approvals as are required, including shareholder approvals, approvals under ENB’s constitution, the ASX Listing Rules and the Corporations Act, to give effect to the transactions contemplated by this Agreement;
- Execution by the Vendor and the Amangu Native Title Claimants of the Amangu Native Title Agreement to the satisfaction of Eneabba;
- All conditions required by the Department of Minerals and Petroleum being met to enable the grant of the Permit; and
- The Vendor obtaining any consent or approval (including any consent or approval under the Act) required to transfer the Permit from the Vendor to Eneabba or its newly incorporated subsidiary, Ocean Hill Pty Ltd.

The Eneabba consideration shares to be issued to Green Rock are to be subject to escrow to 21 November 2015, being 12 months from the date of completion of due diligence by Eneabba. The agreement provides that the consideration shares cannot be distributed in-specie by Green Rock to Green Rock shareholders.

This Agreement will terminate on 30 April 2015 if completion has not occurred by then.

As part of Green Rock Energy’s application for the Ocean Hill permit, Green Rock bid a year one expenditure commitment of \$5 million and a year two expenditure commitment of \$8 million to win the Permit. Eneabba is required to meet these commitments with the Department of Mines and Petroleum when the permit is granted and transferred. Subsequent to 31 December 2014, Eneabba signed a farm-in agreement with FINDER No 6 Pty Ltd covering the Ocean Hill Block to meet these expenditure commitments.

On 21 November 2014 the Company completed due diligence on the Ocean Hill project and on 27 November 2014 the Company received shareholder approval for the acquisition of the Ocean Hill project.

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the half year ended 31 December 2014

**NOTE 3: OTHER NON-CURRENT ASSETS (CONTINUED)**

As at 31 December 2014, the acquisition of the Project had not been finalised as the Company was waiting on the execution of the native title agreements and subsequent granting of the permit by the Department of Minerals and Petroleum to Green Rock.

A total amount of \$46,663 had been capitalised at 31 December 2014 representing the \$30,000 paid to Green Rock on signing of the Permit Sale Agreement and also \$16,663 in associated legal fees.

**NOTE 4: ISSUED CAPITAL & RESERVES**

**31 December 2014**

**(a) Issued and Paid Up Capital**

	<b>No.</b>	<b>\$</b>
Fully paid ordinary shares	<b>260,679,312</b>	14,246,029

**(b) Movements in fully paid shares on issue  
(six months to 31 December 2014)**

Balance as at 1 July 2014	160,418,038	13,254,665
Issue of non-renounceable rights issue shares	100,261,274	1,203,135
Capital raising costs	-	(211,771)
<b>Balance as at 31 December 2014</b>	<b>260,679,312</b>	<b>14,246,029</b>

**(c) Share Options**

Balance as at 1 July 2014	24,000,000	1,315,738
Expiry of unlisted options	(24,000,000)	-
Issue of lead manager capital raising options	15,000,000	127,125
<b>Balance as at 31 December 2014</b>	<b>15,000,000</b>	<b>1,442,863</b>

**No.                      \$**

**30 June 2014**

**(a) Issued and Paid Up Capital**

Fully paid ordinary shares	<b>160,418,038</b>	<b>13,254,665</b>
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**(b) Movements in fully paid shares on issue  
(year to 30 June 2014)**

Balance as at 1 July 2013	160,418,038	13,254,665
<b>Balance as at 30 June 2014</b>	<b>160,418,038</b>	<b>13,254,665</b>

**(c) Share Options**

Balance as at 1 July 2013	24,000,000	1,315,738
<b>Balance as at 30 June 2014</b>	<b>24,000,000</b>	<b>1,315,738</b>

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the half year ended 31 December 2014

**NOTE 5: SEGMENT REPORTING**

**Description of Segments**

**Segment Reporting**

The Group conducts operations in three operating segments, energy and electricity generation, petroleum exploration and mineral exploration, and one geographic segment, Australia.

	<b>Energy &amp; Electricity Generation</b>	<b>Petroleum Exploration</b>	<b>Mineral Exploration</b>	<b>Unallocated</b>	<b>Consolidated</b>
<b>31 December 2014</b>	\$	\$	\$	\$	\$
<b>Segment income</b>					
Interest received	-	-	-	31,320	31,320
Lease Income	7,063	-	-	-	7,063
Total income	7,063	-	-	31,320	38,383
<b>Segment expenses</b>					
Feasibility study costs	(12,174)	-	-	-	(12,174)
Net other costs	-	-	(16,399)	(177,996)	(194,395)
Loss before depreciation	(5,111)	-	(16,399)	(146,676)	(168,186)
Depreciation	(8,774)	-	-	-	(8,774)
Loss before income tax	(13,885)	-	(16,399)	(146,676)	(176,960)
<b>Segment assets and liabilities</b>					
Property, plant & equipment	1,688,656	-	-	-	1,688,656
Exploration assets	46,663	-	-	-	46,663
Other current assets	-	-	-	2,696,704	2,696,704
Liabilities	-	-	-	(56,416)	(56,416)
Net assets	1,735,319	-	-	2,640,288	4,375,607

**ENEABBA GAS LIMITED**  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the half year ended 31 December 2014

**NOTE 5: SEGMENT REPORTING (CONTINUED)**

	<b>Energy &amp; Electricity Generation</b>	<b>Petroleum Exploration</b>	<b>Mineral Exploration</b>	<b>Unallocated</b>	<b>Consolidated</b>
<b>31 December 2013</b>	\$	\$	\$	\$	\$
<b>Segment income</b>					
Interest received	-	-	-	34,658	34,658
Lease Income	6,849	-	-	-	6,849
Total income	6,849	-	-	34,658	41,507
<b>Segment expenses</b>					
Feasibility study costs	(5,468)	-	-	-	(5,468)
Net other costs	-	-	-	(140,811)	(140,811)
Profit / (Loss) before depreciation	1,381	-	-	(106,153)	(104,772)
Depreciation	(9,565)	-	-	-	(9,565)
Loss before income tax	(8,184)	-	-	(106,153)	(114,337)
<b>Segment assets and liabilities (30 June 2014)</b>					
Property, plant & equipment	1,697,430	-	-	-	1,697,430
Other current assets	-	-	-	1,794,120	1,794,120
Liabilities	-	-	-	(57,472)	(57,472)
Net assets	1,697,430	-	-	1,736,648	3,434,078

**NOTE 6: SUBSEQUENT EVENTS**

Subsequent to 31 December 2014, the Company signed a farm-in agreement with Finder No 6 Pty Ltd covering the Ocean Hill Block (STP EPA 0090). Under the agreement, subject to the satisfaction of all conditions precedent to enable the successful transfer of the permit to the Company from Green Rock Energy Limited, as well as conditions relating to funding, Finder has agreed to fund a two stage work program totalling up to \$15 million at the Ocean Hill Project to earn an 85% interest in the Ocean Hill Project. Finder may elect to withdraw from the agreement after the year one program. As at the date of this report, the conditions precedent to the Green Rock agreement had not been completed.

Under the farm-in agreement with Finder No 6 Pty Ltd covering the Ocean Hill Block, Eneabba will receive a reimbursement of past capital expenditure on the Project of up to \$540,750, with 50% due upon commencement of drilling operations and the remaining 50% due upon commencement of drilling operations and the remaining 50% due upon Finders' commitment to participate in the second year of the permit.

Other than described above, no other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

**NOTE 7: CONTINGENT ASSETS & LIABILITIES**

The Directors are not aware of any other contingent assets or liabilities that may arise from the Group's operations as at 31 December 2014.

**ENEABBA GAS LIMITED**  
**ABN: 69 107 385 884**

**DIRECTORS' DECLARATION**

In the opinion of the directors of Eneabba Gas Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.

On behalf of the board



Morgan Barron  
Non-Executive Director  
Perth  
20 February 2015

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Eneabba Gas Limited

### **Report on the Condensed Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Eneabba Gas Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year 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 half year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Eneabba Gas Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**20 February 2015**

*L Di Giallonardo*

**L Di Giallonardo**  
**Partner**