Interpose Holdings Limited

(formerly Sunbird Energy Limited)

ABN 21 150 956 773

Annual Report
30 June 2016

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Corporate Directory

Directors	Mr Marcus Gracey *Executive director* Mr Barnaby Egerton-Warburton (appointed 28 July 2016) *Non-executive director* Mr Gabriel Chiappini (appointed 6 August 2015) *Non-executive director* Mr Dorian Wrigley (Resigned 28 July 2016) *Non-executive director* Mr William Barker (resigned 6 August 2015) *Managing director* Mr Andrew Leibovitch (resigned 6 August 2015) *Executive director* Mr Kerwin Rana (Resigned 28 July 2016) *Executive chairman*
Company Secretary	Mr Richard Barker
Registered Office	Level 1, 50 Ord Street West Perth WA 6005 Tel: +618 9463 3260 Fax: +618 9463 6630
Share Register	Link Market Services Limited Ground Floor Level 4 Central Park 152 St Georges Terrace Perth WA 6000 Tel (within Australia): 1300 554 474 Tel (outside Australia): +61 2 8280 7111
Stock Exchange Listings	Australian Securities Exchange (ASX: IHS)
Auditor	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008
Solicitors	DLA Piper Australia 31/152-158 St Georges Terrace Perth WA 6000
Website	www.interposeholdings.com

Chairman's Letter

Dear Investor,

On behalf of the Board, I am pleased to present Interpose's 2016 Annual Report.

Over the 2015/2016 financial year Sunbird made critical commercial and technical progress on the Ibhubesi Gas Project (IGP).

As announced 19 April 2016 the Company executed a conditional agreement for the sale of all non-cash assets, being its 74% interest in the Mopane, Springbok Flats and Springbok Flats West projects in South Africa, and its 76% interest in the Ibhubesi Gas Project in South Africa ("Transaction"). The agreement has been entered into with Sunbird Energy Holdings Pty Ltd ("Purchaser"), a private, black-owned South African company comprised of a consortium of the major shareholders and debt holders of Interpose and led by Umbono Capital Pty Ltd, a black-owned South African resources and energy investment and development company ("Umbono").

Upon completion of the Transaction, the total consideration payable to Intrepose will include:

(a) Cash payment of approximately A$1 million (subject to minor adjustment to account for GST returns owing to the Company and Transaction and administration costs to completion);

(b) the buyback and cancellation of 55 million existing shares in Interpose held by parties associated with the Purchaser; and

(c) assignment of all of Interpose's debt, totaling approximately A$4.8 million, to the Purchaser.

As announced 28 July 2016 the Company completed the sale of its African Projects.Pursuant to the terms of the Transaction, Dorian Wrigley and Kerwin Rana resigned from the Board of the Company effective 28 July 2016. The Company appointed Mr Barnaby Egerton-Warburton to the Board of the Company effective 28 July 2016.

The Company now intends to investigate opportunities from within the oil and gas sector. As announced on 18 April 2016, the Company has executed a corporate advisory mandate with Cygnet Capital Pty Limited (Cygnet Capital). Pursuant to the mandate Cygnet Capital will assist the Company with the identification and introduction of new business opportunities.

Marcus Gracey
30 September 2016

Director's Report

Review of Operations

Progressing Fully Termed Gas Sales Agreement with Eskom

As previously reported on 18 March 2015, Interpose announced that the Ibhubesi Gas Project (IGP) joint venture, comprising Interpose (76%) and PetroSA (24%) - South Africa's National Oil Company - had entered into a Gas Sales Agreement (GSA) Term Sheet with Eskom Holdings (SOC) Ltd (Eskom) for the supply of gas to the Ankerlig Power Station.

The GSA Term Sheet includes provisions for the supply of 30 billion cubic feet (Bcf) of gas per year for up to 15 years to the Ankerlig Power Station about 40km north of Cape Town.

Negotiations continue with the parties and their respective technical, commercial and legal advisors.

Regulatory & Environmental Approvals

The Draft Environmental Impact Report (EIR) in respect of the Ibhubesi Gas Project was issued for public comment on the 30th of September 2015. The second tranche of public meetings were held in Cape Town, Saldanha Bay and Melkbos on the 12th and 13th of October 2015. The Draft EIR public comment period ended on the 11th of November 2015. The Final EIR is now being prepared and is planned to be released for the final public comment period in Q1 2016 before being submitted to the Department of Environmental Affairs for approval.

Conditional Asset Sale Agreement Executed

As announced 19 April 2016 the Company executed a conditional agreement for the sale of all non-cash assets, being its 74% interest in the Mopane, Springbok Flats and Springbok Flats West projects in South Africa, and its 76% interest in the Ibhubesi Gas Project in South Africa ("Transaction"). The agreement has been entered into with Sunbird Energy Holdings Pty Ltd ("Purchaser"), a private, black-owned South African company comprised of a consortium of the major shareholders and debt holders of Interpose and led by Umbono Capital Pty Ltd, a black-owned South African resources and energy investment and development company ("Umbono").

Upon completion of the Transaction, the total consideration payable to Intrepose will include:

(d) Cash payment of approximately A$1 million (subject to minor adjustment to account for GST returns owing to the Company and Transaction and administration costs to completion);

(e) the buyback and cancellation of 55 million existing shares in Interpose held by parties associated with the Purchaser; and

(f) assignment of all of Interpose's debt, totaling approximately A$4.8 million, to the Purchaser.

The Transaction will be effected by Interpose, among other things:

(a) selling all the issued share capital of Sunbird Energy (Ibhubesi) Pty Ltd and Interpose's 74% interest in Pretzavest 37 (Pty) Ltd to the Purchaser, pursuant to a share sale agreement;

(b) undertaking a selective share buyback pursuant to a buyback agreement; and

Director's Report (Cont.)

(c) assigning Interpose's current debt and associated loan deeds to the Purchaser, pursuant to a deeds of assignment and release.

Pursuant to the terms of the agreement, directors Kerwin Rana and Dorian Wrigley, who are also directors of Umbono, have agreed to resign from the Board of Interpose effective from completion.

Completion of the Transaction will be subject to the satisfaction of various conditions, including approval by Interpose's shareholders. Such approval was and received at a general meeting, expected to be held on 9 June 2016.

Transaction Closes

As announced 28 July 2016 the Company completed the sale of its African Projects, announced by the Company on 18 April 2016 (Transaction).

The African Projects were sold in consideration for:

(g) a cash payment of approximately A$1 million;

(h) the buyback and cancellation of 55 million existing shares in the Company held by parties associated with the Purchaser; and

(i) assignment of all of the Company's debt, totalling approximately A$4.8 million, to the Purchaser.

Pursuant to the terms of the Transaction, Dorian Wrigley and Kerwin Rana resigned from the Board of the Company effective 28 July 2016. The Company appointed Mr Barnaby Egerton-Warburton to the Board of the Company effective 28 July 2016.

The Company now intends to investigate opportunities from within the oil and gas sector. As announced on 18 April 2016, the Company has executed a corporate advisory mandate with Cygnet Capital Pty Limited (Cygnet Capital). Pursuant to the mandate Cygnet Capital will assist the Company with the identification and introduction of new business opportunities.

Director's Report (Cont.)

The directors of Interpose Holdings Ltd ("the Company") present their report for the financial year ended 30 June 2016.

1. DIRECTORS, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

The directors and the company secretary of the Company at any time during or since the end of the financial year are as follows.

Directors

Mr Marcus Gracey – Non-Executive Director

(Appointed 17 May 2011)

Mr Gracey is a corporate lawyer with extensive international experience gained across various markets, including energy. His expertise and experience is backed by a strong set of academic and professional credentials which include a Bachelor of Economics, Bachelor of Laws, Master of Laws and an Executive Master of Business Administration. Having also completed the AICD International Company Directors Course and being a qualified Chartered Company Secretary, Mr Gracey has developed a strong skill set built around risk management, strategy and compliance.

Mr Gracey was previously a director of Torrens Energy Limited and is presently the Business Development Manager and General Counsel of New Standard Energy Limited, focused on developing and producing onshore unconventional oil & gas in Texas, along with oil & gas exploration activities in the Cooper, Carnarvon and Canning Basins in Australia.

Mr Gabriel Chiappini – Non-executive Director

(Appointed 6 August 2015)

Mr Chiappini is a Chartered Accountant with over 20 years of experience as a finance and governance professional. He is a current member of the Australian Institute of Company Directors and Institute of Chartered Accountants (Australia).

Mr Chiappini's professional foundation was laid with Ernst and Young (EY) and following EY, he moved onto various Chief Financial Officer roles in London and Perth.

Mr Chiappini is currently a Director of Black Rock Mining Ltd, DMY Capital Ltd and Company Secretary of Avita Medical Ltd, Katana Capital Ltd and Global Construction Services Ltd.

Mr Baranaby Egerton-Warburton

(Appointed 28 July 2016)

Mr Egerton-Warburton holds a Bachelor of Economics Degree and is a graduate of the Australian Institute of Company Directors and a member of the American Association of Petroleum Geologists. He has over 20 years of trading, investment banking, international investment and market experience. He has held positions with global investment banks in Hong Kong, New York and Sydney including JPMorgan, Banque Nationale de Paris and Prudential Securities.

Mr Egerton-Warburton is an experienced company director and is currently also the Managing Director of Eneabba Gas Limited (ASX:ENB) and a Non-Executive Director of iSignthis Limited (ASX:ISX) and Global Geo Science (ASX: GSC)

Mr William Barker – Managing Director

(Appointed 17 May 2011 - resigned 6 August 2015)

Director's Report (Cont.)

Mr Andrew Leibovitch – Executive Director

(Appointed 17 May 2011 - resigned 6 August 2015)

Mr Dorian Wrigley – Non-executive Director

(Appointed 12 May 2015 – Resigned 28 July 2016)

Mr Kerwin Rana – Executive Chairman

(Appointed 12 October 2011 – Resigned 28 July 2016)

Details of Company Secretary and Chief Financial Officer

Mr Richard Barker – Company Secretary

Mr Barker is a solicitor with over 15 years' experience working for some of Australia's top law firms in Sydney and Perth. Mr Barker holds both a Bachelor of Laws Degree and a Master of Laws Degree (Intellectual Property).

For the last 5 years Mr Barker has worked in the oil and gas industry, both in Australia and internationally providing corporate consultancy and risk management and company secretarial services.

1.1 *Directors' Meetings*

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial period were:

Director	Board of directors	
	Present	Held
Kerwin Rana	11	13
William Barker	8	8
Andrew Leibovitch	8	8
Marcus Gracey	13	13
Dorian Wrigley	10	13
Gabriel Chiappini	6	6
Barnaby Egerton-Warburton	0	0

During the reporting period, the directors also met or communicated as a collective group at least bi-weekly and on numerous of these occasions to discuss and consider governance and operational strategies and resolutions. The directors executed one (1) circular resolutions during the period, arising out of matters discussed and considered in these informal meetings and communications and to evidence the formal resolutions made by them in respect to such matters.

1.2 *Corporate Governance*

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Interpose Holdings Ltd support and have adhered to the principles of sound corporate governance. The board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that the Company is in compliance with those guidelines which are of importance to the commercial operation of a junior listed resource company. During the financial year, shareholders received the benefit of an efficient and cost-effective corporate governance policy for the Company.

Director's Report (Cont.)

2. *REMUNERATION REPORT – 15/16*

This Remuneration Report outlines the remuneration arrangements which were in place during the year, and remain in place as at the date of this report, for the directors and key management personnel of Interpose Holdings Ltd ("the Company").

(a) *Key management personnel*

Directors of the Company, who had authority and responsibility during the financial period for planning, directing and controlling the activities of the group, directly or indirectly, as well as other senior executives are the key management personnel disclosed in this report.

Name	Position
Company Directors	
Marcus Gracey	Non-Executive Director
Gabriel Chiappini *(appointed 6 August 2015)*	Non-Executive Director
Barnaby Egerton-Warburton (appointed 28 July 2016)	Non-Executive Director
William Barker *(resigned 6 August 2015)*	Managing Director
Andrew Leibovitch *(resigned 6 August 2015)*	Executive Director
Kerwin Rana (resigned 28 July 2016)	Executive Chairman
Dorian Wrigley (resigned 28 July 2016)	Non-Executive Director
Senior Executives	
Nathan Rayner (resigned 28 July 2016)	Technical Director
Richard Barker	Company Secretary

(b) *Non-executive director remuneration policy*

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the board.

The base remuneration of directors is set at A$36,000 per annum commencing from 30 April 2014.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at A$300,000 per annum and was approved by shareholders at the general meeting on 12 October 2011.

(c) *Executive remuneration policy and framework*

In determining executive remuneration, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

The executive remuneration framework has two components:

- base pay and benefits, including superannuation; and
- long-term incentives through the issue of options and performance rights.

Director’s Report (Cont.)

Base pay and benefits

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the board’s discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive’s pay is competitive with the market.

There are no guaranteed base pay increases included in executives’ contracts. There are no short term cash bonuses included in the figures contained in the Remuneration Report.

Superannuation

Retirement benefits are limited to superannuation contributions as required under the Australian superannuation guarantee legislation.

Long-term incentives

Long-term incentives are provided to directors and executives as incentives to deliver long-term shareholder returns. Some of the issued options and performance rights are granted only if certain performance conditions are met and the directors and executives are still employed by the Company at the end of the vesting period. Vesting conditions are include on page 13 of the Remuneration Report.

Share trading policy

The Company has a share trading policy in place and a copy is available on the Company’s website. The Board of Directors ratified and approved the share trading policy previously adopted without change, on 25 October 2013.

(d) Link of remuneration to company performance and shareholders’ wealth

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options and performance rights to directors and executives to encourage the alignment of personal and shareholder interests. There are currently various financial and other targets set for the performance related remuneration, and therefore, remuneration is linked to company performance or shareholder wealth.

(e) Use of remuneration consultants

The company did not use the services of remuneration consultants for designing the remuneration policies for directors or key management personnel.

(f) Service agreements

On appointment to the board, all non-executive and executive directors and key management personnel enter into a service agreement with the Company. The agreement details the board policies and terms, including compensation, relevant to the office of director.

The company currently has service contracts in place with the following three board members. Details of the service agreements are listed below.

Mr Kerwin Rana – *Executive Chairman*

- Commencement date: 12 October 2011
- Base management fee at 30 June 2016 was A$ 214,000 per annum
- Director fee at 30 June 2016 was A$ 36,000 per annum
- The agreement is subject to a three months’ notice period
- This agreement terminated 28 July 2016
- By mutual agreement between himself and the Company, Mr Rana was paid up to 5 January 2016

Director's Report (Cont.)

Mr William Barker - *Managing Director*
- Commencement date: 17 May 2011
- Base management fee at 30 June 2016 was A$ 325,000 per annum
- Director fee at 30 June 2016 was A$ 50,000 per annum
- Superannuation is payable at statutory rates on the base management and director fees
- The agreement expired 1 October 2015
- By mutual agreement between himself and the Company, Mr Barker was paid up to 14 September 2015

Mr Andrew Leibovitch - *Executive Director*
- Commencement date: 17 May 2011
- Base management fee at 30 June 2016 was A$ 200,000 per annum
- Director fee at 30 June 2016 was A$ 50,000 per annum
- Superannuation is payable at statutory rates on the base management and director fees
- The agreement expired 1 October 2015
- By mutual agreement between himself and the Company, Mr Leibovitch was paid up to 13 November 2015

Mr Marcus Gracey - *Non-Executive Director*
- Commencement date: 17 May 2011
- Director fee at 30 June 2016 was A$ 50,000 per annum
- Management Consulting contract at A$1,500 per day as required by the Board
- Superannuation is payable at statutory rates on base director fee
- The agreement is not subject to any termination notice period

Mr Dorian Wrigley - *Non-Executive Director*
- Commencement date: 12 May 2015
- Director fee at 30 June 2016 was A$ 50,000 per annum
- The agreement is not subject to any termination notice period
- This agreement terminated 28 July 2016

Mr Gabriel Chiappini – *Non-executive Director*
- Commencement date: 6 August 2015
- Director fee at 6 August 2015 was A$ 50,000 per annum
- The agreement is not subject to any termination notice period
- By mutual agreement between himself and the Company, Mr Chiappini was paid from 1 January 2016

The company currently has service contracts in place with the following two key management personnel. Details of the service agreements are listed below.

Mr Nathan Rayner – *Technical Director,*
- Commencement date: 1 July 2013
- Base management fee at 30 June 2016 was A$ 375,000 per annum
- The agreement is subject to a three months' notice period
- This agreement was terminated on 28 July 2016

No other key management personnel have service contracts in place with the consolidated entity.

Director's Report (Cont.)

(g) Details of remuneration

The following tables set out remuneration paid to key management personnel of the Company during the reporting period:

	Employee benefits		Share-based payments			Proportion of remuneration	
	Short-term	Post employment					Performance linked
	Cash salary and fees *	Super annuation	Options	Performance rights	Total	Fixed	LTI
2016	A$	A$	A$	A$	A$	%	%
Non-executive directors							
Marcus Gracey	72,000	4,750	-	-	76,750	100	-
Dorian Wrigley	50,000	-	-	-	50,000	100	-
Gabriel Chiappini	25,000	2,375	-	-	27,375	100	-
Barnaby Egerton-Warburton	-	-			-	-	
Total non-executive directors	147,000	7,125	-	-	154,125	100	-
Executive directors							
Kerwin Rana	129,000	-	-	-	129,000	100	-
William Barker	77,967	7,407	-	-	85,374	100	-
Andrew Leibovitch	92,967	8,832	-	-	101,799	100	-
Total executive directors	299,934	16,239	-	-	316,173	100	-
Key management							
Nathan Rayner	369,360	-	-	-	369,360	100	-
Richard Barker	193,667	4,750		30,194	228,611	87	13
Total key management	563,027	4,750		30,194	597,971	95	5
Total	1,009,960	28,114		30,194	1,068,269	97	3

* No short-term cash bonuses included as paid or accrued for during the year ended 30 June 2016.

Director's Report (Cont.)

(g) Details of remuneration (continued)

The following tables set out remuneration paid to key management personnel of the Company during the previous reporting period:

	Employee benefits					Proportion of remuneration	
	Short-term	Post employment	Share-based payments				Performance linked
	Cash salary and fees *	Super annuation	Options	Performance rights	Total	Fixed	LTI
2015	A$	A$	A$	A$	A$	%	%
Non-executive directors							
Marcus Gracey	121,500	4,719	-	44,520	170,739	74	26
Dorian Wrigley *(appointed 12 May 2015)*	-	-	-	-	-	-	-
Barnaby Egerton-Warburton	-	-	-	-	-	-	-
Total non-executive directors	121,500	4,719	-	44,520	170,739	74	26
Executive directors							
Kerwin Rana	250,000	-	-	267,122	517,122	51	49
William Barker *(resigned 31 July 2015)*	380,583	33,370	-	445,204	859,157	48	52
Andrew Leibovitch *(resigned 31 July 2015)*	280,833	22,511	-	222,602	525,946	58	42
Total executive directors	911,416	55,881	-	934,928	1,902,225	52	48
Key management							
Nathan Rayner	353,287	-	-	365,232	718,519	49	51
Richard Barker	230,581	4,615	-	149,806	385,002	61	39
Total key management	667,316	5,000	-	531,802	1,204,118	56	44
Total (Note 2 below)	1,700,232	65,600	-	1,511,250	3,277,802	54	46

* No short-term cash bonuses included as paid or accrued for during the year ended 30 June 2015.

Note 2 – Total remuneration from cash salary, fees and superannuation is $3,277,802

Since the long-term incentives are provided exclusively by way of performance rights and options, the share based payments disclosed also reflect the value of remuneration consisting of performance rights and options, based on the value of the performance rights and options granted during the year.

Director's Report (Cont.)

(h) Share-based compensation

Performance rights

No new performance rights were issued during the period.

Name	Year of grant	Number of rights granted	Value of rights at grant date A$	Number of rights vested during the year	Vested %	Year in which rights may vest	Max value yet to vest A$
Marcus Gracey	-	-	-	-	-	-	-
Gabriel Chiappini[1]	-	-	-	-	-	-	-
Barnaby Egerton-Warbutron[2]	-	-	-	-	-	-	-
Nathan Rayner	2015	100,000	35,000	100,000	100%	-	-
	2015	250,000	56,250	250,000	100%	-	-
	2015	250,000	56,250	250,000	100%	-	-
Richard Barker	2015	100,000	22,500	100,000	100%	-	-
	2015	100,000	22,500	100,000	100%	-	-
	2015	100,000	22,500	100,000	100%	-	-
	2015	100,000	22,500	100,000	100%	-	-
Kerwin Rana[3]	-	-	-	-	-	-	-
Dorian Wrigley[4]	-	-	-	-	-	-	-
Will Barker[5]	-	-	-	-	-	-	-
Andrew Leibovitch[6]	-	-	-	-	-	-	-

Note 1: Appointed 6 August 2016
Note 2: Appointed 28 July 2016
Note 3: Resigned 28 July 2016
Note 4: Resigned 28 July 2016
Note 5: Resigned 6 August 2015
Note 6: Resigned 6 August 2015

Details of ordinary shares in the Company issued to key management personnel of the group as a result of the exercise of performance rights are set out below.

Name	Date of exercise of rights	Number of ordinary shares issued on exercise of rights during the year	Value at exercise date*	Price per share on exercise date (cents)
Other key management personnel				
Nathan Rayner	24-Jun-16	600,000	24,000	4
Richard Barker	19-Apr-16	400,000	20,000	5
Marcus Gracey	-	-	-	-
Gabriel Chiappini[1]	-	-	-	-
Barnaby Egerton-Warburton[2]	-	-	-	-
Kerwin Rana[3]	-	-	-	-
Dorian Wrigley[4]	-	-	-	-
Will Barker[5]	-	-	-	-
Andrew Leibovitch[6]	-	-	-	-

* The value at the exercise date of performance rights that were granted as part of remuneration and were exercised during the year has been determined as the intrinsic value of the rights at that date.

Note 1: Appointed 6 August 2016
Note 2: Appointed 28 July 2016
Note 3: Resigned 28 July 2016
Note 4: Resigned 28 July 2016
Note 5: Resigned 6 August 2015
Note 6: Resigned 6 August 2015

Director's Report (Cont.)

Fair value of options

No options were granted during the year ended 30 June 2016.

(i) Equity instruments held by key management personnel

(i) Options and performance rights holdings

The following table shows share options and performance rights held by key management personnel during the financial year.

2016 Name	Balance at start of the period	Granted as compensation	Exercised/ Lapsed	Balance at the end of the year	Vested during the year	Vested and exercisable	Unvested
William Barker							
Options	14,000,000	-	(14,000,000)	-	-	-	-
Performance Rights	-	-	-	-	-	-	-
Andrew Leibovitch							
Options	14,000,000	-	(4,500,000)	9,500,000	-	9,500,000	-
Performance Rights	-	-	-	-	-	-	-
Nathan Rayner							
Options	-	-	-	-	-	-	-
Performance rights	-	600,000	(600,000)	-	-	-	-
Richard Barker							
Options	-	-	-	-	-	-	-
Performance rights	400,000	400,000	(800,000)	-	-	-	-
Marcus Gracey							
Options	-	-	-	-	-	-	-
Performance rights	-	-	-	-	-	-	-
Gabriel Chiappini							
Options	-	-	-	-	-	-	-
Performance rights	-	-	-	-	-	-	-
Barnaby Egerton-Warburton							
Options	-	-	-	-	-	-	-
Performance rights	-	-	-	-	-	-	-
Kerwin Rana							
Options	-	-	-	-	-	-	-
Performance rights	-	-	-	-	-	-	-
Dorian Wrigley							
Options	-	-	-	-	-	-	-
Performance rights	-	-	-	-	-	-	-

Director's Report (Cont.)

(ii) Share holdings

The following table shows ordinary shares held by key management personnel during the financial year.

	Balance at start of the year	Received on exercise of options during the year	Received on vesting of rights during the year	Other changes during the year	Balance at the end of the year
Marcus Gracey	170,000	-	-	-	170,000
William Barker	3,050,000	-	-	(3,050,000)	-
Andrew Leibovitch	2,800,000	-	-	-	2,800,000
Kerwin Rana	600,000	-	-	-	600,000
Dorian Wrigley	100,000	-	-	-	100,000
Nathan Rayner	1,028,890	-	600,000	(1,628,890)	-
Richard Barker	400,000	-	400,000	(800,000)	-
Gabriel Chiappini	-	-	-	-	-
Barnaby Egerton-Warburton	-	-	-	-	-
	8,148,890	-	1,000,000	(5,478,890)	3,670,000

(j) Loans to key management personnel

There were no loans to key management personnel made during the year ended, or outstanding as at 30 June 2016.

(k) Other transactions with key management personnel

Directors, Kerwin Rana and Dorian Wrigley, are directors of Umbono Capital Partners (Proprietary) Limited ("Umbono"), who are the operators of the group's South African projects. During the reporting period a total of A$171,678 (2015: A$187,481) was due to Umbono for their services; the outstanding amount was settled in full against the Umbono loan facility (refer to note 14 of the Annual Financial Statements). There were no unpaid Umbono invoices at 30 June 2016 (2015: A$0).

All transactions were made on normal commercial terms and conditions and at market rates. There were no other transactions with related parties during the reporting period.

(k) Other transactions with key management personnel (continued)

As at 30 June 2016, no balances were outstanding and payable in respect to those transactions (2015: A$0)

End of Audited Remuneration Report.

Director's Report (Cont.)

3. PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity carried out during the course of the financial year consisted of the fulfilment and satisfaction of conditions subsequent under the acquisition agreement for the 76% participating interest in the existing offshore gas reserve known as the Ibhubesi Gas Project, in southern Africa, and the development thereof, and the continued evaluation and exploration of coal bed methane (CBM) and other unconventional gas.

The Ibhubesi Gas Project transaction, which has been closed from a contractual perspective, was granted the approval for the transfer of title from the South African Department of Mineral Resources, thereby giving Sunbird the right to operate and develop the Ibhubesi Gas Project, South Africa's largest undeveloped gas field. The Ibhubesi Gas Project has multiple development opportunities including gas-fired power projects to supply the high value South African energy market. Sunbird's joint venture partner in the project is PetroSA (24%), the national oil company of South Africa.

4. RESULTS AND DIVIDENDS

The consolidated entity's loss after tax attributable to members of the consolidated entity for the financial year ending 30 June 2016 was A$3,358,801 (2015: A$5,908,536).

No dividends have been paid or declared by the Company during the year ended 30 June 2016 (2015: nil).

5. LOSS PER SHARE

The basic loss per share for the consolidated entity for the year was 2.34 cents per share (2014: 4.40 cents per share).

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Board Changes

On 6 August 2015 Mr Andrew Leibovitch and Mr Will Barker resigned as Directors of the Company. Mr Gabriel Chiappini was appointed as a Director of the Company on the same date. Post the end of the 2015/16 reporting period Mr Kerwin Rana and Mr Dorian Wrigley resigned as Directors effective 28 July 2016 and Mr Baraby Egerton-Warburton was appointed to the Board of the Company effective the 28 July 2016.

Loans Restructured

On 10 August 2015 Interpose Holdings Limited announced that it had successfully negotiated a A$4 million debt reconstruction and financing package with Interpose Holdings Limited's single largest shareholder Umbono Capital ("Umbono") and a consortium of sophisticated South African investors already supporting the Company. This new funding package consisted of A$2.5 million of refinanced current debt plus new cash for working capital of A$1.5 million. The restructured and new debt attracts interest at 20% per annum and at the election of the lenders and subject to shareholder approval, part or all of the debt may be converted to equity prior to repayment.

The A$2.5 million of refinanced loans and A$1.5 million of new loans are repayable at the earlier of 31 December 2016 or the Final Investment Decision ("FID") on Interpose Holdings Limited's Ibhubesi Gas Project ("IGP") development.

Director's Report (Cont.)

The new capital of A$1.5 million may be drawn down in 3 tranches, with the second and third tranches subject to shareholder approval for conversion having been received.

The refinanced loans are convertible, in whole or part, during the period of the loan at the election of the lenders at a rate of A$0.12 per share, or any lower price at which the Company raises equity during the loan period, with a minimum floor conversion price of A$0.01. The four separate loans of which the refinanced loans comprise are each subject to a break fee of $100,000 should share holder approval of conversion not be received.

The Company expected to repay the loan amounts drawn down within the loan period by the application of funds procured from alternate debt or equity or debt/equity raising strategies that will be available to the Company within that period. The Loan Facility agreement provides that upon such repayment of the Loan Facility, the Security shall be discharged and released.

The restructured loans are secured against Interpose Holdings Limited's interest in the shares of its wholly owned subsidiary, Sunbird Energy (Ibhubesi) Pty Ltd, which holds an indirect participating interest of 22.8% in the South African Block 2A Production Right which incorporates the Ibhubesi Gas Project.

MUSA Loan

On the 26 April 2016 Interpose Holdings Limited's announced that it had executed a new loan agreement (Loan Agreement) with MUSA Group (Pty) Ltd (MUSA).

The loan is to be used by the Company as working capital to complete the asset sale announced by the Company on 18 April 2016 (Transaction). Refer to note 22.

The Loan Agreement provides that on completion of the Share Sale and Buyback, the Loan Agreement is novated so that the Purchaser replaces the Company as the borrower under the Loan Agreement and the Company will be released of all its obligations under the Loan Agreement from that date. If the Share Sale is not completed by 30 June 2016, this triggers an event of default under the Loan Agreement that gives rise to a right for the Lender to demand repayment of the loan plus interest. Other main terms of the Loan Agreement are summarised as follows:

- Loan amount: ZAR5,000,000 or, if the Share Sale is not completed by 30 June 2016, AU$435,000.
- Interest rate: 25%
- Repayment: On the earlier of 31 December 2017 and the date on which the Ibhubesi Gas Project is fully funded and the decision is made to begin construction of project infrastructure.

Asset Sale Transaction

As announced 19 April 2016 the Company executed a conditional agreement for the sale of all non-cash assets, being its 74% interest in the Mopane, Springbok Flats and Springbok Flats West projects in South Africa, and its 76% interest in the Ibhubesi Gas Project in South Africa ("Transaction"). The agreement has been entered into with Sunbird Energy Holdings Pty Ltd ("Purchaser"), a private, black-owned South African company comprised of a consortium of the major shareholders and debt holders of Interpose and led by Umbono Capital Pty Ltd, a black-owned South African resources and energy investment and development company ("Umbono").

Upon completion of the Transaction, the total consideration payable to Intrepose will include:

(j) Cash payment of approximately A$1 million (subject to minor adjustment to account for GST returns owing to the Company and Transaction and administration costs to completion);

(k) the buyback and cancellation of 55 million existing shares in Interpose held by parties associated with the Purchaser; and

(l) assignment of all of Interpose's debt, totaling approximately A$4.8 million, to the Purchaser.

The Transaction will be effected by Interpose, among other things:

Director's Report (Cont.)

(d) selling all the issued share capital of Sunbird Energy (Ibhubesi) Pty Ltd and Interpose's 74% interest in Pretzavest 37 (Pty) Ltd to the Purchaser, pursuant to a share sale agreement;

(e) undertaking a selective share buyback pursuant to a buyback agreement; and

(f) assigning Interpose's current debt and associated loan deeds to the Purchaser, pursuant to a deeds of assignment and release.

Pursuant to the terms of the agreement, directors Kerwin Rana and Dorian Wrigley, who are also directors of Umbono, have agreed to resign from the Board of Interpose effective from completion.

Completion of the Transaction will be subject to the satisfaction of various conditions, including approval by Interpose's shareholders. Such approval was and received at a general meeting, expected to be held on 9 June 2016.

Transaction Closes

Post the end of the 2015/16 reporting period and as announced 28 July 2016 the Company completed the sale of its African Projects (Transaction).

The African Projects were sold in consideration for:

(m) a cash payment of approximately A$1 million;

(n) the buyback and cancellation of 55 million existing shares in the Company held by parties associated with the Purchaser; and

(o) assignment of all of the Company's debt, totalling approximately A$4.8 million, to the Purchaser.

The Company now intends to investigate opportunities from within the oil and gas sector. As announced on 18 April 2016, the Company has executed a corporate advisory mandate with Cygnet Capital Pty Limited (Cygnet Capital). Pursuant to the mandate Cygnet Capital will assist the Company with the identification and introduction of new business opportunities.

Expiry of Options
During the financial year 12,250,000 unlisted options in the Company lapsed, which was made up of 4,250,000 options with exercise price of 20 cents, 6,500,000 options with exercise price of 25cents and 1,500,000 options with exercise price of 30 cents.

Issue of Shares and Performance Rights

On 19 April 2016 400,000 fully paid ordinary shares were issued following the vesting of Performance rights. On 24 June 2016 600,000 fully paid ordinary shares were issued following the vesting of Performance rights. No new options or performance rights were issued during the period.

7. EVENTS SUBSEQUENT TO REPORTING DATE

All matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the group in future financial years which have been disclosed publicly at the date of this report. Please see item 6 above for further details regarding Subsequent Events.

Director's Report (Cont.)

Listing Rule 12.1

The Company has been advised by the ASX that it will be afforded a six month period following the disposal of its prior oil and gas assets on 28 July 2016 in which to secure a suitable project. Consequently, should the Company not demonstrate compliance with Listing Rule 12.1 by 27 January 2017, the ASX may suspend the Company's securities from Official Quotation. ASX Listing Rule 12.1, which provides that the level of an entity's operation must, in the ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and its continued listing.

Renounceable rights issue

On 23 September 2016 Interpose Holdings Limited (Company) announced that it had lodged an offer document with ASX for its non-renounceable entitlement offer which was announced on 14 September 2016. Eligible shareholders will be offered 1 new fully paid ordinary share (New Share) for every 2 fully paid ordinary shares (Share) held on at 5.00pm (WST) on the record date at an issue price of $0.02 per New Share (Entitlement Offer) to raise up to approximately $845,592 (before costs).

8. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company now intends to investigate opportunities from within the oil and gas sector. As announced on 18 April 2016, the Company has executed a corporate advisory mandate with Cygnet Capital Pty Limited (Cygnet Capital). Pursuant to the mandate Cygnet Capital will assist the Company with the identification and introduction of new business opportunities.

9. ENVIRONMENTAL REGULATIONS

The consolidated entity's operations during the reporting period are subject to environmental regulations under the legislation of African countries in which it operates. The board believes there are adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply.

The company is not subject to the reporting requirements of either the Energy Efficiency Opportunities Act 2006 or the National Greenhouse and Energy Reporting Act 2007.

10. DIRECTORS' AND EXECUTIVES' INTERESTS

As at the date of this report, the interests of the directors and executives in the shares, options and performance rights of the Company were:

		Performance	Option strike price		
	Shares	rights	$0.20	$0.25	$0.30
Directors					
Marcus Gracey	170,000	-	-	-	-
Dorian Wrigley	100,000	-	-	-	-
William Barker	-	-	-	-	-
Andrew Leibovitch	2,800,000	-	2,000,000	2,500,000	5,000,000
Kerwin Rana	600,000	-	-	-	-
Gabriel Chiappini	-	-	-	-	-
Barnaby Egerton-Warburton	200,000	-	-	-	-
Key management					
Nathan Rayner	-	-	-	-	-
Richard Barker	-	-	-	-	-
Total	3,870,000	-	2,000,000	2,500,000	5,000,000

Director's Report (Cont.)

11. SHARES UNDER OPTION

As at the date of this report, there were 22,000,000 unlisted options over ordinary shares on issue detailed as follows:

Options Code	No. of	Strike Price	Expiry Date
SNYO5	4,000,000	$0.20	19-Jan-17
SNYOIP1	5,000,000	$0.25	11-Nov-16
SNYOIP2	5,000,000	$0.30	11-Nov-16
SNYONV2	5,000,000	$0.30	7-Oct-16
SNYO5	3,000,000	$0.50	1-Oct-16
Total	22,000,000		

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company.

Included in these options are options granted as remuneration to the directors and key management personnel, as disclosed in the remuneration report.

As at the date of this report, there were no unlisted performance rights to ordinary shares on issue.

Rights holders do not have any right, by virtue of the performance right, to participate in any share issue of the Company until the performance milestone has been achieved and the right vested absolutely.

12. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification
An indemnity agreement has been entered into with each of the directors, chief financial officer and company secretary of the Company named earlier in this report. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities to the extent permitted by law. There is no monetary limit to the extent of this indemnity.

Insurance
During the financial year the Company has taken out an insurance policy in respect of directors' and officers' liability and legal expenses for directors and officers.

13. CORPORATE STRUCTURE
Interpose Holdings Ltd is a company limited by shares that is incorporated and domiciled in Australia. The company is listed on the Australian Securities Exchange under the code "IHS".

14. AUDIT AND NON-AUDIT SERVICES

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and the experience with the Company and/or the group are important.

Details of the amounts paid or payable to the auditor, BDO Audit (WA) Pty Ltd ("BDO"), are set out below.

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

Director's Report (Cont.)

During the reporting period, the following fees were paid or payable for audit and non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	30-Jun-16 A$	30-Jun-15 A$
Services provided by the Auditor – BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	58,877	64,473
Tax compliance services	4,218	14,017
Total services provided by the Auditor	63,095	78,490
Services provided by network firms of BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	-	22,174
Due diligence audit	28,560	-
Total services provided by BDO Audit (WA) Pty Ltd and network firms	91,655	100,664

15. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's Independence Declaration is set out on page xx and forms part of the directors' report for the financial year ended 30 June 2016.

This report is signed in accordance with a resolution of the board of directors and is signed on behalf of the directors by:

Marcus Gracey
Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2016

	Note	2016 A$	2015 A$
Continuing operations			
Interest revenue		4,728	33,557
Other revenue		-	-
Exploration expenses		(166,721)	(1,665,822)
Corporate costs	5	(1,169,357)	(979,937)
Professional fees	6	(370,765)	(243,882)
Directors' and executives' fees		(56,667)	(165,000)
Share-based payment expense	21	(30,194)	(1,631,210)
Impairment of E&E	12	-	(34,461)
Finance costs		(853,463)	(703,555)
Loss from continuing operations before income tax		(2,642,439)	(5,390,310)
Income tax expense	7	-	-
Loss from continuing operations after income tax		(2,642,439)	(5,390,310)
Discontinued operations			
Loss for the year from discontinued operations	25	(716,362)	(518,226)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation – members of parent entity	16	(943,836)	168,147
Foreign currency translation – non-controlling interest		133,754	(7,212)
Total other comprehensive loss for the year		(810,082)	(160,935)
Loss for the period attributable to:			
Members of the parent entity		(3,268,318)	(5,771,238)
Non-controlling interest	17	(90,483)	(137,298)
Total loss from continuing operations		(3,358,801)	(5,908,536)
Total comprehensive loss for the period attributable to:			
Members of the parent entity		(4,212,154)	(5,603,091)
Non-controlling interest	17	43,271	(144,510)
Loss for the year attributable to owners of the parent		(4,168,883)	(5,747,601)
Loss per share from continuing operation attributable to the ordinary equity holders of the Company			
Basic and diluted loss from continuing operations per share (cents)	8	(2.34)	(4.40)
Basic and diluted loss from discontinued operations per share (cents)	25	(0.51)	(0.39)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
as at 30 June 2016

	Note	2016 A$	2015 A$
Assets			
Current assets			
Cash and cash equivalents	9	8,676	690,654
Trade and other receivables	10	-	212,990
Assets held for sale	25	3,543,546	-
Total current assets		3,552,221	903,644
Non-current assets			
Property, plant and equipment	11	6,094	33,468
Exploration and evaluation expenditure	12	-	3,888,289
Total non-current assets		6,094	3,921,757
Total assets		3,558,315	4,825,401
Liabilities			
Current liabilities			
Trade and other payables	13	293,982	517,637
Borrowings	14	5,281,363	2,321,456
Finance lease obligation		-	6,177
Liabilities held for sale	25	145,891	-
Total current liabilities		5,721,236	2,845,270
Non-current liabilities			
Finance lease obligation		-	11,576
Total non-current liabilities		-	11,576
Total liabilities		5,721,236	2,856,846
Net assets/ (liabilities)		(2,162,920)	1,968,555
Equity			
Share capital	15	19,320,504	19,320,504
Reserves	16	5,999,665	6,913,307
Accumulated loss		(26,624,879)	(23,356,561)
Total equity attributable to owners of Interpose Holdings Limited		(1,304,710)	2,877,250
Non-controlling interest	17	(858,210)	(908,695)
Total equity		(2,162,920)	1,968,555

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
for the year ended 30 June 2016

	Share capital A$	Foreign currency translation reserve A$	Share-based payment reserve A$	Total reserves A$	Accumulated loss A$	Total attributable to equity holders of the group/ company A$	Non-controlling interest share of foreign exchange A$	Total equity A$
Balance at 30 June 2014	14,338,035	33,146	4,735,803	4,768,949	(17,585,323)	1,521,661	(764,185)	757,476
Loss for the year	-	-	-	-	(5,771,238)	(5,771,238)	(137,298)	(5,908,536)
Foreign currency translation	-	168,147	-	168,147	-	168,147	(7,212)	160,935
Total comprehensive loss for the year	-	168,147	-	168,147	(5,771,238)	(5,603,091)	(144,510)	(5,747,601)
Issue of shares – net of transaction costs	4,982,469	-	-	-	-	4,982,469	-	4,982,469
Share-based payments	-	-	1,976,211	1,976,211	-	1,976,211	-	1,976,211
Non-controlling interest	-	-	-	-	-	-	-	-
Total distributions to owners of Company recognised directly in equity	4,982,469	-	1,976,211	1,976,211	-	6,958,680	-	6,958,680
Balance at 30 June 2015	19,320,504	201,293	6,712,014	6,913,307	(23,356,561)	2,877,250	(908,695)	1,968,555
Loss for the year	-	-	-	-	(3,268,318)	(3,268,318)	(90,483)	(3,358,801)
Foreign currency translation	-	(943,836)	-	(943,836)	-	(943,836)	140,968	(802,868)
Total comprehensive loss for the year	-	(943,836)	-	(943,836)	(3,268,318)	(4,212,154)	50,485	(4,161,669)
Issue of shares – net of transaction costs	-	-	-	-	-	-	-	-
Share-based payments	-	-	30,194	30,194	-	30,194	-	30,194
Non-controlling interest	-	-	-	-	-	-	-	-
Total distributions to owners of Company recognised directly in equity	-	-	30,194	30,194	-	30,194	-	30,194
Balance at 30 June 2016	19,320,504	(742,543)	6,742,208	5,999,665	(26,624,879)	(1,304,710)	(858,210)	(2,162,920)
Note(s)	15	16	16	16				

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated Statements of Cash Flows
for the year ended 30 June 2016

	Note	2016 A$	2015 A$
Cash flows from operating activities			
Interest received		11,708	42,504
Payments to suppliers and employees		(1,743,478)	(1,279,893)
Exploration payments		(1,023,657)	(3,575,989)
Reimbursement by PetroSA for IGP expenses		369,195	1,008,460
Net cash used for operating activities	18	(2,386,232)	(3,804,918)
Cash flows from investing activities			
Cash payments for property, plant and equipment		-	(7,897)
Net cash used for investing activities		-	(7,897)
Cash flows from financing activities			
Proceeds from issue of shares/exercise of options net of issuance costs		-	5,327,469
Proceeds from borrowings net of raising costs		1,954,368	1,924,690
Repayment of borrowings – capital		-	(2,650,000)
Interest paid		-	(481,494)
Finance lease payments		(19,883)	(6,749)
Net cash from financing activities		1,934,485	4,113,916
Total cash movement for the year		(451,747)	301,101
Cash at the beginning of the year		690,654	373,043
Exchange rate adjustment		109	16,510
Total cash at the end of the year	9	239,016	690,654

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. The financial statements are for the consolidated entity consisting of Interpose Holdings Limited and its subsidiaries.

A Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Interpose Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Interpose Holdings Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

Where necessary, comparatives have been reclassified and repositioned for consistency with the current year disclosures.

(ii) New and amended standards adopted by the group

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the year ended 30 June 2016, and no change to the Group's accounting policy is required:

Reference	Title	Summary	Impact on Group's financial report	Application date for Group
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ▪ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▪ The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.	The Group has considered these standards and determined that there is no impact on the Group's financial statements.	1 July 2017

Reference	Title	Summary	Impact on Group's financial report	Application date for Group
AASB 15	Revenue from Contracts with Customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2018
AASB 16	Leases	IFRS 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2019

The Group has not elected to early adopt any new Standards or Interpretations.

All new and amended accounting standards mandatory as at 1 July 2015 have not had an impact on the financials.

(iii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(iv) Going concern

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

The Group incurred a net loss from continuing operations after tax for the year ended 30 June 2016 of $2,642,439 (2015: $5,390,310) and experienced net cash outflows from operating activities of $2,386,232 (2015: 3,804,918). At 30 June 2016, the Group had a working capital deficiency of $2,169,015 (2015: 1,943,626).

As disclosed in Note 22, subsequent to the year end, the Company completed the sale of its African projects, the effect of which is that the Company had net cash holdings of approximately A$850,000 and no debts owing under loan facilities. In addition, in September 2016 the Company issued an offer document for a non-renounceable entitlement offer to raise $845,592 before costs. This offer closes in October 2016.

In considering the above, the Directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Interpose Holdings Limited ("the Company" or "the parent entity") as at 30 June 2016 and the results of all subsidiaries for the year then ended. Interpose Holdings Limited and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition method of accounting is used to account for business combinations by the group. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of financial position and statement of changes in equity.

C Segment reporting

AASB 8 Operating Segments requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of Interpose Holdings Limited is Australian dollars ("A$").

The consolidated financial statements are presented in Australian dollars, which is the Company's presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to A$ at foreign exchange rates ruling at the dates the fair value was determined.

(iii) Financial statements of foreign operations

The revenues and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Australian dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised directly in the foreign currency translation reserve ("FCTR"), as a separate component of equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss, as part of the gain or loss on sale where applicable.

E Revenue recognition

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

Net financial income

Net financial income comprises interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested, dividend income and foreign exchange gains and losses.

Interest income is recognised in the profit and loss as it accrues, using the effective interest method.

Management fees are recognised in the profit and loss as the right to a fee accrues, in accordance with contractual rights.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F Income tax

The income tax expense for the period presented comprises current and deferred tax. Income tax is recognised in the statement of profit and loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised, or to the extent that the group has deferred tax liabilities with the same taxation authority.

G Business combination

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

H Asset acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities, as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I Impairment of assets

The carrying amounts of the Company's assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. The reversal is recognised in the income statement.

J Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the group's contractual rights to the cash flows from the financial assets expire or if the group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e. the date that the group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J Financial instruments (continued)

(ii) Subsequent measurement
Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Details on how the fair value of financial instruments is determined are disclosed in note 2.

(iii) Impairment
The group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

K Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short-term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

L Trade and other receivables

Trade and other receivables are recorded at amounts due less any allowance for doubtful debts.

M Other financial assets

The group classifies its investments in the following categories: loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

Investments in subsidiaries are carried at cost, net of any impairment.

N Property, plant and equipment

(i) Owned assets
Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a work condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items ("major components").

(ii) Subsequent costs
The consolidated entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other costs are recognised in profit and loss as an expense as incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N Property, plant and equipment (continued)

(iii) Depreciation
With the exception of freehold land and mineral property and development assets, depreciation is charged to profit and loss using a straight value method over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Mineral property and development assets are depreciated on the units of production basis over the life of the economically recoverable reserves.

The estimated useful lives in the current period are as follows:

Item	Average useful life
Plant and equipment	3 to 10 years
Software	2.5 years
Furniture and fittings	10 years
Motor vehicles	3 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

O Exploration and evaluation expenditure

Exploration and evaluation costs are allocated separately to specific areas of interest. Each area of interest is limited to a size related to a known and probable Mineral Resource capable of supporting a mining operation. Such costs comprise net direct costs and an appropriate portion of related overhead expenditure directly related to activities in the area of interest.

Exploration and evaluation costs incurred in the normal course of operations are written off immediately.

Exploration and evaluation costs are capitalised where they are the result of an acquisition from a third party. These capitalised costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When a decision to proceed to development is made the exploration and evaluation costs capitalised to that area are transferred to mine development within property, plant and equipment. All costs subsequently incurred to develop a mine prior to the start of mining operations within the area of interest are capitalised. These costs include expenditure to develop new ore bodies within the area of interest, to define further mineralisation in existing areas of interest, to expand the capacity of a mine and to maintain production.

P Environmental protection and replacement

Expenditures related to ongoing environmental activities are charged against earnings as incurred or capitalised and depreciated depending on their relationship to future earnings. The fair value of the liability for an asset retirement obligation is recognised in the period incurred. The fair value is added to the carrying amount of the associated asset and depreciated over the asset's useful life. The liability is accreted over time through periodic charges to earnings and it is reduced by actual costs of decommissioning and reclamation. Estimates of decommissioning and reclamation costs could change as a result of changes in regulatory requirements and cost estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q Trade and other payables

Trade and other payables are non-interest bearing liabilities stated at cost and settled within 30 days.

R Goods and Services Tax / Value Added Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST") or Value Added Tax ("VAT"), except where the amount of GST/VAT incurred is not recoverable from the taxation authority. In these circumstances, the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST/VAT included. The net amount of GST/VAT recoverable from, or payable to, the relevant tax authority is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST/VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authority are classified as operating cash flows.

S Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

T Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

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

U Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V Dividends

Dividends are recognised as a liability in the period in which they are declared.

W Employee benefits

(i) Short-term employee benefits
Wages, salaries, bonuses and other salary related expenses are recognised as expenses in the year in which the associated services are rendered by employees of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services rendered by employees, that increase their entitlement to future compensated absences, occur. Short-term accumulating compensated absences such as sick leave are recognised when absences occur.

(i) Defined contribution plans
Employee benefits include statutory social insurance payments to the State Social Insurance Scheme. Contributions to this defined contribution plan are recognised as an expense as incurred.

(ii) Share-based payments
The company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ("equity-settled transactions").

The fair value of options is recognised as an expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the holder become unconditionally entitled to the options. Fair value is determined by an independent valuer using a Black-Scholes option pricing model. In determining fair value, no account is taken of any performance conditions other than those related to the share price of Interpose Holdings Limited ("market conditions"). The cumulative expense recognised between grant date and vesting date is adjusted to reflect the directors best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with the Company until the vesting date, or such that employees are required to meet internal performance targets.

(iii) Share-based payments
No expense is recognised for options that do not ultimately vest because internal conditions were not met. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the statement of comprehensive income. However, if new options are substituted for the cancelled options and designated as a replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

X Earnings per share

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

X Earnings per share (continued)

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

Y Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee
Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting period and on foreseeable future transactions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Z Non-current Assets Held for Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

A discontinued operation is a component of an entity, being a cash-generating unit (or a group of cash-generating units), that either has been disposed of, or is classified as held for sale, and: represents a separate major line of business or geographical area of operations; is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with the view to resale.

Impairment losses are recognised for any initial or subsequent write-down of an asset (or disposal group) classified as held for sale to fair value less costs to sell. Any reversal of impairment recognised on classification as held for sale or prior to such classification is recognised as a gain in profit or loss in the period in which it occurs.

2. FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by the management under policies approved by the board of directors. Group management identifies, evaluates and hedges financial risks by holding cash in interest earning deposits.

The group holds the following financial instruments:

	30-Jun-16 A$	30-Jun-15 A$
Financial assets		
Cash and cash equivalents	8,676	690,654
Trade and other receivables	-	212,990
Total financial assets	8,676	903,644
Financial liabilities		
Trade and other payables	(293,976)	(517,637)
Finance lease obligation	-	(6,177)
Borrowings	(5,281,363)	(2,321,456)
Total financial liabilities	(5,575,339)	(2,845,270)
Net financial instruments	(5,566,663)	(1,941,626)

(a) Market risk

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The consolidated entity has the Australian dollar (A$) as its functional currency, which is also the currency for the group's transactions. Some exposure to foreign exchange risk exists in respect to the South African subsidiaries which have transactions denominated in South African Rand (ZAR). The risk is measured using sensitivity analysis and cash flow forecasting.

The group's exposure to foreign currency risk at the reporting date, expressed in Australian Dollars, was:

	30-Jun-16 A$	30-Jun-15 A$
Cash and cash equivalents	-	340,999
Trade and other receivables	-	144,041
Trade and other payables	-	(171,788)
Borrowings	(5,281,363)	(1,257,563)
Total exposure to foreign currency risk	(5,281,363)	(944,311)

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Group sensitivity to movements in foreign exchange rates is shown in the summarised sensitivity analysis table below:

		Foreign exchange risk			
		-10%		10%	
30-Jun-16	Carrying amount A$	Profit A$	Equity A$	Profit A$	Equity A$
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	-	-	-	-	-
Financial liabilities			-		-
Trade and other payables	-	-	-	-	-
Borrowings	(5,281,363)	-	(528,136)	-	528,136
Net exposure to foreign currency risk	(5,281,363)	-	(528,136)	-	528,136

		Foreign exchange risk			
		-10%		10%	
30-Jun-15	Carrying amount A$	Profit A$	Equity A$	Profit A$	Equity A$
Financial assets					
Cash and cash equivalents	340,999	-	(34,100)	-	34,100
Trade and other receivables	144,041	-	(14,404)	-	14,404
Financial liabilities					
Trade and other payables	(171,788)	-	17,179	-	(17,179)
Borrowings	(1,257,563)	-	125,756	-	(125,756)
Net exposure to foreign currency risk	(944,311)	-	94,431	-	(94,431)

(a) Market risk (continued)

Foreign exchange volatility was chosen to reflect expected short-term fluctuations in the South African Rand.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, the ability to meet obligations when due and to close out market positions.. Due to the dynamic nature of the underlying businesses, the management aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. Surplus funds are only invested in instruments that are tradeable in highly liquid markets.

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The tables below analyse the group's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

30-Jun-16	Less then 6 months	Total contractual cash flows	Carrying amount of liabilities
Borrowings	5,281,363	5,281,363	5,281,363
Trade and other payables	293,976	293,976	293,976
Finance lease obligation	-	-	-
Total exposure to liquidity risk	5,575,339	5,575,339	5,575,339

30-Jun-15	Less then 6 months	Total contractual cash flows	Carrying amount of liabilities
Borrowings	2,321,456	2,321,456	2,321,456
Trade and other payables	517,637	517,637	517,637
Finance lease obligation	6,177	17,753	23,930
Total exposure to liquidity risk	2,845,270	2,856,846	2,863,023

Interest rate risk

The group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

	Weighted average interest rate	30-Jun-16	Weighted average interest rate	30-Jun-15
Floating interest rate:				
Cash available at call	2.03%	8,676	2.03%	418,989
Fixed interest rate:				
Term deposits	n/a	-	2.40%	271,665
Borrowings	20.00%	(5,281,363)	20.00%	(2,321,456)
Finance lease obligation	n/a	-	n/a	(23,930)
Total exposure to interest rate risk		(5,272,687)		(1,654,732)

The group has significant interest-bearing borrowings; however a percentage change in interest rates would not have a material impact on the results. The group's sensitivity to movement in interest rates is shown in the summarised sensitivity analysis table below:

		Interest rate risk			
		-10 bps		+10 bps	
30-Jun-16	Carrying amount A$	Profit A$	Equity A$	Profit A$	Equity A$
Cash and cash equivalents	8,676	(9)	-	9	-
30-Jun-15					
Cash and cash equivalents	690,654	(691)	-	691	-

Interest rate volatility was chosen to reflect expected short-term fluctuations in market interest rates.

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk

The carrying amount of cash and cash equivalents and trade and other receivables (excluding prepayments) represent the group's maximum exposure to credit risk in relation to financial assets.

Cash and short-term liquid investments are placed with reputable banks, so no significant credit risk is expected. The group does have a material exposure to a single debtor, namely PetroSA, but no significant credit risk is expected. None of the financial assets are either past due or impaired.

(d) Fair value measurements

The carrying values less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes, cost of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

(b) Income taxes

The group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the provision for income taxes across the group. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group estimates its tax liabilities based on the group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(c) Share-based payment transactions

The fair value of share appreciation rights is measured using a Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(d) Borrowings

All of the group's debt is repayable within 12 months and convertible to equity upon maturity, at the option of the lenders. The conversion is subject to shareholders' approval (scheduled for 9 October), thus the debt is recognised and measured in accordance with the group's accounting policy on borrowings.

(e) Assets Held for Sale

Classification as "held for sale" occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

4. SEGMENT INFORMATION

(a) Description of segments

The Company's Board of Directors, who are collectively the "Chief Operating Decision Maker", receives financial information for two reportable segments being "Corporate" and "Exploration". The exploration segment was sold subsequent to year end and has been classified as Held for Sale at 30 June 2016.

(b) Segment information

For the year ended 30 June 2016	Exploration A$	Corporate A$	Held for sale A$	Consolidated A$
Total segment revenue	-	4,728	-	4,728
Profit (loss) before income tax	-	(2,642,439)	(716,362)	(3,358,801)
Segment Assets				
Property, plant and equipment	-	6,094	-	6,094
Exploration and evaluation property	-	-	-	-
Cash and cash equivalents	-	8,676	-	8,676
Other	-	-	3,543,546	3,543,546
Total Segment Assets	-	14,770	3,543,546	3,558,316
Segment Liabilities				
Finance lease obligation	-	-	-	-
Trade and other payable	-	293,976	-	293,976
Other	-	5,281,363	145,891	5,427,254
Total Segment Liabilities	-	5,575,339	145,891	5,721,230

For the year ended 30 June 2015	Exploration A$	Corporate A$	Eliminations A$	Consolidate d A$
Total segment revenue	-	42,504	-	42,504
Profit (loss) before income tax	(2,174,636)	(3,733,900)	-	(5,908,536)
Segment Assets				
Property, plant and equipment	16,403	17,065	-	33,468
Exploration and evaluation property	3,888,289	-	-	3,888,289
Cash and cash equivalents	255,719	434,935	-	690,654
Other	144,041	68,949	-	212,990
Total Segment Assets	4,304,452	520,949	-	4,825,401
Segment Liabilities				
Finance lease obligation	17,753	-	-	17,753
Trade and other payable	170,197	347,445	-	517,642
Other	-	2,321,457	-	2,321,457
Total Segment Liabilities	187,950	2,668,902	-	2,856,852

5. CORPORATE COSTS

	2016 A$	2015 A$
Consultants' fees	765,599	209,806
Insurance	11,887	20,498
Occupancy	31,752	126,825
Travel	8,526	200,266
Depreciation	10,971	11,869
Corporate compliance and communication	54,460	194,247
Office and other costs	286,162	216,426
Total corporate costs	1,169,357	979,937

6. PROFESSIONAL FEES

	2016 A$	2015 A$
Services provided by the Auditor – BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	37,750	65,237
Tax compliance services	-	8,168
Total services provided by the Auditor	37,750	73,405
Services provided by network firms of BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	-	-
Due diligence audit	-	-
Total services provided by the Auditor's network firms	-	-
Total services provided by BDO Audit (WA) Pty Ltd and network firms	37,750	73,405
Other professional fees		
Legal fees	222,730	146,647
Other fees	110,285	23,830
Total other professional fees	333,015	170,477
Total professional fees	370,765	243,882

7. TAXATION

	2016 A$	2015 A$
INCOME TAX EXPENSE		
The components of tax expense comprise:		
Current income tax charge (benefit)	-	-
Adjustments in respect of previous current income tax	-	-
Total income tax expense from continuing operation	-	-
A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the years ended 30 June 2015 and 30 June 2014 is as follows:		
Accounting profit (loss) before tax from continuing operations	(3,358,801)	(5,908,536)
Accounting profit (loss) before income tax	(3,358,801)	(5,908,536)
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2015: 30%)	(1,007,640)	(1,772,560)
Add:		
Non-deductible expenses	9,475	492,470
NANE related expenditure	463,940	884,544
Difference in overseas rates	11,826	10,362
Temporary differences and losses not recognised	522,399	385,183
Income tax expense/(benefit)	-	-
The applicable weighted average effective tax rates are as follows:	0%	0%
Unrecognised deferred tax assets/(liabilities)		
Deferred tax assets/(liabilities) have not been recognised in respect of the following items:		
Trade and other payables	6,137	2,451
Australian tax losses	1,473,517	1,041,650
Foreign tax losses – revenue (1)	2,998,438	2,832,873
	4,478,092	3,876,974
Offset against deferred tax liabilities recognised	-	-
Deferred tax assets not brought to account	4,478,092	3,876,974

(1) As a result of the sale of the African subsidiaries (refer to note 22) the foreign tax losses will not be available to be offset against the future taxable income of Interpose Holdings Limited and as such will not be carried forward into future reporting periods.

The tax benefits of the above deferred tax assets will only be obtained if:

a. The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
b. The consolidated entity continues to comply with the conditions for deductibility imposed by law; and
c. No changes in income tax legislation adversely affect the consolidated entity from utilising the benefits.

8. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share at the reporting date was based on the loss attributable to ordinary shareholders of $3,268,318 (2015: A$5,771,238) and a weighted average number of ordinary shares outstanding during the current financial year of 138,680,894 (2015: 132,305,607) shares calculated as follows:

	2016 A$	2015 A$
Loss for the year	(3,268,318)	(5,771,238)
Weighted average number of ordinary shares (basic)	138,680,894	132,305,607
Effect of options on issue	-	-
Weighted average number of ordinary shares (diluted)	138,680,894	132,305,607
Basic loss per share (cents)	(2.34)	(4.40)

Diluted loss per share

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:	2016 A$	2015 A$
Cash on hand	8,676	418,989
Cash in term deposits	-	271,665
Cash at banks attributable to discontinued operations – refer to note 25	230,340	-
Total cash and cash equivalents	239,016	690,654

Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in note 2.

10. TRADE AND OTHER RECEIVABLES

	2016 A$	2015 A$
Trade receivable	-	41,010
Deposits	-	23,054
GST and VAT receivable	-	86,935
Other receivables	-	61,991
Total trade and other receivables	-	212,990

Risk exposure
Information about the group's exposure to credit, foreign exchange and interest rate risk is provided in note 2.

11. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of property, plant and equipment – 2016

	Plant & equipment	Software	Furniture and fittings	Total
At cost				
Opening balance as at 1 July 2015	24,323	585	18,096	43,004
Additions	-	-	-	-
Disposals	-	-	-	-
Effects of foreign currency translation – current year	-	-	-	-
Closing balance as at 30 June 2016	24,323	585	18,096	43,004
Accumulated depreciation				
Opening balance at 1 July 2015	13,364	585	11,990	25,939
Depreciation for the year	5,447	-	5,524	10,971
Disposals	-	-	-	-
Effects of foreign currency translation – current year	-	-	-	-
Closing balance as at 30 June 2016	18,811	585	17,514	36,910
Carrying value				
Opening carrying value as at 1 July 2015	10,959	-	6,106	17,065
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation for the year	(5,447)	-	(5,524)	(10,971)
Effects of foreign currency translation – current year	-	-	-	-
Closing balance as at 30 June 2016	5,512	-	582	6,094

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment – 2015

	Plant & equipment	Motor Vehicles	Software	Furniture and fittings	Total
At cost					
Opening balance as at 1 July 2014	23,863	49,349	3,827	18,096	95,135
Additions	7,640	-	-	-	7,640
Disposals	-	-	-	-	-
Effects of foreign currency translation – current year	437	3,004	197	-	3,638
Closing balance as at 30 June 2015	31,940	52,353	4,024	18,096	106,413
Accumulated depreciation					
Opening balance at 1 July 2014	10,005	19,658	2,340	6,555	38,558
Depreciation for the year	8,653	15,926	1,077	5,435	31,091
Disposals	-	-	-	-	-
Effects of foreign currency translation – current year	395	2,705	196	-	3,296
Closing balance as at 30 June 2015	19,053	38,289	3,613	11,990	72,945
Carrying value					
Opening carrying value as at 1 July 2014	13,858	29,691	1,487	11,541	56,577
Additions	7,640	-	-	-	7,640
Disposals	-	-	-	-	-
Depreciation for the year	(8,653)	(15,926)	(1,077)	(5,435)	(31,091)
Effects of foreign currency translation – current year	42	299	1	-	342
Closing balance as at 30 June 2015	12,887	14,064	411	6,106	33,468

12. EXPLORATION AND EVALUATION EXPENDITURE

As at 30 June 2016, the carrying value of the capitalised exploration and evaluation properties of the consolidated entity was A$nil (2015: A$3,888,289); the carrying amounts of individual projects are as per the reconciliation of movement in exploration and evaluation property below.

Reconciliation of movement in exploration and evaluation property

Ibhubesi Gas Project	Note	2016 A$	2015 A$
Project carrying value at 1 July		3,888,289	3,754,489
Costs incurred during the year		-	-
Impairment		-	(34,461)
Effect of translation to presentation currency		(575,084)	168,261
Transfer to assets held for sale	25	(3,313,205)	-
Project carrying value at 30 June		-	3,888,289

12. EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

13. TRADE AND OTHER PAYABLES

	2016 A$	2015 A$
Trade creditors	264,755	319,394
Other payables	29,227	29,607
Accruals	-	168,636
Total trade and other payables	293,982	517,637

Trade and other payables are non-interest bearing liabilities stated at cost and settled within 30 days. Information about the group's exposure to foreign currency risk is provided in Note 2.

14. BORROWINGS

On 10 August 2015 Interpose Holdings Limited announced that it had successfully negotiated a A$4 million debt reconstruction and financing package with Interpose Holdings Limited's single largest shareholder Umbono Capital ("Umbono") and a consortium of sophisticated South African investors already supporting the Company. This new funding package consists of A$2.5 million of refinanced current debt plus new cash for working capital of A$1.5 million. The restructured and new debt attracts interest at 20% per annum and at the election of the lenders and subject to shareholder approval, part or all of the debt may be converted to equity prior to repayment.

The A$2.5 million of refinanced loans and A$1.5 million of new loans are repayable at the earlier of 31 December 2016 or the Final Investment Decision ("FID") on Interpose Holdings Limited's flagship Ibhubesi Gas Project ("IGP") development. The new capital of A$1.5 million may be drawn down in 3 tranches, with the second and third tranches subject to shareholder approval for conversion having been received.

The refinanced loans are convertible, in whole or part, during the period of the loan at the election of the lenders at a rate of A$0.12 per share, or any lower price at which the Company raises equity during the loan period, with a minimum floor conversion price of A$0.01. The four separate loans of which the refinanced loans comprise are each subject to a break fee of $100,000 should share holder approval of conversion not be received.

The Company expects to repay the loan amounts drawn down within the loan period by the application of funds procured from alternate debt or equity or debt/equity raising strategies that will be available to the Company within that period. The Loan Facility agreement provides that upon such repayment of the Loan Facility, the Security shall be discharged and released.

The restructured loans are secured against Interpose Holdings Limited's interest in the shares of its wholly owned subsidiary, Sunbird Energy (Ibhubesi) Pty Ltd, which holds an indirect participating interest of 22.8% in the South African Block 2A Production Right which incorporates the Ibhubesi Gas Project.

On the 26 April 2016 Interpose Holdings Limited's announced that it had executed a new loan agreement (Loan Agreement) with MUSA Group (Pty) Ltd (MUSA).

The loan is to be used by the Company as working capital to complete the asset sale announced by the Company on 18 April 2016 (Transaction). Refer to note 22.

14. BORROWINGS (CONTINUED)

The Loan Agreement provides that on completion of the Share Sale and Buyback, the Loan Agreement is novated so that the Purchaser replaces the Company as the borrower under the Loan Agreement and the Company will be released of all its obligations under the Loan Agreement from that date. If the Share Sale is not completed by 30 June 2016, this triggers an event of default under the Loan Agreement that gives rise to a right for the Lender to demand repayment of the loan plus interest. Other main terms of the Loan Agreement are summarised as follows:

- Loan amount: ZAR5,000,000 or, if the Share Sale is not completed by 30 June 2016, AU$435,000.
- Interest rate: 25%
- Repayment: On the earlier of 31 December 2017 and the date on which the Ibhubesi Gas Project is fully funded and the decision is made to begin construction of project infrastructure.

The funds available under the new loans facility, fully drawn during the financial year, were provided by the following South African parties:

	Amount A$	Capitalised interest A$	Total A$
Umbono	959,470	451,778	1,411,248
Brian Glover (new loans)	631,323	148,294	779,617
Neville Cornish (new loans)	1,147,023	255,822	1,402,845
Allan Mackintosh (new loans)	985,429	234,116	1,219,545
MUSA	448,156	19,952	468,108
	4,171,401	1,109,962	5,281,363

At 30 June 2016, the total secured liabilities are as follows:

	2016 A$	2015 A$
Umbono Loan Facility – principal	959,470	840,025
Umbono Loan Facility – capitalised interest	451,778	143,910
	1,411,248	983,935
New Loans – principal	2,763,775	1,257,563
New Loans – capitalised interest	638,232	79,958
	3,402,007	1,337,521
MUSA Loan – principal	448,156	-
MUSA Loan – capitalised interest	19,952	-
	468,108	-
Total borrowings	5,281,363	2,321,456
Total facilities		
Umbono Loan Facility	959,470	2,500,000
New Loans Facility	2,763,775	1,257,563
MUSA Loan Facility	448,156	-
Total facilities	4,171,401	3,757,563
Used at the reporting date		
Umbono Loan Facility	959,470	840,025
New Loans Facility	2,763,775	1,257,563
MUSA Loan Facility	448,157	-
Total facilities used	4,171,401	2,097,588
Unused at the reporting date		
Umbono Loan Facility	-	1,659,975
New Loans Facility	-	-
MUSA Loan Facility	-	-
Total facilities available	-	1,659,975

15. SHARE CAPITAL

The group's capital is comprised of ordinary shares and options over ordinary shares of the Company.

	2016 A$	2015 A$
Shares on issue	21,166,247	21,166,247
Issuance cost	(1,845,743)	(1,845,743)
Total share capital	19,320,504	19,320,504

Reconciliation of movement in issued capital	Date	Number of shares	A$
Balance as at 1 July 2015		138,592,127	19,320,504
Issue of shares - conversion of performance rights (400,000 @ A$0.00)		400,000	-
Issue of shares - conversion of performance rights (600,000 @ A$0.00)		600,000	-
Balance as at 30 June 2016		139,592,127	19,320,504

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in the proportion to the number and amount paid on the shares held.

15. SHARE CAPITAL (CONTINUED)

Options over ordinary shares

At 30 June 2016, the Company had 22,000,000 (2015: 34,250,000) unlisted options over ordinary shares on issue.

Reconciliation of movement in unlisted options over ordinary shares	Number	Issue date	Expiry date	Exercise price (cents)
Total unlisted options as at 1 July 2015	34,250,000			
Options lapsed during the year				
SNYO4 - Incentive options	(4,000,000)	19-Jan-13	19-Jan-16	20
SNYONV1 - Incentive options	(5,000,000)	24-Jun-13	24-Jun-16	25
SNYO6 - Investor options	(1,000,000)	21-May-13	21-May-16	50
SNYOP6 - Ibhubesi performance Options	(500,000)	21-May-13	21-May-16	25
SNYOP7 - Ibhubesi performance options	(500,000)	4-Nov-11	4-Nov-16	30
SNYOR3 - Retention Options	(250,000)	1-Feb-14	31-Dec-15	20
SNYOR4 - Retention Options	(500,000)	2-Jul-13	2-Jul-16	25
SNYOR4 - Retention Options	(500,000)	2-Jan-13	21-Jan-17	25
Total unlisted options as at 30 June 2016	22,000,000			
Total unlisted options as at 1 July 2014	100,500,000			
Options lapsed during the year				
SNYO3 - Sign on and Retention Options	(4,000,000)	22-Sep-11	19-Jan-15	20
SNYOC1 - Incentive options - cornerstone	(5,000,000)	22-Sep-11	12-Nov-16	20
SNYOP6 - Ibhubesi performance option	(1,000,000)	13-Dec-12	31-Dec-15	25
SNYOP6 - Ibhubesi performance Options	(1,000,000)	01-Feb-13	31-Dec-15	25
SNYOP6 - Ibhubesi performance rights	(1,000,000)	13-Dec-12	31-Dec-15	25
SNYOP7 - Ibhubesi performance options	(1,000,000)	13-Dec-12	31-Dec-15	30
SNYOPT1 - Director options	(750,000)	22-Sep-11	19-Jan-15	20
SNYOPT1 - Investor options	(12,250,000)	22-Sep-11	19-Jan-15	20
SNYOPT1 - Investor options	(40,000,000)	23-Jan-12	19-Jan-15	20
SNYOR3 - Sign on and Retention Options	(250,000)	01-Feb-13	31-Dec-15	20
Total unlisted options as at 30 June 2015	34,250,000			

Options over ordinary shares carry no voting or dividend rights.

Capital risk management

The group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

16. RESERVES

	2016 A$	2015 A$
Share-based payments reserve	6,742,208	6,712,014
Foreign currency translation reserve	(742,543)	201,293
Total reserves	5,999,665	6,913,307

Reconciliation of movement in reserves

	2016 A$	2015 A$
Share-based payments reserve		
Balance as at 1 July	6,712,014	4,735,803
Equity settled share-based payments	30,194	1,976,211
Balance as at 30 June	6,742,208	6,712,014
Foreign currency translation reserve		
Balance as at 1 July	201,293	33,146
Effect of foreign currency translation	(943,836)	168,147
Balance as at 30 June	(742,543)	201,293
Total reserves balance as at 30 June 2016	5,999,665	6,913,307

Share-based payments reserve

The share-based payments reserve represents the value of options and performance rights issued under the compensation arrangement that the consolidated entity is required to include in the consolidated financial statements. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the consolidated entity's own equity instruments.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

17. INTERESTS IN OTHER ENTITIES

(a) Material subsidiaries

The consolidated entity's principal subsidiaries at 30 June 2016 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the consolidated entity, and the proportion of ownership interests held equals the voting rights held by the consolidated entity. The country of incorporation or registration is also their principal place of business. Principal activity of all subsidiaries is gas exploration and development.

	Place of business/ country of incorporation	Ownership interest held by the consolidated entity		non-controlling interests	
		2016	2015	2016	2015
Pretzavest 37 Pty Ltd	South Africa	74%	74%	26%	26%
Greatways Holdings (BVI) Ltd	BVI	100%	100%	-	-
Sunbird Energy (SA) Pty Ltd	South Africa	100%	100%	-	-
Sunbird Australia (Mozambique) Pty Ltd	Australia	100%	100%	-	-
Sunbird Energy (Ibhubesi) Pty Ltd	Australia	100%	100%	-	-

(b) Non-controlling interests

Set out below is summarised financial information of Pretzavest 37 Pty Ltd, which has non-controlling interests. The amounts disclosed are before inter-company eliminations.

	2016 A$	2015 A$
Summarised balance sheet		
Current assets	180,770	271,752
Current liabilities	135,577	81,456
Current net assets	45,193	190,296
Non-current assets	-	16,403
Non-current liabilities	-	3,701,681
Non-current net assets	-	(3,685,278)
Net assets	45,193	(3,494,982)
Accumulated NCI	(858,210)	(908,695)
Summarised statement of comprehensive income		
Revenue	4,634	-
Loss for the period	(324,901)	(528,069)
Other comprehensive income	-	(208,154)
Total comprehensive income	(320,267)	(736,223)
Loss allocated to NCI	43,271	(144,510)
Summarised cash flows		
Cash flows from/(used in) operating activities	(237,252)	(697,837)
Cash flows from/(used in) investing activities	-	-
Cash flows from/(used in) financing activities	229,247	707,317
Net increase/(decrease) in cash and cash equivalents	(8,005)	9,480

(c) Transactions with non-controlling interests

There were no transactions with the non-controlling interests during the reporting period.

18. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW USED

	2016 A$	2015 A$
Loss after taxation	(3,358,801)	(5,908,536)
Add/(less) non-cash items:		
Depreciation	17,495	31,091
Share- based payments expense	30,194	1,631,210
Impairment of investment	-	34,461
Accrued interest expense	853,433	303,824
Brokerage fees - Financing cash flows	-	-
Finance fees - financing cash flows	(69)	488,243
Foreign currency translation reserve	318,205	-
Changes in working capital:		
Increase in trade and other receivables	(76,023)	764,221
Increase in trade and other payables	(170,666)	(1,149,432)
Net cash outflow used	(2,386,232)	(3,804,918)

19. PARENT ENTITY

	2016 A$	2015 A$
Current assets	7,086	503,884
Non-current assets	1,171,633	3,892,309
Total assets	1,178,718	4,396,193
Current liabilities	5,125,592	1,727,291
Total liabilities	5,125,592	2,668,902
Net assets	(3,946,874)	1,727,291
Contributed equity	19,320,504	19,320,504
Share-based payment reserve	6,742,207	6,712,013
Foreign currency translation reserve	-	-
Accumulated losses	(30,009,585)	(24,063,962)
Total equity	(3,946,874)	1,968,555
Loss for the year	(14,269,655)	(5,771,238)
Total comprehensive loss for the year	(14,269,655)	(5,771,238)

Commitments
There were no commitments at 30 June 2016 (2015: A$ NIL).

Contingencies
There were no contingent assets or liabilities of the parent as at 30 June 2016 (30 June 2015: A$ NIL).

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others.

20. RELATED PARTY TRANSACTIONS

(a) Parent entities

The ultimate parent entity within the group is Interpose Holdings Limited incorporated in Australia.

(b) Subsidiaries

Interests in subsidiaries are set out in note 17(a).

(c) Loans to/from related parties

The following table sets out the loans to or from related parties at the current and previous reporting date:

Loan to	Loan from	2016 A$	2015 A$
Pretzavest 37 Pty Ltd	Interpose Holdings Ltd	3,054,392	3,585,603
Forest Exploration (SA) Pty Ltd	Interpose Holdings Ltd	5,487,591	4,604,165
Anschutz Overseas (SA) Pty Ltd	Forest Exploration (SA) Pty Ltd	993,955	1,166,474
Forest Exploration (SA) Pty Ltd	Pretzavest 37 Pty Ltd	669,127	174,747

(d) Other related party transactions

A related party entity to Andrew Leibovitch, namely Serval Enterprises, was paid A$650 (2015: A$650).

Directors, Kerwin Rana and Dorian Wrigley, are directors of Umbono Capital Partners (Proprietary) Limited ("Umbono"), who are the operators of the group's South African projects. During the reporting period a total of A$ A$171,678 (2015: A$187,481) was due to Umbono for their services; the outstanding amount was settled in full against the Umbono loan facility (refer to note 14 of the Annual Financial Statements).

All transactions were made on normal commercial terms and conditions and at market rates. There were no other transactions with related parties during the reporting period.

(e) Key management personnel

The following persons were directors and key management personnel of Interpose Holdings Limited during the financial year:

(i)	*Executive Chairman*	Mr K Rana
(ii)	*Executive directors*	Mr W Barker, Managing Director (resigned 31 July 2015) Mr A Leibovitch, Executive Director (resigned 31 July 2015)
(iii)	*Non-executive directors*	Mr M Gracey Mr D Wrigley (appointed 12 May 2015) Mr G Chiappini (appointed 6 August 2015)
(iv)	*Key management personnel*	Mr N Rayner, Technical Director Mr R Barker, Company Secretary

There were no other persons, beside the Directors and Executive Management, identified as key management personnel of the Company during the reporting period.

20. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Key management personnel compensation

The key management personnel compensation was as follows:

	2016 A$	2015 A$
Short-term employee benefits	1,009,960	1,700,232
Post-employment benefits	28,114	65,600
Share-based payment	30,194	1,511,250
Total key management personnel compensation	1,068,267	3,277,082

Detailed remuneration disclosures are provided in the remuneration report on pages 11 to 16.

21. SHARE-BASED PAYMENTS

(a) Employee and other options and rights over ordinary shares

The company has no formal document under which options and rights are issued. Decisions to grant options and rights are made by the Board and are based on aligning the long-term interests of key management personnel, employees, consultants and strategic external parties with those of the Company's shareholders.

Options and rights are granted for no consideration, are subject to vesting conditions and carry no dividend or voting rights.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Securities Exchange (ASX) on or about the date of grant.

Each option and right is convertible into one ordinary share upon vesting.

21. SHARE-BASED PAYMENTS (CONTINUED)

Share options granted during the reporting period

	2016		2015	
	Average exercise price per option	Number of options	Average exercise price per option	Number of options
As at 1 July	27.15	34,250,000	22.6	100,500,000
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	25.51	(12,250,000)	20.38	66,250,000
As at 30 June	35.57	22,000,000	27.15	34,250,000
Vested and exercisable at 30 June		-		-

Share options outstanding at the end of the year

Grant date	Expiry date	Exercise price (cents)	Number of options 2016	2015
19.1.2014	19.1.2017	20	4,000,000	4,000,000
4.11.2013	4.11.2016	25	5,000,000	5,000,000
4.11.2013	4.11.2016	30	5,000,000	5,000,000
24.6.2013	24.6.2016	25	-	5,000,000
7.10.2013	7.10.2016	30	5,000,000	5,000,000
21.5.2013	21.5.2016	50	-	1,000,000
4.11.2013	4.11.2016	25	-	500,000
4.11.2013	4.11.2016	30	-	500,000
2.7.2013	2.7.2016	25	-	500,000
2.1.2014	2.1.2017	25	-	500,000
1.10. 2013	1.10.2016	50	3,000,000	3,000,000
1.2.2014	31.12.2015	20	-	250,000
19.1.2013	19.1.2016	20	-	4,000,000
			22,000,000	34,250,000

Weighted average remaining contractual life of options outstanding at 30 June 2016 is 0.4 years (2015: 1.2 years).

21. SHARE-BASED PAYMENTS (CONTINUED)

Performance rights granted during the reporting period

During the year ended 30 June 2016, the Company issued the following performance rights:

	2016 Number of rights	2015 Number of rights
As at 1 July	400,000	9,150,000
Granted during the year	600,000	1,300,000
Exercised during the year	(1,000,000)	(1,000,000)
Expired during the year	-	(9,050,000)
As at 30 June	-	400,000
Vested and exercisable at 30 June	-	-

Weighted average share price at the date of exercise of performance rights exercised during the year ended 30 June 2016 was 4.4 cents (2015: 12.4 cents)

Performance rights outstanding at the end of the year

	Number of rights	
Expiry date	2016	2015
1-Jul-17	-	400,000
	-	400,000

Weighted average remaining contractual life of performance rights outstanding at 30 June 2016 is nil years (2015: 2.0 years).

21. SHARE-BASED PAYMENTS (CONTINUED)

(b) Fair value

Fair value of share options

No options were granted during the financial year.

Fair value of performance rights

No performance rights were granted during the financial year.

Performance rights granted during the year ended 30 June 2015

Code	Number	Grant date	Expiry date	Share price (cents)	Price volatility	Expected dividend yield	Risk-free rate	Fair value (cents)
SNYPR6	400,000	15-09-14	01-05-15	22.5	83%	0%	2.5%	22.5
SNYPR6	400,000	15-09-14	01-07-17	22.5	83%	0%	2.5%	22.5
NR	500,000	15-09-14	01-07-17	22.5	83%	0%	2.5%	22.5
	1,300,000							

(c) Expenses arising from share-based payment transactions

	2016 A$	2015 A$
Options expense	30,194	31,729
Rights expense	-	1,599,481
Total share-based payments expense recognised in income statement	30,194	1,631,210
Capital issuance costs recognised in equity	-	345,000
Total share-based payment expense	30,194	1,976,210

22. EVENTS OCCURRING AFTER REPORTING DATE

Matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the group in future financial years which have not been disclosed publicly at the date of this report include:

Renounceable rights issue

On 23 September 2016 Interpose Holdings Limited (Company) announced that it had lodged an offer document with ASX for its non-renounceable entitlement offer which was announced on 14 September 2016. Eligible shareholders will be offered 1 new fully paid ordinary share (New Share) for every 2 fully paid ordinary shares (Share) held on at 5.00pm (WST) on the record date at an issue price of $0.02 per New Share (Entitlement Offer) to raise up to approximately $845,592 (before costs).

Asset Sale Transaction

As announced 19 April 2016 the Company executed a conditional agreement for the sale of all non-cash assets, being its 74% interest in the Mopane, Springbok Flats and Springbok Flats West projects in South Africa, and its 76% interest in the Ibhubesi Gas Project in South Africa ("Transaction"). The agreement has been entered into with Sunbird Energy Holdings Pty Ltd ("Purchaser"), a private, black-owned South African company comprised of a consortium of the major shareholders and debt holders of Interpose and led by Umbono Capital Pty Ltd, a black-owned South African resources and energy investment and development company ("Umbono").

Upon completion of the Transaction, the total consideration payable to Intrepose will include:

(a) Cash payment of approximately A$1 million (subject to minor adjustment to account for GST returns owing to the Company and Transaction and administration costs to completion);

(b) the buyback and cancellation of 55 million existing shares in Interpose held by parties associated with the Purchaser; and

(c) assignment of all of Interpose's debt, totaling approximately A$4.8 million, to the Purchaser.
The Transaction will be effected by Interpose, among other things:

- selling all the issued share capital of Sunbird Energy (Ibhubesi) Pty Ltd and Interpose's 74% interest in Pretzavest 37 (Pty) Ltd to the Purchaser, pursuant to a share sale agreement;

- undertaking a selective share buyback pursuant to a buyback agreement; and

- assigning Interpose's current debt and associated loan deeds to the Purchaser, pursuant to a deeds of assignment and release.

Completion of the Transaction will be subject to the satisfaction of various conditions, including approval by Interpose's shareholders. Such approval was and received at a general meeting, expected to be held on 9 June 2016.

Transaction Closes

As announced 28 July 2016 the Company completed the sale of its African Projects, announced by the Company on 18 April 2016 (Transaction).

The African Projects were sold in consideration for:

(a) a cash payment of approximately A$1 million;
(b) the buyback and cancellation of 55 million existing shares in the Company held by parties associated with the Purchaser; and
(c) assignment of all of the Company's debt, totalling approximately A$4.8 million, to the Purchaser.
The Company now intends to investigate opportunities from within the oil and gas sector.

As announced on 18 April 2016, the Company has executed a corporate advisory mandate with Cygnet Capital Pty Limited (Cygnet Capital). Pursuant to the mandate Cygnet Capital will assist the Company with the identification and introduction of new business opportunities.

22. EVENTS OCCURRING AFTER REPORTING DATE (CONTINUED)

Change of name

Pursuant to the terms of the Transaction, from commencement of trading on 12 August 2016 the Company began trading under the name of "Interpose Holdings Limited" and the ASX Code of IHS. The prior name of the Company was Sunbird Energy Limited.

Shareholder approval for the change was obtained at the General Meeting held on 9 June 2016. The Australian Securities and Investments Commission (ASIC) recorded the name change on 1 August 2016.

Board appointments and resignations

Pursuant to the terms of the Transaction, Dorian Wrigley and Kerwin Rana resigned from the Board of the Company effective 28 July 2016. The Company appointed Mr Barnaby Egerton-Warburton to the Board of the Company effective 28 July 2016.

No other matter or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the group in future financial years.

23. CAPITAL AND OTHER COMMITMENTS

There were no commitments in the parent entity or the group at 30 June 2016 (30 June 2015: finance lease commitment made by Pretzavest 37 Pty Ltd amounting to A$19,651 for the purchase of a motor vehicle repayable over 5 years at 8.5% per annum).

24. CONTINGENCIES

The group had contingent liabilities at 30 June 2016 of A$186,385 (R2,057,728) (2015: A$186,385 (R1,753,387)) in respect to the restoration and rehabilitation bonds held by the Petroleum Agency South Africa (PASA).

In addition, under the Ibhubesi Agreement and, in addition to the Initial Payments and the Forest Payment, conditional on Sunbird Ibhubesi achieving certain project milestones and commercial development success, the following enhancement payments are also payable to Forest, Anschutz Overseas and Forest Netherlands, subject to stated conditions:

- A total of US$5 million (A$5.47 million) payable on execution of a Gas Sales Agreement
- A total of US$10 million (A$10.94 million) on Final Investment Decision or First Gas Sales

Further under the Ibhubesi Agreement, the following enhancement payment is also payable to Forest and Anschutz Overseas from Block produced gas sales achieved during the term of the Production Right for the Block and any extension thereof:

- A total of Sales Enhancement Fee equal to 0.76% of net gas sales revenues

These liabilities have not been brought to account in these financial statements as the contractual cash flow only arises upon the occurrence of the above milestones. Should the milestones not occur, no further amounts are payable by Interpose Holdings Limited to the Sellers under the Ibhubesi Agreement.

25. DISCONTINUED OPERATIONS

As announced on the 28 July 2016 the Company completed the sale of its African Projects (Transaction). The African Projects were sold in consideration for:

a. a cash payment of approximately A$1 million (subject to adjustments);

b. the buyback and cancellation of 55 million existing shares in the Company held by parties associated with the Purchaser; and

c. assignment of all of the Company's debt, totaling approximately A$4.8 million, to the Purchaser.

25. DISCONTINUED OPERATIONS (CONTINUED)

The effect of completion of the Transaction was that the Company has net cash holdings of approximately A$850,000, and no debts owing under loan facilities. Further, following processing of the share buyback and cancellation, which was completed on 5 August 2016 there are now 84,592,127 ordinary shares on issue.

Pursuant to the terms of the Transaction, Dorian Wrigley and Kerwin Rana resigned from the Board of the Company on 4 August 2016 and the Company appointed Mr Barnaby Egerton-Warburton to the Board of the Company on the same date.

Loss for the year from discontinued operations	2016 A$	2015 A$
Discontinued operations		
Interest revenue	6,980	8,947
Other revenue	4,634	-
Exploration expenses	(627,253)	(508,814)
Corporate cost	(109,188)	(6,245)
Professional fees	-	(10,781)
Finance costs	8,465	(1,333)
Loss from discontinued operations before income tax	(716,362)	(518,226)
Income tax expense	-	-
Loss from discontinued operations after income tax	(716,362)	(518,226)
Weighted average number of ordinary shares (basic)	138,680,894	132,305,607
Basic loss per share (cents)	(0.51)	(0.39)

Cash flows from discontinued operations	2016 A$	2015 A$
Net cash flows from operating activities	(732,275)	(2,551,127)
Net cash flows from investing activities	-	-
Net cash flows from financing activities	(19,883)	(6,749)
	(752,158)	(2,557,876)

Assets and liabilities held for resale	2016 A$
Cash and cash equivalents	230,341
Exploration and evaluation expenditure	3,313,205
	3,543,546
Trade and other payables	(145,891)
	(145,891)

Director's Declaration

In the opinion of the Directors of Interpose Holdings Limited (the "Company"):

1. The attached consolidated financial statements, notes thereto and the additional disclosures included in the Directors' Report designated as audited are in accordance with the Corporations Act 2001, including:

   (a) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

   (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and

   (c) the financial statements also complies with International Financial Reporting Standards as disclosed in note 1 to the financial statements.

2. There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

Marcus Gracey
Director
Perth
30 September 2016

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INDEPENDENT AUDITOR'S REPORT

To the members of Interpose Holdings Limited (formerly Sunbird Energy Ltd)

Report on the Financial Report

We have audited the accompanying financial report of Interpose Holdings Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Interpose Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Interpose Holdings Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 16 of the directors' report for the year ended 30 June 2016. 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.

Opinion

In our opinion, the Remuneration Report of Interpose Holdings Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Neil Smith

Neil Smith

Director

Perth, 30 September 2016

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DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF INTERPOSE HOLDINGS LIMITED (FORMERLY SUNBIRD ENERGY LTD)

As lead auditor of Interpose Holdings Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Interpose Holdings Limited and the entities it controlled during the year.

Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2016