

# Appendix 4E

## Preliminary final report

Name of entity

ENEABBA GAS LIMITED

ABN or equivalent company  
reference

69 107 385 884

Financial year ended ('current period')

30 June 2011

### For announcement to the market

\$A'000

Revenues from continuing operations	Up	12.63%	to	107
Profit from ordinary activities after tax attributable to members	Down	N / A	to	(3,672)
Net profit for the period attributable to members	Down	N / A	to	(3,672)
<b>Dividends (distributions)</b>		Amount per security		Franked amount per security
Final dividend		None		- ¢
Interim dividend				
Previous corresponding period		None		- ¢
<sup>+</sup> Record date for determining entitlements to the dividend, (in the case of a trust, distribution)		N/A		

The above results should be read in conjunction with the notes and commentary contained in this report.

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## Management Discussion and Analysis

### **1. Overview**

The net loss after tax of the consolidated entity for the year ended 30 June 2011 was \$3,672,034 (2010: net loss of \$1,801,376). The increase in the loss is explained largely by the impairment of the exploration evaluation expenditure and the revaluation of the gas inventory.

### **2. Principal activities**

The principal activity of the economic entity during the financial year was exploration of the Sargon tenement. The Company continued to evaluate the proposed 168 MW Centauri 1 Gas-fired Power Station near Dongara, Western Australia.

The loss per share for the year was 4.31 cents (2010: loss per share 2.35 cents).

### **3. Key Events during the Year and to the date of this Report**

The significant milestones of the Company in the past twelve months include the following:

- The Company announced on 12 July 2010 it was undertaking a 1 for 6 non-renounceable entitlements issue. The capital raised would be to continue the exploration and also working capital requirements. The issue price was \$0.095 per new share, plus an option for every 3 shares applied for. As a result the offer completed on 24 August 2010 and raised \$765,798 plus the total issue of securities was

Shares (ENB)	8,061,042
Options (ENBOC)	2,687,013

- On 25 February 2011 the Chairman, Mr Reg Gillard announced his resignation from the Board. Mr Chris Bennett was appointed Chairman on the same date.
- On 10 May 2011 Mr Mark H Babidge resigned as a Director of the Company.
- On 12 May 2011, Mr Thomas Lik Cheng Goh and Dr Kar Chan Wan were elected by the shareholders to the Board at the General Meeting. Mr Koo Sing Kuang was appointed Chairman of the Company following Mr Bennett's resignation. Mr Simon Robertson resigned as Company Secretary on the same day.
- On 13 May 2011, Mr Piers Lewis was appointed as Company Secretary.
- On 27 May 2011, Eneabba Gas Limited announced the appointment of Mr John Ian Arndell as a Director of the Company.
- Eneabba Gas Limited and Cougar Energy Limited signed a Binding UCG Joint Venture Terms Sheet on 08 June 2010 to develop the Sargon Coal tenements in Mid West Region of Western Australia. Subsequently, on 30 June 2011, Cougar Energy Limited confirmed that the Joint Venture Agreement has been terminated.
- The Company advises that the Department of Mines and Petroleum ("DMP") has, on 27 June 2011, granted its Programme of Work ("PoW") Approval for exploration on Sargon Tenement E70/2758, which has been extended 2 years to 14 November 2012. The Company intends undertaking a water sampling review on the tenement as discussed with and approved by the W.A. Department of Water.

- On 17 January 2011, following a decision published by the Economic Regulation Authority ("ERA") and under the licence amendments under section 22 of the Electricity Industry Act 2004, the ERA has re-issued the licence for Centauri 1 Power Station, with expiry date 11 March 2037.
- The Company continues to progress in keeping regulatory approvals current, such as environmental approval, electricity generation licence and all other necessary planning and council planning to build the Centauri 1 Gas-fired Power Generation Station, which the Company believes can be built to deliver electricity direct to Mid West consumers within a 14 month period.

#### **4. Future outlook**

Whilst maintaining a focus on extracting value for shareholders from existing assets, the board of directors of the Company wish to focus the Company as follows:

- Streamlining the operations of the Company;
- Reviewing and prioritising project activities of the Company, including the Company's Saigon tenements;
- Continuing to assess the development options associated with the Centauri 1 power generation project; and
- Actively evaluating new opportunities and joint ventures;

Gas inventories of 176 TJ are currently held by the Company for sale. The Company is continuing to look for gas sale opportunities.

The Company continues to progress in keeping regulatory approvals current, such as environmental approval, electricity generation licence and all other necessary planning and council planning to build the Centauri 1 Gas-fired Power Generation Station, which the Company believes can be built to deliver electricity direct to Mid West consumers within a 14 month period.

With all the regulatory approvals in place including environmental approval, electricity generation licence and all other necessary planning and council planning to build the Centauri 1 168 MW Gas-fired Power Station, the Company is in negotiations to establish the involvement of company(s) for their participations in the project.

The Company advises that Department of Mines and Petroleum ("DMP") has, on 27 June 2011, granted its Programme of Work ("PoW") Approval for exploration on Sargon Tenement E70/2758, which has been extended 2 years to 14 November 2012. The Company intends undertaking a water sampling review on the tenement as discussed with and approved by the W.A. Department of Water.

The Company is in negotiations with company(s) for participation in the exploration drilling that may result in:

- (a) incremental increases in potential JORC resources; and
- (b) planning for the ensuing underground coal project in 2012 ~ 2013.

The board of Directors are also currently evaluating new opportunities that may be beneficial to the Company and its shareholders.

**Condensed Income Statement  
For the Year ended 30 June 2011**

	Notes	Consolidated	
		for the year ended 30 June 2011	for the year ended 30 June 2010
		\$	\$
<b>Continuing operations Revenue</b>	<b>2</b>	<b>106,959</b>	<b>95,204</b>
Other income	<b>2</b>	-	-
Other expenses	<b>2</b>	(3,778,993)	(1,896,580)
<b>Profit / (loss) from continuing operations before tax and finance costs</b>		<b>(3,672,034)</b>	<b>(1,801,376)</b>
Finance costs		-	-
<b>Profit / (loss) from continuing operations before income tax</b>		<b>(3,672,034)</b>	<b>(1,801,376)</b>
Income tax benefit			
<b>Net profit / (loss) attributable to members of Eneabba Gas Limited</b>		<b>(3,672,034)</b>	<b>(1,801,376)</b>

	for the year ended 30 June 2011	for the year ended 30 June 2010
<b>Earnings per share</b>		
Basic earnings / (loss) per share from continuing operations	<b>(4.31) cents</b>	<b>(2.35) cents</b>
Diluted earnings / (loss) per share from continuing operations	<b>(4.31) cents</b>	<b>(2.35) cents</b>

## Condensed Balance Sheet As at 30 June 2011

Consolidated	Notes	as at 30 June 2011 \$	as at 30 June 2010 \$
<b>Current assets</b>			
Cash and cash equivalents		394,921	864,662
Receivables		-	15,131
Prepayments		31,785	46,624
Inventories		890,000	1,142,719
<b>Total current assets</b>		<b>1,316,706</b>	<b>2,069,136</b>
<b>Non-current assets</b>			
Deposits		25,000	25,000
Property, plant and equipment		1,672,273	1,691,258
Exploration and evaluation assets		1,583,482	3,200,015
Prepayments		-	125,000
<b>Total non-current assets</b>		<b>3,280,755</b>	<b>5,041,273</b>
<b>Total assets</b>		<b>4,597,461</b>	<b>7,110,409</b>
<b>Current liabilities</b>			
Trade and other payables		56,267	74,110
Unearned income		517	517
Provisions		33,828	42,737
Director loans		400,000	-
Liabilities associated with assets held for sale		-	-
<b>Total current liabilities</b>		<b>490,612</b>	<b>117,364</b>
<b>Total liabilities</b>		<b>490,612</b>	<b>117,364</b>
<b>Net assets</b>		<b>4,106,849</b>	<b>6,993,045</b>
<b>Equity</b>			
Contributed equity	4	11,189,034	10,451,196
Option reserves		1,072,840	1,024,840
Accumulated losses		(8,155,025)	(4,482,991)
<b>Total equity</b>		<b>4,106,849</b>	<b>6,993,045</b>

**Condensed Cash Flow Statement  
For the Year ended 30 June 2011**

<b>Consolidated</b>	<b>for the year ended 30 June 2011 \$</b>	<b>for the year ended 30 June 2010 \$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	-	-
Payments to suppliers and employees	(1,177,252)	(1,616,106)
Payment for purchase of inventory	-	(1,142,720)
Interest received	31,839	85,922
Interest paid	-	-
Lease income – pastoral	3,100	3,100
Other expenses	(112,209)	
Other income	-	6,182
<b>Net cash flows from / (used) in operating activities</b>	<b>(1,254,522)</b>	<b>(2,663,622)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of inventories	75,120	-
Payment for purchases of property, plant and equipment	-	(5,537)
Payment for exploration and evaluation expenditure	(428,807)	(1,557,959)
<b>Net cash flows used in investing activities</b>	<b>(353,687)</b>	<b>(1,563,496)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	765,799	196,087
Share issue costs	(27,961)	-
Proceeds from issue of options	-	161,002
Option issue costs	-	(18,691)
Proceeds from Director loans	400,000	-
<b>Net cash flows from financing activities</b>	<b>1,137,838</b>	<b>338,398</b>
<b>Net increase (Decrease) in cash held</b>	<b>(470,371)</b>	<b>(3,888,720)</b>
Cash and cash equivalents at beginning of period	864,662	4,753,382
<b>Cash and cash equivalents at end of period</b>	<b>394,291</b>	<b>864,662</b>

## Condensed Statement of Changes in Equity For the Year ended 30 June 2011

	Consolidated			
	Issued Capital	Accumulated losses	Other reserves	Total equity
	\$	\$	\$	\$
<b>At 30 June 2009</b>	<b>10,255,109</b>	<b>(2,681,615)</b>	<b>629,029</b>	<b>8,202,523</b>
Issue of shares	196,087	-	-	196,087
Option reserve	-	-	395,811	395,811
Loss for period	-	(1,801,376)	-	(1,801,376)
<b>At 30 June 2010</b>	<b>10,451,196</b>	<b>(4,482,991)</b>	<b>1,024,840</b>	<b>6,993,045</b>
Issue of shares	737,838	-	-	737,838
Option reserve	-	-	48,000	48,000
Loss for period	-	(3,672,034)	-	(3,672,034)
<b>At 30 June 2011</b>	<b>11,189,034</b>	<b>(8,155,025)</b>	<b>1,072,840</b>	<b>4,106,849</b>

### Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:

	As at 30 June 2011 \$	As at 30 June 2010 \$
Cash on hand and at bank	394,291	364,662
Deposits at call	-	500,000
<b>Total cash at end of period</b>	<b>394,291</b>	<b>864,662</b>

### Non-cash financing and investing activities

No significant non-cash financing and investing activities have occurred during the period.

## NTA backing

	30/06/11	30/06/10
Net tangible asset backing per ordinary security	4.75 cents	4.84 cents

## 2 REVENUE AND EXPENSES

Consolidated	for the year ended 30 June 2011 \$	for the year ended 30 June 2010 \$
	<b>Revenue</b>	
Sales and services revenue	-	-
Finance revenue - Interest received	24,517	85,922
Sale of gas	75,120	-
Other income	7,322	9,282
	106,959	95,204
<b>Expenses</b>		
Cost of gas sold	(71,044)	-
Finance expense	-	-
Feasibility costs expensed	(153,660)	(20,470)
Employee benefits	(713,721)	(1,231,512)
Amortisation and depreciation	(18,948)	(38,402)
Exploration expenditure written off	(2,045,937)	-
Revaluation of gas inventory	(262,124)	-
Other expenses	(513,559)	(606,196)
	(3,778,993)	(1,896,580)

## 3 DIVIDENDS PAID AND PROPOSED

No dividends have been paid or proposed during the year.



#### 4 ISSUED CAPITAL

<i>Ordinary shares</i>	for the year ended 30 June 2011	for the year ended 30 June 2010
	\$	\$
Issued and fully paid	11,189,034	10,451,196
	Number of shares	\$
At 1 July 2010	78,323,013	10,451,196
Shares issued during the year (net of issue costs)	8,061,042	737,838
At 30 June 2011	86,384,055	11,189,034

#### 5 SEGMENT REPORTING

##### Business Segments

The following table presents the revenue and profit information regarding segments for the years ended 30 June 2011 and 30 June 2010.

	Electricity Generation	Mineral Exploration	Unallocated	Total
	\$	\$	\$	\$
<b>30 June 2011</b>				
Segment Revenue	75,120	-	31,839	106,959
Segment result	(425,492)	(2,045,937)	(1,214,389)	(3,672,034)
Segment assets	2,757,627	1,583,482	438,352	4,597,461
Segment liabilities	-	-	(490,612)	(490,612)
<b>30 June 2010</b>				
Segment Revenue	-	-	95,204	95,204
Segment result	-	-	(1,801,376)	(1,801,376)
Segment assets	2,967,435	3,339,798	803,176	7,110,409
Segment liabilities	(517)	(4,984)	(111,863)	(117,364)

#### 6 GROUP STRUCTURE

Companies within the Eneabba Group (all wholly owned) carry out designated activities:

Eneabba Energy Pty Ltd - Power Generation  
Eneabba Mining Pty Ltd – Mineral Exploration  
Eneabba Holdings Pty Ltd – Investment and Asset Management  
Eneabba Power Pty Ltd – Operations and Infrastructure

## 7 AFTER BALANCE DAY EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years except as follows;

### Annual meeting

*(Preliminary final report only)*

The annual meeting will be held as follows:

Place

TBD
TBD
TBD
14 September 2011

Date

Time

Approximate date the <sup>+</sup>annual report will be available

## Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.
- 2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed.
- 4 This report is based on +accounts to which one of the following applies.  
(Tick one)

<input type="checkbox"/> The +accounts have been audited.	<input type="checkbox"/> The +accounts have been subject to review.
<input checked="" type="checkbox"/> The +accounts are in the process of being audited or subject to review.	<input type="checkbox"/> The +accounts have <i>not</i> yet been audited or reviewed.

Sign here:   
.....  
(Managing Director)

Date: 29 August 2011

Print name: Thomas L Goh