



ACN: 062 284 084
ASX Code: SYS

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

31 January 2019

QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2018

The Board of Syngas Limited ("Syngas" or "Company") hereby presents the December 2018 Quarterly Report.

Corporate Transaction and Future Direction

On 31 August 2018, the Company announced that it had entered into a Conditional Share Sale Agreement ("SSA") with Mr Wong Wai Han ("Vendor") for the acquisition of 70% of PJ Paramount Sdn Bhd ("PJP") for a total consideration of AUD500,000 to be satisfied by the issuance of new Syngas shares ("Proposed Acquisition of PJP").

The ASX subsequently advised that Listing Rules 11.1.2 and 11.1.3 apply to the Proposed Acquisition of PJP and that the Proposed Acquisition of PJP would result in a change in the nature of Syngas' business such that the Proposed Acquisition of PJP would represent a backdoor listing of PJP. However, ASX advised that the Proposed Acquisition of PJP only would result in Syngas having an unacceptable structure and operations for the purposes of Listing Rule 1.1 condition 1 and ASX would exercise its discretion under Listing Rule 1.19 to reject any listing application.

Accordingly, the ASX advised that the suspension of trading in Syngas' securities will remain in place until the Company re-complies with Chapters 1 & 2 of the ASX Listing Rules.

Syngas has since agreed with the vendor of PJP to terminate the Proposed Acquisition of PJP. The Board is now evaluating various proposals for restructuring and acquisition of assets which would enable the Company to comply with Chapters 1 and 2 of the ASX Listing Rules. The Company will make the necessary announcement when a more definitive proposal is finalised and after consultation with the ASX.

Finance

During the Quarter the Company continued to rely on the loan facility provided by Mr Low Siak Wei, a director of the Company, which as at 31 December 2018 was drawn down to the amount of A\$700,000. In addition, the Company also has two unsecured loan facilities with AsiaPacific Businesslink Sdn Bhd, a company related to Mr Low Siak Wei, totalling A\$750,000. As at 31 December 2018, the total amount drawdown from the loan facilities was A\$350,000.

For further Information contact:

David Low

Executive Director

Phone: +613 8648 6431

Email: reception@syngas.com.au

Syngas Limited

Level 13, 200 Queen Street, Melbourne, VIC 3000, Australia.

Phone: (03) 8648 6431 Fax: (03) 8648 6480 Email: reception@syngas.com.au <http://www.syngas.com.au>

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Syngas Limited

ABN

41 062 284 064

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(12)	(18)
(e) administration and corporate costs	(50)	(74)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(62)	(92)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	150
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	150

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	126	9
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(62)	(92)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	150
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	67	67

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	67	126
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	67	126

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

16

-

During the quarter, accrued Executive Director's fees of \$12,392 was paid and accrued administration fee of \$4,000 was paid to a company related to a Director.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,450	1,050
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

- Unsecured loan facility of \$700,000 from Director, Mr Low Siak Wei which carries an interest rate of 10.25% per annum which has been fully draw down. Loan facility has been extended to 18 Sept 2019.
- Unsecured loan facility of \$350,000 from entity related to Director, Mr Low Siak Wei which carries an interest rate of 10.25% per annum which has been fully drawn down up. Loan facility matures 22 December 2019.
- Unsecured loan facility of \$400,000 from AsiaPacific Businesslink Sdn Bhd, entity related to Director, Mr Low Siak Wei, which carries an interest rate of 9.25% per annum which has not been down as yet. Loan facility expires 12 months from the date of the draw down. Loan facility matures 27 July 2019.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff costs	6
9.5 Administration and corporate costs	15
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	21

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Director)

Date: 31 January 2019

Print name: David Low

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.