

ENEABBA GAS LIMITED

A.B.N. 69 107 385 884

APPENDIX 4D

AND

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2013

ENEABBA GAS LIMITED – HALF-YEAR REPORT

Appendix 4D

Eneabba Gas Limited and Controlled Entities

ABN 69 107 385 884

Half Year ended 31 December 2013 - Additional Disclosures

1. Reporting periods

Half year ended (‘Current period’)	Half year ended (‘Previous corresponding period’)
31 December 2013	31 December 2012

2. Results for announcement to the market

				\$A'000
Revenues from ordinary activities	Down	48%	to	42
Profit / (loss) from ordinary activities after tax attributable to members	Down	144%	to	(51)
Profit / (loss) for the period attributable to members	Down	144%	to	(51)

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

The operating result for the Company was lower due to a reduced research and development tax offset claim.

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

3. Net tangible asset backing

	Current period	Previous corresponding period
Net tangible asset backing / (deficiency) per ordinary security	3.45 cents / share	3.55 cents / share

ENEABBA GAS LIMITED – HALF-YEAR REPORT

4. Controlled Entities

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

5. Dividends or Distributions

Nil.

6. Dividend or Distribution Reinvestment Plans

N/A.

7. Material interests in entities which are not controlled entities

N/A.

8. Foreign Entities

N/A.

9. Independent Review Report

Refer to the Independent Review Report on page 15 and page 16 of the attached Financial Report for the half year ended 31 December 2013.

10. Compliance statement

This report should be read in conjunction with the attached Half Year Financial Report for the half year ended 31 December 2013.

Sign here:



Date: 24 February 2013

Print name:

Brett Tucker



ENEABBA GAS LIMITED

ABN 69 107 385 884

INTERIM FINANCIAL REPORT **for the half year ended 31 December 2013**

ENEABBA GAS LIMITED
ABN: 69 107 385 884

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

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

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

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

ENEABBA GAS LIMITED
ABN: 69 107 385 884

CORPORATE INFORMATION

Directors:

Morgan Barron
Non-Executive Director

Thomas Goh
Non-Executive Director

Greg Allen
Non-Executive Director

Company Secretary:

Brett Tucker

Registered & Principal Office:

Ground Floor
16 Ord Street
WEST PERTH WA 6005
Telephone: + 618 9321 0555
Facsimile: + 618 9482 0505
Email: info@eneabbagas.com.au
Website: www.eneabbagas.com.au

Postal Address:

P.O. Box 902
WEST PERTH WA 6872

Auditors:

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

Home Securities Exchange:

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

Bankers:

Westpac Banking Corporation
109 St Georges Terrace
PERTH WA 6000

ASX Code:

ENB (Ordinary Shares)

Solicitors:

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Share Registry:

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

ENEABBA GAS LIMITED
ABN: 69 107 385 884

DIRECTORS' REPORT

The Directors have pleasure in submitting their report on the Group; being the Company and its subsidiaries, for the half year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

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

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

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

PRINCIPAL ACTIVITIES

The principal activities of Eneabba Gas Limited ("Eneabba" or the "Company") during the period were the evaluation of its energy portfolio comprising the Sargon UCG coal resource and the proposed 168MW Centauri-1 Power Station near Dongara, Western Australia.

Further activities included the evaluation of a wide range of energy and resource projects which resulted in the Company submitting applications, through a newly incorporated subsidiary Eneabba Petroleum Pty Ltd, for a number of offshore petroleum exploration licences located in Commonwealth waters.

RESULTS

The net loss after income tax for the half year ended 31 December 2013 amounted to \$51,067 (2012: profit of \$116,009). The net loss is due to the evaluation of power and energy projects, fees related to the application for offshore petroleum exploration licences, power plant feasibility costs and administration costs relating to an ASX listed entity.

DIVIDENDS

There were no dividends paid or declared during the year.

OPERATING REVIEW

New Opportunities

During the period the Company continued to search for additional energy projects to diversify its energy asset portfolio and generate value for shareholders. Further to this, as announced to the ASX on 25 November 2013, the Company has lodged four applications for petroleum exploration licences located in Australian Commonwealth waters. These applications have been submitted through a newly incorporated subsidiary, Eneabba Petroleum Pty Ltd, which is jointly owned with a team of oil & gas technical consultants.

The results of the first application round are expected to be released in the first quarter of 2014.

The Company continues to search for additional energy projects to complement the Centauri-1 Power Station and Sargon UCG projects.

Centauri-1 Power Station

The Company continued to assess development options for the Centauri-1 Power Station Project during the period in order to realise value for shareholders.

The Western Australian power market is experiencing a significant downturn which has prolonged the search for electricity off-take customers and funding partners for the Company's power station project. This downturn is due to an oversupply of power into the South West Interconnected System (SWIS), as a result of significant new generation capacity entering the market based on expectations for new mining usage which has been largely unrealised, coupled with a curtailment in electricity demand.

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DIRECTORS' REPORT

OPERATING REVIEW (continued)

This reduction in demand has been driven by a number of factors which, amongst others, include:-

- Increases in price of electricity;
- Growth of household small-scale solar PV systems; and
- Impact of energy efficient appliances and public awareness campaigns that are driving behavioural change (e.g. the "beat the peak" campaign).

Given the current state of the power market, expressions of interest to the IMO (Independent Market Operator) for new generation capacity have dramatically reduced and the current existing and committed generation capacity is sufficient to satisfy the IMO Reserve Capacity Target.

Noting the above, the directors are confident that the Centauri-1 Power Station Project is ideally positioned to benefit from the inevitable re-balancing of the power demand / supply equation resulting from rapid population growth and development in the metropolitan and mid-west region. The Company has previously secured all necessary approvals to construct and operate the power station including a power generation license and environmental approvals. Furthermore the power station site is strategically located on Company owned land which is surrounded by infrastructure; a main highway on one boundary, high speed fibre optic cable, power, rail and a major port some 65 km from the site, plus a natural gas pipeline (the APA Group Parmelia Gas Pipeline) running through the land.

The Company will continue to explore a range of options to realise value for shareholders from this strategic asset.

Sargon UCG Project

The Company has estimated a JORC coal resource of 205 Mt on the Sargon Coal Tenement, located in the Mid-West of Western Australia, which is prospective for a successful underground-coal-gasification (UCG) process.

A successful UCG process could potentially provide syngas to be used as a low cost feedstock to the Company's nearby Centauri-1 Power Station or it can be further processed and refined to produce a wide range of gases, liquid fuels or chemicals.

Syngas can be combined with a gas-to-liquid process (e.g. the Fischer-Tropsch process) to produce super clean synthetic diesel, aviation fuel and other fuels. Gas-to-liquids technology is well established and is operating successfully at a known facility in Queensland, Australia.

The Company continues to search for funding partners to further the development of this project.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the half year ended 31 December 2013 has been received and can be found on page 4.

AUDITOR

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

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



Morgan J Barron
Non-Executive Director
24 February 2014

Competent Person's Statement

This information has been compiled by Dierdre Westblade of Westby Consulting Pty Ltd, Western Australia. Dierdre Westblade is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a competent person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dierdre Westblade consents to the inclusion in the report of the matters based on this information in form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Eneabba Gas Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



**Perth, Western Australia
24 February 2014**

**L Di Giallonardo
Partner**

ENEABBA GAS LIMITED
ABN: 69 107 385 884

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half year ended 31 December 2013

	Note	Consolidated 31 December 2013 \$	Consolidated 31 December 2012 \$
Revenue			
Finance income		34,658	73,036
Other income		6,849	7,553
Total revenue		41,507	80,589
Feasibility study costs		(5,468)	(7,759)
Share-based payments		-	(12,956)
Depreciation		(9,565)	(9,794)
Other expenses		(140,811)	(237,791)
Total costs		(155,844)	(268,300)
Loss before income tax expense		(114,337)	(187,711)
Income tax benefit	2	63,270	303,720
Net profit / (loss) for the period		(51,067)	116,009
Other comprehensive income		-	-
Total comprehensive income / (loss) for the half year		(51,067)	116,009
Basic & Diluted Earnings / (Loss) per share – cents per share		(0.03)	0.07

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Note	Consolidated 31 December 2013 \$	Consolidated 30 June 2013 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,820,228	2,018,202
Receivables		78,728	16,245
Prepayments		7,165	-
Total current assets		1,906,121	2,034,447
Non-current assets			
Exploration and evaluation expenditure	3	1,925,191	1,880,520
Property, plant and equipment		1,706,691	1,716,256
Other	4	32,732	-
Total non-current assets		3,664,614	3,596,776
TOTAL ASSETS		5,570,735	5,631,223
LIABILITIES			
Current liabilities			
Trade and other payables		29,785	39,206
Total current liabilities		29,785	39,206
TOTAL LIABILITIES		29,785	39,206
NET ASSETS		5,540,950	5,592,017
EQUITY			
Issued capital		13,254,665	13,254,665
Reserves		1,315,738	1,315,738
Accumulated losses		(9,029,453)	(8,978,386)
TOTAL EQUITY		5,540,950	5,592,017

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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 December 2013

	Issued Capital	Option Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Consolidated 2013				
Total equity at 1 July 2013	13,254,665	1,315,738	(8,978,386)	5,592,017
Total comprehensive income / (loss) for the period	-	-	(51,067)	(51,067)
Total equity at 31 December 2013	13,254,665	1,315,738	(9,029,453)	5,540,950
	Issued Capital	Option Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Consolidated 2012				
Total equity at 1 July 2012	13,254,665	1,301,559	(8,978,495)	5,577,729
Total comprehensive income / (loss) for the period	-	-	116,009	116,009
Transactions with equity holders:				
Share-based payments	-	12,956	-	12,956
Total equity at 31 December 2012	13,254,665	1,314,515	(8,862,486)	5,706,694

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2013

	Consolidated 31 December 2013 \$	Consolidated 31 December 2012 \$
<i>Cash flows from operating activities</i>		
Interest received	36,672	26,087
Lease income – pastoral	6,849	7,553
Payments to suppliers and employees	(118,452)	(320,233)
Project marketing cost	(20,000)	-
Power station feasibility costs	(24,718)	-
Receipts from customers & sale of inventory gas	-	514,647
Research & development tax offset	-	215,067
Net cash provided by / (used in) operating activities	(119,649)	443,121
<i>Cash flows from investing activities</i>		
Payments for capitalised exploration expenditure	(45,593)	(165,544)
Payments for petroleum offshore energy licence applications	(32,732)	-
Net cash used in investing activities	(78,325)	(165,544)
<i>Cash flows from financing activities</i>		
Proceeds from issues of shares and options	-	-
Capital raising costs	-	-
Net cash provided by financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(197,974)	277,577
Cash and cash equivalents at the beginning of the period	2,018,202	1,631,489
Cash and cash equivalents at the end of the period	1,820,228	1,909,066

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Eneabba Gas Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half year ended 31 December 2013 comprises the Company and its subsidiaries (collectively referred to as the "Group").

STATEMENT OF COMPLIANCE

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

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Eneabba Gas Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

This consolidated interim financial report was approved by the Board of Directors on 24 February 2014.

BASIS OF PREPARATION

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

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

SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

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

In preparing this half-year report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2013.

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2013.

In the half-year ended 31 December 2013, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2013.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies. The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2013. The Directors have decided against early adoption of any new Standards and Interpretations. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2013

NOTE 2: INCOME TAX

	Consolidated	
	31 December	31 December
	2013	2012
	\$	\$
Income tax		
Income tax benefit	63,270	303,720
Total income tax benefit	63,270	303,720

The income tax benefit in the current and previous period relates to the recognition of a research and development tax offset from the Australian Taxation Office which relates to exploration and evaluation expenditure incurred on the Company's UCG project. This tax offset for the current period is expected to be received prior to 30 June 2014.

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 December	30 June
	2013	2013
	\$	\$
Exploration and evaluation expenditure	1,925,191	1,880,520
Carrying amount at beginning of period	1,880,520	1,635,974
Additions	44,671	244,546
Carrying amount at period end – exploration and evaluation phase	1,925,191	1,880,520

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

Exploration Commitments

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

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

	Consolidated	
	31 December	30 June
	2013	2013
	\$	\$
Within one year	87,000	121,000
Within two years to five years	-	-
Later than five years	-	-
Total	87,000	121,000

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2013

NOTE 4: OTHER

	Consolidated	
	31 December	31 December
	2013	2012
	\$	\$
Energy Licence Applications		
Petroleum Offshore Licence Application Costs	32,732	-
Total Energy Licence Applications	32,732	-

During the current half year period the Company, through Eneabba Petroleum Pty Ltd, lodged four applications for petroleum exploration licences in Australian Commonwealth waters, as announced to the ASX on 25 November 2013. In accordance with the Group's accounting policy, the application costs for these licences have been capitalised.

If any of these applications are successful, the Company will be required to fund an exploration work program to retain these licences.

NOTE 5: RELATED PARTY INFORMATION

a) Parent and ultimate controlling party

The parent entity and ultimate controlling party is Eneabba Gas Limited.

The consolidated financial statements include the financial statements of Eneabba Gas Limited and the subsidiaries listed in the following table:

Name	Country of Incorporation	% Equity Interest 2013
Eneabba Energy Pty Ltd	Australia	100%
Eneabba Mining Pty Ltd	Australia	100%
Eneabba Petroleum Pty Ltd ¹	Australia	50%

¹ Eneabba Petroleum Pty Ltd was incorporated on 13 November 2013 to submit applications for petroleum exploration licences in Australian Commonwealth waters. Eneabba Petroleum Pty Ltd is jointly owned together with a team of oil & gas technical consultants.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2013

NOTE 6: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the board of Eneabba Gas Limited in order to allocate resources to the segment and to assess its performance.

Description of segments

Segment Reporting

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

	Energy & Electricity Generation	Petroleum Exploration	Mineral Exploration	Unallocated	Consolidated
31 December 2013	\$	\$	\$	\$	\$
Segment income					
Interest received	-	-	-	34,658	34,658
Lease Income	6,849	-	-	-	6,849
Total income	6,849	-	-	34,658	41,507
Segment expenses					
Feasibility study costs	(5,468)	-	-	-	(5,468)
Net other costs	-	-	-	(140,811)	(140,811)
Profit / (Loss) before depreciation	1,381	-	-	(106,153)	(104,772)
Depreciation	(9,565)	-	-	-	(9,565)
Loss before income tax	(8,184)	-	-	(106,153)	(114,337)
Segment assets and liabilities					
Property, plant & equipment	1,706,691	-	-	-	1,706,691
Licence applications	-	32,732	-	-	32,732
Exploration assets	-	-	1,925,191	-	1,925,191
Other current assets	-	-	-	1,906,121	1,906,121
Liabilities	-	-	-	(29,785)	(29,785)
Net assets	1,706,691	32,732	1,925,191	1,876,336	5,540,950

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2013

NOTE 6: SEGMENT REPORTING (CONTINUED)

	Energy & Electricity Generation	Petroleum Exploration	Mineral Exploration	Unallocated	Consolidated
31 December 2012	\$	\$	\$	\$	\$
Segment income					
Interest received	-	-	-	73,036	73,036
Lease Income	7,553	-	-	-	7,553
Total income	7,553	-	-	73,036	80,589
Segment expenses					
Feasibility study costs	(7,759)	-	-	-	(7,759)
Net other costs	-	-	-	(250,747)	(250,747)
Loss before depreciation	(206)	-	-	(177,711)	(177,917)
Depreciation	(9,794)	-	-	-	(9,794)
Loss before income tax	(10,000)	-	-	(177,711)	(187,711)
Segment assets and liabilities					
Property, plant & equipment	1,725,533	-	-	-	1,725,533
Exploration assets	-	-	1,801,519	-	1,801,519
Other current assets	-	-	-	2,267,682	2,267,682
Liabilities	-	-	-	(88,040)	(88,040)
Net assets	1,725,533	-	1,801,519	2,179,642	5,706,694

NOTE 7: SUBSEQUENT EVENTS

No matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

NOTE 8: CONTINGENT ASSETS & LIABILITIES

The Directors are not aware of any contingent assets or liabilities that may arise from the Group's operations as at 31 December 2013.

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DIRECTORS' DECLARATION

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

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the board



Morgan Barron
Non-Executive Director
Perth
24 February 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Eneabba Gas Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eneabba Gas Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2013, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



HLB Mann Judd
Chartered Accountants



L Di Giallonardo
Partner

Perth, Western Australia
24 February 2014