Orpheus Energy Limited

ABN 67 121 257 412

Annual Report

for the year ended

30 June 2015

Contents

Corporate Information

Orpheus Energy Limited
ACN 121257412

The shares of Orpheus Energy Limited ('the Company') are quoted on the official list of the Australian Security Exchange.

The ASX code for the Company's ordinary fully paid shares is "OEG".

Directors

Mr Wayne Mitchell	Executive Chairman
Mr Wesley Harder	Executive Director
Mr David Smith	Non-Executive Director
Mr Michael Rhodes	Non-executive Director

Company Secretary

Mr Wesley Harder (from 24 April 2015 to 31 August 2015)
Mr David Smith (till 24 April 2015; and then re-appointed 31 August 2015)

Chief Financial Officer

Mr Barry Neal

Registered Office and Principal place of business

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Sydney NSW 2000
Australia

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Share Register

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Level 12, 225 George Street
Sydney, NSW 2000
Telephone + 61 2 9290 9600
Fax + 61 2 9279 0664
www.boardroomlimited.com.au

Solicitors

HWL Ebsworth
Level 23, Riverside Centre
123 Eagle Street
Brisbane Qld 4001

Auditors

Hall Chadwick
Level 40
2 Park Street
Sydney NSW 2000

Bankers

National Australia Bank Limited
105 Miller Street
North Sydney NSW 2060

Stock Exchange Listing

Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Chairman's Letter

Dear Fellow Shareholders

The last year has continued an extremely challenging period for your Company.

Legal Proceedings to Recover Outstanding Money Owed to Orpheus

On 1 July 2014, Orpheus advised it had signed agreements with Mr Nugroho Suksmanto, PT Mega Coal and related parties regarding the sale of these Indonesian assets for total proceeds of approximately US$8.2million to be effected by the sale of OEG's 51% equity in six entities, namely PT Daya Mega Citra and PT Daya Mega Pelita (Papua tenements), Pt Pelita Dian Petangi (B3), PT Pelita Kharisma Kenanga (B4) PT Alam Duta Kalimantan (ADK) and PT Citra Bara Prima (CBP).

The original JV Agreements Orpheus Energy entered into with Suksmanto and PT Mega Coal since 2011 for each project, specifically provided for the potential repayment of funds expended by Orpheus in acquiring and developing those projects introduced by Suksmanto and PT Mega Coal. At the time, Orpheus Directors deemed it prudent to negotiate such provisions to protect shareholders' interests should the projects not turn out to be of sufficient quality to proceed in a profitable manner. As it transpired, none of the aforementioned projects had performed in a manner that gave Orpheus Directors confidence to proceed further, and accordingly, Suksmanto and PT Mega Coal honoured the original JV agreements and agreed to the sale back of these assets.

Completion of the transaction will deliver a number of key benefits to OEG Shareholders including a significant cash return to Orpheus and it will allow the Company to consider alternative asset acquisition, that the Directors' believe will add value to shareholders.

On 30 March 2015, Orpheus announced, that after exhaustive negotiations with Suksmanto since the announced and shareholder approved sale of Orpheus's Indonesian assets in August 2014, and despite innumerable promises, only a small amount of the outstanding funds had yet been paid by Suksmanto to Orpheus and its group.

Consequently, the Orpheus board decided the Company had no choice but to initiate bankruptcy proceedings against Suksmanto to recover all outstanding funds. Orpheus instructed its lawyers, Hadiputranto, Hadinoto & Partners, a member firm of Baker & McKenzie International, to lodge the bankruptcy petition in the Jakarta Commercial Court at the Central Jakarta District Court, on Thursday 26 March 2015.

As part of the settlement agreement, Orpheus has also been provided with additional security from Suksmanto's family and as a result of the execution of the settlement agreement, Orpheus has withdrawn the bankruptcy petition in the Central Jakarta Commercial Court. However, the settlement agreement explicitly provides for Orpheus to re-initiate legal action or arrange for the sale of the 10.5% equity in AGP, should Suksmanto default on the repayments.

Alternative asset acquisition strategy

On 10 June 2015, the securities of Orpheus were suspended from trading by the ASX, under Listing Rule 17.3. The suspension will continue until such time as Orpheus is able to demonstrate compliance with Chapter 12 of the Listing Rules.

Orpheus has progressed its due diligence on a company in the technology sector and on 31 July 2015 executed a Heads of Agreement for the purposes of a reverse take-over, subject to final due diligence and Board approval.

As the nature of the Company's business will change if the reverse-takeover is carried out, the Company intends to consult with the ASX on the proposed reverse-takeover and its implementation, and the nature and extent of the member approvals that may be required to carry out the proposed reverse-takeover including (without limitation) consulting with the ASX on compliance with Listing Rule 11.1. The Company anticipates it will be required to re-comply with Chapters 1 and 2 of the Listing Rules and seek member approval to carry out the reverse-takeover (RTO).

Conclusion

We continue diligently with concerted efforts to recover the still outstanding funds from Suksmanto, and with the due diligence process on the potential RTO.

The past twelve months have been extremely difficult for shareholders, your directors and management, and I want to thank everyone for the ongoing support.

Wayne Mitchell
Executive Chairman

Summary of Activities

Indonesian Asset Sales

On 1 July 2014, Orpheus announced that it had executed sales agreements for the sale of its interests in the Indonesian projects including Papua, B34, CBP, and ADK, for a total consideration of US$8.2 million. The details for each asset sale are detailed below:

Papua *(OEG 51%; Nugroho Suksmanto, PT Mega Coal and related parties 49%)*
In November 2011, Orpheus paid AUD$2,000,000 to acquire four prospective coal tenements in the Papua province. Orpheus executed an agreement with Mr Suksmanto, PT Mega Coal, and related parties to pay Orpheus US$2,000,000 for two of the tenements, leaving Orpheus with 51% equity in the remaining two tenements. This amount represented a ~US$1,000,000 profit margin to Orpheus on the acquisition costs of the project, paid by Orpheus.

B34 *(OEG 51%; Nugroho Suksmanto, PT Mega Coal and related parties 49%)*
In September 2011, Orpheus paid AUD$2,200,000 to acquire two prospective coal tenements, Block 3 and Block 4, in East Kalimantan. Orpheus executed an agreement with Mr Suksmanto, PT Mega Coal, and related parties to pay Orpheus US$2,200,000. An initial payment of US$200,000 had already been received and the balance is to be paid in monthly instalments of a minimum of US$100,000 per month until the balance has been paid.

CBP *(OEG 51%; Nugroho Suksmanto, PT Mega Coal and related parties 49%)*
In August 2012, Orpheus paid AUD$200,000 to acquire CBP in South Kalimantan. Orpheus executed an agreement with Mr Suksmanto, PT Mega Coal, and related parties to pay Orpheus US$1,000,000. This amount represented a US$800,000 profit margin to Orpheus on the acquisition cost of the project, paid by Orpheus

ADK *(OEG 51%; Nugroho Suksmanto, PT Mega Coal and related parties 49%)*
Since February 2012, Orpheus has paid US$1,000,000 to acquire its 51% equity in the ADK mine in South Kalimantan. Orpheus executed an agreement with Mr Suksmanto, PT Mega Coal, and related parties to pay Orpheus US$3,000,000. An initial payment of US$150,000 had already been received and the balance is to be paid in monthly instalments of US$400,000 per month through coal sales, until the balance has been paid. This amount represented a US$2,000,000 profit margin to Orpheus on the acquisition and development costs of the project, paid by Orpheus.

At a General Meeting held on 14 August 2014, Orpheus shareholders approved, by ordinary resolution, the sale to Mr Nugroho Suksmanto, PT Mega Coal and related parties, of the Company's Indonesian assets for total proceeds of approximately US$8.2 million.

Partially Underwritten Non-Renounceable Rights Issue

On 21 November 2014, Orpheus announced a partially underwritten, non-renounceable, 1 for 3 rights issue to raise approximately AUD$1,120,000. Under the Rights Issue Prospectus, OEG Directors committed to taking up their full Entitlement under the Offer and also agreed to partially underwrite the Offer up to a further AUD$181,871, or approximately 9,093,548 New Shares. This equated to a maximum take-up by Directors of 25,000,000 New Shares, raising AUD$500,000.

A Supplementary Prospectus extending the issue closing date to 12 February 2015 was subsequently announced to the market on 16 December 2014.

On 19 February 2015, Orpheus announced it had only raised approximately AUD$270,000 via a partially underwritten, non-renounceable, 1 for 3 rights issue. The capital raised from the Rights Offer was directed towards extinguishing an Orpheus debt relating to its coal business, working capital (which included funds required to recover outstanding funds owed to Orpheus by Suksmanto and PT Mega Coal) and to pay the costs of the Rights Offer.

Orpheus Extinguishes External Debt

On 9 March 2015, Orpheus announced that after lengthy negotiations with its creditor PT Baraindo and also Suksmanto, the Company executed a legally binding debt novation agreement. Under the terms of the agreement, Orpheus paid PT Baraindo ~AUD$270,000 from the proceeds of the Rights Issue, and the ~AUD$792,100 balance of the debt owing to PT Baraindo was assigned to Suksmanto. This meant the Company had no further external debt.

Bankruptcy Proceedings against Nugroho Suksmanto

After exhaustive negotiations and innumerable failed promises from Suksmanto to pay the debt owed to Orpheus, the Orpheus board decided the Company had no choice but to initiate bankruptcy proceedings against Suksmanto to recover all outstanding funds.

Consequently, Orpheus instructed its lawyers, Hadiputranto, Hadinoto & Partners, a member firm of Baker & McKenzie International, to lodge the bankruptcy petition in the Jakarta Commercial Court at the Central Jakarta District Court on Thursday 26 March 2015.

The Commercial Court heard a number of submissions and following detailed discussions between Orpheus and Suksmanto, Orpheus executed a Settlement Agreement with Suksmanto.

Amended Settlement Agreement with Nugroho Suksmanto

The company announced on Thursday 30 July 2015, that Orpheus had executed a Settlement Agreement with Nugroho Suksmanto which allowed for a revised total amount of 70 billion Rupiah (~AUD$7M) to be paid in monthly instalments.

The settlement agreement stipulated monthly installments of 20.8 billion Rupiah (~AUD$2.08M) to be paid by 31 August 2015. The balance of 49.2 billion Rupiah (~AUD$4.92M) will then be paid in monthly instalments of 3.4 billion Rupiah (~AUD$340,000) with a final payment of 1.6 billion Rupiah (~AUD$160,000) due on 30 November 2016.

Of critical importance, and as part of the settlement agreement, Orpheus had also been provided with additional security from Suksmanto's family (Noegroho Pranoto and Yohana Kurniastuti), in the form of a pledge over 1,073 shares (equivalent to 7%) owned by Noegroho Pranoto in an Indonesian property development company, PT Abadi Guna Papan ("**AGP**") and a pledge over 578 shares (equivalent to 3.5%) owned by Yohana Kurniastuti in AGP. Among numerous developments, AGP owns the 28-storey office building where Orpheus's Jakarta office is located in the Mega Kuningan CBD area.

As a result of the execution of the settlement agreement, Orpheus withdrew the bankruptcy petition in the Central Jakarta Commercial Court. However, the settlement agreement explicitly provides for Orpheus to re-initiate legal action or arrange for the sale of the 10.5% equity in AGP, should Suksmanto default on the repayments.

Alternative asset acquisition strategy

On 10 June 2015, the securities of Orpheus were suspended from trading by the ASX, under Listing Rule 17.3. The suspension will continue until such time as Orpheus is able to demonstrate compliance with Chapter 12 of the Listing Rules.

As also announced on 10 June 2015, Orpheus has progressed its due diligence on a company in the technology sector and has since executed a Heads of Agreement for the purposes of a reverse take-over, subject to final due diligence and Board approval.

Compliance with Chapter 12 of the Listing Rules will require Orpheus to demonstrate to the ASX's satisfaction that the level of Orpheus's operations are sufficient to warrant the continued quotation of Orpheus's securities and its continued listing as required by Listing Rule 12.1.

Orpheus has progressed its due diligence on a company in the technology sector and on 31 July 2015 executed a Heads of Agreement for the purposes of a reverse take-over, subject to final due diligence and Board approval.

As the nature of the Company's business will change if the reverse-takeover is carried out, the Company intends to consult with the ASX on the proposed reverse-takeover and its implementation, and the nature and extent of the member approvals that may be required to carry out the proposed reverse-takeover including (without limitation) consulting with the ASX on compliance with Listing Rule 11.1. The Company anticipates it will be required to re-comply with Chapters 1 and 2 of the Listing Rules and seek member approval to carry out the reverse-takeover (RTO).

Cancellation of Unlisted Options held by Directors and Staff

Orpheus Directors and staff agreed to forfeit the following 10,089,458 performance based options (issued in November 2013) as at 30 June 2015, as the option vesting hurdles will never be met due to the fact that the Company has sold its coal asset portfolio in Indonesia. Accordingly, the following options have been cancelled:

Name	Options
Wayne Mitchell	4,854,910
David Smith	2,513,512
Wes Harder	1,851,036
Barry Neal	600,000
Harry Ariyandi	270,000

Costs Reduction Program

Over the last financial year, the Company has continued with the previously announced cost reduction strategy to reduce the Company's monthly administration costs with further measures including:

- Deferment of all Directors' fees and Executive salaries up to 31 July 2015. From 3 August 2015, all Directors and the Company's CFO agreed to vary their service contracts such that no further remuneration other than minimum statutory remuneration (eg Superannuation) would be payable going forward.
- Reduction of Indonesian staff to only two individuals, both of whom will be made redundant once funds are received from Indonesia to pay for the redundancy entitlements.
- Surrendering of the Company's Sydney office lease and relocation into a very cost-effective serviced office arrangement.
- Cessation of all administration costs other than those required to maintain the company's listing (eg ASX listing costs, Share Registry costs, annual audit fees).

Directors' Loans

To continue providing working capital cover for the company during the period of the Indonesian Assets Sales and RTO process, and to avoid any shareholder dilution by raising capital, the Directors have continued to provide unsecured loans to the company. Consequently, as at reporting date, the total Directors' loans outstanding are $513,384, including the applicable discounted interest. A further $80,000 in unsecured loans from Directors have been made post reporting date.

Australian Assets

Orpheus's legacy Australian assets, Hodgson Vale, and Ashford, have been relinquished to save holding costs.

Corporate Governance Statement

Orpheus Energy Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Orpheus Energy Limited has reviewed corporate governance practices against the Corporate Governance Principles and Recommendation (3rd edition) (CGPR) published by the ASX Corporate Governance Council.

The 2015 corporate governance statement is dated as at 30 June 2015 and reflects the corporate governance practices in place throughout the 2015 financial year. The 2015 corporate governance statement was approved by the Board on 10 June 2015. A description of the group's current corporate governance practices is set out in the group's corporate governance statement which is set out below and can also be viewed at (www.orpheusenergy.com.au).

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

A listed entity should establish and disclose the respective roles and responsibilities of the Board and management and how their performance is monitored and evaluated.

Recommendation 1.1

A listed entity should disclose

(a) the respective roles and responsibilities of its Board and management; and

(b) those matters expressly reserved to the Board and those delegated to management.

Disclosure

The relationship between the Board and senior management is critical to the Group's long-term success. The Directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

The Company has a Board Charter approved by Directors which sets out the specific responsibilities of the Board which are:-

- appointment of the Chief Executive Officer/Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination;
- driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- approving the annual, half yearly and quarterly accounts;
- approving significant changes to the organisational structure;
- approving the issue of any shares, options, equity instruments or other securities in the Company;
- ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision-making;
- monitoring progress in relation to the Company's diversity objectives and compliance with its diversity policy;
- recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them; and
- meeting with the external auditor, at their request, without management being present.

The Board has delegated to the Executive Chairman/Chief Executive Officer, and through that officer to other Senior Management, the authority and responsibility for managing the everyday affairs of the Company.

Recommendation 1.2

A listed entity should:

(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and

Corporate Governance Statement (continued)

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Disclosure

Appropriate checks are undertaken prior to appointing a person as a Director and recommending that person for election. These include checks as to the person's character, experience, education, criminal record and bankruptcy history.

Candidates who the Board consider are suitable for appointment as Directors are appointed and stand for election at the next AGM, in accordance with the Constitution. The Company includes in the Notice of Meeting for the AGM all material information known to the Company which is relevant to a decision whether or not to elect or re-elect a Director. This information includes biographical information, details of other material directorships currently held by the candidate, any adverse information revealed by the checks performed, a statement as to whether in the Board's opinion the candidate will qualify as an independent director and a statement by the Board as to whether it supports the election or re-election of the candidate.

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Disclosure

The Company has written agreements with each of the Directors and senior executives setting out the terms of their appointment.

Recommendation 1.4

The Company Secretary of a listed Company should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

Disclosure

The Company Secretary is accountable directly to the Board through the chair, on all matters to do with the proper functioning of the Board.

The Company Secretary is responsible for facilitating good information flows within the Board and its committees and between senior executives and Directors, as well as the induction of new Directors and the ongoing professional development of all Directors. The Company Secretary is responsible for monitoring compliance with the Board's procedures and for advising the Board, through the chairman, on all governance matters. All Directors have access to the advice and services of the Company Secretary, whose appointment and removal is a matter for the Board.

Recommendation 1.5

A listed entity should:

(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either:

  (1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or

  (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.16

Disclosure and Departure

While the Company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals, no decision has been made by the Board at this time to formulate a diversity policy.

Corporate Governance Statement (continued)

The Board has not yet established objectives in relation to gender diversity but is committed to a continuation of current employment practices where employees are selected on merit. The aim is to achieve greater gender diversity in director and senior executive positions as they become vacant and appropriately skilled candidates become available.

Recommendation 1.6

A listed entity should:
(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process

Disclosure and Departure

The Board currently has no formal procedure for evaluation of its Board, committee and Directors. The Board considers that it is functioning effectively given its composition and a formal procedure is not required at this stage. While no formal performance evaluation was undertaken during the reporting period, the Chairman continually monitors the performance of the Board.

Selection and (Re) Appointment of Directors Candidates for the Board are considered and selected by reference to a number of factors, which include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by shareholders at the following general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Each Director, other than the Executive Chairman, must not hold office (without re-election) past the third annual general meeting of the Company following the Director's appointment, or three years following that Director's last election or appointment (whichever is the longer). However, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one Director, or a third of the total number of Directors, must resign. A Director who retires at an annual general meeting is eligible for re-election at that meeting.

Recommendation 1.7

A listed entity should:
(a) have and disclose a process for periodically evaluating the performance of its senior executives; and
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure and Departure

The Company does not have a formal process for periodically evaluating the performance of its Senior Executives. However the Chief Executive Officer monitors the performance of senior executives.

PRINCIPLE 2: STRUCTURE OF THE BOARD TO ADD VALUE

Recommendation 2.1

The Board of a listed entity should:

(a) have a nomination committee which:

(1) has at least three members, a majority of whom are independent Directors; and

(2) is chaired by an independent director. and disclose

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) If it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Corporate Governance Statement (continued)

Disclosure and Departure

The Company does not have a Nomination Committee as the Directors believe that size of the Company and the Board does not warrant the formation of such committee. All Board nomination matters are considered by the whole Board.

The Board oversees the appointment and induction process for Directors and committee members, and the selection, appointment and succession planning process of the Company's executive management team. The appropriate skill mix, personal qualities, expertise and diversity are factors taken into account in each case. When a vacancy exists or there is a need for particular skills, the Board determines the selection criteria based on the required skills.

Recommendation 2.2

A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

Disclosure and Departure

The Company currently does not have a Board "skills matrix". Given the size and scope of the Company's operations, and its exploration and development stage, the Board considers that it is appropriately-structured, with a suitable mix of skills and expertise, relevant to the Company's current business. However, the Board is cognisant that, as the Company expands and develops its activities, the Board will be required to review and restructure its composition to meet the specific expertise and skill requirements to progress the Company to meet its objectives moving forward.

A profile of each Director containing their skills, experience, expertise and term of office is set out in the Directors' Report of this Annual Report.

Recommendation 2.3

A listed entity should disclose:

(a) the names of the Directors considered by the Board to be independent Directors;

(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and

(c) the length of service of each director.

Disclosure and Departure

As at 30 June 2015 the Board comprised 3 executive Directors including the Chairman and two non-executive directors, none of whom are independent as disclosed below.

Director	Reason for Non-Independent Classification
Wayne Mitchell	Engaged as Chief Executive Officer of the Company from 30/11/2010-present
David Smith	A substantial shareholder and a director of the Company from 18/8/2011-present
Wesley Harder	Employed as Exploration Manager and is an executive director of the Company from 30/11/2010
Michael Rhodes	Managing Director of the Company's Indonesian subsidiary PT Orpheus Indonesia from 1/10/2012-present

Even though the members of the Board are not independent, the persons on the Board can and do make independent judgements in the best interests of the Company at all times

Statement concerning availability of independent professional advice

To assist Directors with independent judgement it is the Board's policy that if a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a Director then, provided the Director first obtains approval from the Chairman for incurring such an expense, the Company will pay the reasonable expenses associated with obtaining such advice.

Corporate Governance Statement (continued)

The length of service of each Director is as follows:

Dates	Board Members	Independent/Non-Independent
30/11/2010-current	Wayne Mitchell	Non-Independent
18/8/2011-current	David Smith	Non-Independent
30/11/2010-current	Wesley Harder	Non-Independent
1/10/2012-current	Michael Rhodes	Non-Independent

As disclosed in 2.3 none of the Directors of the Company are independent.

The Board supports the appointment of Directors who bring a wide range of business and professional skills and experience to the Company. Directors are appointed in accordance with the constitution of Orpheus Energy Ls,and are appointed for a period of three years or until the third annual general meeting following his or her appointment (whichever is longer).

Recommendation 2.4

A majority of the Board of a listed entity should be independent Directors.

Disclosure and Departure

No members of the Board are Independent Directors.

Even though none of the Board are not independent, the Board considers that it acts in the best interests of the Company and its security holders.

Recommendation 2.5

The chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Disclosure and Departure

The Executive Chairman of the Company, Mr Wayne Mitchell, is not an Independent Director and is the CEO. He contributes to a culture of openness and constructive challenge that allows for a diversity of views to be considered by the Board.

Recommendation 2.6

A listed entity should have a programme for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Disclosure and Departure

An induction programme for new Directors of the Company is being considered but does not currently exist. Each Director of the Company has the right to seek independent professional advice at the expense of the Company, and the Company provides appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. Prior approval of the Chairman is required, but this will not be unreasonably withheld.

PRINCIPLE 3- ACT ETHICALLY AND RESPONSIBLY

A listed entity should act ethically and responsibly.

Recommendation 3.1

A listed entity should:
(a) have a code of conduct for its Directors, senior executives and employees; and
(b) disclose that code or a summary of it.

Disclosure and Departure

The consolidated entity recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics. All Directors and employees are required to act in accordance with the law and with the highest standard of propriety.

Corporate Governance Statement (continued)

The Company does not yet have a formal Code of Conduct setting out its core values. However the Company requires that each director and officer of the Company must comply with all laws and regulations. This includes understanding the laws and regulations relevant to their work and complying with the legal requirements of the jurisdiction in which the Company operates.

Contractors and others employed by the Company should not engage in activities or hold or trade assets that involve, or could appear to involve, a conflict between their personal interests and the interests of the Company.

The practices of the Board are aimed at promoting ethical and responsible decision making. The Board strives for good corporate governance and industry best practice. It specifically requires Directors and employees to:

- avoid situations which may give rise to a conflict of interest;
- avoid situations where they may gain any benefit which competes with the Company's business;
- read and confirm that they understand the Company's policies;
- comply with laws and regulations;
- properly use the Company's assets for legitimate business purposes; and
- maintain confidentiality in both the Company's business and the information of its clients and shareholders.

Each director is required to disclose any interest which might create a potential conflict of interest with his or her duties as a director or which might affect their independence.

There must be no conflict, or perception of a conflict, between the interests of any Company director, officer or employee and the responsibility of that person to the stakeholders. All Directors, officers and employees may never improperly use their position for personal or private gain to themselves, a family member, or other associated person. Where a potential conflict exists, this should be disclosed to the Chairman prior to any dealings taking place.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

Recommendation 4.1

The Board of a listed entity should:

(a) have an audit committee, which:

- **(1)** has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors: and
- **(2)** is chaired by an independent director, who is not the chair of the Board, and disclose:
- **(3)** the charter of the committee;
- **(4)** the relevant qualifications and experience of the members of the committee; and
- **(5)** in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processing for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Disclosure and Departure

The Company is not fully compliant with this principle. The audit and risk committee has a non-independent chairman Michael Rhodes, and two executive Directors, Wayne Mitchell and Wesley Harder. The Details of these Directors' qualifications and attendance at audit committee meetings are set out in the Directors' Report of the Annual Report under the heading "Directors' Meetings".

Members of the Committee have relevant qualification and experience in financial matters and have a good understanding of the industry in which the Company operates.

The Audit & Risk Committee plays a key role in assisting the Board with its responsibilities relating to accounting, internal control systems, reporting practices and risk management, and ensuring the independence of the Company auditor. The terms of reference for the committee incorporate policies and procedures to ensure an effective focus from an independent perspective.

The Audit & Risk Committee oversees and appraises the quality of the audits conducted by the auditors and emphasises areas where the Committee believes special attention is required. The external auditors are Hall Chadwick. Hall Chadwick's appointment will be reviewed periodically in line with industry best practice. The Board believes in the ongoing assessment of our audit arrangements and will comply with any regulatory requirements to rotate the Company's external audit partner.

Corporate Governance Statement (continued)

The Audit & Risk Committee also reviews the effectiveness of administrative, operating and accounting controls.

Recommendation 4.2

The Board of a listed entity should, before it approves the entity's financial statements for financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Disclosure

Before it approves the Company's financial statements for a financial period, the Board receives from its Managing Director and CFO a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards. The declaration also states that the financial records give a true and fair view of the financial position and performance of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control that is operating effectively.

Recommendation 4.3

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Disclosure

The Company makes sure that its external auditor, Hall Chadwick, is invited to and attends its Annual General Meeting (AGM) each year and is available to answer questions that are relevant to the audit. At the Company's last AGM held on 7 November 2014, a Partner from Hall Chadwick Chartered Accountants attended and was available to answer questions.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Recommendation 5.1

A listed entity should:

(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and

(b) disclose that policy or a summary of it.

Disclosure

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

Disclosure

The Company provides information about itself and its governance to investors via its website www.orpheusenergy.com.au. The names, photographs and brief biographical information for each of the Company's Directors and senior executives can be found under the Corporate Overview section of the website.

The Company has included on the "Investors" section of its website links to copies of its ASX announcements, Financial Reports, Research Reports, Analyst Briefings and Shareholder Information.

Procedures have also been established for reviewing whether any material price-sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

The 'Contacts' section of the Company's website also holds shareholder services such as the Share Registry's contact details. The Company's contact details can also be found on the website.

Corporate Governance Statement (continued)

Recommendation 6.2

A listed entity should design and implement an investor relations programme to facilitate effective two-way communication with investors.

Disclosure

The Company does not have a formal investor relations programme. However the Company actively engages with security holders, meets with them upon request and responds to any enquiries. The Company also has ad hoc interaction with brokers, institutional investors, analysts and financial media.

Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Disclosure and Departure

The Company has no formal process in place to facilitate and encourage participation at meeting of security holders. Shareholders are however encouraged to participate at general meetings.

Recommendation 6.4

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Disclosure

Security holders can email or otherwise contact the Company by visiting the ‘Contacts section of the website where they can also find the Share Registry's electronic and other contact details.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Recommendation 7.1

The Board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

- (1) has at least three members, a majority of whom are independent Directors; and
- (2) is chaired by an independent director, and disclose:
- (3) the charter of the committee;
- (4) the members of the committee; and
- (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Disclosure and Departure

The Company has a combined audit and risk committee, the membership of which is not fully compliant with this principle. The audit and risk committee has a non-independent chairman, and two executive Directors. The members of the committee have the necessary technical knowledge and understanding of the industry in which the entity operates to be able to discharge the committee’s mandate effectively.

The Details of these Directors’ qualifications and attendance at audit committee meetings are set out in the Directors’ Report of the Annual Report under the heading “Directors’ Meetings”.

The Board has disclosed the Charter of the Committee, which may be found on the Company's website under the section marked "About Us". A summary of the Company's Risk Management objectives can also be found in this section. The members of the Committee are Messrs Rhodes, Harder and Mitchell. The Committee held 2 meetings during the Reporting Year.

Corporate Governance Statement (continued)

The table set out in the Directors' Report of this Annual Report under the heading "Directors' Meetings" shows the members' attendance at Committee meetings.

Recommendation 7.2

The Board or a committee of the Board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

Disclosure

The Board, and the Audit and Risk Management Committee, review the Company's risk management framework at least annually to satisfy itself that it continues to be sound, and such a review was carried in the past financial year.

The Board has required management to implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively.

Recommendation 7.3

A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Disclosure and Departure

The Company does not have an internal audit function disclose. The processes the Company employs for evaluating and continually improving the effectiveness of its risk management and internal control processes include the fact that individual Directors claims for expenses are approved by another Director.

It is proposed that a member of the Audit and Risk Management Committee periodically review the Company's controls and spot-checks that the necessary procedures have been followed.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Disclosure

The Company discloses its material exposure to economic, environmental and social sustainability risks, and how it manages those risks in ASX announcements and in its Annual Report.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

A listed entity should pay director remuneration sufficient to attract and retain high quality Directors and design its executive remuneration to attract retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

Recommendation 8.1

The Board of a listed entity should:

(a) have a remuneration committee which:

(1) has at least three members, a majority of whom are independent Directors; and
(2) is chaired by an independent director, and disclose:
(3) the charter of the committee;
(4) the members of the committee; and
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Departure

The Company has not established a separate Remuneration Committee with the Board considering Board nomination matters. Given the current size and composition of the Company, the Board is unable to meet the requirement that a separate Remuneration Committee is established consisting of a majority of Independent Directors and chaired by an independent Chair.

Corporate Governance Statement (continued)

The Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee, and accordingly, the remuneration functions have been delegated to the Board. The Board deals with any conflicts of interest that may occur when acting in the capacity of the Remuneration Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.

The processes the Company employs for setting the level and composition of remuneration for Directors and senior executives, and ensuring that such remuneration is appropriate and not excessive are disclosed in the Remuneration Report in the Company's Annual Report.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.

Disclosure

Non-Executive Directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for Non-Executive Directors is not linked to individual performance. From time-to-time the Company may grant options to Non-Executive Directors. The grant of options is designed to recognise and reward efforts, as well as to provide Non-Executive Directors with additional incentive to continue those efforts for the benefit of the Company.

Remuneration and bonuses for Executive Directors and Senior Executives consist of a base salary, and may consist of performance incentives. Long-term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. Executives are offered competitive base salaries at market rates, which are reviewed to ensure market competitiveness.

Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
(b) disclose that policy or a summary of it.

Disclosure

The Company has an equity-based remuneration scheme and has a policy that participants are not permitted to enter into transactions (whether through the use of derivatives or otherwise) that limit the economic risk of participating in the scheme.

There are no termination or retirement benefits for Non-Executive Directors (other than for superannuation).

The Company's Policy for the Trading in Company Securities, which is available on the Company's website under the section, marked "About Us." This policy includes a statement of the Company's policy on prohibited transactions and blackout periods re share transactions.

Directors' Report

The Directors of Orpheus Energy Limited present their report on the Company and its controlled entities for the financial year ended 30 June 2015.

Directors

The names of directors in office during or since the end of the financial year are:

Mr Wayne Mitchell, Executive Chairman, CEO and Managing Director
Mr David Smith, Non-Executive Director
Mr Wesley Harder, Executive Director & Exploration Manager
Mr Michael Rhodes, Non-executive Director

Mr Wayne Mitchell

Executive Chairman, CEO and Managing Director

Qualifications: AASA, AAIM

Experience: Mr Wayne Mitchell is a qualified accountant with over 30 years of extensive senior management experience in the natural resource sector; both in Australia and in Southeast Asia. In the early 1970's, Mr Mitchell and two partners were the initial promoters and developers of Thailand's major zinc deposit located at Mae Sot, Northern Thailand. This resource is now owned and operated by a Thai public company Padaeng Industry Company Ltd. Mr Mitchell specializes in the areas of financial planning, fund raising and project evaluation.

He is also a past Chairman of listed company Central Victorian Gold Mines N.L and a past director of Diversified Mineral Resources NL where he initiated and led the project team for the Burton Downs Coal project taken over by Portman Mining before being sold for more than $200 million. Mr Mitchell was a co-founder and chairman of Coalworks, which was acquired by Whitehaven Coal.

Special responsibilities: Member of the Audit and Risk Committee

Interest in shares and options: 15,264,210 ordinary shares and nil options over ordinary shares

Other current Directorships: Nil

Mr David Smith

Non-Executive Director

Qualifications: B Econ, Dip Mgmt – Exec MBA

Experience: Mr Smith was previously an investment banker of 15 years' experience, having worked at BBY Limited, JPMorgan Chase and Ord Minnett. Mr Smith was regularly ranked as one of the Top 10 Australian Investment Bankers in the annual East Coles Surveys, and raised more than $4 billion for corporate clients, maintaining regular Top 15 positions in the various Australian Investment Banking League Tables.

With an extensive background in advising companies across all sectors, Mr Smith was also a founder and former Executive Director of ASX listed coal company Coalworks Limited, which was acquired by Whitehaven Coal for ~$200m in June 2012.

Mr Smith is a Non-Executive Director of Raw Capital Partners Holdings Limited, a boutique international Asset Management business. He is also a founder and Director of a number of private companies in the property, recruitment and jewellery sectors with a focus on new technology and e-commerce.

Special responsibilities: Nil

Interest in shares and options: 36,500,000 ordinary shares and nil options over ordinary shares

Other current Directorships: Nil

Directors' Report

Mr Wesley Harder
Executive Director and Exploration Manager

Qualifications:	B Sc, Dip SIA, M Aus IMM
Experience:	Mr Harder is a former coal analyst with Jackson Ltd, stockbrokers, and has also worked with a number of other stockbrokers, including Ord Minnett and Frank Renouf. He has also worked as a field exploration geologist for fifteen years in Australia and its near neighbours including Sumatra and Irian Jaya in Indonesia, mainland Papua New Guinea and New Britain Island, many parts of the Solomon Islands and Fiji. In Australia he worked in New South Wales, Queensland, The Northern Territory and Tasmania. He has worked in tropical and arid environments searching for a range of mineral commodities including coal, gold, copper and uranium for companies including Newmont Mining Inc., Placer Prospecting Ltd, Pancontinental Mining Limited and Gujarat NRE Coking Coal Ltd. Mr Harder was a Founding Director & CEO of Zinico Resources NL and its successors for 5 years and Mr Harder was a founding shareholder of Coalworks.
Special responsibilities:	Exploration Manager and Member of the Audit and Risk Committee.
Interest in shares and options:	6,452,823 ordinary shares and nil options over ordinary shares
Other current Directorships:	Nil

Mr Michael Rhodes
Non-executive Director

Qualifications:	
Experience:	Mr Rhodes is a highly experienced drilling engineer having worked around the world including South East Asia and the Middle East. Mr Rhodes has lived and worked in Indonesia for over 20 years and previously established a successful infrastructure and logistics company in Balikpapan. Mr Rhodes is a principal and Director of PT Mega Coal, Orpheus' Indonesian JV partner.
Special responsibilities:	Chairman of the Audit and Risk Committee
Interest in shares and options:	4,277,833 ordinary shares
Other current Directorships:	Nil

Company Secretary

Mr Wesley Harder B Sc, Dip SIA, M Aus IMM (Appointed 24 April 2015; Resigned 31 August 2015)

Mr David Smith B Econ, Dip Mgmt – Exec MBA (till 24 April 2015; and then re-appointed 31 August 2015)

Principal Activity

The principal activities of the Group were acquiring, exploring and developing coal infrastructure projects in Indonesia. However with the sale of Orpheus's Indonesian coal assets as disclosed in the 2014 Annual Report and the relinquishment of Australian exploration tenements, the Group is no longer involved in exploration and mining.

Orpheus is now undertaking due diligence on a company in the technology sector and has executed a Heads of Agreement for the purposes of a reverse take-over subject to final due diligence and Board approval.

As the nature of the Company's business will change if the reverse takeover is carried out, the Company intends to consult with the ASX on the proposed takeover and its implementation.

Directors' Report

Dividends

No dividends have been declared in the 2015 financial year (2014: no dividend declared).

Review of Operations

Information on the operations of the groups, its business strategies and prospects is set out in the summary of activities on pages 5 to 7 of the annual report.

Operating Results

The Group's net loss after tax (NLAT) was $11,640,220 (2014: $4,052,006). The loss for the year included an impairment of receivables of $7,208,716, impairment of investment in exploration licences of $1,296,749 and a settlement discount of $1,813,971.

Shares and Options

Conversion of Directors' loans

On 7 November 2014 Shareholders at the 2014 AGM approved the conversion of Directors' loans and accrued interest of $540,000 to equity with 18,000,000 shares issued to Directors at $0.03 per share.

Non-renounceable Rights Offer

The partially underwritten non-renounceable rights offer closed on 12 February 2015 with a total of 15,220,198 new shares subscribed at $0.02 per share raising $243,140 after share issue costs. This included 7,229,480 shares allotted to Directors who partially underwrote the Rights Offer.

Details of unexercised options at 30 June 2015 and 30 June 2014 are disclosed in Note 20.

As at 30 June 2015 there were no unquoted and unexpired options. During the reporting period 270,000 options were forfeited on the resignation of an employee,14,925,000 unexercised options expired and 9,819,458 options were cancelled by agreement with the holders.

Significant changes in the state of affairs

Orpheus external debt free

On 9 March 2015 Orpheus announced that. after lengthy negotiations with its creditor PT Baraindo and also its debtor Mr Nugroho Suksmanto, the Company has executed a legally binding debt novation agreement. Under the terms of the agreement, Orpheus has paid PT Baraindo $276,634 from the proceeds of the recent Rights Issue, and the $784,899 balance of the debt owing to PT Baraindo has been assigned to Mr Suksmanto. As a result of this transaction Orpheus has no external debt.

Settlement Agreement with Nugroho Suksmanto

On 21 May 2015, Orpheus executed a Settlement Agreement with Nugroho Suksmanto in relation to the debt owing on the sale of assets. This agreement allows for a revised total amount of 70 billion Rupiah($6.69M) after deduction of a settlement discount to be paid in monthly instalments.

The settlement agreement allows for monthly Instalments of 20.8 billion Rupiah (-AUD$2.08M) to be paid by 31 August 2015. The balance of 49.2 billion Rupiah (-AUD$4.92M) will then be paid In monthly instalments of 3.4 billion Rupiah (-AUD$340,000) with a final payment of 1.6 billion Rupiah (-AUD$160,000) due on 30 November 2016.

As part of the settlement agreement, Orpheus has also been provided with additional security from Suksmanto's family (Nugroho Pranoto and Yohana Kumlastuti), in the form of a pledge over 1,073 shares (equivalent to 7%) owned by Nugroho Pranoto in an Indonesian property development company, PT Abadi Guna Papan ("AGP") and a pledge over 578 shares (equivalent to 3.5%) owned by Yohana Kumjastutlln in AGP. Among numerous developments, AGP owns the 28-storey office building where Orpheus's Jakarta office is located in the Mega Kuningan CBD area.

As a result of the execution of the settlement agreement, Orpheus has withdrawn the bankruptcy petition in the Central Jakarta Commercial Court. However. the settlement agreement explicitly provides for Orpheus to reinitiate legal action or arrange for the sale of the 10.5% equity in AGP, should Suksmanto default on the repayments.

Directors' Report

Suspension from Official Quotation

On 10 June 2015 the ASX suspended trading in Orpheus securities in accordance with Listing Rule 17.3 and advised that the Company's securities will remain suspended until the Company is able to demonstrate compliance with Chapter Listing Rules.

Compliance with Chapter 12 of the Listing Rules will require Orpheus to demonstrate to the ASX's satisfaction that the level of Orpheus's operations are sufficient to warrant the continued quotation of Orpheus's securities and its continued listing as required by Listing Rule 12.1.

Alternative asset acquisition strategy

As announced on 10 June 2015, Orpheus is in the process of competing due diligence on a company in the technology sector. The Directors believe there are good prospects of entering into an agreement to acquire this entity and anticipate issuing an ASX announcement in the near term of its compliance with Chapter 12 of the Listing Rules.

Matters subsequent to the end of the financial year

Debt recovery - Nugroho Suksmanto

On 23 September 2015, Orpheus announced that it has presented post-dated cheques provided by Nugroho Suksmanto, amounting to 20.8 billion Rupiah (~AUD$2.08M) to the bank in Indonesia, on three separate occasions, five working days apart, as required by Indonesian law, and on each presentation the bank advised there were insufficient funds to honour the cheques.

As announced on 30 July 2015, Orpheus had agreed to a Settlement Agreement with Suksmanto, whereby Suksmanto was required to make a payment in the amount of 20.8 billion Rupiah (~AUD$2.08M) by 31 August 2015. As the cheques were not able to be honoured, Suksmanto is in breach of the Settlement Agreement.

As also announced on 30 July 2015, as part of the Settlement Agreement, Orpheus was provided with additional security from Suksmanto's family (Noegroho Pranoto and Yohana Kurniastuti), in the form of a pledge agreement over 1,073 shares (equivalent to 7%) owned by Noegroho Pranoto in Indonesian property development company, PT Abadi Guna Papan ("**AGP**") and a pledge agreement over 578 shares (equivalent to 3.5%) owned by Yohana Kurniastuti in AGP ("**Shares Pledge Agreements**"). Among numerous developments, AGP owns the 28-storey office building where Orpheus's Jakarta office is located in the Mega Kuningan CBD area.

Given Suksmanto's breach of the Settlement Agreement, Orpheus, as the pledgee under the Shares Pledge Agreements is entitled to sell the pledged shares, on behalf of the pledgors based on powers of attorney to sell shares and consents to transfer issued by the pledgors, to recover the outstanding funds owed to Orpheus.

In this context, the Company has advanced negotiations with three separate parties to acquire the equity in AGP. One of the potential buyers is waiting on an independent valuation on two final properties in the AGP portfolio to proceed with the potential acquisition.

Alternative Asset Acquisition Strategy

On 31 July 2015 Orpheus announced it had progressed its due diligence on a company In the technology sector and has now executed a Heads of Agreement for the purposes of a reverse take-over, subject to final due diligence and Board approval.

As the nature of the Company's business will change if the reverse takeover Is carried out, the Company intends to consult with the ASX on the proposed reverse-takeover and its implementation, and the nature and extent of the member approvals that may be required to carry out the proposed reverse-takeover Including (without limitation) consulting with the ASX on compliance with listing Rule 11.1. The Company anticipates It will be required to re-comply with Chapters 1 and 2 of the listing Rules and seek member approval to carry out the reverse-takeover.

Likely developments and review of operations

Comments on review of operations of the Group are included in the annual report under summary of activities on pages 5 to 7.

Further information on likely developments in the operations of the Group and the expected result of operations have not been included in the annual financial report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Directors' Report

Environmental regulations

The Group is subject to environmental regulations in Australia and in foreign countries where it operates. To the best of the Directors' knowledge, all activities have been undertaken in compliance with these environmental regulations.

Directors' Meetings

The Company held 15 Directors' meetings during the year and 2 Audit and Risk Committee meetings.
The attendances of the directors in office during the year at meetings of the Board and Committees were:

	Board of Directors		Audit and Risk Committee	
Director	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
Wayne Mitchell	15	15	2	2
David Smith	15	15	-	-
Wesley Harder	15	15	2	2
Michael Rhodes	15	15	2	2

Remuneration Report (Audited)

Directors are pleased to present Orpheus Energy Limited's 2015 remuneration report which sets out remuneration information for the Company's executive directors, non-executive directors and other key management personnel.

(a) Details of Directors and Key Management Personnel during the year ended 30 June 2015

Wayne Mitchell	Chairman, Chief Executive Officer and Managing Director
David Smith	Non-executive Director Company Secretary (resigned 23 April 2015)
Wesley Harder	Director, Exploration Manager Company Secretary (appointed 23 April 2015)
Michael Rhodes	Non-executive Director
Barry Neal	Chief Financial Officer

(b) Remuneration governance

The Company does not have a remuneration committee with remuneration decisions made by the Board on:-

- The over-arching executive remuneration framework
- Operation of the incentive plans which apply to the executive team including key performance indicators and performance hurdles
- Remuneration levels of executive directors and the key management personnel, and
- Non-executive director fees

The objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

(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
- acceptable to shareholders

The executive remuneration framework has three components

- base pay and benefits, including superannuation;
- short-term incentives (STI's) - cash bonuses; and
- long-term incentives (LTI's) through participation in the Orpheus Employee Option Plan.

The payment of STI's and LTI's is conditional on the achievement of set performance criteria.

(d) Long-term incentives (LTIs)

The establishment of the Orpheus Long Term Incentive Plan (LTI) was approved by shareholders at the 2013 annual general meeting (AGM). The Plan is designed to provide long-term incentives for employees including directors to deliver long-term shareholder returns. Under the Plan, participants are granted options which only vest if certain performance standards are met. Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits.

Options granted under the Plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

(e) Non-executive Director remuneration policy

Non-executive Directors receive director's fees plus superannuation contributions to a complying fund. Non-executive Directors may receive performance based pay incentives through participation in the Orpheus Employee Option Plan.

Fees are reviewed annually by the Board taking into account comparable roles and market data provided by the Board's independent remuneration advisor.

(f) Shareholder approved directors' fees pool

The maximum annual aggregate directors' fee pool limit is $200,000 and was approved by shareholders at the 2010 annual general meeting held on 30 November 2010.

Remuneration Report (Audited)

The following Directors' fees were paid/payable in the reporting year:

	2015 $	2014 $
Directors fees including superannuation contributions (SGL)	146,566	178,537

(g) Voting and comments made at the company's 2014 Annual General Meeting

Orpheus Energy Limited received more than 80% of 'yes' votes on its remuneration report for the 2014 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration policies.

(h) Details of Remuneration

The following tables show details of remuneration received or accrued at year end by the Directors and the key management personnel of the Group for the current and previous financial years

2015	Short term employee benefits			Post Employment Benefit	Long Term	Share-based payments	Total
Name	Directors Fees	Salary	Consulting Fees	Super-annuation	Long Service Leave	Options	
	$	$	$	$	$	$	$
Directors							
W. Mitchell	43,850	200,000	-	23,750	-	89,945	357,545
D. Smith	30,000	161,949	-	18,235	-	46,587	256,751
W. Harder	30,000	135,000	-	15,675	-	34,293	214,968
M. Rhodes	30,000	126,744	-	2,850	-	-	159,594
Other Key Management Personnel							
B. Neal (CFO)	-	-	124,800	-	-	11,116	135,916
	133,850	**623,693**	**124,800**	**60,510**	**-**	**181,921**	**1,124,794**

At 30 June 2015 short-term employee benefits of $740,952 (net of PAYG paid) included in the above table were unpaid.

2014	Short term employee benefits			Post Employment Benefit	Long Term	Share-based payments	Total
Name	Directors Fees	Salary	Consulting Fees	Super-annuation	Long Service Leave	Options	
	$	$	$	$	$	$	$
Directors							
W. Mitchell	50,000	200,000	-	23,124	-	59,369	332,493
D. Smith	30,000	188,609	-	20,221	-	30,737	269,567
W. Harder	30,000	135,000	-	15,263	-	22,636	202,899
A. King[1]	23,417	-	-	2,166	-	-	25,583
M. Rhodes	30,000	114,665	-	2,775	-	-	147,440
Other Key Management Personnel							
B. Neal (CFO)	-	-	124,800	-	-	7,337	132,137
J. Stone (Co Sec)[2]	-	-	14,800	-	-	817	15,617
	163,417	**638,274**	**139,600**	**63,549**	**-**	**120,896**	**1,125,736**

[1] Resigned 11 April 2014, [2] Appointed 9 May 2013 and resigned 11 April 2014

At 30 June 2014 short-term employee benefits of $225,752 included in the above table were unpaid.

(i) Service agreements

Remuneration and other terms of employment for the Chief Executive Officer, other Directors and key management personnel are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Other major provisions of the agreements relating to remuneration are set out below.

Name	Term of agreement	Based salary plus super (SGL)	Termination Benefit
Wayne Mitchell *Chief Executive Officer*	Ongoing commencing 28 Feb 2011	Salary $200,000 p.a. plus Directors fees of $50,000 plus superannuation (SGL)	On 31 August 2015 the Director agreed to forgo termination benefits as per his contract

Remuneration Report (Audited)

Name	Term of agreement	Based salary plus super (SGL)	Termination Benefit
David Smith *Executive Director*	Ongoing commencing 24 May 2015	Salary $190,000 p.a. plus Directors fees of $30,000 plus superannuation (SGL)	On 31 August 2015 the Director agreed to forgo termination benefits as per his contract
Wesley Harder *Executive Director, Exploration Manager*	Ongoing commencing 28 Feb 2011	Salary $135,000 p.a. plus Directors fees of $30,000 plus superannuation (SGL)	On 31 August 2015 the Director agreed to forgo termination benefits as per his contract
Michael Rhodes *Non-executive Director*	Ongoing commencing 1 October 2012	Directors fees of $30,000 plus superannuation (SGL)	On 31 August 2015 the Director agreed to forgo termination benefits as per his contract
Barry Neal *Chief Financial Officer*	Ongoing commencing 1 May 2015	Consultancy fee payable to a related entity $124,800 p.a. plus GST(part-time)	On 31 August 2015 the CFO agreed to forgo termination benefits as per his contract

(j) Details of share-based payments

No options were issued in the reporting year and no shares have been issued as a result of the exercise of options granted as compensation to key management personnel during the years ended 30 June 2015 and 30 June 2014. Option expense charged against profit or loss in relation to KMP options is shown in tables (h) above.

Additional information on share based payments made to Directors and KMP's is disclosed in para (m) below.

(l) Equity instruments held by key management personnel

The tables below and on the following page show the number of:

(i) Options over ordinary shares in the company
(ii) Shares in the company

that were held during the financial year by key management personnel of the group, including their close family members and entities related to them.

There were no shares or options granted during the reporting period as compensation.

(m) Option holdings

2015	Balance at start of the year	Held at date of appointment / resignation	Granted as compensation	Expired/ Cancelled*	Balance at end of the year	Vested and exerciseable	Not Vested and Not Exercisable
Directors							
Wayne Mitchell	7,854,910	-	-	(7,584,910)	-	-	-
David Smith	4,013,512	-	-	(4,013,512)	-	-	-
Wesley Harder	3,351,036	-	-	(3,351,036)	-	-	-
Other Key Management Personnel							
Barry Neal CFO	600,000	-	-	(600,000)	-	-	-
Total	**15,819,458**	**-**	**-**	**(15,819,458)**	**-**	**-**	**-**

** 6,000,000 options expired/unexercised and 9,819,458 options cancelled by agreement with holders*

2014	Balance at start of the year	Held at date of appointment / resignation	Granted as compensation	Expired	Balance at end of the year	Vested and exerciseable	Not Vested and Not Exercisable
Directors							
Wayne Mitchell	3,000,000	-	4,854,910	-	7,854,910	3,000,000	4,854,910
David Smith	1,500,000	-	2,513,512	-	4,013,512	1,000,000	2,513,512
Wesley Harder	1,500,000	-	1,851,036	-	3,351,036	1,500,000	1,851,036
Anthony King[1]	1,000,000	(1,000,000)	-	-	-	-	-
Other Key Management Personnel							
Barry Neal CFO	-	-	600,000	-	600,000	-	600,000
John Stone[1] (Company Secretary)	-	(100,000)	100,000	-	-	-	-
Total	**7,000,000**	**(1,100,000)**	**9,919,458**	**-**	**15,819,458**	**5,500,000**	**9,819,458**

Remuneration Report (Audited)

(n) Shareholdings

2015	Balance at start of year	Held at date of appointment or resignation	Conversion of Directors' loans to equity	Rights Issue	Balance held at end of the year
Directors					
Wayne Mitchell	5,424,157		7,566,666	2,273,387	15,264,210
David Smith	22,524,015		7,566,666	6,409,319	36,500,000
Wesley Harder	1,701,243		1,433,334	3,318,247	6,452,824
Michael Rhodes	70,000		1,433,334	2,774,499	4,277,833
Total	**29,719,415**		**18,000,000**	**14,775,451**	**62,494,867**

2014	Balance at start of year	Held at date of appointment or resignation	Purchased on market	Balance held at end of the year
Directors				
Wayne Mitchell	4,250,533	-	1,173,624	5,424,157
David Smith	20,167,150	-	2,356,865	22,524,015
Wesley Harder	1,578,068	-	123,175	1,701,243
Anthony King[1]	327,242	(503,242)	176,000	-
Michael Rhodes	70,000	-	-	70,000
Total	**26,392,993**	**(503,242)**	**3,829,664**	**29,719,415**

(r) Loans from key management personnel

Directors have extended short term loans to the Company with interest payable at the rate charged by Westpac Banking Corporation on business overdrafts exceeding $100,000 on less 0.5%. This has been calculated as 7.33%.

Loans plus interest outstanding at 1 November 2015 totalling $540,000 were converted to equity following shareholder approval at the 2014 AGM with 18 million shares issued to Directors at $0.03 per share.

At 30 June 2015 Directors have extended further loans of $497,138, on the same terms as previous loans, on which interest has accrued of $16,246.

Aggregates for key management personnel

	Received during the year	Interest paid and payable for the year	Balance at end of the year	Number in group at the end of the year
2015	567,265	30,925	513,384	3

Aggregate amounts of the above transactions with key management personnel of the Group

	2015 $	2014 $
Amounts recognised as expenses		
Interest	30,925	9,096

Aggregate amounts payable to key management personnel of the Company at the end of the reporting period relating to the above types of transactions:

	2015 $	2014 $
Current liabilities	513,384	459,095

End of Remuneration Report (Audited)

Directors' Report

Auditor Independence

The directors received a declaration from the auditor of Orpheus Energy Limited which is appended to this report.

Non-Audit Services

There were no non-audit services provided by Hall Chadwick, the current auditor of the Company.

Indemnifying and Insurance of Directors and Officers

During or since the end of the previous financial year, the Company has given an indemnity or entered into an agreement to indemnity, or paid or agreed to pay insurance premiums as follows:
The Company has paid premiums to insure all of the Directors and key management personnel of the Company as named above, the Company Secretary, and all executive officers of the Company against any liability incurred as such by Directors, the Secretary or Executive Officers to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

This report has been made in accordance with a resolution of directors.

Wayne Mitchell, Chairman
29 September 2015

HALL CHADWICK (NSW)
Chartered Accountants and Business Advisers

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

ORPHEUS ENERGY LIMITED
ABN 67 121 257 412
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ORPHEUS ENERGY LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

(a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
SYDNEY NSW 2000

Graham Webb
Partner
Dated: 29 September 2015

HALL CHADWICK (NSW)

Chartered Accountants and Business Advisers

ORPHEUS ENERGY LIMITED
ABN 67 121257 412
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF ORPHEUS ENERGY LIMITED

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
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Report on the Financial Report

We have audited the accompanying financial report of Orpheus Energy Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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 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 (IFRS).

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 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 judgment, 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 entity's preparation and fair presentation of the financial report 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 entity'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.

HALL CHADWICK (NSW)

ORPHEUS ENERGY LIMITED
ABN 67 121 257 412
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORPHEUS ENERGY LIMITED

Auditor's Opinion

In our opinion:

a. the financial report of Orpheus Energy 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 2015 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(d) in the financial report which indicates that the company incurred a net loss of $11,640,220 for the year ended 30 June 2015 and as of that date, the company's current liabilities exceeded its total assets by $2,532,679. These conditions, along with other matters as set forth in Note 1(d), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in pages 23 to 26 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion the remuneration report of Orpheus Energy Limited for the year ended 30 June 2015 complies with s 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
SYDNEY NSW 2000

GWebb

Graham Webb
Partner
Dated: 29 September 2015

Directors' Declaration

In accordance with a resolution of the Directors of Orpheus Energy Limited, the Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 32-61
   a) comply with Australian Accounting Standards, which as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
   b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated group;
2. in the Directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

Wayne Mitchell
Chairman
29 September 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income
FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated	
		2015	2014
	Note	$	$
Revenue			
Sales revenue	4	40,909	84,521
Other revenue	4	905,147	1,322,394
Expenses			
Coal purchases and extraction costs		-	(100,904)
Project investigation and feasibility expenses		-	(190,899)
Consultancy and professional fees		(246,477)	(322,457)
Employment and related costs		(1,057,496)	(1,229,711)
Insurance expenses		(35,349)	(49,787)
Legal expenses		(103,144)	(57,974)
Depreciation and amortisation expense		(32,354)	(46,552)
Marketing and promotion expenses		(8,316)	(45,756)
Finance costs		(262,939)	(278,512)
Lease rental expenses and occupation costs		(154,485)	(190,814)
Compliance costs		(56,397)	(87,449)
Travel and accommodation expenses		(30,877)	(215,332)
Foreign currency translation losses			(81,659)
Share-based payments		(181,921)	(124,198)
Bad debts written off		(51,135)	(187,607)
Impairment of deposit paid for exploration licences		(1,296,749)	(3,958,131)
Provision for impairment of debtors		(7,208,716)	-
Loss on disposal of assets		(13,503)	-
Settlement discount		(1,813,971)	
Other expenses		(32,447)	(78,830)
Loss before income tax		**(11,640,220)**	**(5,839,655)**
Income tax expense	6 (c)	-	(527,114)
Net loss for the year from continuing operations		**(11,640,220)**	**(6,366,769)**
Profit from discontinued operations	25	-	2,304,763
Loss for the year		**(11,640,220)**	**(4,062,006)**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		418,731	(312,913)
Items that have been reclassified to profit or loss:			
Exchange differences on translation of foreign operations relating to discontinued operations		-	(38,707)
Total other comprehensive income for the year		418,731	**(351,620)**
Total comprehensive income for the year		**(11,221,489)**	**(4,413,626)**
Loss attributable to:			
Members of the parent entity		(11,639,942)	(3,755,846)
Non-controlling interests		(278)	(306,160)
		(11,640,220)	**(4,062,006)**
Total comprehensive income attributable to:			
Members of the parent entity		(11,220,167)	(4,088,691)
Non-controlling interests		(1,322)	(324,935)
		(11,221,489)	**(4,413,626)**
Earnings per share			
From continuing and discontinued operations:			
Basic and diluted (loss) per share (cents per share)	7	(6.98)	(2.50)
From continuing operations:			
Basic and diluted (loss) per share (cents per share)	7	(6.98)	(4.03)
From discontinued operations:			
Basic and diluted profit per share (cents per share)	7	-	1.53

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
AS AT 30 JUNE 2015

		Consolidated	
	Note	2015 $	2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	9	5,610	409,693
Trade and other receivables	10	63,259	8,672,165
Total Current Assets		**68,869**	**9,081,858**
Non-Current Assets			
Deposits paid	11	-	1,061,150
Property, plant and equipment	13	30,130	71,790
Security deposits	14	74,519	84,519
Total Non-Current Assets		**104,649**	**1,217,459**
TOTAL ASSETS		**173,518**	**10,299,317**
LIABILITIES			
Current Liabilities			
Trade and other payables	15	1,231,461	615,557
Employee provisions	16	172,073	92,625
Current tax liabilities	6(c)	789,279	746,726
Borrowings	17	513,384	1,120,660
Total Current Liabilities		**2,706,197**	**2,575,568**
TOTAL LIABILITIES		**2,706,197**	**2,575,568**
NET ASSETS		**(2,532,679)**	**7,723,749**
EQUITY			
Issued capital	18	31,478,839	30,695,699
Reserves	19	544,671	975,594
Accumulated losses		(34,550,265)	(23,942,942)
Parent entity interest		(2,526,755)	7,728,351
Non-controlling interests		(5,924)	(4,602)
TOTAL EQUITY		**(2,532,679)**	**7,723,749**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Issued Capital Ordinary $	Accumulated losses $	Option Reserve	Foreign Currency Trans-lation Reserve	Non-controlling Interests $	Total Equity $
Balance at 1 July 2013		**30,695,699**	**(20,187,096)**	**726,500**	**457,741**	**-**	**11,692,844**
Loss for the year		-	(3,755,846)	-	-	(306,160)	(4,062,006)
Other comprehensive income		-	-	-	(332,845)	(18,775)	(351,620)
Total comprehensive income for the year		-	(3,755,846)	-	(332,845)	(324,935)	(4,413,626)
Transactions with owners in their capacity as owners:							
Acquisition of non-controlling interests		-	-	-	-	1,262,062	1,262,062
De-recognition of non-controlling interests		-	-	-	-	(941,729)	(941,729)
Options granted during the year		-	-	124,198	-	-	124,198
		-	-	124,198	-	320,333	444,531
Balance at 30 June 2014		**30,695,699**	**(23,942,942)**	**850,698**	**124,896**	**(4,602)**	**7,723,749**
Balance at 1 July 2014		**30,695,699**	**(23,942,942)**	**850,698**	**124,896**	**(4,602)**	**7,723,749**
Loss for the year		-	(11,639,942)	-	-	(278)	(11,640,220)
Other comprehensive income		-	-	-	419,775	(1,044)	418,731
Total comprehensive income for the year		-	(11,639,942)	-	419,775	**(1,322)**	(11,221,111)
Transactions with owners in their capacity as owners:							
Shares issued on conversion of Directors loans		540,000	-		-	-	540,000
Shares issued on rights issue		304,404	-		-	-	304,404
Transactions costs		(61,264)	-		-		(61,264)
Options expensed during the period		-	-	181,921	-	-	181,921
Options expired/cancelled/forfeited transferred to retained earnings		-	1,032,619	(1,032,619)	-	-	-
		783,140	1,032,619	(850,698)	-	-	965,061
Balance at 30 June 2015		**31,478,839**	**(34,550,265)**	**-**	**544,671**	**(5,924)**	**(2,532,679)**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Cash flows from operating activities			
Receipts from customers		51,459	164,885
Payments to suppliers and employees		(1,261,515)	(2,868,427)
Interest received		2,131	6,470
Interest paid		(1,929)	(208,945)
Net cash flows (used in) operating activities	9(a)	**(1,209,854)**	**(2,906,017)**
Cash flows from investing activities			
Purchase of plant and equipment		-	(2,637)
Exploration and development expenditure		-	284,238
Deposits recouped		10,000	-
Proceeds from sale of subsidiaries		297,839	158,012
Proceeds from sale of deposits to acquire exploration tenements		-	172,000
Net cash flows (used in) investing activities		**307,839**	**611,613**
Cash flows from financing activities			
Proceeds from the issue of shares		243,140	-
Loan provided to a Director		(45,055)	-
Proceeds from borrowings – related parties		608,011	450,000
Repayment of borrowings – related party		(40,873)	-
Repayment of borrowings – unrelated party		(267,291)	661,565
Net cash flows from financing activities		**497,932**	1,111,565
Net (decrease) in cash and cash equivalents		(404,083)	(1,182,839)
Cash and cash equivalents at beginning of period		409,693	1,595,514
Cash acquired on acquisition of subsidiaries		-	3,633
Effect of exchange rate changes on cash and cash equivalents		-	(6,615)
Cash and cash equivalents at end of period	9	**5,610**	**409,693**

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

The financial report includes the financial statements and notes of Orpheus Energy Limited, a listed public company incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Orpheus Energy Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 28 September 2015 by the directors of the company.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are general purpose financial statements, which has been prepared in accordance with Australian Accounting Standards ('AASBs') , Australian Accounting Interpretations, other authoritative pronouncements, as issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable financial information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards issued by the ISAB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-**current** assets, financial assets and financial liabilities.

(b) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1July 2014:

(ii) **AASB 2014-1: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).**

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Group's financial statements.

(iii) **Interpretation 21: *Levies*** (applicable for annual reporting periods commencing on or after 1 January 2014).

Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the Group's financial statements.

(iv) **AASB 2013–3: *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual reporting periods commencing on or after 1 January 2014).**

This Standard amends the disclosure requirements in AASB 136: *Impairment of Assets* pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Group's financial statements.

(v) **AASB 2013–4: *Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual reporting periods commencing on or after 1 January 2014).**

AASB 2013–4 makes amendments to AASB 139: *Financial Instruments: Recognition and Measurement* to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Group does not hedge and the standard is not expected to significantly impact the Group's financial statements.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(vi) **AASB 2013–5: *Amendments to Australian Accounting Standards – Investment Entities* (applicable for annual reporting periods commencing on or after 1 January 2014).**

AASB 2013–5 amends AASB 10: *Consolidated Financial Statements* to define an "investment entity" and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the Group's financial statements.

(c) Principles of consolidation

The consolidated financial statements comprise the assets, liabilities and results of entities controlled by Orpheus Energy Limited at the end of the reporting period.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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 group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their shares of changes in equity since that date.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. Details of subsidiaries are set out in Note 25.

Subsidiaries Bushveld Exploration (SA) Pty Ltd and Orpheus Energy (China) Co Limited are not consolidated because their combined influence on the Group's net assets, financial position and results of operations is not material. Their net sales are nil, they have no income and their net total equity amounts to 0.005% of total assets. These non-consolidated subsidiaries are measured at fair value or at cost when the fair value of unlisted equity instruments cannot be reliably measured and they are presented under the 'Financial assets, non-current' line item.

In preparing the consolidated financial statements all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

(d) Going concern basis

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.
The net loss after income tax for the consolidated entity for the financial year ended 30 June 2015 was $11,640,220 (2014: $4,062,006), The Group also had minimal cash at balance date and negative net assets of $2,532,679 at 30 June 2015.

The Directors nevertheless believe that it is appropriate to prepare the financial report on a going concern basis because:-

(i) The Group is in a transition stage having sold it Indonesian exploration/mining assets for which it is yet to collect $6.89 million. Under a revised and updated settlement agreement for this debt a pledge of security over a real estate company owned by debtor has been obtained. Accordingly the Directors believe that the amount will be collectible;
(ii) Orpheus has executed a Heads of Agreement for the purposes of a reverse takeover with a company in the technology sector subject to final due diligence and Board approval. A capital raising is projected as part of this activity;
(iii) In the short term the Directors have agreed to support the Company by way of short term loans.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

In the event that the consolidated entity is unable to collect monies owing to it and/or the reverse takeover does not proceed there is a significant uncertainty whether it will be able to continue as a going concern and therefore whether the Company and the consolidated entity can realise its assets and extinguish its liabilities at the amounts stated in the financial report.

(e) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement.

(f) Income tax

The income tax for expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authorities.

Deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognized outside profit or loss.

Except for business combinations, no deferred income tax is recognized from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a 'legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Orpheus Energy Limited and its fully owned Australian subsidiary Orpheus Energy Group Pty Limited have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

(g) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity’s own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(h) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and short term deposits with an original maturity of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and short terms deposits are stated at nominal value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest revenue is received from bank balances held by the company. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the sale of coal is recognised once shipments have been made and title to goods has passed to the customer.

All revenue is stated net of the amount of goods and services tax or VAT.

(j) Trade and other receivables

Trade receivables and other receivables, both of which generally have 30 day terms, are non-interest bearing and are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. These receivables are classified as current assets.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(k) Trade and other payables

Trade payables and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the ATO is included with other receivables or payables in the statement of financial position

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included n receipts from customers or payments to suppliers

(m) Property, plant and equipment

Property, plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(p) for details of impairment).

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the assets useful life from the time the asset is ready for use.
The depreciation rates used for each class of depreciable asset are:

Class of fixed asset	Depreciation Rate per annum
Plant and Equipment	10% - 33%
Motor Vehicles	25 %
Computer Equipment	25% - 33%
Furniture and Equipment	10% - 33%
Leasehold improvements	Straight line over the balance of the lease term

The assets residual values and useful life are reviewed and adjusted if appropriate, at the end of each reporting period An assets recoverable amount is written down to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

(n) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, to the asset’s carrying amount.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

(o) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss and other comprehensive income.

(p) 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 bonus elements in ordinary shares issued during the year.

(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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(q) Borrowings

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 reporting date.

Borrowing costs other than those incurred for the construction of any qualifying asset are expensed.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(r) Employee benefits – short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and personal leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.
The liability for accumulating personal leave is recognised in the provision for leave. All other short-term employee benefit obligations are presented as payables

(s) Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(t) Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These 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 production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(u) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

(v) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(w) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss

Group companies

The financial results and position of foreign operations, Whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(x) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(ii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(y) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards when adopted in future periods are discussed below:

(i) AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. The Group does not hedge and the new standard will have no impact.

***(ii)* AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).**

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The directors anticipate that the adoption of AASB 15 will have no impact on the Group’s financial statements.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(z) Significant accounting judgements, estimates and assumptions

In applying the Company's accounting policies, management continually evaluates judgements, estimates and assumptions based on historical experience and other factors, including expectations of future events that may have an impact on the Company. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. The more significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

(i) Impairment of loans to, and investment in, subsidiaries

Where a subsidiary entity incurs a loss, the parent entity assesses the recoverability of any loans due from, or investments in, any subsidiary. Where required, the parent entity will then record an impairment loss against the value of its loans to, or investment in, the subsidiary.

(ii) Useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and management judgement. In addition, the condition of assets is assessed annually and considered in the context of remaining useful life, and adjustments to useful life are made where necessary.

(iii) Key judgements – impairment of other receivables

The directors have reviewed outstanding debtors as at 30 June 2015 and have formed the opinion that not all debtors outstanding are collectible and have therefore decided that a provision for impairment of other receivables should be made. These debts include $7,208,716 owing from the sale of Indonesian assets which are past due.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group holds the following financial instruments by category:

	Consolidated 2015 $	Consolidated 2014 $
Financial assets		
Cash and cash equivalents	5,610	409,693
Trade and other receivables	63,259	8,672,165
Deposits	-	1,061,150
Security deposits	74,519	84,519
	143,388	10,227,527
Financial liabilities		
Trade and other payables	1,231,462	615,557
Short term loans	513,384	1,120,660
	1,744,846	1,736,217

The Company monitors its exposure to key financial risks, principally market risk (including currency risk), interest risk, credit risk and liquidity risk, with the objective of achieving the company's financial targets whilst protecting future financial security.

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts and regular internal reporting. Credit risks are managed by credit limits and retention of the title over the investments sold.

The Board reviews and agrees policies for managing each of these risks as summarised below. Primary responsibility for identification and control of financial risks rests with the Board. It reviews and agrees policies for managing each of the risks, including the use of derivatives, hedging cover of interest rate exposure, credit allowances, and future cash flow forecast projections.

(a) Market Risk

Foreign exchange risk

Exchange Risk arises whereby currency exchange rates may affect the assets and liabilities and the consolidation of companies within the group.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The company reports in Australian Dollars, however the operating currency of the Indonesian subsidiaries is the Indonesian Rupiah (IDR) and the operating currency for the Singapore subsidiary is US$. Exchange risk is minimised by funding the Indonesian operations from Indonesian generated funds. Analysis is undertaken by the company to assist in managing and reducing risks where practical arising from potential movements in foreign exchange rates.

At 30 June 2015 if exchange rates had increased/decreased by 500 basis points from the year end rates with all other variables held constant, the profit increase/decrease would be immaterial.

(b) Interest Risk

The Group's borrowings during 2015 were at fixed rates for Indonesian loans in IDR and at variable rates for Australian loans in A$. The Australian variable rate loans are subject to interest rate risk which are monitored by management to ensure the risk that the risk is kept to a minimum.

The Group's interest rate risk arises from Australian loans and variable rates and from cash equivalents with variable interest rates. The average interest rate applicable during the reporting period 2.0% (2014: 2.5%).

Group sensitivity

At 30 June 2015 if interest rates had increased/decreased by 50 basis points from the year end rates with all other variables held constant, the result would not be material.

Based on movements in interest rates the company regularly reviews the deployment of funds and the exposure to interest rate risk in conjunction with currency and exchange rate risk in order to manage these risks in line with corporate objectives.

(c) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from other third parties, investments, banks and financial institutions.

Investments, banks and financial institutions

The Group limits its exposure to credit risk by only limiting transactions with high credit quality financial institutions that have an external credit rating.

Trade and other receivables

With regard to receivables due from the sale of assets credit risk exposure has been minimised by obtaining a pledge over assets of the debtor

(d) Liquidity Risk

The table below reflects all contractually fixed pay-offs and receivables for settlement from recognised financial assets and liabilities, including derivative financial instruments as of 30 June 2015. The amounts disclosed are undiscounted cash flows anticipated to eventuate in the next fiscal year.
Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2015.

2015	Total $	< 6 Mths $	6-12 Mths $	1-5 Yrs $
Financial assets				
Cash and cash deposits	5,610	5,610	-	-
Trade and other receivables	63,259	63,259	-	-
	68,869	**68,869**	**-**	**-**
Financial liabilities				
Trade and other payables	1,231,462	1,231,086	-	-
Current tax liabilities	789,279	789,279	-	-
Short term loans	513,384	513,384	-	-
	2,534,125	**2,523,746**	**-**	**-**
Net maturity	**(2,465,256)**	**(2,464,877)**	**-**	**-**

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

2014	Total $	< 6 Mths $	6-12 Mths $	1-5 Yrs $
Financial assets				
Cash and cash deposits	409,693	409,693	-	-
Trade and other receivables	8,672,165	4,478,395	3,663,195	530,575
	9,081,858	**4,888,088**	**3,663,195**	**530,575**
Financial liabilities				
Trade and other payables	615,557	615,557	-	-
Current tax liabilities	746,726	746,726	-	-
Short term loans	1,120,660	1,120,660	-	-
	2,482,943	**2,482,943**	**-**	**-**
Net maturity	**6,589,915**	**6,589,915**	**3,663,195**	**530,575**

The contractual maturities of the company's financial assets and liabilities set out in the table are equivalent to the maturity analysis of financial assets and liability based on management's expectation.

The risk implied from the values in the table reflects a balanced view of cash inflows and outflows.

(e) Fair value

The methods for estimating fair value are outlined in the relevant notes to the financial statements, and unless specifically stated, carrying value approximates fair value for all financial instruments.

3. SEGMENT REPORTING

The principal geographical areas of operation of the Consolidated Entity are as follows:

Australia
Indonesia
Operating segments are identified on the basis of internal reports that are regularly reviewed by the executive team in order to allocate resources to the segment and assess its performance.

Segment Revenues and Results

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review.

	Australia $	Indonesia $	Total $	Australia $	Indonesia $	Total $
	Financial year ended 30 June 2015			**Financial year ended 30 June 2014**		
Revenue:						
Total segment sales revenue	40,909	-	40,909	-	84,521	84,521
Inter-segment revenue	-	-	-	-	-	-
Total Revenue from external customers	40,909	-	40,909	**-**	84,521	84,521
Segment result	(10,343,491)	(1,296,729)	(11,640,220)	(4,799,194)	(1,567,575)	(6,366,769)
Profit from discontinued operations	-	-	-	-	2,304,763	2,304,763
Net Loss	(10,343,491)	(1,296,729)	(11,640,220)	(4,799,194)	737,188	(4,062,006)
Depreciation and amortisation	18,588	13,766	32,354	23,264	23,288	46,552
Bad debts written off	-	51,135	51,135	-	187,607	187,607
Provision for impairment of debtors	7,208,718	-	7,208,718	-	-	-
Share-based payments	181,921	-	181,921	124,198	-	124,198
Settlement discount	-	1,813,971	1,813,971	-	-	-
Impairment of investment in exploration licences	-	1,296,749	1,296,749	3,646,412	311,719	3,958,131

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

3. SEGMENT REPORTING

	Australia $	Indonesia $	Total $	Australia $	Indonesia $	Total $
	As at 30 June 2015			As at 30 June 2014		
Assets:						
Segment assets	21,467,837	16,065	21,483,902	29,226,582	711,690	29,938,272
Inter segment eliminations	(21,310,384)	-	(21,310,384)	(19,638,955)	-	(19,638,955)
	157,453	16,065	173,518	9,587,627	711,690	(10,299,317)
Liabilities:						
Segment liabilities	19,266,860	4,345,167	23,612,027	17,902,412	3,444,934	21,347,346
Inter segment eliminations	(17,738,561)	(3,167,269)	(21,905,830)	(18,771,778)	-	(18,771,778)
Total Liabilities	1,528,299	1,177,898	2,706,197	(869,366)	3,444,934	2,575,568

4. REVENUE

	Note	Consolidated 2015 $	Consolidated 2014 $
Revenue and other income			
Commissions received on coal sales contracts		-	84,521
Other revenue		40,909	
		40,909	84,521
Other revenue			
Profit on sale of Papua, B3 and B4 concessions		-	1,309,207
Interest received		4,431	6,898
Unrealised foreign currency translation gains		890,166	-
Other revenue		10,550	6,289
		905,147	1,322,394
From discontinued operations			
Sale of coal	25	-	1,389,840

5. EXPENSES

	2015	2014
Finance costs – interest owing to related parties	27,659	9,096
Finance costs – interest paid to other persons	235,280	269,416
Bad debts written off	51,135	187,607
Rental expense on operating leases	154,485	190,814
Impairment of deposits paid for exploration licences	1,296,749	3,958,131
Settlement discount	1,813,971	-
Provision for impairment of debtors	7,208,716	-
Depreciation and amortisation	32,354	46,552
Unrealised foreign currency translation losses	-	76,092
Realised foreign currency translation losses	-	5,567

6. INCOME TAX

	Consolidated 2015 $	Consolidated 2014 $
(a) Income tax expense		
Current tax	-	563,632
Income tax expense attributable to:		
Loss from continuing operations	-	527,114
Profit from discontinued operations	-	219,612
Aggregate income tax expense	-	746,726

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

6. INCOME TAX (continued)

	Consolidated 2015 $	Consolidated 2014 $
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(11,640,220)	(5,839,655)
Profit from discontinuing operations before income tax expenses	-	2,524,375
	(11,640,220)	(3,315,280)
Tax at the Australian tax rate of 30% (2013: 30%)	(3,492,065)	994,584
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible items	27,233	278,471
Share-based payments	54,576	37,259
Impairment of investment in exploration licenses		(1,345,813)
Non-taxable accounting profit on sale of investments		694,200
Non-deductible settlement discount on disposal of investment	275,246	
Non-deductible impairment	2,629,902	
Indonesian tax on gain on disposal of tenements and shares		52,527
Difference in overseas tax rates	123,279	80,444
Foreign exchange		22,828
Other deductible items		(1,856,715)
Deferred tax assets not recognised	381,830	2,684,185
Income tax expense	-	746,726

The amount of deductible temporary differences and unused tax losses for which no deferred tax assets have been brought to account are as follows:

	2015	2014
– Tax losses	6,356,378	5,149,899
– Temporary differences	(184,706)	117,327
	6,171,672	5,267,226

(c) Income tax owing is payable to foreign tax regimes on the sale of Indonesian coal assets amounting to $789,279 (2014:$746,726).

7. EARNINGS/(LOSS) PER SHARE

	Consolidated 2015 Cents per Share	Consolidated 2014 Cents per Share
(a) Basic and diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	(6.98)	(4.03)
From discontinued operations	-	1.53
Total basic earnings per share attributable to the ordinary equity holders of the company	(6.98)	**(2.50)**

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

7. EARNINGS/(LOSS) PER SHARE

(b) Reconciliaton of earnings used in calculating earnings per share

	Consolidated 2015 $	Consolidated 2014 $
Loss attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share		
From continuing operations	(11,640,219)	(6,060,609)
From discontinuing operations	-	2,304,763
	(11,640,219	(3,755,846)

(c) Weighted average number of shares

	Consolidated 2015 No	Consolidated 2014 No
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	166,708,883	150,256,371
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	166,708,883	150,256,371

The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share

Options	-	25,014,458

8. AUDITOR'S REMUNERATION

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

	Consolidated 2015 $	Consolidated 2014 $
(a) Hall Chadwick Australia		
Auditing or reviewing the financial reports	44,671	61,000
Total remuneration of Hall Chadwick Australia	44,671	61,000
(b) Component auditors		
Auditing or reviewing the financial statements	26,443	17,784
Tax compliance services	19,600	-
Total remuneration of component auditors	46,043	17,784
Total auditor's remuneration	**90,714**	**78,784**

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2014

9. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated 2015 $	Consolidated 2014 $
(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Net loss	(11,640,220)	(4,062,006)
Non cash flows in loss:		
Expenses		
Bad debts written off	51,135	187,607
Provision for impairment of sundry debtors	7,208,716	-
Depreciation and amortisation expense	32,354	46,552
Amortisation of mine development costs	-	652,459
Impairment of deposits paid for exploration licenses	1,296,749	3,958,131
Profit on sale of Papua, B3 and B4 concessions		(1,309,207)
Gain on disposal of discontinued operations		(3,176,834)
Accrued interest	60,471	9,096
Settlement discount	1,813,971	-
Share-based payments expenses	181,921	124,198
Loss on disposal of fixed assets	13,503	
Net exchange differences	(1,442,691)	81,659
Changes in assets and liabilities net of the effects of acquisitions of subsidiaries		
(Increase)/decrease in trade and other receivables	299,050	(148,838)
Decrease/(increase) in inventories	-	5,980
(Decrease)/increase in trade and other payables	793,186	(25,556)
Increase in employee provisions	79,448	31,902
Increase in tax liabilities	42,553	746,726
Decrease in security deposits and other financial assets	-	177
Net cash (used in) operating activities	**(1,209,854)**	**(2,877,955)**

10. TRADE AND OTHER RECEIVABLES

	Note	Consolidated 2015 $	Consolidated 2014 $
CURRENT			
Other receivables – owing on sale of subsidiaries	(a)	6,890,068	8,361,147
Other receivables		579,523	-
Provision for impairment of receivables - owing on sale of subsidiaries	(b)	(6,890,068)	-
Provision for impairment of receivables other receivables		(579,523)	
Prepayments		15,904	46,284
Advances and deposits		-	264,734
Director's loan		47,355	-
		63,259	8,672,165

(a) Deferred payment owing on sale of subsidiaries PT Alam Duta Kalimantan (ADK) and PT Citra Bara Prima (CBP); and sale of tenements B34 and Papua	2015 $	2014 $
Opening balance	8,361,147	-
Sale Price	-	8,711,770
Cash received	(336,887)	(350,623)
Assignment of Baraindo loan to debtor Nugroho Suksmanto (i)	(784,899)	-
Settlement discount (ii)	(1,813,971)	-
Foreign exchange gain	1,464,678	-
Closing balance	**6,890,068**	**8,361,147**

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2014

10. TRADE AND OTHER RECEIVABLES (continued)

(b) The Board has resolved to make a provision for impairment of the amounts owing on the sale of subsidiaries as payment has not been received in accordance with the settlement agreement.

(i) On 9 March 2015 Orpheus announced that. after lengthy negotiations with its creditor PT Baraindo and also its debtor Mr Nugroho Suksmanto, the Company has executed a legally binding debt novation agreement. Under the terms of the agreement, Orpheus has paid PT Baraindo $276,634 from the proceeds of the recent Rights Issue, and the $784,899 balance of the debt owing to PT Baraindo has been assigned to Mr Suksmanto. As a result of this transaction Orpheus has no external debt.

(ii) As announced on 30 July 2015, Orpheus has executed a Settlement Agreement with Nugroho Suksmanto in relation to the debt owing on the sale of assets. This agreement allows for a revised total amount of 70 billion Rupiah($6,689,563) after deduction of a settlement discount with this revised amount to be paid in monthly instalments, with the first instalment of 20.8 billion Rupiah ($2.08m approx) by 31August 2015.

As part of the settlement agreement, Orpheus has also been provided with additional security from Suksmanto's family (Nugroho Pranoto and Yohana Kumlastuti), in the form of a pledge over 1,073 shares (equivalent to 7%) owned by Nugroho Pranoto in an Indonesian property development company, PT Abadi Guna Papan ("AGP") and a pledge over 578 shares (equivalent to 3.5%) owned by Yohana Kumjastutlln in AGP. Among numerous developments, AGP owns the 28-storey office building where Orpheus's Jakarta office is located in the Mega Kuningan CBD area.

As a result of the execution of the settlement agreement, Orpheus has withdrawn the bankruptcy petition in the Central Jakarta Commercial Court. However. the settlement agreement explicitly provides for Orpheus to reinitiate legal action or arrange for the sale of the 10.5% equity in AGP, should Suksmanto default on the repayments

This first instalment of 20.8 billion Rupiah ($2.08 approx) due by 31August 2015 was not paid and Orpheus is now proceeding to sell the real estate property provided as security.

11. DEPOSITS PAID

	Consolidated	
	2015	2014
	$	$
Deposit for acquisition of interests in :		
Papua concessions	1,061,150	1,061,150
Foreign exchange translation	235,599	
Less Provision for Impairment	(1,296,749)	-
	-	1,061,150

The company previously advanced deposits toward the acquisition of four concessions in Papua while due diligence and site assessments were to be undertaken. Two of these concessions were sold back to MCI in the previous reporting period on 8 April 2014. In view of the difficulty of valuing these concessions on which little or no exploration work has been carried out the Directors believe it prudent to impair the remaining deposits.

12. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

		Consolidated	
		2015	2014
	Note	$	$
(a) Australian tenements			
Acquisition			
Exploration and development expenditure		-	6,646,500
Less: Provision for impairment	(i)	-	(6,646,500)
Total exploration, evaluation and development expenditure		**-**	**-**

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

12. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	Note	Consolidated 2015 $	Consolidated 2014 $
Movements in exploration and evaluation expenditure			
Balance at beginning of year		-	4,323,110
Impairment charge		-	(3,958,131)
Acquisition through business combinations		-	428,885
Disposals		-	(428,885)
Foreign exchange translation		-	(80,740)
Expenditure recovered		-	(284,239)
Balance at end of year		**-**	**-**

(i) The Hodgson Vale and Ashford Tenements were acquired from Coalworks Limited under agreements ratified by shareholders of the company on 30 November 2010. Consideration for these tenements was by way of the issue of Shares and Options upon relisting on ASX in August 2011. In the previous reporting period the Board resolved not to renew the exploration licences for the Hodgson Vale and Ashford tenements and the remaining value of these tenements in the books of the Company was fully impaired. These tenements were relinquished in the current reporting period and security deposits recovered.

13. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles $	Furniture & Equipment $	Computer Equip-ment $	Plant and Equip-ment $	Leasehold Improve-ments $	Capital Works in Progress $	Building and Equip-ment $	Mine Develo-ment Costs $	Total $
30 June 2014									
Opening net book value	25,033	31,331	24,175	75,588	2,694	58,633	-	-	217,454
Additions/(Disposals)	-	-	2,637	-		(54,982)	-	-	(52,345)
Acquisition through business combinations	-	-	-	-	-	-	229,985	1,869,915	2,099,900
Exchange differences	(4,415)	(119)	(3,347)	(38,885)	-	-	-	-	(46,767)
Depreciation and amortisation	(7,883)	(7,449)	(10,805)	(15,476)	(1,288)	(3,651)	(61,699)	(529,330)	(637,581)
Assets included in discontinued operations	-	-	-	-	-	-	(168,286)	(1,340,585)	(1,508,871)
Balance at 30 June 2014	12,735	23,763	12,659	21,227	1,406	-	-	-	71,790
At 30 June 2014									
Cost or fair value	29,109	38,465	50,589	48,295	10,726	-	-	-	177,184
Accumulated depreciation	(16,374)	(14,702)	(37,930)	(27,068)	(9,320)	-	-	-	(105,394)
Net book balance	**12,735**	**23,763**	**12,659**	**21,227**	**1,406**	**-**	**-**	**-**	**71,790**

	Motor Vehicles $	Furniture & Equipment $	Computer Equip-ment $	Plant and Equip-ment $	Leasehold Improve-ments $	Capital Works in Progress $	Building and Equip-ment $	Mine Develo-ment Costs $	Total $
30 June 2015									
Opening net book value	12,735	23,763	12,659	21,227	1,406	-	-	-	71,790
Additions/(Disposals)	-	-	-	(13,503)	960	-	-	-	(12,543)
Exchange differences	1,207	33	(2,728)	4,724	-	-	-	-	3,226
Depreciation and amortisation	(7,921)	(6,671)	(5,985)	(10,022	(1,754)	-	-	-	(32,353)
Balance at 30 June 2015	6,021	17,125	3,946	2,426	612	-	-	-	30,130
At 30 June 2015									
Cost or fair value	32,110	37,914	51,545	27,482	11,686	-	-	-	160,737
Accumulated depreciation	(26,089)	(20,789)	(47,599)	(25,056)	(11,074)	-	-	-	(130,606)
Net book balance	6,021	17,125	3,946	2,426	612	**-**	**-**	**-**	30,130

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

14. SECURITY DEPOSITS

	Consolidated	
	2015 $	2014 $
Security deposits to:		
Security bonds on tenements	-	10,000
Sydney Head Office lease	74,519	74,519
	74,519	84,519

15. TRADE AND OTHER PAYABLES

	2015 $	2014 $
CURRENT		
Trade payables	272,890	95,850
Amount owing to Directors	738,943	225,752
Payroll liabilities	79,461	
Accrued interest	-	60,471
Amounts payable to Mega Coal entities	-	59,147
Deposits received	-	19,847
Accrued expenses	141,166	154,490
	1,231,460	615,557

16. EMPLOYEE PROVISIONS

	2015 $	2014 $
Employee benefits	172,073	92,625

17. BORROWINGS

	2015 $	2014 $
CURRENT		
Loans from related parties – unsecured [1]	513,384	459,095
Other loans – unsecured [2]	-	661,565
	513,384	1,120,660

1. Directors extended short term loans to the Company with interest payable at the rate charged by Westpac Banking Corporation on business overdrafts exceeding $100,000 less 0.5%. This has been calculated as 7.33%.

   Loans plus interest outstanding at 1 November 2014 of $540,000 were converted to equity following shareholder approval at the 2014 AGM with 18 million shares issued to Directors at $0.03 per share.

   At 30 June 2015 Directors have extended further short term loans of $497,138 as working capital, on the same terms as previous loans, on which interest has accrued of $16,246.

2. Loans have been provided for the upgrade of the SKJM Port in South Kalimantan

   On 9 March 2015 Orpheus announced that after lengthy negotiations with its creditor PT Baraindo and also its debtor Mr Nugroho Suksmanto, the Company has executed a legally binding debt novation agreement. Under the terms of the agreement, Orpheus has paid PT Baraindo $276,634 from the proceeds of the recent Rights Issue, and the $784,899 balance of the debt owing to PT Baraindo has been assigned to Mr Suksmanto. As a result of this transaction this loan has been extinguished.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

18. ISSUED CAPITAL

(a) Share capital

	2015 Shares	2014 Shares	2015 $	2014 $
Ordinary shares fully paid	183,476,469	150,256,271	31,478,839	30,695,699

(b) Movements in ordinary share capital

		No of shares	Issue Price	$
1 July '12	Balance	132,075,191	-	28,332,145
	Issued upon conversion of convertible notes	18,181,080	$0.13	2,363,554
30 June '14	Balance	150,256,271		30,695,699
7 Nov '14	Issued on conversion of directors' loans to equity	18,000,000	$0.03	540,000
4 Feb '15	Issued as per rights issue	12,946,811	$0.02	258,936
4 Feb '15	Issued to underwriters of rights issue	2,273,387	$0.02	45,468
	Less share issue costs			(61,264)
30 June '15	Balance	183,476,469	-	31,478,839

(c) Options

Information relating to options issued, exercised and lapsed during the financial year and option outstanding at the end of the reporting period is set out in Note 20.

(d) Capital management

The Group and the parent entity's objective when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to 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 issue new shares or sell assets to reduce debt.

The Group and the parent entity continually monitor capital on the basis of budgeted expenditure.

The Group had no long-term debt at balance date and depends on capital raising and short term loans to fund capital and operating expenditure.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. This strategy is to ensure that the Group's gearing ratio remains at less than 15%. The gearing ratios for the years ended 30 June 2015 and 30 June 2014 are as follows:

	Consolidated	
	2015 $	2014 $
Total borrowings	1,744,845	1,736,217
Less cash and cash equivalents	(5,610)	(409,693)
Net debt	1,739,235	1,326,524
Total equity	(2,532,679)	7,723,749
Total capital	(793,444)	9,050,273
Gearing ratio	N/A	14.6%

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

19. RESERVES

		Consolidated 2015 $	Consolidated 2014 $
(a)	**Other Reserves**		
	Share-based payments reserve	-	850,698
	Foreign currency translation reserve	544,671	124,896
		544,676	975,594
(b)	**Movements**		
	Share-based payments reserve		
	Balance at beginning of financial year	850,698	726,500
	Transfer to accumulated losses	(1,032,619)	-
	Share-based payments	181,621	124,198
	Balance at end of financial year	-	850,698
	Foreign exchange translation reserve		
	Balance at beginning of financial year	124,896	457,741
	Exchange difference on discontinued operations	-	(19,741)
	Currency translation differences arising during the year	419,775	(313,104)
	Balance at end of financial year	544,671	124,896

(c) Nature and purpose of reserves

(i) Foreign exchange 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.

(ii) Share-based payments reserve

The share-based payments reserve represents the value of options and shares issued to employees and shareholders. This reserve will be reversed against share capital when the options are converted into shares by the employee.

20. SHARE-BASED PAYMENTS

(a) Set out below are summaries of options granted and unexercised at reporting date

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed/forfeited/ cancelled during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
2015								
30 Nov'10	30 Sep'14	$0.20	12,750,000	-	-	(12,750,000)	-	-
08 Aug'11	04 Aug'14	$0.25	1,000,000	-	-	(1,000,000)	-	-
17 Aug'11	30 Sep'14	$0.20	1,175,000	-	-	(1,175,000)	-	-
01 Jul' 13	30 Jun'17	$0.06	10,089,458		-	(10,089,458,)	-	-
			25,014,458	-	-	-	-	-
Weighted average exercise price			*$0.13*	-	-	*$0.13*	-	-

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

20. SHARE-BASED PAYMENTS

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
2014								
30 Nov'10	30 Sep'14	$0.20	12,750,000	-	-	-	12,750,000	12,750,000
08 Aug'11	04 Aug'14	$0.25	1,000,000	-	-	-	1,000,000	1,000,000
17 Aug'11	30 Sep'14	$0.20	1,175,000	-	-	-	1,175,000	1,175,000
01 Jul' 13	30 Jun'17	$0.06	-	10,189,458	-	(100,000)	10,089,458	-
			14,925,000	10,189,458	-	(100,000)	25,014,458	14,925,000
Weighted average exercise price			*$0.20*	*$0.06*	-	*$0.06*	*$0.15*	*$0.20*

The weighted average remaining contractual life of share options outstanding at the end of the period was 1.36 years (2013: 1.27 years)

Options granted carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

Orpheus Long Term Incentive Plan (LTI)

The establishment of the Orpheus Long Term Incentive Plan (LTI) was approved by shareholders at the 2013 annual general meeting (AGM). The Plan is designed to provide long-term incentives for employees including directors to deliver long-term shareholder returns. Under the Plan, participants are granted options which only vest if certain performance standards are met. Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the Pan or to receive any guaranteed benefits.

The amount of options that will vest and when they will vest depends on the achievement of performance hurdles as approved by shareholders at the Orpheus 2013 AGM. Options were granted in two separate tranches, each with separate and independent performance hurdles. As a result of change in Orpheus's main activities these performance hurdlers will not be met and the holders of these options have agreed that these options should be cancelled as at balance date.

Total expense arising from share-based payment transactions recognised during the period as part of employee benefit expenses was as follows:

	Consolidated 2015 $	Consolidated 2014 $
Options expensed	181,921	124,198

21. COMMITMENTS

(a) Lease commitments

	2015	2014
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
- Within one year	11,560	111,444
- Later than one year but not later than five years	-	56,814
	11,560	168,258

22. CONTINGENT LIABILITIES

The Group had no known contingencies at 30 June 2015 and 30 June 2014.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

23. AFTER BALANCE DATE EVENTS

Debt recovery - Nugroho Suksmanto

On 23 September 2015, Orpheus announced that it has presented post-dated cheques provided by Nugroho Suksmanto, amounting to 20.8 billion Rupiah (~AUD$2.08M) to the bank in Indonesia, on three separate occasions, five working days apart, as required by Indonesian law, and on each presentation the bank advised there were insufficient funds to honour the cheques.

As announced on 30 July 2015, Orpheus had agreed to a Settlement Agreement with Suksmanto, whereby Suksmanto was required to make a payment in the amount of 20.8 billion Rupiah (~AUD$2.08M) by 31 August 2015. As the cheques were not able to be honoured, Suksmanto is in breach of the Settlement Agreement.

As also announced on 30 July 2015, as part of the Settlement Agreement, Orpheus was provided with additional security from Suksmanto's family (Noegroho Pranoto and Yohana Kurniastuti), in the form of a pledge agreement over 1,073 shares (equivalent to 7%) owned by Noegroho Pranoto in Indonesian property development company, PT Abadi Guna Papan (“**AGP**”) and a pledge agreement over 578 shares (equivalent to 3.5%) owned by Yohana Kurniastuti in AGP ("**Shares Pledge Agreements**"). Among numerous developments, AGP owns the 28-storey office building where Orpheus’s Jakarta office is located in the Mega Kuningan CBD area.

Given Suksmanto's breach of the Settlement Agreement, Orpheus, as the pledgee under the Shares Pledge Agreements is entitled to sell the pledged shares, on behalf of the pledgors based on powers of attorney to sell shares and consents to transfer issued by the pledgors, to recover the outstanding funds owed to Orpheus.

In this context, the Company has advanced negotiations with three separate parties to acquire the equity in AGP. One of the potential buyers is waiting on an independent valuation on two final properties in the AGP portfolio to proceed with the potential acquisition.

Alternative Asset Acquisition Strategy

On 31 July 2015 Orpheus announced it had progressed its due diligence on a company In the technology sector and has now executed a Heads of Agreement for the purposes of a reverse take-over, subject to final due diligence and Board approval.

As the nature of the Company's business will change if the reverse takeover Is carried out, the Company intends to consult with the ASX on the proposed reverse-takeover and its implementation, and the nature and extent of the member approvals that may be required to carry out the proposed reverse-takeover Including (without limitation) consulting with the ASX on compliance with listing Rule 11.1. The Company anticipates It will be required to re-comply with Chapters 1 and 2 of the listing Rules and seek member approval to carry out the reverse-takeover.

24. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Parent entity

The parent entity within the Group is Orpheus Energy Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 25.

(d) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

Disclosures in relation to key management personnel are set out in the Remuneration Report and in Note 26.

(e) Loans from/to related parties

Short term loans have been extended to the Company by Directors. The total amount of loans outstanding at 30 June 2015 including accrued interest was $513,384. Details of these loans are disclosed in Note 17 and in the Remuneration Report.
A short term loan has also been extended to a Director at an interest rate of 14.39%. The total amount this loan outstanding at 30 June 2015 including accrued interest was $47,355

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

25. DISCONTINUED OPERATIONS

Disposal of PT Alam Duta Kalimantan,PT Citra Bara Prima, PT Andhika Realtor and PT Berkah Bhumi Abadi

(a) Financial performance and cash flow information

	Consolidated 2015 $	Consolidated 2014 $
Revenue	-	1,389,840
Expenses	-	(1,997,656)
(Loss)/Profit before income tax	-	(607,817)
Income tax expense	-	(5,937)
(Loss)/Profit after income tax of discontinued operations	**-**	**(613,753)**
Other comprehensive income		
Exchange differences on translating foreign controlled entities	-	(38,707)
Total comprehensive income of discontinued operations	**-**	**(652,460)**
Gain on sale of the discontinued operations	-	3,176,835
Income tax expense	-	(219,612)
Gain on sale of the discontinued operations after tax	**-**	**2,957,223**
Profit from discontinued operations	**-**	**2,304,763**
The net cash flows of the discontinued operations, which have been incorporated into the statement of cash flows are as follows:		
Net cash (outflow) from operating activities	-	(34,468)
Net cash (outflow) from financing activities	-	33,946
Net decrease in cash used in discontinued operations	**-**	**(522)**

(b) Details of the sale of the discontinued operations

	2015 $	2014 $
Consideration received or receivable	-	4,157,001
Carrying amount of net assets sold	-	(980,166)
Gain on sale before income tax	**-**	**3,176,835**
Income tax expense	-	(219,612)
Gain on sale after income tax	**-**	**2,957,223**

Gain on disposal of these entities is included in gain from discontinued operations per the statement of comprehensive income.

(c) A summary of assets and liabilities disposed is presented below:

	2015 $	2014 $
Cash and cash equivalents	-	3,112
Trade and other receivables	-	162,838
Property, plant and equipment	-	1,508,870
Exploration and evaluation expenditure	-	428,885
Trade and other payables	-	(181,810)
Non-controlling interests	-	(941,729)
Net identifiable assets	**-**	**980,166**

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

26. CONTROLLED ENTITIES

The following are subsidiaries of the group, are controlled entities and have been consolidated at 30 June 2014.

(a) Controlled entities consolidated

Entity Name	Country of incorporation	Equity interest* 2015	Equity interest* 2014
Orpheus Energy Group Pty Ltd	Australia	100%	100%
Orpheus Energy (Ashford) Pty Ltd as trustee for	Australia	100%	100%
Ashford Unit Trust	Australia	100%	100%
Orpheus Energy (Hodgson Vale) Pty Ltd as trustee for Hodgson Vale Unit Trust	Australia	100%	100%
Orpheus Energy (Wingen) Pty Ltd as trustee for Wingen Unit Trust	Australia	100%	100%
Orpheus Energy (Hong Kong) Limited (i)	Hong Kong	50%	50%
PT Orpheus Energy	Indonesia	100%	100%
Orpheus Energy (China) Co Limited (i)	China	100%	100%
Orpheus Energy Singapore Pte Limited	Singapore	100%	100%
Bushveld Exploration (SA) (Pty) Ltd (i)	South Africa	100%	100%

** Percentage of voting power is in proportion to ownership*

(i) Controlled entities are not consolidated because the total assets of these companies as of 30 June 2015 and 30 June 2014 are not material.

27. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key Management Personnel compensation

	2015 $	2014 $
Short-term employee benefits	882,343	826,626
Post-employment benefits	60,510	63,549
Share-based payments	181,921	120,896
	1,124,774	1,011,071

Detailed remuneration disclosures are provided in the Remuneration Report.

(b) Equity instrument disclosures relating to Key Management Personnel compensation

Details of Key Management Personnel option and share holdings are disclosed in the Remuneration Report.

(c) Other KMP transactions

Directors extended short term loans to the Company with interest payable at the rate charged by Westpac Banking Corporation on business overdrafts exceeding $100,000 less 0.5%. This has been calculated as 7.33%.

Loans plus interest outstanding at 1 November 2014 of $540,000 were converted to equity following shareholder approval at the 2014 AGM with 18 million shares issued to Directors at $0.03 per share.

At 30 June 2015 Directors have extended further loans, on the same terms as previous loans, of $497,138 on which interest has accrued of $16,246.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2013

28. PARENT ENTITY INFORMATION

(a) Summary financial information

	Parent entity 2015 $	Parent entity 2014 $
Statement of profit or loss and other comprehensive income		
Loss for the year	(1,460,470)	(4,431,811)
Other comprehensive income	-	-
Total comprehensive loss for the year	(1,460,470)	(4,431,811)
Statement of financial position of the parent entity at year end		
Current assets	62,795	42,714
Non-current assets	15,001,746	14,650,571
Total assets	**15,064,541**	**14,693,285**
Current liabilities	1,524827	565,537
Non-current liabilities	940,428	1,033,053
Total liabilities	**2,465,254**	**1,598,590**
Issued capital	**31,478,839**	30,695,699
Share-based payments reserve	-	850,698
Accumulated losses	(18,879,553)	(18,451,702)
Total equity	**12,599,287**	**13,094,695**

(b) Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees at the 30 June 2015 and 30 June 2014.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2015 and 30 June 2014.

(d) Contractual commitments for the acquisition of property, plant or equipment

As at the 30 June 2015, the parent entity has made no contractual commitments for the acquisition of plant or equipment.

29. CORPORATE INFORMATION

Registered office and principal places of business

Suite 9, Level 3
3 Spring Street
Sydney NSW 2000
Australia

T +61 2 8281 8200

Menara Anugrah Lt. 27
Kantor Taman E.3.3. Lot 8-6-8.7
Kawasan Mega Kuningan
Jakarta 12950
Indonesia
T +62 21 579 48860
T +62 21 579 48861

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 9 September 2015.

(a) Distribution of equity securities

183,476,469 fully paid ordinary shares are held by 823 individual shareholders.
All issued ordinary shares carry one vote per share and carry the rights to dividends.

The numbers of shareholders, by size of holding, in each class are:

Holdings Ranges	Holders	Total Units	%
1-1,000	64	17,628	0.01
1,001-5,000	20	62,233	0.04
5,001-10,000	99	864,788	0.47
10,001-100,000	493	15,582,676	8.49
100,001-99,999,999,999	147	166,949,144	90.99
Totals	**823**	183,476,469	**100.000**
Holding less than a marketable parcel	578		

(b) Substantial shareholders

Name	Number	Percentage
COALWORKS LIMITED	15,606,026	8.51
MR WAYNE DOUGLAS MITCHELL	15,264,210	8.32
DAVID EDWARD SMITH	11,050,000	6.02

(c) Twenty largest holders of quoted equity securities

Ordinary shareholders	Fully Paid	
	Number	Percentage
COALWORKS LIMITED	15,606,026	8.51
MR WAYNE DOUGLAS MITCHELL	15,264,210	8.32
MR DAVID EDWARD SMITH	11,050,000	6.02
OCTOPI ENTERPRISES PTY LTD	8,950,000	4.88
DAGIDOCH PTY LTD <THE SMITH FAMILY S/FUND A/C>	8,905,334	4.85
MRS GILLIAN SMITH	7,574,666	4.13
MR WESLEY HARDER	6,452,824	3.52
HAWTHORN GROVE INVESTMENTS PTY LTD	5,446,018	2.97
CARMANT PTY LTD <CARMANT SUPER FUND A/C>	5,237,557	2.86
MS SALEE CHUTINTON	5,000,000	2.73
MR MICHAEL PATRICK RHODES & MRS TREESYE HENDRIYANI RHODES	4,277,833	2.33
DR HENRY MARTIN STENNING	4,000,000	2.18
RODBY HOLDINGS PTY LIMITED <SIN PYNG TENG SUPER FUND A/C>	3,400,525	1.85
ISMENE PTY LTD	3,284,024	1.79
J P MORGAN NOMINEES AUSTRALIA LIMITED	3,172,005	1.73
B ARTHUR PTY LTD <BARRY ARTHUR SUPER FUND A/C>	2,980,000	1.62
MR TREVOR JAMES PORTER	2,935,705	1.60
AUSTRALIAN FEATHER MILLS PTY LTD	2,600,000	1.42
NORMAN INVESTMENT PARTNERS PTY LTD <THE NORMAN INVESTMENT A/C>	2,539,286	1.38
MR PAUL DANA FILLION	2,500,000	1.36
MS SALEE CHUTINTON	2,500,000	1.36
	123,676,013	67.41

ASX Additional Information

UNQUOTED SECURITIES

There are no unquoted securities at 30 June 2015.

OTHER INFORMATION

On 10 June 2015 the ASX suspended trading in Orpheus securities in accordance with Listing Rule 17.3 and advised that the Company's securities will remain suspended until the Company is able to demonstrate compliance with Chapter Listing Rules.

There is no current on-market buyback of the Company's securities.