ENTEK ENERGY LIMITED

Annual Report 2018

CORPORATE DIRECTORY

DIRECTORS:	Mark Adrian McAuliffe (Chairman) Anthony Michael Walsh (Non-Executive Director) Peter John Stickland (Non-Executive Director)
COMPANY SECRETARY:	Nerida Lee Schmidt
ABN:	43 108 403 425
REGISTERED OFFICE:	Level 1, 35 Outram Street West Perth, Western Australia 6005 Tel: +61 (8) 9381 4975 Email: info@entekenergy.com.au
AUDITORS:	**Stantons International** Level 2, 1 Walker Avenue West Perth, Western Australia 6005 Tel: +61 (8) 9481 3188 Fax: +61 (8) 9321 1204
SHARE REGISTRY:	**Computershare Investor Services Pty Limited** Level 11, 172 St Georges Terrace Perth Western Australia 6000 GPO Box D182 Perth WA 6840 Tel: 1300 850 505 (Within Australia) +61 3 9415 4000 (Outside Australia) Fax: +61 3 9473 2500 (Within Australia)
LEGAL ADVISORS:	**Gilbert & Tobin** Level 16, Brookfield Place Tower 2 123 St Georges Terrace Perth, Western Australia 6000 **Minor & Brown PC** 650 South Cherry Street Suite 1100 Denver, CO 80246 USA
BANKERS:	**Westpac Banking Corporation** 109 St Georges Terrace Perth, Western Australia 6000

This annual financial report covers both Entek Energy Limited as an individual entity and the Consolidated Entity comprising Entek Energy Limited and its subsidiaries. The Group's presentation currency is Australian Dollars ($). The functional currency of Entek Energy Limited is Australian Dollars ($) and the functional currency of all other subsidiaries of Entek Energy Limited is United States Dollars (US$). A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' Report. The Directors' Report is not part of the annual financial report.

CONTENTS

CHAIRMAN'S REPORT

The financial year ended 30 June 2018 has been a year of renewal in Entek Energy Limited ("Entek"). A new management team was installed and the focus of the Company shifted from addressing legacy issues to adopting new strategies and pursuing new opportunities for the Company.

Early in FY18, the former Board consisting of Graham Riley, Howard Dawson and Kimberly Parsons transitioned to a board consisting of Clare Pope, Tony Walsh, Peter Stern and myself. Peter Stern resigned from the Board in November 2017, followed by Clare Pope in March 2018. The Company Secretary, Nerida Schmidt filled the casual vacancy created by Ms Pope's departure whilst the Board looked for a new director with an appropriate skill set that could add depth to the Board. We were pleased to announce earlier this year that Peter Stickland had been appointed to the Board shortly following the conclusion of the current reporting period. Mr Stickland brings valuable skills to the Board due to his extensive experience in excess of 20 years in oil and gas exploration and production.

A total change in the management of the Company is always a challenging time. I would like to express my gratitude to Graham Riley, Howard Dawson, Kimberly Parsons, Peter Stern and Clare Pope for their significant contribution to the Company. The role of the former Board members in particular in respect of the rationalisation of the US assets has laid a solid foundation to take the Company forward.

Following the transition period, the new Board has focused upon identifying and sourcing new projects for the Company. A significant number of prospects have been reviewed. A number have progressed through detailed commercial negotiations and due diligence. The Company is applying a high degree of scrutiny to the acquisition of assets. The Board remains focused that to return shareholder value priority should be given to the acquisition of quality assets that will add sustained value to the Company.

Mark McAuliffe
Executive Chairman

OPERATIONS REPORT

At the commencement of the FY18 reporting period the US asset position included the Focus Ranch and Battle Mountain lease interests. During the year Focus Ranch was divested.

The US assets were held by a subsidiary company, Entek GRB LLC. These assets have been the subject of exhaustive attempts over the last 3-4 years to be divested. Other than the successful sale of the Slater Dome gathering system, no demand was found to exist for an acquisition of the residual assets by a third party.

During FY18, Equity Investments Inc. ("EII") exercised an option granted to that company in early 2017. The terms of the option provided in essence that EII would bear responsibility for all expenses incurred by Entek GRB LLC over its Focus Ranch assets. These included significant outstanding rental liabilities that Entek GRB LLC did not have the funds to meet. In turn, EII had the right to exercise an option to acquire the assets without further cost. Whilst no funds were generated by this transaction, EII also assumed plugging and road reclamation liabilities in Focus Ranch, a benefit to Entek GRB LLC at a time when it had no financial resources. As previously reported, the option was exercised and the assets have now been assigned to EII.

In keeping with its corporate obligations, Entek GRB LLC has reached agreement in principle with the Colorado regulators to resolve outstanding claims for environmental obligations. These agreements include environmental bonds released to the regulator to discharge any residual environmental obligations. As reported in earlier years, the Company does not allocate any value to the residual US assets and has no carrying value for these assets as reflected in the Company's balance sheet at 30 June 2018.

The joint venture dispute with GRMR Oil & Gas LLC remains unresolved. Attempts to achieve a resolution are ongoing. Entek GRB LLC maintains that it is owed monies by GRMR for overpaid JIB contributions over many years. GRMR disputes the claim and asserts it is owed monies for ongoing obligations under the joint operating agreement. Both parties assert the other is in breach of provisions of the joint operating agreement.

The joint venture is between Entek GRB LLC and GRMR Oil & Gas LLC. Entek Energy Limited is not a party to this agreement and has no responsibility for the alleged debts of Entek GRB LLC.

Entek GRB LLC commenced the process of dissolution in May 2017. In September and October 2018 Entek GRB LLC filed a statement of foreign entity withdrawal in the states of Colorado and Wyoming respectively. The effect of the notice is that Entek GRB LLC can no longer transact business in the states of Colorado and Wyoming. Entek GRB LLC also filed a notice of dissolution in Delaware, its state of incorporation. Entek GRB LLC has ceased to exist as an entity, has no residual assets and is in the final process of dissolution.

New Exploration and Production Activities

Entek Energy Ltd continues to review new oil and gas opportunities in the United States and elsewhere to acquire future assets for shareholders. The primary focus is on advanced exploration and near term production assets. The Board views this focus as the best means of returning shareholder value in the near term. Whilst greenfields opportunities are also under consideration, such investments are unlikely to add value other than in a longer timeframe and are best viewed as a component of an asset portfolio rather than as a lead project.

Mark McAuliffe
Executive Chairman

DIRECTORS' REPORT

The Directors of Entek Energy Limited ABN 45 108 403 425 ("Parent Entity" or "Company") present their report including the consolidated annual financial report of the Company and its controlled entities ("Consolidated Entity" or "Group") for the year ended 30 June 2018. The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

DIRECTORS

The names of the directors of the Company in office at any time during or since the financial year and up to the date of this financial report are as follows. Directors were in office for the entire year unless otherwise stated.

Mark Adrian McAuliffe (appointed Non-Executive Chairman 26 July 2017 and Executive Chairman and Managing Director 19 October 2017)
Anthony Michael Walsh (appointed Non-Executive Director 26 July 2017)
Peter John Stickland (appointed Non-Executive Director 31 August 2018)
Nerida Lee Schmidt (appointed Non-Executive Director 7 March 2018, resigned Non-Executive Director 1 September 2018)
Clare Campbell Pope (appointed Non-Executive Director 26 July 2017, resigned Non-Executive Director 7 March 2018)
Peter Andrew Stern (appointed Non-Executive Director 26 July 2017, resigned Non-Executive Director 24 November 2017)
Howard Graham Dawson (resigned Non-Executive Chairman 1 September 2017)
Kimberly Saar Parsons (resigned Non-Executive Director 1 September 2017)
Graham Douglas Riley (resigned Non-Executive Director 1 September 2017)

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were investment in the oil and gas industry through existing projects and the assessment of potential new opportunities for investment by the Company.

During the financial year the Company continued its strategy to sell its existing assets in Colorado and Wyoming in the United States. The Colorado and Wyoming assets have been shut in for some years due to poor performance and the view of the Company is that these assets are unlikely to generate any value in the future.

OPERATING RESULTS

The operating loss after discontinued operations for the Consolidated Entity, after income tax amounted to $586,023 (2017: loss of $1,190,738).

DIVIDENDS

No dividends have been paid or declared since the start of the financial year by the Company.

The directors have recommended that no dividend be paid by the Company in respect of the year ended 30 June 2018.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS AND REVIEW OF OPERATIONS

There have been no significant changes in the state of affairs of the Consolidated Entity at the date of this report that have not been disclosed in the Chairman's or Operations Report or otherwise in this document.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years. Entek GRB LLC (the US subsidiary that held assets in Colorado and Wyoming) is in the process of dissolution, however no material affect on the financial accounts will eventuate given the potential impacts were already accounted for in the 2017 accounts.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Given the current state of the energy industry and in particular the low oil and gas prices the Directors continue to actively seek the sale of its oil and gas leases in the United States. The Directors are of the opinion that further information as to the likely developments in the operations of the Company could prejudice the interests of the Company and as a consequence has not been include in this report.

ENVIRONMENTAL ISSUES

On 1 May 2010, the Company commenced as operator in the Green River Basin region of the United States of America through its subsidiary Entek GRB LLC. This basin encompasses parts of the States of Colorado and Wyoming. In compliance with the Company's environmental and permit obligations, the Company plugged and abandoned all flow lines to existing gas wells. Discussions continue with the State of Colorado over relinquishment of environmental bonds to be offset against any residual plugging and abandonment obligations.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

MARK ADRIAN MCAULIFFE
EXECUTIVE CHAIRMAN from 19 October 2017 and NON-EXECUTIVE DIRECTOR appointed on 26 July 2017

Qualifications:

Bachelor of Jurisprudence and Bachelor of Laws from the University of Western Australia

Bachelor of Science (Viticulture & Oenology) from Curtin University

Experience:

Mr McAuliffe commenced his career with Downing & Downing becoming managing partner in 1987. In 1989 Mr McAuliffe established his own legal advisory firm – McAuliffe & Associates and in 2011 that became McAuliffe Legal. In addition to law Mr McAuliffe also has extensive and varied resources experience having being Executive Chairman of Hazelwood Resources Ltd for six years and enjoying non-executive director roles with companies including Swick Mining Services Ltd and Vital Metals Ltd. Mr McAuliffe is a Member of the Australian Institute of Company Directors.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

None.

Special Responsibilities:

Executive Chairman and Managing Director

Interest in shares and options of the Company as at the date of signing of this report:

1,645,000 shares

6,000,000 unlisted options

Directors' meetings attended: 17 (eligible to attend 17).

ANTHONY MICHAEL WALSH
DIRECTOR (NON-EXECUTIVE) appointed 26 July 2017

Qualifications:

BCom, MBA, FCA, FCIS, FFin

Experience:

Tony Walsh has over 30 years' experience in dealing with listed companies, ASX, ASIC and corporate transactions including 14 years with the ASX in Perth where he acted as ASX liaison with the JORC committee, four yea*rs as Chairman of an ASX listed mining explorer and as a director of a London AIM listed explorer.*

Mr Walsh was until recently a member of the West Australian State Council of Governance Institute of Australia (formerly Chartered Secretaries Australia) and is a member of Newman College school council. Mr Walsh is currently chairman of Acts2 Bible College and a director of the Womens and Infants Research Foundation.

Mr Walsh is a member of the Australian Institute of Company Directors, is a Fellow of both the Governance Institute of Australia, the Institute of Chartered Secretaries, FinSia and the Institute of Chartered Accountants in Australia.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Director of Altas Iron Limited from 5 August 2016 to 23 January 2017.

Special Responsibilities:

None.

Interest in shares and options of the Company as at the date of signing of this report:

3,000,000 unlisted options

Directors' meetings attended: 17 (eligible to attend 17).

PETER JOHN STICKLAND
DIRECTOR (NON-EXECUTIVE) appointed 31 August 2018

Qualifications: BSc, Hons (Geology), GDipAppFin (Finsia), GAICD

Experience

Peter Stickland has over 25 years global experience in oil and gas exploration. He was the CEO of Melbana from 2014 until early 2018 during which time he led the restructuring of the company and secured the Block 9 PSC in Cuba. Peter was also CEO of Tap Oil Limited (ASX: TAP) from 2008 until late 2010 during which time he oversaw the evolution of the company into a South East Asia/Australia focused E&P Company. Earlier, Peter had a successful career with BHP Billiton including a range of technical and management roles. Peter is an Honorary Life Member of the Australian Petroleum Production and Exploration Association Limited (APPEA) and was a member of the APPEA Board from 2009 to 2017.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Non-Executive Director of Melbana Energy Ltd from 12 January 2018 to current date.

Executive Director of Melbana Energy Ltd from 30 January 2015 to 12 January 2018.

Special Responsibilities:

None.

Interest in shares and options of the Company as at the date of signing of this report:

None.

Directors' meetings attended: 0 (eligible to attend 0).

NERIDA LEE SCHMIDT
DIRECTOR (NON-EXECUTIVE) appointed 7 March 2018 and resigned on 1 September 2018
AND COMPANY SECRETARY

Qualifications

Ms Schmidt holds a Bachelor of Commerce from the University of Western Australia, is a Certified Practising Accountant and a Fellow of Finsia. She is also a Chartered Secretary and holds a Graduate Diploma in Company Secretarial Practice.

Experience

Ms Schmidt has over 25 years professional experience as the company secretary of a number of ASX and AIM listed companies in a variety of industries. She has also consulted to a number of listed and unlisted entities providing corporate, company secretarial, and financial services. Prior to these roles, Nerida was a manager in the Corporate division of the full-service stockbroking firm Paterson Ord Minnett and a member of the taxation and corporate recovery divisions of public accounting firm Arthur Andersen.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Haranga Resources Limited.

Sirocco Energy Limited from 25 May 2015 to 18 November 2015.

Special Responsibilities:

None.

Interest in shares and options of the Company as at the date of signing of this report:

None.

Directors' meetings attended: 5 (eligible to attend 5).

CLARE CAMPBELL POPE
DIRECTOR (NON-EXECUTIVE) appointed 26 July 2017 and resigned on 7 March 2018

Qualifications:

Bachelor of Laws and Bachelor of Arts from the University of Western Australia

Master of Commercial Law from the University of Melbourne

Experience:

Ms Pope has gained wide international legal advisory experience over the past 10 years with a focus across the oil & gas sector. This has included advisory briefs for a range of the world's leading energy companies across a range of geographic jurisdictions. Ms Pope has also gained extensive experience across merger & acquisitions through advisory roles for companies across a range of commodities and bourses.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

None

Special Responsibilities:

None.

Interest in shares and options of the Company as at the date of signing of this report:

None.

Directors' meetings attended: 12 (eligible to attend 12).

PETER ANDREW STERN
DIRECTOR (NON-EXECUTIVE) appointed 26 July 2017 and resigned on 24 November 2017

Qualifications:

Bachelor of Science 1st Class (Geology) from Monash University
Fellow of the Australian Institute of Company Directors

Experience:

Mr Stern commenced his career as a Petroleum Geologist with Delhi Petroleum before moving into corporate and advisory, initially with Delhi and then with Macquarie Bank, UBS and Deutsche Bank. In 2000 he established his own corporate advisory firm – Metropolis Corporate Advisory Services. Through a career spanning 30 years Mr Stern has gained wide experience across the resource sector through his initial career as a geologist and subsequent work across corporate acquisitions and advisory roles.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Non-Executive Director of Anglo Australian Resources NL from 28 November 2011 to current date.
Non-Executive Chairman of Troy Resources Limited from 16 June 2017 to current date.
Non-Executive Director of Altan Rio Minerals Limited (TSXV) from May 2017 to current date.

Special Responsibilities:

None.

Interest in shares and options of the Company as at the date of signing of this report:

None.

Directors' meetings attended: 7 (eligible to attend 7).

HOWARD GRAHAM DAWSON

NON-EXECUTIVE CHAIRMAN resigned 1 September 2017

Qualifications:

Bachelor of Science (Geology) from Curtin University

Experience:

Mr Dawson has over 30 years of significant experience in both technical and corporate roles. He began his career as a Geologist and gained significant experience within Australia and the Americas across bulk commodities and base and precious metals in both exploration and development. The majority of this experience was gained with BHP Minerals Limited. In 1987 he entered the securities industry as a research analyst and over the subsequent 18 years held senior management and board positions with a range of leading firms including Hartley Poyntons, McIntosh Securities and Merrill Lynch. During this period he also gained invaluable experience across all facets of the securities market and was a Senior Fellow of FINSIA. Mr Dawson has retained a strong role within the securities sector helping to establish a number of successful companies across the resource and technology sector and serving in various non-executive chairman and directorship roles for companies including Migme Limited, Tangiers Petroleum, Nevada Iron, Comet Gold and Uranium King Limited. He is currently the Executive Chairman of Discovery Capital Limited, a public unlisted investment company and a non-executive Director of Magnum Mining and Exploration Ltd.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Director and subsequent Chairman of Migme Limited (formerly Latin Gold Limited) from 2004 to 31 May 2016.

Director and subsequent Chairman of SportsHero Limited (formerly Nevada Iron Limited) from 23 January 2017 to 10 April 2017.

Director of Magnum Mining and Exploration Limited from 20 February 2017 to the current date.

Special Responsibilities:

Member of the Remuneration Committee and member of the Audit and Risk Committee.

Interest in shares and options of the Company as at the date of resignation:

2,500,000 Ordinary Shares.

Directors' meetings attended: 5 (eligible to attend 5).

GRAHAM DOUGLAS RILEY

DIRECTOR (NON-EXECUTIVE) resigned on 1 September 2017

Qualifications:

Bachelor of Jurisprudence and Bachelor of Laws from the University of Western Australia.

Experience:

Mr Riley is a qualified legal practitioner with significant experience in the resources sector, particularly in oil and gas exploration and production. He was a founding Director of ARC Energy Limited and a former Non-Executive Director of Adelphi Energy Limited prior to its takeover in 2010. Mr Riley was also Chairman of Red Hill Limited and Giralia Resources N.L., where prior to its takeover he oversaw the spin out of numerous independently listed commodity-specific explorers. He was the Chairman of Buru Energy Limited and is currently a Non-Executive Director of Gascoyne Resources Limited.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Non-Executive Director of Gascoyne Resources Limited from 5 October 2012 to the current date.

Special Responsibilities:

Chair of the Remuneration Committee and Chair of the Audit and Risk Committee.

Interest in shares and options of the Company as at the date of signing this report:

10,000,000 Ordinary Shares.

Directors' meetings attended: 5 (eligible to attend 5).

KIMBERLY SAAR PARSONS
DIRECTOR (NON-EXECUTIVE) resigned on 1 September 2017

Qualifications:

Bachelor's degree in Geology from Texas A&M, a Master's degree in Geophysics from Stanford University, and an MBA from Colorado State University.

Experience:
Ms Parsons initially joined Entek in Mid-2013 to head up the US operations and was promoted as Entek's CEO early in 2016. She was appointed an Executive Director on 22 July 2016 and then became a Non-Executive Director on 17 March 2017 when she stood down as the CEO. Kim has over 30 years' experience in the US Rocky Mountain region as well as internationally with Exxon, Gulf, and Venoco. Her technical calibre, expertise and insight, combined with her business acumen have propelled her from technical positions into senior management with each company she has been with. Ms Parsons has been instrumental in a number of significant commercial oil and gas discoveries throughout her career including the appraisal and early development of unconventional plays in the US.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

None.

Special Responsibilities:

None

Interest in shares and options of the Company as at the date of signing this report:

None.

Directors' meetings attended: 5 (eligible to attend 5).

DIRECTORS' MEETINGS

During the year ended 30 June 2018, twenty (21) meetings of directors were held.

REMUNERATION REPORT (AUDITED)

(i) Key Management Personnel Disclosed in This Report

The names and positions of key management personnel of the Company and of the Consolidated Entity who have held office during the financial year are:

DIRECTORS

Mark McAuliffe	Executive Chairman (from 19 October 2017), previously Non-Executive Director (appointed 26 July 2017)
Anthony Walsh	Non-Executive Director (from 26 July 2017)
Nerida Schmidt	Non-Executive Director (from 7 March 2018)
Clare Pope	Non-Executive Director ((from 26 July 2017 till 7 March 2018)
Peter Stern	Non-Executive Director (from 26 July 2017 till 24 November 2017)
Howard Dawson	Non-Executive Chairman (resigned 1 September 2017)
Graham Riley	Non-Executive Director (resigned 1 September 2017)
Kimberly Parsons	Non-Executive Director (resigned 1 September 2017)

OTHER KEY MANAGEMENT PERSONNEL

Nil

(ii) Remuneration Governance

The Remuneration Committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on:

- The executive remuneration frame work
- Operation of incentive plans which apply to executive directors and senior executives
- Remuneration levels of executives
- Non-executive directors' fees

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company. Since the recent reconstitution of the Board, the Company no longer has a separate Remuneration Committee. The Board as a whole carries out those functions that have been delegated to the Remuneration Committee Charter.

(iii) Executive Remuneration Policy and Framework

Remuneration is based on fees approved by the Board of Directors. There is no relationship between the performance of, or the impact on shareholder wealth, of the Company for the current financial year or the previous four financial years and either the remuneration of directors and executives or the issue of shares and options to directors. Remuneration is set at levels to reflect market conditions and encourage the continued services of directors and executives.

(iv) Non-Executive Director Remuneration

The Company has provided Ms Clare Pope, Mr Peter Stern and Mr Anthony Walsh a Letter of Offer for the provision of their services as a non-executive director of the Company effective from 26 July 2017 at $35,000 per annum each.

Mr Mark McAuliffe was appointed a Non-Executive Director of the Company on 26 July 2017 and was subsequently appointed Executive Chairman on 19 October 2017 and was paid $56,000 per annum. With effect from 1 December 2017, Mr Mark McAuliffe signed a contract to provide executive services at a daily rate of $1,200.

Both Mr Peter Stern and Ms Clare Pope resigned from the Company on 24 November 2017 and 7 March 2018 respectively.

Ms Nerida Schmidt was appointed a Non-Executive Director of the Company on 7 March 2018 and provided a Letter of Offer for the provision of her services at $35,000 per annum.

(v) Service Agreements

Remuneration and other terms of employment for the executives are formalised in service agreements specifying the components of remuneration, benefits and notice periods. Termination benefits are within limits set by the *Corporations Act 2001* such that they do not require shareholders approval.

(vi) Details of Remuneration

	Total Remuneration 2018					
REMUNERATION OF DIRECTORS BASED ON FEES APPROVED BY THE BOARD OF DIRECTORS	**Salary and Fees**	**Termination**	**Super-annuation**	**Total**	**Share based payments Options**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Mark Mculiffe[(1)]	120,506	-	-	120,506	29,160	149,666
Anthony Walsh[(2)]	32,648	-	-	32,648	14,580	47,228
Nerida Schmidt[(3)]	26,105	-	-	26,105	-	26,105
Clare Pope[(4)]	20,981	-	-	20,981	-	20,981
Peter Stern[(5)]	12,231	-	-	12,231	-	12,231
Howard Dawson[(6)]	9,333	-	-	9,333	-	9,333
Graham Riley[(6)]	5,833	-	-	5,833	-	5,833
Kim Parsons[(6)]	5,833	-	-	5,833	-	5,833
TOTAL PRIMARY REMUNERATION FOR SPECIFIED DIRECTORS	233,470	-	-	233,470	43,740	277,210

(1) *Mr McAuliffe was appointed a Non-Executive Director of the Company on 26 July 2017, Non-Executive Chairman on 1 September 2017 and Executive Chairman of the Company on 19 October 2017. He was awarded 6 million incentive options which were approved by shareholders at the AGM held on 28 November 2017.*

(2) *Mr Walsh was appointed a Non-Executive Director of the Company on 26 July 2017. He was awarded 3 million incentive options which were approved by shareholders at the AGM held on 28 November 2017.*

(3) *Ms Schmidt was appointed a Non-Executive Director of the Company on 7 March 2018. She is also the Company Secretary for the Group and was paid $15,097 for her corporate secretarial services since her appointment as a director of the Company.*

(4) *Ms Pope was appointed a Non-Executive Director of the Company on 26 July 2017 and resigned on 7 March 2018.*

(5) *Mr Stern was as appointed a Non-Executive Director of the Company on 26 July 2017 and resigned on 24 November 2017. During the year, Metropolis Pty Ltd, a Company associated with the Director, provided consulting services of $7,500.*

(6) *Mr Dawson, Mr Riley and Ms Parsons resigned as a Director of the Company on 1 September 2017.*

	Total Remuneration 2017					
REMUNERATION OF DIRECTORS BASED ON FEES APPROVED BY THE BOARD OF DIRECTORS	**Salary and Fees**	**Termination**	**Super-annuation**	**Total**	**Share based payments Options**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Howard Dawson[(1)]	25,801	-	-	25,801	-	25,801
Graham Riley[(2)]	49,519	-	-	49,519	-	49,519
Kimberly Parsons[(3)]	152,911	-	-	152,911	-	152,911
Alexander Forcke[(4)]	58,883	-	-	58,883	-	58,883
Andrew Padman[(5)]	2,070	-	-	2,070	-	2,070
TOTAL PRIMARY REMUNERATION FOR SPECIFIED DIRECTORS	289,184	-	-	289,184	-	289,184

(1) *Mr Dawson was appointed a Non-Executive Director of the Company on 5 December 2016 and Non-Executive Chairman of the Company on 17 March 2017.*

(2) *Mr Riley stepped down from Non-Executive Chairman of the Company on 17 March 2017.*

(3) *Ms Parsons was appointed an Executive Director of the Company on 22 July 2016 and resigned as CEO on 16 March 2017. She remains a Non-Executive Director of the Company.*

(4) *Mr Forcke resigned as a Director of the Company on 1 March 2017.During the year, AF Consulting Pty Ltd, a Company associated with the Director, provided consulting services of $35,550 (2016: $16,500).*

(5) *Mr Padman resigned as a Director of the Company on 22 July 2016.*

(vi) Details of Share Based Compensation and Bonuses

During the year, the Company issued 12 million unlisted options at various exercise prices to the Directors of the Company after seeking shareholders' approval at the 2017 AGM. These options come with vesting conditions and a 3 years expiry from the date of issue. 3 million options lapsed on 7 March 2018 when Ms Clare Pope resigned as a director for work reasons and the vesting conditions not met.

Apart from the above, no other share based compensations or bonuses were granted or exercised as remuneration to key management personnel of the Group during the year.

(vii) Equity Instruments held by Key Management Personnel

The following tables show the number of equity instruments held during the financial year by key management personnel of the group including those close family members and entities related to them.

Options Held by Key Management Personnel	Number of Options			
	1 July 2017	Granted as Remuneration	Net Change Other	30 June 2018
Mark McAuliffe[(1)]	-	6,000,000	-	6,000,000
Anthony Walsh[(1)]	-	3,000,000	-	3,000,000
Nerida Schmidt[(2)]	-	-	-	-
Peter Stern[(3)]	-	-	-	-
Clare Pope[(4)]	-	3,000,000	(3,000,000)	-
Howard Dawson[(5)]	-	-	-	-
Graham Riley[(5)]	-	-	-	-
Kimberly Parsons[(5)]	250,000	-	(250,000)	-
	250,000	12,000,000	(3,250,000)	9,000,000

(1) *Mr McAuliffe and Mr Walsh were appointed as a Director on 26 July 2017*
(2) *Ms Schmidt was appointed a Director on 7 March 2018*
(3) *Mr Stern was appointed a Director on 26 July 2017 and resigned on 24 November 2017*
(4) *Ms Pope was appointed a Director on 26 July 2017 and resigned on 7 March 2018. Upon resignation, her 3 million incentive options lapsed (refer to vi above)*
(5) *Mr Dawson, Mr Riley and Ms Parsons resigned as a Director on 1 September 2017*

Options Held by Key Management Personnel	Number of Options			
	1 July 2016	Granted as Remuneration	Net Change Other	30 June 2017
Howard Dawson	-	-	-	-
Graham Riley	-	-	-	-
Alexander Forcke [(1)]	-	-	-	-
Andrew Padman [(2)]	-	-	-	-
Kimberly Parsons	1,000,000	-	(750,000)[(3)]	250,000
	1,000,000	-	(750,000)	250,000

(1) *Mr Forcke resigned as a Director on 1 March 2017*
(2) *Mr Padman resigned as a Director on 22 July 2016*
(3) *Net change as a result of 1 for 4 capital consolidation*

At 30 June 2018, 3 million options held by directors have vested. The balance 6 million options are still subject to vesting condition.

(viii) Equity Instruments held by Key Management Personnel (continued)

Shares held by Key Management Personnel	Number of Shares				
	1 July 2017	Granted as Remuneration	Net Change Other	Balance at Appointment/ Resignation	30 June 2018
Mark McAuliffe[(1)]	-	-	1,645,000	-	1,645,000
Anthony Walsh[(2)]	-	-	-	-	-
Nerida Schmidt[(3)]	-	-	-	-	-
Clare Pope[(4)]	-	-	-	-	-
Peter Stern[(5)]	-	-	-	-	-
Howard Dawson[(6)]	2,500,000	-	-	(2,500,000)	-
Graham Riley[(6)]	10,000,000	-	-	(10,000,000)	-
Kimberly Parsons[(6)]	-	-	-	-	-
	12,500,000	-	1,645,000	(12,500,000)	1,645,000

(1) *Mr McAuliffe was appointed a Director on 26 July 2017*
(2) *Mr Walsh was appointed a Director on 26 July 2017*
(3) *Ms Nerida Schmidt was appointed a Director on 7 March 2018*
(4) *Ms Pope was appointed a Director on 26 July 2017 and resigned as a Director on 7 March 2018*
(5) *Mr Stern was appointed a Director on 26 July 2017 and resigned as a Director on 24 November 2017*
(6) *Mr Dawson, Mr Riley and Ms Parsons resigned on 1 September 2017*

Shares held by Key Management Personnel	Number of Shares				
	1 July 2016	Granted as Remuneration	Net Change Other	Balance at Appointment/ Resignation	30 June 2017
Howard Dawson[(1)]	-	-	2,500,000	-	2,500,000
Graham Riley	14,174,919	-	(4,174,919)	-	10,000,000
Alexander Forcke [(2)]	10,000,000	-	(7,500,000)	(2,500,000)	-
Andrew Padman [(3)]	1,560,000	-	-	(1,560,000)	-
Kimberly Parsons	-	-	-	-	-
	25,734,919	-	(9,174,919)	(4,060,000)	12,500,000

(1) *Mr Dawson was appointed a Director on 5 December 2016*
(2) *Mr Forcke resigned as a Director on 1 March 2017*
(3) *Mr Padman resigned as a Director on 22 July 2016*

(**End of audited remuneration report**)

SHARES UNDER OPTIONS

At the date of this report the following unlisted options have been granted over unissued capital:

Grant Date	Number	Exercise Price $	Expiry Date
8 February 2017	10,000.000	0.04	31/3/2020
28 November 2018	3,000,000	0.048	28/11/2020
28 November 2018	3,000,000	0.072	28/11/2020
28 November 2018	3,000,000	0.096	28/11/2020
	19,000,000		

During the year ended 30 June 2018 and up to the date of this report, no options were exercised or expired.

INDEMNIFYING AND INSURING DIRECTORS AND OFFICERS

During the financial year, the Company paid premiums for Directors and Officers liability insurance of $22,740 (2017: $30,472). Except as disclosed above, the Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

a) indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or

b) paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or 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. The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

No non-audit services were provided by the Group's auditors during the year (or by any other person or firm on the auditors' behalf) and accordingly the Directors are satisfied that the auditor has complied with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with Section 307C of the *Corporations Act 2001*, the auditors of the Company, Stantons International have provided a signed Auditor's Independence Declaration to the directors in relation to the year ended 30 June 2018. This declaration has been included in this document.

CORPORATE GOVERNANCE

The directors of the Group support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement to be released to ASX and posted on the Company website at www.entekenergy.com.au/about/corporate-governance when the Company's Annual Report is lodged.

Signed in accordance with a resolution of the Directors

Mark McAuliffe
Chairman

27 September 2018
Perth, Western Australia

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Entek Energy Limited ABN 43 108 425 ("Company"), I state that:

In the opinion of the directors:

1) the financial statement and notes of the Company and of the Consolidated Entity to these statements are in accordance with the *Corporations Act 2001* including:

    a) complying with Accounting Standards and the Corporations Regulations 2001; and

    b) giving a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company and the Consolidated Entity;

2) the Executive Chairman and Company Accountant have each declared that:

    a) the financial records of the Company for the year ended 30 June 2018 have been properly maintained in accordance with Section 286 of the *Corporations Act 2001*;

    b) the financial statements and notes for the financial year comply with the Accounting Standards;

    c) the financial statements and notes for the financial year give a true and fair view;

3) the financial statements and notes for the financial year also comply with International Financing Reporting Standards as disclosed in Note 1; and

4) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors

Mark McAuliffe
Chairman

27 September 2018
Perth, Western Australia

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated Entity	
		2018	**2017**
	Note	**$**	**$**
Revenue	2	67,487	28,759
Foreign currency gains		63,639	36,951
Expenses	2	(714,416)	(602,522)
(Loss) from continuing operations before income tax		(583,290)	(536,812)
Income tax	3	-	-
(Loss) from continuing operations after income tax	5	(583,290)	(536,812)
(Loss) from discontinued operations	24	(2,733)	(653,926)
(Loss) from after income tax	4	(586,023)	(1,190,738)
Other comprehensive income			
Items which are subsequently transferred to Profit and Loss:			
Foreign currency translation differences		(8,964)	(84,098)
Income tax on other comprehensive income	3	-	-
Total comprehensive (loss) for the year, net of income tax		(8,964)	(84,098)
Total comprehensive (loss) for the year		(594,987)	(1,274,836)
Basic and diluted loss from continuing operations per share (cents per share)	5	(0.19)	(0.13)
Basic and diluted earnings/(loss) from discontinued operations per share (cents per share)	5	(0.001)	(0.15)
Basic and diluted loss per share (cents per share)	5	(0.19)	(0.28)

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

		Consolidated Entity	
		2018	2017
	Note	$	$
CURRENT ASSETS			
Cash and cash equivalents	13	4,353,622	4,928,948
Trade and other receivables	6	136,827	285,424
Total Current Assets		4,490,449	5,214,372
NON-CURRENT ASSETS			
Plant and equipment	7	17,199	5,368
Capitalised exploration expenditure	8	-	-
Total Non-Current Assets		17,199	5,368
Total Assets		4,507,648	5,219,740
CURRENT LIABILITIES			
Trade and other payables	9	331,013	474,101
Provisions	10	-	17,757
Total Current Liabilities		331,013	491,858
Total Liabilities		331,013	491,858
Net Assets		4,176,635	4,727,882
EQUITY			
Issued capital	11	63,039,578	63,039,578
Reserves	12	10,392,148	10,357,372
Accumulated losses	4	(69,255,091)	(68,669,068)
Total Equity		4,176,635	4,727,882

The above consolidated statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated Entity 2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers & employees		(649,679)	(600,247)
Interest received		69,593	15,802
Net Cash (used in) Operating Activities	13	(580,086)	(584,445)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capitalised exploration expenditure		(136,423)	(1,635,357)
Purchase of plant and equipment		(15,194)	-
Proceeds from sale of assets/subsidiaries		112,731	52,191
Placement of bank guarantee/corporate security		(44,724)	-
Refund of security bond		23,160	-
Proceeds from sale of plant and equipment		1,573	-
Net Cash (used in) Investing Activities		(58,877)	(1,583,166)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity issues (net of issue expenses)		-	3,370,218
Net Cash from Financing Activities		-	3,370,218
Net (Decrease) / Increase in Cash Held		(638,963)	1,202,607
Net foreign exchange differences		(63,637)	39,804
Cash and cash equivalents at beginning of year		4,928,948	3,686,537
Cash and cash equivalents at end of Year	13	4,353,622	4,928,948

The above consolidated statement of Cashflows should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	CONSOLIDATED ENTITY				
ATTRIBUTABLE TO MEMBERS OF THE GROUP	**Issued Capital**	**Option Premium Reserve**	**Currency Translation Reserve**	**Accumulated Losses**	**Total Equity**
	$	**$**	**$**	**$**	**$**
At 1 July 2016	59,791,934	5,574,951	4,743,948	(67,478,330)	2,632,503
Loss for year	-	-	-	(1,190,738)	(1,190,738)
Foreign currency translation differences	-	-	(84,098)	-	(84,098)
Total other comprehensive (loss)	-	-	(84,098)	-	(84,098)
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR	-	-	(84,098)	(1,190,738)	(1,274,836)
Securities issued	3,541,289	-	-	-	3,541,289
Equity raising costs	(171,074)	-	-	-	(171,074)
Share based payments	(122,571)	122,571	-	-	-
At 30 June 2017	63,039,578	5,697,522	4,659,850	(68,669,068)	4,727,882
Loss for year	-	-	-	(586,023)	(586,023)
Foreign currency translation differences	-	-	(8,964)	-	(8,964)
Total other comprehensive (loss)	-	-	(8,964)	-	(8,964)
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR	-	-	(8,964)	(586,023)	(594,987)
Share based payments	-	43,740	-	-	43,740
At 30 June 2018	63,039,578	5,741,262	4,650,886	(69,255,091)	4,176,635

The above consolidated statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTE 1. BASIS OF PREPARATION OF THE FINANCIAL REPORT

The following is a summary of the significant accounting policies adopted by Entek Energy Limited A.C.N. 108 403 425 ("Parent Entity" or "Company") and by the Parent Entity and its controlled entities ("Consolidated Entity" or "Group") in the preparation of these financial statements. The financial report was approved by the Board of Directors on 27 September 2018.

Basis of Preparation of Accounts

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) and the Corporations Act 2001. The consolidated financial report of the Group also complies with the International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

Separate financial statements for Entek Energy Limited as an individual entity are no longer presented as the consequence of a change to the *Corporations Act 2001*, however, required financial information for Entek Energy Limited as an individual entity is included in Note 27.

The financial report has been prepared on an accruals basis and is based on a historical cost basis, except for available-for-sale financial assets that have been measured at fair value. The presentation currency used in this financial report is Australian Dollars.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies adopted by the Company in the preparation of these financial statements. The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

a) Basis of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Entek Energy Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity. A list of the subsidiaries is provided in Note 18.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

b) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Consolidated Entity to continue as a going concern is dependent upon the rationalisation of assets through the outright sale or farm-down of onshore assets or future capital raising. The directors believe that at the date of signing the financial report they have reasonable grounds to believe the group will have sufficient funds to meet its obligations as and when they fall due.

c) Foreign Currency Translation

The presentation currency of the Company and its Australian subsidiaries is Australian dollars. The functional currency of the Company is Australian dollars. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences in the consolidated financial report are taken to the Statement of Profit or Loss and other Comprehensive Income. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the Statement of Profit or Loss and other Comprehensive Income. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The functional currency of overseas subsidiaries is United States dollars. As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of the Company at the rate of exchange ruling at the reporting date and the Statement of Profit or Loss and other Comprehensive Income are translated at the average exchange rates for the period. The exchange differences arising on the retranslation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

d) Taxes

Income Tax

Deferred income tax is provided on all temporary differences at the Statement of Financial Position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Profit or Loss and Other Comprehensive Income.

e) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. Employee benefits, expenses and revenues arising in respect of wages and salaries; non-monetary benefits; annual leave; long service leave and other leave and other employee entitlements are charged against profits on a net basis.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred. The Group has no legal obligation to cover any shortfall in any superannuation fund's obligation to provide benefits to employees on retirement.

f) Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with a maturity of three months or less. For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts and investments in money market instruments with less than 14 days to maturity.

g) Revenue Recognition

Revenue from services rendered is recognised upon the delivery of goods or services to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except: where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from the investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

i) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease). An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the financial statements unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase/decrease. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

j) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis. Contingent rentals are recognised as an expense in the financial year in which they are incurred.

k) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

l) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Land and buildings are measured at fair value less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings – over 20 years
Plant and equipment – over 2 to 15 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of property, plant and equipment is written off upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on writing off of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

m) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

n) Trade and Other Payables

Trade payables and other payables are carried at amortised cost which represents future liabilities for goods and services received, whether or not billed to the Company.

o) Inventories

Inventories are measured at the lower of cost and net realisable value.

p) Exploration 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. Accumulated costs in relation to an abandoned area are written off in full in the year in which the decision to abandon the area is made. 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. Due diligence costs associated with exploration and development expenditure are fully written off. 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. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the relevant permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. 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.

q) Share-based Payment Transactions

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’). There is currently an Employee Share Option Plan in place to provide these benefits, which provides benefits to directors and executives. The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black & Scholes method. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (‘market conditions’). The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘vesting date’). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

r) Earnings Per Share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted earnings per share is calculated as net profit attributable to members of the Parent Entity, adjusted for: costs of servicing equity; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

s) Interests in Joint Ventures

The Consolidated Entity’s share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. The Consolidated Entity’s interests in joint venture entities are brought to account using the proportionate method of accounting in the consolidated financial statements. The Parent Entity’s interests in joint venture entities are brought to account using the cost method.

t) Comparatives

Comparatives are restated where necessary to ensure disclosure is consistent with the current year.

u) 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 instruments, 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.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the 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. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

v) Significant Accounting Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Exploration and evaluation assets

The Group's accounting policy for exploration and development expenditure is set out in Note 1(p). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves are found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under other policy, it is concluded that the Company is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the Statement of Profit or Loss and other Comprehensive Income.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Recovery of deferred assets

Deferred tax assets are recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

P*rovision for rehabilitation*

The Company is in compliance with its environmental obligation and is unaware of any significant known breaches. The Company has written off its rehabilitation provision during the year in view that the existing environmental bond and/or the sale of its US operations will discharge the Company of its responsibility as an operator.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black & Scholes model, taking into account the terms and conditions upon which the instruments were granted.

w) New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined 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 that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, 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. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

The directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.

- 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. Apart from 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 core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

  - identify the contract(s) with a customer;
  - identify the performance obligations in the contract(s);
  - determine the transaction price;
  - allocate the transaction price to the performance obligations in the contract(s); and
  - recognise revenue when (or as) the performance obligations are satisfied.

  This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

  The directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures.

- AASB 16: *Leases* (applicable to annual reporting periods commencing on or after 1 January 2019).

  When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as either operating leases or finance leases. Lessor accounting remains similar to current practice.

  The main changes introduced by the new Standard are as follows:

  - recognition of the right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
  - depreciating the right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
  - inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
  - application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
  - additional disclosure requirements.

  The transitional provisions of AASB 16 allow a lease to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity at the date of initial application.

  The directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's recognition of leases and disclosures.

- AASB 2014-10*: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (applicable to annual reporting periods commencing on or after 1 January 2018).

  This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: *Business Combinations* to an associate or joint venture and requires that:

  - a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
  - the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
  - any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

  Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Consolidated Entity	
	2018 $	2017 $

NOTE 2. REVENUE

Net loss before Income tax expense include the following revenues and expenses where disclosure is relevant in explaining the performance of the consolidated entities:

	2018 $	2017 $
REVENUE		
Interest received from other persons	67,192	20,142
Disposal of subsidiaries	-	7,946
Others	295	671
	67,487	28,759
CHARGING AS EXPENSES		
Depreciation	(2,040)	(6,430)
Consultancy fees	(102,398)	(58,888)
Remuneration of officers and employees	(273,623)	(243,455)
Cost of share based payments	(43,740)	-
Other operating expenses	(292,615)	(293,749)
	(714,416)	(602,522)

NOTE 3. INCOME TAX

Reconciliation of the prima facie income tax on operating loss from ordinary activities with the income tax expense in the financial statements:

	2018 $	2017 $
Prima facie income tax benefit on operating loss calculated at 30%	(175,808)	(357,221)
Cost of share based payments	13,122	1,490
Other	-	124
	(162,686)	(355,607)
Movement in unrecognised temporary differences	(91,535)	(439,041)
Income tax benefit not brought to account as realisation of the benefit is not virtually certain	254,221	794,648
Income Tax Expense from Ordinary Activities	-	-

	Consolidated Entity	
	2018 **$**	**2017** **$**
Unrecognised deferred tax balances		
Deferred Tax Assets		
Tax losses	21,383,467	21,535,848
Tax losses on capital account	383,162	383,162
Capitalised expenses	1,826	-
Accrued expenses	10,500	15,526
Provisions for expenses	-	4,877
Capital raising costs	32,601	43,468
Capitalised drilling acquisition costs	2,302,156	2,278,262
Total deferred tax assets	24,113,712	24,261,143
Deferred Tax Liabilities		
Prepayments	7,549	439
Total deferred tax liabilities	7,549	439
Net deferred tax asset not brought to account	24,121,261	24,261,582

The net future income tax benefit not brought to account includes provisions and capital raising costs that will realise a benefit to the Company only if the Company derives future assessable income of a nature and amount sufficient to enable the benefits to be realised, the Company continues to comply with the conditions for deductibility imposed by law, and no changes in tax legislation adversely affect the ability of the Company to realise the benefits.

NOTE 4. ACCUMULATED (LOSSES)

	2018	2017
Accumulated losses at the beginning of the financial year	(68,669,068)	(67,478,330)
Net loss for the financial year	(586,023)	(1,190,738)
Accumulated losses at the end of the financial year	(69,255,091)	(68,669,068)

NOTE 5. (LOSS) PER SHARE

	2018	2017
Basic and diluted (loss) from continuing operations (cents per share) (1)	(0.19)	(0.13)
Basic and diluted (loss) from discontinued operations (cents per share) (1)	(0.001)	(0.15)
Basic and diluted (loss) (cents per share) (1)	(0.19)	(0.28)
Loss from continued operations used in the calculation of basic EPS	(583,290)	(536,812)
Loss from discontinued operations used in the calculation of diluted EPS(1)	(2,733)	(653,926)
Loss used in the calculation of basic and diluted EPS(1)	(586,023)	(1,190,738)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	304,728,934	427,562,334
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	304,728,934	427,562,334

During the year ended 30 June 2018, 9 million net incentive options were issued to the directors of the Company (Note 16).

(1) Share options issued during the year have not been included in the calculation of diluted loss per share as they are anti-dilutive.

	Consolidated Entity 2018 $	Consolidated Entity 2017 $

NOTE 6. TRADE & OTHER RECEIVABLES

(a) TRADE & OTHER RECEIVABLES (CURRENT)

	2018 $	2017 $
Trade debtors	2,700	2,200
Other debtors and prepayments	52,559	223,411
Deposits	81,568	59,813
	136,827	285,424

Other debtors are non-interest bearing and generally on 30 to 60 day terms. The other classes within trade and other receivables do not contain impaired assets and are not past due.

Deposits include bank guarantee in place for new office, lease deposit and a $20,000 deposit secured for a corporate credit card facility.

NOTE 7. PLANT AND EQUIPMENT

	2018 $	2017 $
At cost	140,420	231,727
Accumulated depreciation	(123,221)	(226,359)
	17,199	5,368
At the beginning of the financial year	5,368	11,798
Additions	15,194	-
Depreciation expense	(2,040)	(6,430)
Written down value of assets sold or written off	(1,323)	-
Total Plant and Equipment	17,199	5,368

NOTE 8. CAPITALISED EXPLORATION EXPENDITURE

	2018 $	2017 $
Cost at the beginning of the financial year	-	-
Additions	156,991	1,527,192
Asset write downs/farm downs	-	-
Impairment	(156,991)	(1,527,192)
Sale of assets – Cost	-	-
Foreign Exchange Adjustment	-	-
Cost at the end of the financial year	-	-

All capitalised exploration expenditure was impaired at 30 June 2018 and 2017.

NOTE 9. TRADE AND OTHER PAYABLES (CURRENT)

	2018 $	2017 $
Trade creditors and accrued expenses	331,013	474,101
	331,013	474,101

Trade creditors are non-interest bearing and generally on 30 day terms.

$231,814 relates to the Battle Mountain AMI joint venture and is disputed by Entek. The Company in turn has made a counter claim for $260,000.

NOTE 10. PROVISIONS

EMPLOYEE ENTITLEMENTS

	2018 $	2017 $
	-	17,757
	-	17,757

	Consolidated Entity	
	2018 $	2017 $

NOTE 11. ISSUED CAPITAL

304,728,934 (2017: 304,728,934) fully paid ordinary shares	63,039,578	63,039,578
Movements in Ordinary Shares		
At the beginning of the financial year	63,039,578	59,791,934
63,800,000 share placement at $0.005 in Nov 2016	-	319,000
161,114,467 rights issue at $0.02 in Apr 2017	-	3,222,289
Share issue costs	-	(293,645)
At the End of the Financial Year	63,039,578	63,039,578

There was no movement for 2018. In 2017, the Company issued a total of 224,914,467 shares to raise net $3,247,644 for working capital purposes. In addition, a 4 for 1 share consolidation was executed in February 2017.

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of, and amounts paid up, of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at any meeting of the Company.

Capital Management

Management controls the capital of the Group in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTE 12. RESERVES

Option premium reserve	5,741,262	5,697,522
Currency translation reserve	4,650,886	4,659,850
	10,392,148	10,357,372
Movements in option premium reserve		
At the beginning of the financial year	5,697,522	5,574,951
Share based payments expense (1)	43,740	-
Share issue cost	-	122,571
At the end of the financial year	5,741,262	5,697,522
Movements in currency translation reserve		
At the beginning of the financial year	4,659,850	4,743,948
Movement for the year (2)	(8,964)	(84,098)
At the end of the financial year	4,650,886	4,659,850

(1) The option premium reserve is used to accumulate the fair value of options issued. During the year, 12,000,000 incentive options were issued to Directors however 3,000,000 lapsed when a director resigned. Therefore, 9,000,000 net incentive options were recognised as a share based payment expense.

(2) The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

	Consolidated Entity	
	2018 **$**	**2017** **$**
NOTE 13. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with loss after income tax		
(Loss) after tax	(586,023)	(1,190,738)
Non-cash flows in loss		
Depreciation of plant and equipment	2,040	6,430
Foreign exchange differences	(63,639)	(36,951)
Exploration expenditure written off	5,134	1,527,192
Impairment of inventory	-	10,330
Gain on sale of assets / production assets	(295)	(141,052)
Provision for abandonment	-	275,467
Rehabilitation liability written back against security deposit	-	(886,531)
Cost of share based payment	43,740	-
Changes in assets and liabilities		
Decrease/ (increase) in trade and other receivables	170,352	(132,690)
Increase/ (decrease) in other creditors and accruals	(133,638)	(4,095)
Increase/ (decrease) in provisions	(17,757)	(11,807)
Net cash (used in) operating activities	(580,086)	(584,445)
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the financial year is shown in the accounts as:		
Cash	4,353,622	4,928,948
Cash and cash equivalents at the end of the financial year	4,353,622	4,928,948

As per the policy of the Company for cash flow purposes, cash and cash equivalents are made up of all cash on hand and cash at bank.

Non-cash financing and investing activities

During the year ended 30 June 2018, the Company incurred share based payments of $43,740 (2017 - $121,571).
There are no financing facilities in place for the Company.

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
NOTE 14. AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Company for:		
Auditing or reviewing the financial report	31,000	34,089
Remuneration of other auditors of subsidiaries for:		
Auditing or reviewing the financial report of subsidiaries	-	6,320
	31,000	40,409

NOTE 15. KEY MANAGEMENT PERSONNEL

Compensation of Key Management Personnel

Compensation by category:

	2018 $	2017 $
Primary remuneration	233,470	289,184
Equity remuneration	43,740	-
	277,210	289,184

Detailed remuneration disclosures are provided in the remuneration report on pages 12 to 16.

NOTE 16. SHARE BASED PAYMENTS

The following share based payments were issued to employees by the Company and by the Consolidated Entity during the year.

	Consolidated Entity 2018		Consolidated Entity 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at beginning of year	1,000,000	$0.028	4,000,000	$0.070
Forfeited	-	-	-	-
1 for 4 consolidation	-	-	(3,000,000)	$0.28
Expired	(1,000,000)	$0.28		
Issued	12,000,000	$0.07		
Lapsed	(3,000,000)	$0.07	-	-
Outstanding and exercisable at year end	9,000,000	$0.07	1,000,000	$0.28

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

9 million incentive options were issued to Directors during the year.

NOTE 17. SEGMENT INFORMATION

Primary Reporting Business Segments

During the year ended 30 June 2018 and also during the year ended 30 June 2017, the Consolidated Entity operated entirely in the oil and gas industry.

Secondary Reporting Geographical Segments:

	Revenue $	Inter-Segment Revenue $	Total Revenue $	Segment Profit/ (Loss) $	Segment Assets $	Segment Liabilities $
Year to 30 June 2018						
Australasia	67,487	-	67,487	(583,290)	4,504,615	99,198
North America	2,401	-	2,401	(2,733)	3,033	231,815
Total	69,888	-	69,888	(586,023)	4,507,648	331,013

	Revenue $	Inter-Segment Revenue $	Total Revenue $	Segment Profit/ (Loss) $	Segment Assets $	Segment Liabilities $
Year to 30 June 2017						
Australasia	20,813	-	20,813	(533,757)	5,028,754	83,788
North America	140,382	-	140,382	(656,981)	190,986	408,070
Total	161,195	-	161,195	(1,190,738)	5,219,740	491,858

Segment revenues, expenses and results may include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the economic entity at an arm's length. These transfers are eliminated on consolidation.

NOTE 18. CONTROLLED ENTITIES

	% Owned		Book value of shares held		Contribution to consolidated loss	
	2018	2017	2018 $	2017 $	2018 $	2017 $
Parent Entity						
Entek Energy Limited						
Entities controlled by Entek Energy Limited						
Entek USA Inc	100%	100%	-	-	(659,230)	(659,230)
Entities controlled by Entek USA Inc						
Entek GRB LLC	100%	100%	-	-	-	-
			-	-	(659,230)	(659,230)

Entek USA Inc and Entek GRB LLC are registered in the State of Delaware in the United States of America.

NOTE 19. COMMITMENTS

Superannuation

The Company makes contributions to complying superannuation funds based on the requirements of the Australian Superannuation Guarantee Charge or such higher amount as has been agreed with individual employees. There is a legally enforceable obligation on the Company to contribute to the superannuation plan for those contributions that have been agreed with individual employees as part of their conditions of employment. During the year ended 30 June 2018, there was no employee under the Company's payroll.

Environmental

On 1 May 2010, the Company commenced as operator in the Green River Basin region of the United States of America through its subsidiary Entek GRB LLC. This basin encompasses parts of the States of Colorado and Wyoming. In compliance with the Company's environmental and permit obligations, the Company plugged and abandoned all flow lines to existing gas wells. Discussions continue with the State of Colorado over relinquishment of environmental bonds to be offset against any residual plugging and abandonment obligations.

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated Entity	
	2018	**2017**
	$	**$**
Capital		
Capital Expenditure Commitments Payable:		
Rental and Lease Payments (1)		
Not later than 1 year	29,178	24,840
Later than 1 year but not later than 2 years	87,534	-
Later than 2 years but not later than 5 years	-	-
	116,712	24,840
Green River Basin Leases Expenditure Payable (2)		
Not later than 1 year	-	-
Later than 1 year but not later than 2 years	-	-
Later than 2 years but not later than 5 years	-	-
	-	-
Total Commitments	116,712	24,840

(1) A bank guarantee in favour of the landlord has been issued for the amount of $24,724 as security over the office lease.

(2) There is no legal obligation to renew the Green River Basin lease-holding. In addition, the Company is seeking to dispose of its assets, therefore no commitment has been provided for.

NOTE 20. CONTINGENT LIABILITIES

At balance date, the Company has written down the rehabilitation provision as well as the corresponding environmental security bond in place to nil. This write down is on the basis that the Company believes it has discharged its rehabilitation obligations through the existing environmental security bond. The Company has no further contingent liabilities but has agreed that if and when a sale of the US assets is completed, then proceeds from the sale will be initially directed towards any additional obligation. In the event there is no sale transaction, no additional payments are required.

Apart from the above, there are no any contingent liabilities as at 30 June 2018.

NOTE 21. CONTINGENT ASSETS

Other than the future income tax benefit (not brought to account) as disclosed in Note 3, no other contingent assets exist as at 30 June 2018.

NOTE 22. FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from subsidiaries, which arise directly from its operations. The Group’s policy is that no trading in financial instruments shall be undertaken. The main purpose of non-derivative financial instruments is to finance group operations. Derivatives are not used by the Group and the Group does not speculate in the trading of derivative instruments.

Treasury Risk Management

The Board considers the Group’s financial risk exposure and treasury management strategies in the context of the Group’s operations. The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk. The Board reviews each of these risks on an on-going basis.

Interest Rate Risk

The Group has no debt that requires the payment of interest.

Financial Instruments	Terms and Conditions and Interest Rate Risk
Bank Deposits	Bank deposits are either held at call, subject to notice of withdrawal or subject to maturity after a specified period of time. All cash held is subject to floating interest rate risk.
Receivables	There are no specific terms and conditions that may affect the amount, timing and certainty of future cash flows as they are all managed on a case by case basis. These are non-interest bearing and there is no exposure to interest rate risk.
Accounts Payable	There are no specific terms and conditions that may affect the amount, timing and certainty of future cash flows as they are all managed on a case by case basis. These are non-interest bearing and there is no exposure to interest rate risk.
Equity	Details of equity securities issued and outstanding are disclosed separately in these financial statements. These are non-interest bearing and there is no exposure to interest rate risk.

Foreign Currency Risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency. The Group is also exposed to fluctuations in foreign currencies arising from deposits with banks denominated in foreign currencies. The Group has reviewed this position and is of the view that it is not economic to hedge this exposure.

Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are available.

NOTE 22. FINANCIAL INSTRUMENTS (CONTINUED)

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements. There are no material amounts of collateral held as security at 30 June 2018. Credit risk is managed on a Group basis and reviewed by the Board. It arises from exposures to customers as well as through deposits with financial institutions. The Board monitors credit risk by actively assessing the quality and liquidity of counter parties, consequently only "A" rated banks are utilised for deposits and all potential customers are assessed for credit worthiness taking into account their size, market position and financial standing. The counterparties included in trade and other receivables at 30 June 2018 are not rated, however, given the amount and nature of these financial instruments, the Board is satisfied that they represent a low credit risk for the Group. There are no significant concentrations of credit risk within the Group.

Price Risk

The Group is exposed to commodity price risk through its joint venture interests. The Group does not currently hedge the price it sells oil and gas at. The Group is conscious of the fluctuations in the commodity price and monitors such fluctuations with a view to take appropriate actions as and when foreseeable.

Financial Instrument Composition and Maturity Analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

	Consolidated Entity	
	2018	**2017**
	$	**$**
Trade and sundry payables are expected to be paid as follows:		
Less than 6 months	64,199	344,601
6 months to 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Over 5 years	-	-
	64,199	344,601

Fair Values

The aggregate net fair values of the Consolidated Entity's financial assets and financial liabilities both recognised and unrecognised are as follows:

	Carrying amount in the financial statements 2018 $	**Aggregate net fair value 2018 $**	**Carrying amount in the financial statements 2017 $**	**Aggregate net fair value 2017 $**
Financial Assets				
Cash assets	4,353,622	4,353,622	4,928,948	4,928,948
Receivables	2,700	2,700	2,200	2,200
Financial Liabilities				
Payables	64,199	64,199	344,601	344,601

NOTE 22. FINANCIAL INSTRUMENTS (CONTINUED)

The following methods and assumptions are used to determine the net fair value of financial assets and liabilities:

Cash assets, borrowings and financial assets are carried at amounts approximating fair value because of their short term nature to maturity. Receivables and payables are carried at amounts approximating fair value.

Listed investments held at balance date have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.

Sensitivity Analysis

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2018, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Entity	
	2018	**2017**
	$	**$**
Change in profit/ (loss) due to:		
Increase in interest rate by 2%	71,877	31,977
Decrease in interest rate by 2%	(71,877)	(31,977)
Change in equity due to:		
Increase in interest rate by 2%	71,877	31,977
Decrease in interest rate by 2%	(71,877)	(31,977)

Foreign Currency Risk Sensitivity Analysis

The sensitivity analysis below details the Group's sensitivity to an increase/decrease in the Australian dollar against the United States dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items.

A 100 basis point is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the possible change in foreign exchange rates.

At balance date, if foreign exchange rates had been 100 basis point higher or lower and all other variables were held constant, the Group's profit and loss would have (decrease) / increase by $(162,508) and $198,621 (2017: $(162,552) and $202,341) respectively.

NOTE 23. RELATED PARTY TRANSACTIONS

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

NOTE 23. RELATED PARTY TRANSACTIONS (CONTINUED)

	Consolidated Entity	
	2018	2017
	$	$
Executive services based on agreed daily rate, provided by McAuliffe Legal Pty Ltd, a company associated with Chairman, Mark McAuliffe. As at 30 June 2018, $4,275 was outstanding.	70,355	-
Corporate secretarial services provided by Edge Corporate Services, a business controlled by Nerida Schmidt, since her appointment as Non-Executive Director of the Company on 7 March 2018. As at 30 June 2018, $4,000 was outstanding.	15,097	-
Rental fee for the sub-lease of furnished office space paid or payable by Discovery Capital Limited, a company associated with director, Howard Dawson. Mr Dawson resigned on 1 September 2017 and ceased to be a related party of the Company.	-	10,518

NOTE 24. DISCONTINUED OPERATIONS

During the year ended 30 June 2017, the Company put its US subsidiaries and operations up for sale, and was separately disclosed as discontinued operations in the Statement of Profit and Loss and Other Comprehensive Income.

	Consolidated Entity	
	2018	2017
	$	$
Financial Performance		
Revenue	2,401	132,436
Total expenses including impairment	(5,134)	(786,362)
Gross loss	(2,733)	(653,926)
Income tax expense	-	-
Net loss attributable to discontinued operations	(2,733)	(653,926)
Loss from discontinued operations after tax	(2,733)	(653,926)

Information relating to the financial position of the Producing Interests on discontinued operations is set out below:

Carrying amounts of assets and liabilities:

	2018	2017
Current assets	3,033	190,986
Capitalised exploration expenses – written down value	-	-
Total assets	3,033	190,986
Trade Creditors	231,815	408,068
Provision for restoration	-	-
Total liabilities	231,815	408,068
Net (liability)	(228,782)	(217,082)

Cash flow information for the period:

	2018	2017
Net cash outflow from operating activities	(17,021)	(1,625,487)
Net cash inflow from investing activities	-	15,529
Net cash inflow from financing activities	-	1,468,981
Net cash used for the period	(17,021)	(140,977)

NOTE 25. WORKING INTERESTS

The Consolidated Entity owns leases based in the states of Colorado and Wyoming (USA) in the Niobrara Oil Resource play ranging in ownership interest from 20% to 100% resulting in 51,799 net acres across 139,708 gross acres.

During the year ended 30 June 2018 Entek has assigned Focus Ranch to Energy Investments Inc, including but not limited to the 12-1 and any plugging liability, mineral leases of ~34,000 net acres, and road reclamation liability.

During the year ended 30 June 2017, the Company disposed of the Slater Dome Gathering System, a pipeline located within the Niobrara Oil Gas play for AUD$132,436 (USD100,000).

NOTE 26. EVENTS SUBSEQUENT TO BALANCE DATE

Entek GRB LLC (the US subsidiary that held assets in Colorado and Wyoming) is in the process of dissolution, however no material affect on the financial accounts will eventuate given the potential impacts were already accounted for in the 2017 accounts.

Apart from the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

NOTE 27. PARENT FIGURES DISCLOSURES

	2018 **$**	**2017** **$**
Assets		
Current Assets	4,487,417	5,023,386
Non-current assets	17,198	5,368
Total assets	4,504,615	5,028,754
Liabilities		
Current liabilities	99,198	83,785
Total liabilities	99,198	83,785
Net Assets	4,405,417	4,944,969
Equity		
Issued capital	63,039,578	63,039,578
Retained earnings	(64,375,423)	(63,792,131)
Reserves		
Option premium reserve	5,741,262	5,697,522
Total equity	4,405,417	4,944,969
(Loss) for the year	(583,290)	(1,057,753)
Other comprehensive income		
Total comprehensive Income	(583,290)	(1,057,753)

At the reporting date net amounts receivable from controlled entities at cost totalled nil after the recognition of an impairment against the amount receivable in the current year of $3,250,692 (2017: $428,349). The loans have no fixed terms for repayment.

Guarantees

There are no guarantees entered into by the parent entity in relation of the debts of the subsidiaries.

NOTE 27. PARENT FIGURES DISCLOSURES (CONTINUED)

Contingent liabilities of the parent entity

Apart from contingent liabilities disclosed in note 20 for the Group, the parent entity did not have any other contingent liabilities as at 30 June 2018 and 2017.

NOTE 28. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the parent entity, the results of those operations, or the state of affairs of the parent entity in subsequent financial years.

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ENTEK ENERGY LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Entek Energy Limited, the Company and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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 conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 13 of the directors' report for the year ended 30 June 2018.

In our opinion the Remuneration Report of Entek Energy Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir R Tirodkar
Director

West Perth, Western Australia
27 September 2018

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

27 September 2018

Board of Directors
Entek Energy Limited
Level 1, 35 Outram Street
West Perth, WA 6005

Dear Directors

RE: ENTEK ENERGY LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Entek Energy Limited.

As Audit Director for the audit of the financial statements of Entek Energy Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Samir R Tirodkar
Director

ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 12 October 2018

1. TWENTY LARGEST SHAREHOLDERS

	Ordinary Shares	Number of Shares	Percentage of Total
1	Scintilla Strategic Investments Limited	11,201,250	3.68%
2	Frozen Moolah Pty Ltd <Tangled A/C>	10,714,080	3.52%
3	GDR Pty Ltd <The Riley Super Fund A/C>	10,000,000	3.28%
4	Thomas Francis Corr	10,000,000	3.28%
5	HSBC Custody Nominees (Australia) Limited	9,870,003	3.24%
6	BNP Paribas Nominees Pty Ltd	7,365,710	2.42%
7	Alexander Holdings (WA) Pty Ltd	7,000,000	2.30%
8	Jetmax Trading Pty Ltd	6,950,000	2.28%
9	UBS Nominees Pty Ltd	6,245,100	2.05%
10	Celtic Capital Pty Ltd <The Celtic Capital A/C>	6,000,000	1.97%
11	Didcal Pty Ltd <AB Chapman Family S/F A/C>	5,500,000	1.80%
12	Miningnut Pty Ltd	5,250,000	1.72%
13	Hilary Somerville Statham + Thomas Charles Statham <Merlin Super Fund A/C>	5,100,000	1.67%
14	Off The Planet Investments Pty Ltd <The Grierson Ft A/C>	5,000,000	1.64%
14	Yea-Sayer Pty Ltd	5,000,000	1.64%
16	Topspeed Pty Ltd <Skinner No 1 Super A/C>	4,536,387	1.49%
17	Sacco Developments Australia Pty Limited <The Sacco Family A/C>	4,200,000	1.38%
18	Crying Rock Pty Ltd <Crying Rock A/C>	4,000,000	1.31%
18	Ian Sandover & Associates Pty Ltd <Sandover Super A/C>	4,000,000	1.31%
18	Medserv Medical Couriers Pty Ltd <Gallagher Super A/C>	4,000,000	1.31%
	Total Top 20	131,932,530	43.3%
	Other	172,796,404	56.7%
		304,728,934	100.00%

2. SUBSTANTIAL SHAREHOLDERS

The Company has no substantial shareholders.

ADDITIONAL INFORMATION

3. DISTRIBUTION OF EQUITY SECURITIES

	Ordinary Shares	Unlisted Options
1 - 1,000	98	-
1,001 - 5,000	131	-
5,001 - 10,000	77	-
10,001 - 100,000	460	-
100,001 - and over	268	4
Total number of holders	1,034	4
Holdings of less than a marketable parcel	540	

4. UNQUOTED SECURITIES

The total number of unquoted securities on issue and the number of holders for each class of unquoted securities are set out below.

	Number of Options	Number of Holders
Unlisted options issued	10,000,000	1
Unlisted options issued under an employee share option plan	9,000,000	3
	19,000,000	4

5. VOTING RIGHTS

For all ordinary shares, voting rights are one vote per member on a show of hands and one vote per share in a poll.

6. ON-MARKET BUY BACK

There is currently no on-market buy-back program for any of the Company's securities.

ADDITIONAL INFORMATION

REGISTERED OFFICE OF THE COMPANY

Level 1, 35 Outram Street
West Perth, Western Australia 6005

Tel: +61 (8) 9381 4975

STOCK EXCHANGE LISTING

Quotation has been granted for all ordinary shares on the Australian Securities Exchange. The State Office of the Australian Securities Exchange in Perth, Western Australia has been designated the Home Branch of Entek Energy Limited.

There are no current on-market buy-back arrangements for the Company.

SHARE REGISTRY

The registers of shares and options of the Company are maintained by:-

Computershare Registry Services Pty Limited
Level 11
172 St Georges Terrace
Perth, Western Australia 6000

Tel: 1300 850 505 (Within Australia)
+61 3 9415 4000 (Outside Australia)
Fax: +61 3 9473 2500 (Within Australia)

COMPANY SECRETARY

The name of the company secretary is Ms Nerida Lee Schmidt.

TAXATION STATUS

Entek Energy Limited is taxed as a public company.