

**Appendix 4E**  
**Energy World Corporation Ltd and its Controlled Entities**  
**Preliminary Full Year Results**

**1. Company details**

Name of entity : Energy World Corporation Ltd  
 ABN: 34 009 124 994  
 Reporting period : For the year ended 30 June 2024  
 Previous period : For the year ended 30 June 2023

**2. Results for announcement to the market**

			2024 \$US'000	2023 \$US'000
Revenue	Down	29.1%	24,772	34,947
(Loss) / Profit after tax	Down	3.2%	(49,666)	(48,118)
Net (Loss) / Profit from ordinary activities after tax attributable to members	Down	0.1%	(50,459)	(50,508)
Total comprehensive (loss) / income for the period attributable to members	down	6.4%	(55,471)	(52,119)

**Comments**

The loss for the Consolidated entity after providing for income tax amounted to US\$49,666,000

**Financial performance**

The financial report is presented in US Dollars (US\$), the functional currency for the parent entity Energy World Corporation Ltd (“EWC”).

Revenue for the consolidated group for the year ended 30 June 2024 was US\$24.7 million. This represents a US\$10.2 million decrease in the revenue as compared to 30 June 2023 revenue of US\$34.9 million. Gross profit decreased from \$22.1 million to \$20.3 million during the period.

In Australia, the revenue from oil & gas reduced by 28% to US\$749,000 for FY24 from US\$1,043,000 for FY23. Revenue in Australia is from the Naccowlah Joint Venture with Santos in which we hold a 2% interest.

**Financial position**

Net assets of \$700,320,000 have decreased by \$54,746,000 (2023 : net assets of \$755,066,000), reflecting interest expenditure in connection with projects under development; impairment of assets and corporate expenses.

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**3. Net tangible assets**

	30 June 2024	30 June 2023
Net tangible asset backing per ordinary security	<u>0.25</u>	<u>0.26</u>

**4. Loss of control over entities**

Not applicable.

**5. Dividends**

There were no dividend paid, recommended or declared during the current or previous financial year.

**6. Dividend reinvestment plans**

Not applicable.

**7. Details of associates and joint venture entities**

Australian Gasfields Limited, has a 33.3% interest in PEL96 (Operator: Strike Energy Limited) and a 2% interest in the Naccowlah Block (ATP-1189P) (Operator: Santos Limited)

**8. Foreign entities**

Below are overseas subsidiaries of the Company

	Country of Incorporation
Energy World Holdings (Cayman) Ltd	Cayman Islands
Galtee Limited	Cayman Islands
Energy World Philippines Holdings Ltd	Cayman Islands
Energy World (H.K.) Ltd	Hong Kong
PT Energi Sengkang	Indonesia
PT South Sulawesi LNG	Indonesia
Energy World Gas-Power Holdings Philippines Inc.	Philippines
Energy World Gas Developments Holdings Philippines Inc.	Philippines
Energy World Gas Operations Philippines Inc.	Philippines
Energy World Power Developments Philippines Inc.	Philippines
Energy World Power Operations Philippines Inc.	Philippines

**9. Audit qualification or review**


This financial statement has not been audited, the Company will lodge the Audited Accounts and Financial Report on 30 September 2024.

**10. Attachments**

The Preliminary Financial Report of Energy World Corporation Limited for the year ended 30 June 2024 is attached.

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**11. Signed**

Signed  \_\_\_\_\_

Dated : 30 August 2024

Brian Allen  
Managing Director

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**ENERGY WORLD CORPORATION LTD.**

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**Energy World Corporation Ltd and  
its Controlled Entities**

**ABN 34 009 124 994**

Preliminary Financial Report

**30 June 2024**

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## **Review of Operations**

### **Sengkang PSC**

On 26 June 2023 Energy Equity Epic (Sengkang) Pty Ltd (EEES) as operator of the Sengkang Production Sharing Contract (Sengkang PSC) together with its partner PT Energi Maju Abadi signed an interim gas sales agreement with PT Perusahaan Listrik Negara Persero (PLN) for gas sales from the Sengkang PSC.

A subsequent interim agreement covering gas deliveries from 1 July 2023 until 31 December 2023 was signed on 20 September 2023 and became effective on 25 September 2023, and further Gas Sales Agreements have been entered into until 30<sup>th</sup> September 2030.

### **Loan Facilities**

#### **Slipform Loan**

On 30 June 2017, EWC entered into the Term Loan Agreement (TLA) with Slipform Engineering International (HK) Ltd (Slipform) and Slipform Indonesia. Subsequently, the TLA was amended on 14 September 2018, and another amendment took place on 2 June 2021, in which the loan period was extended to June 2024 and the interest rate reduced to 6% p.a. On 6 June 2024 this term repayment date was extended to 30 June 2026.

#### **EWI Loan**

- (i) On 2 June 2021, a Deed of Amendment was signed, effective from 1 July 2021; interest rate of all EWI loans was reduced to 6% and repayment date extended to 30 June 2024. On 6 June 2024 the repayment date was further extended to 30 June 2026.
- (ii) To fund the payment of outstanding liabilities and to provide additional working capital for corporate and general business purposes, the Company entered into an additional unsecured loan facility with EWI for an amount up to AU\$20million. Any amount drawn under this new EWI Loan is repayable on 30 June 2026 and carries an interest rate of 12%.

#### **EEES Loan Facility**

The EEES Loan facilities were fully repaid on 31 October 2023.

#### **HSBC Loan Facility**

The US\$51 million revolving loan facility agreement with HSBC was fully repaid on 31 August 2023 and the linked reserve accounts closed.

## **Project Review**

### **Philippines Power Plant and LNG Trading Hub**

We have continued to explore potential third party financing to facilitate the ongoing construction to complete the Philippine Power Plant and the LNG Trading Hub.

When financing has been available, we have continued to work on the construction of the point to point transmission line and the first towers have already been erected. Our onsite team have negotiated Right Of Way (ROW) agreements and Access Agreements as required for the complete transmission line route. The program requires the erection of 23 towers on the Pagbilao Island, 3 towers crossing the channel to the mainland and 20 towers on the mainland.

### **Australia Gas**

When funding has been available, we have continued to bring the Eromanga gas field back into operation to supply gas in the Eastern states to meet domestic demand where prices are reasonable. We have capacity to produce up to 12TJ per day through existing plant and we already have a pipeline connection into the main gas network.

We plan to bring the Gilmore gas field back into operation subsequent to the successful restart of the Eromanga gas field.

### **Indonesia LNG**

When funding has been available, we have continued to complete the construction of the 2mtpa capacity LNG production facility.

Indonesia is encouraging industry to move away from coal and diesel power generation. It is also encouraging the development of 'on-shore' mineral processing, in particular nickel, which requires significant power to fuel smelters. We are aware of over 20 new smelters being built, the first of which are due to come on-line in 2024/2025.

Many of these smelters are off-grid and will need new power plants built to supply electricity. These will require LNG as part of the fuel mix. The domestic market for LNG is now developing and EWC is positioned to play a major role in supplying LNG to these developing industries within Indonesia.

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## **Subsequent Events**

### **Passing of Stewart Elliott, Chairman & CEO**

On 24 July 2024, Stewart Elliott, the company's Chairperson and CEO, passed away suddenly.

The Board appointed Brian Allen to the role of interim Chairperson and acting CEO, from 25 July 2024.

### **EEES Long Term Gas Sales and Purchase Agreement**

On 14 August 2024, Energy Equity Epic (Sengkang) Pty Ltd (EEES) and its partner in the Sengkang PSBC PT Energi Maju Abadi (EMA) signed a long term Gas Sales and Purchase Agreement with PT PLN (Persero) and PT PLN Energi Primer Indonesia for the supply of gas from the Kampang Baru Gas Field Sengkang Working Area to the Sengkang Combined Cycle Gas Field Power Plant. This agreement replaces the various interim gas sales agreements previously signed and covers the period 21 March 2023 to 31 December 2030.

### **Audited Accounts and Financial Report**

The Company will lodge the Audited Accounts and Financial Report on 30 September 2024.

Signed in accordance with a resolution of the Directors:



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Brian Allen  
Managing Director  
Dated 30 August 2024

# Energy World Corporation Ltd and its Controlled Entities

## Consolidated Statement of Comprehensive Income

For The Year Ended 30 June 2024

	Notes	2024 US\$'000	2023 US\$'000
Sales revenue	2	24,772	34,947
Cost of Sales		(4,451)	(12,895)
<b>Gross profit</b>		<b>20,321</b>	<b>22,052</b>
Other income		-	2,163
Gain on sales of fixed assets		-	29,802
Depreciation and amortisation expenses		(4,754)	(13,555)
Impairment expenses		(11,014)	(35,831)
Other expenses		(14,007)	(16,858)
<b>Results from operating activities</b>		<b>(9,454)</b>	<b>(12,227)</b>
Finance expenses		(37,796)	(31,484)
<b>Net financing expenses</b>		<b>(37,796)</b>	<b>(31,484)</b>
Foreign currency exchange (loss)		538	(492)
<b>(Loss) / Profit before income tax expense</b>		<b>(46,712)</b>	<b>(44,203)</b>
Income tax expense		(2,954)	(3,915)
<b>Net (loss) / profit for the period</b>		<b>(49,666)</b>	<b>(48,117)</b>
Profit for the period is attributable to:			
Non-controlling interest		793	2,391
Owners of the parent		(50,459)	(50,508)
		<b>(49,666)</b>	<b>(48,117)</b>
<b>Net (loss) / profit for the period</b>		<b>(49,666)</b>	<b>(48,117)</b>
<b>Other comprehensive income not to be reclassified to profit or loss subsequent periods (net of tax):</b>			
Actuarial (losses) / gains on defined benefit plans		(349)	24
<b>Other comprehensive income to be reclassified to profit or loss in Subsequent periods (net of tax):</b>			
Net loss on cash flow hedges		(56)	-
Revaluation on investment to market value		(17)	(130)
Exchange differences on translation of foreign operations		(4,658)	(1,505)
Other comprehensive loss for the period, net of tax		(5,080)	(1,611)
<b>Total comprehensive loss for the period</b>		<b>(54,746)</b>	<b>(49,728)</b>
Total comprehensive income for the period is attributable to:			
Non-controlling interest		725	2,391
Owners of the parent		(55,471)	(52,119)
		<b>(54,746)</b>	<b>(49,728)</b>
		<b>2024</b>	<b>2023</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share attributable to ordinary equity holders		(1.64)	(1.76)
Diluted earnings per share attributable to ordinary equity holders		(1.64)	(1.76)

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the financial statements.



# Energy World Corporation Ltd and its Controlled Entities

## Consolidated Statement of Financial Position

As At 30 June 2024

	Notes	2024 Restated US\$'000	2023 Restated US\$'000
<b>Current Assets</b>			
Cash assets		6,143	472
Cash held in reserve accounts	3	402	51,982
Short term deposit		-	17,129
Trade and other receivables		13,380	15,176
Related parties receivables		92	209
Inventories		455	226
Prepayment		722	463
<b>Total Current Assets</b>		<b>21,194</b>	<b>85,657</b>
<b>Non-Current Assets</b>			
Cash held in reserve accounts	3	4,862	4,862
Prepayment		1,126	1,126
Investments		326	343
Oil and gas assets	5	49,742	53,540
Exploration and evaluation expenditure	6	24,672	30,198
Property, plant and equipment	7	1,483,022	1,481,096
Right of use assets		1,725	2,569
<b>Total Non-Current Assets</b>		<b>1,565,475</b>	<b>1,573,734</b>
<b>Total Assets</b>		<b>1,586,669</b>	<b>1,659,391</b>
<b>Current Liabilities</b>			
Trade and other payables		36,373	19,404
Trade and other payables – related parties		168	7,847
Income tax payable		21,823	21,929
Interest-bearing borrowings	9	-	818,537
Provisions		846	422
Lease liabilities		1,124	554
<b>Total Current Liabilities</b>		<b>60,334</b>	<b>868,693</b>
<b>Non-Current Liabilities</b>			
Trade and other payables		8,910	3,001
Trade and other payables – related parties		8,886	-
Interest-bearing borrowings	9	777,823	-
Deferred tax liabilities		20,557	21,714
Provisions		8,253	8,035
Lease liabilities		1,586	2,882
<b>Total Non-Current Liabilities</b>		<b>826,015</b>	<b>35,632</b>
<b>Total Liabilities</b>		<b>886,349</b>	<b>904,325</b>
<b>Net Assets</b>		<b>700,320</b>	<b>755,066</b>

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**Energy World Corporation Ltd and its Controlled Entities**  
**Consolidated Statement of Financial Position (continued)**  
As At 30 June 2024

	Notes	2024	2023
		US\$'000	US\$'000
<b>Equity</b>			
Issued capital		555,670	555,670
Other reserves		3,927	16,173
Retained profits		120,383	163,608
Shareholders' equity attributable to owners of Energy World Corporation Ltd		<u>679,980</u>	735,451
Non controlling interest		<u>20,340</u>	19,615
<b>Total Shareholder's Equity</b>		<u>700,320</u>	755,066

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

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# Energy World Corporation Ltd and its Controlled Entities

## Consolidated Statement of Changes in Equity

For The Year Ended 30 June 2024

	Issued capital US\$'000	Other reserves US\$'000	Accumulated profits US\$'000	Owners of the Parent US\$'000	Non - Controlling Interest US\$'000	Total Equity US\$'000
Balance at 1 July 2023	555,670	16,173	163,608	735,451	19,615	755,066
(Loss) / Profit for the period	-	-	(50,459)	(50,459)	793	(49,666)
Other comprehensive (loss)		(5,012)		(5,012)	(68)	(5,080)
Total comprehensive income/(loss) for the year		(5,012)	(50,459)	(55,471)	725	(54,746)
Transfer of Warrant and Convertible Note Reserve after expiry	-	(7,234)	7,234	-	-	-
<b>Balance at 30 June 2024</b>	<b>555,670</b>	<b>3,927</b>	<b>120,383</b>	<b>679,980</b>	<b>20,340</b>	<b>700,320</b>
Balance at 1 July 2022 (restated)	540,438	17,462	214,116	772,016	17,224	789,240
(Loss) / Profit for the period	-	-	(50,508)	(50,508)	2,391	(48,117)
Other comprehensive loss	-	(1,611)	-	(1,611)	-	(1,611)
Total comprehensive income/(loss) for the year	-	(1,611)	(50,508)	(52,119)	2,391	(49,728)
Issued of Shares	15,940	-	-	15,940	-	15,940
Cost in relation of Issue of Shares	(386)	-	-	(386)	-	(386)
Issue of Share Options	(322)	322	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>555,670</b>	<b>16,173</b>	<b>163,608</b>	<b>735,451</b>	<b>19,615</b>	<b>755,066</b>

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

**Energy World Corporation Ltd and Its Controlled Entities**  
**Consolidated Statement of Cash Flows**  
For The Year Ended 30 June 2024

	Notes	2024 US\$000	2023 US\$000
<b>Cash Flows From Operating Activities</b>			
Receipts from customers (GST inclusive)		35,728	48,223
Payments to suppliers and employees (GST inclusive)		(24,156)	(31,610)
Income tax paid		(5,029)	(15,753)
Interest (paid)/received		568	1,312
<b>Net Cash Flows Generated from Operating Activities</b>		<b>7,111</b>	<b>2,172</b>
<b>Cash Flows From Investing Activities</b>			
Proceeds from Sale of property, plant and equipment		-	29,804
Payments for property, plant and equipment		(888)	(7,213)
Interest paid - Project finance for construction projects		(2,983)	(7,105)
Net transfer to short-term deposit		17,129	(17,129)
<b>Net Cash Flows Used in Investing Activities</b>		<b>13,258</b>	<b>(1,643)</b>
<b>Cash Flows From Financing Activities</b>			
Net proceeds from issues of equity securities		-	9,397
Transfer from /(to) restricted deposit and reserve accounts		51,528	317
Repayment of borrowings		(67,652)	(15,026)
Proceeds from borrowings - related parties		2,850	-
Payment of principal portion of lease liability		(947)	(1,231)
<b>Net Cash Flows Used in Financing Activities</b>		<b>(14,221)</b>	<b>(6,543)</b>
Net Increase/ (Decrease) In Cash Held		6,148	(6,014)
Cash at the beginning of the year		472	6,487
Net foreign exchange differences		(479)	(1)
<b>Cash at the end of the financial year</b>		<b>6,141</b>	<b>472</b>

The consolidated statement of cash flows should be read in conjunction with the notes to the financial statements.

# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies

### (a) Basis of Preparation

The financial report is a preliminary financial report, which has been prepared in accordance with the requirements of the ASX Listing Rules applying the recognition and measurement criteria of applicable Accounting Standards and interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report is presented in United States dollars and is prepared on the historical cost basis except for derivative financial instruments that have been measured at fair value. All values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Corporations Instrument 2016/191. The Company is an entity to which the class order applies.

The accounting policies have been applied consistently throughout the consolidated entity for purposes of this financial report.

Energy World Corporation has adopted all mandatory applicable Australian Accounting Standards and AASB interpretations as of 1 July 2023.

### (b) Going Concern

As at 30 June 2024 the Group's consolidated balance sheet shows a net current liability position of \$39.1 million.

A letter of financial support has been received from EWI. The Directors remain confident EWC will secure the required levels of funding at the appropriate times in order for EWC to pay its debts as and when they fall due.

On this basis, the Directors are of the opinion that the Group can continue as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not therefore include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

### (c) New accounting standards and interpretations

#### (i) Accounting Standards and Interpretations issued

Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended that will be effective from the company's financial year beginning 1 July 2023.

Standard/Interpretation	Effective for annual reporting periods beginning on or after
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 Jan 2023
Definition of Accounting Estimates - Amendments to IAS 8	1 Jan 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 Jan 2023

# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (d) Fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Cash, short-term deposits, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates and the risk characteristics of the financed project.

(iii) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps. The most frequently applied valuation techniques include forward swap models, using present value calculations. The models incorporate various inputs including the interest rate curves of the underlying commodity.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

For the year ended 30 June 2024, the Group held no financial instruments with the characteristics level 3 financial instruments described above.

For these financial instruments not quoted in active markets, the Group uses valuation techniques such as present value, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

During the reporting period ended 30 June 2023 and 30 June 2024, there were no transfers between level 1 and level 2 fair value measurements.

The fair value of financial assets and financial liabilities approximate their carrying value.

### (e) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Energy World Corporation Ltd and its controlled entities as at 30 June 2024.

#### (i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has; power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements, less any impairment charges.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (e) Basic of consolidation (continued)

#### (i) Subsidiaries (continued)

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

#### (ii) Jointly Controlled Operations and Assets

The interest of the Company and of the consolidated entity in unincorporated joint operation and jointly controlled assets are brought to account by recognising in its financial statements the assets it controls, the liabilities that it incurs, the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint operation.

### (f) Changes in accounting policies

The Group has adopted all of the new mandatory applicable standards and amendments to existing standards as of 1 July 2023. There were no other changes to the accounting policies adopted compared with those of the previous financial year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### (g) Property, Plant and Equipment

#### (i) Owned Assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 1(j)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

#### (ii) Depreciation

With the exception of freehold land and oil and gas assets, depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Oil and gas assets are depreciated on a unit of production basis over the life of the economically recoverable reserves. The estimated useful lives in the current and comparative periods are as follows:

Buildings	14 to 22 years
Plant and Equipment	5 to 25 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed annually.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (h) Oil and Gas Assets

Development expenditure is stated at cost less accumulated depletion and any impairment in value. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the field, on a unit-of-production basis. Costs are amortised only once production begins.

Oil and gas assets include costs transferred from exploration and evaluation assets once technical feasibility and commercial viability of an area of interest are demonstrable.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations do not give rise to prior year financial period adjustments and are dealt with on a prospective basis.

### (i) Exploration and Evaluation Expenditure

During the geological and geophysical exploration phase, costs are charged against profit and loss as incurred. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. If no reserves are found, the exploration asset is tested for impairment, if extractable hydrocarbons are found and, subject to further appraisal activity, which may include the drilling of further wells, is likely to be developed commercially; the costs continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons.

All such carried costs are subject to technical, commercial and management review as well as review for impairment at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. When proved reserves of hydrocarbons are determined and development is sanctioned, the relevant expenditure is transferred to oil and gas properties after impairment is assessed and any resulting impairment loss is recognised.

### (j) Financial Assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (j) Financial Assets (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### **Financial assets at amortised cost (debt instruments)**

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### **Financial assets at fair value through OCI (debt instruments)**

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling
- And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (j) Financial Assets (continued)

#### **Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

#### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch or managing it on the fair value basis.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (j) Financial Assets (continued)

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired  
Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost of effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (j) Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### (k) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### (l) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Reserve cash is cash held in reserve accounts against the project finance which will be accessible to repay the bridging facility and letter of credit available in the group.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (m) Impairment of non-financial assets

The carrying amounts of the consolidated entity's assets, other than inventories (see accounting policy 1(h)) and deferred tax assets (see accounting policy 1(q)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

#### (i) Calculation of Recoverable Amount

The recoverable amount of the consolidated entity's investments in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted. The recoverable amount of other assets is the greater of their 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. 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.

#### (ii) Reversals of Impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (n) Interest-Bearing Borrowings

Interest-bearing loans and borrowings are initially recognised at fair value of consideration received less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis. Debentures, bills of exchange and notes payable are recognised when issued at the net proceeds received, with the premium or discount on issue amortised over the period to maturity. Interest expense is recognised on an effective yield basis.

#### (i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### (o) Employee Benefits

#### (i) Defined Contribution Superannuation Funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the statement of comprehensive income as incurred.

#### (ii) Long-Term Service Benefits

The consolidated entity's net obligation in respect of long-term service benefits, other than defined benefit superannuation funds, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the government bond rates at the balance sheet date which have maturity dates approximating to the terms of the consolidated entity's obligations.

#### (iii) Wages, Salaries, Annual Leave, Sick Leave and Non-Monetary Benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date, represent present obligations resulting from employees' services provided to reporting date. These are calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the consolidated entity as the benefits are taken by the employees.

#### (iv) Defined Benefit Plan

The cost of providing employee benefit under Indonesian Law is determined using the projected unit credit actuarial valuation method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. These gains or losses are recognised on a straight line basis over the expected average remaining working lives of the employees.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (o) Employee Benefits (continued)

#### (iv) Defined Benefit Plan (continued)

Further, past-service costs arising from the introduction of a defined benefit plan or changes in the benefit payable of an existing plan are required to be amortised over the period until the benefits concerned become vested.

For expatriate employees, the provision for service entitlements is calculated based on the actual years of service, calculated in accordance with the expatriate employees' employment arrangement and the Company's expatriate personnel policy.

### (p) Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### (i) Site Restoration

In accordance with the consolidated entity's environmental policy and applicable legal requirements, a provision for site restoration is recognised when the disturbance or other activity is incurred.

The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period.

The amount of the provision for future restoration costs is capitalised and is depreciated in accordance with the policy set out in note 1(e). The unwinding of the effect of discounting on the provision is recognised as a finance cost. The amount of the provision relating to rehabilitation of environmental disturbance caused by on-going production and extraction activities is recognised in the statement of comprehensive income as incurred.

### (q) Trade and Other Payables

Trade and other payables are stated at their amortised cost. Other than those with related parties, trade payables are non-interest bearing and are normally settled from 30-day terms to 90-day terms.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (r) Revenue

#### (i) *Revenue from contract with customers*

The Group's revenue arising from contracts with customers are primarily related to sale of goods. The accounting policies are explained as follow:

The Group is engaged in the production and sale of power and natural gas. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. Revenue is recognized based on the consideration stated in the contract and is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. In accordance with AASB 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

#### (ii) *Interest*

Interest is recognised as the interest accrues to the net carrying amount of the financial assets.

### (s) Expenses

#### (i) *Lease Payments*

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### (ii) *Financing Costs*

Financing costs comprise interest payable on borrowings calculated using the effective interest method, dividends on redeemable preference shares, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the statement of comprehensive income. Borrowing costs are expensed as incurred and included in net financing costs where it does not relate to a qualifying asset.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (t) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

The Group is subject to income taxes in multiple jurisdictions to be exercised in determining the Groups provision for income taxes. There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Current and deferred tax liabilities and assets are recognized at the amount expected to be paid or recovered from the taxation authorities.

### (u) Petroleum Resource Rent Tax (“PRRT”)

In addition to corporate income taxes, the consolidated financial statements also include and disclose certain taxes determined from oil and gas production and levied on net income.

Resource rent taxes and government royalties are treated as taxation arrangements when they are imposed under Government authority and when the calculation of the amount payable falls within the definition of “taxable profit” for the purposes of AASB 112. Current and deferred tax is then provided on the same basis as described in income taxes above.

The Australian Government enacted legislation to extend the PRRT regime to all onshore oil and gas projects, from 1 July 2012. PRRT is applied to onshore and offshore oil and gas projects at a rate of 40%. State petroleum royalties will continue to apply to projects within state jurisdictions; however these royalties are fully creditable against PRRT liabilities. The extended PRRT applies to EWC’s Australian operations.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (v) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the board of directors.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Refer to note 2.

### (w) Value-Added and Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) and value-added tax (VAT), except where the amount of GST and VAT incurred are not recoverable from the taxation authority. In these circumstances, the GST and VAT are recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST and VAT included. The net amount of GST and VAT recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST and VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

### (x) Income taxes

The Group is subject to income taxes in multiple jurisdictions which require significant judgment to be exercised in determining the Groups provision for income taxes. There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Current and deferred tax liabilities and assets are recognized at the amount expected to be paid or recovered from the taxation authorities.

### (y) Foreign currency translation

#### (i) *Functional and presentation currency*

Both the functional and presentation currency of Energy World Corporation Ltd is United States Dollars (\$). The Australian subsidiaries' functional currency is Australian Dollars which is translated to presentation currency (see below).

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (y) Foreign currency translation (continued)

#### (ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying 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 balance sheet date. 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.

#### (iii) Translation of Group Companies functional currency to presentation currency

The results of the Australian subsidiaries are translated into United States Dollars as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at balance date. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity-

### (z) Significant Accounting Judgements, Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on management's judgement regarding estimates and assumptions of future events. The reasonableness of estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of certain assets and liabilities within the next annual reporting period are:

#### (i) Estimates of Reserve Quantities

The estimated quantities of proven and probable hydrocarbon reserves reported by the Group are integral to the calculation of depletion and depreciation expense and to assessments of possible impairment of assets. Estimated reserve quantities are based upon interpretations of geological and geophysical models and assessments of the technical feasibility and commercial viability of producing the reserves. These assessments require assumptions to be made regarding future development and production costs, commodity prices, exchange rates and fiscal regimes. The estimates of reserves may change from period to period as the economic assumptions used to estimate the reserves can change from period to period, and as additional geological data is generated during the course of operations. Reserves estimates are prepared in accordance with the Group's policies and procedures for reserves estimation.

#### (ii) Exploration and Evaluation

The consolidated entity's policy for exploration and evaluation expenditure is discussed in note 1(g). The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, particularly in relation to the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available.

If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future exploration or sale, then the relevant capitalised amount will be written off to the statement of comprehensive income.

# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 1. Summary of Significant Accounting Policies (continued)

### (z) Significant Accounting Judgements, Estimates and Assumptions (continued)

The carrying amount of exploration and evaluation assets is disclosed in Note 6.

### (iii) Provision for Restoration

The consolidated entity's policy for providing for restoration is discussed in Note 1(p).

### (iv) Impairment of Oil and Gas Assets

The consolidated entity's policy for impairment of oil and gas assets is discussed in Note 1(h).

### (v) Carrying values of property, plant and equipment

There are certain estimates and assumptions made by management that support the carrying values of its property, plant and equipment at the reporting date, particularly in relation to its LNG and power projects in Indonesia, the power and Hub terminal in the Philippines and the Gilmore and Eromanga projects in Australia. These assessments require assumptions to be made regarding future government approvals to operate its planned facilities, the ability to raise sufficient funds to complete the project and the completion of an off-take agreement. Any changes in one or more of these judgements may impact the carrying value of these assets. The Group's policy for accounting for property, plant and equipment is discussed in note 1(e).

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 2. Operating Segments

### (a) Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on geographic locations in which the Group operates, and the nature of the activity performed by the Group. The Group has determined that it has five operating segments, being: oil and gas in Australia, power in Australia, oil and gas in Indonesia, power in Indonesia and project development. While project developments are based in different geographic locations, they are of the same name of activity, which is assets under construction that are not yet operating. As these assets are not yet operating, they are more alike and suited to aggregation with one another than to the existing operating segments.

Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold and/or the future products to be produced, as these are the sources of the Group's major risks and have the most effect on the rates of return.

### (b) Major customers

The Group supplies Indonesian Government agencies that combined account for 97.0% of external revenue (2023: 97.0%). The next most significant customer accounts for 3.0% (2023: 3.0%).

Revenue from external customers by geographic locations is detailed below. Revenue is attributed to geographic location based on the location of the customers. The Company does not have external revenues from external customers that are attributable to any foreign country other than as shown.

	<b>2024</b>	2023
	<b>US\$'000</b>	US\$'000
Indonesia	<b>24,023</b>	33,904
Australia	<b>749</b>	1,043
<b>Total revenue</b>	<b>24,772</b>	34,947

# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 2. Operating Segments (continued)

### (c) Segment revenue, expenses, assets and liabilities

Inter-segment pricing is determined on an arm's length basis.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

	<u>Australia</u>		<u>Indonesia</u>		Power		Project development		Corporate		<u>Total</u>	
	Oil & Gas		Oil & Gas									
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Sales revenue	749	1,043	24,023	10,921	-	22,983	-	-	-	-	24,772	34,947
<b>Result</b>												
Segment result	65	(357)	16,701	4,041	-	10,264	-	-	-	-	16,767	13,948
Impairment Loss	-	-	-	-	-	-	(2,104)	(35,831)	(8,910)	-	(11,014)	(35,831)
Gain on sale of fixed assets	-	-	-	-	-	29,802	-	-	-	-	-	29,802
Depreciation and amortisation	(61)	(122)	(2,310)	(2,202)	(89)	(10,741)	-	-	(2,293)	(628)	(4,754)	(13,693)
Net financing cost											(37,796)	(31,484)
Unallocated corporate result											(10,453)	(6,453)
Foreign currency exchange gain/(loss)											538	(492)
Profit / (loss) before income tax											(46,712)	(44,203)
Income tax expense											(2,954)	(3,915)
Net-profit after tax											(49,666)	(48,118)
Non-controlling interest											794	2,180
<b>Net profit / (loss) attributable to owners of the parent</b>											<b>(50,460)</b>	<b>(50,298)</b>
Current assets	1,314	1,341	9,388	10,914	432	2,958	224	170	1,213	70,274	12,571	85,657
Segment assets	6,621	6,713	61,717	64,607	2,144	2,968	1,496,675	1,508,589	19,512	76,513	1,586,669	1,659,391
Segment liabilities	(11,778)	(9,467)	(28,402)	(44,138)	(9,616)	(13,058)	(729,301)	(695,361)	(98,629)	(142,301)	(877,727)	(904,325)

# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 2. Operating Segments (continued)

### (d) Segment assets and liabilities reconciliation to the statement of financial position

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Reconciliation of segment operating assets to total assets:

	2024	2023
	US\$'000	US\$'000
Segment current operating assets	<b>11,358</b>	15,383
Corporate cash	<b>76</b>	236
Cash held in reserve accounts	-	51,521
Short term deposit	<b>337</b>	17,129
Prepayments and other	<b>801</b>	1,388
Current corporate assets	<b>1,214</b>	70,274
<b>Total current assets per the statement of financial position</b>	<b>12,572</b>	85,657

	2024	2023
	US\$'000	US\$'000
Segment operating assets	<b>1,567,157</b>	1,582,877
Corporate cash	<b>76</b>	236
Short term deposit	-	17,129
Non-current cash held in reserve accounts	-	51,521
Non-current prepayments and other assets	<b>19,436</b>	7,628
<b>Total assets per the statement of financial position</b>	<b>1,586,669</b>	1,659,391

Reconciliation of segment operating liabilities to total liabilities:

	2024	2023
	US\$'000	US\$'000
Segment operating liabilities	<b>779,098</b>	762,024
Deferred tax liabilities	<b>20,556</b>	21,793
Interest-bearing borrowings	<b>71,370</b>	117,975
Provisions and other	<b>15,325</b>	2,533
<b>Total liabilities per the statement of financial position</b>	<b>886,349</b>	904,325

# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 3. Cash Held in Reserve Accounts

	2024	2023
	US\$'000	US\$'000
Cash held in reserve accounts - current	402	51,982
Cash held in reserve accounts – non-current	4,862	4,862
	<u>5,264</u>	<u>56,844</u>

As at 30 June 2024, cash of \$5.3 million is held in reserve accounts for the following purpose.

- \$0.04 million as Security Deposits made by Energy World Corporation Ltd (\$0.04 million); \$0.36 million Australian Gasfields Limited (\$0.38 million); \$0.06 million Central Energy Australia Pty Ltd. (\$0.06 million)
- \$4.0 million as Abandonment Site Restoration provision made by Energy Equity Epic (Sengkang) Pty Ltd
- \$0.88 million of Bank Guarantee for further exploration and evaluation work made by Energy Equity Epic (Sengkang) Pty Ltd

As at 30 June 2023, cash of \$56.8 million is held in reserve accounts for the following purpose.

- \$51.5 million as security for payment to HSBC of the corporate facility (Note 9(b))
- \$0.04 million as Security Deposits made by Energy World Corporation Ltd (\$0.04 million); \$0.36 million Australian Gasfields Limited (\$0.38 million); \$0.06 million Central Energy Australia Pty Ltd. (\$0.06 million)
- \$4.0 million as Abandonment Site Restoration provision made by Energy Equity Epic (Sengkang) Pty Ltd
- \$0.88 million of Bank Guarantee for further exploration and evaluation work made by Energy Equity Epic (Sengkang) Pty Ltd

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 4. Interests in Oil and Gas Operations

Australian Gasfields Limited (AGL) has a 33.3% interest in PEL 96 and a 2% interest in the Naccowlah Block (ATP-1189P).

	Ownership Interest	
	2024	2023
	%	%
PL115 & PL116 Eromanga (Australia) extended to September 2026	<b>100.0</b>	100.0
PL65 Gilmore (Australia)	<b>100.0</b>	100.0
PL1111, 1112, 1113 & 1114 (formerly 1030, 1031, 1032 & 1033) (Australia) extended to July 2051	<b>100.0</b>	100.0
PL1115 Eromanga (Australia) (formerly PL184)	<b>100.0</b>	100.0
PL 117 Eromanga (Australia) extended to September 2026	<b>100.0</b>	100.0
PL 96 (Australia) extended to 12 November 2024	<b>33.3</b>	33.3
Naccowlah Block (part of ATP-259P) (Australia)	<b>2.0</b>	2.0

The principal activity of these Oil and Gas Operations is the exploration and development of oil and gas prospects.

## 5. Oil and Gas Assets

	2024	2023
	US\$'000	US\$'000
Opening balance	<b>53,540</b>	57,202
Revision on estimated abandonment and restoration costs	-	(1,873)
Amortisation	<b>(3,798)</b>	(1,789)
Closing balance	<b>49,742</b>	53,540

## 6. Exploration and Evaluation Expenditure

	2024	2023
	US\$'000	US\$'000
Opening balance	<b>30,198</b>	56,107
Additions	-	56
Foreign currency translation	<b>92</b>	(847)
Impairment loss	<b>(5,618)</b>	(25,118)
Closing balance	<b>24,672</b>	30,198

# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 7. Property, plant and equipment

	Freehold land US\$'000	Buildings on freehold land US\$'000	Plant and equipment US\$'000	Assets under construction US\$'000	Total US\$'000
<b>Assets at Cost</b>					
Balance at 1 July 2022	2,335	2,710	417,342	1,460,244	1,882,631
Additions	-	-	474	23,660	24,134
Disposals	-	-	(405,181)	-	(405,181)
Foreign currency translation	(1)	(11)	(1,278)	(116)	(1,406)
Balance at 30 June 2023	2,334	2,699	11,357	1,483,788	1,500,178
Balance at 1 July 2023	2,334	2,699	11,357	1,483,788	1,500,178
Additions / (Disposal)	-	-	-	7,732	7,732
Impairment	-	-	(3,292)	-	(3,292)
Foreign currency translation	(2)	(12)	265	(423)	(172)
Balance at 30 June 2024	2,332	2,687	8,330	1,491,097	1,504,446
<b>Depreciation</b>					
Balance at 1 July 2022	-	(1,049)	(401,126)	-	(402,175)
Depreciation charge for the year	-	-	(11,023)	-	(11,023)
Disposal	-	-	403,705	-	403,705
Impairment	-	-	-	(10,713)	(10,713)
Foreign currency translation	-	14	1,110	-	1,124
Balance at 30 June 2023	-	(1,035)	(7,334)	(10,713)	(19,082)
Balance at 1 July 2023	-	(1,035)	(7,334)	(10,713)	(19,082)
Depreciation charge for the year	-	-	(309)	-	(309)
Impairment	-	-	-	(2,104)	(2,104)
Foreign currency translation	-	2	69	-	71
Balance at 30 June 2024	-	(1,033)	(7,574)	(12,817)	(21,424)
<b>Carrying amount</b>					
At 30 June 2023	2,334	1,664	4,023	1,473,075	1,481,096
At 30 June 2024	2,332	1,654	756	1,478,280	1,483,022

The Assets under construction (June 2024) comprise of:

- \$606.0 million (June 2023: \$606.0 million) applicable to the Sengkang LNG plant development;
- \$615.2 million (June 2023: \$615.2 million) applicable to the Philippines Power project;
- \$202.1 million (June 2023: \$195.0 million) applicable to the Philippines LNG project; and
- \$54.6 million (June 2023: \$56.6 million) applicable to Gilmore and other projects.

# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 8. Impairment Testing

The carrying values of the Assets under development and the oil and gas assets are based on the assumptions and detailed analyse outlined in this report. The auditor is currently reviewing these assumptions and related information and will be discussing these with the Company management and directors. As a consequence some further adjustments may be made to the carrying value of the assets under development and the oil as gas assets at the point of final audit and upon the release of the year end audited financial report and accounts.

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 30 June 2024, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of the assets under construction, oil and gas assets and exploration and evaluation assets.

As a result of indicators of impairment having been identified, the Group undertook impairment tests of each of the assets listed below.

- a) Assets under construction – aggregate carrying amount of \$1,478.3 million

The Group's assets under construction had the following carrying amounts as at 30 June 2024:

- Sengkang LNG Facility - \$606.0 million
- Philippines Power Plant - \$615.2 million
- Philippines LNG Hub Terminal - \$202.1 million
- Gilmore LNG Facility - \$56.6 million

The recoverable amounts of the assets under construction were determined based on Value In Use (VIU) calculations using cash flow projections from financial budgets approved by the directors and extrapolated for the useful lives of the assets. As a result of the analyses, management did not identify an impairment for any of these CGUs.

(i) **Key assumptions used in VIU calculation – Philippines Power Plant**

The calculation of VIU is most sensitive to the following assumptions:

- WESM electricity tariffs – the Group intends to sell all of the electricity generated by the Philippines Power Plant into the Wholesale Electricity Spot Market (WESM) for the Luzon grid. As there are no reliable, publicly available forecasts for the WESM, the directors have adopted pricing assumptions based on historical WESM data and the intention to run the power plant as a mid-merit facility, with a capacity factor of 75%. The VIU model assumes a WESM price based upon the data available per kilowatt hour in year 1, which is subsequently inflated at the forecast long-term Philippines inflation rate. As the Group does not have any power purchase agreements in place the pricing ultimately achieved by the Power Plant is subject to fluctuations in the WESM spot market, which are wholly outside of the Group's control.
- LNG feedstock prices – derived from publicly available long-term forecasts for LNG shipped to Asia. As the Group does not have any LNG contracts in place it is subject to volatility in LNG pricing, which is wholly currently outside of its control.
- Discount rates – a post – tax discount rate of 12.5% was adopted

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 8. Impairment Testing (continued)

### (ii) Key assumptions used in VIU calculation – Philippines LNG Hub Terminal

The calculation of VIU is most sensitive to the following assumptions:

- Tolling fees – the Group intends to utilize the LNG Hub Terminal to supply gas to the Group's Philippines Power Plant and to third parties within the Philippines. The Group expects that customers will purchase the LNG at the prevailing market prices at the time of purchase and the Group will charge customers a tolling fee for use of the Hub Terminal. The Group currently does not have any contracts in place in respect of sales to be made through the Hub Terminal and at present there are not comparable assets operating in the Philippines. As a result, the directors have adopted tolling fee assumptions with reference to those observed in other Asian markets such as Singapore and the long-term forecast inflation rate for the Philippines.
- Demand for LNG in the Philippines – the VIU model assumes that initially 100% of the gas that flows through the Hub Terminal will be utilized by the Group's Philippines Power Plant, with the introduction of third parties from year 4 of operation. As noted above, the Group does not have any LNG supply contracts or other arrangements in place at this time, however, the directors are confident that demand for LNG in the Philippines will exceed supply.
- Discount rate – a post – tax discount rate of 12.5% was adopted.

The directors consider that there are no reasonably possible changes to any of the above assumptions that would result in an impairment.

### (i) Key assumptions used in VIU calculation – Sengkang LNG Facility

The calculation of VIU is most sensitive to the following assumptions:

- LNG sales prices – due to the regulations in place in respect of the use of domestic gas reserves, the Group expects to sell all of the LNG produced at the facility to domestic customers within Indonesia. The Group has yet to enter any formal offtake agreements, however, based on discussions to date, the directors remain confident that the assumptions utilized in the VIU calculations are appropriate.
- Availability of feedstock gas – the WASAMBO gas reserves that are contained within the Sengkang PSC, in which the Group has a 51% interest, were originally approved under a plan of development for the purposes of being utilized as feedstock gas. The directors continue to assume that the WASAMBO reserves will be used for this purpose and have also assumed that the remaining gas required to produce the volumes of LNG assumed in the VIU calculations will come from other reserves and resources contained within the Sengkang PSC or, if necessary, from third parties.
- Discount rate – a post – tax discount rate of 12.7% was adopted.

The directors consider that there are no reasonably possible changes to any of the above assumptions that would result in an impairment.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 8. Impairment Testing (continued)

### (iii) Key assumptions used in VIU calculation – Gilmore LNG Facility

The calculation of VIU is most sensitive to the following assumptions:

- LNG sales prices – the Group expects to sell LNG produced at this facility as a cleaner replacement for diesel fuel to industrial users within nearby regional areas. The Group has yet to enter any formal offtake agreements, however, the pricing assumed within the VIU calculations can be significantly less than current diesel pricing without an impairment arising.
- Feedstock gas prices – the VIU calculations were prepared on the basis that feedstock gas acquired for conversion into LNG will cost approximately one-third of the ultimate LNG sales price.
- Discount rate – a post – tax discount rate of 10% was adopted.

The directors consider that there are no reasonably possible changes to any of the above assumptions that would result in an impairment.

### b) Australia Gas – Gilmore & Eromanga Gas Fields

The recoverable amount of the Gilmore & Eromanga Gas Fields was determined with reference to the Fair Value Less Costs to Sell (FVLCS). The FVLCS was estimated based upon comparable transactions conducted at arm's-length for the sale and purchase of gas reserves, resources and related plant within the same geographical region of Australia. The estimate of FVLCS is considered to be Level 2 of the fair value hierarchy.

### c) Indonesian Oil & Gas

Since the Group is in discussions with SKK Migas and its partner in the PSC to utilise all of EEES' reserves for the purposes of feedstock to the Sengkang LNG Facility and/or a renewed gas sales agreement to PLN at a later date, impairment testing of the EEES assets (being comprised of oil and gas assets of \$49.7 million and exploration and evaluation assets of \$16.9 million) was conducted. The recoverable amount of this CGU was determined based on Value In Use (VIU) calculations using cash flow projections from financial budgets approved by the directors and extrapolated for the useful lives of the assets. As a result of the analysis, management did not identify an impairment.

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# Notes To The Financial Statements

For The Year Ended 30 June 2024

## 9. Interest-Bearing Liabilities

		2024	2023
		US\$'000	US\$'000
<b>Current</b>			
EEES US\$125 million Loan Agreement Standard Chartered Bank and Mizuho Corporate Bank	(a)	-	16,820
US\$51 million Revolving Loan Facility Agreement with HSBC	(b)	-	50,832
Slipform US\$432 million Term Loan	(c)	-	666,315
EWI facilities	(d)	-	84,570
<b>Total current</b>		<b>-</b>	<b>818,537</b>
<b>Non-current</b>			
Slipform US\$432 million Term Loan	(d)	<b>687,159</b>	-
EWI facilities	(e)	<b>90,664</b>	-
<b>Total non-current</b>		<b>777,823</b>	-
<b>Total interest-bearing liabilities</b>		<b>777,823</b>	<b>818,537</b>

**(a) US\$125,000,000 Loan Agreement with Standard Chartered Bank and Mizuho Corporate Bank Ltd**

The loan was fully repaid on 31 October 2023.

**(b) US\$51,000,000 Revolving Loan Facility Agreement with the Hongkong and Shanghai Banking Corporation Limited**

This loan was fully repaid on 31 August 2023 and the linked reserve accounts closed.

**(c) Slipform US\$432,753,688 Term Loan Agreement**

A term loan agreement was entered into between Slipform Engineering International (HK) Limited (SEIL), PT Slipform Indonesia (PTSI) and Energy World Corporation Limited (EWC) to convert the accounts payable of US\$432,753,688 related to projects under construction and accrued interest and fees into a seven year term loan. On 2 June 2021, a Deed of Amendment was signed, effective from 1 July 2021; interest rate was reduced to 6% and a final repayment date of 30 June 2024.

On 6 June 2024, the repayment day was further extended to 30 June 2026.

**(d) EWl Facilities**

(i) On 2 June 2021, a Deed of Amendment was signed, effective from 1 July 2021, interest rate of all EWl loans was reduced to 6% and repayment date extended to 30 June 2024. On 6 June 2024 the repayment date was further extended to 30 June 2026.

(ii) To fund the payment of outstanding liabilities and to provide additional working capital for corporate and general business purposes, the Company entered into an additional unsecured loan facility with EWl for an amount up to AU\$20million. Any amount drawn under this new EWl Loan is repayable on 30 June 2026 and carries an interest rate of 12%.

# Notes To The Financial Statements

For The Year Ended 30 June 2024

## Annual Meeting


The annual meeting will be held as follows:

Location: Sydney Australia and Hybrid (To be advised)  
Date: 28 November 2024  
Time: To be advised

The annual report will be available on or before 30 September 2024.

## Compliance Statement

This report is based on accounts currently being audited.

Sign here:  ..... Date: 30 August 2024  
Managing Director

Print name: Brian Allen

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