ENERGY WORLD CORPORATION LTD.

Energy World Corporation Ltd and its controlled entities

ABN 34 009 124 994

Preliminary Final Report
30 June 2020

Appendix 4E
Energy World Corporation Ltd and its Controlled Entities
ABN 34 009 124 994

Preliminary Full Year Results

Results for announcement to the market

			2020 *$US'000*	2019 *$US'000*
Revenue	Up	6.8%	159,245	149,164
Profit after tax	Down	40.5%	17,482	29,357
Net Profit from ordinary activities after tax attributable to members	Down	42.8%	16,196	28,307
Total comprehensive income for the period attributable to members	Down	36.7%	16,011	25,288

Dividends	Amount per security	Franked Amount per security
Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividend:		N/A

Commentary on the results for the period
The commentary on the results of the period is contained in the Review and Results of Operations included in the Financial Report.

	30 June 2020	30 June 2019
Net Tangible Asset Backing		
Net tangible asset backing per ordinary security	$0.36	$0.35

Energy World Corporation Ltd and its controlled entities

ABN 34 009 124 994

Preliminary Financial Report

30 June 2020

Review and Results of Operations

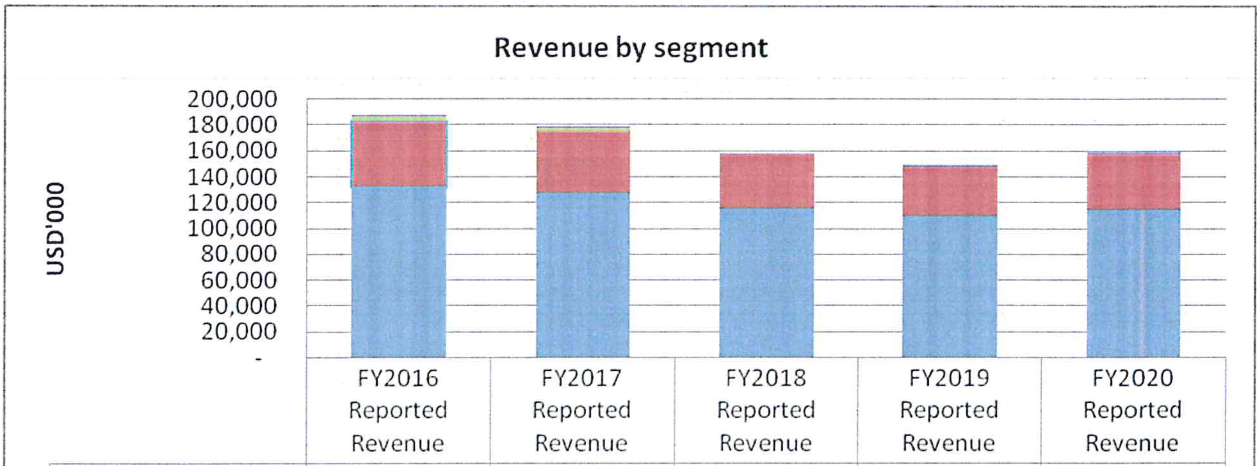
This financial report is presented in US Dollars, the functional currency for the parent entity of Energy World Corporation Ltd ("EWC").

Revenue for the consolidated group for the year ended was $159.2 million. This represents a 6.8% increase in the revenues as compared to FY19 of $149.2m.

In Indonesia, the revenue from gas sales has increased $5.3 million due to higher volumes delivered as a result of new compressors installed and operational from July 2019. The revenue from power has increased by $5.0 million compared to FY19 as a result of this increased availability of gas from Kampung Baru.

In Australia, the revenue from oil & gas decreased by 6.0% during FY20 compared to FY19.

Note 1:

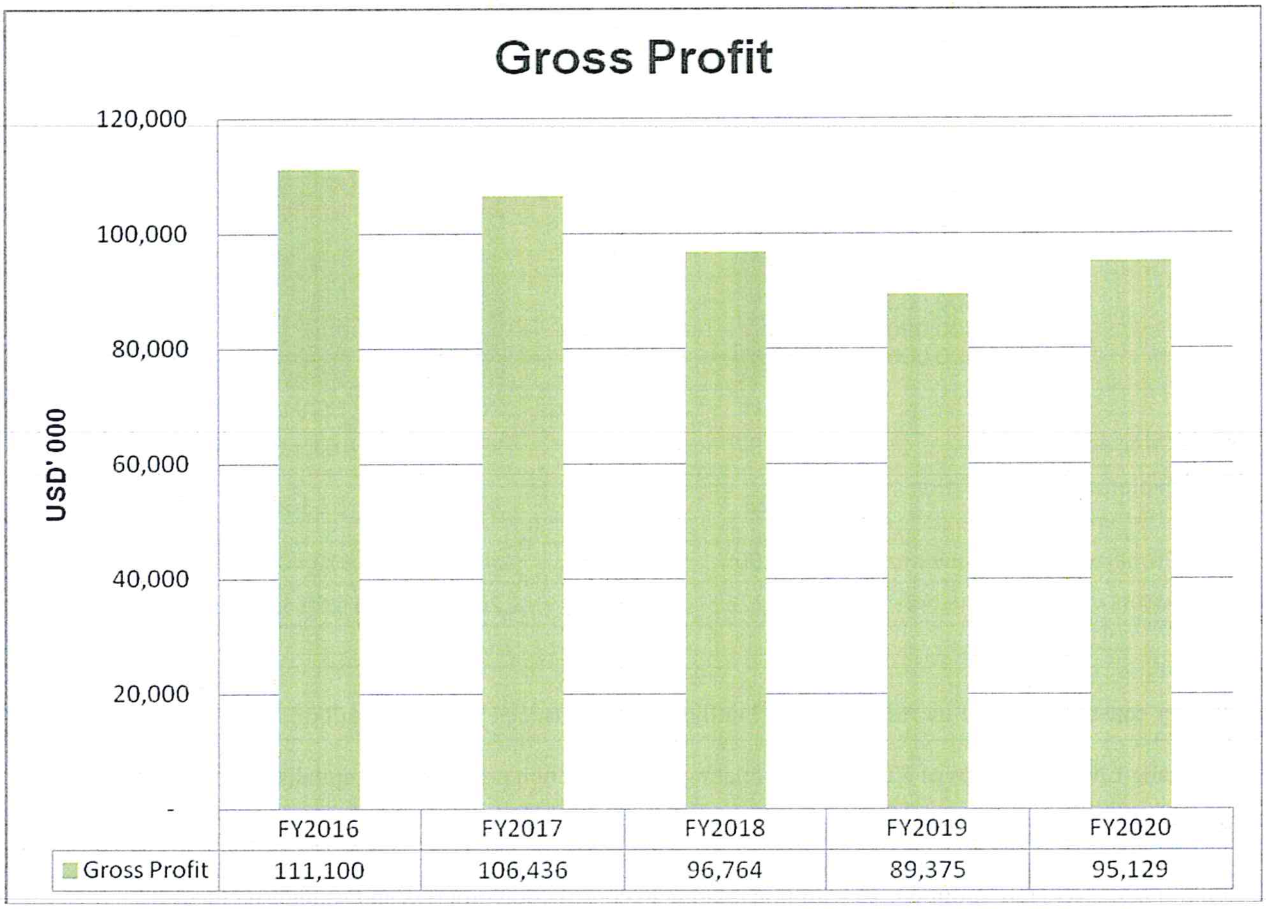


	FY2016 Reported Revenue	FY2017 Reported Revenue	FY2018 Reported Revenue	FY2019 Reported Revenue	FY2020 Reported Revenue
Australia: Oil & Gas	604	465	839	2,359	2,217
Australia: Power	4,356	2,017	-	-	
Indonesia: Oil & Gas	50,905	48,167	41,655	36,596	41,863
Indonesia: Power	131,564	127,124	115,694	110,209	115,165

Review and Results of Operations (continued)

Gross profit for the financial year was $95.1 million (2019: $89.4 million), an increase of 6.4% over the comparative period. (See Note 2)

Note 2:



Gross profit as a percentage of revenue for FY20 is 60%, which is consistent with FY19.

Review and Results of Operations (continued)

Oil & Gas Assets, PP&E, Assets Under Construction and Exploration & Evaluation Assets

	FY2016	FY2017	FY2018	FY2019	FY2020
Oil & Gas Assets	105,137	100,787	95,228	103,115	92,649
Exploration & Evaluation Expenditure	63,425	69,194	74,207	82,164	84,720
Property, Plant & Equipment	210,196	177,628	145,329	113,407	83,255
Assets under construction	1,067,226	1,147,381	1,202,323	1,260,436	1,320,676

Assets under construction have increased by $60.2 million for the financial year as a result of:

- Sengkang LNG: Additions of $21.6 million relating to construction progress and capitalised interest.
- Philippines Power Project: $27.1 million relating to construction progress and capitalised interest.
- Philippines LNG Hub Terminal: $4.9 million relating to construction progress and capitalised interest.
- Gilmore LNG Project: Additions of $2.3 million relating to construction progress and capitalised interest.

Corporate Review

We have filed proceedings in the Supreme Court of New South Wales seeking declaratory relief against Standard Chartered Private Equity (Singapore) Limited ("SCPE") and Augusta Investment I Pte Limited in relation to the transfer of the SCPE US$50m note that was issued in October 2018 (the "Notes"). These proceedings are ongoing and scheduled for case management hearing on 4th September 2020.

This follows receipt of transfer documents from another entity, Affirma Capital Management (Singapore) Limited, which were incorrectly presented, and then the subsequent receipt of another set of transfer documents from SCPE, thus leading to multiple and conflicting demands.

Impact of COVID-19

The Company has continued to implement all of the necessary and suggested recommendations of national and local regional level governments in all areas where it is working in relation to the ongoing COVID-19 Coronavirus Pandemic.

Project Review

Australia:

The work on the reactivation of the Eromanga and Gilmore Gasfields is continuing and ongoing in line with the relevant government guidelines. Staff have been recruited to implement and perform the required technical disciplines associated with these tasks designed to bring these gasfields and gas processing plants back into commercial operation.

We are also currently working with the Department of Natural Resources Mineral and Energy (DRME) on the issues raised in association with the application for PL1030-PL1033 approvals. We have received the approvals from the DRME for a further 7 year renewal of the licenses for PL115, PL116 and transfer of PL117. The Exploration Licence for PEL 96 (a joint venture between Australian Gasfields and Strike Energy) has also been renewed for a further period until 12 November 2024.

Indonesia:

Notwithstanding COVID-19 we have been able to ensure that our Sengkang Power Station and Associated Gasfields continue to operate normally and within their contracted parameters.

Energy Equity (Epic) Sengkang (EEES) finalised negotiations with its existing banking group Standard Chartered Bank, Mizuho Bank and Natixis to convert the existing reserve based financing to a commercial repayment financing structure with a final maturity date of September 2022.

With regard to our PT. South Sulawesi (PTSSLNG) project, meetings have been possible via video conferencing with the Ministry of Forestry, Planology Department, and the regional parties in Wajo South Sulawesi. We remain confident that a positive solution will be reached on the land remapping.

Philippines:

The ongoing lockdown of Luzon as a result of COVID-19 restrictions has affected our ability to carry out normal site operations at our Pagbilao LNG Hub Terminal and Power Plant, however our land acquisition programme for the Right of Way (ROW) has continued and video conferencing meetings have been possible with the Department of Energy (DOE) on both the Pagbilao LNG Hub and Power Projects. We have been advised by DOE the new Pagbilao sub-station being constructed by NGCP is now targeted for completion by January 2022.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and in accordance with that Corporations Instrument, amounts in the financial report and Directors' report have been rounded to the nearest thousand dollars unless otherwise stated.

Auditor

Ernst & Young continue in office in accordance with section 327 of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors:

Brian Jeffrey Allen
Director

Dated 31 August 2020

Energy World Corporation Ltd and its Controlled Entities
Consolidated Statement of Comprehensive Income
For The Year Ended 30 June 2020

	Notes	2020	2019
		US$'000	US$'000
Sales revenue	2	**159,245**	149,164
Cost of Sales		**(64,116)**	(59,789)
Gross profit		**95,129**	89,375
Other income		**178**	413
Depreciation and amortisation expenses		**(37,941)**	(34,487)
Reversal of impairment of exploration and evaluation assets		**-**	8,900
Other expenses		**(16,628)**	(15,233)
Results from operating activities		**40,738**	48,968
Finance income / (expenses)		**(577)**	372
Net financing expenses		**(577)**	372
Foreign currency exchange gain / (loss)		**316**	(784)
Profit before income tax expense		**40,477**	48,556
Income tax expense		**(22,995)**	(19,199)
Net profit for the period		**17,482**	29,357
Profit for the period is attributable to:			
Non-controlling interest		**1,286**	1,050
Owners of the parent		**16,196**	28,307
		17,482	29,357
Net profit for the period		**17,482**	29,357
Other comprehensive income not to be reclassified to profit or loss subsequent periods (net of tax):			
Actuarial (losses) / gains on defined benefit plans		**349**	(167)
Other comprehensive income to be reclassified to profit or loss in Subsequent periods (net of tax):			
Net gain / (loss) on cash flow hedges		**(286)**	(812)
Revaluation on investment to market value		**365**	-
Exchange differences on translation of foreign operations		**(621)**	(2,071)
Other comprehensive income/ (loss) for the period, net of tax		**(193)**	(3,050)
Total comprehensive income for the period		**17,289**	26,307
Total comprehensive income for the period is attributable to:			
Non-controlling interest		**1,278**	1,019
Owners of the parent		**16,011**	25,288
		17,289	26,307

	2020	2019
	Cents	Cents
Basic earnings per share attributable to ordinary equity holders	**0.97**	1.58
Diluted earnings per share attributable to ordinary equity holders	**0.88**	1.49

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 2020

	Notes	2020 US$'000	2019 US$'000
Current Assets			
Cash assets		**1,415**	7,012
Cash held in reserve accounts	3	**27,591**	67,457
Trade and other receivables		**33,496**	30,892
Derivative assets		**-**	78
Inventories		**704**	659
Prepayment		**7,430**	3,713
Total Current Assets		**70,636**	109,811
Non-Current Assets			
Cash held in reserve accounts	3	**51,000**	-
Trade and other receivables		**1,858**	-
Investments		**500**	-
Prepayment		**4,123**	3,587
Derivative assets		**-**	33
Deferred tax assets		**9**	-
Oil and gas assets	5	**92,649**	103,115
Exploration and evaluation expenditure	6	**84,720**	82,164
Property, plant and equipment	7	**1,403,931**	1,373,843
Lease assets		**4,679**	4,316
Right of use assets		**2m565**	-
Total Non-Current Assets		**1,646,033**	1,567,058
Total Assets		**1,716,669**	1,676,869
Current Liabilities			
Trade and other payables		**34,076**	59,966
Trade and other payables – related parties		**10,458**	10,940
Income tax payable		**24,231**	22,321
Interest-bearing borrowings	8	**68,937**	161,441
Hedging liabilities		**103**	-
Provisions		**919**	349
Lease liabilities		**1,802**	1,332
Total Current Liabilities		**140,527**	256,349
Non-Current Liabilities			
Trade and other payables		**29,366**	463
Trade and other payables – related parties		**129,803**	91,953
Interest-bearing borrowings	8	**627,047**	554,789
Deferred tax liabilities		**20,081**	24,617
Hedging liabilities		**6**	-
Provisions		**17,725**	17,738
Lease liabilities		**6,176**	2,310
Total Non-Current Liabilities		**830,204**	691,870
Total Liabilities		**970,731**	948,219
Net Assets		**745,939**	728,650

Energy World Corporation Ltd and its Controlled Entities
Consolidated Statement of Financial Position
As At 30 June 2020

	Notes	2020 US$'000	2019 US$'000
Equity			
Issued capital		**492,733**	492,733
Other reserves		**16,085**	16,270
Retained profits		**221,669**	205,473
Shareholders' equity attributable to owners of Energy World Corporation Ltd		**730,487**	714,476
Non controlling interest		**15,452**	14,174
Total Shareholder's Equity		**745,939**	728,650

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

Energy World Corporation Ltd and its Controlled Entities
Consolidated Statement of Changes in Equity
For The Year Ended 30 June 2020

	Issued capital US$'000	Other reserves US$'000	Accumulated profits / (losses) US$'000	Owners of the Parent US$'000	Non - Controlling Interest US$'000	Total Equity US$'000
Balance at 1 July 2019	492,733	16,270	205,473	714,476	14,174	728,650
Profit for the period			16,196	16,196	1,286	18,502
Other comprehensive income/(loss)	-	(185)	-	(185)	(8)	(1,385)
Total comprehensive income/(loss) for the period	-	(185)	16,196	16,011	1,278	17,289
Balance at 30 June 2020	**492,733**	**16,085**	**221,669**	**730,487**	**15,452**	**745,938**
Balance at 1 July 2018	492,733	15,975	177,166	685,874	13,155	699,029
Profit for the period	-	-	28,307	28,307	1,050	29,357
Other comprehensive income / (loss)	-	(3,019)	-	(3,019)	(31)	(3,050)
Total comprehensive income for the period	-	(3,019)	28,307	25,288	1,019	26,307
Issue of warrant	-	3,314	-	3,314	-	3,314
Balance at 30 June 2019	**492,733**	**16,270**	**205,473**	**714,476**	**14,174**	**728,650**

The consolidated 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 2020

	Notes	2020 US$000	2019 US$000
Cash Flows From Operating Activities			
Receipts from customers		**157,784**	146,707
Payments to suppliers and employees		**(84,981)**	(89,809)
Income tax paid		**(25,630)**	(21,830)
Interest (paid)/received		**(2)**	388
Net Cash Flows Generated from Operating Activities		**47,156**	35,456
Cash Flows From Investing Activities			
Payments for property, plant and equipment		**(6,636)**	(2,428)
Payments for exploration and evaluation		**(2,500)**	(2,132)
Payments for oil and gas assets		**-**	(9,627)
Interest paid – Capitalised in Asset under Construction		**(9,175)**	(14,578)
Net Cash Flows Used in Investing Activities		**(18,311)**	(28,765)
Cash Flows From Financing Activities			
Transfer from /(to) restricted deposit and reserve accounts		**(13,028)**	(751)
Borrowing transaction costs		**(752)**	(1,287)
Repayment of borrowings		**(24,733)**	(69,292)
Proceeds from borrowings		**2,427**	50,350
Proceeds from borrowings – related parties		**2,100**	17,200
Lease payment		**(17)**	-
Net Cash Flows Used in Financing Activities		**(34,003)**	(3,780)
Net Increase/ (Decrease) In Cash Held		**(5,239)**	2,911
Cash at the beginning of the year		**7,012**	4,222
Net foreign exchange differences		**(359)**	(121)
Cash at the end of the financial year		**1,415**	7,012

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

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 2019.

(b) Going Concern

As at 30 June 2020 the Group's consolidated balance sheet shows a net current liability position of $69.9 million. A significant improvement from the previous year due to the renegotiation and refinancing of debt facilities. The net current liability nonetheless indicates a material uncertainly regarding the Group's ability to continue as a going concern. Outlined below are the key factors the Group has considered when assessing the Group's ability to continue as a going concern.

EWC continues to progress other sources of funding to complete the projects under development and to provide working capital to the Company. EWC is confident that we will secure the required levels of funding at the appropriate time to successfully progress and complete the projects and that EWI and Slipform will continue to support the Company.

On this basis, the Directors are of the opinion that the Company 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) Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 30 June 2019, except for the adoption of new standards and amendments, which are effective from 1 July 2019 for the Group:

AASB 16 Leases was applicable to the Group effective 1 July 2019 and has superseded all current lease requirements under Australian Accounting Standards. The Company has concluded its assessment of the impact upon adoption of AASB 16 which is detailed as follows:

1. Summary of Significant Accounting Policies

(c) New accounting standards and interpretations (Continued)

(i) Changes in accounting policy and disclosures (Continued)

A. The accounting policies after 1 July 2019.

Group as a lessee, except for leases, that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments discount using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses it's incremental borrowing rate. After the commencement date, the Group measures the lease liability on an amortised cost basis, which is increasing the carrying amount to reflect interest on the lease liability by using an effective interest method; and reducing the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

The Group applies AASB 136 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and presents interest expense separately from the depreciation charge associate with those leases in the consolidated income statement.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

B. The Group is a lessee and elects not to restate comparative information in accordance with the transition provision in AASB 16. Instead, the Group recognizes the cumulative effect of initially applying AASB 16 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

a) Leases previously classified as operating leases
For leases that were previously classified as operating leases applying AASB 117, the Group has applied the modified retrospective approach by using AASB16.C8(b)(ii) in adopting the new standard, resulting in the adjustment of the opening retained earnings for the difference in profit and loss that would have been recorded in previous periods under the new standard.

On 1 July 2019, the Group's right-of-use asset and lease liability increased by US$3,365k and US$3,365k, respectively.

In accordance with the transition provision in AASB 16, the Group used the following practical expedients on a lease-by-lease basis to leases previously classified as operating leases:

i. Apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
ii. Rely on its assessment of whether leases are onerous immediately before 1 July 2020 as an alternative to performing an impairment review.
iii. Elect to account in the same way as short-term leases to leases for which the lease term ends within 12 months of 1 July 2020.

1. Summary of Significant Accounting Policies

(c) New accounting standards and interpretations (Continued)

(i) Changes in accounting policy and disclosures (Continured)

iv. Exclude initial direct costs from the measurement of the right-of-use asset on 1 July 2019.
v. Use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

b) Leases previously classified as finance leases
For leases that were previously classified as finance leases applying AASB 117, the Group reclassified the lease asset of US$4,316k and the lease payable of US$3,642k as measured by AASB 117 to the right-of-use asset and the lease liability, respectively, on 1 July 2019.

c) As at 1 July 2020, the impacts arising from the adoption of AASB 16 are summarised as follows:
i. The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized in the balance sheet on 1 July 2019 were 7%.
ii. An explanation of any difference between: 1) operating lease commitments applying AASB 117 as at 30 June 2020, discounted using the incremental borrowing rate on 1 July 2019; and 2) lease liabilities recognized in the balance sheet as at 1 July 2019.

Operating lease commitments applying AASB 117 as at 30 June 2019	$1,976
Other leases identified (Including the options to extend the lease that is reasonably certain to exercise $8,798k)	12,972
Gross lease liabilities at 1 July 2020	14,948
Discounting effect using the incremental borrowing rate on 1 July 2019	(11,583)
Add: Lease previously classified as finance lease	3,642
The carrying value of lease liabilities recognized as at 1 July 2019	$7,007

(d) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Energy World Corporation Ltd and its controlled entities as at 30 June 2020.

(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.

Summary of Significant Accounting Policies (continued)

(d) Basis of Consolidation (continued)

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

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.

(e) Changes in accounting policies

The Group has adopted all of the new mandatory applicable standards and amendments to existing standards as of 1 July 2019. 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.

(f) 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.

1. Summary of Significant Accounting Policies (continued)

(g) 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.

(h) 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.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of other inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(j) Financial Assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(i) Financial Assets at Fair Value through Profit or Loss

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

1. Summary of Significant Accounting Policies (continued)

(i) Inventories (continued)

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivable are subsequently carried at amortised cost using the effective interest method less any allowance for impairment.

(iii) Fair Value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis or other valuation models.

(iv) 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.

(j) Impairment

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

1. Summary of Significant Accounting Policies (continued)

(k) Impairment (continued)

(i) Calculation of Recoverable Amount (continued)

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.

(l) 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.

(m) Financial Liabilities at Fair Value through Profit or Loss

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

1. Summary of Significant Accounting Policies (continued)

(n) 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.

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.

(o) 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.

1. Summary of Significant Accounting Policies (continued)

(n) Provisions (continued)

(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.

(p) 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.

(q) Revenue

(i) Goods Sold and Services Rendered

Revenue from the sale of goods is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the statement of comprehensive income in proportion to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

(ii) Interest

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

(r) Expenses

(i) Operating Lease Payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income as an integral part of the total lease expense and spread over the lease term.

(ii) Net Financing Costs

Net 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

1. Summary of Significant Accounting Policies (continued)

(q) Expenses (continued)

(ii) Net Financing Costs (continued)

comprehensive income. Borrowing costs are expensed as incurred and included in net financing costs where it does not relate to a qualifying asset.

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method. Dividend income is recognised in the statement of comprehensive income on the date the entity's right to receive payments is established which in the case of quoted securities is ex-dividend date. The interest expense component of finance lease payments is recognised in the statement of comprehensive income using the effective interest method.

(r) 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.

1. Summary of Significant Accounting Policies (continued)

(s) 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.

(t) 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.

(u) 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.

1. Summary of Significant Accounting Policies (continued)

(v) 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 and the assumption that all existing rights of tenure will remain current. 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.

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(n).

(iv) Impairment of Oil and Gas Assets

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

(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 and the power and Hub terminal in the Philippines. 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).

1. Summary of Significant Accounting Policies (continued)

(w) 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.

(x) Derivative financial instruments and hedging

The Group uses derivative financial instruments (including interest rate swaps) to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year. The fair values of interest rate swap contracts are determined by reference to market values for similar instruments.

For the purposes of hedge accounting, hedges are classified as:

- Fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or
- Cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an un-recognised firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is re-measured to fair value. Gains and losses from both are taken to profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

(ii) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability that is a firm commitment and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity in the cash flow hedge reserve, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

1. Summary of Significant Accounting Policies (continued)

(x) Derivative financial instruments and hedging (continued)

(ii) Cash flow hedges (continued)

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked (due to it being ineffective), amounts previously recognised in equity remain in equity until the forecast transaction occurs.

(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).

(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.

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 98.6% of external revenue (2019 98.4%). The next most significant customer accounts for 1.4% (2019: 1.6%).

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.

	2020	2019
	US$'000	US$'000
Indonesia	**157,028**	146,805
Australia	**2,217**	2,359
Total revenue	**159,245**	149,164

2. Operating Segments (continued)

(c) Segment revenue, expenses, assets and liabilities

All revenues are derived from external customers

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.

	Australia Oil & Gas		Indonesia Oil & Gas		Power		Project development		Corporate		Total	
	2020 US$'000	2019 US$'000	**2020 US$'000**	2019 US$'000	**2020 US$'000**	2019 US$'000	**2020 US$'000**	2019 US$'000	**2020 US$'000**	2019 US$'000	**2020 US$'000**	2019 US$'000
Sales revenue	**2,217**	2,359	**41,864**	36,596	**115,164**	110,209	**-**	-	**-**	-	**159,245**	149,164
Result												
Segment result	**1,536**	1,424	**27,473**	22,996	**54,907**	54,676	**-**	-	**(5,237)**	(4,325)	**78,679**	74,555
Reversal of Impairment	**-**	8,900	**-**		**-**	-	**-**	-	**-**	-	**-**	8,900
Depreciation and amortisation	**(126)**	(545)	**(7,083)**	(1,641)	**(29,495)**	(32,104)			**(1,237)**	(197)	**(37,941)**	(34,703)
Net financing (income)/ cost											**(577)**	372
Foreign currency exchange gain/(loss)											**316**	(784)
Profit before income tax											**40,477**	48,556
Income tax expense											**(22,995)**	(19,199)
Net-profit after tax											**17,482**	29,357
Non-controlling interest											**(1,286)**	(1,050)
Net profit attributable to owners of the parent											**16,196**	28,307
Other Comprehensive income/ (loss)											**(193)**	(3,050)
Current assets	**2,466**	1,152	**14,798**	11,035	**50,561**	42,141	**115**	105	**22,696**	55,378	**70,636**	109,811
Segment assets	**73,664**	70,647	**135,625**	126,626	**122,582**	144,790	**1,320,694**	1,263,851	**94,104**	70,955	**1,716,669**	1,676,869
Segment liabilities	**(6,491)**	(7,267)	**(39,346)**	(34,028)	**(27,636)**	(24,108)	**(605,596)**	(681,286)	**(291,662)**	(201,430)	**(970,731)**	(948,219)

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:

	2020	2019
	US$'000	US$'000
Segment operating assets	**1,652,565**	1,608,158
Current corporate assets	**193**	1,709
Non-current cash held in reserve accounts	**51,194**	51,194
Non-current prepayments and other	**12,717**	15,808
Total assets recorded in the statement of financial position	**1,716,669**	1,676,869

Reconciliation of segment operating liabilities to total liabilities:

	2020	2019
	US$'000	US$'000
Segment operating liabilities	**679,069**	746,761
Deferred tax liabilities	**14,982**	24,617
Interest-bearing borrowings	**261,244**	168,024
Provisions and other	**15,436**	8,817
Total liabilities recorded in the statement of financial position	**970,731**	948,219

3. Cash Held in Reserve Accounts

	2020	2019
	US$'000	US$'000
Cash held in reserve accounts - current	**27,591**	67,457
Cash held in reserve accounts – non-current	**51,000**	-
	78,591	67,457

As at 30 June 2020, cash of $78.6 million was held in reserve accounts for the following purpose.

- $51.0 million as security for payment to HSBC of the corporate facility (Note 8(e))
- $26.7 million as Debt Service Accrual and Debt Service Reserve Sub Accounts and Surplus Fund Account for PT Energi Sengkang (Note 8(c))
- $0.2 million as Security Deposits made by Energy World Corporation Ltd ($0.04 million); Australian Gasfields Limited ($0.1 million); Central Energy Australia Pty Ltd. ($0.06 million)
- $0.01 million as Security Deposits made by Energy World Gas Operations Philippines Inc. . (Note 8(f))
- $0.5 million as Security Deposits made by Energy Equity Epic (Sengkang) Pty Ltd

As at 30 June 2019, cash of $67.4 million was held in reserve accounts for the following purpose.

- $51.0 million as security for payment to HSBC of the corporate facility (Note 8(e))
- $13.0 million as Debt Service Accrual Account, Debt Service Reserve Account and Surplus Fund Account for PT Energi Sengkang (Note 8(c))
- $0.2 million as Security Deposits made by Energy World Corporation Ltd ($0.04 million); Australian Gasfields Limited ($0.09 million); Central Energy Australia Pty Ltd. ($0.06 million) and Energy Equity Epic (Sengkang) Pty Ltd ($0.06 million)
- $0.1 million as Security Deposits made by Energy World Gas Operations Philippines Inc. (Note 8(f))
- $3.1 million as Security Deposits made by Energy Equity Epic (Sengkang) Pty Ltd

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	
	2020	2019
	%	%
PL115 & PL116 Eromanga (Australia) extended to September 2026	**100.0**	100.0
PL65 Gilmore (Australia)	**100.0**	100.0
PL1030, 1031, 1032 & 1033 (formerly ATP-549P) (Australia)#	**100.0**	100.0
PL184 Eromanga Australia)	**100.0**	100.0
PL 117 Eromanga (Australia) extended to September 2026	**100.0**	100.0
PL 96 (Australia) extended to September 2024	**33.3**	33.3
Naccowlah Block (part of ATP-259P) (Australia)	**2.0**	2.0

Petroleum lease numbers have been allocated, applications are being made for titles to be issued and this process is continuing with the Queensland government.

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

5. Oil and Gas Assets

	2020	2019
	US$'000	US$'000
Opening balance	**103,115**	95,228
Additions / (Disposal)	**(6,524)**	9,834
Amortisation	**(3,942)**	(1,947)
Closing balance	**92,649**	103,115

6. Exploration and Evaluation Expenditure

	2020	2019
	US$'000	US$'000
Opening balance	**82,164**	74,207
Additions	**2,556**	1,977
Reversal of impairment	**-**	8,900
Foreign currency translation	**-**	(2,920)
Closing balance	**84,720**	82,164

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
Assets at Cost					
Balance at 1 July 2018	7,185	2,729	415,373	1,202,323	1,627,610
Additions	33	-	1,024	58,113	59,170
Foreign currency translation	(39)	(14)	(1,945)	-	(1,998)
Balance at 30 June 2019	7,179	2,715	414,452	1,260,436	1,684,782
Balance at 1 July 2019	7,179	2,715	414,452	1,260,436	1,684,782
Additions	-	-	1,732	60,240	61,972
Foreign currency translation	-	-	-	-	-
Balance at 30 June 2020	7,179	2,715	416,184	1,320,676	1,746,754
Depreciation					
Balance at 1 July 2018	-	(1,032)	(278,926)	-	(279,958)
Depreciation charge for the year	-	(1)	(32,539)	-	(32,540)
Foreign currency translation	-	-	1,559	-	1,559
Balance at 30 June 2019	-	(1,033)	(309,906)	-	(310,939)
Balance at 1 July 2019	-	(1,033)	(309,906)	-	(310,939)
Depreciation charge for the year	-	-	(31,884)	-	(31,884)
Foreign currency translation	-	-	-	-	-
Balance at 30 June 2020	-	(1,033)	(341,790)	-	(342,823)
Carrying amount					
At 30 June 2019	7,179	1,682	104,546	1,260,436	1,373,843
At 30 June 2020	7,179	1,682	74,394	1,320,676	1,403,931

The Assets under construction comprise of $561.8 million (June 2019: $540.2 million) applicable to the Sengkang LNG plant development; $512.1 million (June 2019: $485.0 million) applicable to the Philippines Power project; $192.2 million (June 2019: $187.3 million) applicable to the Philippines LNG project; and $54.7 million (June 2019: $47.9 million) applicable to other projects.

8. Interest-Bearing Liabilities

		2020 US$'000	2019 US$'000
Current			
PTES US$200 million with Development Finance Institutions	(b)	**10,719**	10,639
EEES US$125 million Secured Borrowing Base Facility with Standard Chartered Bank and Mizuho Corporate Bank	(c)	**12,000**	63,225
US$51 million Revolving Loan Facility Agreement with The Hong Kong and Shanghai Banking Corporation Limited	(d)	**-**	50,813
LNG Hub Corporate Notes	(e)	**23,718**	26,764
US$50million Subscription Agreement with Standard Chartered Private Equity (Singapore) Pte. Ltd	(f)	**22,500**	10,000
Total current		**68,937**	161,441
Non-current			
PTES US$200 million with Development Finance Institutions	(b)	**4,845**	15,833
EEES US$125 million Secured Borrowing Base Facility with Standard Chartered Bank and Mizuho Corporate Bank	(c)	**40,660**	-
Slipform US$432 million Term Loan	(g)	**447,460**	446,739
US$50 million Subscription Agreement with Standard Chartered Private Equity (Singapore) Pte. Ltd.	(f)	**20,679**	31,922
US$51 million Revolving Loan Facility Agreement with The Hong Kong and Shanghai Banking Corporation Limited	(d)	**50,832**	-
EWI US$45 million Facility (Maturity date 1 January 2022)	(h)	**44,682**	44,472
EWI US$10 million Facility (Maturity date 1 January 2022)	(i)	**3,300**	3,300
EWI US$5 million Facility (Maturity date 1 January 2022)	(j)	**4,954**	4,675
EWI US$6 million Facility (Maturity date 1 January 2022)	(k)	**5,899**	5,887
EWI US$2 million Facility (Maturity date 1 January 2022)	(l)	**1,977**	1,961
EWI US$5 million Facility (Maturity date 1 January 2022)	(m)	**1,759**	-
Total non-current		**627,047**	554,789
Total interest-bearing liabilities		**695,984**	716,230

(a) Assets Pledged as Security

The assets and the shares of the entities PT. Energi Sengkang (Indonesian Power) and Energy Equity Epic (Sengkang) Pty. Ltd. (Indonesian Oil & Gas) are pledged as security to the consolidated entities The form of security is a floating charge over the aforementioned entity assets. There are no specific conditions on value of assets pledged.

(b) Sengkang loan and PTES US$200 million with Development Finance Institutions

On 15 July 2011, PTES executed documentation relating to a US$200.0 million term loan facility (the "**PTES Facility**") in connection with the Sengkang Power Plant and the Sengkang Expansion.

The PTES Facility is subject to semi-annual repayments of principal and payments of interest and will be fully repaid on 22 October 2021. US$185 million has been advanced under the PTES Facility, of which US$16.1 million was outstanding as at 30 June 2020, excluding unamortised borrowing costs.

8. Interest-Bearing Liabilities (continued)

(c) Sengkang loan and PTES US$200 million with Development Finance Institutions (continued)

The PTES Facility is secured by substantially of all the assets and shares of PTES. Such secured assets include PTES' interest in the Sengkang Power Plant, PTES' interests pursuant to the Sengkang PPA, PTES' receivables thereunder and PTES' bank accounts.

PTES held US$26.7 million in restricted accounts as security for the facility. Refer to Note 3.

(d) US$125,000,000 Secured Borrowing Base Facility Agreement with Standard Chartered Bank and Mizuho Corporate Bank Ltd

On 19th June 2020, EEES finalised negotiations with its existing banking group to convert the existing reserve based financing to a commercial repayment financing structure with a final maturity date of September 2022. The lenders under the EEES Facility are Standard Chartered Bank and Mizuho Corporate Bank, Ltd. and Natixis (Singapore Branch) (who together are the mandated lead arrangers), with Mizuho Corporate Bank, Ltd. as agent and security trustee.

The EEES Facility is secured by substantially all of the assets and shares of EEES. Such secured assets include EEES's interest in the Sengkang PSC, EEES' receivables pursuant to the Gas Supply Agreement, the Gas Sale and Purchase Agreement and the Sengkang PSC and EEES' bank accounts. Further, the Company and Epic Sulawesi Gas Pty Ltd have agreed to subordinate their rights against EEES pursuant to a subordination deed entered into in favour of Mizuho Corporate Bank, Ltd. as security trustee. The amount outstanding under the Loan as at 30 June 2020 was USD52.6m.

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

EWC has a US$51.0 million revolving loan facility from HSBC which was first entered into on 10 October 2008.

The facility's maturity date is 14 June 2022. As at 30 June 2020, the gross amount the Group owed under the HSBC Corporate Revolving Loan Facility was US$50.8 million, excluding unamortised borrowing costs and EWC held US$51 million in reserve accounts as security for the facility.

(f) LNG Hub Corporate Note Facility

On 26 May 2016, the Company executed the financing documentation (Omnibus Loan and Security Agreement) for its LNG Hub Terminal in Pagbilao, Philippines, for the amount of PHP1.5 billion (approximately US$32 million equivalent.

As at 30 June 2020, the aggregate amount owed under the LNG hub Corporate Note Facility was US$24.7 million, excluding unamortised borrowing costs.

8. Interest-Bearing Liabilities (continued)

(g) Standard Chartered Private Equity (Singapore) Pte Limited Subscription Agreement

Standard Chartered Private Equity (Singapore) Pte Ltd ("SCPE") reinvested the entire proceeds of their existing US$50million exchangeable convertible note, previously issued by EWC's wholly owned subsidiary, Energy World Philippines Holdings Limited, into a new instrument structured as a US$50 million loan to EWC and the issue of warrants by EWC.

The loan has a final maturity of 15 October 2021, with interest and principal payments to be made at various times throughout the loan term. SCPE were issued 101,122,149 warrants that are convertible into the capital of EWC at A$0.50 each at any time on or before 15 October 2023.

We have filed proceedings in the Supreme Court of New South Wales seeking declaratory relief against Standard Chartered Private Equity (Singapore) Limited ("SCPE") and Augusta Investment I Pte Limited in relation to the transfer of the SCPE US$50m note that was issued in October 2018 (the "Notes"). These proceedings are ongoing and scheduled for case management hearing on 4th September 2020.

This follows receipt of transfer documents from another entity, Affirma Capital Management (Singapore) Limited, ("Affirma") which were incorrectly presented, and then the subsequent receipt of another set of transfer documents from SCPE; thus leading to multiple and conflicting demands.

It is our obligation to ensure that transfers of a valuable financial instrument is conducted in accordance with the requirements of the Notes and standards of professionalism expected for a financial transaction to ensure that the rights of all parties are observed. Under the Note documents we are entitled to receive information to ascertain if the transfer is being made in accordance with the requirements of the Notes. This information has not been forthcoming at this stage, so no transfer of the Notes has been registered by EWC, and EWC is not presently able to identify which, if any, party is entitled to payment under the Notes.

(h) 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. The maturity due date is 30 June 2024. The credit has a fixed interest of 8.00% per annum and was subject to an arrangement fee of 2%. As part of the SCPE Subscription Agreement note 8(g), Slipform has agreed to defer its repayment until 1 January 2022, after the SCPE loan is fully repaid.

(i) EWI US$45m Facility

On 31 August 2018, EWI agreed to enter into a revised loan agreement for the total amount of the outstanding loan of US$45m plus accrued interest. This new loan is due 1 January 2022, the interest rate of this loan is 7%. EWI has the right to convert the loan into equity or equity related instruments at any time subsequent to an agreement on price and the receipt of shareholders' approval (if required), or as payment in relation to EWI's share of any rights issue.

(j) EWI US$10m Facility

On 2 October 2018, EWI agreed a loan facility of US$10m to EWC for general corporate and project development purpose. Interest is accrued at 7% p.a. and is repayable on 1 January 2022.

As at 30 June 2020 the outstanding balance, exclude borrowing cost, is $3.3m.

8. Interest-Bearing Liabilities (continued)

(k) EWI US$5m Facility

On 3 October 2018, EWI agreed a loan facility of US$5m to EWC for general corporate and project development purpose. Interest is accrued at 7% p.a. and is repayable on 1 January 2022.

Aa at 30 June 2020 the outstanding balance, exclude borrowing cost, is $5m

(l) EWI US$6m Facility

In December 2018, EWI provide a $6m loan advance to the Company for payment of Signature Bons from its subsidiary, Energy Equity Epic (Sengkang) Pty Ltd.

Interest rate is accrued at 8% and is payable on 1 January 2022.

(m) EWI US$2m Facility

On 20 May 2018 EWI provided a US$2m loan advance to the Company for payment to Siemens Energy for outstanding amounts owed under the equipment supply contract for the Steam Turbine to be installed at the Pagbilao Power Plant.

Interest rate is accrued at 7% p.a. on the facility amount and is payable on 1 January 2022, after the SCPE loan (note (g)) is fully repaid.

(n) EWI US$5m Facility

On 22 May 2020, EWI agreed a loan facility of US$5m to EWC for general corporate and project development purpose. Interest is accrued at 7% p.a. and is repayable on 1 January 2022.

As at 30 June 2020 the outstanding balance, excluding borrowing costs, is $1.76m.

10. Subsequent Events

There have been no significant events occurring after balance date that may affect the company's operations or results of these operations or the company's state of affairs.

Annual Meeting

The annual meeting will be held as follows:

Place:	Virtual meeting by Webcast (Details to follow)
Date:	26 November 2020
Time:	9:30am

Approximate date the annual report will be available on or before 30 September 2020.

Compliance Statement

1. This report gives a true and fair view of the matters disclosed.

2. This report is based on accounts currently being audited.

Sign here: .... Date: 31 August 2020
Director

Print name: Brian Allen