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

Half year ended: 31 December 2018
Previous corresponding reporting period: 31 December 2017
This information should be read in conjunction with the 30 June 2018 Annual Report.

Results for announcement to the market				
				US$'000
Revenue from ordinary activities	Down	19.86 %	to	68,141
Profit before tax	Down	40.90%	to	15,071
Profit after income tax expense for the period attributable to members	Down	48.73%	to	6,336

Dividends (distributions)		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 Directors Report included in the Half Year Financial Report.

	31 Dec 2018	31 Dec 2017
Net Tangible Asset Backing		
Net tangible asset backing per ordinary security	**34.12 cents**	34.35 cents

Loss of control over entities
Control gained or lost over entities during the year: None

Details of associates and joint venture entities
Please see the Annual Report 2018 for details regarding joint venture entities.

Foreign entities
Origin of accounting standards for foreign entities used in compiling the report: IFRS

Audit qualification or review
The accounts were subject to a review by the auditors and the review report is attached.

Attachments
The Report for the half-year ended 31 December 2018 for Energy World Corporation Ltd is attached.

Energy World Corporation Ltd

ABN 34 009 124 994

Interim financial statements

31 December 2018

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Company Information

DIRECTORS	Mr. S.W.G. Elliott	Chairman, Managing Director and Chief Executive Officer
	Mr. I.W. Jordan	Executive Director (resigned on 29 November 2018)
	Mr. B.J. Allen	Executive Director and Finance Director
	Mr. G.S. Elliott	Executive Director
	Mr. M.P. O'Neill	Independent Non-Executive Director
	Mr. L.J. Charles	Independent Non-Executive Director
	Mr. W. Mandrawa	Non-Executive Director
	Mr. K.P. Wong	Non-Executive Director (appointed on 4 December 2018)

COMPANY SECRETARY
Mr. G.S. Elliott (appointed 3 December 2018)
Mr. I.W. Jordan (resigned on 29 November 2018)

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LISTED ON THE AUSTRALIAN STOCK EXCHANGE — **CODE** EWC

AUSTRALIAN BUSINESS NUMBER 34 009 124 994

Energy World Corporation Ltd, is a publicly listed company limited by shares incorporated and domiciled in Australia.

Directors' Report

The Directors present their report together with the financial report of Energy World Corporation Ltd ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the half year ended 31 December 2018.

Directors

The Directors of the Company at any time during or since the end of the half year are:

Mr. S.W.G. Elliott	Chairman, Managing Director and Chief Executive Officer
Mr. I.W. Jordan	Executive Director (resigned on 29 November 2018)
Mr. B.J. Allen	Executive Director and Finance Director
Mr. G.S. Elliott	Executive Director
Mr. M.P. O'Neill	Independent Non-Executive Director
Mr. L.J. Charles	Independent Non-Executive Director
Mr. W. Mandrawa	Non-Executive Director
Mr. K.P. Wong	Non -Executive Director (appointed 4 December 2018)

Overview

We are an independent energy company primarily engaged in the production and sale of power and natural gas and we are expanding into liquefied natural gas (LNG). Our strategy is to become a leader in modular LNG development and the operator of a vertically integrated clean energy supply chain delivering power, natural gas and LNG throughout the Asia Pacific region.

The consolidated entity's principal activities during the course of the financial year were:

- development, design, construction, operation and maintenance of power stations;
- development of liquefied natural gas, design, construction, operation and maintenance of LNG plants and road transport of LNG, and design and development of LNG receiving terminals; and
- exploration, development and production of gas and oil, design, construction, operation and maintenance of gas, processing plants and gas pipelines.

Our existing assets comprise:

- a 95% interest in the Sengkang Combined Cycle Power Plant (Block 1 and Block 2) in Indonesia;
- a 100% interest in the Sengkang Gas Field in Indonesia;
- a 100% interest in the Alice Springs Power Plant which is not currently in production;
- a 100% interest in the Alice Springs LNG Facility located at Alice Springs, Australia, which is not currently in production; and
- a 100% interest in the Gilmore Gas Field and Eromanga Gas Field which is in care and maintenance, but for which we have commenced a process to restart production, together with other blocks in the surrounding areas.

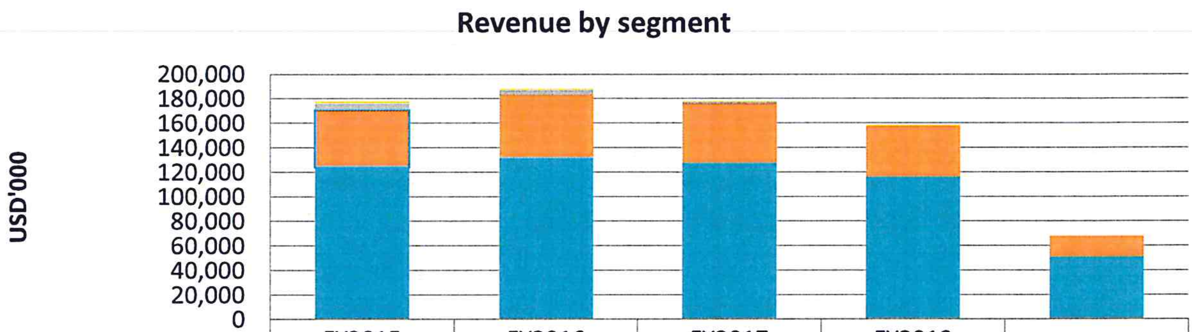
Our projects which are under development comprise:

- a 100% interest in the Gilmore LNG Project in Gilmore, Australia;
- a 100% interest in the Sengkang LNG Project in Indonesia;
- a 100% interest in the Philippines LNG Hub in Pagbilao, Philippines; and
- a 100% interest in the Philippines Power Plant, in Pagbilao, Philippines.

Review and Results of Operations

REVENUE BY SEGMENT

Revenue for the consolidated group for the six month period was $68.1 million which extrapolates to $136.2 million for the full year, a 14% decrease from the revenue in FY18 of $158.1 million.

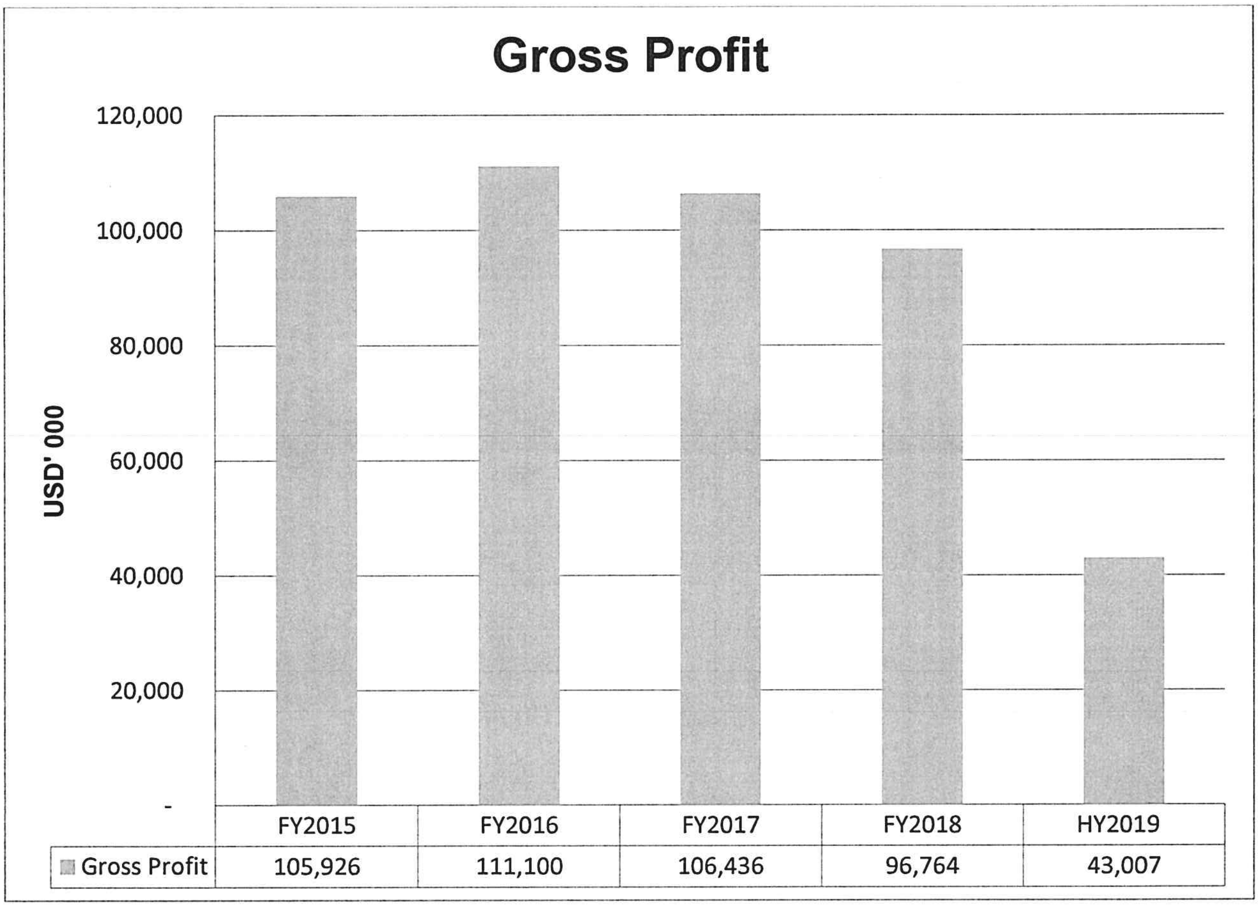


	FY2015 Reported Revenue	FY2016 Reported Revenue	FY2017 Reported Revenue	FY2018 Reported Revenue	HY2019
Australia: Oil & Gas	1,139	604	465	839	670
Australia: Power	5,009	4,356	2,017	-	-
Indonesia: Oil & Gas	47,299	50,905	48,167	41,655	16,897
Indonesia: Power	123,709	131,564	127,124	115,694	50,576

- Indonesia Gas: Decrease due to lower volumes delivered MMBTU when compared against FY18 volumes (MMBTU). Offset by slight increases in price. Decreased volumes were a result of decreased flow rates at the Kampung Baru wells. While this has not had a significant impact on operations, a new compressor has arrived on site and is in the process of installation. This should result in an ability to increase in revenue due to increase gas supplies.
- Indonesia Power: Decrease as a result of decrease in the availability of gas from Kampung Baru. Once the compressors are installed and operational, revenue from Indonesia Power sales can also be improved because the company will seek to recover prior years revenue from PLN which has been previously withheld by PLN during the periods 2016-2018 due to the lower compression of the wells.
- Australia Gas & Oil: Increase by 60.5%. Revenue has remained relatively stable during HY19 with an expected annualized increase of $0.5m compared to FY18.

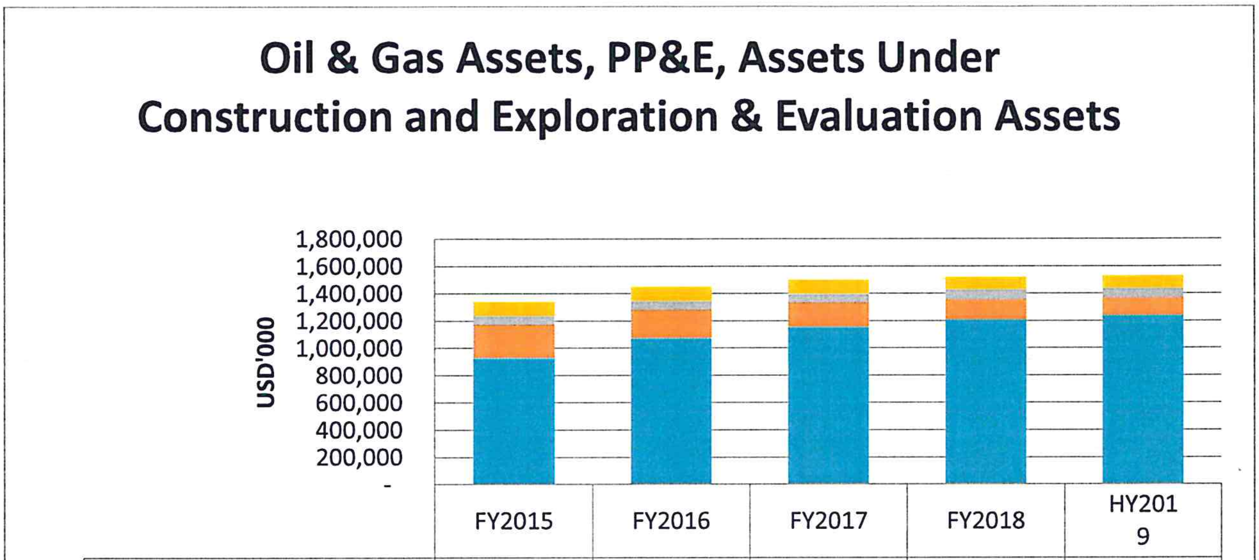
GROSS PROFIT

Gross profit for the consolidated group for the six month period was $43.0 million. Extrapolated to $86.0 million for a full year.



Gross profit as a percentage of revenue for HY19 is projected at 61%, which is consistent with FY18.

OIL & GAS ASSETS, PP&E, ASSETS UNDER CONSTRUCTION and EXPLORATION & EVALUATION ASSETS



	FY2015	FY2016	FY2017	FY2018	HY2019
Oil & Gas Assets	107,294	105,137	100,787	95,228	95,078
Exploration & Evaluation Expenditure	59,281	63,425	69,194	74,207	72,545
Property, Plant & Equipment	243,714	210,196	177,628	145,329	128,904
Assets under construction	926,269	1,067,226	1,147,381	1,202,323	1,231,700

Assets under construction has increased by $29.4 million as a result of:

- Sengkang LNG: Additions of $3.6 million, primarily relating to interest costs.
- Philippines Power Project: $21.2 million of additions related to construction progress and interest costs.
- Philippines LNG hub terminal: $3.2 million of additions related to construction progress and interest costs.
- Gilmore LNG Project: Additions of $1.4 million pertaining to construction progress and interest costs.

The remainder of the increase relates small additions to other projects within the group.

Corporate Review

During the half year, we successfully closed a transaction with Standard Chartered Private Equity (Singapore) Pte Ltd ("SCPE"). SCPE reinvested the entire proceeds of their existing US$50m exchangeable convertible note, previously issued by EWC's wholly owned subsidiary, Energy World Philippines Holdings Limited, into a new instrument structured as a US$50m 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 continued to receive strong financial support from our major shareholder, Energy World International Limited, who has provided EWC with an additional US$21m of loan funds. EWI also agreed to extend the maturity date of its existing US$45m in loan funds to 1 January 2022. Slipform Engineering International Ltd and PT Slipform Indonesia Ltd, the EPC contractor of EWC contracts, have con-currently agreed to defer repayment of their loan until 1 January 2022.

Project Review

All three countries in which we operate have achieved positive outcomes during the reporting period as follows:

Indonesia

In December 2018 we signed a Production Sharing Contract ("PSC") with SKK Migas for a 20 year extension to the Sengkang PSC, extending the PSC expiry date from October 2022 until October 2042. A US$12m signature bonus and US$8.8m bank guarantee were provided to SKK Migas as part of this transaction. In line with new Government requirements to encourage local participation, we are in the process of finalising approval for a local partner for this PSC. With this extension in place we are now in a position to commence discussions for the monetisation of this gas field beyond 2022, including an extension of the PPA for the existing Sengkang power plant and provision of additional reserves for our Sengkang LNG facility, together with additional opportunities.

SKK Migas also awarded us an opportunity to conduct a joint technical study with SKK Migas on the Kareng Block to further define petroleum leads and prospects located onshore and offshore in South Sulawesi, and by area, is 3 times larger than the Sengkang block.

The compressor to boost gas production for the supply of gas to the Sengkang power plant was ordered and delivered to site where installation commenced. The compressor is expected to be operational by April 2019.

We have continued to pursue a resolution for the forestry issue which has prevented further construction works on the Sengkang LNG facility. The Ministry of Forestry is in the process of remapping the land, and we expect that this will confirm that the Sengkang LNG facility has been built on industrial land, consistent with the land title documentation that we have. Once this is resolved, all parties have indicated that we can recommence our commercial discussions.

Australia

In August 2018 we finalized an agreement with the Australian Government, where they have agreed to provide us with up to A$2m in funding under their Gas Acceleration Program, with a view to accelerating the recommissioning of the Eromanga and Gilmore gas fields in Queensland.

We have commenced the process to restart gas production from the Eromanga gas field, expected to be achieved in the second half of 2019, followed by the restart of Gilmore in 2020.

We have completed the transfer of PL 184, which contains two discovery wells and can be tied into our Eromanga pipeline network. We have also entered into an agreement to acquire PL 117, which is already connected to our Eromanga gas processing facility.

The PEL 96 JV successfully drilled the Jaws-1 well. Commerciality can be declared when the sustained gas production crosses the threshold for booking a reserve.

Philippines

Our 650 MW Pagbilao power station was awarded certification as an Energy Project of National Significance in the Philippines. This certification confirmed the continued support of the Department of Energy ("DOE") at the highest levels, and allows the project to benefit from the specific provisions of Executive Order 30, introduced by President Duterte, to support important energy projects, which are deemed to help the development and security of energy in the Philippines.

Recently the DOE has awarded NGCP with the same status of Energy Projects of National Significance for many of its projects, including the upgrade of the Pagbilao substation, which is currently under construction and is required for connection of our power plant for capacity beyond the first 200 MW.

The DOE also awarded us a permit to construct, own and operate the LNG Hub terminal. This forms an update to the original permit and provides a further 2 years for construction of the hub terminal. This will allow the completion date of the first LNG hub to be tied to the commercial operation date of the associated 650 MW power station and the NGCP Pagbilao substation upgrade and the construction of the second LNG tank.

We are in the process of acquiring the Right of Way, which will allow our 650 MW power station to be connected to the main grid. We have also commenced construction of the transmission line along this Right of Way.

Landbank and DBP have provided us with updated debt financing terms, which we have accepted, and for which they are currently seeking internal approvals. Simultaneously, we are documenting the proposed transaction and working through the required conditions precedents that will form part of any agreement.

Auditor's Independence Declaration

A Copy of the auditor's independence as required under section 307C of the Corporations Act 2001 is set out on Page 11.

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:

BAllen

Brian Jeffrey Allen
Director

Dated 28 February 2019

Building a better working world

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Auditor's Independence Declaration to the Directors of Energy World Corporation Ltd

As lead auditor for the review of the half-year financial report of Energy World Corporation Ltd for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

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

This declaration is in respect of Energy World Corporation Ltd and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Ryan Fisk
Partner
Sydney
28 February 2019

Energy World Corporation Ltd and its Controlled Entities
Interim Consolidated Statement of Comprehensive Income
For the Half Year Ended 31 December 2018

	Note	**31 Dec 2018 US$'000s**	31 Dec 2017 US$'000s
Sales revenue	3	**68,141**	85,023
Cost of sales		**(25,134)**	(33,149)
Gross profit		**43,007**	51,874
Other income		**-**	369
Depreciation and amortisation expenses	4	**(18,507)**	(19,533)
Other expenses		**(9,019)**	(7,207)
Profit from operating activities		**15,481**	25,503
Finance income	5	**153**	141
Finance expenses	5	**(147)**	(187)
Net financing income / (expenses)		**6**	(46)
Foreign currency exchange gain / (loss)		**(416)**	46
Profit before related income tax expense		**15,071**	25,503
Income tax expense		**(8,475)**	(12,641)
Net profit for the period		**6,596**	12,862
Profit for the period attributable to:			
Non-controlling interests		**260**	504
Owners of the parent		**6,336**	12,358
		6,596	12,862
		Cents	Cents
Basic earnings per share attributable to ordinary equity holders	13	**0.35**	0.71
Diluted earnings per share attributable to ordinary equity holders	13	**0.33**	0.65
Net profit for the period		**6,596**	12,862
Items that will not be reclassified to profit or loss			
Actuarial (loss) / gains on defined benefit plans		**-**	(41)
Items that may be reclassified subsequently to profit or loss			
Net gain / (loss) on cash flow hedges		**(349)**	400
Exchange differences on translation of foreign operations		**(770)**	(53)
Other comprehensive income for the period, net of tax		**5,477**	13,168
Total comprehensive income for the period		**5,477**	13,168
Total comprehensive income for the period attributable to:			
Non-controlling interests		**274**	**557**
Owners of the parent		**5,203**	**12,611**
		5,477	**13,168**

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

Energy World Corporation Ltd and its Controlled Entities

Interim Consolidated Statement of Financial Position

As at 31 December 2018

	Note	31 Dec 2018 US$'000s	30 June 2018 Restated US$'000s
Current Assets			
Cash assets		**4,230**	4,222
Cash held in reserve accounts	7	**73,491**	71,796
Trade and other receivables	8	**25,405**	26,831
Hedging Assets		**397**	369
Inventories		**732**	734
Prepayment		**3,407**	1,923
Total Current Assets		**107,662**	105,875
Non-current Assets			
Trade and other receivables		-	279
Prepayment		**7,929**	575
Hedging Asset		**440**	555
Leased Assets		**4,316**	-
Oil and gas assets		**95,078**	95,228
Exploration and evaluation expenditure		**72,545**	74,207
Property, plant and equipment	9	**1,360,604**	1,347,652
Total Non-Current Assets		**1,540,912**	1,518,496
TOTAL ASSETS		**1,648,574**	1,624,371
Current Liabilities			
Trade and other payables		**67,453**	66,580
Trade and other payables – related parties		**8,908**	21,511
Income tax payable		**21,971**	24,951
Interest-bearing borrowings	10	**189,092**	259,822
Hedging Liabilities		**147**	-
Leased Liabilities		**1,332**	-
Provisions		**394**	782
Total Current Liabilities		**289,297**	373,646
Non-current Liabilities			
Trade and other payables		**23**	23
Trade and other payable – related parties		**69,907**	43,251
Interest-bearing borrowings	10	**533,633**	461,078
Hedging Liabilities		**116**	-
Leased Liabilities		**2,888**	-
Deferred tax liabilities		**28,258**	31,063
Provisions		**16,632**	16,281
Total Non-Current Liabilities		**651,457**	551,696
TOTAL LIABILITIES		**940,754**	925,342
NET ASSETS		**707,820**	699,029
EQUITY			
Issued capital	11	**492,733**	492,733
Other reserves		**18,156**	15,975
Retained earnings		**183,502**	177,166
Equity attributable to owners of the parent		**694,391**	685,874
Non-controlling interests		**13,429**	13,155
TOTAL EQUITY		**707,820**	699,029

The statement of financial position is to be read in conjunction with accompanying notes.

Energy World Corporation Ltd and its Controlled Entities
Interim Consolidated Statement of Changes in Equity
For the Half Year Ended 31 December 2018

	Issued capital US$'000s	Other Reserve US$'000s	Retained earnings Restated US$'000s	Owners of the Parent US$'000s	Non-controlling interest US$'000s	Total equity Restated US$'000s
Balance at 1 July 2018	**492,733**	**15,975**	**199,514**	**708,222**	**13,155**	**721,377**
AASB 9 adjustment			(22,348)	(22,348)		(22,348)
Balance at 1 July 2018 - restated	492,733	15,975	176,166	685,874	13,155	699,029
Profit for the period			6,336	6,336	260	6,596
Other comprehensive income / (loss)	-	(1,133)		(1,133)	14	(1,119)
Total comprehensive income / (loss) for the half year	-	(1,113)	6,336	5,203	274	5,477
Issue of warrants		3,314		3,314		3,314
Balance at 31 December 2018	**492,733**	**18,156**	**183,502**	**694,391**	**13,429**	**707,820**
Balance at 1 July 2017	466,805	19,616	178,381	664,802	12,166	676,968
Profit for the period	-	-	12,358	12,358	504	12,862
Other comprehensive income	-	253	-	253	53	306
Total comprehensive income for the half year	-	253	12,358	12,611	557	13,168
Conversion of convertible notes	25,928	(1,703)	-	24,225	-	24,225
Balance at 31 December 2017	492,733	18,166	190,739	701,638	12,723	714,361

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

Energy World Corporation Ltd and its Controlled Entities
Interim Consolidated Statement of Cash Flows
For the Half Year Ended 31 December 2018

	31 Dec 2018 US$'000s	31 Dec 2017 US$'000s
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from customers	**69,980**	84,634
Payment to suppliers & employees	**(51,507)**	(33,460)
Income tax paid	**(11,455)**	(9,985)
Interest received/(paid)	**226**	198
NET CASH FROM OPERATING ACTIVITIES	**7,244**	41,387
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	**(2,116)**	(16,602)
Payments for oil and gas assets	**(1,990)**	-
Payments for exploration and development expenditure	**(1,107)**	(2,073)
Interest paid	**(5,610)**	(8,627)
NET CASH USED IN INVESTING ACTIVITIES	**(10,823)**	(27,302)
CASH FLOWS FROM FINANCING ACTIVITIES		
Transfer (to)/from restricted deposits and reserve accounts	**(1,695)**	(2,505)
Borrowing transaction costs	**(1,000)**	(442)
Proceeds from borrowings	**50,000**	10,639
Repayment of borrowings	**(56,135)**	(20,146)
Proceeds from borrowings – related parties	**12,490**	-
NET CASH USED IN FINANCING ACTIVITIES	**3,660**	(12,454)
NET (DECREASE) / INCREASE IN CASH HELD	**81**	1,631
Cash at the beginning of the financial period	**4,222**	2,498
Net foreign exchange differences	**(73)**	286
Cash at the end of the financial period	**4,230**	4,415

The statement of cash flows is read in conjunction with the accompanying notes.

Notes to the Interim Consolidated Financial Statement

1. CORPORATE INFORMATION

The interim financial statements of the consolidated entity ("the Group") for the half year ended 31 December 2018 were authorised for issue on 28 February 2019 in accordance with a resolution of the directors. Energy World Corporation Ltd is a company incorporated and domiciled in Australia and limited by shares, which are publically traded on the Australian and OTCQX Stock Exchanges.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by Energy World Corporation during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year.

Energy World Corporation has adopted all mandatory applicable Australian Accounting Standards and AASB interpretations as of 1 July 2018.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Going Concern

As at 31 December 2018 the group's consolidated balance sheet shows a net current liability position of $181.6 million. This net current liability position is primarily the result of the various debt arrangements that are in breach at 31 December 2018. The company is currently working with the lenders to remedy these breaches and subsequently to bring these facilities into order.

The aforementioned conditions indicate a material uncertainty regarding the group's ability to continue as a going concern. Outlined below are the key factors the group has considered when assessing the ability of the group to continue as a going concern.

Within the current liabilities, US$33.4 million relates to conditional purchase contracts which are subject to funds being available within the company. We are able to cancel the contract without penalty in the event funding from them does not become available.

On 2 October 2018, 3 October 2018 and 4 December 2018, EWI provided further working capital facilities to EWC of a principal amount of total US$21 million ("EWI Advance"). The purpose of the loans were to provide the Company with funds for working capital to continue to advance the development of its key projects in Indonesia and the Philippines. EWI also agreed to extend the maturity date of its existing US$45m in loan funds to 1 January 2022.

During the half year, we successfully closed a transaction with Standard Chartered Private Equity (Singapore) Pte Ltd ("SCPE"). SCPE reinvested the entire proceeds of their existing US$50m exchangeable convertible note, previously issued by EWC's wholly owned subsidiary, Energy World Philippines Holdings Limited, into a new instrument structured as a US$50m 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.

In Indonesia, the compressor to boost gas production for the supply of gas to the Sengkang power plant was ordered and delivered to site where installation commenced. The compressor is expected to be operational by April 2019.

Landbank and DBP have provided us with updated debt financing terms, which we have accepted, and for which they are currently seeking internal approvals. Simultaneously, we are documenting the proposed transaction and working through the required conditions precedents that will form part of any agreement.

In addition to the above mentioned, EWC also continues to progress other sources of funding to complete the projects under development and provide working capital to the Company. In this regard, EWC is currently in advanced negotiations with a number of parties and remains confident they will secure the required levels of funding at the appropriate time to successfully progress and complete the projects.

We continue to receive strong financial support from our major shareholder, Energy World International Limited.

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. This 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) New accounting standards and interpretations

Effective 1 July 2018, the Group adopted AASB 9 *Financial Instruments* (AASB 9) and AASB 15 *Revenue from Contracts with Customers* (AASB 15). The impact of the adoption of these standards is disclosed below.

The other new and revised standards, amendments or AASB interpretations did not have any impact on the Group. The Group has not elected to early adopt any new or amended standards or interpretations that are issued but not yet effective.

Impact of adoption

(i) AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement*, and the Group has adopted AASB 9 and the consequential amendments to AASB 7 *Financial Instruments: Disclosures on 1 July 2018.* The Group has applied AASB 9 retrospectively in accordance with the transition provisions set out in AASB 9. The impact to the Group from adopting AASB 9 is discussed below:

(a) Classification and measurement

The Group assessed the financial assets and financial liabilities as at 30 June 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of AASB 9 would have the following impact on the Group's financial assets and liabilities with regards to their classification and measurement:

- Financial assets classified as loans and receivables under AASB 139 that are measured at amortised cost as at 30 June 2018 will continue to be classified and measured at amortised cost under AASB 9 and no changes to classification nor measurement was required;
- Financial liabilities that are measured at amortised cost under AASB 139 as at 30 June 2018 will continue to be classified and measured at amortised cost under AASB 9 so no changes to classification nor measurement was required;
- The Slipform 7-year term loan was previously an accumulation of related party trade payables. On 30 June 2017 the Group and Slipform agreed to amend the terms of the aggregate payable balance due at the time to a 7-year term loan agreement. Under AASB 139 the Group made a policy election to account for the modification by adjusting the effective interest rate applied to the amended facility, which has been accounted for at amortised cost. AASB 9 does not permit the aforementioned policy election, rather, it requires the carrying value of the financial instrument in question to be adjusted such that the original effective interest rate is maintained. The Group identified a $22.3m adjustment to the carrying value of the Slipform 7-year term loan as at 1 July 2018 in order to adopt the requirements of AASB 9. This adjustment has been recorded as an increase in the liability and a corresponding decrease in opening retained earnings.
-

The impact on the Group's retained earnings and non-interest bearing borrowings as at 1 July 2018 is as follows:

	US$m	
	Retained Earnings	**Non-current Interest-Bearing Borrowings**
Closing balance under AASB 139 as at 30 June 2018	199.5	438.7
Transitional adjustment required to carrying value of Slipform 7-year term loan	(22.3)	22.3
Opening balance under AASB 9 as at 1 July 2018	177.2	461.0

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) New accounting standards and interpretations (Continued)

Impact of adoption (continued)

(ii) AASB 15 *Revenue from Contracts with Customers*

AASB 15 *Revenue from Contracts with Customers* replaced AASB 118 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. The new standard establishes a five-step approach to revenue recognition. Revenue is recognised to the extent of the consideration the Group expects to receive for transferring goods or services to a customer. AASB 15 requires entities to exercise judgment, taking into consideration all relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The application of AASB 15 did not have any impact on the financial position and/or financial performance of the Group.

2. 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 half year ended 31 December 2018, the Group held no financial instruments with the characteristics of level 1 and level 3 financial instruments described above.

The Group holds derivative financial instruments (interest rate swaps) to hedge its risks associated with interest rate fluctuations with the characteristics of level 2. 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 31 December 2018 and 30 June 2018, 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.

3. 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 nature 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.

3. OPERATING SEGMENTS (CONTINUED)

(b) Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in this interim financial statements and the annual financial report for the year ended 30 June 2018.

3. OPERATING SEGMENT (CONTINUED)

(c) Segment revenue, expenses and assets

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				**Indonesia**						**Total**	
	Oil & Gas		**Power**		**Oil & Gas**		**Power**		**Project development**			
	31 Dec 18 US$'000s	31 Dec 17 US$'000s	**31 Dec 18 US$'000s**	31 Dec 17 US$'000s	**31 Dec 18 US$'000s**	31 Dec 17 US$'000s	**31 Dec 18 US$'000s**	31 Dec 17 US$'000s	**31 Dec 18 US$'000s**	31 Dec 17 US$'000s	**31 Dec 18 US$'000s**	31 Dec 17 US$'000s
Sales revenue	**670**	354	**-**	-	**16,896**	23,347	**50,576**	61,322	**-**	-	**68,141**	85,023
Result												
Segment result	**533**	124	**-**	(111)	**10,675**	16,840	**25,425**	27,639	**-**	-	**36,633**	44,492
Depreciation and amortisation	**(387)**	(261)	**(96)**	(119)	**(2,123)**	(3,216)	**(15,901)**	(15,937)	**-**	-	**(18,507)**	(19,533)
Net financing cost											**6**	(46)
Unallocated corporate result											**(2,645)**	544
Foreign currency exchange gain											**(416)**	46
Profit before income tax											**15,071**	25,503
Income tax expense											**(8,475)**	(12,641)
Profit after income tax											**6,596**	12,862
Non-Controlling interest											**(260)**	(504)
Net profit attributable to owners of the parents											**6,336**	12,358

	31 Dec 18 US$'000s	31 Jun 18 US$'000s	**31 Dec 18 US$'000s**	30 Jun 18 US$'000s	**31 Dec 18 US$'000s**	30 Jun 18 US$'000s	**31 Dec 18 US$'000s**	30 Jun 18 US$'000s	**31 Dec 18 US$'000s**	30 Jun 18 US$'000s	**31 Dec 18 US$'000s**	30 Jun 18 US$'000s
Current assets	**795**	285	**25**	25	**10,630**	10,110	**38,712**	39,034	**339**	117	**50,501**	49,571
Segment assets	**64,483**	62,028	**2,325**	2,503	**130,323**	125,121	**153,440**	168,904	**1,235,213**	1,205,789	**1,585,784**	1,564,346
Segment liabilities	**(4,714)**	(4,495)	**(64)**	(64)	**(101,223)**	(93,892)	**(59,389)**	(73,557)	**(525,378)**	(526,919)	**(690,776)**	(721,275)

3. OPERATING SEGMENT (CONTINUED)

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

Reconciliation of segment operating assets to total assets:

	31 Dec 2018 US$'000	30 Jun 2018 US$'000
Segment operating assets	**1,585,784**	1,564,346
Current corporate assets	**1,717**	1,885
Cash held in reserve accounts	**52,830**	52,006
Other	**8,243**	6,134
Total assets per the statement of financial position	**1,648,574**	1,624,371

Reconciliation of segment operating liabilities to total liabilities:

	31 Dec 2018 US$'000	30 Jun 2018 Restated US$'000
Segment operating liabilities	**690,776**	721,275
Deferred tax liabilities	**28,258**	31,063
Interest-bearing borrowings	**199,594**	171,734
Other	**22,126**	1,270
Total liabilities per the statement of financial position	**940,754**	925,342

	31 Dec 2018 US$'000s	31 Dec 2017 US$'000s
4. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of property, plant and equipment	**(16,383)**	(16,316)
Depreciation and amortisation of oil and gas assets	**(2,124)**	(3,217)
	(18,507)	(19,533)
5. FINANCIAL INCOME AND EXPENSES		
Interest income – cash at bank and term deposits	**153**	141
Finance costs *	**(147)**	(187)
	6	(46)

* Finance costs for the current period are $27.3m (31 Dec 2017: $28.7m) of which $27.2m (31 Dec 2017: $28.5m) has been capitalised in assets under construction.

6. INCOME TAX

A reconciliation between tax expense and the product of accounting profit before tax multiplied by the Group's applicable income tax rate is as follows:

	31 Dec 2018 US$'000s	31 Dec 2017 US$'000s
Accounting profit before tax	**15,071**	25,503
Prima facie tax expense at the Parent's statutory rate of 30% (31 December 2017: 30%)	**(4,521)**	(7,651)
Decrease / (increase) in tax expense due to:		
Difference in tax rates	**(655)**	(2,322)
Non-deductible expenses / non-assessable income	**(3,479)**	(1,152)
Temporary differences brought to account, including foreign exchange impact	**1,355**	-
Tax losses not brought to account	**(1,648)**	-
Other	**473**	(1,516)
	(8,475)	(12,641)

7. CASH HELD IN RESERVE ACCOUNTS

	31 Dec 2017 US$'000s	30 Jun 2018 US$'000s
Cash held in reserve accounts – current	**73,491**	71,796
	73,491	71,796

As at 31 December 2018, cash of $73.5 million was held in reserve accounts for the following purpose.

- $51.0 million as security for payment to HSBC of the US$51 million corporate facility
- $16.8 million as Debt Service Accrual and Debt Service Reserve Sub Accounts for PT Energi Sengkang
- $0.24 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)
- $1.7 million as Security Deposits made by Energy World Gas Operations Philippines Inc.
- $3.7 million as Security Deposits made by Energy Equity Epic (Sengkang) Pty Ltd

As at 30 June 2018, cash of $71.8 million is held in reserve accounts for the following purpose.

- $51.0 million as security for payment to HSBC of the corporate facility
- $16.6 million as Debt Service Accrual and Debt Service Reserve Sub Accounts for PT Energi Sengkang
- $0.3 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)
- $0.9 million as Security Deposits made by Energy World Gas Operations Philippines Inc.
- $3.0 million as Security Deposits made by Energy Equity Epic (Sengkang) Pty Ltd

8. TRADE AND OTHER RECEIVABLES

	31 Dec 2018 US$'000s	30 Jun 2018 US$'000s
Current		
Trade receivables	**20,424**	22,263
Sundry debtors	**4,981**	4,568
	25,405	26,831

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold land US$'000s	Buildings on freehold land US$'000s	Plant and equipment US$'000s	Assets under construction US$'000s	Total US$'000s
Assets at Cost					
Balance at 1 July 2018	7,185	2,729	415,373	1,202,323	1,627,610
Additions			354	29,377	29,731
Foreign currency translation	8	(14)	(1,854)		(1,860)
Balance at 31 December 2018	7,193	2,715	413,873	1,231,700	1,655,481
Depreciation					
Balance at 1 July 2018	-	(1,032)	(278,927)	-	(279,959)
Depreciation charge for the period	-		(16,383)		(16,383)
Foreign currency translation	-	3	1,462		1,465
Balance at 31 December 2018	-	(1,029)	(293,848)	-	(294,877)
Carrying amount					
At 30 June 2018	7,185	1,697	136,447	1,202,323	1,347,652
At 31 December 2018	7,193	1,686	120,025	1,231,700	1,360,604

We have continued to pursue a resolution for the forestry issue which has prevented further construction works on the Sengkang LNG facility. The Ministry of Forestry is in the process of remapping the land, and we expect that this will confirm that the Sengkang LNG facility has been built on industrial land, consistent with the land title documentation that we have. Once this is resolved, all parties have indicated that we can recommence our commercial discussions.

The Assets under construction comprise of $529.6 million (June 2018: $526.1 million) applicable to the Sengkang LNG plant development; $183.5 million (June 2018: $180.3 million) applicable to the Philippines LNG Hub Terminal; $474.4 million (June 2018: $453.1 million) applicable to the Philippines Power project and $44.1 million (June 2018: $42.7 million) applicable to other projects. In Philippines, the DOE also awarded us a permit to construct, own and operate the LNG Hub terminal. This forms an update to the original permit and provides a further 2 years for construction of the hub terminal. This will allow the completion date of the first LNG hub to be tied to the commercial operation date of the associated 650 MW power station and the NGCP Pagbilao substation upgrade and the construction of the second LNG tank.

Impairment Testing

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2018 the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of the assets of the operating segments and the assets under construction.

All of the operating businesses (Australian Oil & Gas, Indonesian Oil & Gas and Indonesian Power) are party to long term sales contracts and remain profitable.

The recoverable amounts of the assets under construction were determined based on value in use 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 for any of these CGUs. There have also been no changes in key assumptions during the period that would result in impairment of the operating segments and assets under construction.

Key assumptions used in value in use calculations

The calculation of value in use for projects under construction is most sensitive to the following assumptions:

- LNG, feedstock gas and electricity prices – this has been derived from available supply and demand in the market, signed agreements, expected agreements currently under negotiation and external market pricing reports.
- Demand for LNG and power generation and availability of feedstock gas – based on forecast capacity, market demand and offtake discussions with various parties.
- Discount rates – a post – tax range between 9% - 16.5%
- Inflation rates – a long term inflation rate of 1.5% - 5.25% based on an Oxford Economics Report applicable to the particular intended operating jurisdiction.
- Useful lives of the assets – based on design, external reviews by third party engineering firms, and other recently completed similar facilities.

10. INTEREST-BEARING LIABILITIES

		31 Dec 2018	30 Jun 2018 Restated
		US$'000s	US$'000s
Current			
PTES US$200 million facility with Standard Chartered Bank and Mizuho Corporate Bank	(b)	**31,753**	37,033
EEES US$125 million Secured Borrowing Base Facility with Standard Chartered Bank and Mizuho Corporate Bank	(c)	**65,200**	65,225
US$51 million Revolving Loan Facility Agreement with The Hong Kong and Shanghai Banking Corporation Limited	(d)	**50,482**	50,444
US$75 million Convertible Exchangeable Note with Standard Chartered Private Equity (Singapore) Pte. Ltd.	(f)	-	49,987
LNG Hub Corporate Notes	(g)	**26,657**	27,134
EWI US$25 million Loan	(e)	-	24,999
EWI US$5 million - Maturity date 1 July 2018	(i)	-	5,000
US$50 Subordinated Deed with Standard Chartered Private Equity (Singapore) Pte. Ltd.	(j)	**15,000**	-
Total current		**189,092**	259,822
Non-current			
Slipform US$432 million Term Loan	(h)	**446,884**	447,446
EWI US$5 million – Maturity date 1 January 2022	(k)	**2,250**	-
EWI US$45 million – Maturity date 1 January 2022	(l)	**44,816**	13,632
EWI US$10 million – Maturity date 1 January 2022	(m)	**3,000**	-
EWI US$6 million	(n)	**6,000**	-
US$50 Subordinated Deed with Standard Chartered Private Equity (Singapore) Pte. Ltd.	(j)	**30,683**	-
Total non-current		**533,633**	461,078
Total interest-bearing liabilities		**722,725**	720,900

10. INTEREST-BEARING BORROWINGS (CONTINUED)

(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 lenders Standard Chartered Bank and Mizuho Corporate Bank. 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 Standard Chartered Bank and Mizuho Corporate Bank

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 April 2022. PTES has already fully drawn down Facility A and Facility C under the PTES Facility, totalling US$185 million, of which only US$31.8 million was outstanding as at 31 December 2018, excluding unamortised borrowing costs. This remaining amount is payable in approximately equal semi-annual instalments with the last payment due in October 2021.

In July 2016, PTES received a letter of non-compliance that stated PTES was not in compliance with a number of reporting requirements under the debt agreement. The Company is in the process of meeting these reporting requirements to rectify this non-compliance. For the time being however, the loan is recorded as due and payable within the next 12 months. PTES is in advanced negotiation with the three remaining lenders (all of which are development finance institutions of European countries) with a view of rectifying and waiving all non-compliance.

The PTES Facility is secured by substantially all of 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$16.8 million in reserve accounts as security for the facility. Refer to Note 7.

(c) EEES Secured Borrowing Base Facility Terms and Conditions

EEES has a secured revolving borrowing base facility of US$125,000,000 (the "**EEES Facility**") in connection with the Sengkang PSC, of which $65.2m was outstanding at 31 December 2018, excluding unamortised borrowing costs. 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.

This Facility is a borrowing base facility subject to semi-annual repayments of principal (calculated by reference to EEES's projected net cashflow from the Sengkang PSC from time to time) and semi-annual or quarterly payments of interest and will be fully repaid on 18 March 2021 (or, if earlier, the date on which the quantities of hydrocarbon reserves attributable to the Sengkang PSC are projected to fall below 25% of the value of such reserves calculated as at the date of the EEES Facility).

The repayment amounts under this facility are re-set every 6 months based upon the arrangements set out in the facility agreement.

The EEES facility is currently classified as a current liability because it is in breach of the borrowing base determination and repayment schedule, both of which need adjustment based on the gas field production, caused principally by the fall in well head pressure. The new compressor package is currently under installation to Indonesia. We expect the installation of this compressor package will facilitate the adjustment of those provisions

10. INTEREST-BEARING BORROWINGS (CONTINUED)

(c) EEES Secured Borrowing Base Facility Terms and Conditions (continued)

in the financing documents to eliminate any non compliance. EEES are working with the lenders for the restructuring of the facility and awaiting for a revised proposal from the lenders.

The EEES Facility is secured by substantially all of the assets and shares of EEES. Such secured assets include EEES' 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.

(d) US$51,000,000 Revolving Loan Facility Agreement with The Hong Kong 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 2020. As at 31 December 2018, the gross amount the Group owed under the HSBC Corporate Revolving Loan Facility was US$50.4 million, excluding unamortised borrowing costs and EWC held US$51 million in reserve accounts as security for the facility.

(e) US$25,000,000 EWI Loan

On 15 May 2015, EWC announced to shareholders that it intended to raise up to A$75 million via a fully underwritten, non-renounceable pro rata rights issue of partly paid Convertible Notes (the "Offer".)

Within this announcement shareholders were also advised that on 15 March 2015 EWI had provided a working capital facility to EWC of a principal amount of US$25 million ("EWI Advance Amount"). The purpose of the loan was to provide the Company with funds for working capital to continue to advance the development of its key projects in Indonesia and the Philippines. Interest is payable on the EWI Working Capital Facility at a rate of 7% per annum, with interest payable on the balance of the outstanding EWI Advance Amount until the earlier of

- the date on which all of the EWI Advance Amount is converted into Convertible Notes of equivalent Face Value; or in the event that the offer does not proceed, the EWI Loan Amount will be repayable 1 July 2018.

On 31 August 2018, EWI agreed on a revised loan agreement for the total amount of the outstanding loans of US$45m loans consolidating the loans under note 10(e) and 10(i) plus accrued interest until 1 January 2022. Refer to Note 10(m).

(f) US$75,000,000 Convertible Exchangeable Note with Standard Chartered Private Equity (Singapore) Pte. Ltd

On 14 May 2013, EWC and Energy World Philippines Holdings Ltd (EWP) entered into a subscription agreement (**Subscription Agreement**) with Standard Chartered Private Equity (Singapore) Pte. Ltd (**Subscriber**) in respect of the issue by EWP of and subscription by the Subscriber for the Notes and the issue of the Warrant by EWC to the Subscriber.

Under the Subscription Agreement:

(i) EWP has issued, and the Subscriber has subscribed for, US$50 million 2.5% convertible exchangeable notes due in May 2018.

10. INTEREST-BEARING BORROWINGS (CONTINUED)

(f) US$75,000,000 Convertible Exchangeable Note with Standard Chartered Private Equity (Singapore) Pte. Ltd (continued)

(ii) On 14 May 2018, we announced that the maturity of Convertible Exchange Note had been extended by 3 months until 14 August 2018.

(iii) On 14 August 2018 we announced that we had entered into a term sheet with the Subscriber for them to reinvest the $50m Exchangeable Convertible Note into a $50m Loan plus the issue of 101,112,429 warrants exercisable at A$0.50.

(iv) On 14 September 2018 the Subscriber entered into a new agreement with EWC committing to reinvesting the US$50 million proceeds from the Exchangeable Convertible Note into a loan into EWC of equivalent amount to effect the transaction mentioned above in (iii), with issuance of 101,122,429 warrants to the Subscriber. Refer Note 10(j).

(g) 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). The Corporate Notes Facility provides for a facility of an additional PHP2 billion (approximately US$43 million equivalent) for new noteholders in the future.

The Corporate Notes Facility's Issue Manager and Sole Bookrunner is Standard Chartered Bank, with Lead Arranger being Landbank of the Philippines (also the Security Trustee, Paying Agent and Facility Agent). Current Noteholders under the facility are Standard Chartered Bank and Land Bank of the Philippines.

As at 31 December 2018, the aggregate amount owed under the LNG Hub Corporate Note Facility was US$26.7 million, excluding unamortised borrowing costs.

(h) Slipform US$432,512,225 Term Loan Agreement

On 30 June 2017, 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$432,512,225 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 rate of 8.00% per annum and was subject to an arrangement fee of 2%. In the event that principal repayments are not paid on the proposed scheduled repayment dates, an additional interest rate of 2% pa on those deferred amounts will be charged.

As part of the SCPE transaction, SEIL and PTSI were required to defer principal and interest repayments until the full amount of the SCPE loan has been repaid. Under the existing Slipform loan, which totals approximately US$432m, the first principal repayment was due in December 2019 with a final repayment date of 30 June 2024. Slipform has agreed to defer repayment of any principal until 31 December 2021, or such earlier date as is possible under the SCPE agreement. All interest will also be accrued until this date. Other terms of the Slipform loan remain the same.

As disclosed in Note 2(c), a transition adjustment of $22.3m was recorded to the Slipform 7-year term loan carrying value and against opening retained earnings upon adoption of AASB 9 from 1 July 2018.

10. INTEREST-BEARING BORROWINGS (CONTINUED)

(i) US$20,000,000 EWI Loans

On 29 May 2017, EWI provided a further working capital facility to EWC of a principal amount of US$5 million ("EWI Advance") which is an extension of the existing EWI US$25M loan. The purpose of the loan was to provide the Company with funds for working capital to continue to advance the development of its key projects in Indonesia and the Philippines. Interest is payable on the EWI Working Capital Facility at a rate of 7% per annum, with interest payable on the balance of the outstanding EWI Advance Amount until the earlier of:

- the date on which all of the EWI Advance Amount is converted into Convertible Notes of equivalent Face Value; or the date that the EWI Working Capital Facility is repaid. The terms of the EWI loan provide that in the event that the offer does not proceed, the EWI Loan Amount will be repayable 1 July 2018.

On 1 Oct 2017, EWI provided an additional working capital facility to EWC of a principal amount of US$5 million. The purpose of the loan was to provide the Company with funds for working capital to continue to advance the development of its key projects in Indonesia and the Philippines. Interest is payable on the EWI Working Capital Facility at a rate of 7% per annum, with interest payable on the balance of the outstanding EWI Advance Amount until the earlier of:

- the date on which all of the EWI Advance Amount is converted into Convertible Notes of equivalent Face Value; or in the event that the offer does not proceed, the EWI Loan Amount will be repayable 30 Sep 2019.

On 15 Nov 2017, EWI provided a further working capital facility to EWC of a principal amount of US$5 million. The purpose of the loan was to provide the Company with funds for working capital to continue to advance the development of its key projects in Indonesia and the Philippines. Interest is payable on the EWI Working Capital

Facility at a rate of 7% per annum, with interest payable on the balance of the outstanding EWI Advance Amount until the earlier of:

- the date on which all of the EWI Advance Amount is converted into Convertible Notes of equivalent Face Value; or the date that the EWI Working Capital Facility is repaid. The terms of the EWI loan provide that in the event that the offer does not proceed, the EWI Loan Amount will be repayable 14 November 2019.

On 23 Mar 2018, EWI provided a further working capital facility to EWC of a principal amount of US$5 million. The purpose of the loan was to provide the Company with funds for working capital to continue to advance the development of its key projects in Indonesia and the Philippines. Interest is payable on the EWI Working Capital Facility at a rate of 7% per annum, with interest payable on the balance of the outstanding EWI Advance Amount until the earlier of:

- the date on which all of the EWI Advance Amount is converted into Convertible Notes of equivalent Face Value; or the date that the EWI Working Capital Facility is repaid. The terms of the EWI loan provide that in the event that the offer does not proceed, the EWI Loan Amount will be repayable 22 Mar 2020.

On 31 August 2018, EWI agreed on a revised loan agreement for the total amount of the outstanding loans of US$45m loans consolidating the loans under note 10(e) and 10(i) plus accrued interest until 1 January 2022. Refer to Note 10(l).

10. INTEREST-BEARING BORROWINGS (CONTINUED)

(j) US$50million SCPE Subordinated Deed

On 14 September 2018, EWC signed an Subscription Agreement with SCPE and it reinvest the entire proceeds of their existing US$50m exchangeable convertible note previously issued by EWC's wholly owned subsidiary, Energy World Philippines Holdings Limited, into a new instrument structured as a US$50m loan to EWC and an issue of warrants by EWC.

Closing of the transaction was 14 October 2018 (the "Closing").

The loan has a final maturity 3 years from the date of Closing, with principal and interest payments to be made at various times during the loan term. The loan terms provide for accelerated re-payment from surplus cash flow available to EWC from our Indonesian subsidiaries.

SCPE has issued 101,122,429 warrants convertible into ordinary shares in the capital of EWC at A$0.50 at anytime within 5 years of the closing.

(k) EWI US$5m facility

On 27 September 2018, EWI provided a further working capital facility to EWC of a principal amount of US$5 million. The purpose of the loan was to provide the Company with funds for working capital to continue to advance the development of its key projects in Indonesia and the Philippines. Interest is payable on the EWI Working Capital Facility at a rate of 7% per annum, with interest payable on the balance of the outstanding EWI Advance Amount until the earlier of:

- the date on which all of the EWI Advance Amount is converted into Convertible Notes of equivalent Face Value; or the date that the EWI Working Capital Facility is repaid. The terms of the EWI loan provide that in the event that the offer does not proceed, the EWI Loan Amount will be repayable 1 January 2022.

As at 31 December 2018, US$2.3 million was drawn down. Subsequently to period-end an additional US$0.35 million was drawn down and remains outstanding.

(l) EWI US$45m facility

As part of the SCPE transaction (Note 10(j)), Energy World International Limited ("EWI"), was required to extend the repayment date of its US$45m in loan funding which it has provided to the Company, and defer interest payments until the SCPE loan has been fully repaid. EWI agreed to consolidate its loans into one facility and extend the repayment date of all US$45m of its funding until 1 January 2022. The EWI loan was signed on 31 August 2018 and combined EWI's loan Note 10(e) and 10(i). It incurs interest at the rate of 7% pa, which is accrued until the repayment date. EWI has the right to ask for repayment by way of the issue of equity or equity related instruments, which would be subject to the receipt of appropriate approvals.

(m) EWI US$10m facility

On 3 October 2018, EWI provided a further working capital facility to EWC of a principal amount of US$10 million. The purpose of the loan was to provide the Company with funds for working capital to continue to advance the development of its key projects in Indonesia and the Philippines. Interest is payable on the EWI Working Capital Facility at a rate of 7% per annum, with interest payable on the balance of the outstanding EWI Advance Amount until the earlier of:

- the date on which all of the EWI Advance Amount is converted into Convertible Notes of equivalent Face Value; or in the event that the offer does not proceed, the EWI Loan Amount will be repayable 1 January 2022.

10. INTEREST-BEARING BORROWINGS (CONTINUED)

(n) EWI US$6m facility

On 4 December 2018, EWI provided a further working capital facility to EWC of a principal amount of US$6 million. The purpose of the loan was to provide the Company with funds for the development of its key project in Indonesia. Interest is payable on the EWI Facility at a rate of 8% per year and it will be repayable by monthly instalment after repayment of the SCPE facility (Note 10(j)).

11. ISSUED CAPITAL

	31 Dec 2018	30 June 2018
Ordinary shares (US$'000)	**492,733**	492,733
Number of ordinary shares	**1,795,631,672**	1,795,631,672

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

12. CONTINGENT LIABILITIES

(a) SKKMIGAS PARTICIPATION (FORMERLY AS CALLED BPMIGAS)

The Sengkang PSC provides that SKKMigas is entitled to acquire (via a SKKMigas nominated entity) an undivided 10% interest in EEES′ rights and obligations under the Sengkang PSC by payment of an amount equal to the sum of (i) 10% of the unrecovered operating costs balance as at 24 October 2000, approximately US$40 million, and (ii) 10% of the bonuses paid to SKKMigas under the Sengkang PSC, totalling US$6.5 million (the "Amount"). On acquiring a 10% participating interest SKKMigas would also be obliged to pay 10% of the future operating costs of the Sengkang PSC.

Under the Sengkang PSC conditions, Pertamina (SKKMigas' predecessor) was required to advise EEES by 23 January 2001 whether it planned to pay either (a) 100% of the Amount to EEES in cash; or (b) 150% of the Amount to EEES by way of instalments of 50% of its share of production from its 10% participation in the Sengkang PSC. Whilst Pertamina did advise EEES of its intention to acquire a 10% participating interest in the Sengkang PSC, it did not advise EEES whether it would pay in cash or out of its share of production.

Any cash payment should have been made by Pertamina (SKKMigas' predecessor) by 23 January 2001 and any payment out of production should have commenced from the first sale of oil or gas from the Sengkang Contract Area after 24 October 2000. No cash payment or payment out of production has been made.

EEES therefore continues to have a 100% interest in the Sengkang PSC. It is not clear whether SKKMigas' right to acquire the 10% participation right is still exercisable, given among other matters that the deadlines mentioned above have not been complied with. Based on the terms of the PSC, our Directors are of the view that no material adverse impact on EEES' business or operations would arise from any valid exercise of the 10% participation right.

In November 2012, SKKMigas, an arm of the Indonesian Ministry for Energy and Mineral Resources, replaced BP Migas, and all of BPMigas's functions and responsibilities, and its employees, were transferred to SKSP Migas.

(b) Intra-Group Loans

The Company has given an undertaking that we will not require loans that the Company has made to wholly owned and controlled entities to be repaid within a 12-month period if doing so would place those entities in a position where they could not pay their debts as and when they fall due.

13. EARNINGS PER SHARE

The calculation of basic earnings per share outstanding for the period ended 31 December 2018 was based on the profit attributable to ordinary shareholders of $6,336,000 (31 December 2017: $12,358,000) and a weighted average number of ordinary shares outstanding during the period ended 31 December 2018 of 1,795,631,672 (31 December 2017: 1,740,847,650), calculated as follows:

(a) Earnings used in calculating earnings per share:

	31 Dec 2018 US$'000s	31 Dec 2017 US$'000s
Profit attributable to ordinary shareholders for basic and diluted earnings	**6,336**	**12,358**

(b) Weighted average number of ordinary shares

	31 Dec 2018	31 Dec 2017
Weighted average number of shares used as a denominator for basic earnings per share	**1,795,631,672**	1,740,847,650
Effect of dilution:		
Convertible Note		
SCPE	**58,255,312**	101,122,459
Warrant		
SCPE	**42,867,117**	-
Weighted average number of shares used as a denominator for diluted earnings per share	**1,896,754,101**	1,896,531,305

	31 Dec 2018 Cent	31 Dec 2017 Cent
Basic earnings per share – cents per share	**0.35**	0.71
Diluted earnings per share – cents per share	**0.33**	0.65

Profit attributable to ordinary shareholders is the same for basic and diluted as any additional interest or costs incurred for the convertible notes would be capitalised to projects.

14. RELATED PARTY TRANSACTIONS

There were no new related party contracts entered into during the half year ended 31 December 2018. Please refer to Note 10 for disclosure of related party loans.

(a) Leases of properties

Energy World Corporation Ltd rents a number of properties from related parties for our offices in Sydney, New South Wales and for the site of our proposed LNG Hub terminal in the Philippines, details of which are set out in the following table:

Premises	Lessor	Lessee	Term	Rental
1. Part of Unit 9A, Seaforth Crescent, Seaforth, Sydney, New South Wales, Australia	Energy World International Limited	Energy World Corporation Ltd	Extended to 31 December 2019	A$6,000 per month (excluding GST); Payment made during the period of this annual report - A$36,000 (US$26,001)
2. Parcel of land comprising a total area of 282,823 sq.m on Pagbilao Grande Island, Province of Quezon, Lozon, the Philippines	Malory Properties Inc.*	Energy World Corporation Ltd, Energy World Power Operations Philippines Inc. and Energy World Gas Operations Philippines Inc.	25 years commencing 24 May 2017 with an option to extend for a further term of 25 years	20.8 PHP ($0.4) per square metre with escalation every three years at 3%

* Malory Properties Inc., a company incorporated in the Philippines on 23 March 1993 with limited liability. Mr. Stewart Elliott, who is our Chairman, Managing Director, Chief Executive Officer and one of our Substantial Shareholders has a 40% beneficial interest.

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Commercial Agreements with EWC and Related Parties

We have previously entered into a number of management services agreements with EWI and Slipform Engineering International (H.K.) Ltd, details of the open contact at 31 December 2018 is summarised below:

Parties	Date of agreement/ amendment	Scope of services	Fees	Payment made during the year ended 31 December 2018	Amount remaining on contract at 31 December 2018
EWC and Slipform Engineering International (H.K.) Ltd*	10 October 2011	Slipform Engineering International (H.K.) agrees to provide EWC with engineering assistance, design services and management support for the development of a 56,000 TPA LNG processing plant and related facilities in Gilmore, Queensland Australia.	Fixed fee of US$5.5 million. All payment obligations under this agreement have been satisfied, although Slipform continues to provide ongoing assistance.	Balance payable as at 31 December 2018: Nil Amount paid: Nil	US$279,763

* Slipform Engineering International (H.K.) Ltd, a company incorporated in Hong Kong with limited liability, in which Mr. Stewart Elliott, who is EWC's Chairman, Managing Director and Chief Executive Officer and Mr. Graham Elliott, who is a Project Director, have a 90% and 10% beneficial interest respectively.

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Commercial Agreements with EWC and Related Parties (Continued)

We have entered into an operation and maintenance contract with PT Consolidated Electric Power Asia, details of which are set out in the following table:

Parties	Date of agreement / amendment	Scope of services	Amounts incurred for the half year ended 31 December 2018	Payments made during the half year ended 31 December 2018	Amount payable on contract at 31 December 2018
PTES and PT Consolidated Electric Power Asia *	12 March 2012 30 May 2012 (amendment) 30 May 2012 (addendum)	PT Consolidated Electric Power Asia agrees to be responsible for operation and maintenance services in relation to the Sengkang Power Plant. The initial scope covers the original 135MW units. The O&M was extended to cover the additional 180MW units upon commercial operation of the 60MW steam turbine.	US$6.58m	US$13.45m	US$2.12m

* PT Consolidated Electric Power Asia, a company incorporated in Indonesia, is 95% owned by Mr. Stewart Elliott, EWC's Chairman, Managing Director and Chief Executive Officer.

14. RELATED PARTY TRANSACTIONS

(c) Commitment Agreements with EWC and Connected Persons (Continued)

We have entered into a construction services contract with Slipform (Indonesia) and engineering, procurement and construction contracts with Slipform (H.K.), details of which are set out in the following table. These contracts allow for flexibility in payment obligations, through the Company's control over project timetable and progress and thus do not constitute irrevocable payment obligations to the Company and allows the Company to manage its funding on these projects accordingly.

Parties	Date of agreement / amendment	Scope of services	Contract value	Accumulated invoices received from related parties ($US millions)	Accumulated invoices received from third parties ($US millions)	Total invoices received ($US millions)	Amount remaining on contract ($US millions)	Related party payable ($US millions)
EWC and Slipform Engineering International (H.K.) Ltd	12 March 2012 18 June 2012 (amendment)	Slipform Engineering International (H.K.) Ltd agrees to undertake the engineering, procurement and construction of the Gilmore LNG Project.	$70.0m subject to adjustment and deduction for equipment and consultant services incurred directly by the Company.	31 December 2018: $20.9 30 June 2018: $20.8	31 December 2018: $10.2 30 June 2018: $10.2	31 December 2018: $31.2 30 June 2018: $31.1	31 December 2018: $38.8 30 June 2018: $38.9	31 December 2018: $20.5 30 June 2018: $20.5
EWC and Slipform Engineering International (H.K.) Ltd	12 March 2012 18 June 2012 (amendment)	Slipform Engineering International (H.K) Ltd agrees to undertake the engineering, procurement and construction of the Philippines LNG Hub.	$130.0 subject to adjustment and deduction for equipment and consultant services incurred directly by the Company.	31 December 2018: $111.6 30 June 2018: $111.6	31 December 2018: $18.3 30 June 2018: $18.3	31 December 2018: $129.9 30 June 2018: $129.9	31 December 2018: $0.1 30 June 2018: $0.1	31 December 2018: $21.8 30 June 2018: $21.8
PT South Sulawesi LNG and PT Slipform Indonesia and its related entities	18 March 2009 12 March 2012 (novation and variation) 18 June 2012 (amendment)	PT Slipform Indonesia agrees to undertake the engineering, procurement and construction of the Sengkang LNG Project. The contract was originally with Slipform Engineering International (H.K.) Ltd, and was novated to PT Slipform Indonesia on 12 March 2012.	$352.0 subject to adjustment and deduction for equipment and consultant services incurred directly by the Company	31 December 2018: $148.0 30 June 2018: $147.9	31 December 2018: $195.2 30 June 2018: $195.2	31 December 2018: $343.2 30 June 2018: $343.1	31 December 2018: $8.8 30 June 2018: $8.9	31 December 2018: $137.6 30 June 2018: $137.6
EWC and Slipform Engineering International (H.K.) Ltd	3 March 2014	Slipform Engineering International (H.K) Ltd agrees to undertake the engineering, procurement and construction of the Philippines Power.	$588.0 subject to adjustment and deduction for equipment and consultant services incurred directly by the Company	31 December 2018: $224.6 30 June 2018: $224.6	31 December 2018: $130.9 30 June 2018: $130.9	31 December 2018: $355.5 30 June 2018: $355.5	31 December 2018: $232.5 30 Jun 2018: $232.5	31 December 2018: $173.4 30 June 2018: $173.3

* PT Slipform Indonesia is a 95% owned subsidiary of Slipform Engineering International (H.K.) Ltd. The contracts are structured in a manner that the contract is subject to the Company having available financing in place to proceed with the projects.

15. SUBSEQUENT EVENTS

There are no significant events occurring after the balance sheet date which may affect the Company's operations or results of these operations or the Company's state of affairs.

Directors' Declaration

In accordance with a resolution of the directors of Energy World Corporation Ltd, I state that:

In the opinion of the directors:

(a) The financial statements and notes of Energy World Corporation Ltd for the half year ended 31 December 2018 are in accordance with *the Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half year ended on that date; and

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

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

On behalf of the board

Brian Jeffrey Allen
Director

28 February 2019

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Independent Auditor's Review Report to the Members of Energy World Corporation Ltd

Report on the Half-Year Financial Report

Qualified Conclusion

We have reviewed the accompanying half-year financial report of Energy World Corporation Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, except for the possible effects of the matter described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention, that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Qualified Conclusion

The financial report discloses the Group's exploration and evaluation assets and assets under construction. The Directors have performed assessments of the recoverable amounts of each of its assets under construction and exploration and evaluation assets and used the assessments to support the carrying amount of these assets in the statement of financial position as at 31 December 2018. We were unable to obtain sufficient appropriate review evidence to support certain assumptions used by the Directors in their impairment assessments as at 31 December 2018. Consequently, we were unable to determine whether any adjustment to the amounts recorded in assets under construction and exploration and evaluation assets were necessary.

Emphasis of Matter – Material Uncertainty Related to Going Concern

Without qualifying our conclusion, we draw attention to Note 2 to the financial statements which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to recoverability and classification of recorded assets amounts nor to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

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Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2018 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Ernst & Young

Ernst & Young

Ryan Fisk
Partner
Sydney
28 February 2019