



ENERGY WORLD CORPORATION LTD.

**Energy World Corporation Ltd and
its controlled entities**

ABN 34 009 124 994

**Preliminary Final Report
30 June 2021**

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

			2021 \$US'000	2020 \$US'000
Revenue	Down	2.5%	155,315	159,245
Profit after tax	Up	277.3%	46,486	12,319
Net Profit from ordinary activities after tax attributable to members	Up	290.0%	45,170	11,591
Total comprehensive income for the period attributable to members	Up	314.8%	49,614	11,960

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 2021	30 June 2020
Net Tangible Asset Backing		
Net tangible asset backing per ordinary security	\$0.29	\$0.36

Energy World Corporation Ltd and its controlled entities

ABN 34 009 124 994

Preliminary Financial Report

30 June 2021

Review and Results of Operations

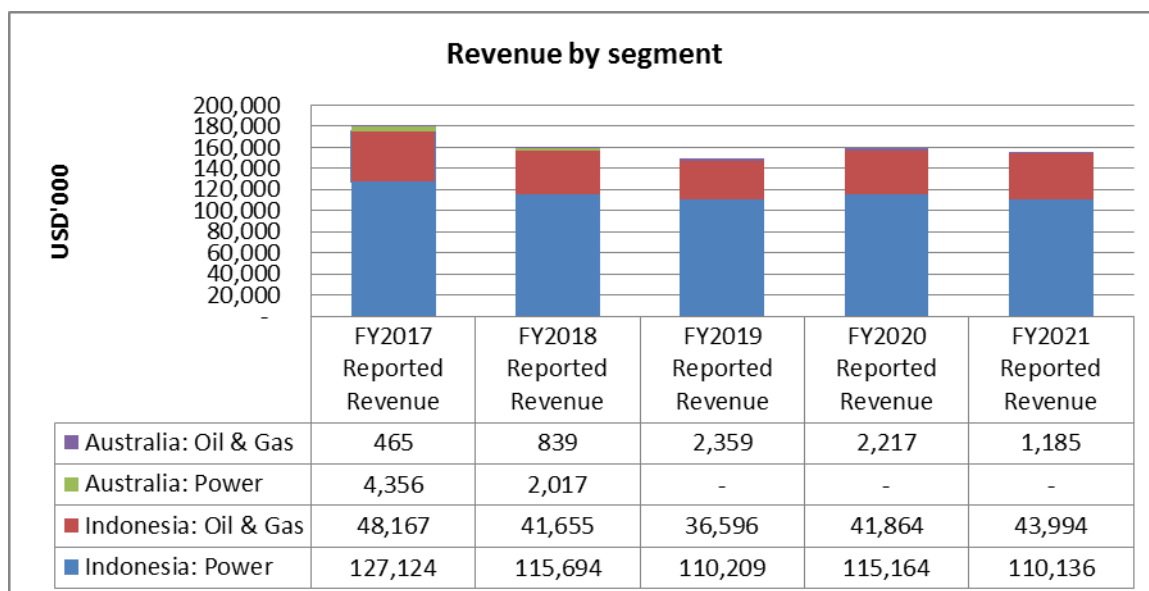
This financial report is presented in US Dollars, the functional currency for the parent entity of Energy World Corporation Ltd (“EWC”).

Revenue for the consolidated group for the year ended was \$155.3 million. This represents a 2.5% decrease in the revenues as compared to FY20 of \$159.2m. Net profit increased from \$12.3million to \$46.5million representing an increase of 290.0%. This was mainly due to the additional \$27.1million gain recorded as a consequence of the Amendment of the Slipform and EWI loan agreements as described on the Corporate Review (Page 6).

In Indonesia, the revenue from gas sales has increased \$2.1 million due to differences in pricing structure of the gas supply between the two years. The revenue from power has decreased by \$5.0 million compared to FY20 due to the impact of COVID-19 on the power demand in South Sulawesi.

In Australia, the revenue from oil & gas decreased by 46.5% during FY21 compared to FY20. Revenue in Australia arises from the Naccowlah Joint Venture with Santos in which we hold a 2% interest

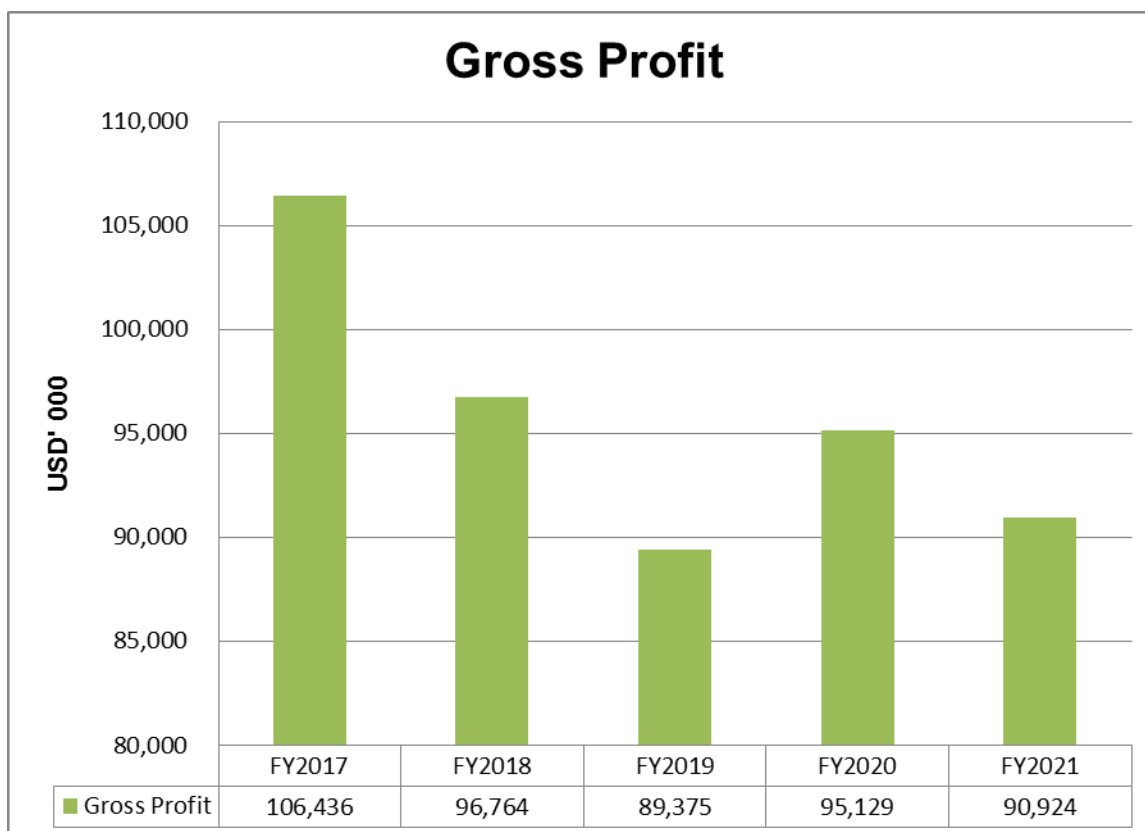
Note 1:



Review and Results of Operations (continued)

Gross profit for the financial year was \$90.9 million (2020: \$95.1 million), a decrease of 4.4% over the comparative period. (See Note 2)

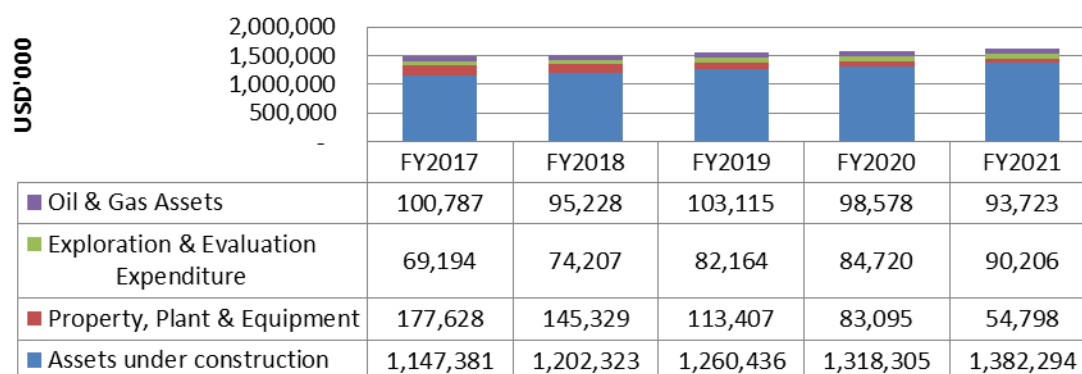
Note 2:



Gross profit as a percentage of revenue for FY21 is 59%., which is slightly lower than FY20 of 60%.

Review and Results of Operations (continued)

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



Assets under construction have increased by \$64.0 million for the financial year as a result of:

- Sengkang LNG: Additions of \$20.8 million relating to construction progress and capitalised interest.
- Philippines Power Project: \$30.8 million relating to construction progress and capitalised interest.
- Philippines LNG Hub Terminal: \$8.9 million relating to construction progress and capitalised interest.
- Gilmore LNG and other Project: Additions of \$3.5 million relating to construction progress and capitalised interest.

Corporate Review

In April, the Company successfully completed a fully underwritten, non-renounceable 1 for 2.21 entitlement offer of fully paid ordinary shares (Offer Shares) (Entitlement Offer) and raised approximately A\$65 million at the offer price of A\$0.08 per Offer Share. Eligible shareholders subscribed for approximately 37% of the Offer Shares under the Entitlement Offer. The remaining Offer Shares were allocated to the underwriter and sub-underwriters including Energy World International Ltd, the Company's largest shareholder. After completion of the Entitlement Offer, Energy World International Ltd retained a 35% shareholding in the Company.

As a result of the offer, a number of new investors have been identified which has given us a spectrum of additional third-party investors and strengthened the investor base of EWC. In terms of the rights issue, most of the major shareholders took up their full entitlement including Clermont. A strong signal from our investors that are fully supportive of our projects in the Philippines and Indonesia.

Funds raised under the Entitlement Offer were used to make payment to Augusta Investments I Pte. Ltd (approximately A\$47 million); pay associated costs and for corporate and project development purposes.

In June, we announced that the Company, Slipform and EWI had agreed to amend loan agreements. Both Slipform and EWI agreed to extend repayment of their loans to 30 June 2024. Both parties also agreed, effective 1 July 2021, interest on their respective loans would be reduced to 6% per annum. As a result of these revised arrangements, a calculation on the carrying value of the loans has been performed adhering to the current accounting standards. An accounting gain of US\$24.2million on the Slipform loan and US\$2.9million on the EWI loan has been identified and incorporated into our profit and loss accounts this year.

Impact of COVID-19

The Company has continued to implement all 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 reactivation of the Eromanga and Gilmore Gasfields is continuing and ongoing in line with the relevant government guidelines including environmental, safety and governmental clearances. Staff have been recruited to implement and perform the required technical and commercial disciplines associated with these tasks.

We have received approval from the Department of Natural Resources Mineral and Energy (DRME) to our applications under the 1923 Act for PLA numbers 1111 to 1114 from July 2021 to July 2051 (30 years). Furthermore, we are in the process of renewing PL184 (Thylungra) and this has been given the new PL number of 1115. We have formally received the approvals from the DRME for a further 7-year renewal of the licenses for PL115, PL116 and PL117 from 29 September 2019 until 28 September 2026.

At the moment we are completing remaining licensing and permitting processes to prepare for a recommencement of activities and works in the 4Q of 2021.

Regarding PEL96 and our joint interest with Strike Energy, Strike issued a statement on 16 August 2021, announcing the sale of its interest in PEL96 to Talon Energy Limited. We are now in discussions with Talon Energy and from information we have received, which we are still evaluating, we may need to make adjustments to our accounting arrangements in connection with this investment. We expect to be able to detail these arrangements within our annual report to Shareholders to be issued at the end of September 2021.

Indonesia:

We announced in February that the Planology Department of Ministry of Forestry had formally completed the review of the historical land documentation and the remapping of the land area on which we are building our LNG facility and that we had received the renewed permit to enable us to re-access the site and recommence the activity, despite COVID-19.

In early July, after the close of the reporting period, we announced that the Company's subsidiary Energy Equity Epic (Sengkang) Pty. Ltd. ("EEES") and PT Energi Maju Abadi ("EMA") a privately owned upstream oil and gas exploration and production company, a wholly-owned subsidiary of Bakrie Group, had entered into a Joint Operation Agreement ("JOA") and had acquired 49% participating interest in the Sengkang PSC Working Area ("Sengkang PSC").

The resolution of the land matter, combined with the 20-year extension to our gas operations in South Sulawesi announced in November 2018, and the announcement of the JOA places the Company in a position to fully develop the commercial opportunities previously foreseen to bring cleaner and affordable energy to the region for power generation, industrial development, city gas and road transportation thus complementing the renewable energy developments being introduced into the region.

Accordingly, as a first step, we have submitted proposals to PLN for an extension of the Power Purchase Agreement ("PPA") for our Sengkang Power Plant project which expires in October 2022. PLN are reviewing the application, and we expect further discussions in September 2021. Part of these discussion will involve EMA in so far as they will relate to the supply of gas from the PSC required for the PPA and also for production of LNG.

As a consequence of EMAs interest in the Sengkang PSC we are now evaluating implications for the accounting treatment the Sengkang PSC as an asset of the Company. We expect to be able to detail these arrangements within our annual report to Shareholders to be issued at the end of September 2021.

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 care and maintenance of the installed plant and equipment is ongoing, dredging of the jetty area continues as well as other necessary task so that the site is ready for remobilisation.

Our land acquisition programme for the Right of Way (ROW) has continued, and where this has been completed soil investigation engineering studies have been completed for the intital transmission towers.

Through video conferencing meetings, we have kept an ongoing dialog with the Department of Energy (DOE) and other key stakeholders for 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 still targeted for completion by March / June 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 2021

Energy World Corporation Ltd and its Controlled Entities
Consolidated Statement of Comprehensive Income
For The Year Ended 30 June 2021

	Notes	2021 US\$'000	2020 US\$'000
Sales revenue	2	155,315	159,245
Cost of Sales		(64,391)	(64,116)
Gross profit		90,924	95,129
Other income		1,043	178
Depreciation and amortisation expenses		(37,882)	(38,073)
Impairment (expenses) / reversal		-	(3,211)
Gain on debt modification		27,083	-
Other expenses		(12,380)	(18,338)
Results from operating activities		68,788	35,685
Finance income / (expenses)		(1,653)	(577)
Net financing expenses		(1,653)	(577)
Foreign currency exchange gain / (loss)		(42)	908
Profit before income tax expense		67,093	36,016
Income tax expense		(20,607)	(23,697)
Net profit for the period		46,486	12,319
Profit for the period is attributable to:			
Non-controlling interest		1,316	728
Owners of the parent		45,170	11,591
		46,486	12,319
Net profit for the period		46,486	12,319
Other comprehensive income not to be reclassified to profit or loss subsequent periods (net of tax):			
Actuarial (losses) / gains on defined benefit plans		145	(208)
Other comprehensive income to be reclassified to profit or loss in Subsequent periods (net of tax):			
Net gain / (loss) on cash flow hedges		130	286
Revaluation on investment to market value		341	365
Exchange differences on translation of foreign operations		3,831	(83)
Other comprehensive income/ (loss) for the period, net of tax		4,447	360
Total comprehensive income for the period		50,933	12,679
Total comprehensive income for the period is attributable to:			
Non-controlling interest		1,319	719
Owners of the parent		49,614	11,960
		50,933	12,679
		2021	2020
		Cents	Cents
Basic earnings per share attributable to ordinary equity holders		0.72	0.65
Diluted earnings per share attributable to ordinary equity holders		0.72	0.65

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 2021

	Notes	2021 US\$'000	2020 Restated US\$'000
Current Assets			
Cash assets		15,441	1,409
Cash held in reserve accounts	3	61,921	27,591
Trade and other receivables		35,492	28,431
Related parties receivables		220	252
Inventories		508	704
Prepayment		1,312	907
Total Current Assets		114,894	59,294
Non-Current Assets			
Cash held in reserve accounts	3	4,123	55,123
Prepayment		1,858	1,858
Investments		841	500
Oil and gas assets	5	93,723	98,578
Exploration and evaluation expenditure	6	90,206	84,720
Property, plant and equipment	7	1,437,212	1,401,400
Right of use assets		7,650	7,244
Total Non-Current Assets		1,635,613	1,649,423
Total Assets		1,750,507	1,708,717
Current Liabilities			
Trade and other payables		33,023	25,426
Trade and other payables – related parties		9,317	17,014
Income tax payable		29,480	24,923
Interest-bearing borrowings	8	134,932	109,597
Derivative liabilities		143	135
Provisions		1,803	1,269
Lease liabilities		2,018	1,900
Total Current Liabilities		210,717	180,264
Non-Current Liabilities			
Trade and other payables		9,010	29,366
Trade and other payables – related parties		170,354	129,786
Interest-bearing borrowings	8	485,730	586,704
Deferred tax liabilities		19,251	23,524
Provisions		15,469	17,375
Lease liabilities		3,394	3,754
Total Non-Current Liabilities		703,208	790,509
Total Liabilities		913,925	970,773
Net Assets		836,582	737,944

Energy World Corporation Ltd and its Controlled Entities

Consolidated Statement of Financial Position

As At 30 June 2021

	Notes	2021	2020
		US\$'000	Restated US\$'000
Equity			
Issued capital		540,438	492,733
Other reserves		21,083	16,639
Retained profits		258,849	213,679
Shareholders' equity attributable to owners of Energy World Corporation Ltd		820,370	723,051
Non controlling interest		16,212	14,893
Total Shareholder's Equity		836,582	737,944

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 2021

	Issued capital US\$'000	Other reserves US\$'000	Accumulated profits / (losses) (Restated) US\$'000	Owners of the Parent US\$'000	Non - Controlling Interest US\$'000	Total Equity US\$'000
Balance at 1 July 2020	492,733	16,639	213,679	723,051	14,893	737,944
Profit for the period			45,170	45,170	1,316	46,486
Other comprehensive income/(loss)		4,444		4,444	3	4,447
Total comprehensive income/(loss) for the period	-	4,444	45,170	49,614	1,319	50,933
Issue of shares	50,719			50,719		50,719
Expenses in relation to Issue of shares	(3,014)			(3,014)		(3,014)
Balance at 30 June 2021	540,438	21,083	258,849	820,370	16,212	836,582
Balance at 1 July 2019	492,733	16,270	202,088	711,091	14,174	725,265
Profit for the period	-	-	11,591	11,591	728	12,319
Other comprehensive income / (loss)	-	369	-	369	(9)	360
Total comprehensive income for the period	-	369	11,591	11,960	719	12,679
Balance at 30 June 2020	492,733	16,639	213,679	723,051	14,893	737,944

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

Energy World Corporation Ltd and Its Controlled Entities

Consolidated Statement of Cash Flows

For The Year Ended 30 June 2021

	Notes	2021 US\$000	2020 US\$000
Cash Flows From Operating Activities			
Receipts from customers (GST inclusive)		157,819	157,784
Payments to suppliers and employees (GST inclusive)		(90,441)	(87,059)
Income tax paid		(21,323)	(20,001)
Interest (paid)/received		25	185
Net Cash Flows Generated from Operating Activities		46,079	50,909
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(13,790)	(4,610)
Payments for exploration and evaluation		(575)	(2,528)
Payments for oil and gas assets		(120)	(530)
Interest paid – Capitalised in Asset under Construction		(23,716)	(9,622)
Net Cash Flows Used in Investing Activities		(38,201)	(17,290)
Cash Flows From Financing Activities			
Net proceeds from issues of equity securities		47,706	-
Transfer from /(to) restricted deposit and reserve accounts		16,670	(11,670)
Borrowing transaction costs		(216)	(752)
Repayment of borrowings		(53,614)	(24,733)
Proceeds from borrowings – related parties		-	2,100
Payment of principal portion of lease liability		(1,546)	(3,809)
Net Cash Flows Used in Financing Activities		9,000	(38,864)
Net Increase/ (Decrease) In Cash Held		16,877	(5,245)
Cash at the beginning of the year		1,409	7,012
Net foreign exchange differences		(2,845)	(358)
Cash at the end of the financial year		15,441	1,409

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

Notes To The Financial Statements

For The Year Ended 30 June 2021

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 2020.

(b) Going Concern

As at 30 June 2021 the Group's consolidated balance sheet shows a net current liability position of \$95.8 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 uncertainty that casts significant doubt about 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

(ii) Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended that will be effective from the company's financial year beginning 1 July 2021. The Directors have not adopted any of these new or amended standards or interpretations.

At the date of authorization of the financial report, a number of standards and Interpretations were in issue but not yet effective.

Initial application of the following Standards is not expected to materially affect any of the amounts recognized in the financial statements, but may change the disclosures made in relation to the Group's financial statements:

Notes To The Financial Statements

For The Year Ended 30 June 2021

1. Summary of Significant Accounting Policies

(c) New accounting standards and interpretations (Continued)

(ii) Accounting Standards and Interpretations issued but not yet effective (continued)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Amendments to IFRS 3 - Definition of a Business	1 Jan 2021	30 June 2022
Amendments to IFRS 9, IAS 39 - Interest Rate Benchmark	1 Jan 2021	30 June 2022
Amendments to IAS 1 (Presentation of Financial Statements) and IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) – Definition of Material	1 Jan 2021	30 June 2022

(d) Fair value

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

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

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

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

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

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

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

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

For the year ended 30 June 2021, 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 2020 and 30 June 2020, there were no transfers between level 1 and level 2 fair value measurements.

Notes To The Financial Statements

For The Year Ended 30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Fair value (continued)

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

(e) Prior Period Restatement

During the current period, the Group identified \$3.4m of trade receivables that were incorrectly recognised in the financial year ending 30 June 2019. The Group has restated the trade and other receivables balance as at 30 June 2020 in the Statement of Financial Position to derecognise the receivable and a made a corresponding adjustment to opening retained earnings given the adjustment relates to balances that originated prior to the beginning of the comparative period.

(f) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Energy World Corporation Ltd and its controlled entities as at 30 June 2021.

(i) *Subsidiaries*

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

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

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.

(g) Changes in accounting policies

The Group has adopted all of the new mandatory applicable standards and amendments to existing standards as of 1 July 2021. 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.

Notes To The Financial Statements

For The Year Ended 30 June 2021

Summary of Significant Accounting Policies (continued)

(h) 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.

(i) 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.

(j) 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.

Notes To The Financial Statements

For The Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(j) Exploration and Evaluation Expenditure (continued)

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.

(k) 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.

(l) 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.

(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.

Notes To The Financial Statements

For The Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(l) Impairment of non financial assets

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

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

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

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

(i) Calculation of Recoverable Amount

The recoverable amount of the consolidated entity's investments in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial

(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.

Notes To The Financial Statements

For The Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(j) 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.

(k) 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.

(l) 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.

Notes To The Financial Statements

For The Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(l) Employee Benefits (continued)

(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.

(m) Provisions

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

(i) Site Restoration

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

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

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

(n) 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.

Notes To The Financial Statements

For The Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(o) 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.

(p) 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 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.

(q) 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.

Notes To The Financial Statements

For The Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(q) Income Tax (continued)

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.

(r) 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.

(s) 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.

Notes To The Financial Statements

For The Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(j) Operating Segments (continued)

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.

(k) 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.

(l) 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

Notes To The Financial Statements

For The Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(ii) *Exploration and Evaluation (continued)*

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).

(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:

Notes To The Financial Statements

For The Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(x) Derivative financial instruments and hedging (continued)

(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.

(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.

(x) 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.

Notes To The Financial Statements

For The Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(x) Foreign currency translation (continued)

(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 99.2% of external revenue (2020 98.6%). The next most significant customer accounts for 0.7% (2020: 1.4%).

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.

	2021 US\$'000	2020 US\$'000
Indonesia	154,130	157,028
Australia	1,185	2,217
Total revenue	155,315	159,245

Notes To The Financial Statements

For The Year Ended 30 June 2021

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.

	<u>Australia</u>		<u>Indonesia</u>				<u>Project development</u>		<u>Corporate</u>		<u>Total</u>	
	<u>Oil & Gas</u>		<u>Oil & Gas</u>		<u>Power</u>							
	2020		2020		2020		2020		2020		2020	
	2021	Restated	2021	Restated	2021	Restated	2021	Restated	2021	Restated	2021	Restated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Sales revenue	1,185	2,217	43,994	41,864	110,136	115,164	-	-	-	-	155,315	159,245
Result												
Segment result	714	1,536	28,160	27,473	54,876	53,140	-	-	(2,281)	(216)	81,469	81,933
Impairment Loss	-	-	-	-	-	-	-	(2,371)		(840)	-	(3,211)
Depreciation and amortisation	(114)	(187)	(5,762)	(5,797)	(31,417)	(31,942)			(589)	(147)	(37,882)	(38,073)
Net financing (income)/ cost											(1,653)	(577)
Gain on debt modification											27,083	-
Unallocated corporate result											(1,882)	(4,964)
Foreign currency exchange gain/(loss)											(42)	908
Profit before income tax											67,093	36,016
Income tax expense											(20,607)	(23,697)
Net-profit after tax											46,486	12,319
Non-controlling interest											(1,316)	(728)
Net profit attributable to owners of the parent											45,170	11,591
Other Comprehensive income/ (loss)											4,447	360
Current assets	3,307	2,466	12,150	8,798	35,498	46,061	31	115	63,908	1,854	114,894	59,294
Segment assets	82,373	73,503	134,226	133,253	76,813	118,082	1,377,336	1,318,305	79,758	65,574	1,750,506	1,708,717
Segment liabilities	(9,449)	(6,491)	(42,519)	(39,396)	(23,225)	(30,366)	(628,598)	(582,916)	(210,134)	(311,604)	(913,926)	(970,773)

Notes To The Financial Statements

For The Year Ended 30 June 2021

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:

	2021 US\$'000	2020 Restated US\$'000
Current operating assets	51,004	57,440
Corporate cash	6,645	187
Cash held in reserve accounts	51,203	194
Prepayments and other	6,042	1,473
Current corporate assets	63,890	1,854
Total current assets per the statement of financial position	114,894	59,294

	2021 US\$'000	2020 Restated US\$'000
Segment operating assets	1,670,748	1,643,143
Current corporate assets	6,645	187
Non-current cash held in reserve accounts	51,203	51,194
Non-current prepayments and other	21,911	14,193
Total assets recorded in the statement of financial position	1,750,507	1,708,717

Reconciliation of segment operating liabilities to total liabilities:

	2021 US\$'000	2020 US\$'000
Segment operating liabilities	703,791	659,169
Deferred tax liabilities	11,501	23,533
Interest-bearing borrowings	183,783	193,021
Provisions and other	14,851	95,050
Total liabilities recorded in the statement of financial position	913,926	970,773

Notes To The Financial Statements

For The Year Ended 30 June 2021

3. Cash Held in Reserve Accounts

	2021 US\$'000	2020 US\$'000
Cash held in reserve accounts - current	61,921	27,591
Cash held in reserve accounts – non-current	4,123	55,123
	66,044	82,714

As at 30 June 2021, cash of \$66.0 million is held in reserve accounts for the following purpose.

- \$51.0 million as security for payment to HSBC of the corporate facility (Note 8(e))
- \$6.4 million as Debt Service Accrual and Debt Service Reserve Sub Accounts and Surplus Fund Account for PT Energi Sengkang (Note 8(c))
- \$0.5 million as Security Deposits made by Energy World Corporation Ltd (\$0.04 million); Australian Gasfields Limited (\$0.4 million); Central Energy Australia Pty Ltd. (\$0.06 million)
- \$0.1 million as Security Deposits made by Energy World Gas Operations Philippines Inc. . (Note 8(f))
- \$8.0 million as Security Deposits made by Energy Equity Epic (Sengkang) Pty Ltd

As at 30 June 2020, cash of \$82.7 million is 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))
- \$3.7million as Abandonment site Restoration provided by Energy Equity Epic (Sengkang) Pty Ltd
- \$0.4million of Bank Guarantee for further Exploration and evaluation work
- \$0.5 million as Security Deposits made by Energy Equity Epic (Sengkang) Pty Ltd

Notes To The Financial Statements

For The Year Ended 30 June 2021

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	
	2021	2020
	%	%
PL115 & PL116 Eromanga (Australia) extended to September 2026	100.0	100.0
PL65 Gilmore (Australia)	100.0	100.0
PL1111, 1112, 1113 & 1114 (formerly 1030, 1031, 1032 & 1033) (Australia) extended to July 2051	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

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

5. Oil and Gas Assets

	2021	2020
	US\$'000	US\$'000
Opening balance	98,578	103,115
Additions / (Disposal)	120	530
Amortisation	(4,975)	(5,067)
Closing balance	93,723	98,578

6. Exploration and Evaluation Expenditure

	2021	2020
	US\$'000	US\$'000
Opening balance	84,720	82,164
Additions	537	2,556
Foreign currency translation	4,949	-
Closing balance	90,206	84,720

Notes To The Financial Statements

For The Year Ended 30 June 2021

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 2019	7,179	2,715	414,452	1,260,436	1,684,782
Additions	48	-	1,585	60,240	61,873
Impairment	-	-	-	(2,371)	(2,371)
Foreign currency translation	-	-	-	-	-
Balance at 30 June 2020	7,227	2,715	416,037	1,318,305	1,744,284
Balance at 1 July 2020	7,227	2,715	416,037	1,318,305	1,744,284
Additions	19	-	2,463	64,037	66,519
Foreign currency translation	(52)	20	2,912	(48)	2,832
Balance at 30 June 2021	7,194	2,735	421,412	1,382,294	1,813,635
Depreciation					
Balance at 1 July 2019	-	(1,033)	(309,906)	-	(310,939)
Depreciation charge for the year	-	(1)	(32,245)	-	(32,246)
Foreign currency translation	-	-	301	-	301
Balance at 30 June 2020	-	(1,034)	(341,850)	-	(342,884)
Balance at 1 July 2020	-	(1,034)	(341,850)	-	(342,884)
Depreciation charge for the year	-	-	(31,810)	-	(31,810)
Foreign currency translation	-	(19)	(1,711)	-	(1,730)
Balance at 30 June 2021	-	(1,053)	(375,371)	-	(376,424)
Carrying amount					
At 30 June 2020	7,227	1,681	74,187	1,318,305	1,401,400
At 30 June 2021	7,194	1,682	46,041	1,382,294	1,437,212

The Assets under construction comprise of \$582.6 million (June 2020: \$561.3 million) applicable to the Sengkang LNG plant development; \$545.6 million (June 2020: \$515.6 million) applicable to the Philippines Power project; \$202.9 million (June 2020: \$194.0 million) applicable to the Philippines LNG project; and \$51.2 million (June 2020: \$47.7 million) applicable to Gilmore and other projects.

Notes To The Financial Statements

For The Year Ended 30 June 2021

8. Interest-Bearing Liabilities

		2021 US\$'000	2020 US\$'000
Current			
PTES US\$200 million with Development Finance Institutions	(b)	5,333	10,719
EEES US\$125 million Loan Agreement Standard Chartered Bank and Mizuho Corporate Bank	(c)	40,530	52,660
US\$51 million Revolving Loan Facility Agreement with The Hong Kong and Shanghai Banking Corporation Limited	(d)	50,832	-
LNG Hub Corporate Notes	(e)	20,565	23,718
US\$50million Subscription Agreement with Augusta Investments I Pte Ltd	(f)	17,672	22,500
Total current		134,932	109,597
Non-current			
PTES US\$200 million with Development Finance Institutions	(b)	-	5,162
Slipform US\$432 million Term Loan	(g)	425,745	447,460
US\$50million Subscription Agreement with Augusta Investments I Pte Ltd	(f)	-	20,679
US\$51 million Revolving Loan Facility Agreement with The Hong Kong and Shanghai Banking Corporation Limited	(d)	-	50,832
EWI facilities	(h)	59,985	62,571
Total non-current		485,730	586,704
Total interest-bearing liabilities		620,662	696,301

(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\$5.3 million was outstanding as at 30 June 2021, excluding unamortised borrowing costs.

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\$6.3 million in restricted accounts as security for the facility principal repayment and accrued interest. Refer to Note 3.

Notes To The Financial Statements

For The Year Ended 30 June 2021

8. Interest-Bearing Liabilities (continued)

(c) US\$125,000,000 Loan 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 2021 is USD40.5m.

(d) 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 2021, 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.

(e) 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).

(f) Augusta Investments I Pte Ltd Subscription Agreement

The loan has a final maturity date of 15 October, 2021. 101,122,149 warrants were also issued to Augusta I which is convertible into the capital of EWC at A\$0.50 each at any time on or before 15 October 2023.

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

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

Notes To The Financial Statements

For The Year Ended 30 June 2021

8. Interest-Bearing Liabilities (continued)

(h) EWI Facilities

- i. US\$45m Facility
- ii. US\$10m Facility
- iii. US\$5m Facility dated 3 October 2018
- iv. US\$6m Facility
- v. US\$2m Facility
- vi. US\$5m Facility dated 22 May 2020

On 2 June 2021, a Deed of Amendment was signed, effective from 1 July 2021, interest rate of all EWI loans will be reduced to 6% and repayment date extended to 30 June 2024.

10. Subsequent Events

There have been no significant events occurring after balance date, other than already distributed in the directors report, that may affect the company's operations or results of these operations or the company's state of affairs.

Notes To The Financial Statements

For The Year Ended 30 June 2021

Annual Meeting

The annual meeting will be held as follows:

Place: Virtual meeting by Webcast (Details to follow)
Date: 25 November 2021
Time: 3:00pm

Approximate date the annual report will be available on or before 30 September 2021.

Compliance Statement

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

Sign here: 
Director

Date: 31 August 2021

Print name: Brian Allen