

Enhanced Oil & Gas Recovery Limited

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ABN 67 097 771 581

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ASX Release

23 August 2019

APPENDIX 4E Preliminary Final Report

**ENHANCED OIL & GAS RECOVERY LIMITED
ABN 67 097 771 581
AND CONTROLLED ENTITIES**

**FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019
PROVIDED TO THE ASX UNDER LISTING RULE 4.3A**

Appendix 4E Preliminary Final Report

Name of entity

ENHANCED OIL & GAS RECOVERY LIMITED
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ABN or equivalent company reference:	67 097 771 581
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1. Reporting period

Report for the financial year ended	30 June 2019
Previous corresponding period is the financial year ended	30 June 2018

2. Results for announcement to the market

Revenues from ordinary activities (<i>item 2.1</i>)	Down	93%	to	\$2,618
Loss from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Up	20%	to	(\$482,290)
Net loss for the period attributable to members (<i>item 2.3</i>)	Up	20%	to	(\$482,290)
Dividends (<i>item 2.4</i>)	Amount per security		Franked amount per security	
Interim dividend	NIL		NIL	
Final dividend	NIL		NIL	
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	N/A			
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>):				
Revenue from ordinary activities consists of income derived mainly from sale of shares and interest income from bank deposits.				
The expenditure is principally derived from consultants, legal, corporate, regulatory and accounting requirements related to finalising The Wailawi transaction, general ASX and Corporate requirements and the due diligence of further opportunities and funding.				

3. Income Statement (*item 3*)

See “Consolidated Statement of Profit or Loss and Other Comprehensive Income” and accompanying notes.

4. Balance Sheet (*item 4*)

See “Consolidated Statement of Financial Position” and accompanying notes.

5. Statement of Cash Flows (*item 5*)

See “Consolidated Statement of Cash Flows” and accompanying notes.

6. Dividends (*item 6*)

	Date of payment	Total amount of dividend
Interim dividend – year ended 30 June 2019	N/A	\$ NIL
Final dividend – year ended 30 June 2019	N/A	\$ NIL

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend: Current year	NIL	NIL	NIL
Previous year	NIL	NIL	NIL

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities (<i>each class separately</i>)	NIL	NIL
Preference securities (<i>each class separately</i>)	NIL	NIL
Other equity instruments (<i>each class separately</i>)	NIL	NIL
Total	NIL	NIL

7. Details of dividend or distribution reinvestment plans in operation are described below (item 7):

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

N/A

8. Statement of retained earnings (item 8)

	Consolidated Entity	
	2019	2018
	\$	\$
Balance at the beginning of year	(14,277,488)	(13,874,454)
Net profit (loss) attributable to members of the parent entity	(482,290)	(403,034)
Total available for appropriation	(14,759,778)	(14,277,488)
Dividends paid	-	-
Balance at end of year	<u>(14,759,778)</u>	<u>(14,277,488)</u>

9. Net tangible assets per security (item 9)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	(0.0004 ¢)	(0.0004 ¢)

10. Details of entities over which control has been gained or lost during the period: (item 10)

Control gained over entities

Name of entities (item 10.1)

N/A

Date(s) of gain of control (item 10.2)

N/A

Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired (item 10.3)

\$ Nil

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)

\$ Nil

Loss of control of entities

Name of entities (item 10.1)

Powgen Mining Pty Ltd

Date(s) of loss of control (item 10.2)

4 February 2019

Name of entities (item 10.1)	Asia Energy & Minerals Ltd
Date(s) of loss of control (item 10.2)	1 May 2019
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (item 10.3).	\$ Nil
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	\$ Nil

11. Details of associates and joint venture entities (item 11)

Name of associate or joint venture entity (item 11.1)	%Securities held (item 11.2)
N/A	-

Aggregate share of profits (losses) of associates and joint venture entities (item 11.3)

Group's share of associates' and joint venture entities':	2019 \$	2018 \$
Profit (loss) from ordinary activities before tax	N/A	N/A
Income tax on ordinary activities	N/A	N/A
Net profit (loss) from ordinary activities after tax	N/A	N/A
Adjustments	N/A	N/A
Share of net profit (loss) of associates and joint venture entities	N/A	N/A

12. Significant information relating to the entity's financial performance and financial position.

Review of Operations

The main activities of the Company during most of the financial year centred on restructuring and seeking opportunities for the future.

During September 2018 the Company made a number of equity issues to either raise working capital or reduce liabilities. On 17 September 2018, the Company issued 119,442,500 shares at \$0.002. These shares were issued as part of a placement of 40,000,000; a debt to equity swap of 50,000,000; and a conversion of debt and outstanding liabilities for 29,442,500 shares.

Also beginning late September 2018 through to mid December 2018, the Company received loans of \$128,050 that were used for working capital and to pay debts.

On 1 February 2019 the Company issued 11,187,955 shares to settle liabilities. 5,500,000 shares were issued for \$0.002 for services rendered and 5,687,955 were issued at \$0.004 to extinguish an existing debt to former director John Carmody. This later issue having been approved by shareholders.

As the company sought potential opportunities, it was able to obtain in May 2019 a \$300,000 Convertible Note.

Further funding was obtained in late May 2019 through the placement of 160,000,000 shares at approximately \$0.0057143 to raise \$91,428.

The Company has been successful in managing its liabilities and entering into settlement arrangements. The Company is fortunate in that it had a small number of creditors, each of whom has had a long-term relationship with EOR.

EOR has in the past few months narrowed its review of opportunities and is actively pursuing a transaction so that the Company can be quoted on the ASX register.

On 28 June 2019, the company issued a Notice of Meeting for an Extraordinary General Meeting ("EGM") to consider ten resolutions which sought to: confirm two recent director appointments, ratify the recent placement, convert a number of existing liabilities to equity, convert over 80% of the convertible note to equity, consolidate the share capital on a 175 to 1 basis and approve a new constitution of the Company.

These actions are precursors to finalising opportunities the Board is seeking to complete, resulting in the Company being quoted on the ASX.

At the end of the financial year, the Company had in total 1,282,980,146 issued shares of which 409,810,055 shares are quoted listed securities in the Australian Stock Exchange (ASX). The remaining 873,170,091 shares representing approximately 68% of the total issued shares are not currently quoted and are potentially subject to ASX imposed escrow conditions.

After Balance Date Events

The Company held the EGM on 30 July 2019 and all resolutions were passed.

- 13. The financial information provided in the Appendix 4E is based on the annual financial report, which has been prepared in accordance with Australian accounting standards.**
(item 13)

- 14. Commentary on the results for the period.**

See item 2.6

- 15. Audit of the financial report (item 15)**

Select one of the following:

- X The financial report has been audited
The financial report has not yet been audited.
The financial report is in the process of being audited.

- 16. The audit has not yet been completed**

Select one of the following:

- The financial report is not likely to be the subject of dispute or qualification.
- The financial report is likely to be the subject of dispute or qualification as described below.

Include a description of the likely dispute or qualification. N/A

17. The audit has been completed.

Select one of the following:

- The financial report is not subject to audit dispute or qualification.

The financial report is subject to audit dispute or qualification as described below.

Include a description of the dispute or qualification. N/A

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019
ABN 67 097 771 581**

	Notes	Consolidated Entity	
		2019	2018
		\$	\$
Revenue			
Other income		2,618	35,573
		2,618	35,573
Less: Expenses			
Consulting and Temporary Staff Costs		(282,324)	(232,321)
Administration and accounting fees		(120,314)	(15,045)
Property and Occupancy		(40,000)	(42,346)
IT & Telecommunication		(511)	(2,311)
Finance costs		(235)	(7,466)
Corporate and listing costs		(34,229)	(46,453)
Other expenses		(7,295)	(92,665)
		(484,908)	(438,607)
Loss before income tax from operations		(482,290)	(403,034)
Income tax expense		-	-
Loss for the year		(482,290)	(403,034)
Other comprehensive income for the year net of tax		-	-
Total comprehensive loss for the year attributable to the members of the parent entity		(482,290)	(403,034)
Earnings per share from profit from operations:			
Basic earnings per share		(0.0004¢)	(0.0004¢)
Diluted earnings per share		(0.0004¢)	(0.0004¢)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019
ABN 67 097 771 581

	Notes	Consolidated Entity	
		2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents		358,800	553
Receivables		-	5,315
Other current assets		-	2
TOTAL CURRENT ASSETS		<u>358,800</u>	<u>5,870</u>
NON-CURRENT ASSETS			
Other financial assets		-	60
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>60</u>
TOTAL ASSETS		<u>358,800</u>	<u>5,930</u>
CURRENT LIABILITIES			
Payables		521,018	453,011
Borrowings		373,089	120,000
TOTAL CURRENT LIABILITIES		<u>894,107</u>	<u>573,011</u>
NON-CURRENT LIABILITIES			
Borrowings		-	150,000
TOTAL NON - CURRENT LIABILITIES		<u>-</u>	<u>150,000</u>
TOTAL LIABILITIES		<u>894,106</u>	<u>723,011</u>
NET ASSETS/(LIABILITIES)		<u>(535,307)</u>	<u>(717,081)</u>
EQUITY			
Issued capital		13,924,471	13,560,407
Convertible note		300,000	-
Accumulated losses		(14,759,778)	(14,277,488)
TOTAL EQUITY		<u>(535,307)</u>	<u>(717,081)</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019
ABN 67 097 771 581**

Consolidated Entity	Contributed equity \$	Retained earnings (Accumulated losses) \$	Total Equity \$
Balance as at 30 June 2017	13,267,307	(13,874,454)	(607,147)
Loss for the year	-	(403,034)	(403,034)
Total comprehensive income for the year	-	(403,034)	(403,034)
Transactions with owners in their capacity as owners:			
Contributions	293,100	-	293,100
	293,100	(403,034)	(109,934)
Balance as at 30 June 2018	13,560,407	(14,277,488)	(717,081)
Loss for the year	-	(482,290)	(482,290)
Total comprehensive income for the year	-	(482,290)	(482,290)
Transactions with owners in their capacity as owners:			
Contributions including convertible notes	664,064	-	664,064
	664,064	(482,290)	(181,774)
Balance as at 30 June 2019	14,224,471	(14,759,778)	(535,307)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019
ABN 67 097 771 581**

	Notes	Consolidated Entity	
		2019	2018
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		2,503	-
Payments to suppliers and employees		(257,469)	(438,774)
Interest received		116	7
Borrowing costs		(305)	(6,598)
Net cash provided by / (used in) operating activities		<u>(255,155)</u>	<u>(445,365)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		-	35,573
Payment for investments		-	-
Net cash provided by / (used in) investing activities		<u>-</u>	<u>35,573</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from shares issued		210,313	112,000
Proceeds from converting notes		300,000	270,000
Repayment of borrowings/deposit & bonds		103,089	-
Net cash provided by / (used in) financing activities		<u>613,402</u>	<u>382,000</u>
Net increase / (decrease) in cash and cash equivalents		358,247	(27,792)
Cash and cash equivalents at beginning of year		553	28,345
Cash and cash equivalents at end of the year		<u><u>358,800</u></u>	<u><u>553</u></u>

**ENHANCED OIL & GAS RECOVERY LIMITED
AND CONTROLLED ENTITIES
ABN 67 097 771 581**

NOTE 1: BASIS OF PREPARATION OF PRELIMINARY FINANCIAL REPORT

This preliminary financial report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. The accounting policies adopted in the preparation of the preliminary financial report are consistent with the accounting policies adopted and outlined in the notes to the financial statements for the year ended 30 June 2019.

**NOTE 2: RECONCILIATION OF PROFIT FROM
ORDINARY ACTIVITIES TO NET CASH FLOWS FROM
OPERATING ACTIVITIES**

	Year Ended June 30, 2019	Year Ended June 30, 2018
(a) Reconciliation of cash		
- Cash in hand	-	-
- Cash at bank	<u>358,800</u>	<u>553</u>
(b) Reconciliation of profit from ordinary activities after related income tax to net cash flows from operating activities		
- Loss for the year	(482,290)	(403,034)
Share issued in Lieu for Service provided	153,751	124,700
Provision of impairment of investments	-	24,701
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses		
Decrease in assets		
- Current receivables	5,315	20,583
- Other current assets	63	32,885
(Decrease)/increase in liabilities		
- Current payables	<u>(68,006)</u>	<u>(242,200)</u>
Net cash used in operating activities	<u><u>(255,155)</u></u>	<u><u>(445,365)</u></u>