

ENEGEX NL

ABN 28 160 818 986

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2013

CORPORATE DIRECTORY

BOARD OF DIRECTORS

G.A. Menzies (Chairman)
R.J. Coppin
B.D. Maltz

COMPANY SECRETARY

R.J. Wright

Registered Office

and Principal Administration Office

Level 21, 500 Collins Street
Melbourne, Victoria 3000, Australia
Telephone: +61 (0)3 8610 4713
Facsimile: +61 (0)3 8610 4799
Email: admin@enege.com.au

Website: www.enege.com.au

Auditor

Grant Thornton Audit Pty Ltd
GPO Box 4736
Melbourne, Victoria 3001

Share Registry

Link Market Service Limited
Level 1, 333 Collins Street,
Melbourne, Victoria 3000, Australia
Telephone: +61 (0)3 9615 9947
Facsimile: +61 (0)3 9633 8495
Website: www.linkmarketservices.com.au

Stock Exchange Listing

ASX Ltd
Level 45, South Tower, Rialto
525 Collins Street
Melbourne, Victoria 3000, Australia

ASX Code:

ENX Ordinary Shares
ENXO 30 June 2015 Options

Incorporated in the State of Victoria

17 October 2012

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CURRENCY

The company's functional and presentation currency is Australian Dollars.

FORWARD LOOKING STATEMENTS

This report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the company or not currently considered material by the company.

DIRECTORS' REPORT

The directors of Eneget NL (**Eneget or the company**) submit their report on the results of the company for the half year ended 31 December 2013.

The names of the company's directors in office during the half year and until the date of this report are as follows:

Graeme A Menzies LL.B – Executive Chairman and Chief Executive Officer
Robert J Coppin BSc (Hons) – Non-Executive Director
Brett D Maltz BBus, CA – Non-Executive Director

FINANCIAL RESULTS FOR THE HALF YEAR

The net loss for the half year, after income tax, was \$235,516 (2012: \$nil).

DIVIDENDS

No dividend was declared or paid during the half year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Demerger of Eneget NL

Eneget listed on the Australian Securities Exchange ("ASX") on 8 October 2013 following implementation of the Schemes of Arrangement between Eneget and its previous owner, Moby Oil and Gas Limited ("Moby"). Moby was delisted from the ASX on 4 October 2013.

REVIEW OF OPERATIONS

The company holds a working interest in three petroleum exploration permits in the offshore basins of Australia. One is located in the Carnarvon Basin (WA-409-P), one in the Browse Basin (WA-342-P) and one in the Gippsland Basin (Vic/P47).

WA-409-P – Carnarvon Basin

The WA-409-P Joint Venture consists of the following parties:

Apache Northwest Pty Ltd	40.00% and Operator
Rankin Trend Pty Ltd (subsidiary of Moby Oil & Gas Limited)	13.50%
Eneget NL *	16.50%
Cue Exploration Pty Ltd	30.00%

* subject to approval and registration by NOPTA

On 20 October 2010, Rankin Trend Pty and Cue Exploration Pty Ltd entered into the Apache Farmin Agreement under which Apache earned a 40% Participating Interest in, and operatorship of WA-409-P by acquiring, processing, mapping and interpreting the Zeebries 3D seismic survey at its cost.

Apache has the right to earn an additional 30% equity interest in WA-409-P by funding up to 100% of the costs of the first well to be drilled in the Permit.

Eneget has acquired its current 16.5% Participating Interest in WA-409-P subject to the operation of the Apache Farmin Agreement.

If Apache elects to drill a well in WA-409-P, Eneget's interest, which is presently 16.5%, will reduce to 8.25%, but Eneget would be free carried through the well.

Under the Apache Farmin Agreement, Rankin Trend has the right to retain a further 5% Participating Interest by funding that interest through the well Apache might drill. That right to retain a further 5% interest will accrue to Eneget, if not exercised by Rankin Trend. Given Eneget's limited financial capacity it is unlikely that it would exercise that right, unless it was able to raise equity funds on sufficiently attractive terms to fund that additional cost.

Under the terms of the Apache Farmin all work commitments under the WA-409-P Permit are presently being met by Apache.

The WA-409-P permit is displayed in the Carnarvon Basin Permit Location Map below.

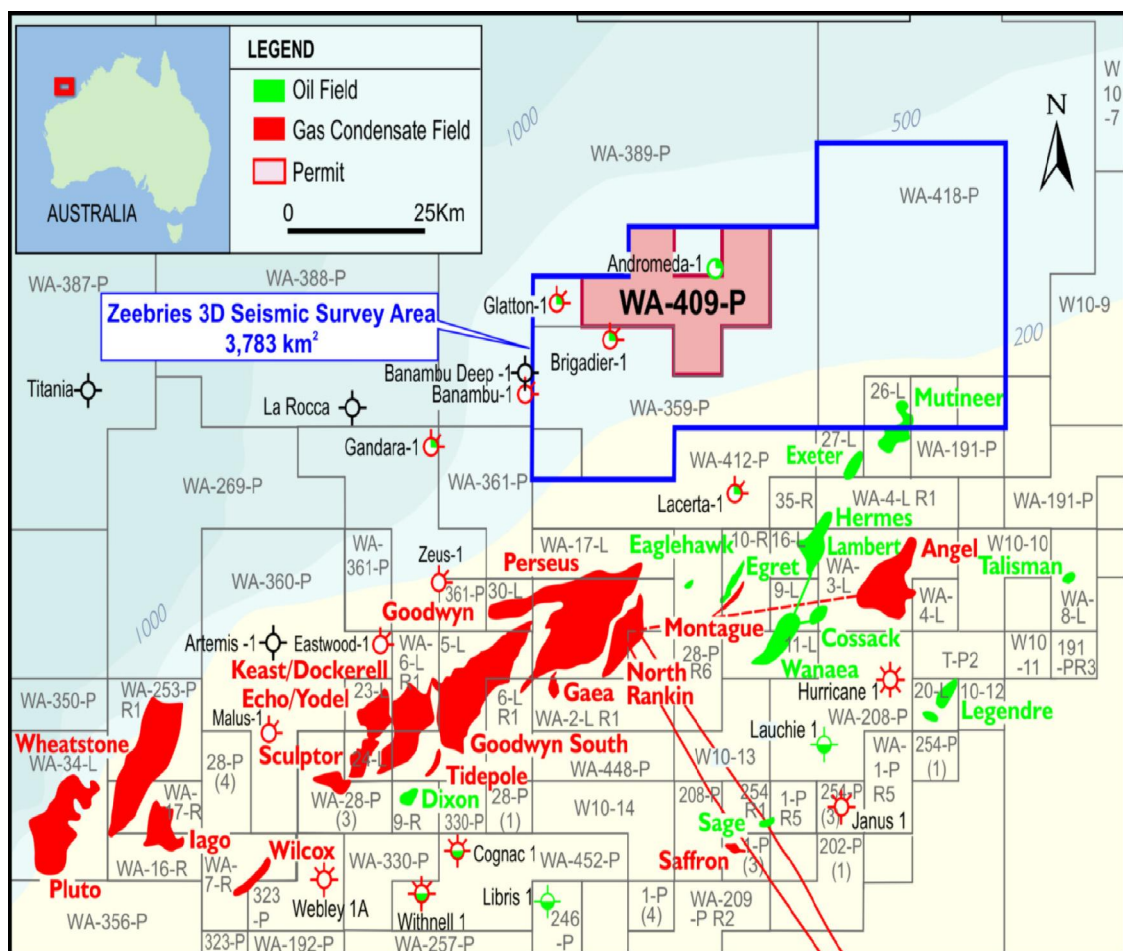


Figure 1: Carnarvon Basin Permit Location and Zeebries 3D Seismic Survey Map

In Permit Year 5, Apache carried out an extensive subsurface evaluation work programme comprising the interpretation of ca. 566 km² of Zeebries 3D seismic data, geological studies to establish the Mesozoic stratigraphic framework within the permit, and hydrocarbon charge modelling to assess the timing, nature and likelihood of hydrocarbon charge into the closures identified. The subsurface technical studies resulted in the identification of two leads, “Brigadier Updip” and “Python”. The Lower Jurassic Python

lead is assessed to be small and economically unviable, while the Middle Jurassic Brigadier Updip lead, although larger, is currently considered to be poorly-defined and high-risk.

The additional subsurface technical studies allowed the leads to be better defined and de-risked, and to enable the joint venturers to make an informed decision as to whether to enter into a drilling commitment in the permit. Accordingly, a decision was made during Permit Year 5 not to undertake a well but to seek a variation of the permit as referred to below.

On 24 April 2013 NOPTA approved an application to vary the Permit Year 6 work program to a program comprising PSDM Reprocessing of 566 km³ 3D seismic data, QI Study (rock physics modelling/simultaneous inversion/fluid & lithology prediction) and Geotechnical Studies. In the letter of approval of the varied work program for Permit Year 6, NOPTA stated that because there is now no drilling commitment in the present term of the Permit, it is reasonable to expect that an exploration well will be included in the primary work program, should the permittees elect to renew the permit and that, in this regard, the Joint Authority noted Apache's commitment to drill an exploration well in Permit Year 1, should the Permit be renewed. If Apache elects to renew, the drilling of that well will be Apache's obligation under the Apache Farmin Agreement.

WA-409-P is currently in Permit Year 6 which ends on 29 April 2014 with Apache carrying out the varied work program. In January 2014 the operator applied for a nine month suspension and extension to year six of the permit.

WA-342-P – Browse Basin

The Operator of WA-342-P is Cornea Resources Pty Ltd and the permit is held by the Cornea Joint Venture which consists of the following interests:

Moby Oil & Gas Limited	7.500%
Eneget NL *	14.875%
Cornea Oil & Gas Pty Ltd	17.000%
Cornea Petroleum Pty Ltd	14.875%
Cornea Resources Pty Ltd	13.100%
Octanex N.L. (ASX Code: OXX)	10.250%
Cornea Energy Pty Ltd	8.500%
(subsidiary of Octanex N.L ASX Code: OXX)	
Coldron Pty Ltd	7.500%
Auralandia Pty Ltd	6.400%

* subject to approval and registration by NOPTA

Moby previously held a 22.375% Participating Interest in WA-342-P and Eneget's 14.875% Participating Interest is derived from the Moby holding.

The WA-342-P permit is located in the Caswell Sub-basin of the Browse Basin offshore from Western Australia and covers an area of approximately 1,755 km² – see the Figure 2 *Location Map*.

The permit is in its first 5-year renewed term, where the committed work programme in the first three years calls for studies and an exploration well, followed by reprocessing of 3D seismic and further studies in the last two years of the term.

During the current renewed term, the Joint Venture gave extensive consideration to the best permit arrangement and work programme under which to evaluate the Cornea structure and its known oil resource. The potential conversion of part of the current exploration permit into a retention lease has been

addressed and, as part of this review work, regular discussions have been held with the regulatory authorities.

The first step towards seeking a retention lease was to have a 'location' declared over the Cornea accumulations. The relevant application was lodged, and the Commonwealth - Western Australia Offshore Petroleum Joint Authority declared a location over the Cornea oil and gas accumulations (**Greater Cornea Fields**) on 6 June 2013. The location covers six graticular blocks within the WA-342-P permit and the accumulations that make up the Greater Cornea Fields include the Cornea (Central and South), Focus and Sparkle Oil Fields and the Cornea North (Tear) Gas Field – see the Figure 3 *Location Map within WA-342-P*.

During the half year, a six month suspension of the Year 2 work programme commitments and commensurate extension of the permit's term was granted by the regulatory authorities; with the effect that the permit has entered Year 3 and that year will now end on 3 July 2014. The suspension and extension was sought in anticipation of lodging a retention lease application, as the form of such a lease and the status of the remainder of the permit area both need to be determined ahead of undertaking any further exploration work. The application for a Retention Lease over the Cornea Location was lodged on 14 October 2013.

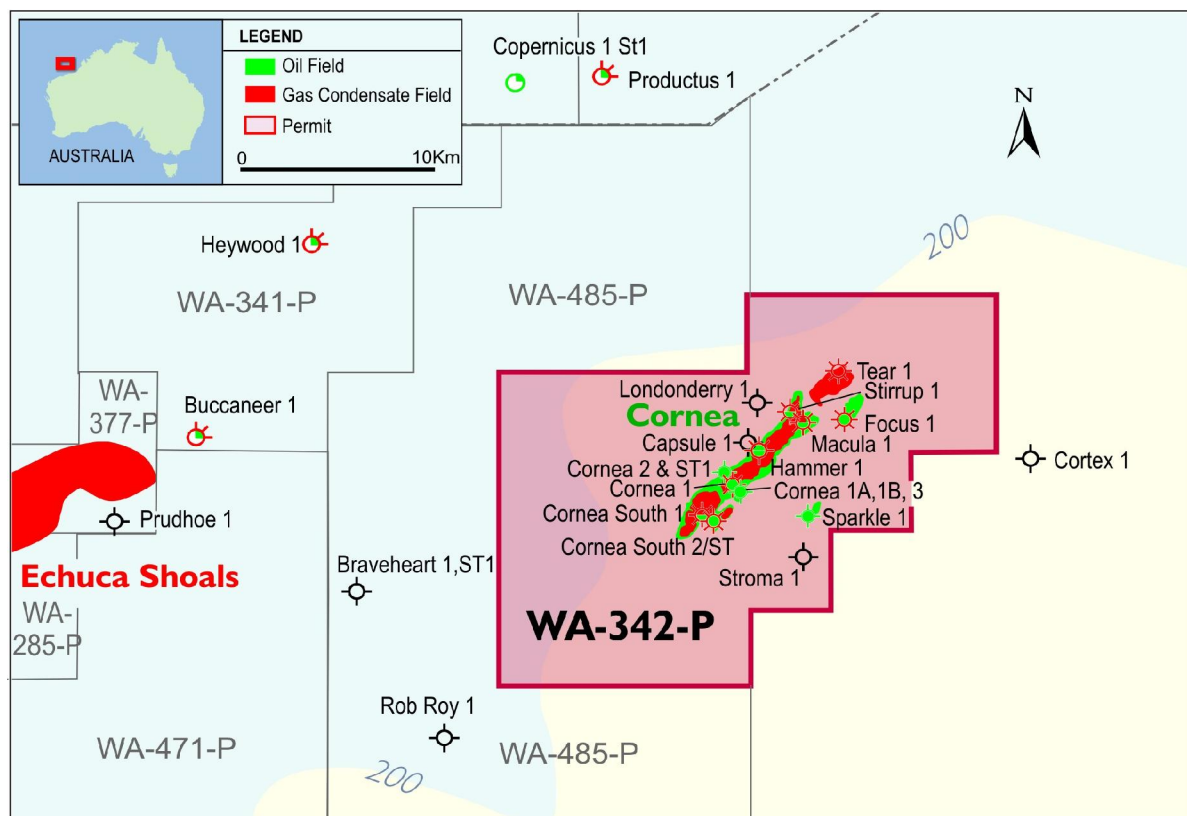


Figure 2: WA-342-P Location Map

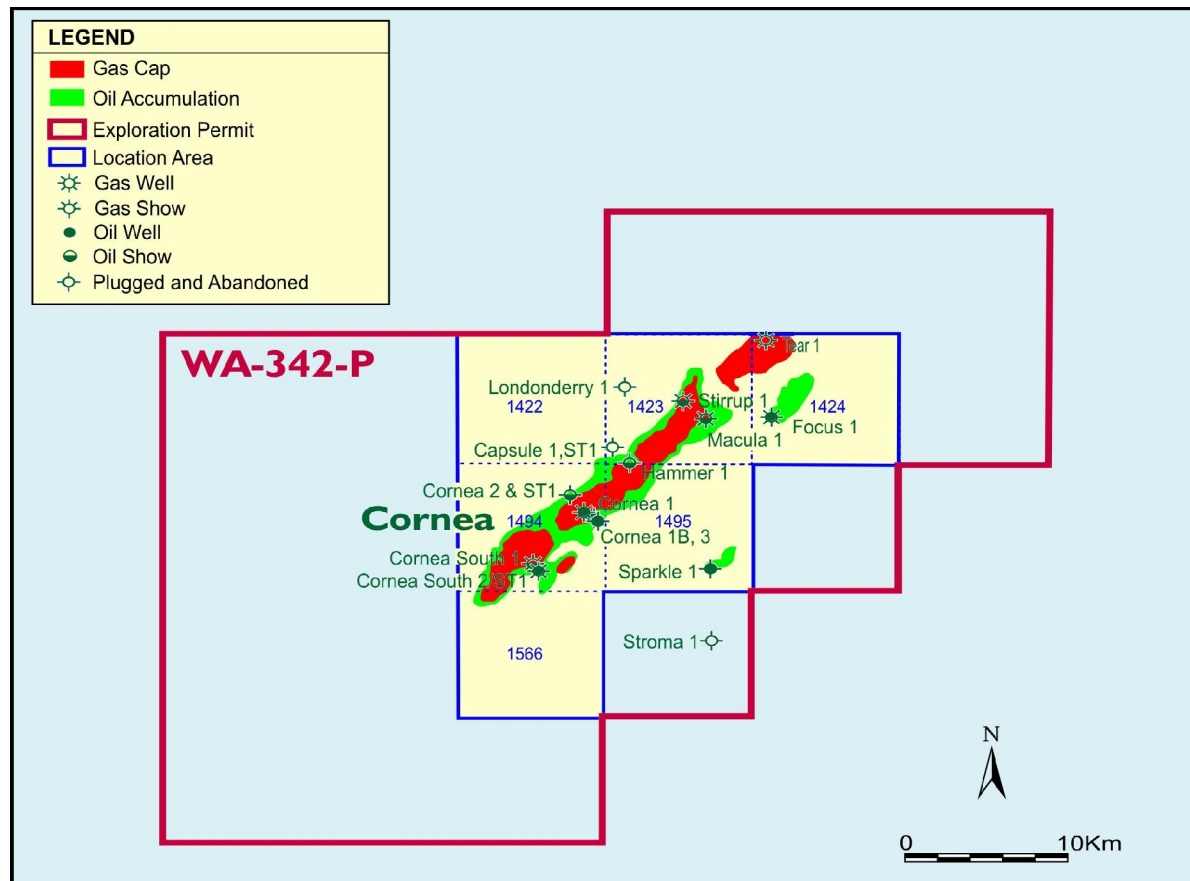


Figure 3: Cornea Location within WA-342-P

In August 2013, the Cornea Joint Venture completed its determination of the Contingent Resources within the oil and gas accumulations of the Cornea South and Cornea Central Oil Fields and the Cornea North Gas Field (collectively the Cornea Field). The determination of the Contingent Resources forms part of the work necessary to support the application for the Retention Lease over the Greater Cornea Fields.

Details of Contingent Oil and Gas Resources

Table 1 below presents the probabilistically derived *In-place and Contingent Oil Resources for the Cornea Central and South Oil Fields*, with no development risk having been applied in deriving these volumes.

Middle Albian B & C Sands	Low Estimate (P90)	Best Estimate (P50)	High Estimate (P10)	Units
Total Oil In-place	298.0	411.7	567.2	mmbbl
Recovery Factor (RF)	2	7	25	%
Contingent Oil Resources	7.9	28.8	101.9	mmbbl
Prospective Enege Economic Interest*	1.16	4.28	15.16	mmbbl

* Based on Enege's 14.875% Participating Interest in WA-342-P.

Table 1: In-place and Contingent Oil Resources for Cornea Central and South Fields

Table 2 below presents the probabilistically derived *In-place and Contingent Gas Resources for the Cornea Central, South and Tear Oil and Gas Fields*, with no development risk having been applied in deriving these volumes.

Middle Albian B & C Sands	Low Estimate (P90)	Best Estimate (P50)	High Estimate (P10)	Units
Total Gas In-place	84.90	117.3	161.5	Bcf
Shrinkage	0.94	0.96	0.99	Factor
Recovery Factor	30	38.7	50	%
Contingent Gas Resources	28.9	44.0	66.3	Bcf
Prospective Enege Economic Interest*	4.30	6.54	9.86	Bcf

* Based on Enege's 14.875% Participating Interest in WA-342-P.

Table 2: In-place and Contingent Gas Resources for Cornea Central, South and Tear Fields

Vic/P47 – Gippsland Basin

Post the end of the half year, the Vic/P47 Joint Venture consisted of the following parties:

Sequest Petroleum Pty Ltd	40.00% and Operator
Moby Oil & Gas Limited	15.75%
Enege NL*	19.25%
Strategic Energy Resources Limited ("SER")	25.00%

* subject to approval and registration by the National Offshore Petroleum Titles Administrator (NOPTA)

Moby originally held a 35% undivided participating interest in Vic/P47 from which Enege's 19.25% participating interest is derived.

On 16th October 2013, the former Operator of Vic P/47, Bass Strait Oil Company Limited (**Bass**), without prior notice notified the Joint Venture of its intention to withdraw from the Permit and Operatorship. Subsequently, with the support of Moby Oil and Gas Limited (**Moby**) and Strategic Energy Resources Limited (**Strategic**), Sequest Petroleum Pty Ltd (**Sequest**) agreed to take on operatorship under Article 4.13 of the Joint Venture Operating Agreement and at the same time, and with the consent of Moby and Strategic, Bass agreed to transfer its 40% interest in the Permit to Sequest. NOPTA approved these changes in January 2014.

The Vic/P47 permit is located in the offshore Gippsland Basin, 14 km from the coast and south of the Victorian town of Orbost with water depths ranging up to 80 metres – refer to the *Vic/P47 Location Map* (Figure 4).

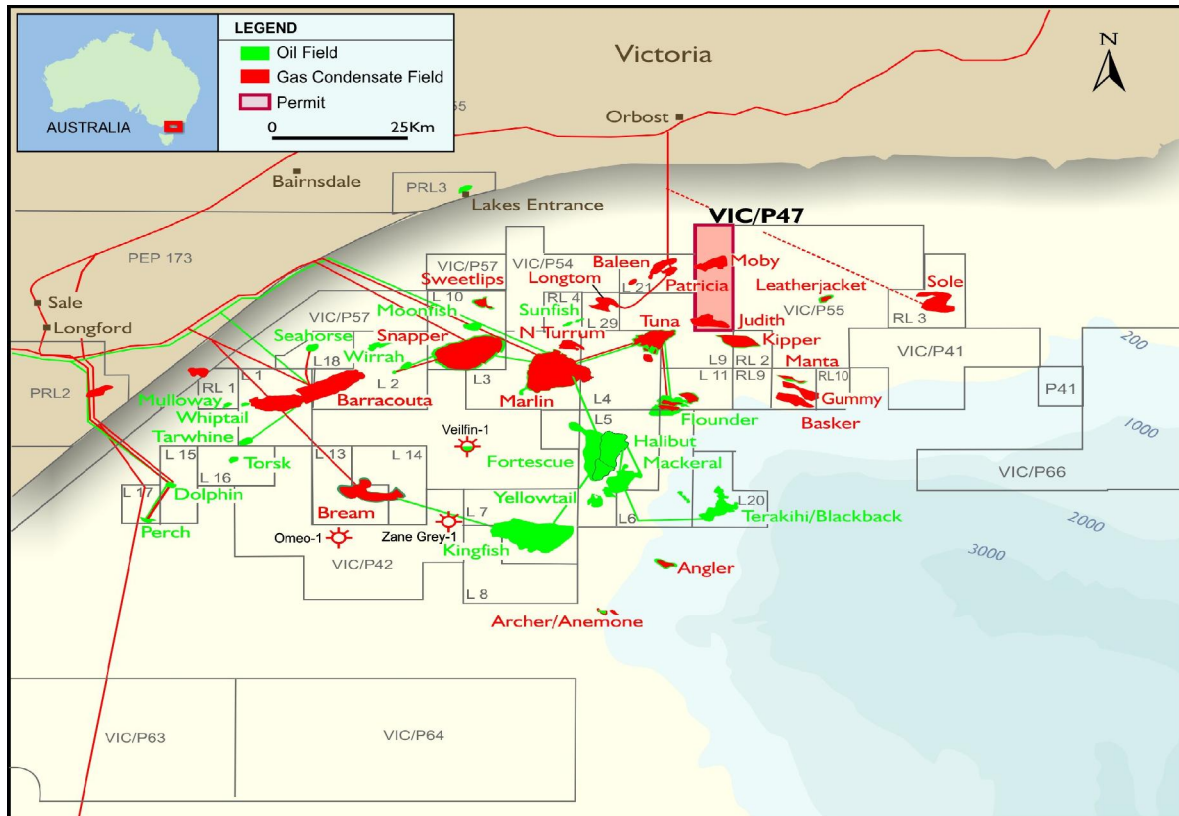


Figure 4: Vic/P47 Permit Location Map

The permit is in Year 4 of the first 5-year renewed term, where the work commitments are to carry out a reappraisal of the Judith gas resource, conceptual field development and well design studies and various other assessments, studies and evaluations for the Flathead-1 and Whale-1 wells. This follows the gas marketing studies and conceptual appraisal planning completed during Year 3. An application was granted on 17 February 2014 to vary, suspend and extend the permit six months to allow more time to complete the varied year four program.

In February 2013, the joint venture applied to the National Offshore Petroleum Titles Administrator (NOPTA) for a Declaration of Locations over nominated blocks covering the Judith and Moby discoveries within Vic/P47. The application for a discovery location over the Judith gas field has been rejected by NOPTA but the application for a declaration of discovery location over the Moby gas field was successful with the joint authority declaring a Location over block 1783 on 26 August 2013.

A Declaration of a Location is a precondition to an entitlement to apply for a Retention Lease over the discovery in question. At this stage it is not possible to advise whether the Vic/P47 Joint Venture will lodge an application for a Retention Lease over the Moby gas field.

The Judith gas discovery (refer Figure 5) is in close proximity to existing and planned infrastructure in adjacent licences, with the Judith resource located approximately 22 km east of the Longtom Gas Field; where Nexus Energy holds a 100% interest and commenced production late in 2009.

Longtom is the first commercial production from the Emperor Subgroup, a geological unit which also forms the potential reservoir at Judith. The Longtom Field has been developed on the basis of a contract to sell 350 PJ (approximate conversion = 325 BCF) of sales gas over 10 years, with the development reported to have cost \$315 million.

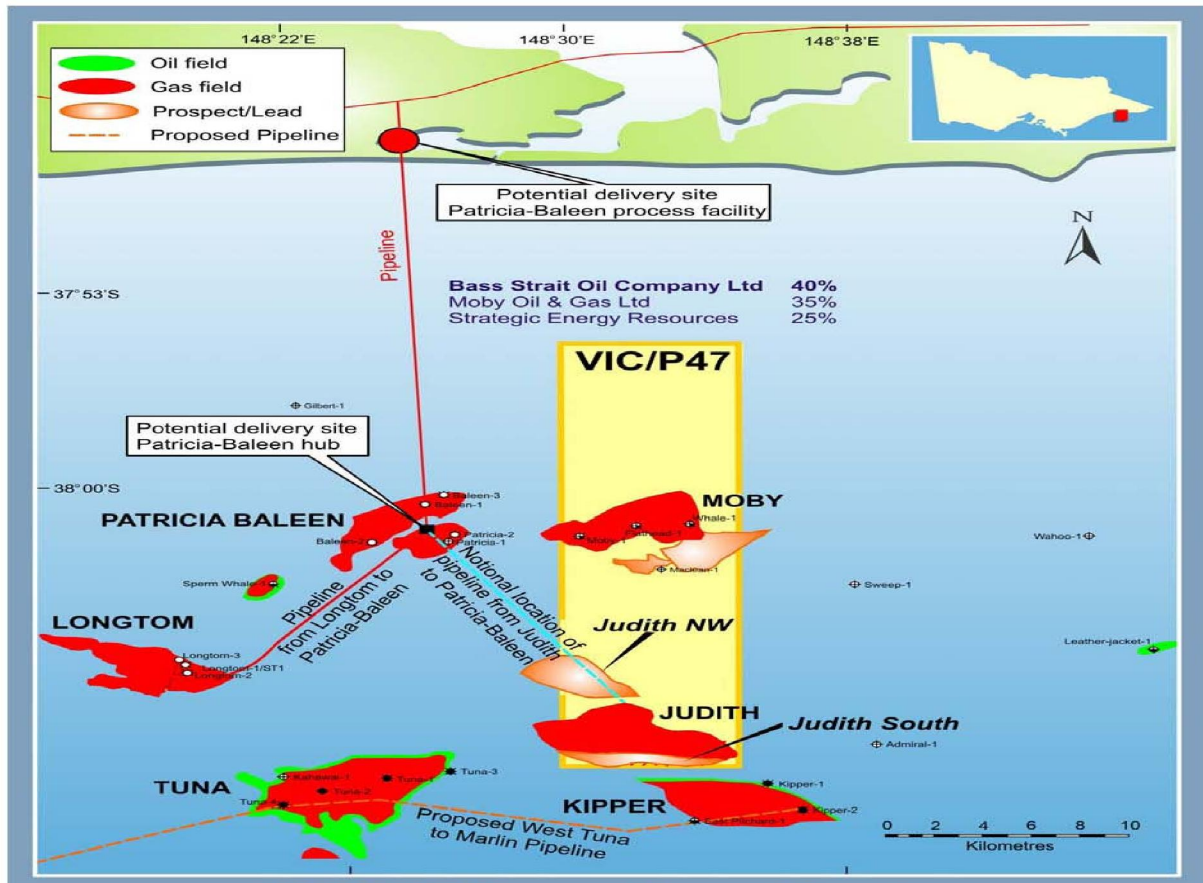


Figure 5: Vic/P47 Prospects and Leads

There are only two development options for the Judith gas discovery: firstly, a stand-alone development and, secondly, a tie-in development. There is only one possible tie-in option that holds out any hope of viability, being a tie-in to the Santos owned Patricia Baleen hub, pipeline and Orbest Gas Plant processing facilities.

The exploration strategy for Vic/P47, and the first renewal term work commitment, have been focused on a stand-alone development, predicated on an independent resource certification of the Judith gas resource prepared in 2008 by international consultants, Gaffney Cline & Associates (GCA) on the basis of available data at that time (“**2008 GCA Judith Resource Estimate**”).

However, two years after production commenced at Longtom, the Longtom Reserve estimates were reduced by a factor of 50% as a result of the production performance of the Longtom Field (**2012 GCA Longtom Reserves Review**).

The Longtom Field contains gas in the same geological reservoirs as Judith and the Vic/P47 JV accordingly commissioned GCA to undertake a reappraisal of the Judith gas resource to confirm the accuracy or otherwise of the 2008 GCA Judith Resource Estimate following the production performance of the Longtom Field and the resulting 50% Longtom reserve reduction.

GCA’s update of their 2008 Judith resource estimate was completed in May 2013 (**2013 GCA Judith Resource Estimate**). Seismic inversion processing caused CGA to decrease the uncertainty in Contingent Resource estimates. GCA utilized Pre-Stack AVO inversion attributes to define possible connected resource volumes for the Judith reservoirs. The seismic inversion data highlighted that structural and stratigraphic complexities may limit reservoir connectivity and that, in light of this, the previous GCA “Best” and “High” Cases were no longer valid.

In GCA's Best estimate (P50) contingent resources at Judith were reduced by 48%, with a reduction of 70% in the High estimate, as indicated in Table 4. This very significant reduction in contingent resource estimates fundamentally changes the economics of a Judith development.

	Judith Field Gross (100% Basis)					
	GIIP BCF			Contingent Resource		
	Low	Best	High	Low	Best	High
2008 GCA Judith Resource Estimate	87.8	298.1	1245.6	48.3	193.7	934.2
2013 GCA Judith Resource Estimate	66.7	155.4	368	36.7	101	276
% downgrade	24%	48%	70%	24%	48%	70%

Table 4: Comparison of GCA Judith Contingent Resource Estimates 2008 and 2013

The Vic/P47 work program designed in 2009 was prepared with the expectation that a successful exploration well in the Judith Field would likely result in the viability of a stand-alone development. The reduction in the Judith resource base and the production performance of the analogue Longtom development limit the viability of an independent, stand-alone Judith development and points to the need for a shift in exploration strategy for the Permit.

The Vic/P47 JV's current focus is the development of a new exploration strategy to reflect the revised technical assessment of the Permit to consider both the economic viability of a Judith field tie-in gas development and the Permit's oil potential.

SUBSEQUENT EVENTS

There are no significant after balance date events up to the date of signing this report.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration as required under section 307C of the Corporations Act 2001 from our auditor, Grant Thornton Audit Pty Ltd, a copy of which is included at page 21.

Signed in accordance with a resolution of the directors



GA Menzies
Director

Melbourne, 7 March 2014

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Enegex NL, I state that:

In the opinion of the directors:

- (a) the financial statements of the company, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the financial position of the company as at 31 December 2013 and the performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (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.



GA Menzies
Director
Melbourne, 7 March 2014

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

	NOTE	31/12/2013 \$	31/12/2012 \$
Other income		52	-
Audit		(11,000)	-
Consulting		(95,638)	-
Directors' remuneration		(24,581)	-
Management fees		(16,000)	-
Office costs		(6,000)	-
Other expenses		(11,095)	-
Printing		(26,211)	-
Share registry		(11,747)	-
Stock exchange		<u>(33,296)</u>	<u>-</u>
Loss before income tax benefit		(235,516)	-
Income tax benefit		<u>-</u>	<u>-</u>
Net Loss for the half year		<u>(235,516)</u>	<u>-</u>
Total comprehensive income for the half year		<u>(235,516)</u>	<u>-</u>
Basic loss per share (cents per share)		(0.878)	-
Diluted loss per share (cents per share)		(0.878)	-

The above Statement of Profit or loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013**

	31/12/2013	30/6/2013
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	910,524	1
Trade and other receivables	<u>8,658</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>919,182</u>	<u>1</u>
NON-CURRENT ASSETS		
Exploration and evaluation assets	<u>21,602</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS	<u>21,602</u>	<u>-</u>
TOTAL ASSETS	<u>940,784</u>	<u>1</u>
CURRENT LIABILITIES		
Trade and other payables	<u>79,393</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>79,393</u>	<u>-</u>
TOTAL LIABILITIES	<u>79,393</u>	<u>-</u>
NET ASSETS	<u>861,391</u>	<u>1</u>
EQUITY		
Issued capital	1,096,907	1
Accumulated losses	<u>(235,516)</u>	<u>-</u>
TOTAL EQUITY	<u>861,391</u>	<u>1</u>

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

	Issued capital \$	Accumul'd losses \$	Total Equity \$
At 1 July 2013	1	-	1
Total comprehensive income for the half year			
Loss for the half year	-	(235,516)	(235,516)
Total comprehensive income for the half year	-	(235,516)	(235,516)
Shares issued during the half-year	1,096,906	-	1,096,906
At 31 December 2013	<u>1,096,907</u>	<u>(235,516)</u>	<u>861,391</u>
At 1 July 2012	-	-	-
Total comprehensive income for the half year			
Loss for the half year	-	-	-
Total comprehensive income for the half year	-	-	-
Shares issued during the half-year	1	-	1
At 31 December 2012	<u>1</u>	<u>-</u>	<u>1</u>

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	31/12/2013	31/12/2012
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers - other	(168,957)	-
Interest received	<u>52</u>	<u>-</u>
Net cash outflow from operating activities	<u>(168,905)</u>	<u>-</u>
INVESTING ACTIVITIES		
Payments to suppliers - exploration	<u>(17,478)</u>	<u>-</u>
Cash outflow from investing activities	<u>(17,478)</u>	<u>-</u>
FINANCING ACTIVITIES		
Proceeds from issue of shares	-	1
Proceeds from company demerger	<u>1,096,906</u>	<u>-</u>
Cash inflow from financing activities	<u>1,096,906</u>	<u>1</u>
Net increase in cash assets	910,523	1
Cash assets at the beginning of the half year	<u>1</u>	<u>-</u>
Cash assets at the end of the half year	<u>910,524</u>	<u>1</u>

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

NOTE 1 CORPORATE INFORMATION

Enegex NL (“Enegex” or “the company”) is a for-profit company incorporated and domiciled in Australia with its registered office and principal place of business located at Level 21, 500 Collins Street, Melbourne, Victoria 3000. The financial report of the company for the half year ended 31 December 2013 comprises the company and the company’s interest in joint operations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the company as the annual financial report.

The half year financial report should be read in conjunction with the annual financial report of Enegex NL for the year ended 30 June 2013.

It is also recommended that the half year financial report be considered together with any public announcements made by Enegex NL during the six months ended 31 December 2013, made in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the Listing Rules of the ASX.

Basis of Preparation

The half year financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements. The half year financial report has been prepared on an historical cost basis.

For the purpose of preparing this financial report, the half year has been treated as a discrete reporting period.

The financial report for the half year ended 31 December 2013 has been prepared on a going concern basis. This basis has been adopted as the directors believe the company will be able to generate sufficient cash flows to satisfy its debts as and when they fall due.

The company has limited financial resources and will need to raise additional capital from time to time. Any such fund raisings will be subject to factors beyond the control of the company and its directors. When Enegex requires further funding for its programs, it is the company’s intention that the additional funds would be raised in a manner deemed most expedient by the directors at the time, taking into account working capital, exploration results, budgets, share market conditions, capital raising opportunities and the interest of industry in co-participation in the company’s programs.

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2013 as well as those described in detail on the following page.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and evaluation assets

Exploration and evaluation assets, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Exploration and evaluation assets are only recognised if the rights to tenure of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale or partial sale: or

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Proceeds from the sale of exploration permits or recoupment of exploration costs from farmin arrangements are credited against exploration costs previously capitalised. Any excess of the proceeds over costs recouped are accounted for as a gain on disposal.

Farm-outs in the exploration and evaluation phase

The company does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and at call bank deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Payables

Trade, accruals and other payables are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing and are normally settled on 60-day terms.

New and revised accounting standards applicable for the first time to the current half-year reporting period

The company has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the company.

The adoption of the new and revised Australian Accounting Standards and Interpretations has had no significant impact on the company's accounting policies or the amounts reported during the current half-year period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

NOTE 3 SEGMENT INFORMATION

Segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the directors.

At regular intervals, the board is provided management information at a company level for the company's cash position, the carrying values of exploration permits and a company cash forecast for the next twelve months of operation.

On this basis, no segment information is included in these financial statements.

NOTE 4 COMMITMENTS

Expenditure commitments include obligations arising from farm-in arrangements, minimum work obligations for the initial three year period of exploration permits and, thereafter, annually. Minimum work obligations may, subject to negotiation and approval, be varied. They may also be satisfied by farmout, sale, relinquishment or surrender of a permit.

Estimated expenditure to satisfy possible exploration permit work obligations:

	31/12/2013	31/12/2012
	\$	\$
Not later than 1 year		
Vic/P47	20,052	-
	<u>20,052</u>	<u>-</u>
	<u>=====</u>	<u>=====</u>

NOTE 5 EVENTS SUBSEQUENT TO BALANCE DATE

There are no significant after balance date events up to the date of signing this report.

NOTE 6 EQUITY SECURITIES ISSUED

Ordinary Shares

	31/12/2013		31/12/2012	
	Shares	\$	Shares	\$
Issues of Ordinary Shares during				
Half-Year				
Moby Oil & Gas Scheme	53,666,486	1,096,906	-	-
Incorporation	-	-	5	1

Options over Unissued Shares

	31/12/2013	31/12/2012
	Options	Options
Options issued during the Half-Year	7,357,105	-

The 7,357,105 options were issued on 30 September to shareholders as part of the demerger with Moby Oil & Gas Limited at an exercise price of 10 cents and an expiry date of 30 June 2015.

Grant Thornton Audit Pty Ltd
ACN 130 913 594

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report To the Members of EnegeX N.L.

We have reviewed the accompanying half-year financial report of EnegeX N.L. ("Company"), which comprises the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of EnegeX N.L. 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 controls 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 the 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, we have become aware of any matter that makes us 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 EnegeX N.L. financial position as at 31 December 2013 and its 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 EnegeX N.L., ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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 complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of EnegeX N.L. is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Adrian Nathanielsz
Partner

Melbourne, 7 March 2014

Grant Thornton Audit Pty Ltd
ACN 130 913 594

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

**Auditor's Independence Declaration
To The Directors of EnegeX N.L.**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of EnegeX N.L. for the half-year ended 31 December 2013, I declare that, 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Adrian Nathanielsz
Partner

Melbourne, 7 March 2014

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