

Friday, 11 October 2019

ASX Code: OEQ

MARKET ANNOUNCEMENT

Net Tangible Asset Backing – 30 September 2019

Month Ending:	% Change	30 September 2019 Consolidated	31 August 2019 Consolidated
Net tangible assets (NTA) (before tax)		\$2.308m	\$2.468m
Pre-Tax NTA Backing per share	-6.49%	\$0.1475	\$0.1577
Net tangible assets (after tax)		\$2.308m	\$2.468m
Post-Tax NTA Backing per share	-6.49%	\$0.1475	\$0.1577
Based on total issued share capital		15,649,228	15,649,228

The NTA position comprises the following items:

Net Tangible Assets	Current Month \$'millions	Previous Month \$'millions
Investment in listed Associated Entity:		
(a) Shares in Bentley Capital Limited (BEL)	0.374	0.481
Investments in other listed securities:		
(a) Shares in Strike Resources Limited (SRK)	0.450	0.460
Investment in property (held for development/resale)	1.100	1.100
Net cash/receivables/payables/other assets/provisions	0.384	0.427
Pre-Tax NTA	2.308	2.468
Tax Provisions:		
(a) Prior year tax	-	-
(b) Current year tax	-	-
(c) Net deferred tax asset / (liability)	-	-
Post-Tax NTA	2.308	2.823


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Notes:

- (1) The Company's investment in BEL, an Associated Entity (i.e. in which the Company has a greater than 20% interest), is accounted for under the equity method in the consolidated financial statements. Under the equity method, the carrying amount of such investment is cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial year to month end as provided to the Company by such Associated Entity. Refer also Note 23 (Investments in Associates) on pages 41 and 42 of the Company's 2019 Full Year Report for further details in this regard.

Accordingly, as at 30 September 2019, the Company's 20,513,783 shares (26.95% interest) (31 August 2019: 20,513,783 shares and 26.95%) in BEL have a carrying value of \$0.0208 per share (\$0.481m); this compares with BEL's last bid price on ASX of \$0.055 per share (\$1.128m) and BEL's after-tax NTA backing of \$0.0807 per share (\$1.655m)¹, as at month end.

- (2) The fair value of investments in ASX-listed Strike Resources Limited (**SRK**) comprise 10,000,000 shares (31 August 2019: 10,000,000 shares) with a value of \$0.045 per share (based on the closing bid price as at 30 September 2019) (31 August 2019: \$0.046).
- (3) The fair value of investments in other listed securities is based on each security's last bid price on market at month end.
- (4) Investment in property (held for resale) was valued by an independent qualified valuer (a Certified Valuer and Associate Member of the Australian Property Institute) as at 30 June 2019.
- (5) Tax Provision Item (c) includes where applicable, a provision for income tax on net unrealised gains on the Company's investments in securities and its share of Associated Entities' after-tax net profit for the month (deferred tax liability) and the recognition of future income tax benefits on net unrealised losses on the Company's investments in securities and its share of Associated Entities' after-tax net loss for the month (deferred tax asset). Refer also Note 6 (Tax) on pages 27 to 29 of the Company's 2019 Full Year Report for further details in this regard.

¹ Refer BEL's ASX Announcement dated 16 September 2019: NTA Backing as at 31 August 2019