Global Energy Ventures Ltd

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ABN: 53 109 213 470

Consolidated Financial Report
for the Half Year ended 31 December 2019

This document should be read in conjunction with the Annual Financial Report of Global Energy Ventures Ltd for the year ended 30 June 2019

Corporate Directory

DIRECTORS:	Fletcher Maurice Brand (Executive Chairman) Garry John Frank Triglavcanin (Executive Director) Martin Carolan (Executive Director) Thomas Soderberg Paul Charles Garner
COMPANY SECRETARY:	Jack Hugh Toby
ABN:	53 109 213 470
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AUDITORS:	Ernst and Young 11 Mounts Bay Road, Perth WA 6000 Tel: +61 (8) 9429 2222
SHARE REGISTRY:	Computershare Investor Services Pty Ltd Level 11 172 St Georges Terrace Perth, Western Australia 6000 GPO Box D182 Perth, Western Australia 6840 Tel: +61 1300 787 272 Fax: +61 (8) 9323 2033

The directors of Global Energy Ventures Ltd A.C.N. 109 213 470 ("GEV" or "Company") present their report including the consolidated financial report of the Company and its controlled entities ("Consolidated Entity" or "Group") for the half-year ended 31 December 2019. The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

DIRECTORS

The names of the directors of the Company who held office during the half-year and up to the date of this report, unless otherwise indicated, are:

Fletcher Maurice Brand	Executive Chairman & CEO
Garry John Frank Triglavcanin	Executive Director
Martin Carolan	Executive Director
Paul Charles Garner	Non-Executive Director
Thomas Soderberg (appointed 1 September 2019)	Non-Executive Director
Jens Martin Jensen (resigned 1 September 2019)	Non-Executive Director

OPERATING RESULTS

The operating loss for the Consolidated Entity, after income tax amounted to $1,027,150 (2018: $3,972,346).

REVIEW OF OPERATIONS

I. SHIPPING:

In July 2019, the Company announced a Letter of Intent (LOI) with Yantai CIMC Raffles Offshore Ltd (CIMC) to build the CNG Optimum 200MMscf ship. The Company and CIMC are working towards a binding shipbuilding Engineering, Procurement & Construction (EPC) contract, employing GEV's CNG Optimum design, for four (4) firm CNG Optimum ships, with the option for GEV to order up to an additional four (4) ships. The appointment of a Shipyard Construction Partner was the culmination of 18 months of work and is a significant de-risking milestone for the Company and mitigates against the perceived risk of a binary outcome for developing a new class of marine CNG ship.

In January 2020, the Company announced an extension of the LOI to 30 June 2020. The extension of the LOI with no change to terms demonstrates a strong endorsement of the Company's project development activities underway in Brazil and more recently the US Gulf Coast.

To deepen the strategic relationship within the CIMC Raffles group, GEV announced in October 2019 a Strategic Alliance Agreement (SAA) with Yantai CIMC Raffles Offshore Ltd (CIMC) and Shijiazhuang Enric Gas Equipment Co. Ltd (ENRIC). ENRIC is part of the CIMC Group of companies (a Hong Kong listing company, Market Cap USD 3.9 billion), specialising in the design, development, manufacturing, engineering and sales of CNG/LNG/LPG transport and storage equipment, and the provision of technical maintenance solution services for CNG compression station/terminals, CNG Carrier cargo containment, and loading/offloading facilities, LNG Plant and LNG regasification stations.

Under the SAA, CIMC and ENRIC will now look at providing GEV with an 'EPC Wrap' for the construction and commissioning of all related CNG project facilities and related infrastructure (the entire CNG value chain – 'pipe to pipe'). The Company considers an integrated EPC wrap can mitigate against the areas of critical project execution risk, such as delivery and pricing, and importantly to assist in the financing of GEV's future CNG projects.

II. PROJECT DEVELOPMENT:

Brazil

In July 2019, the Company launched CNG Optimum in the Brazil offshore gas market with the appointment of GAIA Importação e Exportação Ltda. (GAIA) as Brazilian Country Associate to jointly identify, evaluate and develop prospective CNG projects in Brazil. The appointment of GAIA and launch of CNG Optimum into the Brazilian market followed technical discussions with several major oil and gas companies operating in Brazil's Pre-salt Basin that have identified multiple opportunities for marine CNG transportation of associated gas as a commercial alternative to the current implementation of gas re-injection.

Brazil's Pre-salt Basin (Santos and Campos Basins) are prolific offshore regions containing multiple billion-barrel oil & gas fields, with an estimated 1 Bcf/d (35 million m^3/d) of associated gas being re-injected. Associated gas volumes are forecast to double over the next decade as major new oilfields are developed and produced.

The appointment of GAIA as our Country Associate will ensure GEV is adequately advised on the relevant federal and local government agencies as well acting as a liaison with offshore oilfield operators. Brazil represents an ideal target for a marine CNG project given it has significant growth in associated gas production in close proximity to a well-priced onshore gas market.

The Company has made positive progress across multiple offshore oil and gas producers and developers in the Pre-salt Basin who are seeking a solution to monetise associated gas. In early December 2019, the Company announced the commencement of its first engagement to produce a CNG Commercialisation Study for an operator of an offshore in-development field. The selected in-development oil field with associated gas is situated in the Santos Basin, Brazil, approximately 200km from Rio de Janeiro and 350 km from Brazil's largest city, Sao Paulo. First oil and gas production is expected in late 2023 via a Floating Production, Storage and Offloading (FPSO) vessel, designed for up to 8.5 million m3 (300MMscf) of natural gas per day. A Financial Investment Decision and awarding of contracts for the FPSO is scheduled for the latter part of 2020.

GEV is targeting multiple commercialisation opportunities in Brazil with discussions ongoing with additional upstream field operators and downstream operations for gas.

US Gulf of Mexico

In October 2019, the Company announced the selection of the Gulf Coast, USA, as its next region to develop an offshore CNG export terminal, located in the Gulf of Mexico. The Company's due diligence with operators of numerous offshore platforms connected to existing offshore and onshore gas pipelines serving producers in and near the US Gulf of Mexico highlighted the region contains underutilised gas pipelines and platforms with offshore connecting pipelines to shore for access to the major gas resources available along the Gulf States.

In the selection of a US located CNG export site, GEV's strategy is to position the export facility where all or most of the infrastructure is already in place such that GEV would add compression and loading facilities to transfer the CNG to the Company's CNG 200 Optimum ships. The target regional markets available to a CNG transport solution will include Mexico, Central America and the Caribbean, with GEV's initial focus on the Yucatan region, Mexico. Subsequent to the reporting period, positive discussions have continued on gas supply, gas processing and pipeline capacity, to deliver gas to a nominated offshore CNG export site.

Other Regions

The Company continued to monitor other regional opportunities where there is a clear economic and technical advantage to deploy the CNG Optimum gas transport model. Management's time and resources remained focussed on the two priority projects detailed above. However, the Company continues to follow a portfolio approach to the commercialisation of the CNG Optimum gas transport solution, with growth opportunities continuing to be monitored as the awareness of CNG Optimum continues to expand globally.

III. CORPORATE

On 22 November 2019 The Company's annual general meeting was held in Perth. All resolutions considered at the meeting were passed. The Company changed its auditor by appointment of Ernst & Young, pursuant to approval by the Company's shareholders at the Annual General Meeting.

Board of Directors

On 27 August 2019, the Company announced the appointment of Thomas Soderberg as a Non-Executive Director of the Company effective 1 September 2019. Mr Soderberg replaced Mr Jens Martin Jensen in the role of Non-Executive Director and Head of Shipping. The resignation of Mr Jens Martin Jensen was accepted by the Board effective 1 September 2019. Mr Soderberg has over 30 years' experience in the shipping industry with first in class organisations like AP Moller/Maersk, HSBC, Seatankers/John Fredriksen and Armada Group. Mr Soderberg resides in Hong Kong and has an extensive network across Asia.

Share Capital Movements

On 22 August 2019, the Company successfully completed a Placement for the issue of 20 million shares at an issue price of $0.15 per share, to raise $3.0 million (before costs).

On 22 November 2019, the Company issued 1.000,000 free ordinary shares to Mr Thomas Soderberg, pursuant to approval by the Company's shareholders at the Annual General Meeting.

On 6 December 2019, the Company issued 500,000 free ordinary shares pursuant to the Company's Employee Share Plan.

On 6 December 2019, 1,850,000 Class A Performance shares were converted to 1,850,000 Ordinary Shares, as these performance shares had met their performance hurdles.

On 15 December 2019, the following securities were released from restriction:

- 2,769,234 ordinary shares;
- 4,000,000 Class E Performance Rights; and
- 6,000,000 Class F Performance Rights.

The Class E and Class F performance rights above have not yet achieved their milestone conditions. 2,000,000 of the ordinary shares and all of the performance rights above are held by current directors of the Company.

EVENTS SUBSEQUENT TO BALANCE DATE

The Company announced on 2 January 2020 an extension of the terms of the shipyard LOI with Yantai CIMC Raffles Offshore Ltd to 30 June 2020.

On 19 February 2020, the Company announced the appointment of Clarksons Platou Structured Asset Finance Limited and Clarksons Platou Securities AS to act as act as brokers, financial advisor and lead manager for all project debt and equity requirements for the Company's first CNG project in Brazil.

No other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.

NOTE 1 - CORRECTION OF ERRORS

In Note 1 to the half-year financial report there is a note addressing the correction of errors in prior year financial statements. The Group had justification for the accounting treatment it applied in prior financial reports, which was signed off by our previous auditors. The change of auditors in the current period has encompassed a review of the facts and the judgements made in previous periods, and as such, these changes in accounting treatment are required in order to more appropriately apply the accounting standards.

AUDITORS INDEPENDENCE DECLARATION

In accordance with the Corporations Act 2001 section 307C the auditors of the Company have provided a signed auditors independence declaration to the directors in relation to the review for the half-year ended 31 December 2019. This declaration has is set out on page 23.

Signed in accordance with a resolution of the directors.

Fletcher Maurice Brand
Executive Chairman & CEO

25 February 2020
Perth, Western Australia

The directors of Global Energy Ventures Limited ("Company") declare that:

a) in their opinion the accompanying financial statements and notes of the Consolidated Entity;

   i) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

   ii) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and

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

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Fletcher Maurice Brand
Director

25 February 2020
Perth, Western Australia

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Half-Year to 31 December 2019 $	Half-Year to 31 December 2018 (Restated) $
Income from non-operating activities	2	1,446,934	1,107,104
Corporate and administrative expenses		(1,206,628)	(980,791)
Project development		(1,051,427)	(705,532)
Share based payments		(210,000)	(102,500)
Research and development		(1,261)	(3,209,451)
Other expenses		(4,768)	(81,176)
LOSS BEFORE INCOME TAX		(1,027,150)	(3,972,346)
Income tax		-	–
LOSS AFTER INCOME TAX		(1,027,150)	(3,972,346)
NET LOSS FOR THE PERIOD		(1,027,150)	(3,972,346)
OTHER COMPREHENSIVE (EXPENSE)/INCOME			
Items that may be reclassified to profit and loss			
Exchange differences on translating foreign operations		(173)	8,392
OTHER COMPREHENSIVE INCOME AFTER INCOME TAX		(173)	8,392
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(1,027,323)	(3,963,954)
BASIC EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)		(0.27)	(1.22)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)		(0.27)	(1.22)

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31 December 2019 $	30 June 2019 (Restated) $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	4,345,823	2,428,371
Trade and other receivables		158,678	14,519
TOTAL CURRENT ASSETS		4,504,501	2,442,890
NON-CURRENT ASSETS			
Property, plant and equipment		128,360	13,973
Receivables		43,417	43,417
Intangible asset - Intellectual property	4	6,214,830	6,214,830
TOTAL NON-CURRENT ASSETS		6,386,607	6,272,220
TOTAL ASSETS		10,891,108	8,715,110
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	118,125	134,384
Lease liabilities	1	117,825	-
Provisions		16,151	15,596
TOTAL CURRENT LIABILITIES		252,101	149,980
TOTAL LIABILITIES		252,101	149,980
NET ASSETS		10,639,007	8,565,130
EQUITY			
Issued capital	6	69,159,403	66,058,203
Reserves	7	158,653	158,826
Accumulated losses		(58,679,049)	(57,651,899)
TOTAL EQUITY		10,639,007	8,565,130

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Half-Year to 31 December 2019 $	Half-Year to 31 December 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers & employees		(1,839,065)	(1,570,131)
Interest received		2,391	3,886
Interest paid on lease liabilities		(4,767)	-
Project development		(467,091)	(767,224)
Research and development		(63,255)	(2,266,366)
Research and development tax concession rebate received		1,444,394	1,002,330
NET CASH USED IN OPERATING ACTIVITIES		(927,393)	(3,597,505)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		–	–
NET CASH FROM INVESTING ACTIVITIES		–	–
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity issues		3,000,000	–
Capital raising costs		(108,800)	–
Lease liability principal repayments		(46,331)	–
NET CASH FROM FINANCING ACTIVITIES		2,844,869	–
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS		1,917,476	(3,597,505)
Net foreign exchange differences		(24)	28,104
Cash and cash equivalents at beginning of period		2,428,371	5,380,088
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3	4,345,823	1,810,687

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

ATTRIBUTABLE TO MEMBERS OF GLOBAL ENERGY VENTURES LTD	Issued Capital $	Share-Based Payments Reserve $	Currency Translation Reserve $	Fair Value Reserve $	Accumulated Losses $	Total Equity $
At 1 July 2019 (restated)	66,058,203	2,791,992	6,425	(2,639,591)	(57,651,899)	8,565,130
Currency translation	–	–	(173)	–	–	(173)
Loss for period	–	–	–	–	(1,027,150)	(1,027,150)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	–	–	(173)	–	(1,027,150)	(1,027,323)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Share placement	3,000,000	–	–	–	–	3,000,000
Capital raising costs	(108,800)	–	–	–	–	(108,800)
Securities issued	210,000	–	–	–	–	210,000
AT 31 DECEMBER 2019	69,159,403	2,791,992	6,252	(2,639,591)	(58,679,049)	10,639,007
At 1 July 2018 (restated)	60,993,737	1,356,492	–	–	(48,768,042)	13,582,187
Currency translation	–	–	8,392	–	–	8,392
Loss for period (restated)	–	–	–	–	(3,972,346)	(3,972,346)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	–	–	8,392	–	(3,972,346)	(3,963,954)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Securities issued	102,500	–	–	–	–	102,500
Capital raising costs	–	–	–	–	–	–
AT 31 DECEMBER 2018 (RESTATED)	61,096,237	1,356,492	8,392	–	(52,740,388)	9,720,733

The accompanying notes form part of this financial report

NOTE 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This interim condensed financial report for the interim half-year reporting period ended 31 December 2019 has been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting ("AASB 134") and were authorised for issue in accordance with a resolution of the directors on 25 February 2020.

This consolidated condensed financial report is intended to provide users with an update on the latest annual financial statements of Global Energy Ventures Ltd ("Company") and its controlled entities ("Group"). It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2019, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except those accounting policies which have changed as a result of the adoption of new and revised accounting standards and interpretations as described below.

<u>New or amended Accounting Standards or Interpretations adopted</u>

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period and were relevant to the Group. Other than the adoption of AASB 16 *Leases* ("AASB 16") (see below), the adoption of the new and amended accounting standards and interpretations had no material impact on the Group.

Any new, revised or amending Accounting Standards of Interpretations that are not yet mandatory have not been adopted early.

The following Accounting Standard is most relevant to the Group:

AASB 16: LEASES

The Group has applied, for the first time, AASB 16 from 1 July 2019 which replaces AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease. As required by AASB 134, the nature and effect of these changes are disclosed below.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Group adopted AASB 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application and does not require comparative information to be restated. The Group elected to use the transition practical expedients allowing a) the standard to be applied only to contracts that were previously identified as leases at the date of initial application under AASB 117 and Interpretation 4, and b) the measurement of the right-of-use asset on transition as being equal to the amount of the lease liability initially recognised on transition. The Group also elected to use the recognition exemptions for lease contracts that, at the date of initial application, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption of AASB 16 is as follows:

The impact on the interim consolidated statement of financial position as at 1 July 2019 is an increase in property, plant and equipment of $168,924 and an increase in the lease liability of $168,924.

a) Nature of the effect of adoption of AASB 16

The Group has lease contracts for office space. Before the adoption of AASB 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease (as it held no finance leases). As an operating lease, the leased property was not capitalised and the lease payments were recognised as an expense in the consolidated statement of comprehensive loss on a straight-line basis over the lease term. Prepaid or accrued rent was recognised under prepaid expenses and deposits and accounts payable and accrued liabilities, respectively.

Upon adoption of AASB 16, the Group applied a single recognition and measurement approach for all leases of which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption of AASB 16, the Group applied AASB 16 at the date of initial application by measuring the right-of-use assets based on the amount equal to the lease liabilities. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Group used a weighted average discount rate of 8.00% at the date of initial application of AASB 16.

b) Summary of new accounting policies for leases.

Set out below are the new accounting policies of the Group upon adoption of AASB 16, which has been applied from the date of initial application:

Right-of-use assets - Property, plant and equipment

The Group recognises right-of-use assets (property, plant and equipment) at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below $5,000). Lease payments on short-term leases and leases of low-value assets are expensed on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew and renewal periods (e.g., a change in business strategy).

c) Amounts recognised in the interim consolidated statement of financial position and profit or loss and other comprehensive income on adoption of AASB 16:

Set out below are the carrying amounts of the Group's assets and lease liabilities and the movements during the period:

	Right-of-use Asset $	Lease Liability $
As at 1 July 2019	-	-
Initial adoption of AASB 16	168,924	168,924
Depreciation expense	(53,334)	-
Interest expense	-	4,767
Payments	-	(55,866)
At 31 December 2019	115,579	117,825

Set out below are the amounts recognised in the interim consolidated statement of comprehensive income for the six-month period ended 31 December 2019:

	$
Depreciation expense on assets	53,344
Interest expense on lease liabilities	4,767
Rent expense – short-term leases	6,600
	64,711

Correction of errors

Recycling of currency translation reserve and transfer of Foreign Exchange Gains/Losses on Group Loans

At 31 December 2019, the Group reviewed the accounting treatment on the sale of its US oil & gas operations in the 2017 financial year and the subsequent accounting treatment for foreign exchange gains/losses arising on intercompany loans with subsidiaries with foreign operations going forward.

In accordance with AABS 121, the currency translation reserve which arose on the translation of Group's foreign operations should have been recycled to the profit and loss at the time of the sale of those foreign operations. In addition, the accounting treatment for the foreign exchange differences arising on translation of the intercompany loans subsequent to the sale was reconsidered. Due to the nature of the loans, the Group concluded that, following the disposal of these foreign operations, the loans now represented a net investment in the foreign entities as settlement was neither planned nor likely in the foreseeable future. As a consequence, the accounting treatment applied during the years ended 30 June 2018 and 2019 resulted in an overstatement of other income (being unrealised foreign exchange gains on intercompany loans).

In accordance with AASB 121, the currency translation reserve up to the date of sale of the operations in 2017 was recycled to accumulated losses (as it arose prior to the comparative profit and loss). This change, therefore only had an impact on the opening balances at 1 July 2018. The foreign exchange gains or losses arising on the Group loans were transferred to the currency translation reserve in other comprehensive income for both the 2018 and 2019 half-year. These changes did not have an impact on the Group's operating, investing or financing cashflows.

Share-Based Payments

At 31 December 2019, the Group reviewed the valuation of share-based payments that were recognised in the 30 June 2019 financial year.

On 13 February 2019, 1,850,000 Class A Performance Shares were converted to 1,850,000 Ordinary Shares based on market price at $0.15 each, as these performance shares had met their performance hurdles. The formal approval for construction of the CNG 200 Optimum ship the American Bureau of Shipping also provided greater certainty of the non-market vesting conditions of these 1,850,000 Class A Performance Shares. The Group has corrected an error as these Class A Performance Shares should have been valued at fair value at the grant date on 6 December 2017 instead of vesting date. The fair value of these Class A Performance Shares was AU$0.33 each at the grant date.

On 13 February 2019 2,500,000 ordinary shares were issued based on market price at $0.15 each pursuant to the vesting of the Class D Performance Rights. The Group has corrected an error as these Class D Performance Rights should have been valued at fair value at the grant date on 30 November 2017 instead of vesting date. The fair value of these Class D Performance Rights was AU$0.33 each at the grant date.

The errors have been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

	30 June 2019 Previously disclosed $	Recycling of Translation Reserve $	FX on Loans Adjustment $	Share-Based Payments $	30 June 2019 Restated $
Impact on Consolidated Statement of Financial Position					
Reserves	(5,638,249)	2,376,256	2,637,819	783,000	158,826
Accumulated losses	(51,854,824)	(2,376,256)	(2,637,819)	(783,000)	(57,651,899)
Impact on Consolidated Statement of Profit or Loss – Increase/(Decrease) in Profit					
Income from non-operating activities	2,580,053	-	(1,468,328)	-	1,111,725
Other expenses	-	-	(79,995)	-	(79,995)
Share-based payments expense	(1,174,800)	-	-	(783,000)	(1,957,800)
Net impact on profit for the year					
Attributable to equity holders of the parent	(6,552,534)	-	(1,548,323)	(783,000)	(8,883,857)
Net impact on other comprehensive income					
Attributable to equity holders of the parent	(4,181,789)	-	1,548,323	-	(2,633,166)
Earnings per share	(1.93)	-	(0.46)	(0.23)	(2.62)

	31 Dec 2018 Previously disclosed $	Recycling of Translation Reserve $	FX on Loans Adjustment $	Share-Based Payments $	31 Dec 2018 Restated $
Impact on Consolidated Statement of Financial Position					
Reserves	(3,399,965)	2,376,256	2,388,592	-	1,364,883
Accumulated losses	(47,975,539)	(2,376,256)	(2,388,592)	-	(52,740,387)
Impact on Consolidated Statement of Profit or Loss – Increase/(Decrease) in Profit					

	31 Dec 2018 Previously disclosed $	Recycling of Translation Reserve $	FX on Loans Adjustment $	Share-Based Payments $	31 Dec 2018 Restated $
Income from non-operating activities	2,325,025	-	(1,217,921)	-	1,107,104
Other expenses	-	-	(81,176)	-	(81,176)
Net impact on profit for the year					
Attributable to equity holders of the parent	(2,673,249)	-	(1,299,097)	-	(3,972,346)
Net impact on other comprehensive income					
Attributable to equity holders of the parent	(1,290,705)	-	1,299,097	-	8,392
Earnings per share	(0.82)	-	(0.40)	-	(1.22)

NOTE 2. INCOME AND EXPENSES

The loss before income tax expense includes the following income and expenses where disclosure is relevant in explaining the performance of the Group:

	Half-Year to 31 December 2019 $	Half-Year to 31 December 2018 (Restated) $
NON-OPERATING ACTIVITIES		
Interest received	2,391	3,886
Unrealised exchange gains	149	-
Realised exchange gains	-	100,888
Research and development tax concession rebate	1,444,394	1,002,330
TOTAL INCOME FROM NON-OPERATING ACTIVITIES	1,446,934	1,107,104
EXPENSES INCLUDE:		
Employee benefits and consultants expenses	1,360,920	537,971
Depreciation expense	54,536	1,192
Administrative expenses	453,618	441,628
Unrealised exchange loss	-	81,176

	31 December 2019 $	30 June 2019 $

NOTE 3. CASH AND CASH EQUIVALENTS

	31 December 2019 $	30 June 2019 $
Cash at bank	4,345,823	2,428,371
	4,345,823	2,428,371

Non-cash investing activities

During the period, 1,500,000 free shares were issued to directors and staff.

NOTE 4. INTANGIBLE ASSET - INTELLECTUAL PROPERTY

	31 December 2019 $	30 June 2019 $
Development cost	6,214,830	6,214,830
	6,214,830	6,214,830

Intellectual property comprises compressed natural gas (CNG) marine transport design technology and associated patents derived from the 7 December 2017 acquisition of 100% of Sea NG Corporation (SeaNG), a Calgary based company (now renamed GEV Canada Corporation). The annual impairment assessment was carried out in accordance with the Group's accounting policy on intangible assets at 30 June 2019 by an independent technical expert, who concluded that the intellectual property and associated patents are not impaired. No indicators of impairment have been identified at 31 December 2019.

NOTE 5. TRADE AND OTHER PAYABLES

	31 December 2019 $	30 June 2019 $
Trade creditors	84,485	123,384
Sundry creditors and accrued expenses	33,640	11,000
	118,125	134,384

	31 December 2019 $	30 June 2019 $

NOTE 6. ISSUED CAPITAL

	31 December 2019 $	30 June 2019 $
Ordinary Shares		
386,228,223 (30 June 2019: 362,878,223) fully paid ordinary shares	69,159,403	66,058,203
Performance Shares		
14,000,000 (30 June 2019: 15,850,000) performance shares	–	–
	69,159,403	66,058,203

Movements in ordinary shares	Date	Number of Shares	$
Opening balance	01-Jul-18	325,878,224	60,993,737
Shares issued free pursuant to Employee Share Plan	04-Jul-18	500,000	102,500
Balance at 31 December 2018		326,378,224	61,096,237
Shares issued for $0.15 each	13-Feb-19	29,933,333	4,490,000
Conversion of Class D Performance Rights to Ordinary Shares	13-Feb-19	2,500,000	–
Shares issued for $0.15 each	07-May-19	1,400,000	210,000
Shares issued free as remuneration to directors	07-May-19	2,000,000	419,800
Shares issued for $0.10 on exercise of options	07-May-19	666,666	66,666
Other share issue expenses		-	(224,500)
Balance at 30 June 2019		362,878,223	66,058,203
Share Placement at $0.15 per share	22-Aug-19	20,000,000	3,000,000
Less: Issue costs of share placement	22-Aug-19	-	(108,800)
Shares issued free to non-executive director	22-Nov-19	1,000,000	140,000
Shares issued free pursuant to Employee Share Plan	06-Dec-19	500,000	70,000
Conversion of Class A Performance Shares to Ordinary Shares	06-Dec-19	1,850,000	-
At the end of the financial period	31-Dec-19	386,228,223	69,159,403

Terms and Conditions of Performance Shares

On 7 December 2017, Global Energy Ventures Ltd ("GEV") issued 1,850,000 Class A Performance Shares, 2,200,000 Class B Performance Shares, 2,350,000 Class C Performance Shares, 6,250,000 Class D Performance Shares and 3,200,000 Class E Performance Shares (together "Performance Shares"). 1,850,000 Class A Performance Shares were converted to Ordinary Shares during the period, as the performance hurdles had been met. All other Performance Shares remained on issue at the end of the period.

All remaining Performance Shares expire on 6 December 2022 (Expiry Date). On achievement of the relevant milestone for each Class of Performance Share, each Performance Share of that class will convert into one ordinary share in the Company.

Class B Performance Shares will convert when either:
(a) A notice to proceed for a contract for the construction of CNG ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on Sea NG Corporation Technology (Project) is given (Notice to Proceed Date); or
(b) when:

(i) the 30-day VWAP of GEV Shares exceeds A$0.45 at any time subsequent to 6 December 2017 (Effective Date); and
(ii) either GEV obtains ABS Full Approval for construction of an Optimum CNG Ship with net design gas storage capacity exceeding 250 MMscf or a contract for the construction of a CNG Ship for the Project is executed (Contract Date); and
(iii) a period of 30 months or more has elapsed since the Effective Date.

Class C Performance Shares will convert when either:
(a) the Notice to Proceed Date occurs; or
(b) when:

(i) the 30-day VWAP of GEV Shares exceeds A$0.55 at any time subsequent to the Effective Date; and
(ii) the Contract Date occurs; and
(iii) a period of 36 months or more has elapsed since the Effective Date.

Class D Performance Shares will convert when the Notice to Proceed Date occurs.

Class E Performance Shares will convert when a notice to proceed for a contract for the construction of CNG Ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on SeaNG Coselle Technology is given.

If the relevant milestones above are not achieved by the Expiry Date, then each Performance Share in the relevant class will be automatically redeemed by the Company for the sum of A$0.00001 within 14 days of the Expiry Date. The issue of the Performance Shares was approved at the general meeting of shareholders held on 30 November 2017.

None of the remaining Performance Shares on issue were converted or cancelled during the period. None of the Performance Shares had their vesting conditions met during the period. These Performance Shares have not been valued or recognised for accounting purposes and will not be recognised for accounting purposes until there is greater certainty in relation to the non-market vesting conditions being met.

NOTE 7. RESERVES

	31 December 2019 $	30 June 2019 (Restated) $
Share based payments reserve	2,791,992	2,791,992
Currency translation reserve	6,252	6,425
Fair Value Reserve	(2,639,591)	(2,639,591)
	158,653	158,826

MOVEMENTS IN CURRENCY TRANSLATION RESERVE

At the beginning of the financial period	6,425
Consolidation of Foreign Currency Subsidiaries	(173)
AT THE END OF THE PERIOD	6,252

NOTE 8. FINANCIAL INSTRUMENTS

(a) Overview of Financial Instruments

Set out below is an overview of the financial instruments by the Group as at 31 December 2019:

	31 December 2019 $	30 June 2019 $
LOANS AND RECEIVABLES		
Cash and cash equivalents	4,345,823	2,428,371
Trade and other receivables	158,678	14,519
TOTAL CURRENT ASSETS	4,504,501	2,442,890
FINANCIAL LIABILITIES		
At amortised cost		
Trade and other payables	118,125	134,384
Lease liabilities	117,825	-
TOTAL CURRENT LIABILITIES	235,950	134,384

(b) Fair values

Due to the short-term nature of the above financial assets and liabilities, the carrying amounts approximate their fair values.

NOTE 9. SEGMENT INFORMATION

The Group has only one operating segment.

NOTE 10. CONTINGENT LIABILITIES

There have been no significant changes in contingent liabilities since the last annual reporting date (30 June 2019: None).

NOTE 11. EVENTS SUBSEQUENT TO BALANCE DATE

On 2 January 2020, the Company announced an extension of the LOI with Yantai CIMC Raffles Offshore Ltd to 30 June 2020, with no change to the terms. Refer to the Directors Report for an explanation of the LOI.

On 19 February 2020, the Company announced the appointment of Clarksons Platou Structured Asset Finance Limited and Clarksons Platou Securities AS to act as act as brokers, financial advisor and lead manager for all project debt and equity requirements for the Company's first CNG project in Brazil.

No other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.

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Auditor's independence declaration to the directors of Global Energy Ventures Ltd

As lead auditor for the review of the half-year financial report of Global Energy Ventures Ltd for the half-year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

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

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

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

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
25 February 2020

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Independent auditor's review report to the members of Global Energy Ventures Ltd

Report on the half-year consolidated financial report

Conclusion

We have reviewed the accompanying half-year financial report of Global Energy Ventures Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance for the half-year ended on that date; and

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

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2019 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
Perth
25 February 2020