



NGE Capital Limited (NGE)

APPENDIX 4D (Listing Rule 4.2A.3)

Results for announcement to the market for the half-year ended 30 June 2017

All comparisons unless specified are to the half-year ended 30 June 2016

	\$'000	Up/Down	% change
Revenue from ordinary activities	4,143	Up	12,847%
Profit (loss) after tax for the half-year	3,384	Up	496%

Dividend information

No dividends or distributions have been paid or provided during the year.
There are no dividend or distribution reinvestment plans in operation.

	30 June 2017	31 Dec 2016	Movement
Net tangible asset backing per ordinary share	\$0.595	\$0.497	19.72%

This report is based on the half-year financial report which has been subject to independent review by the auditors, Grant Thornton. All the documents comprise the information required by the Listing Rule 4.2A.

This information must be read in conjunction with the 31 December 2016 Annual Financial Report

NGE Capital Limited
ABN 31 112 618 238

Level 15, 333 Collins Street, Melbourne Vic 3000
T +61 3 9648 2290 | F:+61 3 7000 5077
www.ngecapital.com.au

NGE Capital Limited

ABN 31 112 618 238

Interim financial statements

For the half-year ended 30 June 2017

CONTENTS

	Page
Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9
Directors' Declaration	16
Independent Auditor's Review Report	17

CORPORATE DIRECTORY

Directors

David Lamm

Ilan Rimer

Adam Saunders

Executive Chairman

Non-Executive Director

Non-Executive Director

Company Secretary

Leslie Smith

Registered Office

Level 15

333 Collins Street

Melbourne VIC 3000

Telephone:

03 9648 2290

Facsimile:

03 7000 5077

Email:

office@ngecapital.com.au

Website

www.ngecapital.com.au

STOCK EXCHANGE LISTINGS

ASX Limited

20 Bridge St

Sydney NSW 2000

OTC Markets

304 Hudson Street, 3rd Floor

New York, NY 10013

USA

ASX Code: NGE

OTC Code: NGELF

SHARE REGISTRY

Boardroom Pty Limited

GPO Box 3993

Sydney NSW 2001

Telephone:

1300 737 760

+61 2 9290 9600

Facsimile:

1300 653 459

+61 2 9290 0644

Website:

www.boardroomlimited.com.au

AUDITORS

Grant Thornton Audit Pty Ltd

The Rialto Level 30

525 Collins Street

Melbourne VIC 3000

SOLICITORS

Clayton Utz

Level 18

333 Collins Street

Melbourne VIC 3000

DIRECTORS' REPORT

The Directors of NGE Capital Limited present their Report together with the financial statements of the Consolidated Entity, being NGE Capital Limited (**NGE** or **Company**) and its Controlled Entities (the **Group**) for the half-year ended 30 June 2017.

Directors

The following persons were Directors of NGE Capital Limited during or since the end of the financial half-year:

David Lamm	Executive Chairman
Sir Michael Bromley	Non-Executive Director (resigned 24 January 2017)
Ilan Rimer	Non-Executive Director (appointed 17 August 2017)
Adam Saunders	Non-Executive Director
Grant Worner	Non-Executive Director (retired 30 May 2017)

Principal activities

The Company is an internally managed Listed Investment Company whose principal activities are to make investments in listed and unlisted securities. The Company focuses primarily on ASX listed equities.

Review of operations and financial results

The Company's investment strategy is to invest in a concentrated, high conviction, portfolio of financial assets with the aim of generating strong risk-adjusted returns over the medium to long term. During the period the Company applied its fundamental approach to investments to build up the investment portfolio.

The operating result of the Group was a profit of \$3.4M (2016: loss \$0.9M), predominantly due to a \$1.8M gain on disposal of listed investments and a \$2.1M unrealised gain on listed investments.

Net assets increased by \$1.9M to \$22.5M (31 December 2016: \$20.6M). On a per share basis, net assets (after tax) increased 19.7% to \$0.595 per share (31 December 2016: \$0.497).

In the period the Company purchased 3,525,687 of its own shares costing \$1,452,099 (including brokerage) to complete a 10/12 on-market share buy-back commenced in August 2016.

At the Company's Annual General Meeting (**AGM**) held on 30 May 2017, shareholders approved a change of Company name to NGE Capital Limited.

Shareholders also approved the buy-back of up to 3,000,000 shares in excess of the 4,207,716 permitted under the 10/12 limit in the period to 19 August 2017. At the end of the period no shares had been bought back under this facility.

The Company completed the buy-back and cancellation of 172,500 Treasury Shares. These shares, originally issued then forfeited pursuant to the 2006 Employee Incentive Share Plan, were bought back off-market and, as the Company held these shares, the buy-back was not effected by transfer of funds.

A copy of the Auditor's Independence Declaration as required under S307C of the *Corporations Act 2001* is included on page 4 of this financial report and forms part of the Director's Report.

Rounding of Amounts

NGE Capital Limited is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1,000, or in certain cases, to the nearest dollar.

A handwritten signature in black ink, appearing to be 'DL' followed by a long horizontal flourish.

David Lamm
Chairman

28 August 2017

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 NGE CAPITAL LIMITED

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of NGE Capital Limited for the half-year ended 30 June 2017, 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



A R J Nathanielsz
Partner - Audit & Assurance

Melbourne, 28 August 2017

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2017

	Note	30 June 2017 \$'000	30 June 2016 \$'000
Revenue		295	183
Gain on disposal of listed investments		1,785	-
Loss on disposal of listed investments		(55)	(78)
Unrealised gain/(loss) on listed investments		2,118	(73)
Employee benefits expense		(309)	(140)
(Loss)/Gain from foreign exchange differences		(50)	(276)
Other expenses	7	(195)	(320)
Profit/(loss) before income tax		3,589	(704)
Income tax expense		-	-
Profit/(loss) from continuing operations after income tax		3,589	(704)
Loss from discontinued operations after income tax		(205)	(150)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total other comprehensive income for the period		-	-
Total comprehensive income for the period attributable to members of the Parent Entity		3,384	(854)
Earnings per share attributable to the ordinary equity holders of the Company			
From continuing operations:			
Basic and diluted (loss)/earnings per share (cents)		9.14	(0.08)
From discontinued operations:			
Basic and diluted (loss)/earnings per share (cents)		(0.52)	(0.02)

This financial report should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As At 30 June 2017

	Note	30 June 2017 \$'000	31 December 2016 \$'000
ASSETS			
Cash and cash equivalents		10,670	14,816
Trade and other receivables		145	296
Financial assets held at fair value through profit or loss	11	15,654	5,614
Other assets		54	124
Plant and equipment		1	1
TOTAL ASSETS		<u>26,524</u>	<u>20,851</u>
LIABILITIES			
Trade and other payables	13	3,986	246
Provisions		16	5
TOTAL LIABILITIES		<u>4,002</u>	<u>251</u>
NET ASSETS		<u>22,522</u>	<u>20,600</u>
EQUITY			
Share capital		78,487	79,939
Reserves		11,377	11,377
Accumulated losses		(67,342)	(70,716)
TOTAL EQUITY		<u>22,522</u>	<u>20,600</u>

This financial report should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2017

	Share capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total \$'000
Balance at 1 January 2016	80,217	11,377	(71,407)	20,187
Total comprehensive loss for the period	-	-	(854)	(854)
Transactions with owners in their capacity as owners:				
Share buy-back	(11) ¹	-	-	(11)
Balance at 30 June 2016	80,206	11,377	(72,261)	19,322
Balance at 1 January 2017	79,939	11,377	(70,726)	20,590
Total comprehensive profit for the period	-	-	3,384	3,384
Transactions with owners in their capacity as owners:				
Share buy-back	(1,452) ²	-	-	(1,452)
Balance at 30 June 2017	78,487	11,377	(67,342)	22,522

¹ On 17 July 2015 NGE announced its intention to undertake an on-market share buy-back of up to 10% of the Company's issued capital, which at the date of that announcement equated to approximately 85 million ordinary shares. In the half-year to 30 June 2016, 591,034 shares costing \$11,229 were purchased by the Company.

² On 4 August 2016 NGE announced its intention to undertake an on-market share buy-back of up to 10% of the Company's issued capital, which at the date of that announcement equated to approximately 84 million ordinary shares. Subsequently NGE consolidated its capital on a 20:1 basis and the number of shares permitted to be bought back under the 10/12 Rule was revised to 4,207,716. In the half-year to 30 June 2017, 3,525,687 shares costing \$1,452,099 (including brokerage) were purchased by the Company.

This financial report should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 30 June 2017

	30 June 2017 \$'000	30 June 2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Sub-underwriting fees received	20	-
Payments to suppliers and employees	(478)	(657)
Payments for equity investments	(10,526)	(3,979)
Payments for convertible notes investments	(750)	-
Proceeds from sale of equity investments	8,896	626
Interest received	149	183
Dividends received	18	-
Net cash from continuing operations	(2,671)	(3,827)
Net cash from discontinued operations	-	-
Net cash used in operating activities	(2,671)	(3,827)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from refund of security deposits	-	22
Proceeds from joint venture entity loan repayment	26	-
Net cash from continuing operations	26	22
Net cash from discontinued operations	-	(51)
Net cash from/(used in) investing activities	26	(29)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for share buy-back	(1,452)	(11)
Net cash from continuing operations	(1,452)	(11)
Net cash from discontinued operations	-	-
Net cash used in financing activities	(1,452)	(11)
Net (decrease)/increase in cash held	(4,097)	(3,867)
Cash and cash equivalents at the beginning of period	14,816	19,898
Effect of exchange rates on cash holding in foreign currencies	(49)	(267)
Cash and cash equivalents at the end of period	10,670	15,764

This financial report should be read in conjunction with the accompanying notes.

Notes to the Condensed Interim Consolidated Financial Statements

Note 1 – Nature of operations

NGE Capital Limited (formerly New Guinea Energy Ltd) and subsidiaries' (**Group**) principal activities consisted of investment activities.

Note 2 – General information basis of preparation

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the six (6) months ended 30 June 2017 and are presented in Australian Dollars (\$AUD), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2016 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 28 August 2017.

Note 3 – Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 31 December 2016.

The accounting policies have been applied consistently throughout the Group for purposes of preparation of these interim financial statements.

New, revised or amending Accounting Standards and Interpretations adopted

Note 4 – Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2016.

Notes to the Condensed Interim Consolidated Financial Statements (cont.)

Note 5 – Significant events and transactions

The Group’s management believes that the Group is well positioned with significant cash balances available for investment. Significant events and transactions during the period were:

- Implemented investment strategy to build up the Company’s investment portfolio;
- Company renamed NGE Capital Limited;
- Completion of 10/12 on-market buy-back with 3,525,687 shares bought back in the period for a cost of \$1,452,099 (including brokerage);
- Shareholders approved additional 3,000,000 share buy-back in excess of the 4,207,716 permitted under the 10/12 limit in the period to 19 August 2017; and
- Completed buy-back and cancellation of 172,500 Treasury Shares.

	2017	2016
	\$’000	\$’000
Note 6 – Revenue and other income from continuing operations		
Interest income	149	183
Dividend income	18	-
Fee income	128	-
	295	183

Note 7 – Other expenses incurred in continuing operations

Audit fees	7	11
Corporate promotion expenses	-	1
Directors’ Fees	49	86
Professional and legal fees	28	122
Listing costs	35	45
Operating leases	32	31
Other	44	24
	195	320

Notes to the Condensed Interim Consolidated Financial Statements (cont.)

Note 8 – Discontinued operations

In November 2016, the Company received the requisite approvals to change the nature of its operations to a Listed Investment Company. The Company's previous principal activity, exploration for oil and gas in Papua New Guinea has been treated as a discontinued operation. Continuing activities for this disclosure have been treated as investment activities and those administrative activities required to operate an ASX listed corporation.

In the half-year NGE received a claim from the purchaser of NGE's interest in PPL 269 for the proportional costs of remediating a well drilled while NGE had its interest in the Licence. The cost of this claim was written off in the period. As the costs were incurred to facilitate the Licence holders handing back their licence the Company does not anticipate any future claims of a similar nature.

	2017 \$'000	2016 \$'000
Expenses incurred in discontinued operations		
Employee benefits expense	-	(93)
Impairment of deferred exploration expenditure	-	(72)
Exploration expenditure written off	(205)	-
Gain on sale of fixed assets	-	18
Other	-	(3)
Loss for the year	<u>(205)</u>	<u>(150)</u>

Cash flows generated by exploration activities for the reporting periods are as follows:

Operating activities	-	-
Investing activities	-	(51)
Financing activities	-	-

In 2012 NGE sold its 100% interest in PPL 277 to ESSO PNG Exploration Limited and Oil Search Limited in equal shares. In 2015 NGE sold its 50% interest in PPL 269 to a subsidiary of Santos Limited. The terms of sale in each case provided for future consideration components in favour of NGE in the event of the achievement of certain development and production milestones. PPL 269 has recently expired and the holders of PPL 277 have requested an unconditional surrender of that Licence. While future consideration may still flow to NGE the possibility of this occurring is considered remote.

As at 30 June 2016 the carrying amounts of the net assets associated with exploration activities were Nil.

Note 9 – Related party transaction

The Company has a licence agreement with Kentgrove Capital Pty Ltd for the sub-lease of office premises for its business from 1 June 2016 to 30 April 2018 at the rate of \$60,000 per annum. The Executive Chairman David Lamm is a director and controlling shareholder of Kentgrove Capital Pty Ltd. Commitments under the licence agreement are disclosed in Note 12.

Notes to the Condensed Interim Consolidated Financial Statements (cont.)

Note 10 – Segment Reporting

Basis of accounting for purposes of reporting by operating segments

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

In November 2016, the Group changed its principal activities to those of a Listed Investment Company and therefore identifies only one corporate reportable segment. The results of this segment are the same as the Group results.

In the previous period the reportable operating segment was exploration for oil and gas in Papua New Guinea, which was the Group's principal activity. Corporate office activities which were not allocated to the operating segment form part of the balance of unallocated revenue, expenses, assets and liabilities. The comparative figures are presented on this basis.

	Six months ended 30 June 2016			
	Exploration	Equity investments	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000
PROFIT AND LOSS				
Revenue				
From external customers	-	-	569	569
Employee costs	-	-	(135)	(135)
Foreign exchange (losses)/ gains	-	-	(564)	(564)
Impairment of deferred exploration expenditure	(72)	-	-	(72)
Impairment of investments accounted for using the equity method	-	-	(98)	(98)
Loss on extinguishment of debts	-	-	-	-
Other expenses	-	(151)	(403)	(554)
(Loss)/Profit before income tax	(72)	(151)	(631)	(854)
Income tax expense	-	-	-	-
(Loss)/Profit after tax	(72)	(151)	(631)	(854)
30 June 2016				
FINANCIAL POSITION				
Assets and liabilities				
Segment assets	93	3,592	15,829	19,514
Segment liabilities	35	-	157	192

Notes to the Condensed Interim Consolidated Financial Statements (cont.)

	30 June 2017 \$'000	31 December 2016 \$'000
Note 11 – Financial assets held at fair value through profit or loss		
Shares in listed companies	10,978	5,517
Shares in unlisted companies	260	10
Private placements in unlisted company	3,584	-
Security deposits	82	87
Current assets	14,904	5,614
Convertible notes with maturity greater than 1 year	750	-
Non-current assets	750	-
	<u>15,654</u>	<u>5,614</u>

11.1 Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The Group's financial assets measured and recognised at fair value at 30 June 2017 and 31 December 2016 on a recurring basis are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2017				
Assets				
Total	10,978	-	4,594	15,572
Liabilities				
Total	-	-	-	-
Net Fair Value	<u>10,978</u>	<u>-</u>	<u>4,594</u>	<u>15,572</u>
31 December 2016				
Assets				
Total	5,517	-	10	5,527
Liabilities				
Total	-	-	-	-
Net Fair Value	<u>5,517</u>	<u>-</u>	<u>10</u>	<u>5,527</u>

Notes to the Condensed Interim Consolidated Financial Statements (cont.)

Note 11 Financial assets held at fair value through profit or loss (cont.)

11.2 Measurement of fair value of financial instruments

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Shares in listed companies

Fair values have been determined by reference to their quoted closing prices at the reporting date.

Shares in unlisted companies

Fair values have been determined after assessment of the investee's financial position at balance date and its prospects and forecasts and represented the approximate share of adjusted net assets at balance date.

Convertible notes in unlisted companies

Fair values have been determined after assessment of the investee's financial position at balance date and its prospects and forecasts and represented the approximate share of adjusted net assets at balance date.

	30 June 2017 \$'000	30 June 2016 \$'000
--	------------------------------------	------------------------------------

Note 12 – Commitments

Petroleum Prospecting Licences PPL 269 & PPL 267

Work commitments

Within twelve months	-	29,700
Twelve months or longer and not longer than 5 years	-	-
	<u>-</u>	<u>29,700</u>

On 11 August 2016 the Group announced that it had lodged with the Papua New Guinea Department of Petroleum & Energy (**DPE**) applications to surrender PPL 266 and PPL 267. The Company has no reason to believe that the applications will be declined however, as at the date of this report the Company has not received a decision from the DPE.

A condition of the licences is that the Group is required to satisfy work commitments to maintain current rights of tenure. These commitments may be subject to renegotiation, may be farmed out or may be relinquished and have not been provided for in the financial statements as the applications to surrender have been lodged.

The Group has obligations to restore and rehabilitate areas disturbed during exploration. Bank guarantees of \$82,000 (2016: \$85,000) collateralised by cash deposits have been provided as security for compliance with the conditions of the licences.

Operating Leases

Minimum payment under non-cancellable operating leases according to the time expected to elapse to the expected date of payment:

Not later than 1 year	50	60
Later than 1 year and not later than 5 years	-	50
	<u>50</u>	<u>110</u>

Notes to the Condensed Interim Consolidated Financial Statements (cont.)

	2017	2016
	\$'000	\$'000
Note 13 – Trade and other payables		
Trade payables	402	246
Application monies pending allotment	3,584	-
	<u>3,986</u>	<u>246</u>

Note 14 – Contingent assets and liabilities

Nil.

Note 15 – Events subsequent to Reporting Date

On 17 August 2017 the Company announced the appointment of Mr Ian Rimer as an independent Non-Executive Director.

On 21 August 2017 the Company announced a new on-market share buy-back for up to 10% of the Company's issued capital, being 3,786,944 shares.

Other than as disclosed above, there has been no other matter or circumstance occurring subsequent to the end of the period that, in the opinion of the Directors, has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

In the opinion of the Directors of NGE Capital Limited:

- a. The consolidated financial statements and notes of NGE Capital Limited are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of its financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
 - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting*, 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.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to be 'DL' followed by a long horizontal flourish.

David Lamm
Chairman

Dated the 28th day of August 2017

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 3 8320 2222

F +61 3 8320 2200

E info.nsw@au.gt.com

W www.grantthornton.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NGE CAPITAL LIMITED

Report on the half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of NGE Capital Limited ("Group"), which comprises the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the half-year ended on that date, a statement or description of accounting policies, other selected explanatory notes, and directors' declaration of the consolidated entity.

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 NGE Capital Limited does not give a true and fair view of the financial position of the Group as at 30 June 2017, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with Accounting Standard *AASB 134 Interim Financial Reporting* and *Corporations Regulations 2001*.

Directors' Responsibility for the Half-year Financial Report

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

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

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 financial report is not presented fairly, in all material respects, in accordance with the Accounting Standard *AASB 134 Interim Financial Reporting and Corporations Regulations 2001*. As the auditor of NGE Capital Limited, 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 Australian professional accounting bodies.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A R J Nathanielsz
Partner - Audit & Assurance

Melbourne, 28 August 2017