APPENDIX 4E

Preliminary final report

1. Company Details

Name of entity

ENERGY TECHNOLOGIES LIMITED

ABN or equivalent company reference	Financial year ended ('current period')	Financial year ended ('previous period')
38 002 679 469	30 June 2017	30 June 2016

2. Results for announcement to the market

				$A'000
2.1 Revenues from operating activities	Up	27%	to	14,297
2.2 Loss from operating activities after tax attributable to members	Down	43.3%	to	(2,942)
2.3 Loss for the period attributable to members	Down	43.3%	to	(2,942)

2.4 **Dividends**	Amount per security	Franked amount per security
Final dividend	NIL	NIL
Interim dividend	NIL	NIL

2.5 Record date for determining entitlements to the dividend	Not applicable

2.6 Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood:

Energy Technologies Limited (EGY) has reported a consolidated loss for the year after tax and minority interests of $2,941,203 (FY2016 loss of $2,052,216).

The FY2017 results include a loss after tax of $1,484,904 (FY2016 loss of $1,035,248) reported by subsidiary Bambach Wires and Cables Pty Ltd (BWC). There will be further discussion of the result below.

3. Details of Individual and Total Dividends

			Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
	Final dividend:	Current year		-¢	-¢	-¢
		Previous year		-¢	-¢	-¢
	Interim dividend:	Current year		-¢	-¢	-¢
		Previous year		-¢	-¢	-¢

Total dividend per security (interim plus final)

	Current year	Previous year
Ordinary securities	-¢	-¢
Preference securities	-¢	-¢

4. Dividend reinvestment plan

Details of any dividend reinvestment plans in operation:

<provide plan details, if any>

The last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan:

<date, if applicable>

5. Statement of retained earnings

	Current period - $A'000	Previous corresponding period - $A'000
Accumulated losses at the beginning of the financial year	(8,695)	(6,643)
Net profit/(loss) attributable to members	(2,942)	(2,052)
Accumulated losses at the end of the financial year	(11,637)	(8,695)

6.1 Net Tangible Asset backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	(1.74c)	(0.57c)

6.2 Earnings per security (EPS)

	Current period	Previous corresponding period
Basic EPS (cents)	(0.90c)	(0.74c)
Net profit / (loss) after tax for the period attributable to members ($'000s)	(2,942)	(2,052)
Weighted average number of ordinary securities	326,507,732	276,350,678

7. Details of entities over which control has been gained or lost during the period

7.1 A	Name of entity	No entities were acquired during the period
7.2 A	Date from which control was gained	
7.3 A	Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from operating activities during the period and the profit or loss of such entities during the whole of the previous corresponding period	

7.1 B	Name of entities	No entities were disposed of during the period
7.2 B	Date from which control was gained / lost	
7.3 B	Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from operating activities during the period and the profit or loss of such entities during the whole of the previous corresponding period	

8. Details of Associates and Joint Ventures:

Name of entity	***Percentage holding 30 Jun 17***	*Percentage holding 30 Jun 16*
Dulhunty Poles Pty Ltd	8.41%	36.82%

8.1 Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period:

EGY has fully impaired its investment in Dulhunty Poles Pty Ltd (DPPL).

9 - Comments by directors

EGY has reported an increased consolidated loss after tax and minorities for FY2017 of $2,941,203 (FY2016 loss after tax and minorities $2,052,216). Wholly owned subsidiary Bambach Wires and Cables Pty Ltd (BWC) reported a loss after tax of $1,484,904 (FY2016 loss $1,035,248).

BWC reported a loss after tax of $1,205,344 for the Half Year to 31 December 2016 and has had significantly improved trading in the second half of FY2017. BWC revenue for FY2017 was 27% higher than reported for FY2016 and invoiced sales for the second half of the financial year were up month on month by an average 39% improvement over the comparable period last year. New orders for 2HFY2017 were 31% up on the previous period. Margins on purchased product were, however, impacted by currency movements and price increases, although overall margins held firm when compared to FY2016.

Included in FY2017 revenue is a further $1,189,865 R&D Grant (FY2016 R&D Grant revenue $880,480) which partially recovered the continuing significant research and development expenditure undertaken by BWC in new product development, cable projects and testing.

BWC results were also impacted by transitional costs in relation to opening a new branch and strengthening sales support, as well as costs in relation to the updating of factory equipment under the business plan. Margin benefits as a result of commissioning of new equipment are expected to be significantly reflected in FY2018 results.

BWC's entry into the infrastructure and rail market sectors is beginning to show results and overall trading conditions are expected to continue to improve as major rail, road, and defense projects come on stream. The current order book is strong and the company has many live bids on which it is awaiting the outcome.

As reported in the December 2016 Half Year report, the company continues to be supported by its investors and over the period has raised required funds to support the business. Funds totaling $6,816,000 have been raised through the issue of secured Debenture Notes and the NAB facility previously in place has been retired.

Overall the business is becoming a far more sophisticated and capable manufacturer than it was one or two years ago. New warehouses and sales staff in South Australia and new sales staff appointed in QLD, Victoria and NSW over the past 6 months are providing a strong sales presence. This is expected to continue sales growth as the new BWC products come to market and the company can offer reduced lead times and price competitive cables across a broad spectrum due to its factory equipment upgrade.

The loss position of the company continues to be of great concern but the board and management are convinced that the BWC business plan in place is the correct plan to bring the company to a situation of sustained profitability. In summary, the plan includes an expansion of the product offering, a focus on infrastructure and defense markets and the installation of new more efficient production equipment.

10. This report is based on accounts to which one of the following applies.

☐	The accounts have been audited.	☐	The accounts have been subject to review.
☑	The accounts are in the process of being audited or subject to review.	☐	The accounts have *not* yet been audited or reviewed.

11. Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review:

12. Description of dispute or qualification if the accounts have been audited or subject to review:

Sign here:

Print name: Alfred Chown
Managing Director

Date: 30 August 2017

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2017

	Notes	CONSOLIDATED 2017 $'000	2016 $'000
CONTINUING OPERATIONS			
Sale of goods	2a	**12,913**	10,198
Cost of sales		**(10,777)**	(7,878)
Gross profit		**2,136**	2,320
Rendering of services	2a	**131**	45
Other revenue	2b	**1,253**	992
Marketing expenses		**(49)**	(44)
Occupancy expenses		**(582)**	(524)
Administrative expenses		**(4,226)**	(3,637)
Borrowing costs	3	**(1,116)**	(742)
Depreciation and amortisation expenses	3	**(284)**	(245)
Other expenses		**(241)**	(132)
LOSS FOR THE YEAR BEFORE INCOME TAX		**(2,978)**	(1,967)
Income tax benefit (expense)		**21**	(58)
LOSS FOR THE YEAR AFTER INCOME TAX		**(2,957)**	(2,025)
(PROFIT) LOSS ATTRIBUTABLE TO MINORITY INTEREST		**15**	(27)
LOSS ATTRIBUTABLE TO MEMBERS OF ENERGY TECHNOLOGIES LIMITED		**(2,942)**	(2,052)

The accompanying notes form part of these financial statements.

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

	CONSOLIDATED	
	2017 $'000	2016 $'000
LOSS FOR THE YEAR	**(2,957)**	(2,025)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX:		
(a) Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Movement in foreign exchange relating to translation of controlled foreign entities	**1**	(1)
Exchange difference on foreign exchange relating to minorities	**1**	(1)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**2**	(2)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(2,955)**	(2,027)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
Members of the parent entity	**(2,941)**	(2,053)
Minority equity interest	**(14)**	26
	(2,955)	(2,027)

Earnings per Share

From continuing operations:

• Basic loss per ordinary share (cents)	**(0.90)**	(0.74)
• Diluted loss per ordinary share (cents)	**(0.90)**	(0.74)

The accompanying notes form part of these financial statements.

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	CONSOLIDATED 2017 $'000	2016 $'000
CURRENT ASSETS			
Cash and cash equivalents		**699**	11
Trade and other receivables		**3,957**	3,342
Inventories		**4,657**	3,609
Other current assets		**107**	146
TOTAL CURRENT ASSETS		**9,420**	7,108
NON-CURRENT ASSETS			
Property, plant and equipment		**3,018**	2,049
Intangibles		**1,727**	842
Deferred tax assets		**187**	166
Other receivables		**74**	45
TOTAL NON-CURRENT ASSETS		**5,006**	3,102
TOTAL ASSETS		**14,426**	10,210
CURRENT LIABILITIES			
Trade and other payables		**5,062**	3,838
Financial liabilities		**8,045**	2,587
Provisions		**676**	577
TOTAL CURRENT LIABILITIES		**13,783**	7,002
NON-CURRENT LIABILITIES			
Financial liabilities		**4,507**	4,128
Provisions		**106**	95
TOTAL NON-CURRENT LIABILITIES		**4,613**	4,223
TOTAL LIABILITIES		**18,396**	11,225
NET LIABILITIES		**(3,970)**	(1,015)
EQUITY			
Issued capital	**5**	**9,279**	9,279
Reserves		**(1,050)**	(1,051)
Accumulated losses		**(11,637)**	(8,695)
Parent interests		**(3,408)**	(467)
Minority interests		**(562)**	(548)
TOTAL DEFICIENCY		**(3,970)**	(1,015)

The accompanying notes form part of these financial statements.

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 30 June 2017

	Issued Capital $'000	Reserve $'000	Accumulated Losses $'000	Minority Interest $'000	Total $'000
Balance at 1 July 2015	8,374	(1,050)	(6,643)	(574)	107
Comprehensive income					
Loss for the year	-	-	(2,052)	27	(2,025)
Other comprehensive loss for the year	-	(1)	-	(1)	(2)
Total comprehensive loss for the year	-	(1)	(2,052)	26	(2,027)
Transactions with owners, in their capacity as owners, and other transfers					
Equity contributions	905	-	-	-	905
Total transaction with owners, in their capacity as owners, and other transfers				-	
Balance at 30 June 2016	9,279	(1,051)	(8,695)	(548)	(1,015)
Comprehensive income					
Loss for the year	-	-	(2,942)	(15)	(2,957)
Other comprehensive loss for the year	-	1	-	1	2
Total comprehensive loss for the year	-	1	(2,942)	(14)	(2,955)
Transactions with owners, in their capacity as owners, and other transfers					
Equity contributions	-	-	-	-	-
Total transaction with owners, in their capacity as owners, and other transfers					
Balance at 30 June 2017	9,279	(1,050)	(11,637)	(562)	(3,970)

The accompanying notes form part of these financial statements.

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Notes	CONSOLIDATED 2017 $'000	2016 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**13,725**	10,609
Payments to suppliers and employees		**(15,609)**	(11,551)
Interest received		**-**	194
Borrowing costs		**(1,368)**	(695)
NET CASH (OUTFLOWS) FROM OPERATING ACTIVITIES	**4**	**(3,252)**	(1,443)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(1,220)**	(256)
Purchases of intangible development assets		**(929)**	(565)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		**(2,149)**	(821)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of share issue		**-**	905
Proceeds of issue of Debenture loan		**6,816**	-
Proceeds from other borrowings		**1,243**	771
Repayment of borrowings		**(1,970)**	(80)
Proceeds of Loans from directors		**-**	580
NET CASH INFLOWS FROM FINANCING ACTIVITIES		**6,089**	2,176
NET INCREASE (DECREASE) IN CASH HELD		**688**	(88)
Add: Opening cash brought forward		**11**	99
Effect of exchange rate fluctuations on the balances of cash held in foreign currencies		**-**	-
CLOSING CASH AT THE END OF THE YEAR		**699**	11

The accompanying notes form part of these financial statements.

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. BASIS OF PREPARATION

a) Basis of preparation

The preliminary final report does not include all the 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 consolidated entity as the full financial report.

The preliminary final report should be read in conjunction with the half-year financial report of Energy Technologies Limited as at 31 December 2016. It is also recommended that the financial report be considered together with any public announcements made by Energy Technologies Limited and its controlled entities during the year ended 30 June 2017 in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

This preliminary final report has been prepared in accordance with the requirements of the Australian Securities Exchange listing rules.

This preliminary final report does not constitute the full financial report for the year ended 30 June 2017.

b) Statement of compliance

Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards issued by the IASB.

c) Going Concern

The consolidated entity incurred a loss after tax attributable to members of $2,941,203 (2016: $2,052,216), incurred negative cash flows from operations of $3,251,666 for the year ended 30 June 2017 (2016: negative $1,443,349). At balance date, including Debenture Notes totaling $6,816,000, current liabilities exceeded current assets by $4,361,986. The Debentures have a maturity date of 31 December 2020 and Directors' do not expect the Debenture Notes will be redeemed within the twelve month period following the date of this report.

These matters give rise to a significant material uncertainty that may cast significant doubt upon the consolidated entity's ability to continue as a going concern. The ongoing operation of the consolidated entity is dependent upon it:

(a) achieving cash flow positive trading operations from its existing business; and

(b) continued financial support from its current financiers;

Management have prepared a cash flow projection for the period to 30 September 2018 that supports the ability of the consolidated entity to continue as a going concern. The FY2018 budget on which the cash flow projection is based forecasts a 38% increase in sales revenues for the FY2018 from the FY2017 actual year, including a new branch operation and identified infrastructure and rail projects. The cash flow projection also assumes the secured debenture facility remains in place.

In the event that the consolidated entity is unable to achieve the matters detailed above, it may not be able to continue as a going concern and therefore the consolidated entity may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the consolidated entity and company not continue as going concerns.

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

	CONSOLIDATED	
	2017	2016
	$'000	$'000
2. REVENUES FROM CONTINUING OPERATIONS		
a) Revenue from continuing operations		
Sale of goods	**12,913**	10,198
Services revenue	**131**	45
	13,044	10,243
b) Other revenues from continuing operations		
- R&D Grant	**1,190**	880
- Finance revenue	**61**	72
- Other income	**2**	40
	1,253	992
Total revenues from continuing operations	**14,297**	11,235

3. EXPENSES

Included in the determination of net profit / (loss) before tax from continuing operations are the following expenses.

Depreciation and amortisation of: non-current assets		
Plant and equipment	**205**	197
Building and leasehold improvements	**3**	3
Furniture, fixtures and fittings	**6**	6
Motor vehicles	**20**	20
Computer equipment	**6**	6
Intangibles	**44**	13
Total depreciation and amortisation of non-current assets	**284**	245
Borrowing costs expensed:		
Borrowing expense	**48**	30
Interest expense	**1,068**	712
	1,116	742
Superannuation contributions	**429**	371
Operating lease rental expense:		
Minimum lease payments	**880**	729

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

	CONSOLIDATED	
	2017	2016
	$'000	$'000
4. STATEMENT OF CASH FLOWS		
Reconciliation of the net loss after tax to the net cash flows from operations		
Loss from operating activities after income tax	**(2,957)**	(2,025)
Add / (less) Non-cash items		
Depreciation of non-current assets	**240**	232
Amortisation of intangible assets	**44**	13
Unrealised foreign exchange movements	**2**	43
HP interest	**26**	-
Transaction cost of Debentures	**(277)**	-
Non-operating cash flow cash items		
Loss on sale of assets	**11**	-
Convertible Notes issued in lieu of Director Fees	**-**	14
Convertible Notes issued in lieu of Director Interests	**-**	47
Changes in assets and liabilities		
(Increase) / decrease in inventories	**(1,048)**	(106)
(Increase) / decrease in trade and other receivables	**(615)**	(450)
(Decrease) / Increase in payables	**1,224**	544
(Increase) / decrease in deferred tax asset	**(21)**	58
(Increase) / decrease in other-current assets	**38**	115
(Increase) / decrease in other-non-current receivables	**(29)**	-
Net movement in provisions for employee entitlements	**110**	72
Net cash (used in) operating activities	**(3,252)**	(1,443)

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

	CONSOLIDATED	
5. CONTRIBUTED EQUITY	**2017**	2016
Issued capital	$	$
326,507,732 (326,507,732 – 2016) ordinary shares fully paid	**9,279,071**	9,279,071

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

6. Segment Reporting

Primary reporting - Business segments

	Energy/Energy Infrastructure		Investment		Total	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000	**2017 $'000**	2016 $'000
Revenue	**14,236**	11,235	**61**	-	**14,297**	11,235
Segment result before income tax	**(1,524)**	(883)	**(1,454)**	(1,084)	**(2,978)**	(1,967)
Income tax (expense)/benefit	**21**	(58)	**-**	-	**21**	(58)

The group's primary business segment is Energy/Energy Infrastructure products.

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

7. SUBSEQUENT EVENTS

There has not arisen since the end of the financial period any other matter of circumstance which, in the opinion of the directors of the Company, significantly affects the operation of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years

Compliance statement

1. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards issued by the IASB.
2. This preliminary report, and the accounts upon which the report is based (if separate), use the same accounting policies.
3. This preliminary report does give a true and fair view of the matters disclosed.
4. The accounts are in the process of being audited.
5. The entity has a formally constituted audit committee.

Sign here:

Print name: Alfred Chown
Managing Director

Date: 30 August 2017