

# Quarterly Report

Activities Report for the Quarter ended  
30 September 2017



On 1 August 2017, Orpheus Energy (“OEG” or “the Company”) shareholders were sent a Notice of Meeting (NOM) setting out the various resolutions relating to the proposed Acquisition of SenSen Networks (“SNS”), together with a detailed explanatory statement accompanying the NOM.

At the General Meeting, on 29 August 2017, all Resolutions were unanimously passed. One of the Resolutions passed related to the consolidation of Orpheus shares on a 10 for 1 basis, and the Notification of the Consolidation was announced on 24 August 2017.

On 1 September 2017, a Prospectus (replacement) was issued for the offer of 15,000,000 New Shares to eligible Orpheus shareholders under a Share Purchase Plan, up to 50,000,000 New Shares to eligible investors under a General Offer, and 273,764,706 Consideration Shares to the Vendors in consideration for the acquisition of all of the shares in SenSen.

On 14 September 2017, a Supplementary Prospectus was lodged with ASIC at which time the Company had received indicative bids in excess of the General Offer Maximum Subscription. The SPP Offer was being extended to allow additional time for Eligible Shareholders to participate in the SPP Offer. The Vendor Offer was also being extended to allow additional time for the final Vendor Offer Application Forms to be received by the Company.

On 25 September 2017, a Second Supplementary Prospectus was lodged with ASIC at which time the Vendor Offer was closed, and General Offer was closed and had been fully subscribed up to the General Offer Maximum Subscription.

The SPP Offer was extended:

- (a) to allow additional time for Eligible Shareholders to participate in the SPP Offer;  
and
- (b) to allow time for the ASX Listing Committee to confirm its decision in regards to the look through relief application and the number of Vendors who will be subject to ASX imposed escrow under Chapter 9 of the ASX Listing Rules.

Subsequent to the quarterly reporting date, on 4 October, OEG announced that all the Offers detailed in the Prospectus lodged with ASIC on 1 September 2017 had closed.

On 18 October, the Company announced that it had re-commenced trading on the ASX, after successfully raising A\$6.5m from new and existing institutional and retail shareholders. The funds raised will be used as detailed in the Prospectus dated 1 September 2017.

## **For further information, please contact:**

David Smith, Executive Director and Company Secretary

Email: [info@sensennetworks.com](mailto:info@sensennetworks.com)

### Disclaimer – Forward looking statements

This release may contain forward-looking statements. These statements are based upon management's current expectations, estimates, projections and beliefs in regards to future events in respect to SenSen's business, the industry in which it operates. These forward looking statements are provided as a general guide and should not be relied upon as an indication or guarantee of future performance. The bases for these statements are subjected to risk and uncertainties that might be out of control of SenSen Networks Limited and may cause actual results to differ from the release. SenSen Networks Limited takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

ORPHEUS ENERGY LIMITED
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**ABN**

67 121 257 412
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**Quarter ended ("current quarter")**

September 2017
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(16)	(16)
(f) administration and corporate costs	(267)	(267)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	18	18
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(265)</b>	<b>(265)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	170	170
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	15	15-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>185</b>	<b>185</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	89	89
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(265)	(265)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	185	185

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>9</b>	<b>9</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	9	89
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9</b>	<b>89</b>

**6. Payments to directors of the entity and their associates**

<b>Current quarter \$A'000</b>
-
-

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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**7. Payments to related entities of the entity and their associates**

<b>Current quarter \$A'000</b>
-
-

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	686	686
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	500	500
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

#### Loans

Existing unsecured loans are directors loans from David Smith and associate \$258,650, Wayne Mitchell \$330,138 and Wes Harder \$67,000, totalling \$655,788 not including interest accrued and not paid of \$30,781 at the rate charged by Westpac Banking Corporation on business overdrafts exceeding \$100,000 on less 0.5%.

A General Meeting of Orpheus shareholders was held on 29 August 2017 and shareholder approval was obtained to convert 50% of the above loans including interest to shares in OEG.

#### Convertible Notes

\$500,000 cash was received from sophisticated and professional investors to subscribe for Orpheus Convertible Notes during the quarter and, subsequently the Company issued 6,689,850 Notes each with a face value of \$0.10 per Note.

Pricing of the Notes was at a 20% discount to the price of the planned capital raising of \$0.01.

The notes attract a 10% interest coupon and a 5% utilization fee.

The face value of the Notes, interest and the utilization fee were converted into ordinary shares in the Company on completion of the planned Backdoor listing on October 18, 2017.

#### \$6.5 million IPO Capital Raise

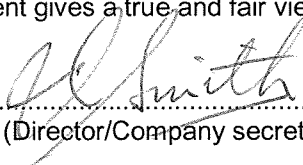
On 18 October, the Company announced that it had re-commenced trading on the ASX, after successfully raising A\$6.5m from new and existing institutional and retail shareholders. The funds raised will be used to develop SenSen's products and services further as well as used to aggressively grow SenSen's international customer base.

9. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	784
9.6 Administration and corporate costs	1,577
9.7 Other (acquisition costs)	772
Other (loan repayments)	1,056
<b>9.8 Total estimated cash outflows</b>	<b>4,189</b>

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  .....  
(Director/Company secretary)

Date: 30 October 2017

Print name: David Smith

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.