ENERGY WORLD CORPORATION LTD.

ANNUAL REPORT 2013

DELIVERING CLEAN ENERGY TO ASIA
PRESERVING THE ENVIRONMENT

Annual Financial Report

ENERGY WORLD CORPORATION LTD AND ITS CONTROLLED ENTITIES
30 JUNE 2013
ABN: 34 009 124 994

Sengkang Power Station (Block 1 & Block 2) in South Sulawesi, Indonesia

Sengkang LNG Site, South Sulawesi, Indonesia

Pagbilao LNG Hub site, the Philippines

Drilling Rig for the Wasambo Drilling Program

Contents

Chairman's Statement

I am proud to report the results of Energy World Corporation Ltd for the financial year end 30 June 2013, during which we made considerable progress in developing our Power, Gas and LNG Projects to meet the rapidly increasing energy requirements of the Asia Pacific region, and in achieving our goal to become a leader in modular LNG development and an operator of a vertically integrated clean energy company.

Financial results

On an underlying basis, revenue and gross & net profit remained broadly in line with the previous year at US$132.9 million, US$71.8 million and US$16.7 million, respectively. Over the last three years revenue has increased by 20% and gross profit by 16%, highlighting the profitable base of the business and the stable revenue streams we enjoy under long-term power purchase agreements.

As our Power, Gas and LNG projects continue to develop, the Company's fixed assets rose from US$586.5 million to US$821.3 million during the financial year.

Project construction – Power, Gas and LNG

I am pleased to report that since the financial year end we completed the expansion of our Sengkang Power Plant in Indonesia, increasing production capacity by 120MW (or more than 60%) to a total output of 315MW (total rated output of 357MW). This expansion creates the largest combined cycle power generation facility in South Sulawesi, Indonesia.

The Wasambo Drilling Program, in our Sengkang PSC, commenced on 18 September 2013 when the Walanga #2 Twinning Well was spudded. The program involves drilling four gas production wells which will provide initial feedstock gas for our Sengkang Modular LNG Project and is expected to be complete by mid-December 2013.

The construction of our Sengkang Modular LNG Project in Indonesia and our Philippines LNG Hub has also significantly advanced during the course of the year. Our Philippines Power Project is also progressing, with arrangements being made for the two Siemens 200MW gas turbines which the Company has already purchased to shortly be shipped to site.

Standard Chartered US$75M Investment

In May 2013, we announced that Standard Chartered Private Equity (SCPE) had agreed to invest US$75 million in the Company, primarily to assist in our Philippines Projects. Their involvement and financial backing is a powerful endorsement of our development plans, vision and strategy for growth in the Philippines and across the region. They bring extensive industry and financial expertise that will prove valuable to our future development.

Warm welcome and Appreciation

During the year we added several new Independent Non-executive directors to the Board - I would like to extend my warm welcome to Mr. Kanad Virk, Managing Director of SCPE, who joined the Board on the 14th May 2013, and his colleague Mr. Gregory John Karpinski who joined as his alternate director. Mr. James Dewar and Mr. Bruce Macfarlane joined the Board in September 2013. Together all of these individuals provide us with an excellent blend of experiences in the global oil and gas sector, project management and finance, and corporate and financial governance areas.

I would like to thank our shareholders for their continuing support and my fellow Directors and staff at all levels for their ongoing hard work and contribution.

Stewart Elliott
Chairman, Managing Director,
and Chief Executive Officer

Company Information

DIRECTORS

Mr. S.W.G. Elliott	Chairman, Managing Director and Chief Executive Officer
Mr. I.W. Jordan	Executive Director
Mr. B.J. Allen	Executive Director and Finance Director
Dr. B.D. Littlechild	Independent Non-Executive Director
Mr. M.P. O'Neill	Independent Non-Executive Director
Mr. L.J. Charles	Independent Non-Executive Director
Mr. K.S. Virk	Independent Non-Executive Director (appointed on 14 May 2013)
Mr. B. Macfarlane	Independent Non-Executive Director (appointed on 1 September 2013)
Mr. J.D. Dewar	Independent Non-Executive Director (appointed on 3 September 2013)
Mr. G. Elliott	Alternate Director to Mr. I.W. Jordan (appointed on 14 May 2013)
Mr. G.J. Karpinski	Alternate Director to Mr. K.S. Virk (appointed on 14 May 2013)

COMPANY SECRETARY
Mr. I.W. Jordan

REGISTERED OFFICE SYDNEY
9A, Seaforth Crescent
Seaforth, NSW 2092
AUSTRALIA
Telephone: (61-2) 9247 6888
Facsimile : (61-2) 9247 6100

HONG KONG OFFICE
Suite 08, 34th Floor
Sun Hung Kai Centre
30 Harbour Road
HONG KONG
Telephone: (852) 2528 0082
Facsimile : (852) 2528 0966

AUDITORS
Ernst & Young
680 George Street
Sydney, NSW 2000
AUSTRALIA

SHARE REGISTRY
Computershare Registry Services Pty Ltd
45 St George's Terrace
Perth, WA 6000
AUSTRALIA
Telephone: (61-8) 9323 2000
Facsimile : (61-8) 9323 2033

LEGAL ADVISORS
Corrs Chambers Westgarth
Governor Philip Tower
1 Farrer Place
Sydney, NSW 2000
AUSTRALIA

Hogan Lovells
11/F One Pacific Place
88 Queensway
HONG KONG

BANKERS
Standard Chartered Bank
Marina Bay Financial Centre (Tower 1)
8 Marina Boulevard
SINGAPORE 018981

Standard Chartered Bank
Standard Chartered Bank Building
4-4A Des Voeux Road Central
HONG KONG

Mizuho Corporate Bank, Ltd.
17th Floor, Two Pacific Place
88 Queensway
HONG KONG

The Hongkong and Shanghai Banking Corporation Limited
HSBC Main Building
1 Queen's Road Central
HONG KONG

EMAIL 188ew@optusnet.com.au

WEBSITE www.energyworldcorp.com

AUSTRALIAN BUSINESS NUMBER 34 009 124 994

Energy World Corporation Ltd, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

The Directors present their report together with the financial report of Energy World Corporation Ltd ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2013.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name	**Age**	**Experience, Special Responsibilities and Other Directorships**
Executive Directors		
Mr. Stewart William George Elliot, *Chairman, Managing Director, Chief Executive Officer (CEO)and member of the Audit Committee*	67	Mr. Elliott joined our Board in November 1999 as a Non-executive Director and was appointed Managing Director and CEO on 29 September 2000 and Chairman on 10 September 2003. He is the founder and managing director of Energy World International Limited ("EWI"), one of our Controlling Shareholders and our largest Shareholder. EWI is wholly owned by Mr. Elliott and has diverse interests including listed investments, resources, property and hotel interests. Mr. Elliott also owns a 90% beneficial interest in Slipform Engineering International (H.K.) Ltd ("Slipform (H.K.)") with Mr. Graham Elliott owning a 10% beneficial interest. Mr. Elliott was the Managing Director and CEO of Consolidated Electric Power Asia ("CEPA"). CEPA was listed on the SEHK in 1993 and delisted in January 1997 following its acquisition and privatisation by The Southern Company for US$3.2 billion. Mr. Elliott was also an Executive Director of Hong Kong listed Hopewell Holdings Limited, from 1980 until 1998, leading many of its infrastructure projects and major developments (including leading the construction of the "Hopewell Centre" in Hong Kong).
Mr. Ian William Jordan, *Executive Director, Company Secretary (Australia) and member of the Audit Committee*	74	Mr. Jordan was appointed an Executive Director on 29 September 2000 and Company Secretary in Australia on 12 April 2001. He holds a degree in Electrical Engineering from the University of Queensland. He is a Fellow of the Institute of Engineers, Australia, and is a chartered professional engineer. He is a director of EWI. Prior to joining the Company, Mr. Jordan was a senior executive with CEPA and before this Mr. Jordan was a partner in an international engineering consultancy. He has more than 40 years of experience internationally in the electric power industry, including project development, project finance, construction and operation.

Name	Age	Experience, Special Responsibilities and Other Directorships
Executive Directors		
Mr. Brian Jeffrey Allen, *Executive Director, Finance Director and member of the Audit Committee*	61	Mr. Allen was appointed an Executive Director on 12 April 2001. He is also a director of EWI. Prior to joining EWI´s board of directors in September 2000, Mr. Allen was a director and head of project finance for The Hongkong and Shanghai Banking Corporation Limited based in Hong Kong. Mr. Allen was directly involved in a number of transactions including certain financing arranged by HSBC Group members for CEPA. Mr. Allen has been involved in arranging finance for major projects in Asia since 1986.
Independent Non-Executive Directors		
Dr. Brian Derek Littlechild, *Independent Non-Executive Director and member of the Independent Board Committee, Audit Committee and Remuneration Committee*	68	Dr. Littlechild was appointed to our Board on 2 May 2001. He has a Bachelor of Science degree and a Doctor of Philosophy from Nottingham University. He is a member of the Institution of Civil Engineers and was a Fellow of the Hong Kong Institution of Engineers, Member of American Society of Civil Engineers, Member of Academy of Experts and Editorial Panel Member of Geotechnique. He joined Ove Arup in 1972, and worked in Hong Kong for over 20 years, where he served as an associate director. He has 25 years of experience in geotechnical engineering. He has authored numerous geotechnical and related papers. In particular, he led a major programme of testing of foundations in Hong Kong which subsequently formed the basis of a section of the new Code of Practice for Foundations in Hong Kong. His extensive experience in Hong Kong, China and the Philippines covers a large number of geotechnical projects including large power plants and infrastructure projects as well as major buildings.
Mr. Leslie James Charles, *Independent Non-Executive Director and member of the Independent Board Committee, Audit Committee and Remuneration Committee*	72	Mr. Charles was appointed a Non-Executive Director on 30 March 2007. He lives in Australia and was educated at the NSW Institute of Technology (Mechanical Engineering). At the NSW Institute of Technology he obtained his Mechanical Engineering Diploma. He has 42 years of experience in project and construction of industrial projects and management, construction and building services engineering, with a diverse background in administration and management of major commercial, institutional, public and industrial developments.

Name	Age	Experience, Special Responsibilities and Other Directorships
Independent Non-Executive Directors		
Mr. Michael Philip O'Neill, BE., FIEA., CpEng., RPEQ., JP. *Independent Non-Executive Director and Chairman of the Independent Board Committee, Chairman of the Audit Committee and Chairman of the Remuneration Committee*	65	Mr. O´Neill was appointed to our Board as an Independent Non-Executive Director on 20 April 2007. Mr. O'Neill was educated at Sydney University (Engineering). He is a fellow of the Institute of Engineers, Australia, a registered professional engineer Queensland, a chartered professional engineer, a registered A.P.E.C. engineer, a member of the Concrete Institute of Australia and of the Master Builders Association NSW. He is also a holder of Building Licence NSW. He has over 39 years of experience as a site engineer and design engineer in various engineering and concrete pre-stressing companies. In 1982 he founded and has since been a director of APS Group, a concrete prestressing company and general contracting with business based in Australia and the Middle East. Mr. O'Neill is a registered Justice of the Peace in NSW, Australia.
Mr. Kanad Singh Virk, *Independent Non-Executive Director and member of the Independent Board Committee, Audit Committee and Remuneration Committee*	47	Mr. Virk was appointed an Independent Non-Executive Director on 14 May 2013. Mr. Virk has a Bachelor of Arts degree from Pomona College and a Juris Doctor degree from the University of Minnesota. He is a Managing Director and Chief Operating Officer of Standard Chartered Principal Finance. Mr. Virk has 20 years of work experience, including private equity investing, mergers and acquisitions (M&A), project finance and financings in a broad range of industries. He was with Goldman Sachs for 10 years, where he served as Chief Operating Officer of Private Wealth Management and a Vice President in the Asia ex-Japan Mergers and Acquisitions group within the Investment Banking Division. Mr. Virk previously worked as a lawyer in M&A and energy project finance at Cravath, Swaine & Moore in New York and later at Skadden Arps in Los Angeles, Hong Kong, London and Vienna.
Mr. Bruce Macfarlane, *Independent Non-Executive Director and member of the Independent Board Committee, Audit Committee and Remuneration Committee*	46	Mr. Macfarlane was appointed an Independent Non-Executive Director on 1 September 2013. Mr. Macfarlane brings to the EWC board extensive experience in strategy, business transformation and project management. He is the Founder of Beijing Energy International, a renewable energy company. He acts as an investment consultant for a range of companies focusing on engineering, procurement and construction for energy projects. He has previously worked across the oil and gas value chain during his 22 years tenure at BP plc, where he served as the General Manager for Latin America lubricants and earlier as Planning Manager for the integrated gas to power project in Vietnam.

Name	**Age**	**Experience, Special Responsibilities and Other Directorships**
Independent Non-Executive Directors		
Mr. James Dewar, *Independent Non-Executive Director and member of the Independent Board Committee, Audit Committee and Remuneration Committee*	56	Mr. Dewar was appointed an Independent Non-Executive Director on 3 September 2013. Mr. Dewar has more than 30 years of international finance and commercial experience in upstream, downstream, petrochemicals, and trading. He has held global CFO roles with BP plc, Dana Gas and Seven Energy. In addition he has held several other directorships; and is currently an Independent Non-Executive Director for Equus Petroleum and an Independent Advisory Board Member for the energy services company Viking Services Limited.
Alternate Directors		
Mr. Gregory John Karpinski (Alternate Director to Mr. Kanad Virk)	40	Mr. Karpinski was appointed an Alternate Director to Mr. Kanad Virk on 14 May 2013. Mr. Karpinski received a Master's degree in Business Administration with a concentration in Finance from Boston University and a Bachelor of Arts degree in Political Science from Tufts University in the United States. He has 15 years of infrastructure, investment and asset management experience derived from positions as a principal investor, board director, finance manager, mergers and acquisitions advisor and commercial analyst. Mr. Karpinski is part of the senior management team that has raised $659m from global institutional infrastructure investors and invested in both control and minority stakes in eight companies in Indonesia, China, India and Malaysia in the power/renewables, water, transport, telecommunications and waste management sectors. He also has significant debt and business restructuring experience in the energy, water and healthcare sectors. Before joining SCB in 2007, Mr. Karpinski worked at InterGen where he held roles as advisor to the Investments and Portfolio Management Group (HK), Finance/Restructuring Manager and Commercial Execution and Development Associate. Prior to joining InterGen, Mr. Karpinski spent three years with British Petroleum as Commercial Analyst supporting upstream oil and gas projects.
Mr. Graham Stewart Elliott (Alternate Director to Mr. Ian Jordan)	34	Mr. Elliott was appointed an Alternate Director to Mr. Ian Jordan on 14 May 2013. Mr. Elliott was educated at Princeton University (Engineering). While at Princeton, he served as the President of the Princeton American Society of Civil Engineering Student Chapter. He completed a Masters of Business Administration at Southampton University in June 2004. His previous work experience includes various internships at Slipform Engineering Ltd. between 1992 and 1996, at GEC Alstom in 1996, at Arup in 1997, and at Energy World International Ltd. between 1997 and 2001. Mr. Elliott joined EWC in 2001 and is responsible for matters relating to engineering and civil construction and for the development of new project opportunities throughout the Asia Pacific region. He is the son of Mr. Stewart Elliott, EWC's CEO and Managing Director.

Company Secretary

Mr Ian William Jordan was appointed Company Secretary on 12 April 2001. He is also a Director of the Company.

Directors' Meetings

The number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

	Number of Meetings held during which they were eligible to attend	**Number of Meetings attended**
Mr. Stewart William George Elliott	7	7
Mr. Ian William Jordan	7	6
Mr. Brian Jeffery Allen	7	7
Mr. Leslie James Charles	7	7
Dr. Brian Derek Littlechild	7	7
Mr. Michael Philip O'Neill	7	7
Mr. Kanad Singh Virk *(appointed on 14 May 2013)*	1	1
Mr. Bruce Macfarlane *(appointed on 1 September 2013)*	-	-
Mr. James Dewar *(appointed on 3 September 2013)*	-	-

During the period covered in this Annual Report, the number of meetings attended by each member of the Audit Committee were as follows:

	Number of Meetings held during which they were eligible to attend	**Number of Meetings attended**
Mr. Stewart Elliott	2	2
Mr. Brian Allen	2	2
Mr. Ian Jordan	2	2
Mr. Leslie James Charles	2	2
Dr. Brian Derek Littlechild	2	2
Mr. Michael Philip O'Neill	2	2
Mr. Kanad Virk	-	-
Mr. Bruce Macfarlane	-	-
Mr. James Dewar	-	-

During the period covered in this Annual Report, the number of meetings attended by each member of the Remuneration Committee were as follows:

	Number of Meetings held during which they were eligible to attend	**Number of Meetings attended**
Mr. Leslie James Charles	1	1
Dr. Brian Derek Littlechild	1	1
Mr. Michael Philip O'Neill	1	1
Mr. Kanad Singh Virk	-	-
Mr. Bruce Macfarlane	-	-
Mr. James David Dewar	-	-

During the period covered in this Annual Report, the number of meetings attended by each member of the Independent Board Committee were as follows:

	Number of Meetings held during which they were eligible to attend	**Number of Meetings attended**
Mr. Leslie James Charles	1	1
Dr. Brian Derek Littlechild	1	1
Mr. Michael Philip O'Neill	1	1
Mr. Kanad Singh Virk	-	-
Mr. Bruce Macfarlane	-	-
Mr. James David Dewar	-	-

Overview

We are an independent energy company primarily engaged in the production and sale of power and natural gas and we are expanding into liquefied natural gas (LNG). Our strategy is to become a leader in modular LNG development and the operator of a vertically integrated clean energy supply chain delivering power, natural gas and LNG throughout the Asia Pacific region.

We are incorporated in Australia and our shares have been listed on the Australian Stock Exchange (ASX) since 1988. We also have over-the-counter traded American Depository Receipts on the OTCQX in the United States. Our primary listing is on the ASX.

In our power generation business, we currently own and operate a 315 MW (total rated output 357 MW) combined-cycle power plant in Sengkang, South Sulawesi, Indonesia and an 8.68 MW power plant in Alice Springs, Northern Territory, Australia. In our natural gas business, we currently extract gas from our Sengkang Contract Area in South Sulawesi, Indonesia.

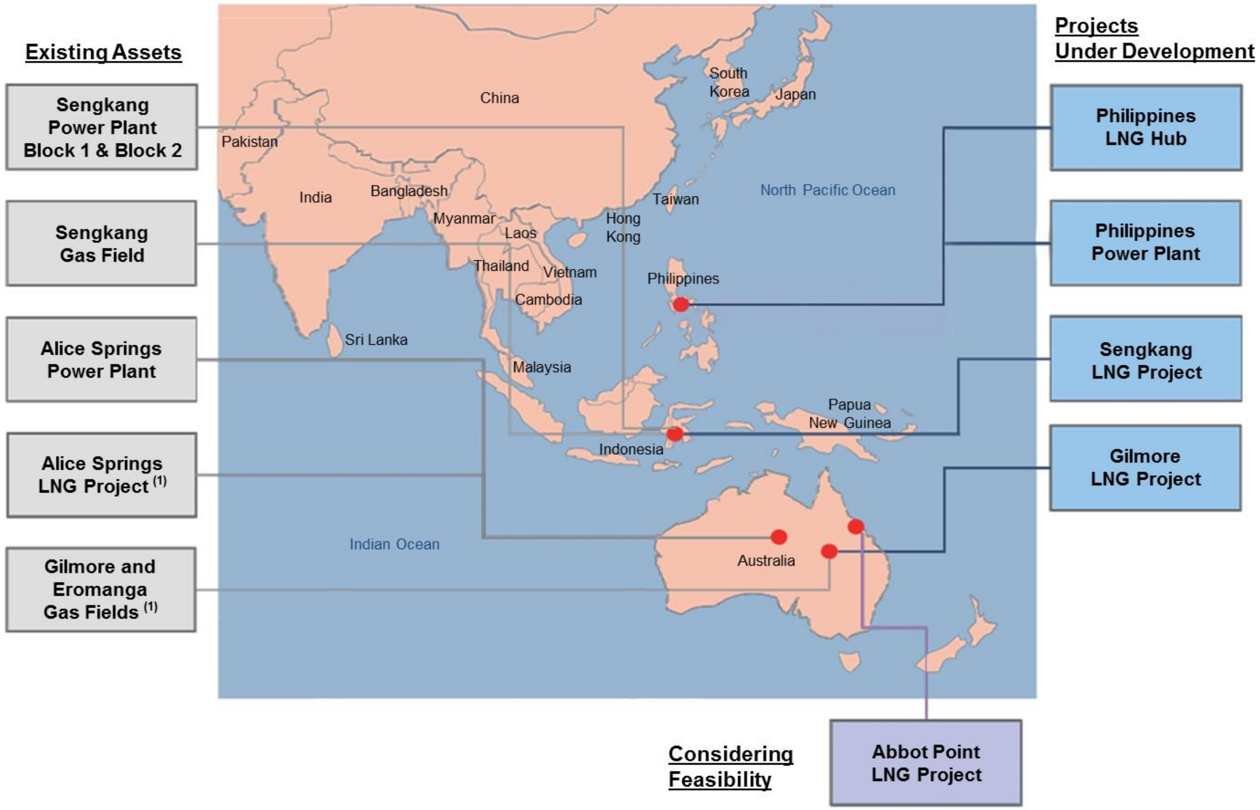
The growing demand for efficient and clean power generation in the Asia Pacific region presents us with opportunities. We intend to selectively develop new power generation capacity fuelled by LNG and natural gas in locations where the ability to satisfy increasing local demand is restricted by the limited fuel supply and generation capacity currently in place.

We are a pioneer in developing the concept of a mid-scale modular LNG facility, which has significantly lower capital costs and a shorter construction period than a conventional large-scale LNG facility. The use of our modular LNG trains gives us the ability to exploit stranded gas fields, which are gas fields that are not considered commercially viable at present for conventional large-scale LNG facilities. Thus, the foundation of our future growth is focused around the development of our LNG and related gas fuelled power business.

The consolidated entity’s principal activities during the course of the financial year were:

- development, design, construction, operation and maintenance of power stations;
- development of liquefied natural gas, design, construction, operation and maintenance of LNG plants and road transport of LNG, and design and development of LNG receiving terminals; and
- exploration, development and production of gas and oil, design, construction, operation and maintenance of gas, processing plants and gas pipelines.

The following map shows the location of our existing assets, projects that are under development and projects the feasibility of which we are considering:



Note:
(1) These existing assets are not currently in production or operation.

Our existing assets comprise:

- a 95% interest in the Sengkang Combined Cycle Power Plant (Block 1 and Block 2) in Indonesia;
- a 100% interest in the Sengkang Gas Field in Indonesia;
- a 100% interest in the Alice Springs Power Plant;
- a 100% interest in the Alice Springs LNG Facility located at Alice Springs, Australia, which is not currently in production; and
- a 100% interest in the Gilmore Gas Field and Eromanga Gas Field in Queensland, Australia.

Our projects which are under development comprise:

- a 100% interest in the Sengkang LNG Project in Indonesia;
- a 100% interest in the Gilmore LNG Project in Gilmore, Australia;
- a 100% interest in the Philippines LNG Hub in Pagbilao, Philippines; and
- a 100% interest in the Philippines Power Plant, in Pagbilao, Philippines.

In addition, we are considering the feasibility of:

- the Abbot Point LNG Project.

Operating and Financial Review

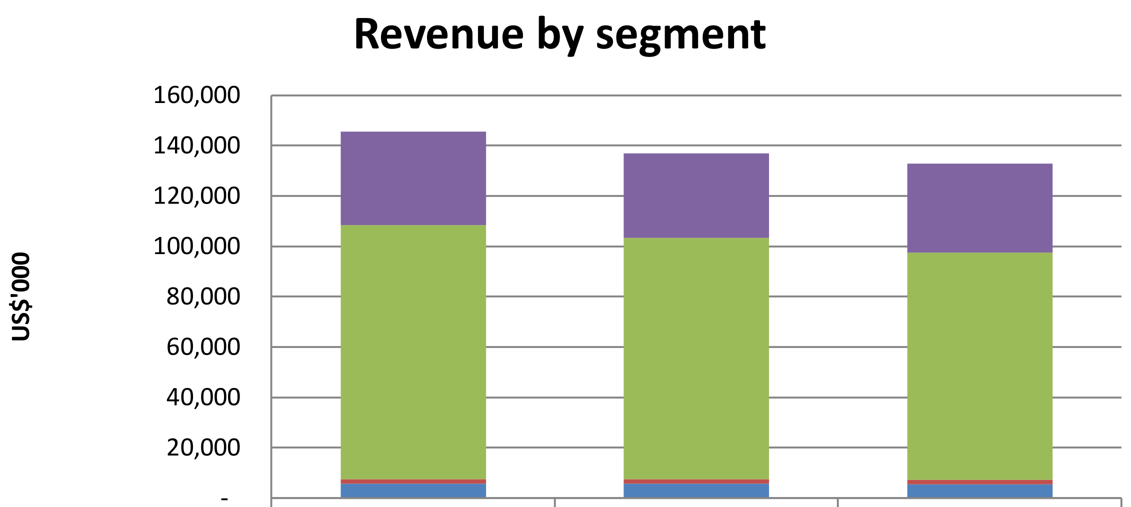
Sales revenue for the financial year ended 30 June 2013 was US$132,904,000 (2012: US$145,572,000). The reduction of sales revenue arises for the following reasons:

1. For the financial year 2012, a one off revenue item of US$8.6 million was received due to the retrospective impact of the increase of gas prices approved by the Indonesian Minister of Energy and Mineral Resources. *(see Note 1)*

2. A 5% reduction in the demand by PLN for power from the PTES power plant from 90% in the financial year 2012 to 85% in the financial year 2013 due to additional power generation available to PLN from the Sengkang grid in Indonesia.

3. A reduction in the gas delivered to PTES from 14.5 BBTU to 13.2 BBTU due to the lower power demand by PLN.

Note 1:

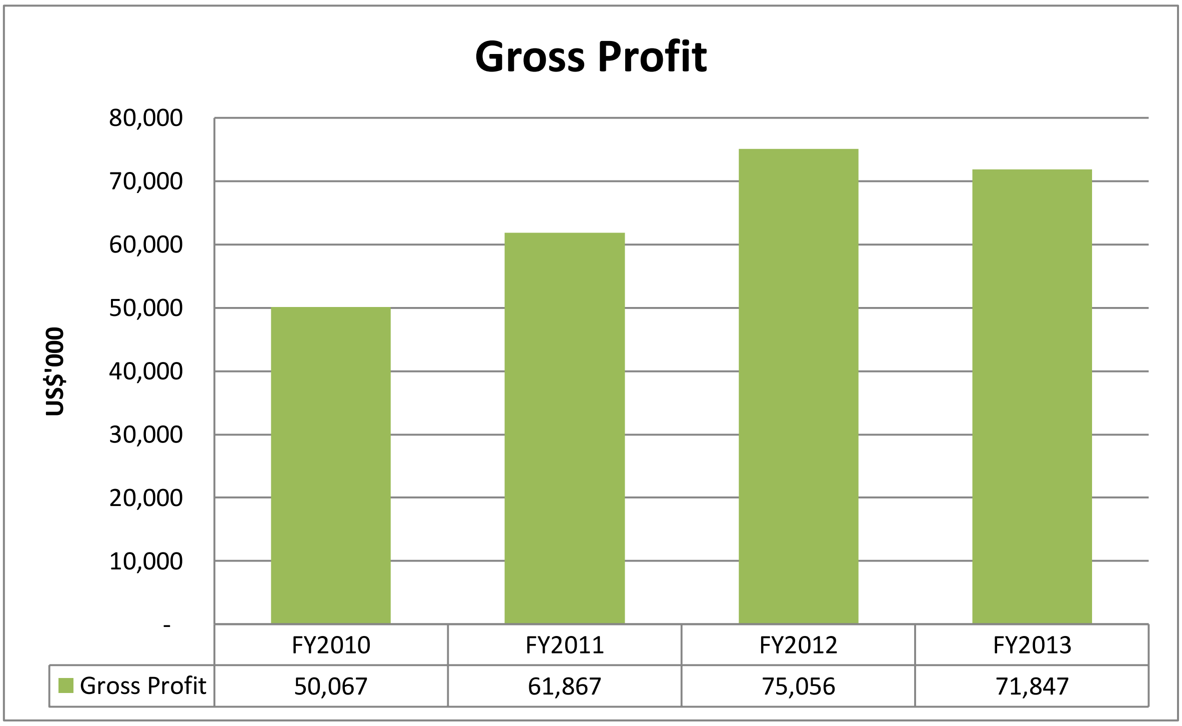


	FY2012 Reported revenue	FY2012 Reported revenue excluding retrospective one off revenue	FY2013 Reported Revenue
Indonesia: Oil & Gas	37,158	33,572	35,465
Indonesia: Power	101,007	95,986	90,135
Australia: Oil & Gas	1,588	1,588	1,717
Australia: Power	5,819	5,819	5,588

Review and Results of Operations (continued)

Gross profit for the financial year was US$71,847,000 (2012: US$75,056,000), a decline of 4.3%. *(See Note 2)*

Note 2:



Gross profit has also increased significantly over the four year period.

The slight decline in gross profit is due to the items discussed in revenue. Cost of sales has remained consistent with previous periods as a proportion of revenue generated.

The gross margin as a percentage of revenue for the year is in line with the average for the three preceding years: 54%. The year 2012 was impacted by the retrospective application of the revised gas price.

Gross Margin Percentage:

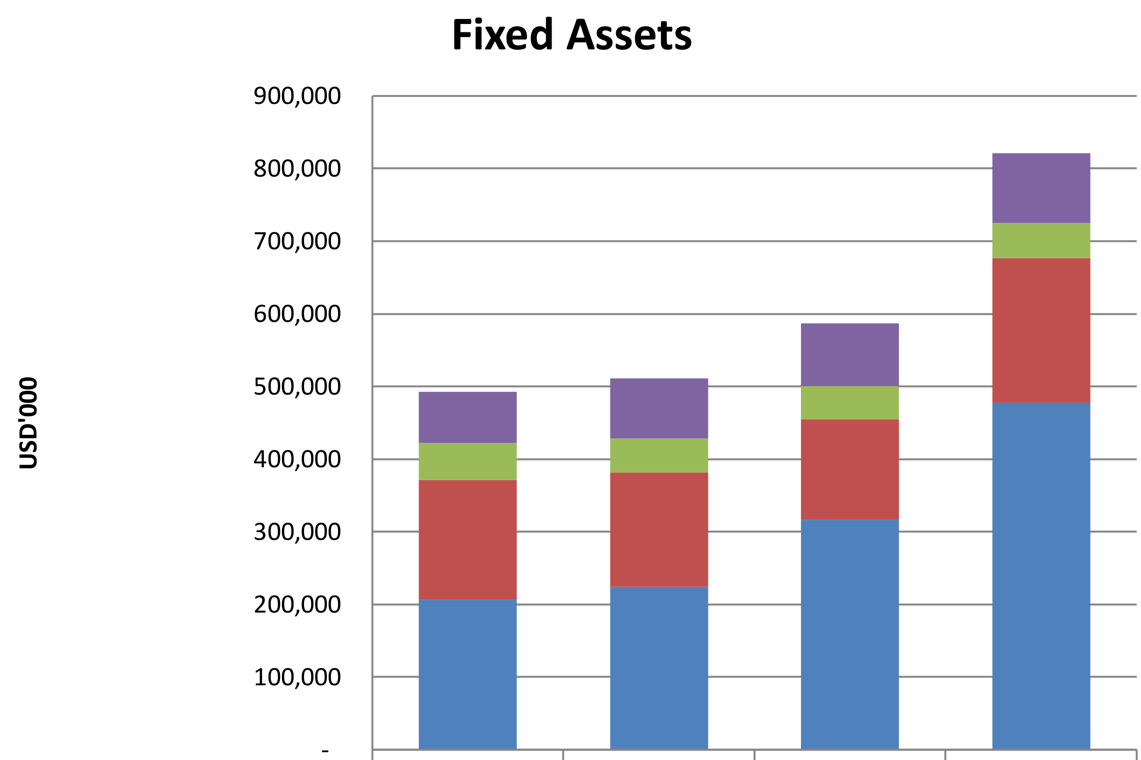
FY2010	54%
FY2011	52%
FY2012	56%
FY2013	54%

Consolidated net profit for the financial year after income tax was US$16,716,000 (2012: US$21,163,000).

Review and Results of Operations (continued)

Fixed assets have increased significantly over the past four years, reflecting construction progress at the Company's projects. For the year ended 30 June 2013, the 60MW gas turbine (GT22) of the Sengkang Power Expansion Project was completed and transferred from assets under construction to Property, Plant & Equipment. The increase in assets under construction is also reflective of progress at Sengkang LNG, Philippines LNG Hub Terminal and Power Projects and other projects under development.

Note 3:



	FY2010	FY2011	FY2012	FY2013
Oil & Gas Assets	69,933	82,715	86,162	96,264
Exploration & Evaluation Expenditure	51,700	47,111	45,970	48,124
Property, Plant & Equipment	164,397	156,952	138,126	199,314
Assets under construction	206,403	224,512	316,269	477,614

Competitive Strengths

We believe that we have the following competitive strengths:

We have a stable revenue stream under long-term power purchase agreements.

We operate our Sengkang Power Plant and Alice Springs Power Plant under long-term, take-or-pay power purchase agreements with terms until 2022 and 2016, respectively. The Indonesian national power utility, PT Perusahaan Listrik Negara (Persero) (PLN), and the Australian state power utility, Northern Territories Power and Water Corporation (NT PWC), are the purchasers of power under these agreements. The take-or-pay arrangements under these agreements require PLN and NT PWC to pay for the available generating capacity of our power plants up to an agreed level, regardless of the actual dispatch of electricity. For the financial year ended 30 June 2013, US$5.6 million of total revenue was generated by our Australian power business and US$90.1 million of total revenue was generated by our Indonesia power business.

Plant type	Service commencement date	Plant capacity	Annual take or pay quantity (Gwh)	Our ownership	Off-taker	PPA term end
Sengkang Power Plant Combined Cycle Block 1	1997-1998	135.00 MW	1,005	95%	PLN	September 2022
Sengkang Power Plant Combined Cycle Block 2	2008-2013*	180.00 MW	1,340	95%	PLN	September 2022
Alice Springs Gas-fired Power Plant	1996-1997	8.68 MW	57	100%	NT PWC	December 2016
Capacity attributable to our Group:		**307.93 MW**				

*GT 21 - March 2008
GT 22 - March 2013
ST 28 - September 2013

We have existing natural gas reserves and contingent resources and power operations in key locations

Natural Gas: As a natural gas producer with gas reserves and contingent resources located in Indonesia, we are well positioned to develop the Sengkang Gas Field and the Sengkang LNG Project to sell LNG to domestic customers in Indonesia (via domestic regasification facilities in Indonesia), directly to customers in the Asia Pacific region or indirectly to the Asia Pacific markets via our Philippines LNG Hub in order to benefit from the projected demand growth in the region.

Power: Our Sengkang Combined Cycle Power Plant is the largest power generation facility in terms of output capacity in South Sulawesi. We have recently expanded this Plant from 195 MW to 315 MW by adding a 60 MW gas turbine (commercial operation date 8 March 2013) as well as two heat recovery steam generators and a 60 MW steam turbine and its electrical generator (commercial operation in September 2013). This expansion will make a positive contribution to our revenue in financial year ended 2014 onwards.

We operate as a vertically integrated independent energy company.

This vertical integration affords us greater certainty, physical security and control over our fuel supplies and our fuel costs.

Our interest in the Sengkang Gas Field, held through our subsidiary Energy Equity Epic (Sengkang) Pty Ltd (EEES), provides us with gas for the Sengkang Combined Cycle Power Plant (Block 1 and Block 2) and greater assurance that we will be able to obtain the additional gas required for the Sengkang LNG Project. While SKKMigas (formerly BPMigas)[1*] approval is required for all gas sales contracts entered into by EEES, we are not dependent on reaching agreement with any additional third party gas suppliers. Further, our ownership of the Sengkang LNG Project provides greater certainty that we will be able to source LNG for our Philippines LNG Hub. This integrated approach affords us considerable flexibility in our project planning and allows us to optimise our revenues at various stages in the energy chain for both domestic and international projects.

We and our Directors and senior management team have a track record of innovation and successfully developing energy projects.

As a Group, we have a strong track record of innovation and achievement in developing and operating energy projects:

- we have roots in the innovative development of the first commercial LNG liquefaction facility in Australia, brought into operation in Alice Springs, Northern Territory in 1989, to supply LNG to a remote power plant in central Australia as a cleaner alternative to diesel fuel. We were awarded the Major Engineering Excellence Award by Engineers Australia for this development in 1989;

- we have developed and operated, until their sale, the Barcaldine Power Plant in Queensland, Australia, the first independent gas-fired power plant in Australia built to supply to a State grid, and the Basin Bridge Power Plant in Chennai, India, the first independent power station in Tamil Nadu, and only the third such development in India at that time; and

- our Sengkang Combined Cycle Power Plant was the first integrated independent gas and power plant development in Indonesia. It came into commercial operation in 1997 – 1998 and was expanded by 60 MW in 2008 and a further 120 MW in 2013.

In addition, our senior management has an extensive and successful track record in delivering innovative power projects comprising over 5,000 MW of generation capacity developed throughout Asia.

We are a pioneer in developing mid-sized modular LNG facilities.

We are one of the first companies to focus on the development of LNG facilities using mid-sized modular LNG trains and regasification facilities. We developed the configuration for our modular LNG train with our strategic partners, Chart and Siemens, and have put in place a strategic alliance for their continued involvement in our LNG projects. One of our modular 0.5 million tonnes per annum (MTPA) LNG trains requires only 25 BCF per year or a 70 MMscfd gas supply, an amount relatively easily attainable from, for example, typical Indonesian gas fields.

---

* SKKMigas supervises and controls the Production Sharing Contracts (PSC) engaged in exploration, exploitation, and marketing activities. The company monitors oil and gas and LNG production. Additionally, it engages in community development projects. In November 2012 SKKMigas' predecessor, BPMigas, was dissolved by constitutional court order in Indonesia. Following the dissolution, the Government of Indonesia established SKKMigas to take over for BPMigas as the state sanctioned upstream oil and gas regulator.

Our modular LNG train has a number of significant advantages over conventional large-scale LNG trains. These advantages include:

- ***Ability to exploit stranded gas fields.***

  Our modular approach can be used for stranded gas fields that are not considered commercially viable for conventional large-scale LNG facilities.

- ***Operational and timing efficiencies.***

  Our modular LNG train uses a standardised design that maximises fabrication within the factory and minimises field-based construction when compared to conventional large-scale LNG facilities and trains.

  Our modular LNG train is sufficiently flexible to allow us to exploit smaller gas fields. This permits us to consider a non-standard LNG off-take contract term of five years or less.

- ***Flexibility to deploy single or multiple modular LNG trains.***

  Our midscale modular LNG train has a capacity of 0.5 million tonnes per annum (MTPA) of LNG as compared to the significantly larger and more rigid conventional large-scale LNG trains which typically have a capacity of 3 MTPA or above. Several of our 0.5 MTPA modular LNG trains can be combined for larger accumulations of gas or to meet increased LNG demand. This flexibility means that the initial capital investment can be more easily matched to the resource size, location and stage of development of a gas field and it is easier to add or reduce capacity as necessary.

Business Strategies

Our strategy is to become a leader in modular LNG development and the operator of a vertically integrated clean energy supply chain delivering power, natural gas and LNG through the Asia Pacific region.

Take advantage of opportunities presented by future growth in the demand for energy in the Asia Pacific region.

We plan to take advantage of the opportunities presented by future growth in the demand for energy in the Asia Pacific region and the increase in demand for LNG and natural gas to fuel this growth.

Service the growth in the demand for energy in the Asian market by using our lower-cost and flexible modular LNG technology and project implementation.

We are developing upstream, modular LNG liquefaction, storage and export facilities, together with downstream, modular LNG import, storage and regasification facilities to permit LNG to be stored at, and traded and sold from, storage hubs and regasification terminals.

Monetise our and third parties' current and future gas interests.

In addition to the development of our modular LNG projects, we intend to develop our interests in a vertically integrated energy business in the Asia Pacific region through several complementary channels.

For both the upstream and downstream modular LNG facilities, we intend to enter into a range of flexible LNG and gas sales arrangements both for export and domestic markets, optimising our sales portfolio by balancing long-term off-take with opportunities to take advantage of short-term or spot market conditions.

We also envisage monetising our and third parties' current and future interests in the energy chain by taking equity stakes in entities that own gas reserves or participating in interests in upstream gas reserves or in the proceeds of LNG sales.

In addition, we envisage using our project expertise to develop and operate modern gas-fired power plants enabled by our regional downstream, modular LNG import, storage and regasification terminals.

Complete our projects under development.

The focus of our current programme of development is the expansion of our LNG and power business through the implementation of specific projects. To this end, we are working on the expansion, in phases, of the development and production at the existing Sengkang Gas Field in Indonesia. Gas from this field will be commercialised through the development and implementation of the Sengkang LNG Project, a modular LNG liquefaction, storage and loading facility.

Production from the Sengkang Gas Field also supplies gas to our Sengkang Combined Cycle Power Plant (Block 1 and Block 2) which was recently expanded to an increased capacity of 315 MW.

At Pagbilao in the Philippines, we are currently developing our LNG Hub, an LNG import, storage and regasification terminal with an initial throughput capacity of 3 MTPA, with related port infrastructure. Adjacent to the LNG Hub we are also developing a 600 MW combined cycle gas fired power plant which will source LNG from the Philippines LNG Hub and sell electricity into the main Luzon Power Grid.

We are also installing a compact modular LNG facility at our Gilmore Gas Field in Australia.

Expand our business by considering the feasibility of, and where suitable, developing other opportunities.

In Australia, we are considering the feasibility of a modular LNG liquefaction, storage and export facility with an initial production capacity of 2 MTPA at Abbot Point, Queensland and the North Queensland Gas Highway Project.

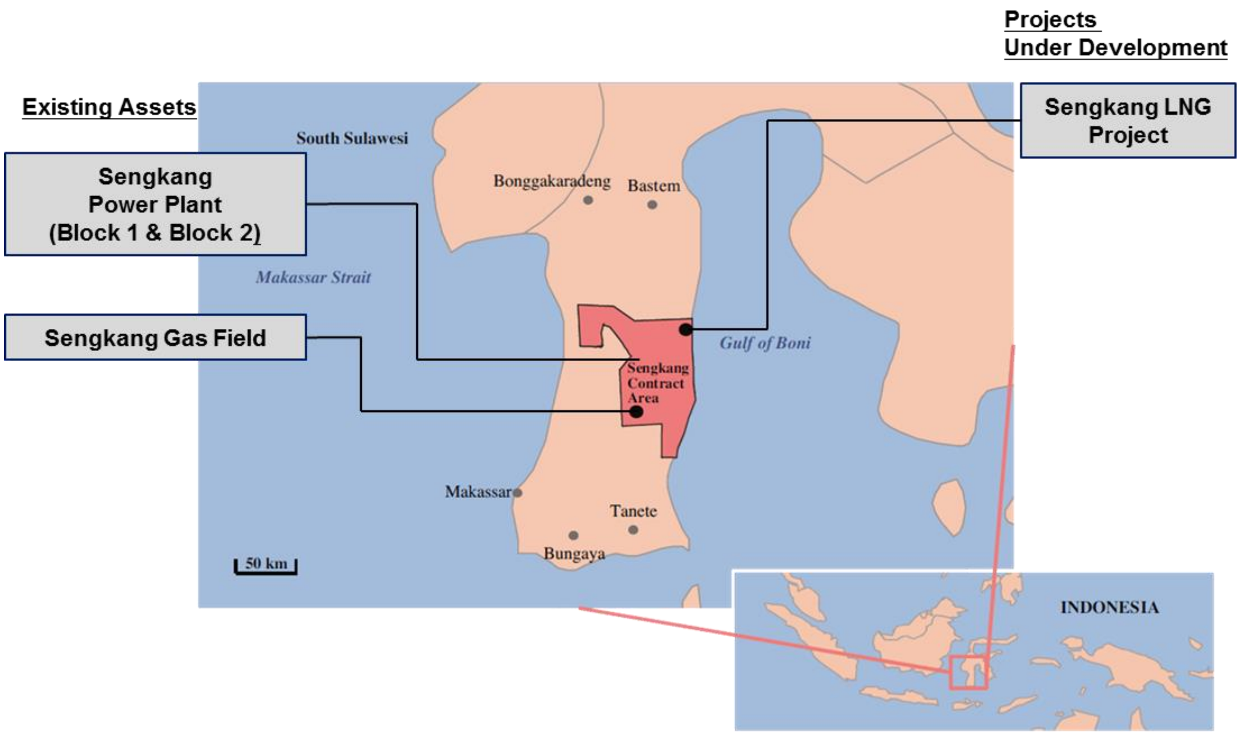
We will continue to explore and evaluate, alone or with partners, other opportunities that are aligned with, and which will help us to achieve, our strategy of developing a successful, vertically integrated energy business in the Asia Pacific region.

Our Business

We set out below, grouped by location, our existing assets, projects under development and projects the feasibility of which we are considering.

INDONESIA

The following map shows our existing assets and proposed projects under development in Indonesia:



Indonesian power operations

The Sengkang Power Plant is one of our existing assets.

The Sengkang Power Plant, in which we have a 95% interest (Medco Power Indonesia, an independent third party, owns the remaining 5% interest, as required under Indonesian law), has been operating since 1997 and was the first non-state-owned gas-fired power station in Indonesia. Electricity is sold under a long-term take-or-pay power purchase agreement into the South Sulawesi power grid operated by PLN, the Indonesian state-owned electricity company. We supply all of the gas to fuel the Sengkang Power Plant from our Sengkang Contract Area under a long-term gas supply arrangement.

Sengkang Power Plant (Block 1)
in South Sulawesi, Indonesia
Initial CCGT 135 MW capacity

Steam blow commissioning at the Sengkang
Power Plant (Block 2),
180 MW capacity after expansion

The Sengkang Power Plant comprises generating plants and auxiliary facilities. It is designed currently to deliver 315 MW, using two combined cycle plants, Block 1, which is 135 MW, and Block 2, which is 180 MW.

During the three years ended 30 June 2013, the Sengkang Power Plant operated with an availability factor exceeding the factor of 85% specified in the power purchase agreement with PLN.

The following table sets out the Sengkang Power Plant's output and actual availability factor for the 3 years ending 30 June 2013.

Financial year ended 30 June	Installed Capacity	Plant output	Plant availability factor
2013	255 MW	1,314 GWh	90.3%*
2012	195 MW	1,510 GWh	89.6%
2011	195 MW	1,458 GWh	91.1%
Average:	**Not applicable**	**1,430 GWh**	**91.1%**

*Calculation excludes the 60MW expansion plant operated in March 2013 and the 60MW expansion operated in September 2013.

Sengkang Power Purchase Agreement

The Sengkang Power Plant has a take-or-pay power purchase agreement with PLN, to supply power to the South Sulawesi electricity grid, up to 12 September 2022. Payments under the Sengkang PPA have been made at half-yearly intervals in accordance with its terms. The tariff structure for the Sengkang PPA is conventional for Indonesian power purchase agreements and provides for the recovery of capital costs associated with the construction of the Sengkang Power Plant and associated infrastructure, operation and maintenance costs and fuel costs. The tariff contains two principal components, a capacity payment and an energy payment.

Gas supply arrangements

All of the natural gas fuel required for power generation at our Sengkang Power Plant has historically been sourced from the Kampung Baru Gas Field in our Sengkang Contract Area and the Kampung Baru Gas Field is currently dedicated to the supply of the Sengkang Power Plant, including the Sengkang Expansion. Under the terms of the Sengkang Production Sharing Contract (Sengkang PSC), our share of gas produced to meet the supply to the original 135 MW Block 1 and first 60 MW unit of Block 2 of the Sengkang Power Plant is being sold by EEES to SKKMigas under ongoing arrangements that were customary at the time the Sengkang PSC was entered into. This structure was put in place in order to comply with Indonesian regulatory requirements, specifically that all gas sold to third parties must be through this state body.

Different arrangements apply to the supply of gas for the recently completed Sengkang Expansion. SKKMigas's predecessor, BPMigas, nominated EEES as seller of the Indonesian State's share of gas supplied for the Sengkang Expansion and EEES entered into a long-term Gas Sale and Purchase Agreement with PLN for this gas, which will be supplied from our Kampung Baru Gas Field. In turn, PLN has agreed to supply PTES's gas for the operation of the Sengkang Expansion. EEES has given PTES certain undertakings with regard to the supply of gas to the Sengkang Expansion.

Operation and maintenance arrangements

Operation and maintenance services to our Sengkang Power Plant have been contracted by PTES to PT CEPA Sulawesi[*] (CEPA Indonesia) under the CEPA O&M Agreement, which was entered into on 12 March 2012 upon expiry of the Alstom O&M Agreement. The initial scope of the CEPA O&M Agreement was for the operation and maintenance of the original 135 MW (Block 1) Alstom supplied generating units at the Sengkang Power Plant. This scope has been extended to also include the operation and maintenance of the 180 MW combined cycle (Block 2) expansion using Siemens and Alstom supplied generating units.

The CEPA O&M Agreement provides for a monthly payment to CEPA Indonesia comprising a fixed payment, based on a contractually agreed formula, and a variable payment based on the actual amount of electricity dispatched. This formula incentivises CEPA Indonesia to ensure the efficient operation of the Sengkang Power Plant. Among its duties under the CEPA O&M Agreement, CEPA Indonesia must operate, maintain and test the generating units, carry out maintenance, use its best endeavours to minimise emergency maintenance outage, regular maintenance outage and forced outages, staff the control room and undertake daily, monthly and weekly reporting to us.

The services, obligations and contract price under the CEPA O&M Agreement were benchmarked against the previous Alstom O&M Agreement, which was on substantially similar terms. All the staff, including trained specialists and technicians but with the exception of the expatriate managers, previously employed by Alstom Indonesia to perform operation and maintenance work at the Sengkang Power Plant were transferred to CEPA Indonesia on 12 March 2012.

Refer to Note 29(b) in the Notes to the Financial Statements contained in this Annual Report for further details on the CEPA O&M Agreement.

[*] PT CEPA Sulawesi, a company incorporated on 29 August 2011 in Indonesia with limited liability, in which Mr. Stewart Elliott, our Chairman, Managing Director, Chief Executive Officer and one of our controlling shareholders, has a 95% beneficial interest

Indonesian Gas Operations

Sengkang Gas Field

Our Sengkang Gas Field, within the Sengkang Contract Area, is one of our existing assets.

In Indonesia, we have a 100% interest in the 2,925.2 km^2 Sengkang Contract Area under a production sharing contract entered into with SKKMigas'[2] predecessor, BPMigas, the Indonesian gas regulator and supervising body of upstream oil and gas activities. The Sengkang PSC gives us the exclusive right to explore for and produce petroleum, including natural gas, within the Sengkang Contract Area until 23 October 2022. Our current operations in Indonesia consist of extracting and processing gas from the Kampung Baru Gas Field in the Sengkang Contract Area for supply to our Power Plant using our own gas infrastructure. In June 2011, BPMigas approved our plan of development for the Wasambo Gas Fields at Sengkang.

The following table summarises the gas reserves and contingent resources estimated by our petroleum consultants AWT International Pty Ltd (AWT) and Gaffney, Cline & Associates (GCA) of the various gas fields comprising the Sengkang Gas Field in the Sengkang Contract Area:

Gross reserves (BCF)	**1P**	**2P**	**3P**
Kampung Baru Gas Field (as at 30 June 2013)(1)	174.2	175.1	176.0
Wasambo Gas Fields (as at 29 September 2011) (1), (2)	119.9	164.8	248.0
Total gross reserves	**294.1**	**339.9**	**424.0**
Gross contingent resources (BCF)	**1C**	**2C**	**3C**
Kampung Baru Gas Field	68.1	118.7	172.5
Total gross contingent resources(3)	**68.1**	**118.7**	**172.5**

Notes:

(1) SKKMigas, on behalf of the Indonesian State, is entitled to a specified percentage of any natural gas or oil produced from the Sengkang Contract Area.

(2) The Wasambo Gas Fields refers to the Walanga, Sampi Sampi and Bonge discoveries, which are a cluster of gas accumulations within the Sengkang Contract Area. The reserves are based on the latest reports available from our petroleum consultants.

(3) In accordance with the Petroleum Resources Management System guidelines, reserves estimates are limited to volumes expected to be economically recovered within the term of the existing Sengkang PSC. Since the PSC is silent on the rights to any extension of the term beyond 12 September 2022, reserves are limited to those volumes that can be extracted prior to that date under the current gas supply agreement with BPMigas and the gas sale and purchase agreement with PLN. Volumes estimated to be producible from the Kampung Baru and Wasambo Gas Fields beyond this date are classified as contingent resources.

[2] In November 2012 BPMigas was dissolved by constitutional court order in Indonesia. Following their dissolution, the Government of Indonesia established SKKMigas to take over for BPMigas as the state sanctioned upstream oil and gas regulator.

Preparation for drilling activities at Wasambo Gas Field

Drilling Rig at Wasmabo Drilling Program

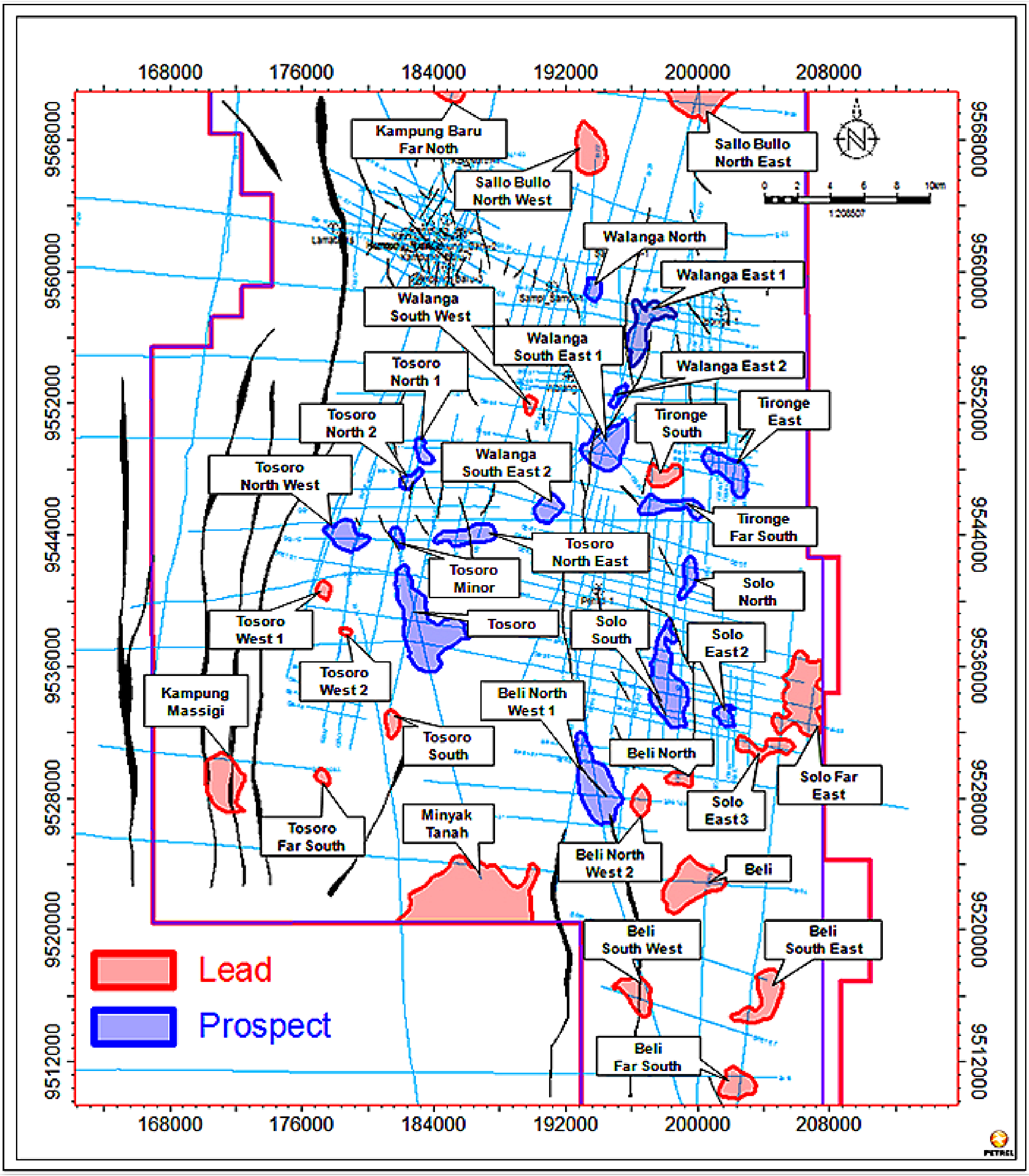
The Sengkang PSC, covering the 2,925.2 km^2 Sengkang Contract Area, includes one producing gas field, the Kampung Baru Gas Field, and undeveloped gas fields. Our petroleum consultants, AWT and GCA, have provided estimates on our reserves in the Sengkang PSC. As at 30 June 2013, GCA have confirmed that the remaining proved and probable reserves from our Kampung Baru Gas Field, which is our only field currently in production, is 175.1 BCF. In respect of the further three gas fields comprising the Wasambo Gas Fields, which have not yet been developed, proved and probable reserves have been estimated by AWT to be 164.8 BCF as at 29 September 2011. Reserves estimates are limited to volumes expected to be economically recovered within the term of the existing Gas Supply Agreement and Gas Sale and Purchase Agreement to the Sengkang Power Plant (in the case of the Kampung Baru Gas Field) and sales volume target as stated in the BPMigas plan of development approval (in the case of the Wasambo Gas Fields). Additional proved and probable gas volumes recoverable after this date, or which are not provided for in these arrangements, are classified as contingent resources.

In addition to the Kampung Baru Gas Field and Wasambo Gas Fields, there are a considerable number of reefal buildups and structures in the Sengkang Contract Area which AWT classify as leads, indicating exploration potential which require more seismic data acquisition or evaluation to resolve positioning issues before drilling.

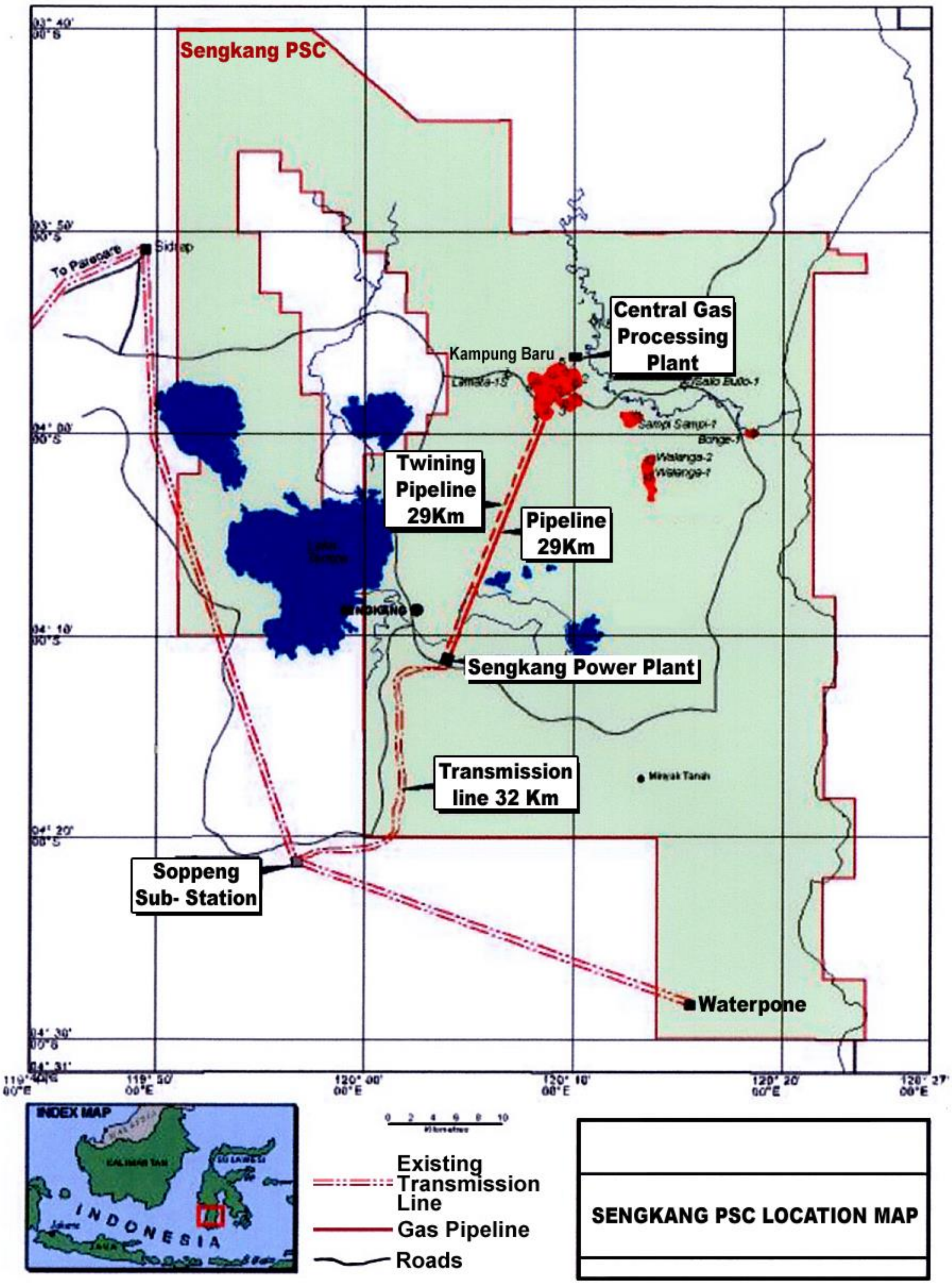
The Wasambo Drilling Program, which was previously approved by SKKMigas' predecessor, BPMigas, under a plan of development in June 2011 commenced on 18 September 2013 when the Walanga #2 Twinning Well was spudded. The program involves drilling four gas production wells, being: Sampi Sampi #1 Twinning, Walanga #1 Twinning, Walanga #2 Twinning and Walanga #3, and is expected to take three months and complete around mid-December 2013. Each of the wells will target the Tacipi formation at a total depth of 2,600 feet. The gas from these wells will provide initial feedstock gas for our Sengkang Modular LNG Project. Also, information obtained from the Wasambo drilling program will be provided to our petroleum consultants who will utilise it to re-evaluate and provide a competent persons update on our gas reserves in Wasambo.

In addition to the Wasambo Drilling Program, the Company is currently awaiting the results of a seismic program completed earlier this year in other locations within the Sengkang PSC that will identify the next drilling prospects and is expected to further define additional gas reserves. The 2D seismic program was completed in April 2013 by PT. Kharisma Geophysical Bumiputra (a seismic contractor) assisted by PT. Bimayudha Utama Putera (the subcontractors for labor supply and seismic drilling equipment). A total of 226.5 km of surface coverage was surveyed in the acquisition which consisted of 37 seismic lines that were laid on four separate sub-blocks: Tosora, Minyak Tanah, Walanga and Sallo Bullo. During the operation, 3,566 shot-holes were drilled with a cumulative depth of approximately 84,359 meters. The data acquired 3,554 seismic profiles or 99.83% of the preliminary programme (3,560 SP). Based on initial evaluation, we believe the most likely favorable drillable prospects are North Minyak Tanah and Tosora.

The following map shows the prospects and leads in the Sengkang PSC as a result of the seismic activities described above:



The following map shows the Sengkang Contract Area:



Approximately 171.6 BCF of reserves in our Kampung Baru Gas Field will be required to meet the demand from PLN and SKKMigas under the Gas Supply Agreement and the Gas Sale and Purchase Agreement to the end of September 2022. The balance of the recoverable gas volumes at Kampung Baru are therefore classified as contingent resources.

Indonesia also passed a regulation in 2010 implementing a domestic market obligation of 25% on all upstream gas projects. The 2010 regulation is silent on the allocation of the remaining 75% of gas produced under a plan of development. However, in general the minister has discretion to determine the allocation of gas particularly to fulfill domestic gas demand. This 2010 regulation applies to any sales contract concluded by existing production sharing contracts following the promulgation of this regulation on 27 January 2010.

Currently, all gas that EEES produces is supplied domestically to PTES for use at the Sengkang Combined Cycle Power Plant (which supplies electricity to PLN) and so EEES has complied with the domestic market obligation.

EEES is responsible for the repair and maintenance of our Sengkang Gas Plant and Sengkang Gas Field infrastructure.

Natural gas from the production wells in the Sengkang Contract Area is piped to the central processing plant located in Wajo Regency, South Sulawesi. The central processing plant processes the gas to reduce the water, hydrogen sulphide and carbon dioxide content of the gas, which is then transmitted via pipeline to the Sengkang Combined Cycle Power Plant. We have upgraded and supplemented our gas production, pipeline and processing facilities in order to accommodate the increased gas supply to the recently expanded Sengkang Combined Cycle Power Plant.

EEES Kampung Baru Sengkang, Indonesia Central Processing Plant (CPP)

Sengkang LNG Project

Our Sengkang LNG Project is one of our projects under development.

We are developing the Sengkang LNG Project on the South Sulawesi coastline, in the same region as our Sengkang Contract Area and Sengkang Combined Cycle Power Plant, to monetise additional gas reserves and contingent resources in the Sengkang Contract Area in excess of the fuel requirement for the Sengkang Combined Cycle Power Plant. The project consists initially of (i) one modular LNG train with a capacity of 0.5 MTPA, with the three additional trains, depending on gas field development, for a potential total LNG capacity of 2 MTPA, (ii) an LNG storage facility and (iii) an LNG loading facility.

Following the announcement on 14 June 2011 by the chairman of SKKMigas' predecessor, BPMigas, approving our plan of development for the gas reserves in the Wasambo Gas Fields, we arranged for the shipping of major equipment to the site for construction and installation.

This equipment, including four cold-boxes, compressors and ancillary equipment, arrived on site in the year ended 30 June 2013. Piling works have been completed and site works are underway. The concrete foundations for the tank and cold boxes have been completed, and casting of the tank base slab and installation of the cold boxes onto their foundations will commence shortly.

Main Processing Plant Area - Cold Boxes ready for placement

Construction of bore-piles and pile heads with base slab works in progress

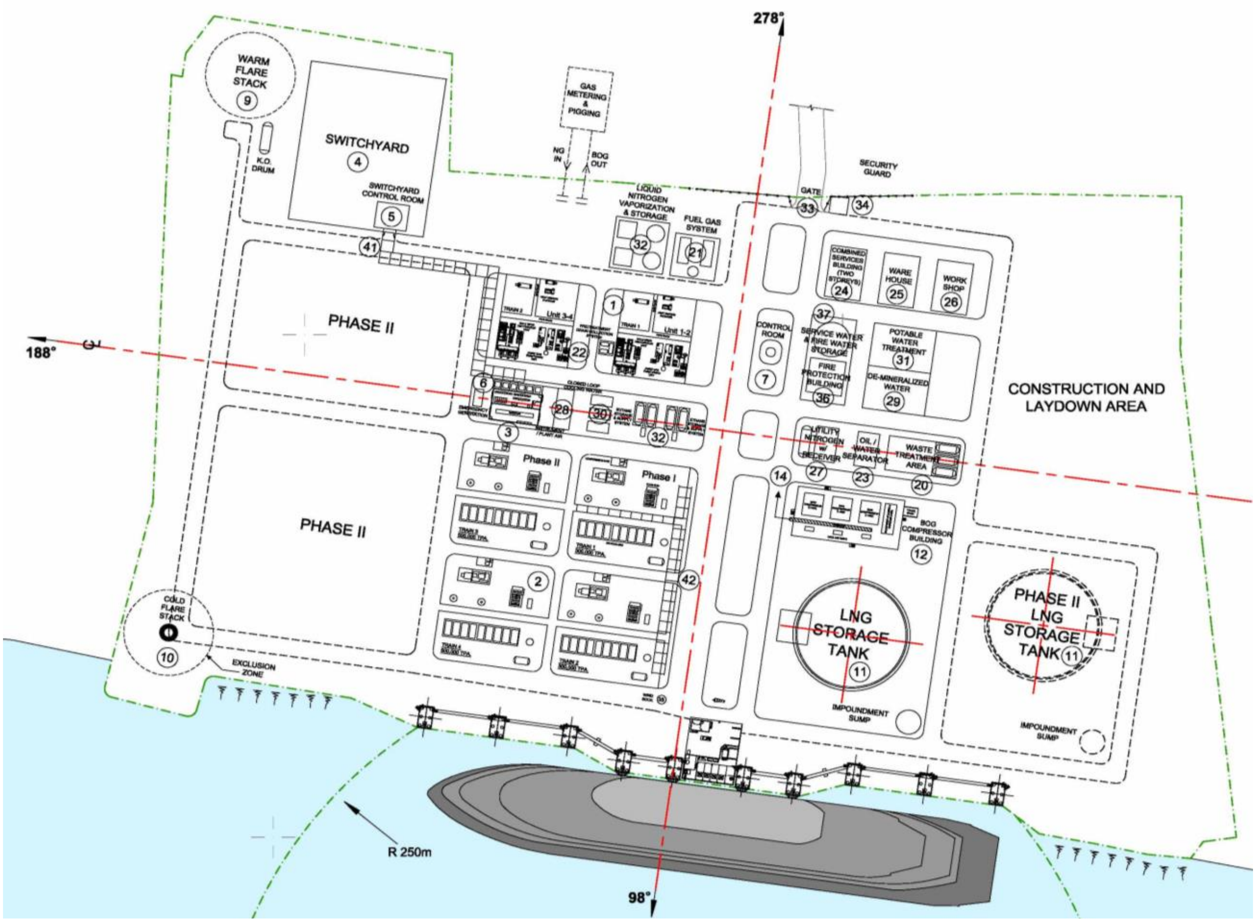
We anticipate that we will complete the construction of the first train and associated works by second quarter 2014 and undertake commissioning and commence operations thereafter. This estimate, the Company's considered view of the current time frame, may be subject to change and is also subject to various risk factors as outlined in the section titled 'Principle 7: Recognise and manage risk' in the Corporate Governance Statement of this report. We expect three additional modular trains, subject to gas field development, to commence commercial production of LNG at three-month intervals after the first train begins production.

If the development of gas resources justifies (which is not known at the present time), we envisage expanding the capacity of the Sengkang LNG Project up to 5 MTPA through a phased development of additional 0.5 MTPA modular LNG trains in the long term.

AWT has estimated that as at 29 September 2011, proved reserves in our Wasambo Field are 119.9 BCF, with further probable reserves of 44.9 BCF, which is sufficient to supply the first modular LNG production unit capable of producing 0.5 MTPA for five years. By utilising existing reserves, we plan to use internally generated cash flow from gas and LNG sales to finance further gas field development at Sengkang beyond the scope of works approved by SKKMigas' predecessor, BPMigas, under the agreed Plan of Development for Wasambo.

Given the proven reserves in Wasambo, we do not depend on proving additional reserves or resources in order to have sufficient feed gas for the level of sales required to generate sufficient cashflows, based on our current LNG price estimations and assumptions on operating and financing costs, to fully recover our expected capital expenditure of US$352 million for the Sengkang LNG Project (excluding the investment for related gas supply infrastructure and financing costs).

The following schematic diagram shows a layout for a 2 MTPA modular LNG plant. The diagram may not represent the eventual state of the Sengkang LNG Project.



Funding and costs for the Sengkang LNG Project

As initially outlined in our 2008 Annual Report, our expected capital expenditure for the Sengkang LNG Project to enable production of 2 MTPA of LNG is approximately US$352 million. This does not include the investment of up to US$88 million (which will be cost recoverable by us) for the related gas supply infrastructure pursuant to a plan of development approved by SKKMigas for our Wasambo Gas Fields, and any capital expenditure required in respect of further gas field development in the Sengkang Contract Area which would be under a further plan of development to be agreed with SKKMigas. It also excludes financing costs. We have already invested a total of approximately US$247 million in the Sengkang LNG Project for major equipment purchases and consultancy services. We expect to finance the balance of US$105 million from a combination of internal resources and debt finance. We have received expressions of interest from financiers and investors to finance or to co-invest in the Sengkang LNG Project, but we have not yet entered into any unconditional binding commitments for finance or co-investment.

LNG Sales

We intend to sell LNG from our Sengkang LNG Project, when completed, to domestic and international buyers. We envisage these sales to be made under short- to medium-term contracts, as well as on the spot market.

Licensing, contract and supply status for the Sengkang LNG Project

The major components of the Sengkang LNG Project to enable production of 2 MTPA of LNG were fabricated in the USA, Canada and Germany. Following the approval by SKKMigas of our Plan of Development for the Wasambo Gas Fields in June 2011, major equipment including four cold-boxes, compressors and ancillary equipment, arrived on site in the fiscal year ended 30 June 2013.

- ***Engineering, procurement and construction***

  Slipform (H.K.) has provided engineering and design services in respect of the Sengkang LNG Project under a management services agreement with the Company. We appointed Slipform (Indonesia) as the engineering, procurement and construction contractor for the Sengkang LNG Project. This involves co-ordinating all material equipment suppliers, arranging freight and delivery of equipment to the site, providing any balance of plant items not being provided by subcontractors and completing all civil and construction works. Kerbridge Energy Pty Ltd (Kerbridge) and Central Energy Australia Pty Ltd (CEA) will provide LNG related services to Slipform (Indonesia) under the contract. The engineering, procurement and construction contract between PT South Sulawesi LNG and PT Slipform (Indonesia) is based on the International Federation of Consulting Engineers (FIDIC) Conditions of Contract for EPC Turnkey Projects, as amended, including reflection of commercial terms and risk allocation to be agreed by the parties. The price under this engineering, procurement and construction contract is US$352 million, and is subject to downwards adjustment in respect of capital equipment supplied by the Company to Slipform (Indonesia) and the fees paid to Slipform (H.K.) under the management services agreement and third party service providers such as Arup & Partners International Ltd (Arup). In September 2012, we mobilised Slipform (Indonesia) to commence works under this engineering, procurement and construction contract.

- ***Civil design and construction***

  Arup is responsible for designing the storage, loading, maritime and civil engineering for the Sengkang LNG Project.

- ***LNG facility and final gas clean up***

  We awarded Chart a contract on 4 August 2007 to supply and install four 0.5 MTPA modular LNG trains, including gas pre-treatment equipment.

  Chart has placed a subcontract with Siemens for four 27 MW electric-motor-driven main refrigerant compressors and one Siemens Robicon frequency convertor for electric-motor startup and another subcontract with TDE for the gas pre-treatment system.

  Chart has manufactured and supplied the LNG liquefaction equipment in each module, which includes the cold box, air coolers, vessels and the liquid collection and vaporisation system.

- ***LNG marine loading-arms***

  Aker Kvearner Woodfield Systems Limited, an independent third party, has been contracted and supplied the LNG marine loading-arms under the engineering, procurement and construction contract between Sulawesi LNG and Slipform (Indonesia).

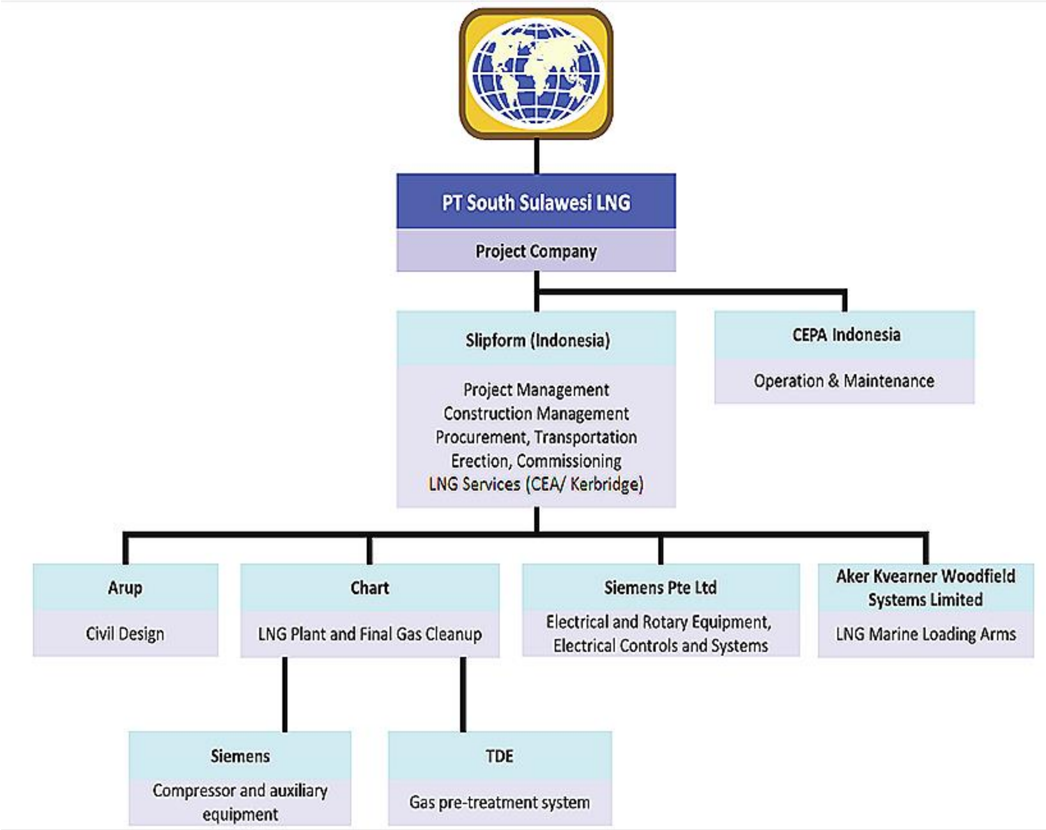
- ***Electrical and rotary equipment, electrical controls and systems***

  Siemens have provided certain "balance of plant" equipment, including high/medium/low voltage switchgear, fire fighting systems, distribution and control systems and electrical systems under the engineering, procurement and construction contract between Sulawesi LNG and Slipform (Indonesia).

- ***Operation & maintenance***

An operation and maintenance agreement is proposed to be entered into between PT South Sulawesi LNG and CEPA Indonesia. It is currently intended that the contract will be for a term of five years starting from the handing over of the first LNG train to PT South Sulawesi LNG. CEPA Indonesia will be responsible for the operation and maintenance of the Sengkang LNG Project.

The following diagram shows the current contractual relationship for the supply of equipment and services concerning the Sengkang LNG Project:



- ***Gas supply***

The completion of the Sengkang LNG Project requires PT South Sulawesi LNG to conclude agreements with EEES and SKKMigas for future gas supply, and the completion of a programme of gas infrastructure works, including an expansion of the Sengkang Gas Plant. On 14 June 2011, SKKMigas' predecessor, BPMigas, approved our Plan of Development for our Wasambo Gas Fields, allowing us to supply gas to our Sengkang LNG Project (subject to SKKMigas further approving such sale of gas). We are proceeding with the development of the production wells, gas gathering pipelines and an export pipeline to supply feedstock gas to the Sengkang LNG Project. We also expect that further gas field development will be required in the Sengkang Contract Area, which would be under a further plan of development to be agreed with SKKMigas, beyond the current scope of works already approved.

- ***Power supply***

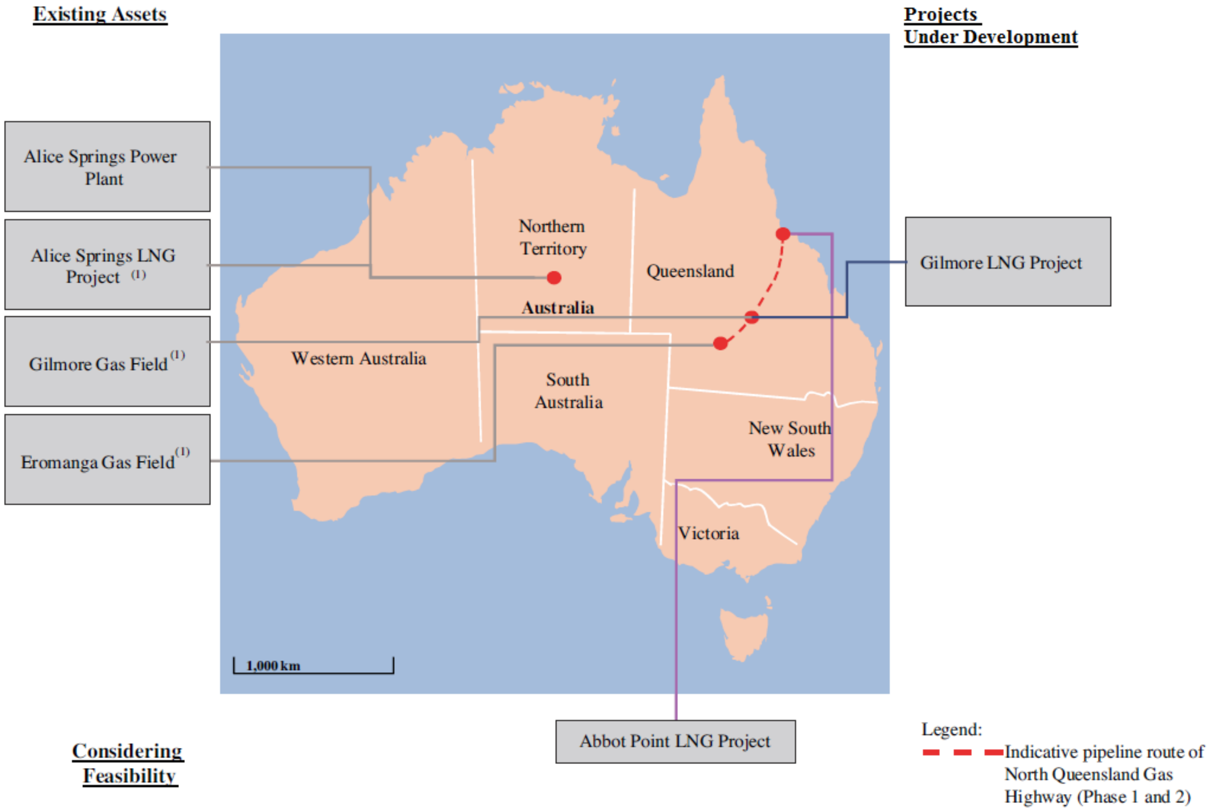
  We are currently finalising arrangements with PLN regarding the supply of electricity from the South Sulawesi electricity grid to the Sengkang LNG Project. This will require the construction of a transmission line by PLN to the Sengkang LNG Project.

- ***Licensing***

  The Ministry of Energy and Mineral Resources issued us with guidelines to obtain an operating licence for the Sengkang LNG Project in November 2006. We are required, among other things, to satisfy certain conditions and obtain various other licences, permits and approvals as the Sengkang LNG Project proceeds and before an operating licence is issued. In particular, we are required to enter into an LNG off-take agreement as a condition to the grant of an operating licence.

AUSTRALIA

The following map shows our existing assets, project under development and project the feasibility of which we are considering in Australia:



Note:

(1) These existing assets are not currently in production or operation.

Australian Power Operations

Alice Springs Power Plant, Australia

Our Alice Springs Power Plant is one of our existing assets.

We have operated our Alice Springs Power Plant, in which we have a 100% interest, since 1996 under a power purchase agreement with NT PWC, the power utility company of the Northern Territory, Australia. NT PWC supplies piped natural gas to fuel the Alice Springs Power Plant under the terms of the power purchase agreement. The gas price under the power purchase agreement is partially inflation adjusted.

Alice Springs Power Plant, Australia

The Alice Springs Power Plant is an 8.68 MW gas-fired plant comprised of four spark-ignition gas-fired generating engines. For the three years ending 30 June 2013, the average availability factor of the plant was approximately 82.8%. In the fiscal year 2013, the Alice Springs Power Plant generated 44.75 GWh of power, with an availability factor of 84.3%.

The following table sets out the output, availability and capacity factors for the Alice Springs Power Plant:

Financial year ended 30 June	Installed Capacity	Plant output	Plant availability factor
2013	8.68 MW	44.75 GWh	84.3%
2012	8.68 MW	41.51 GWh	85.0%
2011	8.68 MW	44.69 GWh	79.2%
Average		**43.65 GWh**	**82.8%**

We have a 20-year take-or-pay power purchase agreement with NT PWC to supply power to the Alice Springs electricity grid up to December 2016, and NT PWC has an option to extend the term of the power purchase agreement by a further five years. NT PWC is obliged to purchase a specified minimum quantity of power, known as the take-or-pay quantity, which is charged at the contractually agreed take-or-pay charge rate, (with provisions for capital cost recovery, operation and maintenance cost recovery and fuel cost recovery). For any power dispatched in excess of the take-or-pay quantity, NT PWC is charged at lower charge rates as specified in the agreement.

Our subsidiary Central Energy Power Pty Ltd is responsible for the operation, repair and maintenance of our Alice Springs Power Plant.

Australian Gas Operations

Our Australian gas fields comprise our Eromanga Gas Field and our Gilmore Gas Field, each of which is an existing asset.

Historically we have carried on gas operations in Australia from our Gilmore and Eromanga Gas Fields. However, we do not currently produce gas from these gas fields and they are currently held under care and maintenance.

The following table summarises our natural gas reserves in Australia, measured in BCF (excluding assets in which we have minority interests):

Permit	Field / Basin	Reserves*
PL 65	Gilmore/Adavale	20.3
PL 115 (Bunya)	Eromanga/Cooper	4.3
PL 116 (Cocos)	Eromanga/Cooper	7.0
Total contingent resources		31.6

Notes:

* Our Australian reserves are management estimates based on resource reports provided to us by petroleum consultants engaged by us. The Company classifies these reserves as contingent resources pending the finalisation of a resource report currently being prepared, reflecting that these resources are not currently being commercially exploited.

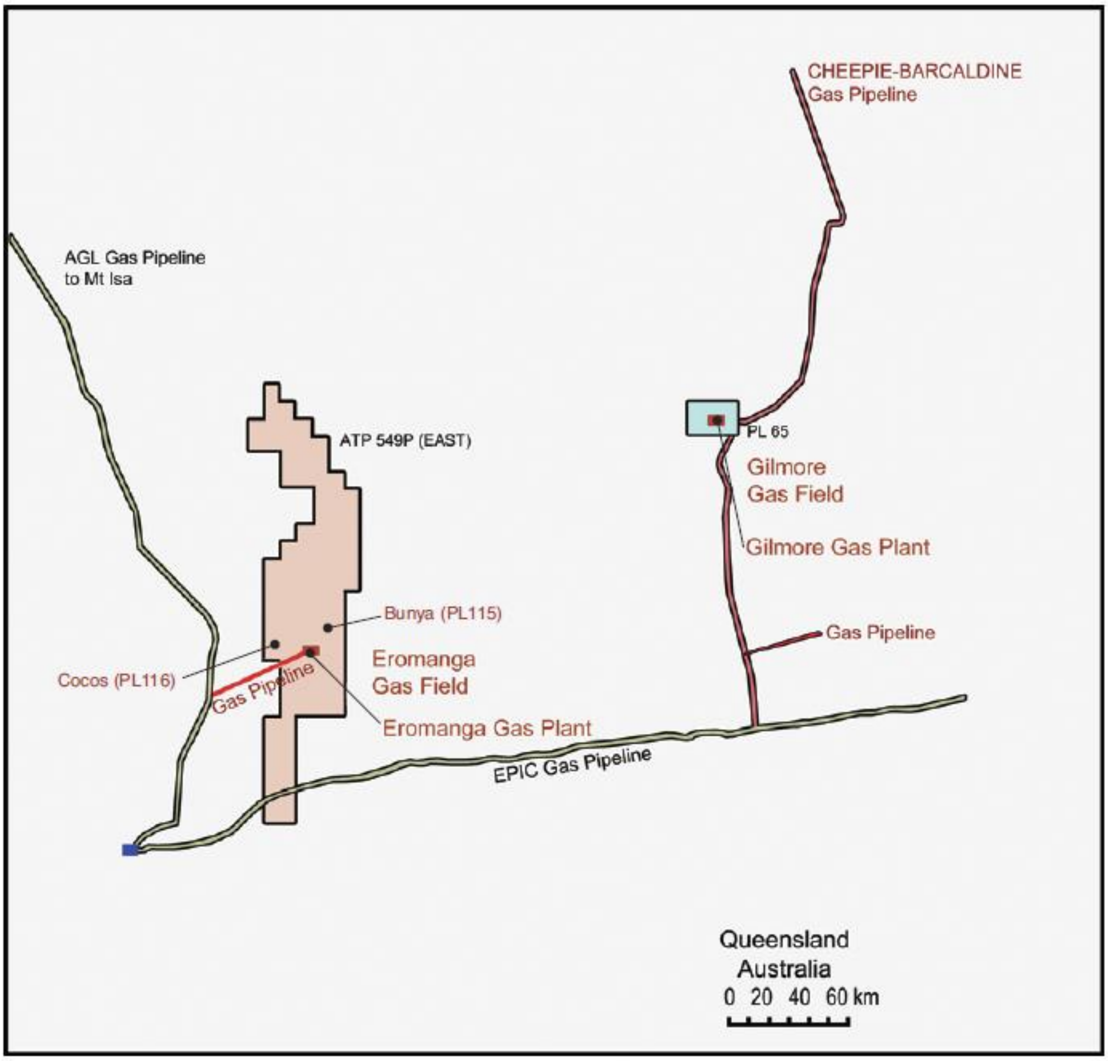
Australian Gas Fields, Queensland

Our wholly-owned subsidiary Australian Gasfields Ltd (AGF) is the owner and operator and holds Authority to Prospect or Petroleum Leases in respect of petroleum in the Gilmore and the Eromanga Gas Fields (which includes the Bunya gas field and Cocos gas field), all located in Queensland.

AGF also owns processing plants and pipe infrastructure for the gas produced from the Gilmore Gas Field and Eromanga Gas Field and holds minority interests in a number of further gas fields and a producing oil field.

We plan to resume gas production from the Gilmore Field in order to supply feed gas to our Gilmore LNG Project, a compact, 56,000 tonnes per annum (TPA) LNG liquefaction facility adjacent to our gas plant and to upgrade our existing gas processing plant infrastructure at Gilmore to accommodate the new LNG facility. We expect to work over the existing production wells to provide the initial gas supply. New wells may be drilled as required as we seek additional resources as demand for LNG increases. We expect to pay for such drilling programmes with revenue generated by LNG sales from Gilmore LNG.

The following map shows the Gilmore Gas Field and Eromanga Gas Field and the interconnecting pipelines:



Gilmore Gas Field

The Gilmore Gas Field hosts three production wells, connected by pipelines to our gas plant (also located in the Gilmore Field). Our plant, which is not currently in production or operation, is further connected to the Cheepie-Barcaldine pipeline, which supplies gas to the Queensland pipe network, both of which are owned and operated by third parties. The Gilmore plant has a design capacity of 12 MMscfd. Land use rights for the plant are provided under the terms of PL65.

Under the terms of PL65, AGF is under no further obligation to produce gas or make further investment in the field.

We intend to bring the Gilmore Field on line by the end of 2014 to supply gas to our Gilmore project. This estimate is the Company's considered view of the current time frame, may be subject to change and is subject to various risk factors as outlined in the section titled 'Principle 7: Recognise and manage risk' in the Corporate Governance Statement of this report.

Gilmore Gas Plant, Australia

Eromanga Gas Field

AGF is the registered holder of ATP-549P (comprising ATP-549P (East) and ATP-549P (West)). ATP-549P (East) is comprised of the Cypress sub-area and Solitaire sub-area. AGF has a 55% beneficial interest in the Cypress sub-area, with Great Artesian Oil and Gas Limited and Strike Energy Limited, both of which are independent third parties, holding 40% and 5%, respectively. AGF has a 100% beneficial interest in the Solitaire sub-area. AGF holds the legal title to but has no beneficial interest in ATP-549P (West). AGF also has a 100% interest in petroleum leases PL115 (Bunya) and PL116 (Cocos), which have been developed from the original grant of ATP-549P (East) and each of which contains production wells.

The Eromanga Gas Plant, which is not currently in production or operation, is located on AGF's ATP-549P (East) licence area and is connected by pipeline to the production wells on PL115 (Bunya), PL116 (Cocos) and Vernon 1 (owned and operated by an independent third party) with an outlet line for processed gas linked to the Mt. Isa Pipeline serving the Queensland piped gas network. The Eromanga plant is designed to be run at 12 MMscfd. Land use rights for AGF's Eromanga Gas Plant are provided under the terms of PL115.

On 26 April 2013, we spudded Sheoak-2, the oil and gas exploration well twinning the existing Sheoak-1 well, located in ATP 549P in the Cooper-Eromanga Basin, SW Queensland. The Sheoak-2 well recorded live hydrocarbon shows in the basal Birkhead Formation and the Hutton Sandstone. However, it was cased and suspended, pending further future testing. Further development work is being planned to maximise the hydrocarbon potential from ATP 549P. By drilling the Sheoak-2 appraisal well, AGF completed an agreed work programme in respect of ATP-549P, and the relevant licence has now been extended until 2017.

Under the terms of PL115 and PL116, AGF is under no obligation to operate or make further investment in these areas.

We are considering a number of options to exploit the resources of the Eromanga Gas Field but have not settled upon which approach we will pursue. We are considering bringing the Eromanga Field on line, once the Gilmore LNG Project becomes operational, to supplement the gas supply from the Gilmore Field to its LNG project. Under the terms of our petroleum leases we are required to pay the Queensland State a royalty of 10% of the wellhead value of petroleum produced or disposed from the Gilmore and Eromanga Gas Fields.


Sheoak-2 Well located in the Cooper-Eromanga Basin was spudded for oil and gas exploration

Other existing Australian gas and oil interests

Our other existing Australian oil and gas interests comprise our minority joint venture interests in various gas fields with independent third parties.

AGF has a 2% interest in the Naccowlah Block (part of ATP-259P) which is a producing oil field near to Eromanga. AGF also has a 2% interest in a number of petroleum leases which were derived from the Naccowlah Block. The Naccowlah Block is operated by Santos Limited, an independent third party, under a joint operating agreement originally entered into in 1982 to which AGF subsequently became a party. Santos Limited commenced an extensive drilling and reserve development programme with some 25 wells drilled in the course of 2007 and in 2008, and commenced additional works to provide for a crude oil tanker loading facility and associated road works for crude oil production from this field. Based on information provided by Santos Limited as at 31 December 2011, AGF's share of 2P reserves in the block is 0.164 MMBbl. AGF receives a share of the revenues from the sale of oil produced from the Naccowlah Block currently equivalent to approximately 12,000 barrels per year but also bears its share of development costs and operating expenses. This is our only oil producing asset. In the year ended 30 June 2013, funding required for AGF's participation was A$1.08 million (2012: A$1.04 million) and AGF's share of revenue from the sale of oil was A$1.72 million (2012: A$1.53 million).

AGF has a 19.6% interest in PL184 (known as the Thylungra Gas Field) in Queensland located near our Eromanga Gas Field. Beach Energy Limited, an independent third party, is the operator of Thylungra block, PL184. The economic climate has led Beach Energy Limited to postpone the proposed work programme for PL184, including the drilling of an additional exploratory well. Some minor geological and geophysical works were undertaken by Beach Energy Limited requiring AGF to fund its participation in this development to maintain its percentage interest. In the year ended 30 June 2013, funding required for AGF's participation was A$17,454 (20121: A$18,551).

AGF is a party to a joint operating agreement with Strike Energy Limited, an independent third party, in respect of the exploration licence area PEL96, in the southern part of the Cooper/Eromanga Gas Field Basin in South Australia. PEL96 was granted in May 2009 for a five-year term. The permit area is approximately 4,050 km^2 in an onshore conventional oil and gas region and is located close to a gas production facility and open access gas pipe infrastructure connecting South Australia, Queensland and New South Wales. AGF's interest in PEL96 is 33.3%. In July 2013 Strike Energy Limited issued ASX announcements regarding the signing of a binding term sheet with Orica Australia Pty Ltd (Orica) for the supply of up to 150 PJ of gas production. The agreement with Orica is an innovative risk-sharing arrangement designed to facilitate the evaluation and commercialisation of a large prospective gas resource defined within PEL 96. Orica will be a foundation customer to Strike for their portion of the project; AGL is free to market their portion of the gas to other parties.

AGF is required to fund its proportionate participation in ongoing development of PEL 96.

In the year ended 30 June 2013, funding required for AGF's participation was A$253,848 (2012: A$43,745).

Australian LNG Operations

Our LNG businesses started in 1989 with our commissioning of a 10,000 TPA modular LNG facility located in Alice Springs, Australia's first commercial LNG plant.

Alice Springs LNG Facility

Our Alice Springs LNG Facility is one of our existing assets. Although the facility is not currently in production or operation it has been upgraded and ready for commercial supply of LNG to the market. This is as a result of an increased assurance as to the supply of gas in the network connected to the Alice Springs LNG Facility and our belief that there are opportunities to source gas supplies at attractive prices. Any future LNG supply contracts from our Alice Springs LNG Facility can be backed up with those from the Gilmore project and vice versa. We anticipate this backup will provide potential customers in the off-grid power generation and transportation markets with additional comfort on reliable LNG supplies.

Central Energy Australia Pty Ltd (CEA) owns the Alice Springs LNG Facility, a 454 TJ/annum (approximately 10,000 TPA) LNG facility at Alice Springs in the Northern Territory, which was operated by CEA for more than 18 years until the suspension of operations in 2006 at the end of the take-or-pay contract with NT PWC. Under this contract, CEA supplied LNG by cryogenic road tanker to a remote power station located in Uluru (Ayers Rock), operated by NT PWC, before converting LNG back to combustible material for fuelling the power generating equipment.

The Alice Springs facility was our first LNG development and the first commercial LNG facility in Australia. This small-scale modular LNG train confirmed the feasibility of LNG as an alternative to diesel fuel for remote area power generation where grid-supplied electricity or piped gas is not available. By operating a remote facility located at Alice Springs and transporting LNG by road tanker to a remote power station located in Uluru (Ayers Rock) for more than 18 years, we gained experience and established a proven track record in converting natural gas to LNG and in transporting LNG at cryogenic temperatures to be regasified and used at remote power plants. This core experience provides useful background for the development of our LNG business.

CEA is exploring opportunities to sell LNG from our Alice Springs facility to customers who are seeking a competitively priced and clean fuel source for their off-grid power generation, particularly in the mining industry. These marketing options are being developed in alignment with the Gilmore LNG Project. As our Alice Springs facility is dependent on a supply of gas from NT PWC and our Group does not own local reserves of gas, we would need to obtain gas supply from a third party in conjunction with such activity.

PPU and cold box at Alice Springs LNG Facility, Australia

Australian LNG development

Gilmore LNG Project

Our Gilmore LNG Project is one of our projects under development.

We are developing a compact modular 56,000 TPA LNG liquefaction facility on land we own adjacent to our Gilmore Gas Plant employing a compact modular LNG train design. We acquired the liquefaction and gas pre-treatment equipment for this plant from Chart. We target to sell LNG from Gilmore as fuel for off-grid power generation at remote mine sites and for long-haul road vehicles. We are considering to develop a network of roadside LNG refuelling stations to supply LNG and compressed natural gas as vehicle fuel. These refuelling stations would be supplied with LNG from Gilmore by road tanker. We have not entered into any binding arrangements for the sale of LNG from the Gilmore LNG Project.

We have received a number of the permits and licences that are required for the construction and operation of the Gilmore project. Having completed the engineering and design under a management services agreement with Slipform (H.K.), we have entered into an engineering, procurement and construction contract with Slipform under which it is responsible for the design, construction and commissioning of the Gilmore LNG Project. We assess the current contingent resources at our Gilmore Gas Field to be sufficient for 8-10 years of LNG production from the plant. We are considering bringing the Eromanga Gas Field on line, once the Gilmore LNG Project becomes operational, to supplement the gas supply from the Gilmore Field to its LNG Project.

Site works have commenced and major equipments including the cold-box have arrived on site, and we anticipate that we will complete the construction of the Gilmore LNG Project and associated works during the first half of 2014 and undertake commissioning and commence operations thereafter. This estimate is the Company's considered view of the current time frame, may be subject to change and is also subject to various risk factors as outlined in the section titled 'Principle 7: Recognise and manage risk' in the Corporate Governance Statement of this report.


Equipment at the Gilmore LNG site

Abbot Point LNG Project

The Abbot Point LNG Project is a project the feasibility of which we are considering. The project consists of an LNG facility and a gas pipeline connecting this to the Bowen and Surat Basins in North Queensland, Australia (the "North Queensland Gas Highway").

Our proposal is to build a modular LNG facility with a capacity of up to 2 MTPA, comprising modular trains and a storage tank and an export facility at Abbot Point. In May 2011 the Queensland Government issued the Suitability Assessment for LNG Industry at Abbot Point report, which re-confirmed that it is a preferred location for an LNG plant. As noted in the report, Abbot Point is a strategic location due to its remoteness from urban development, ready access to a deepwater port and major transport links. We have thus focused our Australian LNG development efforts on the Queensland coast around Abbot Point. On 13 February 2012 we conditionally agreed to acquire a site of approximately 122.8 hectares from the Queensland Government for our proposed Abbot Point LNG Facility. Completion of the land acquisition and payment of the purchase price will take place upon satisfaction of certain conditions. These include, but are not limited to, receiving certain approvals in respect of the Abbot Point LNG Facility and a final investment decision by us to proceed with the project.

During the course of the financial year end June 2013, we have conducted pre-lodgement meetings with the Queensland Co-ordinator Generals Department and other Government departments regarding our development application process and we have completed an Initial Advice Statement, desktop site assessment and assessment of initial proposals for the detailed pipeline engineering and design.

We currently envisage that Abbot Point LNG Facility would be developed in two phases, comprising two modular LNG trains in each phase. Similarly, we envisage that the North Queensland Gas Highway would be developed in two phases. In the first phase, we propose to construct a gas pipeline of approximately 350 km to connect the Abbot Point facility to gas sources in the Bowen Basin and Surat Basin. These areas contain many smaller gas fields, gas producers and potential sources of coal bed methane and are served by a domestic pipe network. These areas owned by independent third parties currently do not have export facilities or wider markets for their production, although other export facilities are being planned. If we proceed with the development of the Abbot Point project, construction using our modular LNG trains would follow the model adopted for our Sengkang LNG project with fabrication of major equipment offshore, and would require less on-site fabrication than the construction of conventional LNG trains, thereby reducing requirements for local labour and materials.

We are also evaluating the supply of gas to the Abbot Point facility from our Gilmore and Eromanga fields. If sufficient amounts of gas are proved in these fields, we would then consider developing a second phase of the North Queensland Gas Highway, consisting of approximately 550 km of a pipeline linking Gilmore and Eromanga to the first phase of the North Queensland Gas Highway and thus to the Abbot Point facility.

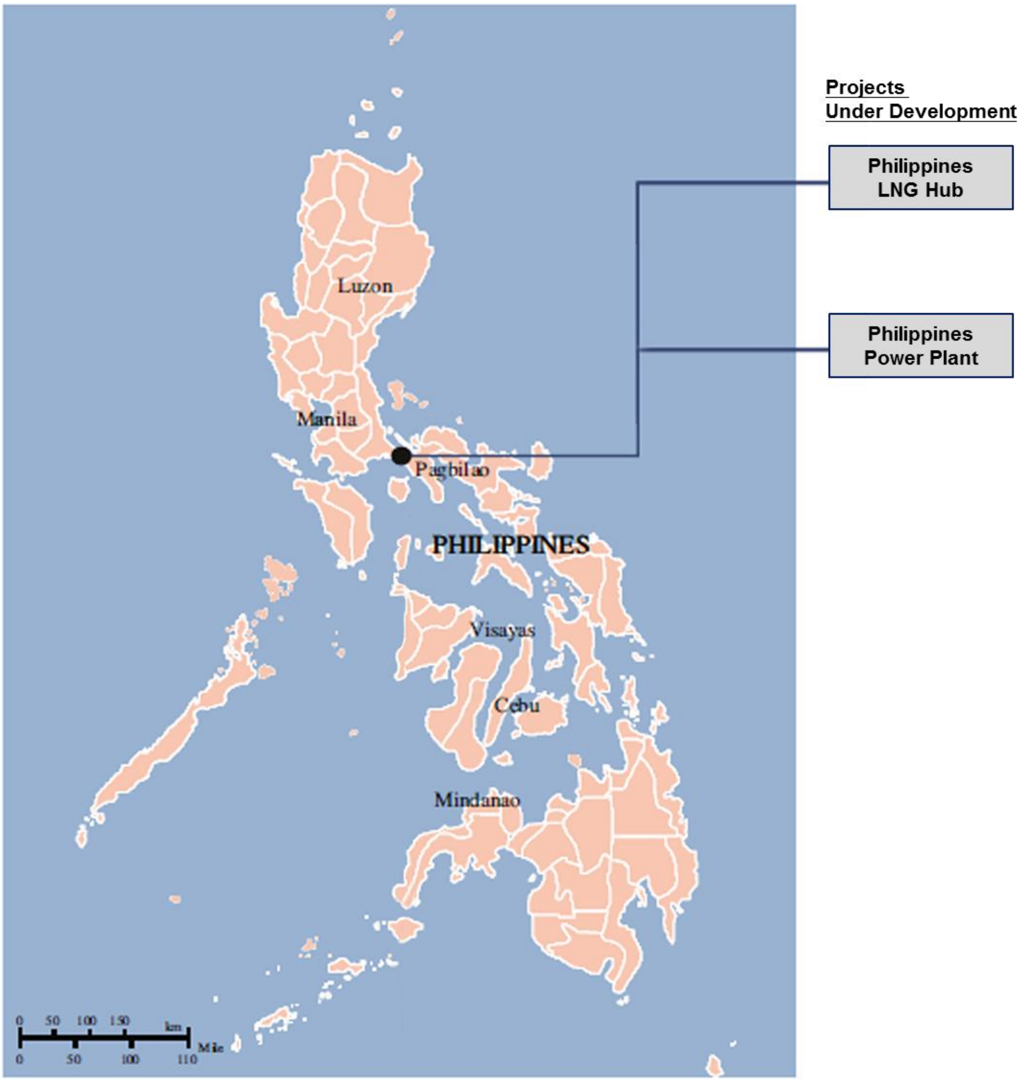
We envisage that LNG produced at Abbot Point would be transported by tankers to customers in Asia directly or via our Philippines LNG Hub, subject to our obtaining the necessary licences and approvals.

We have not procured funding for the Abbot Point LNG Project. If we decide to proceed, it would require substantial additional capital, and we would expect to finance it through a combination of internal resources and debt finance.

We have entered into a non-binding term sheet to sell 15% interests in the Abbot Point LNG Project to each of Orchid Capital Investments Pte Ltd, an affiliate of the Chandler Corporation, and EWI. Orchid Capital Investments Pte Ltd and EWI have each proposed to acquire their 15% interests in the Abbot Point LNG Project at a pre-feasibility stage valuation of the project of US$100 million. If this transaction is proceeded with, which would require our shareholders' approval, it is expected that following the acquisition of their interests in the Abbot Point LNG Project, all shareholders, including Orchid Capital Investments Pte Ltd and EWI, will contribute pro rata to meet any further funding requirements of the project.

PHILIPPINES

The following map shows our project under development in the Philippines.



Philippines LNG Hub

Our Philippines LNG Hub is one of our projects under development.

The Hub will consist of several components, comprising: (i) a storage tank with a capacity of 130,000 m^3 for storing LNG on site; (ii) a jetty and receiving and re-export terminal for berthing, unloading and reloading LNG ships; (iii) a regasification facility to convert LNG back to natural gas; and (iv) related support facilities (such as receiving and discharge lines, boil-off gas lines, metering, pumps and compressors). We expect this to be the first LNG terminal to become operational in the Philippines.

The project is located on a property with a total land area of approximately 215,000 m^2 which we have leased from Malory Properties Inc.* for 20 years. The site is adjacent to the existing Pagbilao power station, owned by an independent third party, which has a 230 kV electrical switchyard in place, connected to the main Luzon power grid in the Philippines. The site also benefits from sheltered deep water berthing for ocean-going vessels.

Slipform equipment assembling and rebar fixing in progress

On-going jetty construction for the Philippines LNG Hub

In January 2011, we received the Provisional Permit to undertake the construction of an LNG import terminal and regasification facility on Pagbilao Grande Island in Quezon Province, from the Department of Energy ('DOE'). The Provisional Permit, which took effect on 20 January 2011, authorises the construction of the Philippines LNG Hub within a period of five years and authorises its operations for 25 years from the date of issuance if it is not suspended earlier or cancelled by DOE in accordance with its terms. We may apply to extend the Provisional Permit not less than six months prior to its expiration date.

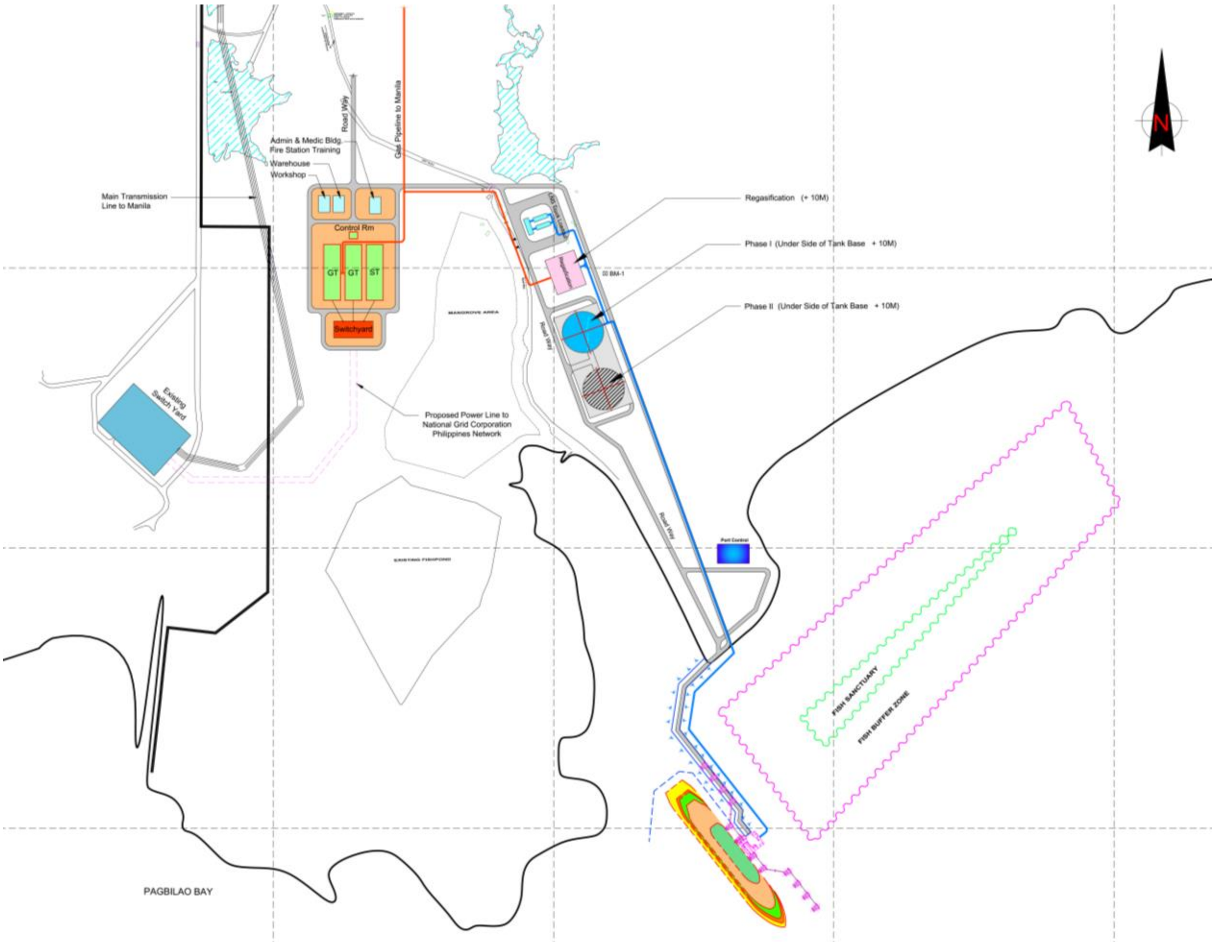
We have completed the engineering and design aspects of the Philippines LNG Hub under a management services agreement with Slipform (H.K.) and have entered into an engineering, procurement and construction contract with Slipform (H.K.).

We have completed the site clearance and formation works on the property and the construction of the Philippines Hub and associated works has commenced. As of August 2013, concrete blinding for the LNG storage tank has been completed and the base slab formation is 50% finished. Formation of the jetty with rock armoring is completed. Site buildings and supporting infrastructure are under construction.

We envisage that we will complete the construction of the Philippines LNG Hub and associated works around the second half of 2014. Commissioning and commencement of operations would follow thereafter. This estimate is the Company's considered view of the current time frame, may be subject to change and is also subject to various risk factors as outlined in the section titled 'Principle 7: Recognise and manage risk' in the Corporate Governance Statement of this report.

* Malory Properties Inc., a company incorporated on 23 March 1993 in the Philippines with limited liability, in which Mr. Stewart Elliott, who is our Chairman, Managing Director and Chief Executive Officer and one of our controlling shareholders has a 40% beneficial interest.

The following schematic diagram shows a layout for our Philippines LNG Hub and Philippines Power Plant. The diagram may not represent the eventual state of the these projects.



We expect that our Philippines Hub will primarily be used to facilitate the distribution of LNG and natural gas, including receipt, storage and dispatch of LNG cargoes, to four main markets:

1) For medium and long-term purposes, our Philippines Power Plant will serve as a principal purchaser of LNG from our Hub if we proceed to develop the plant;

2) Users throughout the Philippines, with distribution by sea to other small-scale coastal terminals. We expect these terminals to have facilities for LNG to be sold and shipped by road tanker;

3) Other domestic sales in the Philippines in the form of LNG and compressed natural gas for use as vehicle fuels; and

4) Marketing of LNG to other purchasers in the Asia Pacific region.

The availability of these sales channels will be subject to our obtaining necessary licences and approvals, including export approval if we decide to market the LNG outside of the Philippines. We believe the location of the Philippines Hub along international LNG trade routes will facilitate the development of an Asian LNG spot market. However, we have not yet entered into any binding arrangements for the sale of LNG or gas from the Philippines Hub.

There is no gas field in the Philippines directly connected to our Hub, and we envisage supplying LNG sourced from our own fields in Sengkang, South Sulawesi, as well as from independent third party producers and suppliers and from the international spot market. If it is developed, LNG may also be supplied from our Abbot Point project. However, we have not yet entered into any binding arrangements for the supply of LNG to the Philippines Hub.

In May 2013, we entered a subscription agreement with Standard Chartered Private Equity (Singapore) Pte. Ltd. (SCPE) to raise US$75 million to be used in developing our Philippine projects, for general corporate purposes, and in particular for our LNG receiving and regasification terminal that is currently under construction and the associated gas-fired power plant, both on Pagbilao Island, Quezon Province in the Philippines (for further details refer to Note 22(g) of the Notes to the Financial Statements). SCPE also brings considerable industry and financial expertise to the partnership with EWC to further augment the Company's management capabilities. In addition to the US$75 million investment, we have engaged Standard Chartered Bank as our financial adviser to coordinate the structuring and arrangement of debt finance in relation to the development of the Philippines LNG Hub and Power Plant.

Philippines Power Plant

We are developing a power plant located on Pagbilao Grand Island adjacent to the Philippines LNG Hub. The site for the plant is adjacent to the existing Pagbilao power station, owned by an independent third party, and to the 230 kV switch-yard which is connected to the main Luzon power grid in the Philippines. The plant we are developing will be a 600MW (3 x 200 MW) gas fuelled combined cycle power plant based on highly efficient Siemens gas turbines and associated plant and infrastructure. Site clearance is underway and shipment of the already manufactured 2 x 200 MW Siemens gas turbines is being arranged.

The power plant will source regasified LNG from our Philippines Hub when completed. Its construction and operation is subject to the receipt of certain permits, approvals and licences in the Philippines currently in progress.


Greening with 15,000 trees for the Pagbilao site in the Philippines

Other Opportunities

Other opportunities may arise in the future which are consistent with our strategy and which will be considered on a case-by-case basis for commercial viability. These may include opportunities to acquire or develop power stations near or adjacent to our existing or proposed LNG hubs or to secure equity interests in upstream projects that we are or may become involved in, for example equity interests in stranded gas reserves that we can exploit through our development of LNG facilities using our modular LNG technology.

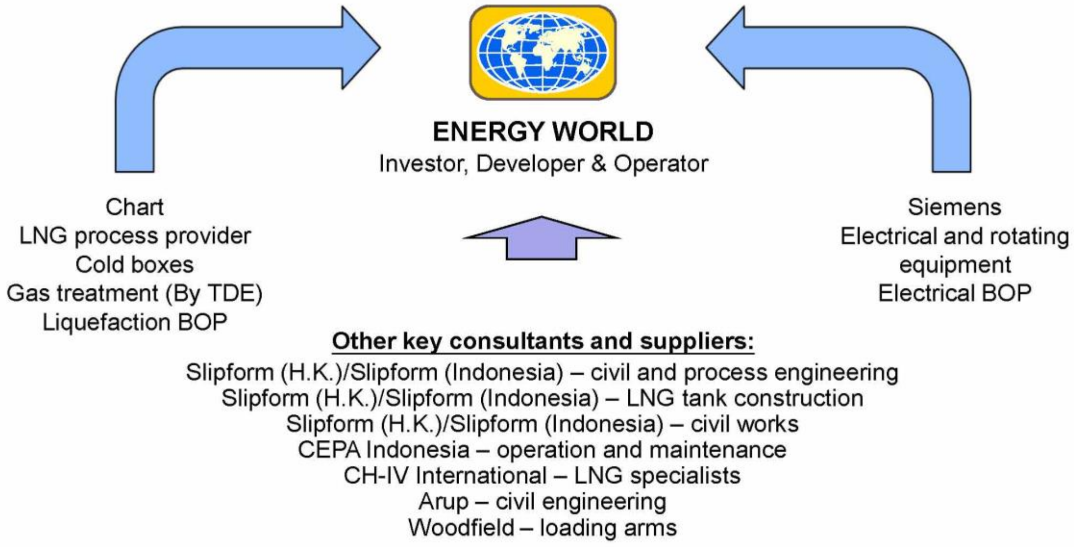
We are also considering possibilities of developing further power plants, which include renewable power generation facilities as well as further developing highly efficient gas-fuelled power plants consistent with our existing power operations, either on a standalone basis or in conjunction with the development of an LNG facility.

Research and Development

We have undertaken research and development into the design of our modular LNG train and associated infrastructure but seek to utilise standard, proven technology where possible.

Strategic Alliances and Other Key Relationships

We have brought together distinguished global players and strong partners such as Chart and Siemens to develop an efficient, electric drive modular LNG system.



We have formed strategic alliances with Chart and Siemens, the principal suppliers of equipment to the Sengkang LNG Project. Collaboration with these industry leaders over several years on our concept for a modular LNG train resulted in its actual configuration. This will use standardised 0.5 MTPA LNG liquefaction units made up of proven "off the shelf" technology. We entered into strategic alliance agreements with Chart on 4 August 2007 and with Siemens on 19 September 2007, to develop further mid-scale modular LNG projects using our modular LNG train. The strategic alliance agreements are subject to automatic renewal at the end of three years for successive one year terms unless either party gives written notice of non-renewal not less than 60 days before the end of an expiring term.

We have also entered into co-operation and non-competition arrangements with Slipform Engineering International (H.K). Ltd*, PT CEPA Sulawesi and EWI. For further details of these co-operation and non-competition arrangements, refer to Note 29 of the Notes to the Financial Statements contained in this Annual Report.

Intellectual Property Rights

Save for the 10-year licence in respect of an LNG storage tank membrane design granted to us pursuant to an agreement entered into between us and Gaztransport & Technigaz S.A. with effect from 28 June 2008, we have no material intellectual property rights. The agreement provides us with intellectual property rights which include rights in certain inventions, designs and knowhow relating to the design, manufacture, installation and use of a tank for the storage of liquefied gas.

Insurance

Consistent with industry practice, we have the following insurance policies, arranged by Aon Risk Services Australia Limited: commercial insurance, workers compensation insurance, fleet and haulage vehicle insurance, public and products liability insurance, domestic insurance, and directors' and officers' insurance.

Consistent with industry practice, EEES and PTES have the following insurance policies, arranged by AON Insurance Group: property damage/machinery breakdown/business interruption insurance, earthquake insurance, comprehensive general liability insurance, marine cargo insurance, motor vehicles insurance, standard workmen's compensation and employer's liability insurance, group personal accident insurance and money insurance.

Our Directors believe that our Group's insurance coverage is sufficient and adequate for our Group. In the event of such an accident, we have the above-mentioned insurance policies to manage the potential risks involved.

Environment, Infrastructure Impact and Safety Matters

Overview

Our Group places great emphasis on safety and environmental protection and has a strong track record of environmental, health and safety compliance. Our Group is committed to ensuring that its operations meet applicable legal requirements and, where higher, strives to meet international industry standards.

Hand in hand with the environmental impact assessment comes the infrastructure impact statement, setting out the required and voluntary site improvements including roads, housing, electricity and water supply. The infrastructure improvements are implemented in close relation to the local communities and community leaders.

Our Group has extensive operating procedures designed to ensure the safety of its workers, the assets of the Group, the public and the environment. Our Group provides its employees with comprehensive training in safety and environmental related matters. Our Group only contracts construction and operations to companies that are able to demonstrate that their procedures meet applicable standards. We believe that the Group's safety record has met or exceeded international standards over the past decade.

Environmental

Our operations are centred on the use of natural gas, both as a resource that we extract and sell from our gas fields and as the fuel for our power plants. Natural gas is less carbon intensive than other fossil fuels and produces fewer greenhouse gas emissions per unit of energy released. For an equivalent amount of heat, natural gas when burned produces approximately 45% less carbon dioxide than burning coal and approximately 30% less carbon dioxide than burning fuel oil. Furthermore, compared to coal and fuel oil, natural gas emits very low levels of harmful emissions such as nitrogen oxide and sulphur dioxide when burned and does not release any ash or other similar atmospheric pollutant.

* Slipform Engineering International (H.K.) Ltd, a company incorporated in Hong Kong with limited liability, in which Mr. Stewart Elliott, who is EWC's Chairman, Managing Director and Chief Executive Officer and Mr. Graham Elliott, who is a Project Director, have a 90% and 10% beneficial interest respectively.

Our gas and power operations are subject to various Indonesian and Australian national and local environmental protection laws and regulations both in relation to their design and construction and in relation to their ongoing operations. Our Directors believe that our Group is in compliance with applicable Indonesian and Australian environmental laws and regulations in all material respects.

The Alice Springs Power Plant is currently operating under the minimum threshold specified by the local environmental authority to require the carrying out of air emissions monitoring. We file regular reports with the Australian National Pollution Inventory ("NPI"), a program run cooperatively by the Australian national, state and territory governments, and the volumes of air emissions in relation to our Australian operations are currently within the NPI's allowable tolerance levels.

Our Group strives to minimise adverse environmental effects through the preparation of environmental management and environmental monitoring plans. Since 2003, we have employed the Indonesian Ministry of Environment's Programme for Pollution Control Evaluation and Rating System (**"**PROPER**"**) used to rank the environmental management status of Indonesian companies. The Sengkang Power Plant currently holds a "green" PROPER ranking, indicating that the operations of the plant comply with regulatory requirements and that we have taken concrete steps to go beyond such compliance. The Sengkang Gas Field currently holds a "blue" PROPER ranking, indicating that the operations of the Sengkang Gas Field comply with all environmental and social requirements, including all numerical standards, nominated in our environmental monitoring and management plans.

In relation to the Sengkang Power Plant, CEPA Indonesia, as the contractor under the CEPA O&M Agreement is required to carry out regular sampling and analysis of emissions and effluent, as well as conduct calibrations of emissions equipment at the plant. We also employ independent engineers to sample and measure ambient air quality. In addition, waste from the plant is disposed of by a government-authorised disposal company. In relation to the Sengkang Gas Field and the Sengkang Power Plant, toxic and hazardous wastes are first stored in designated storage facilities before being transferred by licenced transporters to authorised hazardous waste facilities.

The Alice Springs Power Plant is specifically designed to direct waste products and leakages into designated holding tanks. Waste oil is then taken for disposal by a licenced hazardous waste contractor. To further minimise the discharge of emissions and other waste products, the machinery at the Alice Springs Power Plant undergoes regular servicing and maintenance checks. Machine parts are cleaned at "wash bays" that are designed to separate oil from detergent and recycle the water used in cleaning.

The Sengkang LNG Project is designed and will be constructed to enable its operations to fully comply with all applicable local environmental standards and with reference to the International Finance Corporation's ("IFC") Performance Standards and Environmental, Health and Safety ("EHS") Guidelines. We similarly intend for the design and construction of all of our future projects to be benchmarked against international environmental standards.

Health and Safety

Our Group is subject to Indonesian, Philippines, Hong Kong and Australian national and local laws and regulations in relation to occupational health and safety, discrimination and workplace relations.

Our Group recognises the particular risks associated with the power generation and gas industries and continually strives to improve the handling of these risks. Our Group holds various health and safety-related insurance policies, including workers' compensation insurance and comprehensive general liability insurance.

PTES and EEES are responsible for environmental, health and safety matters at the Sengkang Power Plant and Sengkang Gas Plant, respectively, and each has policies, procedures and personnel in place to manage this process. CEPA Indonesia, as operator of the Sengkang Power Plant, is also required to implement specific safety and occupational health procedures in compliance with PTES's policies and procedures and to maintain, at its cost, workers' compensation insurance, employer's liability and occupation disease liability insurance and automobile liability insurance. In addition to the regulatory requirements to which we are subject, we are required under the terms of the Sengkang PPA to employ all safety devices and safety practices and carry out maintenance in relation to the operation and maintenance of the Sengkang Power Plant in accordance with the standards of prudence applicable to the gas-fired electric utility industry. Maintenance must be conducted in a manner that does not endanger the safety of personnel or equipment and we are required to keep accurate records of any accident or other occurrence at the Sengkang Power Plant that results in injury to persons or damage to property.

Central Energy Power Pty Ltd ('CEP') is responsible for environmental, health and safety matters at the Alice Springs Power Plant and has policies, procedures and personnel in place to manage this process.

Our Directors believe that our Group is not in violation of any occupational health and safety laws and regulations that would likely have a material adverse effect on the operation of our business and that no fatal accidents or material non-fatal injuries have occurred in relation to our operations. Our business and financial condition has not been materially affected by any injury to people or property.

Community Relations

Our corporate social responsibility programme focuses on taking an active and influential part in the development of the jurisdictions in which we operate. Our commitment is to conduct our operations in an ethical, responsible, independent and transparent manner. We seek to contribute to the economic and social welfare of the local communities through a number of community development projects and by having regard to community interests when developing and operating our projects.

As part of its community development initiative, PTES has established a Guideline of Corporate Social Responsibility in 2007. PTES' community developments are based on this guideline, including funding for the construction and fit out of a number of local health clinics (posyandu). These posyandu cover three villages surrounding the PTES power plant. PTES has also committed to establish a further five posyandu each year. These facilities provide mothers and children with healthcare. The posyandu are supported by a team of nurses and paramedics employed by PTES.

PTES has also constructed and equipped a library for the community around the Sengkang Power Plant. This library has been in operation since 1997. In addition, PTES funds a student scholarship programme for graduates from a high school in the vicinity of Wajo who have passed a selection examination. The scholarship then supports these students to seek further studies, which develop the students' skills to work at the Sengkang Power Plant and in the field of power generation generally, at Polytechnic State of Ujung Pandang.

No involuntary resettlement was required for the development of our power or gas operations in Indonesia or Australia, in line with our policy of using unsettled and non-productive land wherever possible. We also have a policy of sourcing equipment, supplies and services locally where possible.

PTES and EEES believe that they maintain good relations with the local community. For over 10 years PTES has held monthly forums with representatives from the local police, military and community heads to discuss our general operations and future plans.

Legal Proceedings

As at the date of this report, none of the members of the Group is a party to any legal or administrative proceedings, and no proceedings are known by any member of the Group to be contemplated by government authorities or third parties, which, if adversely determined, would materially and adversely affect our Group. As at the date of this report, our business and financial condition has not been materially affected by any litigation or administrative proceedings.

Compliance

Our Directors have confirmed that our Group is not in violation of any laws and regulations (including labour and social welfare laws and regulations in general and in relation to the payment of mandatory contributions in respect of employees) that would likely have a material adverse effect on the operation of our business and that our Group has obtained all material licences and permits that are necessary to enable our Group to carry out our business as it is currently conducted. In particular, our Directors have confirmed that during this financial year neither we nor our Directors have committed any material breach of the Australian Corporations Act or the ASX Listing Rules, nor have we experienced any disciplinary action by the ASX in relation to compliance with the ASX Listing Rules.

Significant Changes in the State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review.

Events Subsequent to Balance Sheet Date

Commercial operation of ST28

On 00:00 15 September 2013 the 60 MW steam turbine ST 28 reached commercial operation following the completion of its 96 hours NDC test period, thus achieving completion of the expansion of the Sengkang Combined Cycle Power Plant.

Wasambo Drilling

The Wasambo Drilling Program, which was previously approved by SKKMigas' predecessor, BPMigas, under a plan of development in June 2011 commenced at 13:30 (Jakarta time) on 18 September 2013 when the Walanga #2 Twinning Well was spudded. The program involves drilling four gas production wells, being: Sampi Sampi #1 Twinning, Walanga #1 Twinning, Walanga #2 Twinning and Walanga #3, and is expected to take three months and complete around mid-December 2013. Each of the wells will target the Tacipi formation at a total depth of 2,600 feet.

Likely Developments

The following summary of likely developments in relation to the Company contains timetable estimates, which are the Company's considered view of the current time frame, and may be subject to change and is also subject to various risk factors including: Contractual risks associated with power, gas and LNG sales; Construction and timetabling risks involved with major projects; Reliance on third parties (e.g. to complete supporting infrastructure or provide fuel sources in a timely manner); Water supply and mechanical and electrical risks associated with power generation, gas and LNG production; Exploration and development risks; Obtaining sufficient capital to fund current and future projects; and obtaining appropriate licences and governmental approvals to implement current and future projects.

- *Indonesian Gas Operations*

  The Wasambo Drilling Program commenced at 13:30 (Jakarta time) on 18 September 2013 and is expected to take three months and complete around mid-December 2013.

- *Sengkang LNG Project*

  In respect of our Sengkang LNG Project, we anticipate that we will complete the construction of the first 0.5MTPA train and associated works by second quarter 2014 and undertake commissioning and commence operations thereafter. We expect three additional modular trains, subject to gas field development, to commence commercial production of LNG at three-month intervals after the first train begins production.

- *Gilmore LNG Project*

  We anticipate that we will complete the construction of the Gilmore LNG Project and associated works during the first half of 2014 and undertake commissioning and commence operations thereafter.

- *Philippines LNG Hub*

  We envisage that we will complete the construction of the Philippines LNG Hub and associated works around the second half of 2014. Commissioning and commencement of operations would follow thereafter.

- *Philippines Power Project*

  We envisage that we will complete the commissioning of the first phase of the Philippines Power Project (being the commissioning of the first 200MW gas turbine and associated works) around the second half of 2014. The second phase of our Philipines Power Project (being the commissioning of the second 200MW gas turbine) and third phase (being the commissioning of the 200MW steam turbine) should follow at six month intervals thereafter.

Dividends

No dividend was declared or paid during the year. No final dividend is payable for the year ended 30 June 2013 (2012: Nil).

Directors' Interests

The relevant interest of each Director in the shares, debentures, interests in registration schemes and rights or options over such instruments issued by the companies within the consolidated entity and other related body corporate, as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001 as at the date of this report is as follows:

Name of Directors	Energy World Corporation Ltd ordinary shares as at 30 June 2013
Mr S.W.G. Elliott	639,740,924
Mr I. W. Jordan	319,700
Mr B. J. Allen	-
Dr B.D. Littlechild	-
Mr M.P. O'Neill	300,000
Mr L.J. Charles	-
Mr K.S. Virk	-
Mr B. Macfarlane	-
Mr J. Dewar	-
Mr G.J. Karpinski	-
Mr G.S. Elliott	-

Indemnification and insurance of directors and officers

The company has agreed to indemnify all the directors and executive officers against liabilities to another person (other than the Company or consolidated entity) for which they may be held personally liable, provided that the liability does not arise out of conduct involving a lack of good faith.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

Non-Audit Services

During the year, Ernst & Young Australia and its global affiliates provided both tax and advisory services to the consolidated group. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. Refer to note 8 for details of the amounts Ernst & Young received or are due to receive for the year ended 30 June 2013.

Auditors' Independence Declaration

The auditor's independence declaration is set out on the following page and forms part of the Director's Report for the financial year ended 30 June 2013.

Rounding

The Company is of a kind referred to in ASIC class order 98/100 dated 10 July 1998 and in accordance with that class order, amounts in the financial report and Directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

Remuneration Report (Audited)

This remuneration report for the year ended 30 June 2013 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

The remuneration report is presented under the following sections:

1. Individual key management personnel disclosures
2. Remuneration at a glance
3. Board oversight of remuneration
4. Non-executive director remuneration arrangements
5. Executive remuneration arrangements
6. Variable Remuneration

1. Individual Key Management Personnel Disclosures

Details of KMP are set out below:

(i) Directors

Name	*Position*
Mr. Stewart William George Elliott	Chairman, Managing Director and CEO
Mr. Ian William Jordan	Executive Director and Company Secretary
Mr. Brian Jeffrey Allen	Executive Director and Finance Director
Dr. Brian Derek Littlechild	Independent Non-Executive Director
Mr. Leslie James Charles	Independent Non-Executive Director
Mr. Michael Philip O'Neill	Independent Non-Executive Director
Mr. Kanad Singh Virk	Independent Non-Executive Director
Mr. Bruce Macfarlane*	Independent Non-Executive Director
Mr. James Dewar*	Independent Non-Executive Director
Mr. Graham Stewart Elliott	Alternate Director to Mr. Ian William Jordan
Mr. Gregory John Karpinski	Alternate Director to Mr. Kanad Singh Virk

*Appointed in September 2013 and as such whose remuneration details are not included in this Remuneration Report for the year end 30 June 2013.

Remuneration Report (Audited) (continued)

2. Compensation of Key Management Personnel of the Group

	Short-term benefits								Post employment benefits		Total	
	Salary & fees		Cash bonus		Non monetary benefits**		Other		Supperannuation			
	2013 US$	2012 US$	2013 US$	2012 US$	2013 US$	2012 US$	2013 US$	2012* US$	2013 US$	2012 US$	2013 US$	2012 US$
Executive Directors												
S.W.G. Elliott	450,000	145,430	-	-	-	2,832	-	200,000	-	-	450,000	348,262
I.W. Jordan	126,500	45,546	-	-	-	-	-	150,000	-	-	126,500	195,546
B.J. Allen	320,000	105,296	-	-	-	-	-	180,000	-	-	320,000	285,296
Non-executive Directors												
B.D. Littlechild	37,500	18,750	-	-	-	-	-	150,000	-	-	37,500	168,750
L.J. Charles	37,500	18,750	-	-	-	-	-	150,000	-	-	37,500	168,750
M.P. O'Neill	37,500	18,750	-	-	-	-	-	150,000	-	-	37,500	168,750
K.S. Virk ^	-	-	-	-	-	-	-	-	-	-	-	-
Alternate Executive Directors												
G.S. Elliott ^	18,127	-	-	-	-	-	-	-	1,631	-	19,758	-
Alternate Non-executive Directors												
G.J. Karpinski ^	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,027,127	352,522	-	-	-	2,832	-	980,000	1,631	-	1,028,758	1,335,354

* Backpay directors fee calculated for the period calendar year 2008, 2009, 2010 and 2011.
** Medical benefits
^ Appointed on 14 May 2013.

Note: At the Annual General Meeting of shareholders held 24 October 2008, the shareholders agreed the maximum annual aggregate remuneration that the Directors are entitled to be paid for their ordinary services as Directors out of funds of the Company be fixed at A$200,000 for Non-Executive Directors. No Director fees were paid in previous periods and the Company was not obligated to make any payments. As part of the Director agreements entered into on 13 March 2012, the Company agreed to pay Directors fees for 2008 to 2011 in recognition of their services.

Remuneration Report (Audited) (continued)

3. Board Oversight of Remunerations

Remuneration Committee

We established a remuneration committee on 12 March 2012 with written terms of reference in compliance with the ASX Corporate Governance Principles. Prior to the establishment of the remuneration committee, remuneration functions were carried out by our Board. The primary duties of the remuneration committee include:

(a) making recommendations to our Directors on our policy and structure for all remuneration of our Directors and senior management and establishing a formal and transparent procedure for developing policies on such remuneration;
(b) determining the terms of the specific remuneration package of our Directors and senior management;
(c) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time.

The remuneration committee currently consists of six members, all of whom are independent non-executive Directors, being Mr. Michael O'Neill (as the Chairman of the remuneration committee), Mr. Leslie Charles, Dr. Brian Littlechild, Mr. Kanad Virk (appointed on 28 August 2013), Mr. Bruce Macfarlane (appointed on 19 September 2013) and Mr. James Dewar (appointed on 19 September 2013).

Remuneration approval process

Before implementing any of the following proposals the Board will ask the Committee to review the proposal and make a recommendation to the Board in relation to it:

- any change to the remuneration or contract terms of the chief executive officer and any other executive director, the company secretary(ies) and all senior executives reporting directly to the chief executive officer;
- the design of any new equity plan or executive cash-based incentive plan, or the amendment of any existing equity plan or executive cash-based incentive plan;
- the total level of awards proposed from equity plans or executive cash-base incentive plans; and
- any termination payment to the chief executive officer, any other executive director, the company secretary or any senior executive reporting directly to the chief executive officer. A termination payment to any other departing executive must be reported to the Committee at its next meeting.

Remuneration Strategy

Our remuneration policy is intended to attract, retain and motivate highly talented individuals and to ensure the incentivisation of our workforce is aligned to deliver our business strategy and to maximise shareholder wealth creation. The key principles of the remuneration policy are to:

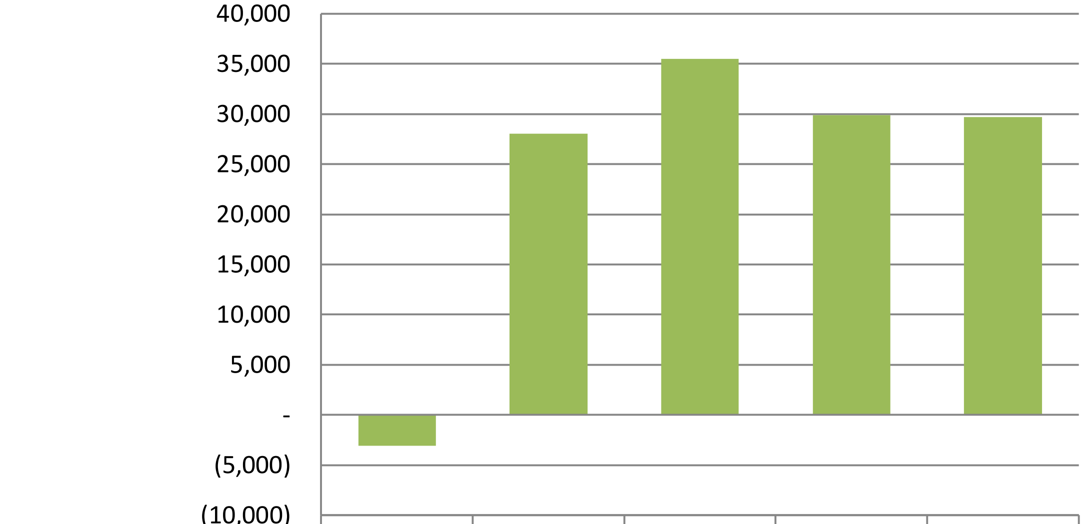
- set competitive rewards to attract, retain and motivate highly skilled people
- establish short and long-term incentive programmes across the organisation, for which the following principles apply:
  - ensure remuneration planning continues to be integrated within our business planning process;
  - reward levels and performance targets will be set at appropriate levels to reflect the competitive market in which we operate; the prevailing economic environment and the relative performance of comparable companies.

Remuneration Report (Audited) (continued)

3. Board Oversight of Remunerations (continued)

Company Performance and its Link to Remuneration

The financial performance measures driving remuneration outcomes is profit before tax of the Company. The following chart shows the Group's profit before tax over the 5 year period from 1 July 2008 to 30 June 2013.



	FY2009	FY2010	FY2011	FY2012	FY2013
Profit/ (loss) before related income tax expenses	(3,077)	28,036	35,468	29,875	29,692

4. Non-Executive Director Remuneration Arrangements

Remuneration Policy

The level of remuneration is to be set so as to attract the best candidates for the Board while maintaining a level commensurate with boards of similar size and type; in making its recommendations to the Board, the Committee should take into account the following guidelines[3]:

(a) non-executive directors should normally be remunerated by way of fees in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity;
(b) non-executive directors should not normally participate in schemes designed for the remuneration of executives;
(c) non-executive directors should not receive options or bonus payments;
(d) non-executive directors should not be provided with retirement benefits other than superannuation; and
(e) where necessary recommend that the Board seek an increase in the amount of remuneration for non-executive directors approved by shareholders.

[3] ASX Corporate Governance Council, Corporate Governance Principles and Recommendations, Box 8.2.

Remuneration Report (Audited) (continued)

4. Non-Executive Director Remuneration Arrangements (continued)

Structure

Mr. Michael O'Neill, Mr. Leslie Charles and Dr. Brian Littlechild entered into an appointment letter with the Company on 12 March 2012. Mr. Kanad Virk, Mr. Bruce Macfarlane and Mr. James Dewar entered into appointment letters with the Company on 14 May 2013, 1 September 2013 and 3 September 2013 respectively. Each of the independent non-executive Directors is subject to retirement and re-election every three years commencing from the date of their appointment. The aggregate annual fees payable to the Company's independent non-executive Directors under the appointment letters is US$187,500.

5. Executive Remuneration Arrangements

Each of the Executive Directors entered into a service agreement with the Company commencing from 13 March 2012 under which they agreed to continue to act as Executive Directors for an initial term of three years, except in the case of Mr. Ian Jordan, whose service agreement is terminable on not less than six months notice. Either party has the right to terminate the agreement by giving the other party a prior notice of not less than one month.

Under these service agreements, the Executive Directors are entitled to an aggregate annual basic salary approximately US$896,500 (or its equivalent in other currencies). Each of the Executive Directors is also entitled to a discretionary bonus as determined by the Remuneration Committee by reference to the performance of our Group.

6. Variable Remuneration

We adopted a Group Option Plan on 12 March 2012, pursuant to which selected participants may be granted options to subscribe for shares as incentives or rewards for their service rendered to us. Participants may include full-time or part-time employees, executive directors and non-executive directors of a Group entity or such other person as determined by the Board.

The purpose of the Plan is to provide an incentive for participants to work with commitment towards enhancing our value and the shares for the benefit of our Shareholders, and to retain and attract employees, directors and working partners whose contributions are, or may be, beneficial to our growth and development.

As of 30 June 2013, no employees in the Group have been awarded options or rights under the Group Option Plan.

Signed in accordance with a resolution of the Directors:

Stewart William George Elliott
Chairman/Managing Director

Dated 30 September 2013

Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Energy World Corporation Ltd

In relation to our audit of the financial report of Energy World Corporation Ltd for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Scott Jarrett
Partner
Sydney

30 September 2013

Introduction

The Directors of the Company are committed to having an appropriate corporate governance framework and are aware of the recommendations made by the ASX Corporate Governance Council.

The Company is required to disclose the extent to which it has complied with the ASX Corporate Governance Principles and Recommendations. Outlined below are the principal corporate governance practices of the Company which the Company believes it has followed to the most practicable extent, along with any reasons for non-compliance with the recommendations. Shareholders may find more information about the corporate governance and principles of the ASX from www.asx.com.au.

Principle 1: Lay solid foundations for management and oversight

Role of the Board

The Board of Directors guides and monitors the business and affairs of the Company on behalf of its shareholders, by whom the Directors are elected and to whom they are accountable. The Board of Directors is responsible for the overall Corporate Governance of the consolidated entity including:

- Providing strategic direction and deciding upon the Company's business strategies and objectives with a view to seeking to optimize the risk adjusted returns to investors;
- Monitoring the operational and financial position and performance of the Company;
- Overseeing risk management for the Company;
- Ensuring that the Company's financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Company;
- Ensuring that shareholders and the market are fully informed of all material developments; and
- Overseeing and evaluating the performance of the Managing Director and other senior executives in the context of the Company's strategies and objectives.

The following Principle 1 recommendations are not yet complied with:

- The Company has not formalised the functions reserved to the board and those delegated to management. However, the responsibilities of the board are set out above.
- Evaluation of the performance of the senior executives is undertaken by the Board of Directors, however the Company has not formalised this evaluation process.

Principle 2: Structure the Board to add value

Composition of the Board

The names of the Directors of the Company, together with details of their relevant experience are set out in the Directors' Report.

The procedures for election and retirement of Directors are governed by the Company's Constitution and the Listing Rules of Australian Stock Exchange Limited.
The composition of the Board is determined using the following principles:

- The Board shall comprise Directors with a range of expertise encompassing the current and proposed activities of the Company.

- Where a vacancy is considered to exist, the Board selects an appropriate candidate through consultation with external parties, consideration of the needs of the shareholder base and consideration of the needs of the Company. Such appointments are referred to shareholders at the next available opportunity for re-election at the general meeting.

Board Processes

The Board meets on a regular basis, and also when appropriate, for strategy meetings and any extraordinary meetings at other times as may be necessary to address any specific significant matters that may arise.

Standing items for meetings include Executive Director's updates, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance. Executives are regularly involved in Board discussions and Non-Executive Directors have other opportunities, including visits to operations, for contact with the employees.

Conflict of Interest

In accordance with the Corporations Act 2001 and the Company's constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. In this regard, the Company has procedures for determining and managing conflicts of interest, which includes having a formal Conflicts of Interest and Related Party Transactions Policy and a Register of Interests and Related Party Transactions. Also, where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

Details of Directors' related entity transactions with the Company and consolidated entity are set out in Note 29.

Independent Board Committee

On 10 March 2012, the Company established an Independent Board Committee to determine matters in which a Director or some Directors of the Company may, directly or indirectly have interests in. Under its terms of reference, the Independent Board Committee is comprised only of the Independent Non-Executive Directors, being Mr. Leslie Charles, Mr. Michael O'Neill, Dr. Brian Littlechild, Mr. Kanad Virk (appointed on 3 September 2013), Mr. Bruce Macfarlane (appointed on 3 September 2013) and Mr. James Dewar (appointed on 19 September 2013), and is vested with full power on behalf of the Board to deal in such capacity with all matters relating to related party or connected transactions.

During the period covered in this Annual Report, the responsibility of the Independent Board Committee was performed as follows:

	Number of Meetings held during which they were eligible to attend	Number of Meetings attended
Mr. Leslie James Charles	1	1
Dr. Brian Derek Littlechild	1	1
Mr. Michael Philip O'Neill	1	1
Mr. Kanad Singh Virk	-	-*
Mr. Bruce Macfarlane	-	-*
Mr. James David Dewar	-	-*

* Since Mr. Virk, Mr. Macfarlane and Mr. Dewar were appointed to the IBC in September 2013, they were not eligible to attend any of the Independent Board Committee meetings during the year.

Independent Professional Advice and Access to Company Information

Each Director has the right to seek independent professional advice on matters relating to his position as a Director of the Company at the Company's expense, subject to prior approval of the Chairperson, which shall not be unreasonably withheld.

The following Principle 2 recommendations are not yet complied with:

- The role of Chairman is not fulfilled by an Independent Non-executive Director, it is fulfilled by Mr. Stewart Elliott, the Company's Managing Director and Chief Executive Officer. The Directors believe this is appropriate having regard to the alignment of his interests with shareholders through his shareholding in the Company, the size of the Company and the nature of the Company's operations.

- For the period covered in this Annual Report, a separate nomination committee has not been established. The Directors believe the role of this committee can be fulfilled by the full Board having regard to the size and nature of the Company's operations.

- The full Board is responsible for the function of evaluating the performance of the board, its committees and individual Directors. Due to the size and structure of the board, a formal performance evaluation process is not conducted.

Principle 3: Promote ethical and responsible decision making

Ethical Standards

The Directors acknowledge the need for, and continued maintenance of, the highest standards of ethical conduct by all Directors and employees of the Company. All Directors, executives and employees are required to abide by laws and regulations, to respect confidentiality and the proper handling of information and act with their highest standards of honesty, integrity, objectivity and ethics in all dealings with each other, the Company and the wider community.

Director Dealings in Company Shares

Directors must obtain the approval of the Chairperson of the Board and notify the Company Secretary before they sell or buy shares in the Company. This is reported to the Board and is subject to Board veto. In accordance with the provisions of the Corporations Act 2001 and the Listing Rules of the Australian Stock Exchange, Directors advise the Exchange of any transactions conducted by them in shares in the Company. Company policy prohibits Directors and senior management from buying or selling in Company shares whilst in possession of price sensitive information.

Diversity

The Company values diversity and recognises the benefits it can bring to the Company and its employees. The Company employs people from a diverse range of ethnic and cultural backgrounds. At the end of the current reporting women in the group represented approximately 23% of total employees. There were no women in senior executive or Board positions.

The following principle 3 recommendation is not yet complied with:

- Whilst recognising the benefits of diversity, due to the size and nature of its operations, the Company has not developed a formal diversity policy.

Principle 4: Safeguard integrity in financial reporting

Audit Committee

The Board reviews the independence of the Auditors on an annual basis. The Company formed an Audit Committee since the financial year commenced 1 July 2008 and adopted a formal Audit Committee Charter in March 2012. In July 2012, the Board of Directors resolved that the Audit Committee should comprise of all Directors, including all Executive Directors and Independent Non-Executive Directors. This decision follows an increasing practice for the Audit Committees of ASX listed companies to be comprised of all Directors (i.e. both executive and non-executive Directors) and that such practice reflects good corporate governance. The principal duties of the Audit Committee include, but are not limited to, reviewing the Company's current financial standing, considering the nature and scope of audit reports, and ensuring internal control systems cooperate in accordance with applicable standards and conventions.

During the period covered in this Annual Report, the responsibility of the Audit Committee was performed as follows:

	Number of Meetings held during which they were eligible to attend	**Number of Meetings attended**
Mr. Stewart Elliott	2	2
Mr. Brian Allen	2	2
Mr. Ian Jordan	2	2
Mr. Leslie James Charles	2	2
Dr. Brian Derek Littlechild	2	2
Mr. Michael Philip O'Neill	2	2
Mr. Kanad Virk	-	-
Mr. Bruce Macfarlane	-	-
Mr. James Dewar	-	-

Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude errors and irregularities. The system is based upon written procedures, policies and guidelines, division of responsibility and the careful selection and training of qualified personnel.

Principle 5: Make timely and balanced disclosure

Continuous disclosure – the consolidated entity has a policy that all shareholders and investors have equal access to the Company's information and has procedures to ensure that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.

- A comprehensive process is in place to identify matters that may have a material effect on the price of the Company's securities;
- The Managing Director, the Executive Directors and the Company Secretary are responsible for interpreting the Company's policy and where necessary informing the Board;
- The Company Secretary or an Executive Director is responsible for all communications with the ASX.

Principle 6: Respect the rights of shareholders

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the consolidated entity's state of affairs. Information is communicated to shareholders as follows:

- The half-year and annual financial reports contain summarised financial information and a review of the operations of the consolidated entity during the period. The financial reports are prepared in accordance with the requirements of applicable accounting standards and the Corporations Act 2001 and are lodged with the Australian Securities and Investment Commission and the Australian Securities Exchange. The financial report is sent to any shareholder who requests it.

- Proposed major changes in the consolidated entity which may impact on share ownership rights are submitted to a vote of shareholders.

- Notices of all meetings of shareholders.

The Board encourages full participation of shareholders at the annual general meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares to Directors and changes to the constitution. Copies of the constitution are available to any shareholder who requests it.

Principle 7: Recognise and manage risk

The Company has a risk management framework and policies which are monitored by the Audit Committee and Directors. This includes policies on employee conduct, an authorisation and approval matrix, and a disaster recovery plan. The Company's senior management is involved in the design and implementation of this risk management framework and policies, and reports to the Board (including the Audit Committee) on its effectiveness. Any areas identified as requiring rectification are addressed by senior management accordingly.

Where necessary, the Board draws on the expertise of appropriate internal staff and external consultants to assist in dealing with or mitigating significant business risk.
The Company's main areas of risk include:

- Contractual risks associated with power, gas and LNG sales;
- Construction and timetabling risks involved with major projects;
- Reliance on third parties (e.g. to complete supporting infrastructure or provide fuel sources in a timely manner);
- Water supply and mechanical and electrical risks associated with power generation, gas and LNG production;
- Exploration and development risks;
- Obtaining sufficient capital to fund current and future projects; and
- Obtaining appropriate licences and governmental approvals to implement current and future projects.

Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude errors and irregularities. The system is based upon written procedures, policies and guidelines, division of responsibility and the careful selection and training of qualified personnel.

Business risk management

The Board acknowledges that it is responsible for the overall internal control and risk management framework. In particular, the Company has set clearly defined guidelines for capital expenditure. These include annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements. Procedures exist to ensure that business transactions are properly authorised and executed.

The Board has received assurance from the Managing Director and the Finance Director that their confirmation given to the Board in respect of the integrity of the financial statements is founded on a sound system of risk management and internal control which implements the policies adopted by the Board and that the system is operating in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly

Remuneration Policies

The Company established a Remuneration Committee on 12 March 2012 with written terms of reference in compliance with the ASX Corporate Governance Principles. The Remuneration Committee consists of six members all of whom are Independent Non-Executive Directors, being Mr. Michael O'Neill (as the Chairman of the Remuneration Committee), Mr. Leslie Charles, Dr. Brian Littlechild, Mr. Kanad Virk (appointed on 28 August 2013), Mr. Bruce Macfarlane (appointed on 19 September 2013) and Mr. James Dewar (appointed on 19 September 2013).

Following the establishment of the Remuneration Committee, each of the Executive Directors entered into a service agreement with the Company commencing from 13 March 2012. Under these service agreements, the executive Directors are entitled to an aggregate annual basic salary of approximately US$896,500 (or its equivalent in other currencies). These service agreements were approved by the Remuneration Committee and will also be put forward for approval by shareholders at the next Annual General Meeting. Each of the executive Directors is also entitled to a discretionary bonus as determined by the Remuneration Committee by reference to the performance of our Group.

As a result of the service agreements entered into by the executive Directors with the Company, the management services agreement with EWI was terminated on 13 March 2012.

Each of the independent non-executive Directors entered into an appointment letter with the Company on 12 March 2012. Each of the independent non-executive Directors is subject to retirement and re-election every three years commencing from the date of their appointment. The aggregate annual fees payable to the Company's independent non-executive Directors under the appointment letters is US$187,500.

Specific details of Directors Remuneration are provided in the Remuneration Report and Note 29 of the financial statements

Energy World Corporation Ltd and its Controlled Entities

Consolidated Statement of Comprehensive Income

For The Year Ended 30 June 2013

	Notes	2013 US$000	2012 US$000
Sales revenue	3	**132,904**	145,572
Cost of sales		**(61,057)**	(70,516)
Gross profit		**71,847**	75,056
Other income		**43**	214
Depreciation and amortisation expenses	5(a)	**(24,276)**	(22,848)
Other expenses	5(b)	**(16,343)**	(16,323)
Results from operating activities		**31,271**	36,099
Financial income	6	**914**	1,608
Financing expenses	7	**(2,178)**	(7,475)
Net financing expenses		**(1,264)**	(5,867)
Foreign currency exchange gain/(loss)		**(315)**	(357)
Profit before related income tax expense		**29,692**	29,875
Income tax expense	9	**(12,976)**	(8,712)
Net profit for the period		**16,716**	21,163
Profit for the period is attributable to:			
Non-controlling interest		**317**	715
Owners of the parent		**16,399**	20,448
		16,716	21,163
Net profit for the period		**16,716**	21,163
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net (loss)/gain on cash flow hedges	11	**6,422**	(6,150)
Exchange differences on translation of foreign operations	11	**(5,460)**	(552)
Other comprehensive income/ (loss) for the period, net of tax		**962**	(6,702)
Total comprehensive income/ (loss) for the period		**17,678**	14,461
Total comprehensive income for the period is attributable to:			
Non-controlling interest		**526**	456
Owners of the parent		**17,152**	14,005
		17,678	14,461

		2013 Cents	2012 Cents
Basic earnings per share attributable to ordinary equity holders	10	**0.95**	1.18
Diluted earnings per share attributable to ordinary equity holders	10	**0.95**	1.18

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

Energy World Corporation Ltd and its Controlled Entities
Consolidated Statement of Financial Position
As At 30 June 2013

	Notes	2013 US$000	2012 US$000
Current Assets			
Cash assets	28(b)	**86,665**	128,008
Cash held in reserve accounts	12	**109,281**	57,985
Trade and other receivables	13	**29,134**	21,668
Inventories	14	**3,075**	1,994
Prepayment	15	**8,096**	11,526
Total Current Assets		**236,251**	221,181
Non-Current Assets			
Cash held in reserve accounts	12	**75,032**	126,036
Oil and gas assets	18	**96,264**	86,162
Exploration and evaluation expenditure	19	**48,124**	45,970
Property, plant and equipment	20	**684,276**	460,804
Total Non-Current Assets		**903,696**	718,972
Total Assets		**1,139,947**	940,153
Current Liabilities			
Trade and other payables	21	**96,339**	39,972
Income tax payable		**4,458**	3,488
Interest-bearing borrowings	22	**84,951**	11,970
Derivative liabilities	33	**1,140**	2,150
Provisions	23	**4,715**	1,961
Total Current Liabilities		**191,603**	59,541
Non-Current Liabilities			
Interest-bearing borrowings	22	**315,964**	262,935
Deferred tax liabilities	9	**46,150**	45,132
Derivative liabilities	33	**300**	4,814
Provisions	23	**3,580**	6,523
Total Non-Current Liabilities		**365,994**	319,404
Total Liabilities		**557,597**	378,945
Net Assets		**582,350**	561,208
Equity			
Issued capital	24	**466,805**	466,805
Other reserves	24	**26,008**	21,791
Retained profits/ (Accumulated losses)		**80,772**	64,373
Shareholders' equity attributable to members of Energy World Corporation Ltd		**573,585**	552,969
Outside equity interest in controlled entities		**8,765**	8,239
Total Shareholder's Equity		**582,350**	561,208

The statement of financial position is to be read in conjunction with the notes to the financial statements.

Energy World Corporation Ltd and its Controlled Entities
Consolidated Statement of Changes in Equity
For The Year Ended 30 June 2013

	Issued capital US$'000	Other reserves US$'000	Accumulated profits / (losses) US$'000	Owners of the Parent US$'000	Non - Controlling Interest US$'000	Total Equity US$'000
Balance at 1 July 2012	**466,805**	**21,791**	**64,373**	**552,969**	**8,239**	**561,208**
Profit for the period	-	-	16,399	16,399	317	**16,716**
Other comprehensive income	-	753	-	753	209	**962**
Total comprehensive income for the period	-	753	16,399	17,152	526	**17,678**
Issue of convertible note	-	3,464	-	3,464	-	**3,464**
Balance at 30 June 2013	**466,805**	**26,008**	**80,772**	**573,585**	**8,765**	**582,350**
Balance at 1 July 2011	376,534	28,234	43,925	448,693	7,783	456,476
Profit for the period	-	-	20,448	20,448	715	21,163
Other comprehensive income	-	(6,443)	-	(6,443)	(259)	(6,702)
Total comprehensive income for the period	-	(6,443)	20,448	14,005	456	14,461
Issue of ordinary shares	92,968	-	-	92,968	-	92,968
Transaction costs on shares issued	(2,697)	-	-	(2,697)	-	(2,697)
Balance at 30 June 2012	466,805	21,791	64,373	552,969	8,239	561,208

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Energy World Corporation Ltd and its Controlled Entities
Consolidated Statement of Cash Flows
For The Year Ended 30 June 2013

	Notes	2013 US$000	2012 US$000
Cash Flows From Operating Activities			
Receipts from customers (GST inclusive)		**123,408**	153,572
Payments to suppliers and employees (GST inclusive)		**(84,480)**	(84,750)
Income tax paid		**(13,024)**	(17,653)
Insurance proceeds		**-**	6,850
Interest received		**420**	965
Net Cash Flows /Generated from Operating Activities	28(a)	**26,324**	58,984
Cash Flows From Investing Activities			
Payments for property, plant and equipment		**(154,132)**	(84,348)
Payments for exploration and evaluation		**(5,055)**	(101)
Payments for oil and gas assets		**(17,448)**	(10,843)
Interest paid – Capitalised in Asset under Construction		**(15,027)**	(9,944)
Net Cash Flows Used in Investing Activities		**(191,662)**	(105,236)
Cash Flows From Financing Activities			
Transfer from /(to) restricted deposit and reserve accounts		**292**	(8,019)
Proceeds from issues of shares		**-**	92,968
Transaction costs on issues of shares		**-**	(2,697)
Borrowing transaction costs		**(3,444)**	(10,605)
Repayment of borrowings – related parties		**-**	(12,589)
Repayment of borrowings – other		**(29,990)**	(99,403)
Proceeds from borrowings – other		**157,200**	166,589
Interest paid - expensed		**-**	-
Net Cash Flows /Generated from Financing Activities		**124,058**	126,244
Net Increase/ (Decrease) In Cash Held		**(41,280)**	79,992
Cash at the beginning of the year		**128,008**	47,743
Net foreign exchange differences		**(63)**	273
Cash at the end of the financial year	28(b)	**86,665**	128,008

The statement of cash flows should be read in conjunction with the notes to the financial statements.

1. Corporate Information

The financial report of Energy World Corporation Ltd (the "Company") for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 30 September 2013. Energy World Corporation Ltd is a for-profit company domiciled in Australia and limited by shares, which are publicly traded on the Australian and OTCQX Stock Exchanges.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards and interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report is presented in United States Dollars and is prepared on the historical cost basis except for derivative financial instruments that have been measured at fair value. All values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the class order applies.

The accounting policies have been applied consistently throughout the consolidated entity for purposes of this financial report.

Certain comparative information has been reclassified during the year.

(b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Energy World Corporation Ltd and its controlled entities as at 30 June 2013.

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements, less any impairment charges.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

2. Summary of Significant Accounting Policies (continued)

(b) Basis of Consolidation (continued)

(ii) Associates

Associates are those entities in which the consolidated entity has significant influence, but not control, over the financial and operating policies. The consolidated financial statements includes the consolidated entity's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the consolidated entity's share of losses exceeds its interest in an associate, the consolidated entity's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the consolidated entity has incurred legal or constructive obligations or made payments on behalf of an associate.

(iii) Jointly Controlled Entities

In the consolidated financial statements, investments in jointly controlled entities, including partnerships, are accounted for using equity accounting principles. Investments in joint venture entities are carried at the lower of the equity accounted amount and recoverable amount

The consolidated entity's share of the jointly controlled entity's net profit or loss is recognised in the consolidated statement of financial performance from the date joint control commenced until the date joint control ceases. Other movements in reserves are recognised directly in the consolidated reserves.

In the Company's financial statements, investments in joint venture entities are carried at cost.

(iv) Jointly Controlled Operations and Assets

The interest of the Company and of the consolidated entity in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in its financial statements the assets it controls, the liabilities that it incurs, the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint venture.

(c) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board.

(d) New Accounting Standards and Interpretations

(i) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year unless otherwise stated. The following new and revised Standards and Interpretations have been adopted in the current year.

AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income* (effective from 1 July 2012)

This standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.

The adoption has not had any significant impact on the amounts reported in the financial report but may affect future transactions or arrangements.

2. Summary of Significant Accounting Policies (continued)

(ii) Accounting Standards and Interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not yet been applied in the financial statements. The consolidated entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 10 *Consolidated Financial Statements* (effective from 1 January 2013)
AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and *UIG-112 Consolidation – Special Purpose Entities*. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, impact of potential voting rights and when holding less than a majority voting rights may give control. The consolidated entity has assessed there will be no impact on any amounts disclosed in the financial statements.

(ii) AASB 11 *Joint Arrangements* (effective from 1 January 2013)
AASB11 replaces AASB *131 Interests in Joint Ventures* and *UIG-113 Jointly-controlled Entities – Non-monetary Contributions by Ventures.* AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities using proportionate consolidation. The consolidated entity has assessed there will be no impact on any amounts disclosed in the financial statements.

(iii) AASB 12 *Disclosure of Interests in Other Entities* (effective from 1 January 2013)
AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. The consolidated entity has assessed there will be no impact on any amounts disclosed in the financial statements.

(iv) AASB 13 *Fair Value Measurement* (effective from 1 January 2013)
AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. The consolidated entity has assessed there is not expected to be a material impact to any amounts disclosed in the financial statements.

(v) AASB 119 *Employee Benefits* (effective from 1 January 2013)
The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. The consolidated entity does not expect any material impact as a result.

(vi) AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (effective from 1 January 2013)
AASB 2012-2 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The consolidated entity has assessed there will be no impact on any amounts disclosed in the financial statements

2. Summary of Significant Accounting Policies (continued)

(d) New Accounting Standards and Interpretations (continued)

(ii) Accounting Standards and Interpretations issued but not yet effective (continued)

(vii) AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2001 Cycle* (effective from 1 January 2013)
AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The consolidated entity does not expect any impact as a result of adoption.

(viii) AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (effective from 1 January 2014)
AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The consolidated entity has assessed there will be no impact on any amounts disclosed in the financial statements.

(ix) AASB 9 *Financial Instruments* (effective from 1 January 2015)
AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The consolidated entity does not expect any impact as a result of adoption.

(x) AASB 2001-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]* effective 1 July 2013
This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions. The consolidated entity does not expect any impact as a result of adoption.

(e) Property, Plant and Equipment

(i) Owned Assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 2(l)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased Assets

Leases in terms of which the consolidated entity assumes substantially all the risks and rewards of ownership are classified as finance leases. The owner-occupied property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (see accounting policy 2(l)). The property held under finance leases and leased out under operating lease is classified as investment property and stated at fair value. Lease payments are accounted for as described in accounting policy 2(t). Property held under operating leases that would otherwise meet the definition of investment property may be classified as investment property.

2. Summary of Significant Accounting Policies (continued)

(e) Property, Plant and Equipment (continued)

(iii) Depreciation

With the exception of freehold land and oil and gas assets, depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Oil and gas assets are depreciated on a unit of production basis over the life of the economically recoverable reserves. The estimated useful lives in the current and comparative periods are as follows:

Buildings	14 to 22 years
Plant and Equipment	5 to 25 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed annually.

(f) Oil and Gas Assets

Development expenditure is stated at cost less accumulated depletion and any impairment in value. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the field, on a unit-of-production basis. Costs are amortised only once production begins.

Oil and gas assets include costs transferred from exploration and evaluation assets once technical feasibility and commercial viability of an area of interest are demonstrable, for example, Sengkang Gasfields.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations do not give rise to prior year financial period adjustments and are dealt with on a prospective basis.

(g) Exploration and Evaluation Expenditure

During the geological and geophysical exploration phase, costs are charged against profit and loss as incurred. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. If no reserves are found, the exploration asset is tested for impairment, if extractable hydrocarbons are found and, subject to further appraisal activity, which may include the drilling of further wells, is likely to be developed commercially; the costs continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons.

All such carried costs are subject to technical, commercial and management review as well as review for impairment at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. When proved reserves of hydrocarbons are determined and development is sanctioned, the relevant expenditure is transferred to oil and gas properties after impairment is assessed and any resulting impairment loss is recognised.

2. Summary of Significant Accounting Policies (continued)

(h) Investments

The fair value of financial instruments classified as held for trading and available-for-sale represent their quoted bid price at the balance sheet date.

Financial instruments classified as held for trading or available-for-sale investments are recognised / derecognised by the consolidated entity on the date it commits to purchase / sell the investments. Securities held-to-maturity are recognised / derecognised on the day they are transferred to / by the consolidated entity.

In measuring fair value, revaluation increments on a class of assets basis are recognised in the revaluation reserve except that amounts reversing a decrement previously recognised as an expense are recognised as revenues. Revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

Investments in subsidiaries held by Energy World Corporation Ltd are accounted for at cost in the separate financial statements of the parent entity less any impairment charges.

(i) Trade and Other Receivables

Trade receivables are on from 28 to 30 day terms. Other receivables range from 30 to 90 days terms. Receivables are recognised initially at fair value, usually based on the transaction cost or face value. An allowance for impairment of receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due. Bad debts are written off as incurred.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of other inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(k) Financial Assets

Financial assets within the scope of AASB 139 are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivable are subsequently carried at amortised cost using the effective interest method less any allowance for impairment.

2. Summary of Significant Accounting Policies (continued)

(k) Financial Assets (continued)

(iii) Fair Value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis or other valuation models.

(iv) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Reserve cash is cash held in reserve accounts against the project finance which will be accessible to repay the bridging facility and letter of credit available in the group.

(l) Impairment

The carrying amounts of the consolidated entity's assets, other than inventories (see accounting policy 2(j)) and deferred tax assets (see accounting policy 2(u)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

(i) Calculation of Recoverable Amount

The recoverable amount of the consolidated entity's investments in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted. The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2. Summary of Significant Accounting Policies (continued)

(l) Impairment (continued)

(ii) Reversals of Impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Interest-Bearing Borrowings

Interest-bearing loans and borrowings are initially recognised at fair value of consideration received less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis. Debentures, bills of exchange and notes payable are recognised when issued at the net proceeds received, with the premium or discount on issue amortised over the period to maturity. Interest expense is recognised on an effective yield basis.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and convertible note (Note 22(g)).

(n) Compound financial instruments

Compound financial instruments issued by the consolidated entity comprise convertible notes that can be converted to share capital at the option of the holder, with the number of shares to be issued being fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar financial liability that does not have the equity conversion option. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the financial liability component. Any directly attributable transaction costs are then allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

Interest related to the financial liability is recognised in the statement of comprehensive income as a component of the profit or loss or capitalised to the statement of financial position where the borrowing costs relates to a qualifying asset. On conversion the financial liability is reclassified to equity and no gain or loss is recognised in the statement of comprehensive income

2. Summary of Significant Accounting Policies (continued)

(o) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

(p) Employee Benefits

(i) Defined Contribution Superannuation Funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the statement of comprehensive income as incurred.

(ii) Long-Term Service Benefits

The consolidated entity's net obligation in respect of long-term service benefits, other than defined benefit superannuation funds, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the government bond rates at the balance sheet date which have maturity dates approximating to the terms of the consolidated entity's obligations.

(iii) Wages, Salaries, Annual Leave, Sick Leave and Non-Monetary Benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date, represent present obligations resulting from employees' services provided to reporting date. These are calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the consolidated entity as the benefits are taken by the employees.

(iv) Defined Benefit Plan

The cost of providing employee benefit under Indonesian Law is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting year exceeded 10% of the defined benefit obligation at that date. These gains or losses are recognised on a straight line basis over the expected average remaining working lives of the employees.

Further, past-service costs arising from the introduction of a defined benefit plan or changes in the benefit payable of an existing plan are required to be amortised over the period until the benefits concerned become vested.

For expatriate employees, the provision for service entitlements is calculated based on the actual years of service, calculated in accordance with the expatriate employees' employment arrangement and the Company's expatriate personnel policy.

2. Summary of Significant Accounting Policies (continued)

(q) Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Site Restoration

In accordance with the consolidated entity's environmental policy and applicable legal requirements, a provision for site restoration is recognised when the disturbance or other activity is incurred.

The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period.

The amount of the provision for future restoration costs is capitalised and is depreciated in accordance with the policy set out in Note 2(e). The unwinding of the effect of discounting on the provision is recognised as a finance cost. The amount of the provision relating to rehabilitation of environmental disturbance caused by on-going production and extraction activities is recognised in the statement of comprehensive income as incurred. Changes in the liability for the unwinding of the discount are recognised as a finance cost.

(r) Trade and Other Payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled between 30-day to 90-day terms.

(s) Revenue

(i) Goods Sold and Services Rendered

Revenue from the sale of goods is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the statement of comprehensive income in proportion to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

(ii) Interest

Interest is recognised as the interest accrues to the net carrying amount of the financial assets.

2. Summary of Significant Accounting Policies (continued)

(t) Expenses

(i) Operating Lease Payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income as an integral part of the total lease expense and spread over the lease term.

(ii) Finance Lease Payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(iii) Net Financing Costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, dividends on redeemable preference shares, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the statement of comprehensive income. Borrowing costs are expensed as incurred and included in net financing costs where it does not relate to a qualifying asset.

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method. Dividend income is recognised in the statement of comprehensive income on the date the entity's right to receive payments is established which in the case of quoted securities is ex-dividend date. The interest expense component of finance lease payments is recognised in the statement of comprehensive income using the effective interest method.

(u) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

2. Summary of Significant Accounting Policies (continued)

(v) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the Board of Directors.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Refer to Note 3.

(w) Value-Added and Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) and value-added tax (VAT), except where the amount of GST and VAT incurred are not recoverable from the taxation authority. In these circumstances, the GST and VAT are recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST and VAT included. The net amount of GST and VAT recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST and VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(x) Significant Accounting Judgements, Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on management's judgement regarding estimates and assumptions of future events. The reasonableness of estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of certain assets and liabilities within the next annual reporting period are:

(i) Estimates of Reserve Quantities

The estimated quantities of proven and probable hydrocarbon reserves reported by the Group are integral to the calculation of depletion and depreciation expense and to assessments of possible impairment of assets. Estimated reserve quantities are based upon interpretations of geological and geophysical models and assessments of the technical feasibility and commercial viability of producing the reserves. These assessments require assumptions to be made regarding future development and production costs, commodity prices, exchange rates and fiscal regimes. The estimates of reserves may change from period to period as the economic assumptions used to estimate the reserves can change from period to period, and as additional geological data is generated during the course of operations. Reserves estimates are prepared in accordance with the Group's policies and procedures for reserves estimation.

2. Summary of Significant Accounting Policies (continued)

(x) Significant Accounting Judgements, Estimates and Assumptions (continued)

(ii) Exploration and Evaluation

The consolidated entity's policy for exploration and evaluation expenditure is discussed in Note 2(g). The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, particularly in relation to the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future exploration or sale, then the relevant capitalised amount will be written off to the statement of comprehensive income.

The carrying amount of exploration and evaluation assets is disclosed in Note 18.

(iii) Provision for Restoration

The consolidated entity's policy for providing for restoration is discussed in Note 2(q).

(iv) Impairment of Oil and Gas Assets

The consolidated entity's policy for impairment of oil and gas assets is discussed in Note 2(l).

(v) Carrying values of property, plant and equipment

There are certain estimates and assumptions made by management that support the carrying values of its property, plant and equipment at the reporting date, particularly in relation to its LNG and power projects in Indonesia and the power and Hub terminal in the Philippines. These assessments require assumptions to be made regarding future government approvals to operate its planned facilities, the ability to raise sufficient funds to complete the project and the completion of an off-take agreement. Any changes in one or more of these judgements may impact the carrying value of these assets. The Group's policy for accounting for property, plant and equipment is discussed in Note 2(e).

(vi) Income taxes

The Group is subject to income taxes in multiple jurisdictions which require significant judgment to be exercised in determining the Groups provision for income taxes. There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Current and deferred tax liabilities and assets are recognized at the amount expected to be paid or recovered from the taxation authorities.

(y) Derivative financial instruments and hedging

The Group uses derivative financial instruments (including interest rate swaps) to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year. The fair values of interest rate swap contracts are determined by reference to market values for similar instruments.

2. Summary of Significant Accounting Policies (continued)

(y) Derivative financial instruments and hedging (continued)

For the purposes of hedge accounting, hedges are classified as:

- Fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset, or
- Cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is re-measured to fair value. Gains and losses from both are taken to profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

(ii) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability that is a firm commitment and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked (due to it being ineffective), amounts previously recognised in equity remain in equity until the forecast transaction occurs.

(z) Foreign currency translation

(i) Functional and presentation currency

Both the functional and presentation currency of Energy World Corporation Ltd is United States Dollars ($). The Australian subsidiaries' functional currency is Australian Dollars which is translated to presentation currency (see below).

2. Summary of Significant Accounting Policies (continued)

(z) Foreign currency translation (continued)

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(iii) Translation of Group Companies functional currency to presentation currency

The results of the Australian subsidiaries are translated into United States Dollars as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at balance date. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

3. Operating Segments

(a) Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on geographic locations in which the Group operates, and the nature of the activity performed by the Group. The Group has determined that it has five operating segments, being: oil and gas in Australia, power in Australia, oil and gas in Indonesia, power in Indonesia and project development which includes LNG in Indonesia, LNG Hub and Power Plant in Philippines and LNG in Australia.

Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold and/or the future products to be produced, as these are the sources of the Group's major risks and have the most effect on the rates of return.

(b) Accounting policies and inter-segment transactions

The accounting policies used internally are the same as those contained in the half year financial report as at 31 December 2012 and the annual financial report for the year ended 30 June 2012.

(c) Major customers

The Group supplies Indonesian Government agencies that combined account for 95% of external revenue (2012: 95%). The next most significant customer accounts for 4% (2012: 4%).

Revenue from external customers by geographic locations is detailed below. Revenue is attributed to geographic location based on the location of the customers. The Company does not have external revenues from external customers that are attributable to any foreign country other than as shown.

	2013	2012
	US$'000	US$'000
Indonesia	**125,599**	138,166
Australia	**7,305**	7,406
Total revenue	**132,904**	145,572

3. Operating Segments (continued)

(d) Segment revenue, expenses, assets and liabilities

Inter-segment pricing is determined on an arm's length basis.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

	Australia				Indonesia						Total	
	Oil & Gas		Power		Oil & Gas		Power		Project development			
	2013 US$'000	2012 US$'000	2013 US$'000	2012 US$'000	2013 US$'000	2012 US$'000	2013 US$'000	2012 US$'000	2013 US$'000	2012 US$'000	2013 US$'000	2012 US$'000
Sales revenue	**1,716**	1,588	**5,588**	5,819	**35,465**	37,158	**90,135**	101,007	**-**	-	**132,904**	145,572
Result												
Segment result	**611**	606	**41**	606	**25,694**	28,731	**32,174**	31,897	**-**	-	**58,520**	61,840
Depreciation and amortisation	**(667)**	(738)	**(928)**	(906)	**(7,445)**	(8,234)	**(15,236)**	(12,970)	**-**	-	**(24,276)**	(22,848)
Net financing cost											**(1,265)**	(5,687)
Unallocated corporate result											**(2,972)**	(3,073)
Foreign currency exchange gain/(loss)											**(315)**	(357)
Profit before income tax											**29,692**	29,875
Income tax expense											**(12,976)**	(8,712)
Net profit after tax											**16,716**	21,163
Non-controlling interest											**(317)**	(715)
Net profit attributable to owners of the parent											**16,399**	20,448
Other Comprehensive income/(loss)											**4,426**	(6,702)
Current assets	**632**	621	**820**	707	**44,054**	40,376	**110,832**	87,471	**-**	-	**156,338**	129,175
Segment assets	**40,094**	38,895	**5,585**	6,345	**157,826**	144,601	**335,703**	283,455	**427,941**	242,422	**967,149**	715,718
Segment liabilities	**(1,668)**	(1,416)	**(720)**	(918)	**(88,561)**	(32,202)	**(175,434)**	(114,575)	**(71,429)**	(1,582)	**(337,812)**	(150,693)

3. Operating Segments (continued)

(e) Segment assets and liabilities reconciliation to the statement of financial position

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.
Reconciliation of segment operating assets to total assets:

	2013	2012
	US$'000	US$'000
Segment operating assets	**967,149**	715,718
Cash - Corporate	**41,354**	82,881
Cash held in reserve accounts	**126,156**	126,109
Prepayments and other	**5,288**	15,445
Total assets per the statement of financial position	**1,139,947**	940,153

Reconciliation of segment operating liabilities to total liabilities:

	2013	2012
	US$'000	US$'000
Segment operating liabilities	**337,812**	150,693
Deferred tax liabilities	**46,150**	45,132
Interest-bearing borrowings	**170,399**	175,385
Provisions and other	**3,236**	7,735
Total liabilities per the statement of financial position	**557,597**	378,945

4. Parent Entity Information

Information relating to Energy World Corporation Ltd:

	2013	2012
	US$'000	US$'000
Current assets	**97,277**	92,916
Total assets	**680,161**	633,922
Current liabilities	**(91,897)**	(10,112)
Total liabilities	**(332,198)**	(273,879)
Issued capital	**466,805**	466,805
Foreign currency translation reserve	**(24,047)**	(10,100)
Other reserves	**3,464**	**-**
Accumulated losses	**(98,259)**	(96,662)
Total shareholders' equity	**347,963**	360,043
Net profit and total comprehensive income	**1,866**	(359)

5. Expenses

	2013 US$'000	2012 US$'000
(a) Depreciation and amortisation expenses		
Property, plant and equipment	**(16,831)**	(14,752)
Oil and gas assets	**(7,445)**	(8,096)
	(24,276)	(22,848)
(b) Other expenses		
Insurance	**(3,791)**	(3,530)
Withholding tax penalty	**-**	(729)
Management fees	**-**	(936)
Employee entitlements	**(765)**	(945)
Production bonus	**(324)**	(354)
Professional services	**(657)**	(1,583)
Director Fee	**(1,009)**	(1,333)
Employee expenses and other	**(9,797)**	(6,913)
	(16,343)	(16,323)

6. Financial Income

	2013 US$'000	2012 US$'000
Interest income – cash at bank & term deposits	**914**	965
Financing income - other	**-**	643
	914	1,608

7. Financing Expenses

	2013 US$'000	2012 US$'000
Interest expenses – bank loans	**(332)**	-
Financing expenses – other	**(1,559)**	(4,424)
Borrowing costs amortised	**(287)**	(384)
Borrowing costs – EWI Break Fee	**-**	(2,667)
	(2,178)	(7,475)

8. Auditors' Remuneration

	US$	US$
Amounts paid to Ernst & Young		
Audit and review of financial reports	**500,777**	354,300
Other – tax services	**156,566**	86,032
Other – assurance related to secondary listing	**333,243**	1,142,753
	990,585	1,583,085

9. Income Tax

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

	2013	2012
	US$'000	US$'000
Accounting profit before tax:	**29,692**	29,875
At the Parent Entity's statutory income tax rate of 30% (2012: 30%)	**(8,908)**	(8,963)
Difference in tax rates	**(1,347)**	(3,217)
Decrease/(increase) in tax expense due to:		
Non-deductible expenses/non-assessable income	**(1,592)**	(1,836)
Temporary differences not brought to account, including foreign exchange impact	**(1,129)**	(1,324)
Change in tax rates impacting temporary differences	**-**	6,626
Tax losses not brought to account	**-**	458
Deferred tax income charge in respect of previous years	**-**	(456)
Income tax expense reported in the statement of comprehensive income	**(12,976)**	(8,712)

The major components of income tax expense are:

	2013	2012
Current income tax charge	**(11,958)**	(19,692)
Deferred tax income charge in respect of previous years	**-**	6,626
Deferred tax income/(expense)	**(1,018)**	4,354
Income tax expense reported in the statement of comprehensive income	**(12,976)**	(8,712)

Deferred income tax at 30 June relates to the following:

	Balance Sheet		**Income Statement**	
	2013	2012	**2013**	2012
	US$'000	US$'000	**US$'000**	US$'000
Deferred tax assets				
Provisions	**3,417**	3,247	**170**	3,043
Tax losses	**19,551**	8,733	**10,818**	969
Unrecovered cost pool	**894**	1,479	**(585)**	-
Deferred tax liabilities				
Oil and gas properties and fixed assets	**(43,744)**	(40,060)	**(3,684)**	7,254
Other plant property and equipment	**(15,722)**	(16,476)	**754**	1,768
Borrowing costs	**(2,824)**	-	**(2,824)**	-
Foreign exchange	**(7,127)**	(1,739)	**(5,390)**	(1,738)
Non-capital inventories	**(594)**	(316)	**(278)**	(316)
Net deferred tax balance	**(46,150)**	(45,132)	**(1,018)**	10,980

Tax losses not brought to account for the year ended 30 June 2013 were $23.3 million (2012: $32.5 million). Realisation of these tax losses are subject to specific entities meeting legislative requirements and generating income to utilise these losses.

10. Earnings per Share (EPS)

The calculation of basic earnings per share for the year ended 30 June 2013 was based on the profit attributable to ordinary shareholders of $16,399,000 (2012: $20,448,000) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2013 of 1,734,166,672 (2012: 1,729,439,896).

	2013	2012
	US$'000	US$'000
Earnings reconciliation		
Profit attributable to ordinary shareholders, basic and diluted earnings	**16,399**	20,448

	2013	2012
	Number	Number
Weighted average number of shares used as a denominator		
Number for basic and diluted earnings per share	**1,734,166,672**	1,729,439,896

	2013	2012
	Cent	Cent
Earnings per share basic and diluted – cents per share	**0.95**	1.18

11. Other Comprehensive Income

Within the statement of comprehensive income, the Group has disclosed certain items of other comprehensive income net of the associated income tax expense or benefit. The pre-tax amount of each of these items and the associated tax effect is as follows:

	2013	2012
	US$'000	US$'000
Cash flow hedges		
Cash flow hedges (gross of tax)	**9,152**	(8,685)
Tax effect	**(2,730)**	2,535
Cash flow hedges net of tax	**6,422**	(6,150)
Exchange differences on translation of foreign operations		
Exchange differences on translation of foreign operations (gross of tax)	**(7,225)**	(789)
Tax effect	**1,765**	237
Exchange differences on translation of foreign operations net of tax	**(5,460)**	(552)

12. Cash Held in Reserve Accounts

	2013	2012
	US$'000	US$'000
Cash held in reserve accounts - current	**109,281**	57,985
Cash held in reserve accounts – non-current	**75,032**	126,036
	184,313	184,021

As at 30 June 2013, cash of $184,312,666 is held in reserve accounts for the following purpose.

- $75,031,757 as security for payment to Standard Chartered Bank of the corporate facility (Note 22(f)(i))
- $51,055,862 as security for payment to HSBC of the corporate facility (Note 22(f)(ii))
- $29,657,506 as Debt Service Accrual and Debt Service Reserve Sub Accounts ($9,887,415), Maintenance Reserve Account ($10,000,000) and other reserve account ($9,770,091) for PT Energi Sengkang (Note 22(d))
- $28,286,484 as Debt Service Accrual and Debt Service Reserve Sub Accounts ($777,627) and Collection Account ($27,508,857) for Energy Equity Epic (Sengkang) Pty Ltd (Note 22(e))
- $281,058 as Security Deposits made by Energy World Corporation Ltd ($2,549); Australian Gasfields Limited ($116,154); Central Energy Australia Pty Ltd. ($65,374) and Energy Equity Epic (Sengkang) Pty Ltd, ($96,981).

As at 30 June 2012, cash of $184,020,431 is held in reserve accounts for the following purpose.

- $75,031,757 as security for payment to Standard Chartered Bank of the corporate facility (Note 22(f)(i))
- $51,003,995 as security for payment to HSBC of the corporate facility (Note 22(f)(ii))
- $29,682,738 as Debt Service Accrual and Debt Service Reserve Sub Accounts ($14,171,293), Transit Trust Clearing Account ($8,220,855) and other reserve account ($7,290,590) for PT Energi Sengkang (Note 22(d))
- $28,096,547 as Debt Service Accrual and Debt Service Reserve Sub Accounts ($3,519,031) and Collection Account ($24,577,516) for Energy Equity Epic (Sengkang) Pty Ltd (Note 22(e))
- $205,395 as Security Deposits made by Energy World Corporation Ltd ($2,604); Australian Gasfields Limited ($129,045); Central Energy Australia Pty Ltd. ($71,053) and Energy Equity Epic (Sengkang) Pty Ltd. ($2,693)

13. Trade and Other Receivables

	2013	2012
	US$'000	US$'000
(a) Current		
Trade receivables (a)	**25,350**	15,124
Sundry debtors (b)	**3,784**	6,694
	29,134	21,818
Less : Allowance for doubtful debts (i)	**-**	(150)
	29,134	21,668

(a) Trade receivables are 28-30 days and are interest-bearing if not paid within this term. Other receivables are not interest bearing. Allowance for doubtful debts for the year ended 30 June 2013 all relate to Sundry debtors for the Consolidated Group.

(b) Nil (2012: $3.8 million) of sundry debtor is related to PT Slipform Indonesia at 30 June 2013. However, these amounts are deductible from the amount due to PT Slipform Indonesia under the Equipment and Construction Services Contract disclosed in Note 29 (b).

13. Trade and Other Receivables (continued)

	2013	2012
	US$'000	US$'000
(i) Allowance for doubtful debts		
Opening balance	**150**	150
Add: Current year's charge	**(150)**	-
Closing balance	**-**	150

At 30 June, the aging analysis of trade receivables is as follows:

		Total	0-28 days	29-40 days	41-90 days PDNI*	+91 days PDNI*	+91 days CI*
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2013	**Trade receivables**	**25,350**	**19,060**	**4,953**	**1,337**	**-**	**-**
	Sundry debtors	**3,784**	**3,558**	**29**	**-**	**197**	**-**
2012	Trade receivables	15,124	3,783	11,341	-	-	-
	Sundry debtors	6,694	6,694	-	-	-	-

* Past due not impaired ('PDNI')
** Considered impaired ('CI')

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the consolidated entity's policy to transfer (on-sell) receivables to special purpose entities.

Detail regarding liquidity risk is disclosed in Note 33.

14. Inventories

	2013	2012
	US$'000	US$'000
Consumables	**3,032**	1,946
Finished goods	**43**	48
	3,075	1,994

15. Prepayment

	2013	2012
	US$'000	US$'000
Prepayment *	**8,096**	11,526
	8,096	11,526

* Prepaid costs relate to expenses incurred to date for the proposed secondary listing on the Hong Kong Stock Exchange. If the listing does not eventuate these costs or a proportion thereof would need to be expensed. If however, the listing does proceed and a capital raising occurs, then these costs will offset the funds raised and be taken directly to contributed equity.

16. Consolidated Entities

	Ownership Interest	
	2013	2012
Parent Entity		
Energy World Corporation Ltd		
Subsidiaries		
Active Subsidiaries		
Australian Gasfields Limited ^ x	**100**	100
Central Energy Australia Pty Ltd ^ x	**100**	100
Central Energy Power Pty Ltd ^ x	**100**	100
Central Queensland Power Pty Ltd ^ x	**100**	100
Energy Equity Epic (Sengkang) Pty Ltd * x	**100**	100
Energy Equity LNG Pty Ltd x	**100**	100
Energy Equity Holdings Pty Ltd * x	**100**	100
Energy World Holdings (Cayman) Ltd y	**100**	100
Energy World L.N.G. (Queensland) Pty Ltd x	**100**	100
Energy World Operations Pty Ltd x	**100**	100
Energy World Petroleum Pty Ltd x	**100**	100
Epic Sulawesi Gas Pty Ltd x	**100**	100
Galtee Limited y	**100**	100
Sulawesi Energy Pty Ltd * x	**100**	100
PT Energi Sengkang * z	**95**	95
Ventures Holdings Pty Ltd x	**100**	100
PT South Sulawesi LNG * z	**100**	100
Kerbridge Energy Pty Ltd x	**100**	100
Energy World (H.K.) Ltd w	**100**	100
Energy World Philippines Holdings Ltd y (Incorporated 1January 2013)	**100**	Nil

	Ownership Interest	
	2013	2012
Non-Active / Dormant Subsidiaries		
Australian Energy Equity Pty Ltd x	**100**	100
Energy Equity (Biru) Pty Ltd x	**100**	100
Energy Equity (Bone Bay) Pty Ltd * x	**100**	100
Energy Equity (Gajah Besar) Pty Ltd * x	**100**	100
Energy Equity (Talang Babat) Pty Ltd x	**100**	100
Energy Equity (West Kimberley) Pty Ltd ^ x	**100**	100
Energy Equity Asia Petroleum Pty Ltd x	**100**	100
Energy Equity Asia Pty Ltd x	**100**	100
Energy Equity India Holdings Pty Ltd x	**100**	100
Energy Equity India Power Pty Ltd x	**100**	100
Energy Equity Lematang Pty Ltd x	**100**	100
Energy Equity Pty Ltd x	**100**	100
Energy Equity Technology Pty Ltd x	**100**	100

16. Consolidated Entities (continued)

* Entities which carry on business in Indonesia.

^ Pursuant to ASIC Class Order 98/1418, relief has been granted to these controlled entities of Energy World Corporation Ltd from the Corporations Law requirements for preparation, audit and publication of financial reports. As a condition of the Class Order, Energy World Corporation Ltd and the controlled entities subject to the Class Order entered into a deed of indemnity on 16 June 1998. The effect of the deed is that Energy World Corporation Ltd has guaranteed to pay any deficiency in the event of winding up of the controlled entity. The controlled entities have also given a similar guarantee in the event Energy World Corporation Ltd is wound up. Refer Note 27.

[w] Incorporated in Hong Kong
[x] Incorporated in Australia
[y] Incorporated in Cayman Islands
[z] Incorporated in Indonesia

17. Joint Venture Interests

Australian Gasfields Limited (AGL) has a 19.604% interest in PL184, which contains the Thylungra gasfield adjacent to ATP-549P. In addition, AGL has a 33.3% interest in PEL 96 and a 2% interest in the Naccowlah Block (part of ATP-259P).

		Ownership Interest	
		2013	2012
		%	%
ATP-549P (Australia)	- Cypress JV	**55.0**	55.0
	- Solitaire JV	**100.0**	100.0
PL 184 (Australia)		**19.604**	19.604
PEL 96 (Australia)		**33.3**	33.3
Naccowlah Block (part of ATP-259P) (Australia)		**2.0**	2.0

The principal activity of these joint operations is the exploration and development of oil and gas prospects. For the financial year ended 30 June 2013, the contribution of the joint operations to the operating profit of the consolidated entity was $611 thousand (2012: $606 thousand).

18. Oil and Gas Assets

	2013	2012
	US$'000	US$'000
Opening balance	**86,162**	82,715
Additions	**17,547**	11,543
Amortisation	**(7,445)**	(8,096)
Closing balance	**96,264**	86,162

19. Exploration and Evaluation Expenditure

	2013	2012
	US$'000	US$'000
Opening balance	**45,970**	47,111
Additions	**5,054**	101
Foreign currency translation	**(2,900)**	(1,242)
Closing balance	**48,124**	45,970

20. Property, plant and equipment

	Freehold land US$'000	**Buildings on freehold land US$'000**	**Plant and equipment US$'000**	**Assets under construction US$'000**	**Total US$'000**
Assets at Cost					
Balance at 1 July 2011	4,561	2,758	251,226	224,512	483,057
Transfer	-	-	(6,852)	6,852	-
Additions	-	-	3,583	84,905	88,488
Foreign currency translation	(1)	(2)	(975)	-	(978)
Balance at 30 June 2012	4,560	2,756	246,982	316,269	570,567
Balance at 1 July 2012	4,560	2,756	246,982	316,269	570,567
Transfer	-	-	55,401	(55,401)	-
Additions	1,046	-	26,705	216,716	244,467
Foreign currency translation	(3)	(6)	(4,491)	-	(4,500)
Balance at 30 June 2013	5,603	2,750	324,597	477,584	810,534
Depreciation					
Balance at 1 July 2011	-	(812)	(94,274)	-	(95,086)
Depreciation charge for the year	-	(94)	(14,658)	-	(14,752)
Foreign currency translation	-	(1)	76	-	75
Balance at 30 June 2012	-	(907)	(108,856)	-	(109,763)
Balance at 1 July 2012	-	(907)	(108,856)	-	(109,763)
Depreciation charge for the year	-	(68)	(16,763)	-	(16,831)
Foreign currency translation	-	-	336	-	336
Balance at 30 June 2013	-	(975)	(125,283)	-	(126,258)
Carrying amount					
At 30 June 2012	4,560	1,849	138,126	316,269	460,804
At 30 June 2013	5,603	1,775	199,314	477,584	684,276

The borrowing costs capitalised to property, plant and equipment assets during the period amounted to $13.2 million (2012: to $9.9 million). The weighted average cost of capital attributed to property, plant and equipment assets during the period is 3.88% (2012: 3.90%).

The Assets under construction comprise of $58.2 million applicable to the PTES 120 MW Sengkang power plant expansion; $277.2 million applicable to the Sengkang LNG plant development; $120.2 million applicable to the Philippines LNG hubs and power plant development and $22.0 million applicable to other projects.

21. Trade and other payables

	2013 US$'000	2012 US$'000
Current		
Trade Payables (a) (b)	**15,237**	20,165
Trade Payables – related parties (b) (d)	**1,942**	1,411
Other creditors and accruals (b)	**32,504**	18,396
Other creditors and accruals – related parties (b) (d)	**46,656**	-
	96,339	39,972

(a) Trade and other payables are non-interest bearing and are normally settled within 30-day terms. The net of GST payable and GST receivable (or other taxes applicable) is remitted to the taxation authority on a monthly basis.

(b) Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

(c) Information regarding interest rate and liquidity risk exposure is set out in Note 33.

(d) $1.95 million trade payables was related to the O&M payment for PT Consolidated Electric Power Asia (2012: $1.41 million); $15.4 million other creditors and accruals was related to the project development in Philippines and Australia for Slipform Engineering International (H.K.) Ltd (2012: Nil) and $31.3 million was related to project development in Indonesia for PT Slipform Indonesia (2012: Nil).

22. Interest-Bearing Liabilities

		2013 US$'000	2012 US$'000
Current			
PTES US$200 million with Standard Chartered Bank and Mizuho Corporate Bank	(d)	**21,500**	11,970
EEES US$88 million Secured Borrowing Base Facility with Standard Chartered Bank and Mizuho Corporate Bank	(e)	**13,000**	-
US$51 million Revolving Loan Facility Agreement with The Hong Kong and Shanghai Banking Corporation Limited	(f)(ii)	**50,451**	-
Total current		**84,951**	11,970
Non-current			
PTES US$200 million with Standard Chartered Bank and Mizuho Corporate Bank	(d)	**135,015**	75,066
EEES US$88 million Secured Borrowing Base Facility with Standard Chartered Bank and Mizuho Corporate Bank	(e)	**61,000**	62,900
US$75 million Revolving Loan Facility Agreement with Standard Chartered Bank	(f)(i)	**74,667**	74,544
US$51 million Revolving Loan Facility Agreement with The Hong Kong and Shanghai Banking Corporation Limited	(f)(ii)	**-**	50,425
US$50 million Convertible Exchangeable Note with Standard Chartered Private Equity (Singapore) Pte. Ltd.	(g)	**45,282**	-
Total non-current		**315,964**	262,935
Total interest-bearing liabilitites		**400,915**	274,905

(a) Interest Rate, Foreign Exchange and Liquidity Risk

Details regarding interest rate, foreign exchange and liquidity risk is disclosed in Note 33.

22. Interest-Bearing Liabilities (continued)

(b) Assets Pledged As Security

The assets and the shares of the entities PTES and EEES are pledged as security to the consolidated entities lenders Standard Chartered Bank and Mizuho Corporate Bank. The form of security is a floating charge over the aforementioned entity assets. There are no specific conditions on value of assets pledged.

(c) Default and Breaches

During the current and prior years, there were no defaults or breaches on any of the loans.

(d) Sengkang loan and PTES US$200 million with Standard Chartered Bank and Mizuho Corporate Bank

On 15 July 2011, PTES executed documentation relating to a US$200.0 million term loan facility (the "**PTES Facility**") in connection with the Sengkang Power Plant and the Sengkang Expansion. The existing lenders under the PTES Facility are Standard Chartered Bank and Mizuho Corporate Bank, Ltd. (who together are the mandated lead arrangers) and various other commercial banks, with Standard Chartered Bank (Hong Kong) Ltd as facility agent and security agent during the period of this report. DEG (Germany), Proparco (France) and FMO (Holland) leading development finance institutions also became lenders under this facility in May 2012.

The PTES Facility is subject to semi-annual repayments of principal and payments of interest and will be fully repaid on 22 April 2022. PTES has already fully drawn down Facility A and partly drawn down Facility C under the PTES Facility. Facilities B and remaining amount of Facility C under the PTES Facility are available for drawing by PTES when all of the conditions precedent to drawings for these facilities have been satisfied. US$185 million has been advanced under the PTES Facility, of which US$156.6 million was outstanding as at 30 June 2013, excluding unamortised borrowing costs.

The PTES Facility is secured by substantially all of the assets and shares of PTES. Such secured assets include PTES' interest in the Sengkang Power Plant, PTES' interests pursuant to the Sengkang PPA, PTES' receivables thereunder and PTES' bank accounts.

(e) EEES Secured Borrowing Base Facility Terms and Conditions

US$88,000,000 Secured Borrowing Base Facility Agreement with Standard Chartered Bank and Mizuho Corporate Bank Limited

On 30 June 2011, EEES executed documentation relating to a US$88.0 million secured revolving borrowing base facility (the "**EEES Facility**") in connection with the Sengkang PSC. The lenders under the EEES Facility are Standard Chartered Bank and Mizuho Corporate Bank, Ltd. (who together are the mandated lead arrangers), with Mizuho Corporate Bank, Ltd. as agent and security trustee.

The EEES Facility is a borrowing base facility subject to semi-annual repayments of principal (calculated by reference to EEES's projected net cashflow from the Sengkang PSC from time to time) and semi-annual or quarterly payments of interest and will be fully repaid on 31 December 2017 (or, if earlier, the date on which the quantities of hydrocarbon reserves attributable to the Sengkang PSC are projected to fall below 25% of the value of such reserves calculated as at the date of the EEES Facility). On 28 June 2013, EEES repaid US$5,000,000 under the facility. As at 30 June 2013, US$74 million, excluding unamortised borrowing costs, had been advanced under the EEES Facility.

22. Interest-Bearing Liabilities (continued)

(e) EEES Secured Borrowing Base Facility Terms and Conditions (continued)

US$88,000,000 Secured Borrowing Base Facility Agreement with Standard Chartered Bank and Mizuho Corporate Bank Limited

The EEES Facility is secured by substantially all of the assets and shares of EEES. Such secured assets include EEES' interest in the Sengkang PSC, EEES' receivables pursuant to the Gas Supply Agreement, the Gas Sale and Purchase Agreement and the Sengkang PSC and EEES' bank accounts. Further, the Company and Epic Sulawesi Gas Pty Ltd have agreed to subordinate their rights against EEES pursuant to a subordination deed entered into in favour of Mizuho Corporate Bank, Ltd. as security trustee.

(f) Corporate Bank Loans Terms and Conditions

(i) US$75,000,000 Revolving Loan Facility Agreement with Standard Chartered Bank

We obtained the US$75.0 million 2008 SCB Corporate Revolving Loan Facility from Standard Chartered Bank on 22 October 2008. This facility was for a term of 3 years, and the interest rate applicable to borrowings under the facility was 0.5% over the bank's cost of funds. Part of the facility was drawn down to repay the 2007 SCB Project Finance Facility. In October 2011, we extended the facility for 2 years past its original due date. On 28 June 2013, we further extended the facility for 2 years which extended the maturity date to 23 October 2015. As at 30 June 2013, the aggregate amount owed under the 2008 SCB Corporate Revolving Loan Facility was US$74.7 million, excluding unamortised borrowing costs, and we held US$75.0 million in reserve accounts as security for the facility.

(ii) US$51,000,000 Revolving Loan Facility Agreement with The Hong Kong and Shanghai Banking Corporation Limited

We obtained a combined dual currency US$50.0 million or A$75.0 million revolving loan facility from HSBC (the "**2008 HSBC Corporate Revolving Loan Facility**") on 10 October 2008. After the addition of a temporary component in June 2011, this facility consisted of U.S. dollar- and Australian dollar-denominated components included within a A$75.0 million limit. Following the appreciation of the Australian dollar against the U.S. dollar, this combined dual currency facility was converted to a single currency facility with a limit of US$51.0 million. The 2008 HSBC Corporate Revolving Loan Facility was for a term of 3 years and the interest rate applicable to borrowings under the facility was 0.5% over LIBOR. On 28 March 2011, HSBC review the existing facility which will be made available on the specific terms and conditions outlined herein. Under the terms of the facility following the addition of the temporary component, A$75.0 million was required to be held in a reserve account as security for the facility. On 14 July 2011, we repaid the US$25.0 million temporary component of this facility, which restored the facility to US$51.0 million.

In June 2012, we refinanced the facility for a further period of 2 years. As at 30 June 2013, the aggregate amount we owed under the HSBC Corporate Revolving Loan Facility was US$50.5 million, excluding unamortised borrowing costs.

(g) US$75,000,000 Convertible Exchangeable Note with Standard Chartered Private Equity (Singapore) Pte. Ltd

On 14 May 2013, EWC and Energy World Philippines Holdings Ltd (EWP) entered into a subscription agreement (**Subscription Agreement**) with Standard Chartered Private Equity (Singapore) Pte. Ltd (**Subscriber**) in respect of the issue by EWP of and subscription by the Subscriber for the Notes and the issue of the Warrant by EWC to the Subscriber.

22. Interest-Bearing Liabilities (continued)

(g) US$75,000,000 Convertible Exchangeable Note with Standard Chartered Private Equity (Singapore) Pte. Ltd (continued)

Under the Subscription Agreement:

(a) EWP has issued, and the Subscriber has subscribed for, US$50 million 2.5% convertible exchangeable notes due in May 2018 which may be converted into 50 million ordinary shares in EWP or in the alternative exchanged for 101,122,459 Ordinary Shares in EWC at AU$0.50. The 2.5% coupon rate is due semi-annually payable in arrears (the **First Tranche Notes**); and

(b) EWC issued to the Subscriber a Warrant to purchase 9,920,634 Ordinary Shares at an initial exercise price of AU$0.50.

If certain specific conditions precedent are satisfied EWP will issue, and the Subscriber will subscribe for, an additional US$25 million 2.5% convertible exchangeable notes due in 2018 which may be converted into ordinary shares in EWP or in the alternative exchanged for Ordinary Shares in EWC (the **Second Tranche Notes**).

A financial liability of $45,282,000 has been recognised in non-current liabilities representing the debt component and an amount of $3,464,000 recognised in convertible note reserve in equity representing the equity component of the instrument.

23. Provisions

	2013	2012
	US$'000	US$'000
Current		
Employee benefits (a)	**4,070**	1,211
Production bonus (c)	**645**	750
	4,715	1,961
Non-current		
Employee benefits (a)	**657**	3,060
Restoration/rehabilitation (b)	**2,923**	3,141
Production bonus (c)	**-**	322
	3,580	6,523

(a) Employee Benefits

	2013	2012
	US$'000	US$'000
Current		
Australian employees - Annual leave	**78**	51
Indonesia National employees – Defined benefit scheme	**3,992**	1,160
	4,070	1,211
Non-current		
Indonesia National employees – Defined benefit scheme	**384**	2,657
Indonesia expatriate employees – Long service leave	**273**	403
	657	3,060

The Group has a defined benefit pension which, PTES & EEES provide final salary plans for their employees who achieve the retirement age of 58 based on the provisions of the Indonesian Labor Law No.13/2003 dated 25 March 2003. The benefits are unfunded.

The following tables summarise the components of net Indonesian national employee service entitlements expenses recognised in the statement of comprehensive income as determined by an independent actuary PT Padma Radya Aktuaria.

	2013	2012
	US$'000	US$'000
Current service cost	**726**	587
Interest cost	**330**	369
Amortisation of unvested past service cost	**(3)**	(5)
Actuarial losses	**(159)**	49
Effect of Curtailment	**-**	(155)
Net employee service entitlements expenses	**894**	845

The current service cost and interest cost on benefit obligation has been recognized with other expenses in the income statement.

23. Provisions (continued)

Movements in the provision for Indonesian national employee service entitlements during the years ended 30 June 2013 and 2012 are as follows:

	2013 **US$'000**	2012 US$'000
Balance at beginning of year	**3,817**	2,999
Add: Provision during the year	**791**	1,033
Less: Utilisation during the year	**(232)**	(215)
Balance at end of the year	**4,376**	3,817

The principal assumptions used in determining provision for Indonesian national employee service entitlements liabilities as of 30 June 2013 and 30 June 2012 are as follows:

	2013 **US$'000**	2012 US$'000
Discount rate	**7%**	6%
Salary increment rate	**10%**	10%
Mortality rate	**100%TM12**	100%TM12
Disability rate	**5%TM12**	5%TM12
Resignation/turnover rate	**1% p.a.**	1% p.a.
Retirement age	The earlier of 58 years of age or 30 September 2022	

TM12 means Table Mortality Indonesia second edition

23. Provisions (continued)

2013 changes in the defined benefit obligation, fair value of plan assets and unrecognised past service costs

				Cost of sales for pensions during the year									
	1-Jul-12	Current service cost	Interest cost on benefit obligation	Expected return on plan assets	Past service costs recognised	**Subtotal included in other expenses**	Benefits paid	Amortzation of unvested Past service Cost	Amortzation of ActuarialGain or Loss	Contributions by employer	Exchange differences	Transfer of Employee	**Total 30 June 2013**
	$000	$000	$000	$000	$000	**$000**	$000	$000	$000	$000	$000	$000	**$000**
Defined benefit obligation	(5,718)	(675)	(315)	-	-	**(6,708)**	43	-	77	-	313	-	**(6,274)**
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total recognised benefit liability	(5,718)	(675)	(315)	-	-	**(6,708)**	43	-	77	-	313	-	**(6,274)**
Unrecognised past service costs	1,527	10	-	-	-	**1,537**	-	(4)	(15)	-	-	-	**1,519**
Unrecognised Actuarial gain/loss	374	-	-	-	-	**374**	(1)	(20)	26	-			**379**
Benefit liability	(3,817)	(665)	(315)	-	-	**(4,797)**	42	(24)	88	-	313	-	**(4,376)**

2012 changes in the defined benefit obligation, fair value of plan assets and unrecognised past service costs

				Cost of sales for pensions during the year									
	1-Jul-11	Current service cost	Interest cost on benefit obligation	Expected return on plan assets	Past service costs recognised	**Subtotal included in cost in other expenses**	Benefits paid	Amortzation of unvested Past service Cost	Amortzation of ActuarialGain or Loss	Contributions by employer	Exchange differences	Transfer of Employee	**Total 30 June 2012**
	$000	$000	$000	$000	$000	**$000**	$000	$000	$000	$000	$000	$000	**$000**
Defined benefit obligation	(4,726)	(887)	(352)			**(5,965)**	198		(222)		495	(224)	**(5,718)**
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total recognised benefit liability	(4,726)	(887)	(352)	-	-	**(5,965)**	198	-	(222)	-	495	(224)	**(5,718)**
Unrecognised past service costs	1,529	15	-	-	-	**1,544**	-	4	(21)	-	-	-	**1,527**
Unrecognised Actuarial gain/loss	43		-	-	-	**43**	-	288	10	-	-	33	**374**
Benefit liability	(3,154)	(872)	(352)	-	-	**(4,378)**	198	292	(233)	-	495	(191)	**(3,817)**

23. Provisions (continued)

(b) Restoration/rehabilitation provisions relate to the estimated costs associated with the restoration of sites in Eromanga and Gilmore, Australia and Sengkang, Indonesia, that will be incurred at the conclusion of the petroleum lease/production sharing contract/economic life of the asset.

	2013 US$'000	2012 US$'000
Movement in provision for abandonment and restoration:		
Balance at the beginning of the year	**3,141**	1,324
Addition	**99**	1,576
Utilised	**-**	-
Unwind discount for the year	**414**	335
Foreign exchange (gain)/loss	**(731)**	(94)
Balance at end of the year	**2,923**	3,141

(c) EWC is required to pay a production bonus to SKKMIGAS of $2 million within 30 days after cumulative production from the contract area has reached 10 MMBOE and to pay an additional production bonus of $750,000 for each increment in production of 5 MMBOE.

	2013 US$'000	2012 US$'000
Movement in provision for production bonus:		
Balance at the beginning of the year	**1,072**	1,468
Provision made/ (released) during the year	**(427)**	(396)
Balance at end of the year	**645**	1,072

24. Share Capital and Reserves

	2013	2012
	US$000	US$000
Issued capital	**466,805**	466,805

	2013	2012
Number of ordinary shares, issued and fully paid	**1,734,166,672**	1,734,166,672

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 all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Other reserves

	2013	2012
	US$000	US$000
Asset revaluation reserve	**19,211**	19,211
Cash flow hedge reserve	**322**	(5,891)
Foreign currency translation reserve	**3,011**	8,471
Convertible note reserve	**3,464**	-
	26,008	21,791

Asset Revaluation Reserve

The asset revaluation reserve is used to record increases and decreases in the fair value of property, plant and equipment, land and buildings to the extent that they offset one another.

Hedging Reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

$0.7 million of expenses were transferred out of equity to assets under construction during the year (2012: $0.6 million of income was transferred out of equity to profit or loss).

Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the operations where their functional currency is different to the presentation currency of the reporting entity, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary. Refer to Note 2(z).

Convertible Note Reserve

Convertible note reserve represents the equity component of the USD75 million convertible note issued in the current year net of current deferred tax. Refer to Note 22(g).

25. Contingent Liabilities

(a) SKKMigas Participation (formerly as called BPMigas)

The Sengkang PSC provides that SKKMigas is entitled to acquire (via a SKKMigas nominated entity) an undivided 10% interest in EEES´ rights and obligations under the Sengkang PSC by payment of an amount equal to the sum of (i) 10% of the unrecovered operating costs balance as at 24 October 2000, approximately US$40 million, and (ii) 10% of the bonuses paid to SKKMigas under the Sengkang PSC, totalling US$6.5 million (the "Amount"). On acquiring a 10% participating interest SKKMigas would also be obliged to pay 10% of the future operating costs of the Sengkang PSC.

Under the Sengkang PSC conditions, Pertamina (SKKMigas' predecessor) was required to advise EEES by 23 January 2001 whether it planned to pay either (a) 100% of the Amount to EEES in cash; or (b) 150% of the Amount to EEES by way of instalments of 50% of its share of production from its 10% participation in the Sengkang PSC. Whilst Pertamina did advise EEES of its intention to acquire a 10% participating interest in the Sengkang PSC, it did not advise EEES whether it would pay in cash or out of its share of production.

Any cash payment should have been made by Pertamina (SKKMigas' predecessor) by 23 January 2001 and any payment out of production should have commenced from the first sale of oil or gas from the Sengkang Contract Area after 24 October 2000. No cash payment or payment out of production has been made.

EEES therefore continues to have a 100% interest in the Sengkang PSC. It is not clear whether SKKMigas' right to acquire the 10% participation right is still exercisable, given among other matters that the deadlines mentioned above have not been complied with. Based on the terms of the PSC, our Directors are of the view that no material adverse impact on EEES' business or operations would arise from any valid exercise of the 10% participation right.

In November 2012, SKKMigas, an arm of the Indonesian Ministry for Energy and Mineral Resources, replaced BP Migas, and all of BPMigas's functions and responsibilities, and its employees, were transferred to SKSP Migas.

(b) Intra-Group Loans

The Company has given an undertaking that we will not require loans that we have made to wholly owned and controlled entities to be repaid within a 12-month period if doing so would place those entities in a position where they could not pay their debts as and when they fall due.

26. Future Financial Capital Commitments

Details of the Group's committed capital expenditure during the financial year ended 30 June 2013 are as disclosed. Contracts with related parties are structured in a manner that the contract is subject to the Group having available financing in place to proceed with the projects.

Completion of the 120 MW Sengkang Power Plant Expansion

The Group are contracted to spend a further US$33.5 million in connection with the 120 MW Sengkang Power Plant Expansion. The proposed capital spend will be debt financed.

26. Future Financial Capital Commitments (continued)

Sengkang LNG Project

As at 30 June 2013, the Group was contracted to spend a remaining amount of US$104.8 million, representing the balance remaining under the construction services contract with Slipform (Indonesia).

Gasfield Development

The Group was contracted to spend US$10.2 million for drilling new wells for gas production (WASAMBO) and seismic interpretation. These funds, which are cost recoverable, will be provided from a combination of internally generated cash flow and debt financing already in place.

Philippines Power Plant

As at 30 June 2013, the Group was contracted to spend a remaining amount of US$8.3 million, representing the balance remaining under the contract with Siemens Energy, Inc for the supply of two SGT6-5000F 200MW gas turbines..

Philippines LNG Hub

As at 30 June 2013, the Group was contracted to spend a remaining amount of US$87.3 million, representing the balance remaining under the construction services contract with Slipform (HK).

Gilmore LNG Project

As at 30 June 2013, the Group was contracted to spend a remaining amount of US$56.6 million, representing the balance remaining under the construction services contract with Slipform (HK).

27. Deed of Cross Guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit, and lodgement of financial reports, and Directors' report.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the *Corporations Act 2001*, the Company will only be liable in the event that after six months any creditor has not paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:

- Australian Gasfields Limited
- Central Energy Australia Pty Ltd
- Central Energy Power Pty Ltd
- Central Queensland Power Pty Ltd
- Energy Equity West Kimberly Pty Ltd

27. Deed of Cross Guarantee (continued)

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and subsidiaries which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2013 is set out below:

Statement of comprehensive income	**2013 US$'000**	2012 US$'000
Profit from ordinary activities	**(7,305)**	(3,360)
Income tax attributable to ordinary activities	**-**	-
Profit from ordinary activities after income tax	**(3,669)**	(3,360)
Accumulated losses at the beginning of the financial year	**(62,959)**	(59,599)
Accumulated losses at the end of the financial year	**(66,628)**	(62,959)

Statement of financial position		
Current assets		
Cash assets	**86,795**	83,517
Trade and other receivables	**1,687**	974
Inventories	**141**	157
Prepayment	**10,221**	9,698
Total current assets	**98,844**	94,346
Non-current assets		
Cash assets	**75,032**	126,036
Trade and other receivables	**242,582**	181,665
Investments	**58,588**	13,508
Exploration and evaluation expenditure	**31,187**	29,032
Property, plant and equipment	**241,003**	246,906
Total non-current assets	**648,392**	597,147
Total assets	**747,236**	691,493
Current Liabilities		
Payables	**42,697**	11,342
Interest bearing liabilities	**50,482**	-
Provisions	**77**	51
Total current liabilities	**93,256**	11,393
Non-current liabilities		
Interest bearing liabilities and borrowings	**240,992**	263,548
Provisions	**1,045**	1,096
Total non-current liabilities	**242,037**	264,644
Total liabilities	**335,293**	276,037
Net assets	**411, 943**	415,456
Equity		
Issued capital	**466,805**	466,805
Other reserves	**11,766**	11,610
Accumulated losses	**(66,628)**	(62,959)
Total equity	**411,943**	415,456

28. Notes to the Statements of Cash Flows

	2013 US$'000	2012 US$'000
(a) Reconciliation of the profit from ordinary activities after tax to the net cash flows generated from operations		
Profit from ordinary activities after tax	**16,716**	21,163
Add/(less) non-cash items		
Depreciation of non-current assets	**24,276**	22,848
Foreign currency (gain)/ loss	**315**	4,705
Financing expenses classified as investing cash flow	**-**	-
Amortisation of borrowing costs	**288**	384
Changes in assets and liabilities during the financial year		
(Increase)/decrease in receivables	**(7,466)**	7,259
(Increase)/decrease in prepayments	**3,431**	780
(Increase)/decrease in inventories	**(1,081)**	736
(Decrease)/increase in payables	**(11,954)**	9,327
(Decrease)/ increase in deferred tax liability	**1,018**	(10,979)
(Decrease)/ increase in income tax payable	**970**	2,038
(Decrease)/increase in provisions	**(189)**	723
Net cash generated from operating activities	**26,324**	58,984

(b) Reconciliation of cash

For the purpose of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statements of financial position as follows:

	2013 US$'000	2012 US$'000
Cash assets	**86,665**	128,008
Closing cash balance	**86,665**	128,008

Cash assets include cash at bank and short-term deposits. Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and one month, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash assets is US$87 million (2012: US$128 million).

29. Key Management Personnel Disclosures

Directors

Executive Directors

Mr. Stewart William George Elliott
Chairman, Managing Director and CEO

Mr. Ian William Jordan
Executive Director and Company Secretary

Mr. Brian Jeffrey Allen
Executive Director and Finance Director

Independent Non-Executive Directors

Dr. Brian Derek Littlechild

Mr. Leslie James Charles

Mr. Michael Philip O'Neill

Mr. Kanad Singh Virk (appointed on 14 May 2013)

Mr. Bruce Macfarlane (appointed on 1 September 2013)

Mr. James Dewar (appointed on 3 September 2013)

Alternate Executive Directors

Mr. Graham Stewart Elliott
Alternate Director to Mr. Ian William Jordan
(appointed on 14 May 2013)

Alternate Non-Executive Directors

Mr. Gregory John Karpinski
Alternate Director to Mr. Kanad Singh Virk
(appointed on 14 May 2013)

Key Management Personnel Compensation

The Company established a remuneration committee on 12 March 2012 with written terms of reference in compliance with the ASX Corporate Governance Principles. The remuneration committee consists of four members all of whom are independent non-executive Directors, being Mr. Michael O'Neill (as the Chairman of the remuneration committee), Mr. Leslie Charles, Dr. Brian Littlechild, Mr Kanad Virk (appointed to the remuneration committee on 28 August 2013), Mr. Bruce Macfarlane (appointed to the remuneration committee on 19 September 2013) and Mr. James Dewar (appointed to the remuneration committee on 19 September 2013).

Each of the executive Directors entered into a service agreement with the Company commencing from 13 March 2012 under which they agreed to continue to act as executive Directors for an initial term of three years, except in the case of Mr. Ian Jordan, whose service agreement is terminable on not less than six months notice. Either party has the right to terminate the agreement by giving the other party a prior notice of not less than one month expiring not earlier than the end of the first year after the Listing Date.

Under these service agreements, the executive Directors are entitled to an aggregate annual basic salary of approximately US$896,500 (or its equivalent in other currencies). Each of the Executive Directors is also entitled to a discretionary bonus as determined by the Remuneration Committee by reference to the performance of our Group.

As a result of the service agreements entered into by the executive Directors with the Company, the management services agreement EWI, was terminated. However, EWI will continue to provide assistance to the Company in the form of management assistance when and as required.

29. Key Management Personnel Disclosures (continued)

Key Management Personnel Compensation (continued)

On 12 March 2012, Mr. Michael O'Neill, Mr. Leslie Charles and Dr. Brian Littlechild entered into appointment letters with the Company to formalise their exisiting roles as independent non-executive Directors. Mr. Kanad Virk, Mr. Bruce Macfarlane and Mr. James Dewar entered into appointment letters with the Company on 14 May 2013, 1 September 2013 and 3 September 2013 respectively. The aggregate annual fees payable to the Company's independent non-executive Directors under the appointment letters is US$187,500.

Each of the independent non-executive Directors is subject to retirement and re-election every three years commencing from the date of their appointment.

Transactions with Related Parties

(a) Leases of properties

EWC rent a number of properties from related parties for our offices in Sydney, New South Wales and for the site of our proposed LNG Hub terminal in the Philippines, details of which are set out in the following table:

Premises	Lessor	Lessee	Term	Rental
1. Part of Unit 9A, Seaforth Crescent, Seaforth, Sydney, New South Wales, Australia	Energy World International Limited	Energy World Corporation Ltd	Initial term of 2 years commencing 1 February 2004, from time to time, further extended for 19 months from 1 February 2010 and expiring 31 August 2011. Initially extended to 31 August 2012. Further extended for one year and expiration extended to 31 August 2013.	A$6,000 per month (excluding GST); Payment made during the period of this annual report - A$72,000 (US$73,749)
2. Parcel of land comprising a total area of 215,000 sq.m on Pagbilao Grande Island, Province of Quezon, Luzon, the Philippines	Malory Properties Inc.*	Energy World Corporation Ltd	20 years commencing 9 June 2007 with an option to extend for a further term of 10 years	5 PHP ($0.1) per square metre (total PHP 1,075,000) ($22,349 per annum), commencing on the date of commissioning and commercial operation of the LNG Hub facility, indexed to the Philippines consumer price index annually after 3 years of the term; no payment was made during the period of this annual report.

* Malory Properties Inc., a company incorporated in the Philippines on 23 March 1993 with limited liability. Mr. Stewart Elliott, who is our Chairman, Managing Director, Chief Executive Officer and one of our Substantial Shareholders has a 40% beneficial interest.

29. Key Management Personnel Disclosures (continued)

Transactions with Related Parties (continued)

(b) Commercial Agreements with EWC and Related Parties

We have entered into a number of management services agreements with EWI and Slipform Engineering International (H.K.) Ltd, details of which are set out in the following table:

Parties	Date of agreement/ amendment	Scope of services	Fees	Payment made during the year ended 30 June 2013	Amount remaining on contract at 30 June 2013
1. EWC and Slipform Engineering International (H.K.) Ltd*	18 July 2007 1 March 2010 8 December 2011	Slipform Engineering International (H.K.) agrees to provide EWC with engineering assistance, design services and management support for the development of the LNG receiving and hub terminal in the Philippines	Fixed fee of US$3.9 million. All payment obligations under this agreement have been satisfied, although Slipform continues to provide ongoing assistance.	Balance payable as at 30 June 2013: Nil Amount paid: Nil	Nil
2. EWC and Slipform Engineering International (H.K.) Ltd*	10 October 2011	Slipform Engineering International (H.K.) agrees to provide EWC with engineering assistance, design services and management support for the development of a 56,000 TPA LNG processing plant and related facilities in Gilmore, Queensland Australia.	Fixed fee of US$5.5 million. All payment obligations under this agreement have been satisfied, although Slipform continues to provide ongoing assistance.	Balance payable as at 30 June 2013: Nil payable Amount paid: Nil	US$279,763
3. EWC and Slipform Engineering International (H.K.) Ltd	18 July 2007	Slipform agrees to provide EWC with engineering assistance, design services and management support for the development of the Sengkang LNG project.	Fixed fee of US$32 million. All payment obligations under this agreement have been satisfied, although Slipform continues to provide ongoing assistance.	Balance payable as at 30 June 2013: Nil Amount paid: Nil	Nil

* Slipform Engineering International (H.K.) Ltd, a company incorporated in Hong Kong with limited liability, in which Mr. Stewart Elliott, who is EWC's Chairman, Managing Director and Chief Executive Officer and Mr. Graham Elliott, who is a Project Director, have a 90% and 10% beneficial interest respectively.

29. Key Management Personnel Disclosures (continued)

Transactions with Related Parties (continued)

(b) Commercial Agreements with EWC and Connected Persons (continued)

We have entered into an operation and maintenance contract with PT Consoldiated Electric Power Asia, details of which are set out in the following table:

Parties	Date of agreement / amendment	Scope of services	Amount Payable	Payment made during the year ended 30 June 2013	Amount remaining on contract at 30 June 2013
PTES and PT Consolidated Electric Power Asia *	12 March 2012 30 May 2012 (amendment) 30 May 2012 (addendum)	PT Consolidated Electric Power Asia agrees to be responsible for operation and maintenance services in relation to the Sengkang Power Plant. The initial scope covers the original 135MW units. The O&M will be extended to cover the additional 180MW units upon commercial operation of the 60MW steam turbine.	US$8,009,732	US$7,865,460, including 1. US$1,410,884 : invoices received in the financial year ending 2012 which were paid in the current year 2. US$6,076,052 : invoice received and paid in the current financial year 3. US$378,524: paid on behalf of PT Consolidated Electric Power	$1,942,127

* PT Consolidated Electric Power Asia, a company incorporated in Indonesia, is 95% owned by Mr. Stewart Elliott, EWC's Chairman, Managing Director and Chief Executive Officer.

29. Key Management Personnel Disclosures (continued)

Transactions with Related Parties (continued)

(b) Commercial Agreements with EWC and Connected Persons (continued)

We have entered into a construction services contract with Slipform (Indonesia) and engineering, procurement and construction contracts with Slipform (H.K.), details of which are set out in the following table. These contracts allow for flexibility in payment obligations, through the Company's control over project timetable and progress and thus do not constitute irrevocable payment obligations to the Company and allows the Company to manage its funding on these projects accordingly.

Parties	Date of agreement / amendment	Scope of services	Amount Payable	Payment made during the year ended 30 June 2013	Amount remaining on contract at 30 June 2013
EWC, Slipform Engineering International (H.K.) Ltd, Central Energy Australia Pty Ltd and Kerbridge Energy Pty Ltd.	12 March 2012 18 June 2012 (amendment)	Slipform Engineering International (H.K.) Ltd agrees to undertake the engineering, procurement and construction of the Gilmore LNG Project.	US$70 million, subject to adjustment and deduction for equipment and consultant services incurred directly by the Company.	US$3.5 million has been incurred from Slipform (H.K.) during the year, of which US$3.5 million remains payable at 30 June 2013. An additional US$0.4 million has been paid on Slipform's behalf for company supplied equipment and consultants' fees. A total of US$13.4 million has been incurred as at 30 June 2013.	US$56.6 million
EWC, Slipform Engineering International (H.K.) Ltd, Central Energy Australia Pty Ltd and Kerbridge Energy Pty Ltd.	12 March 2012 18 June 2012 (amendment)	Slipform Engineering International (H.K) Ltd agrees to undertake the engineering, procurement and construction of the Philippines LNG Hub.	US$130 million, subject to adjustment and deduction for equipment and consultant services incurred directly by the Company.	US$27.9 million has been incurred from Slipform (H.K.) during the year, of which US$11.9 million remains payable at 30 June 2013. An additional US$3.8 million was incurred for company supplied equipment and consultants' fees. A total of US$42.7 million has been incurred as at 30 June 2013 .	US$87.3 million
PT Energi Sengkang and PT Slipform Indonesia	12 March 2012 28 May 2012 (amendment)	PT Slipform Indonesia agrees to provide us with equipment and construction services in relation to the installation and construction of a 60 MW steam turbine at the Sengkang Power Plant which represents the second 60 MW of the Sengkang Expansion and balance of plant for the Sengkang Expansion.	US$57.9 million, subject to adjustment and deduction for equipment and consultant services incurred directly by the Company.	No amount was directly paid to PT Slipform Indonesia during the year. US$24.4 million had been incurred for company supplied equipment and consultants' fees which had been fully paid on PT Slipform Indonesia's behalf during the year.	US$33.5 million

29. Key Management Personnel Disclosures (continued)

Transactions with Related Parties (continued)

(b) Commercial Agreements with EWC and Connected Persons (continued)

Parties	Date of agreement / amendment	Scope of services	Amount Payable	Payment made during the year ended 30 June 2013	Amount remaining on contract at 30 June 2013
PT Energi Sengkang and PT Slipform Indonesia*	9 March 2012 28 May 2012 (amendment)	PT Slipform Indonesia agrees to provide us with equipment and construction services in relation to the installation and construction of a 60 MW gas turbine at the Sengkang Power Plant which represents the first 60 MW of the Sengkang Expansion.	US$7.9 million.	No payment was paid directly paid to PT Slipform Indonesia during the year. US$4.1 million has been incurred and paid during the year on behalf of PT Slipform Indonesia. However, the total of US$7.9 million has been incurred to date on the agreement for company supplied equipment and consultants' fees.	Nil
PT South Sulawesi LNG, PT Slipform Indonesia, Central Energy Australia Pty Ltd and Kerbridge Energy Pty Ltd	18 March 2009 12 March 2012 (novation and variation) 18 June 2012 (amendment)	In consortium with Central Energy Australia Pty Ltd (CEA) and Kerbridge Energy Pty Ltd (EWC wholly owned companies), PT Slipform Indonesia agrees to undertake the engineering, procurement and construction of the Sengkang LNG Project. The contract was originally with Slipform Engineering International (H.K.) Ltd, and was novated to PT Slipform Indonesia on 12 March 2012.	US$352 million, subject to adjustment with CEA & Kerbridge Energy Pty Ltd.	US$31.3 million has been incurred from PT Slipform Indonesia during the year, of which US$31.3 million remains payable at 30 June 2013. An additional US$13 million has been paid on PT Slipform Indonesia's behalf for company supplied equipment and consultants' fees. A total of US$247.2 million has been incurred by us as at 30 June 2013.	US$104.8 million

* PT Slipform Indonesia is a 95% owned subsidiary of Slipform Engineering International (H.K.) Ltd. The contracts are structured in a manner that the contract is subject to the Company having available financing in place to proceed with the projects.

(c) Co-operation and Non-Competition Arrangements:

Arrangements with Slipform Engineering International (H.K.) Ltd

We have confirmed Slipform Engineering International (H.K.) Ltd's continued support for our projects by entering into a binding strategic alliance agreement (the "**Slipform Co-operation Agreement**") with Slipform Engineering International (H.K.) Ltd on the basis described below.

Background

We and Slipform Engineering International (H.K.) Ltd have worked together for many years and Slipform Engineering International (H.K.) Ltd has historically provided engineering, design, development, construction and project management services (together, the "**Services**") to our Group in relation to our:

29. Key Management Personnel Disclosures (continued)

Transactions with Related Parties (continued)

(c) Co-operation and Non-Competition Arrangements (continued):

- power plant developments;

- development of LNG facilities, including: up-stream, modular LNG liquefaction, storage and export facilities; and mid- and down-stream, modular LNG, regasification and storage facilities; and

- related infrastructure and facilities in the Asia Pacific region as well as carrying on business on its own behalf.

Co-operation Arrangements

Going forward, Slipform Engineering International (H.K.) Ltd will continue to operate as a separate entity but has undertaken in accordance with the Slipform Co-operation Agreement that, in relation to our power plant and LNG projects in the Asia Pacific region, it will provide the Services to us on terms and conditions to be agreed between Slipform Engineering International (H.K.) Ltd and us and reflecting the principles set out below.

The Slipform Co-operation Agreement acknowledges that we are entirely free to source Services from independent third parties.

Any contract between ourselves and Slipform Engineering International (H.K.) Ltd or its affiliates from time to time for some or all of the Services (a "**Slipform Contract**") shall be negotiated in good faith between us.

We will seek approval from our board committee, comprising independent Non-Executive Directors who do not have a material interest in the matter, as to whether to enter into any Slipform Contract and the terms and conditions thereof.

Non-competition Arrangements

Slipform Engineering International (H.K.) Ltd has agreed (on behalf of itself and its affiliates) to non-competition arrangements in favour of us, under which it undertakes not to carry on, participate in or be interested in, a business or company that competes with our business in the Asia Pacific region. The non-compete undertakings do not apply to prevent Slipform Engineering International (H.K.) Ltd or its affiliates from providing Services to third parties in the ordinary course of its business.

No fees are paid to Silpform Engineering International (H.K.) Ltd for entering into the arrangements.

Arrangements with PT Consolidated Electric Power Asia

We have confirmed PT Consolidated Electric Asia's continued support for our projects by entering into a binding strategic alliance agreement (the "**CEPA Co-operation Agreement**") with PT Consolidated Electric Power Asia on the basis described below.

Background

We have engaged PT Consolidated Electric Power Asia to provide operation and maintenance services (together, the "**Services**") to our Group in relation to our Sengkang Expansion and propose to engage PT Consolidated Electric Power Asia to provide operation and maintenance services to our Group in relation to our Sengkang LNG Project. PT Consolidated Electric Power Asia also carries on business on its own behalf.

29. Key Management Personnel Disclosures (continued)

Transactions with Related Parties (continued)

(c) Co-operation and Non-Competition Arrangements (continued):

Co-operation Arrangements

Going forward, PT Consolidated Electric Power Asia will continue to operate as a separate entity but has undertaken in accordance with the CEPA Co-operation Agreement that, in relation to our power plant and LNG projects in the Asia Pacific region, it will provide the Services to the Group on terms and conditions to be agreed between PT Consolidated Electric Power Asia and us and reflecting the principles set out below.

The CEPA Co-operation Agreement acknowledges that we are entirely free to source Services from independent third parties.

Any contract between ourselves and PT Consolidated Electric Power Asia or its affiliates from time to time for some or all of the Services (a "**CEPA Contract**") shall be negotiated in good faith between us.

We will seek approval from our board committee, comprising independent non-executive Directors who do not have a material interest in the matter, as to whether to enter into any CEPA Contract and the terms and conditions thereof.

Non-competition Arrangements

PT Consolidated Electric Power Asia has also agreed (on behalf of itself and its affiliates) to non-competition arrangements in favour of us, under which it undertakes not to carry on, participate in or be interested in, a business or company that competes with our business in the Asia Pacific region. The non-compete undertakings do not apply to prevent PT Consolidated Electric Power Asia from providing Services to third parties in the ordinary course of its business.

No fees are paid to PT Consolidated Electric Power Asia for entering into the arrangements.

Arrangements with EWI and Mr. Stewart Elliott

We have entered into a binding co-operation and non-competition agreement (the "**Framework Agreement**") with EWI and Mr. Stewart Elliott (each, together with its or his respective associates, a "**Covenantor**").

The Framework Agreement governs the conduct of the activities in the Asia Pacific region between each Covenantor and us in relation to:

- developing, constructing, owning or operating gas-fired power plants;

- developing, constructing, owning or operating LNG facilities, including: up-stream, modular LNG liquefaction, storage and export facilities; and mid- and down-stream, modular LNG import, regasification and storage facilities; and

- the production, trading or sale of power, natural gas and LNG, (together, the "**Relevant Sector**").

29. Key Management Personnel Disclosures (continued)

Transactions with Related Parties (continued)

(c) Co-operation and Non-Competition Arrangements (continued):

Background

EWI has historically provided finance and executive management support to our Group and has acted as a developer of early stage opportunities in the energy and infrastructure sector. EWI also owns assets, develops projects and carries on business on its own behalf.

Co-operation Arrangements

Going forward, each Covenantor undertakes that the Covenantors will operate in accordance with the Framework Agreement and that we will be the primary company for the development and implementation of projects, investments and opportunities in the Relevant Sector in the Asia Pacific region and that:

- each of the Covenantors will continue to develop, at any early stage, projects, investments and opportunities in the Relevant Sector in the Asia Pacific region ("**New Opportunities**") and we will have a first right to adopt, develop further and implement those New Opportunities; and

- neither of the Covenantors will compete with us in the Asia Pacific region.

New Opportunities

The Framework Agreement covers New Opportunities within the Relevant Sector in the Asia Pacific region. Each Covenantor undertakes to notify us on a periodic basis of New Opportunities that a Covenantor identifies or that are offered to it and provide a first right to adopt, develop further and implement the New Opportunity, exercisable within 10 business days from receipt of the notification.

In addition, each Covenantor undertakes to refer such New Opportunity to us once a certain milestone (based on achieving certain capital expenditure thresholds, based on the status of development or progress of legal commitments or relationships) is achieved with regard to the development of that New Opportunity.

We will disclose in our annual report any decision in relation to a New Opportunity made by the independent non-executive Directors.

The Framework Agreement acknowledges that we may continue to source, either ourselves or via independent third parties, other projects, investments and opportunities within the Relevant Sector.

Non-competition Arrangements

Each of the Covenantors has entered into non-competition arrangements in favour of us, under which each Covenantor undertakes: directly or indirectly and on its own account, in conjunction with, on behalf of, or through, any person, business or company not to carry on, participate or be interested, engaged or otherwise involved in or to acquire or hold any legal, beneficial or economic interest in any person, business or company that competes, or is reasonably expected to compete, with our business in Asia Pacific.

No fees are paid to EWI and Mr. Stewart Elliott for entering into the arrangements.

29. Key Management Personnel Disclosures (continued)

Transactions with Related Parties (continued)

(d) Options and Rights over Equity Instruments Granted As Compensation

No options were held by key management personnel.

The movement during the reporting period in the number of ordinary shares of Energy World Corporation Ltd held directly, indirectly or beneficially, by each specified director, including their personally related entities is as follows:

Shares	**Held at 1 July 2012**	**Purchase**	**Sale**	**Held at 30 June 2013**
Specified Directors/				
Non-Executive				
B.D.Littlechild	-	-	-	**-**
L.J. Charles	-	-	-	**-**
D. Faridz	-	-	-	**-**
M.P. O'Neill	300,000	-	-	**300,000**
K.S. Virk	-	-	-	**-**
Alternate Director				
G.S. Elliott	-	-	-	**-**
G.J. Karpinski	-	-	-	**-**
Executive				
S.W.G. Elliott	639,421,234	-	-	**639,421,234**
I.W. Jordan	319,700	-	-	**319,700**
B.J. Allen	-	-	-	**-**
Total	640,040,934	-	-	**640,040,934**

No shares were granted to key management personnel during the reporting period as compensation.

The Key Management Personnel compensations paid are noted in the following table:

	2013 US$'000	**2012 US$'000**
Short term benefits	**1,029**	1,335
Post employment benefits	**-**	-
Long term benefits	**-**	-
Share based benefits	**-**	-
Termination benefits	**-**	-
	1,029	1,335

30. Non-Director Related Parties

The amounts owed and outstanding by the Group and to the Group to related parties at 30 June are as follows:

	2013 US$'000	2012 US$'000
Slipform Engineering International (H.K.) Ltd.	**(15,351)**	-
PT Consolidated Electric Power Asia	**(1,926)**	(1,074)
PT Slipform Indonesia	**(21,736)**	3,800
Total	**(39,013)**	2,726

31. Related Party Business Combination

On 12 March 2012, Energy World Corporation Ltd. entered into a Sale and Purchase Agreement to acquire the 100% shares of Energy World (H.K.) Limited in Hong Kong which was wholly beneficially owned by Mr. Stewart Elliott, for a total amount of US$0.39 (HK$3).

The fair value of the identifiable assets and liabilities of Energy World (H.K.) Limited as at the date of acquisition are:

	Fair Values US$'000	**Carrying Values** US$'000
Fixed assets	-	-
Cash and cash equivalents	24	24
Receivables	38	38
Rental & Utility deposits	87	87
Total Assets	**149**	**149**
Payables	246	246
Total Liabilities	**246**	**246**
Parent Net Liabilities	**(97)**	**(97)**

Reconciliation of loss on acquisition	US$
Acquisition cost	-
Equity-accounted investment	29
	29
Fair value of parent net liabilities	(97)
	(68)
Comprising	
Loss on acquisition	(68)
	(68)

Reconciliation of net cash flows

Cash paid for acquisition	-
Cash acquired	24
Net cash inflow	**24**

32. Economic Dependency

A large portion of the revenue of the consolidated entity and the revenue received by subsidiaries is from long term power purchase contracts with state government owned electricity corporations in Australia and Indonesia.

33. Financial Instruments

Financial liabilities

	2013 US$000	2012 US$000
Financial liabilities at fair value through profit and loss		
Cash flow hedge	**1,440**	6,964
Total financial liabilities at fair value through profit and loss	**1,440**	6,964
Total current	**1,140**	2,150
Total non-current	**300**	4,814

(a) Financial Risk Management

The consolidated entity's principal financial instruments, other than derivatives, comprise cash, cash held in reserved accounts, receivables, payables and secured bank loans. The main purpose of these financial instruments is to raise finance for its operations. The consolidated entity has financial instruments such as trade debtors and trade creditors, which arise directly from operations.

The consolidated entity manages its exposure to key financial risks, including interest rate, foreign currency credit and liquidity risks in accordance with the consolidated entity's Treasury Management policy. The objective of the policy is to support the delivery of the consolidated entity's financial targets whilst protecting future financial security.

(b) Capital Risk Management

The consolidated entity manages its capital to ensure it will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Board reviews and agrees policies for managing the capital structure when considering each major project investment.

The consolidated entity monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total shareholders' equity. Net debt is calculated as total interest-bearing financial liabilities less cash and restricted cash. Total shareholders' equity is calculated as equity as shown in the statement of financial position.

(c) Foreign Currency Risk

Management regularly monitors the position of the consolidated entity and has not entered into any foreign exchange contracts as at 30 June 2013. The Company manages the risk by matching receipts and payments in the same currency.

Most of the revenue is denominated in US dollars and most of the loans extended to the consolidated entities are denominated in US dollars. From 1 July 2007, the functional currency of all entities is the US Dollar with the exception of certain Australian subsidiaries which are Australian Dollar and a Hong Kong subsidiary.

33. Financial Instruments (continued)

(c) Foreign Currency Risk (continued)

The following tables demonstrate the sensitivity to a reasonably possible change in the US dollar and AUD exchange rates, with all other variables held constant.

	Post Tax Profit Higher/(Lower)		**Equity Higher/(Lower)**	
	2013	2012	**2013**	2012
	$000	$000	**$000**	$000
Change in US$ rate				
+5%	**100**	145	**4,135**	4,490
-5%	**(100)**	(145)	**(4,135)**	(4,490)

(d) Credit Risk

The consolidated entity's maximum exposure to credit risk to each class of recognised financial asset is the carrying amount, net of any provisions for doubtful debts, of those assets as indicated in the statement of financial position.

In relation to unrecognised financial assets, credit risk arises from the potential failure of counter parties to meet their obligations under the contract or arrangement. Credit risk on off-balance sheet derivative contracts is minimised, as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

The majority of production from the operations of the consolidated entity is sold to government entities in Australia and Indonesia under long term Take or Pay contracts with the respective government utility.

Exposure to power utilities in Indonesia through the consolidated entity in the Sengkang Gas and Power Project is included in the consolidated entity’s investment in associated entities.

The consolidated entity is dependent on three major suppliers. The provision of feedstock gas is sourced from Power and Water Authority in Northern Territory, Australia, and PT. Pertamina (Persero) in Indonesia. The operation and maintenance contract for the PTES Sengkang power plant is with PT CEPA Sulawesi (previously PT Alstom Power Energy Systems, Indonesia).

(e) Inflation and Deflation

The consolidated entity sells products (principally gas and power) pursuant to long-term agreements containing terms that permit only small variations in prices. If the economies in which we operate, particularly Indonesia, were to suffer significant inflation or deflation, the pricing mechanisms in these contracts would not fully reflect these changed circumstances. During the period of this annual report, the Group was not materially affected by inflation or deflation.

33. Financial Instruments (continued)

(f) Interest Rate Risk

The consolidated entity's exposure to market risk for changes in interest rates relates primarily to its cash, cash held in reserve accounts and debt obligations. Management reviews its position in respect of any change in interest rate.

Our subsidiaries PTES and EEES entered into interest rate swap contracts to hedge their debt obligations.

The PTES interest rate swap was restructured on 15 July 2011 when PTES entered into an interest rate swap contract (ISDA Agreement) with Standard Chartered Bank Limited, London Branch, at a fixed rate of 3.06% p.a. and a new interest rate swap contract (ISDA Agreement) with Mizuho Corporate Bank and Natixis Bank at a fixed rate of 2.2375%. This interest rate swap was in respect of the US$100.59M initially drawn under the PTES Facility. On 14 December 2012, PTES entered into an further interest rate swap in respect of the US$59.3M subsequently drawn down under the PTES Facility. This interest rate swap was with Standard Chartered Bank Limited, London Branch, at a fixed rate of 1.60% p.a. and with Mizuho Corporate Bank at a fixed rate of 1.06% p.a. Interest payment dates are October and April each calendar year with the final instalment paid on 22 April 2018. These swaps are designated to hedge the debt obligations.

On 10 August 2011 EEES entered into on interest rate swap contract (ISDA Agreement) with Standard Chartered Bank Limited, London Branch, Mizuho Corporate Bank at a fixed rate of 1.58% Interest payment dates are December and June each calendar year with the first instalment on 31 December 2011 and the final instalment on 31 December 2017. These swaps are designated to hedge the debt obligations.

Cash flow hedges

Interest rate swap contracts measured at fair value through profit or loss are designated as hedging instruments of interest on debt obligations.

	2013		2012		As at 1 July 2011	
Interest rate swap contracts	**Assets US$000**	**Liabilities US$000**	**Assets US$000**	**Liabilities US$000**	**Assets US$000**	**Liabilities US$000**
Fair value	-	(1,440)	-	(6,964)	-	(860)

The terms of the interest rate swap contracts match the terms of the expected debt obligation repayment transactions. As a result, no material hedge ineffectiveness arises requiring recognition through profit or loss. The difference between fixed and variable rate interest amounts is calculated by reference to an agreed-upon notional principal amount. At 30 June 2013, the notional principal amount of these swaps was $219,372,000 at a fixed rate of interest (2012: $163,170,500)

The cash flow hedges of the expected debt obligation repayments were assessed to be highly effective and a net unrealised gain of $9,152,000, with a deferred tax liability of $2,730,000 relating to the hedging instruments, is included in OCI.

At the end of 30 June 2012, the cash flow hedges of the expected debt obligation repayments were assessed to be highly effective and an unrealised loss of $8,685,000 with a deferred tax asset of $2,535,000 was included in OCI in respect of these contracts.

The following table sets out the carrying amount of the financial instruments exposed to United States Dollar and Australian Dollar variable interest rate risk.

33. Financial Instruments (continued)

(f) Interest Rate Risk (continued)

Table A

	2013 Effective interest rate	2012 Effective interest rate	**2013 US$'000**	2012 US$'000
Financial assets				
Cash and cash equivalents	**0.36%**	0.31%	**86,665**	128,008
Cash held in reserve accounts	**0.36%**	0.31%	**184,313**	184,020
			270,978	312,028
Financial liabilities				
Interest-bearing loans and borrowings	**1.17%**	3.28%	**125,118**	125,187
			125,118	125,187
Net exposure			**145,860**	186,841

At 30 June 2013, if interest rates had moved, as illustrated in the table below, with all other variables held constant, the consolidated entity's post-tax profit and equity would have been affected as follows. We have elected to use these interest rate variations as the basis of the sensitivity analysis due to the fact that we currently operate in a US dollar low interest rate environment.

Table B

	Post Tax Profit Higher/(Lower)		**Equity Higher/(Lower)**	
	2013	2012	**2013**	2012
	$000	$000	**$000**	$000
Consolidated				
+1% (100 basis points)	**(146)**	1,868	**(2,305)**	(1,536)
-0.5% (50 basis points)	**73**	(934)	**1,532**	768

The movements in profit in 2013 and 2012 are due to higher / lower interest costs from variable rate debt and cash balances. These arrangements have been subsequently modified and amended as described above.

33. Financial Instruments (continued)

(g) Liquidity Risk

The aim of liquidity risk management is to ensure that the consolidated entity has sufficient funds available to meet its obligations both on a day to day basis and in the longer term. That is, its aim is to ensure that new funding and refinancing can be obtained when required and without undue concentration at times when financial markets might be strained. Provided that theses aims are met, the policy also aims to minimise net interest expense.

The tables below detail the maturity profile of the financial assets and liabilities. Trade payables and other financial liabilities mainly originate from the financing of assets used in ongoing operations such as property, plant and equipment and investments in working capital e.g. trade receivables. These assets are considered in the consolidated entity's overall liquidity risk. Management closely monitors the timing of expected settlement of financial assets and liabilities.

30 June 2013	**Contractual Maturity**					
	< 6 months $000	6-12 months $000	1-2 years $000	2-5 years $000	> 5 years $000	Total $000
Financial assets						
Cash and cash equivalents	**86,665**	**-**	**-**	**-**	**-**	**86,665**
Cash held in reserve accounts	**109,281**	**-**	**-**	**75,032**	**-**	**184,313**
Trade and other receivables	**25,350**	**3,785**	**-**	**-**	**-**	**29,134**
	221,295	**3,785**	**-**	**75,032**	**-**	**300,112**
Financial liabilities						
Trade and other payables	**100,734**	**-**	**-**	**-**	**-**	**100,734**
Interest-bearing loans and borrowings	**73,470**	**26,017**	**52,011**	**274,915**	**41,253**	**467,666**
Derivative liabilities – net settled	**1,140**	**-**	**300**	**-**	**-**	**1,440**
	175,345	**26,017**	**52,311**	**274,915**	**41,253**	**569,841**
Net maturity	**45,950**	**(22,233)**	**(52,311)**	**(199,883)**	**(41,253)**	**(269,730)**

* Interest bearing loans of the consolidated group currently bear an interest rate range from 0.81% to 5.14% p.a. in 2013.

30 June 2012	**Contractual Maturity**					
	< 6 months $000	6-12 months $000	1-2 years $000	2-5 years $000	> 5 years $000	Total $000
Financial assets						
Cash and cash equivalents	128,008	-	-	-	-	128,008
Cash held in reserve accounts	57,985	-	126,036	-	-	184,021
Trade and other receivables	15,124	6,588	-	-	-	21,712
	201,117	6,588	126,036	-	-	333,741
Financial liabilities						
Trade and other payables	42,373	-	-	-	-	42,373
Interest-bearing loans and borrowings	4,725	7,085	143,329	96,822	25,846	277,807
Derivative liabilities – net settled	2,473	-	4,491	-	-	6,964
	49,571	7,085	147,820	96,822	25,846	327,144
Net maturity	151,546	(497)	(21,784)	(96,822)	(25,846)	6,597

* Interest bearing loans of the consolidated group currently bear an Interest rate range from 0.90% to 5.61% p.a. in 2012.

33. Financial Instruments (continued)

(h) Commodity Price Risk

Due to the pricing mechanism in our long-term Gas Supply Agreement, under which we sell gas to Pertamina in Indonesia, our exposure to fluctuations in the price of gas is not material to our gas operations. Due to our long-term gas supply arrangements with NT PWC in Australia and Pertamina in Indonesia, under which we receive gas for our power plants, our exposure to fluctuations in the price of gas is also not material to our power operations. Furthermore, because we are integrated to the extent that our sales and supply arrangements are matched with each other in terms of duration and price stability, we do not run a material risk in our power operations that we will be locked into what has become a low price for the sale of power while our cost of gas increases or that we will be locked into what has become a high price for the purchase of gas while the price we are paid for power declines.

(i) Fair Value

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

	Carrying amount		**Fair value**	
	2013	2012	**2013**	2012
	$000	$000	**$000**	$000
Financial assets				
Cash and cash equivalents	**86,665**	128,008	**86,665**	128,008
Cash held in reserve accounts	**184,313**	184,021	**184,313**	184,021
Trade and other receivables	**29,134**	21,668	**29,134**	21,668
	300,112	333,695	**300,112**	333,695
Financial liabilities				
Trade and other payables	**96,339**	39,972	**96,339**	39,972
Interest-bearing loans and borrowings	**400,915**	274,905	**400,915**	274,905
Derivative financial liabilities at fair value through profit or loss				
- Derivatives in effective hedges	**1,440**	6,964	**1,440**	6,964
	498,694	322,612	**498,694**	**322,612**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(a) Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates and the risk characteristics of the financed project. As at 31 December 2012, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

(c) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps. The most frequently applied valuation techniques include forward swap models, using present value calculations. The models incorporate various inputs including the interest rate curves of the underlying commodity.

33. Financial Instruments (continued)

(i) Fair Value (continued)

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.
Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

For the year ended 30 June 2013, the Group held no financial instruments with the characteristics of level 1 and level 3 financial instruments described above.

The Group holds derivative financial instruments (interest rate swaps) to hedge its risks associated with interest rate fluctuations with the characteristics of level 2. For these financial instruments not quoted in active markets, the Group uses valuation techniques such as present value, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs. Refer to Note 33(g) for the fair value measurements of the derivative financial instruments.

As at 30 June 2013 and 30 June 2012, the group held the following financial instruments carried at fair value in the statement of financial position

	2013 **US$000**	2012 US$000
Financial liabilities at fair value through profit or loss		
Cash flow hedge	**1,440**	6,964
Total financial liabilities at fair value through profit or loss	**1,440**	6,964
Total current	**1,140**	2,150
Total non-current	**300**	4,814

During the reporting period ended 30 June 2013 and 30 June 2012, there were no transfers between level 1 and level 2 fair value measurements.

34. Subsequent Events

Commercial operation of ST28

On 00:00 15 September 2013 the 60 MW steam turbine ST 28 reached commercial operation following the completion of its 96 hours NDC test period, thus achieving completion of the expansion of the Sengkang Combined Cycle Power Plant.

Wasambo Drilling

The Wasambo Drilling Program, which was previously approved by SKKMigas' predecessor, BPMigas, under a plan of development in June 2011 commenced at 13:30 (Jakarta time) on 18 September 2013 when the Walanga #2 Twinning Well was spudded. The program involves drilling four gas production wells, being: Sampi Sampi #1 Twinning, Walanga #1 Twinning, Walanga #2 Twinning and Walanga #3, and is expected to take three months and complete around mid-December 2013. Each of the wells will target the Tacipi formation at a total depth of 2,600 feet.

Directors’ Declaration

For The Year Ended 30 June 2013

In accordance with a resolution of the directors of Energy World Corporation Ltd, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity’s financial position as at 30 June 2013 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations Act 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2 (c); and

(c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

On behalf of the Board

Stewart William George Elliott
Chairman/ Managing Director

Dated 30 September 2013

Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the members of Energy World Corporation Ltd

Report on the financial report

We have audited the accompanying financial report of Energy World Corporation Ltd, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company disclosing entity and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company disclosing entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2 the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Energy World Corporation Ltd is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Energy World Corporation Ltd for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

Scott Jarrett
Partner
Sydney
30 September 2013

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows.

Substantial Shareholdings (as at 31 August 2013)

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder		Shares	%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	*	798,259,339	46.03
ENERGY WORLD INTERNATIONAL LTD		334,572,393	19.29
J P MORGAN NOMINEES AUSTRALIA LIMITED		153,777,129	8.87
CITICORP NOMINEES PTY LIMITED		83,302,689	4.80
		1,369,911,550	**78.99**

* Includes HSBC Custody Nominees (Australia) Limited holding 300,000,000 shares for Energy World International Limited

Voting Rights

All ordinary shares carry one vote per share without restriction.

Distribution of Equity Security Holders

Distribution of shareholdings			Number of Shareholders	%
1	-	1,000	612	0.02
1,001	-	5,000	1,709	0.29
5,001	-	10,000	912	0.42
10,001	-	100,000	1,298	2.37
100,001	-	9,999,999,999	239	96.89
Rounding			-	0.01
			4,770	**100.00**

On-Market Buy-Back

There is no current on-market buy-back.

Twenty Largest Shareholders from the Register of Members as at 31 August 2013 were:

No.	Shareholder	Shares	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	798,259,339	46.03
2	ENERGY WORLD INTERNATIONAL LTD	334,572,393	19.29
3	J P MORGAN NOMINEES AUSTRALIA LIMITED	153,777,129	8.87
4	CITICORP NOMINEES PTY LIMITED	83,302,689	4.80
5	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	48,193,388	2.78
6	NATIONAL NOMINEES LIMITED	37,876,806	2.18
7	CS FOURTH NOMINEES PTY LTD	35,342,705	2.04
8	MR D'ARCY FREDERICK QUINN + MRS HEATHER JEAN QUINN + MR DAVID BRENDON QUINN <THE QUINN FAMILY NO 2 A/C>	13,748,167	0.79
9	MR DAVID WILLIAM MAIR + MR JOHN GORDON PHIPPS <DM2 INVESTMENT A/C>	11,010,102	0.63
10	MR JOHN GORDON PHIPPS + MRS KATHRON ANNE PHIPPS + MR DAVID WILLIAM MAIR <PHIPPS CORONET A/C>	10,570,102	0.61
11	MS DOROTHEA HOLTMANN + DR CHRISTIAN ALEXANDER	9,570,260	0.55
12	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	8,010,340	0.46
13	WOODROSS NOMINEES PTY LTD	6,566,762	0.38
14	BNP PARIBAS NOMS (NZ) LTD <DRP>	6,294,300	0.36
15	BUTTONWOOD NOMINEES PTY LTD	5,662,510	0.33
16	MR JOHN GORDON PHIPPS + MRS KATHRON ANNE PHIPPS + MR DAVID WILLIAM MAIR <PHIPPS CORONET A/C>	5,553,226	0.32
17	SANDHURST TRUSTEES LTD <ENDEAVOR ASSET MGMT MDA>	5,030,275	0.29
18	CEEC PTY LTD <CEEC PTY LTD SUPER FUND A/C>	3,250,000	0.19
19	MR DAVID MAIR <DM 2 INVESTMENT A/C>	3,145,000	0.18
20	QIC LIMITED	2,939,152	0.17
		1,582,674,645	**91.26**

Issued Capital

(a) At 31 August 2013, the Company had 1,734,166,672 ordinary fully paid shares listed on the Australian Stock Exchange Limited.

(b) At 31 August 2013, 663 shareholders held less than a marketable parcel.

ENERGY WORLD
CORPORATION LIMITED
ACN 009 124 994