



**SWW Energy Limited**

# **SWW Energy Limited**

**ABN 60 096 687 839**

## **Appendix 4D and Half -Year Financial Report**

**30 June 2011**

# Corporate Directory

## Directors

Benjamin Bussell  
Director and Chairman

Darren Olsen  
Director

Matthew Foy  
Executive Director

## Company Secretary

Matthew Foy

## Registered Office

Level 8  
225 St Georges Terrace  
Perth WA 6000  
Tel: (08) 9486 4036  
Fax: (08) 9486 4799

## Share Register

Link Market Services Ltd  
Level 12  
680 George Street  
Sydney NSW 2000  
Tel: (02) 8280 7111  
Fax: (02) 9287 0303

## Auditor

Grant Thornton NSW  
Level 17  
383 Kent Street  
Sydney NSW 2000

## Stock Exchange Listing

Australian Securities Exchange  
Level 8  
Exchange Plaza  
2 The Esplanade  
Perth WA 6000  
Code: SWW

# Appendix 4D

## SWW Energy Limited

ABN 60 096 687 839

### Half-Year Report – 30 June 2011

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

(This information should be read in conjunction with the last annual report and any announcements to the market by SWW Energy Limited (Formerly Solverdi World Wide Limited) during the period)

	Half - Year Ended 30/06/11 \$A	Half - Year Ended 30/06/10 \$A	Amount change \$A	Percentage change %
Revenue from ordinary activities	3,514	0	3,514	Up 3,514%
Income from ordinary activities after tax attributable to members	1,063,361	(299,947)	1,363,308	Up 454.52%
Dividends (distributions)				
There are no dividends proposed by the Company.				

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.41 cents	(1.82) cents

#### Independent Auditor's Review Report

The Independent Auditor's Review Report can be found on page 14 of the attached financial report for the Half Year ended 30 June 2011.



Matthew Foy  
Executive Director  
31 August 2011

The information required by listing rule 4.2A is contained in both this Appendix 4D and the attached half-year report. This half-yearly reporting information should be read in conjunction with the most recent annual financial report of the company.

**SWW Energy Limited**

**Interim Financial Report**

**ABN 60 096 687 839**

**Half - Year Ended 30 June 2011**

This interim financial report should be read in conjunction with the 31 December 2010 annual financial report.

## **Directors' Report**

Your directors submit the financial report on the company for the half-year ended 30 June 2011.

### **Directors**

The names of directors who held office during or since the end of the half-year:

Mr Gino D'Anna	(Resigned 16 June 2011)
Mr Benjamin Bussell	
Mr Darren Olsen	
Mr Matthew Foy	(Appointed 16 June 2011)

Directors held office from the start of the period to the date of this report unless otherwise stated.

### **Review of Operations**

The result for the overall operations of the company for the six month period to 30 June 2011 was a profit of \$1,063,361 (2010: loss of \$299,947).

On 18 March 2010, Mr Phillip Pinn of Pinn Deavin BIO was appointed as administrator by the Company's board of directors pursuant to Section 436A of the Corporations Act.

At the first meeting of the creditors it was resolved by the creditors of the Company that Mr Geoffrey Reidy of Rodgers Reidy be appointed as administrator of the Company to replace Mr Pinn.

Hemisphere Investment Partners Pty Ltd (Hemisphere) subsequently put forward a proposal to the administrator to reconstruct and recapitalise the Company with a view to ensuring that the Company could continue to operate as a going concern and seek reinstatement to trading on ASX (Proposal).

On 3 September 2010, the Proposal by Hemisphere (Proponent) was put to creditors and approved. The Proposal can be summarised as follows:

- a. The Company will consolidate its existing issued capital on a one (1) for three (3) basis (being the Consolidation). This was approved by Shareholders at the Company's General Meeting to be held on 19 April 2011.
- b. The Proponent has provided a non refundable deposit of \$75,000 to the Company to be applied by the Deed Administrator to the Creditors Trust.
- c. The Proponent will be entitled to the Corporate Fee on termination of the DOCA.
- d. The Company will undertake the Offers pursuant to this Prospectus lodged with the ASIC on 5 April 2011.
- e. All of the directors of the Company will be removed and replaced by nominees of the Proponent.

The Company subsequently entered into a Deed of Company Arrangement (**DOCA**) that provided for the payment of funds into the Company, and settlement of creditors' claims (consistently with the terms of the Proposal).

Conditions precedent to the DOCA include:

- a. the Company obtaining Shareholder approval of, inter alia, the Consolidation, the payment of the Corporate Fee to the Proponent and the Proponent Offer;
- b. all employees of the Company being terminated prior to the termination of the DOCA;

## **Directors' Report**

- c. ASX confirming in writing that it will lift the Company's suspension on the ASX following the Capital Raising on terms satisfactory to the Proponent and the Company without the need to re-comply with Chapters 1 and 2 of the ASX Listing Rules; and
- d. the Offers pursuant to this Prospectus being closed and the minimum subscription of \$2,200,000 being raised.

The DOCA was terminated following completion of:

- a. the capital raisings under the Prospectus;
- b. payment to the Deed Administrator of \$780,000 (to be applied to the Creditors Trust established to meet the payment of the Administrator's fees and expenses, Deed Administrator's fees and expenses and the satisfaction of the compromised creditor's claims) and transfer to the Creditors Trust of all the Company's assets (including the issued share capital of the Company's wholly owned subsidiary, ACN 051 792 495 Pty Ltd). Together the payment amount and the transferred assets will be the amount to be applied to the Creditors Trust after payment of the Administrator's fees and expenses and the Deed Administrator's fees and expenses; and
- c. payment to the Proponent of the Corporate Fee and the issue of Shares and Options to the Proponent under the Proponent Offer.

### **Significant Changes in the State of Affairs**

The capital raising of \$2,503,500 proposed by the Recapitalisation Proposal was completed on 19<sup>th</sup> May 2011 and will allow the Company to meet its initial objectives and expenditure plans.

The purpose of the Offers was to:

1. provide funds for the expansion of the Company's existing core business, which is focused on:
2. the production of biofuel and biodiesel from the beneficiation of waste oils using the proprietary technology of the Company, known as Thermodepolymerisation;
3. the funding of operating expenses associated with the toll processing agreement with White Mountain Group LLC and feedstock suppliers;
4. the funding of potential offtake agreements with end users of biofuel and biodiesel;
5. expansion funding associated with new plants both directly owned and operated by White Mountain Group LLC and other third party operators;
6. funding for the research and development of the Frac Water Technology and the Solar Cracking Technology;
7. provide funds for the further acquisition and development of other investments, as identified by the Company (that may or may not be in the same sector); and
8. meet the costs and expenses of the recapitalisation of the Company (including payments due under the DOCA and to the Proponent) with a view to seeking reinstatement to trading of its securities on ASX.

## **Directors' Report**

### **Subsequent Events**

On 26 July 2011 the Company was reinstated on the official ASX list following the Company's compliance with Chapter 12 of the ASX Listing Rules.

On 28 August 2011 the Company announced it had established a sale facility for holders of unmarketable parcels of shares in the Company, being a parcel of shares with a value of less than \$500. As at the close of business on 19 August 2011, the Company had 2,511 shareholders of which 2,310 held less than a marketable parcel. Their holdings, which total 5,189,960 shares, represent 1.33% of the Company's total issued shares.

As soon as is practical after 5.00pm on 6 October 2011 the Company will endeavour to sell the shares if, at the date of the sale, the holdings are less than a marketable parcel. The proceeds from that sale will be remitted to individual shareholders. In accordance with the Company's Constitution, shares will be sold at not less than 1.9 cents (this being the simple average of the last sale prices of the Company's shares on the ASX for each of the ten trading days immediately preceding the Date of the Notice).

### **Future Developments, Prospects and Business Strategies**

The new board of SWW Energy Limited (**New Board**) intends to further evaluate and develop the renewable fuel business via the use of the TDP™ Thermodepolymerisation Technology.

The business operations of the Company are based on the technology and licence agreement executed with White Mountain. This includes the Shallow Water Reactor Process, the Frac Water Technology, the TDP™ Thermodepolymerisation Technology and the Solar Cracking Technology. The TDP™ Thermodepolymerisation Technology will underpin the continued operations of the Company as SWW Energy Limited embarks upon a restructured business plan designed to mitigate the need for extensive capital investments whilst maintaining the same business operations.

Thermodepolymerisation (**TDP**) is a depolymerisation process using hydrous pyrolysis for the reduction of complex organic materials (usually waste products of various sorts, often biomass and plastic) into light crude oil. It mimics the natural geological processes thought to be involved in the production of fossil fuels. Under pressure and heat, long chain polymers of hydrogen, oxygen, and carbon decompose into short-chain petroleum hydrocarbons with a maximum length of around 18 carbons.

On 1 December 2010, White Mountain and the Company signed an agreement allowing SWW Energy Limited the right to access the excess capacity at a renewable fuel plant located in North Las Vegas, Nevada operated by experts engaged by White Mountain for the production of biofuel using feedstock supplied by SWW Energy Limited. The White Mountain plant in Nevada currently has total capacity of 240,000 litres per month, a portion of which can be secured by SWW Energy Limited in the production of the Biofuel and biodiesel. The toll processing arrangement allows SWW Energy Limited to pay White Mountain a toll processing fee equal to US\$0.86 for every litre of Biodiesel and a license fee of US\$0.054 per litre of Biodiesel produced for the use of the technology in the plant, produced at standard temperature and pressure at the White Mountain Facility from the feed stocks supplied by SWW Energy Limited, delivered to SWW Energy Limited.

Access to the treatment plant will allow SWW Energy Limited to reduce the need to raise large sums of capital associated with the capital expenditure required for the construction, operation and maintenance of the plants on an ongoing basis. This is considered to be a more efficient business model than previously employed by SWW Energy Limited and allows the Company to treat waste oil products using the White Mountain plant by sharing the sale margin with White Mountain. In addition, the experts and personnel that operate the plant on behalf of White Mountain will provide their expertise to SWW Energy Limited during the beneficiation and manufacturing process.

In addition to accessing personnel and experts within White Mountain, SWW Energy Limited may also be able to utilise the existing White Mountain customer base as an opportunity to channel its own production of biofuel and biodiesel.

## **Directors' Report**

This business model is essentially the same as the core business of SWW Energy Limited prior to it being placed into administration, without the risk associated with constructing and operating its own biodiesel plants. In turn, the associated large sums of capital which were required under the previous business model are no longer required. SWW Energy Limited will endeavour to create "micro-plant" operations in the fragmented waste oil and grease interceptor industry. SWW Energy Limited will attempt to create service collection "vacuums", that competing companies will find difficult to react to, and implement effective "radius" marketing to increase customer density.

SWW Energy Limited, through its proprietary technology, intends to convert the collected waste material into a value added resource for the manufacture of renewable fuels. Using proprietary, patent issued and patent pending, technology to convert waste water and waste oil sources to alternative fuel.

The future activities of the Company will largely focus on the commercial application of the existing SWW Energy Limited technology, with a view to achieving the production and sale of biofuel and biodiesel products into the transport industry as well as animal feed stock to the agricultural industry under a relationship with White Mountain.

This will be accomplished through the toll processing agreement with White Mountain.

As part of the recapitalisation, the Company will also evaluate other project opportunities for acquisition or investment. The Company proposes to review projects across a range of sectors.

The Company proposes to investigate acquisitions and investments in the following sectors:

- a. metals and mining across all commodities, including iron ore, gold, copper, manganese, lead, zinc, silver, platinum, chrome, nickel and rare earth elements;
- b. energy and energy related investments including oil and gas, coal bed methane, coal and uranium; and
- c. renewable energy and fuels including Biofuel, biodiesel and ethanol.

The report for the six months ended 30 June 2011 was authorised for issue on 31 August 2011 by the board of directors.

### **Dividends**

No dividend was paid or proposed during the period.

### **Auditor's Independence Declaration**

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 30 June 2011 and forms part of this report.

This report is signed in accordance with a resolution of the Board of Directors.



Mr Matthew Foy  
Executive Director  
Dated this 31<sup>st</sup> August 2011



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**Auditor's Independence Declaration  
To the Directors of SWW Energy Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of SWW Energy Limited for the half-year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON NSW  
Chartered Accountants



G S Layland  
Partner

Sydney, 31 August 2011

**SWW Energy Limited**

ABN 60 096 687 839

**Half - year ended 30 June 2011**

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**Statement of Comprehensive Income for the half-year ended 30 June 2011**

	Note	Company 30 Jun 11 \$	Consolidated 30 Jun 10 \$
Sales revenue		-	-
Cost of sales		-	-
Gross profit/(loss)		<u>-</u>	<u>-</u>
Other revenues	8	1,101,989	-
Sales and marketing expenses		-	-
Research and development expenses		-	-
Operating site expenses		-	-
Administration expenses		(38,577)	(12,389)
Impairment of intercompany loan		-	(287,558)
Finance costs		(51)	-
<b>Profit/(Loss) before income tax</b>		1,063,361	(299,947)
Income tax benefit/(expense)		-	-
<b>Profit/(Loss) for the year attributable to members of the parent entity</b>		<u>1,063,361</u>	<u>(299,947)</u>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income attributable to members of the parent entity</b>		<u><b>1,063,361</b></u>	<u><b>(299,947)</b></u>
<b>Overall operations</b>			
Basic earnings/(loss) per share (cents per share)		0.899	(0.28)
Diluted earnings/(loss) per share (cents per share)		0.775	(0.28)

The financial statements should be read in conjunction with accompanying notes.

**SWW Energy Limited**

ABN 60 096 687 839

**Half – year ended 30 June 2011**

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**Statement of Financial Position as at 30 June 2011**

	Note	Company 30 Jun 11 \$	Consolidated 31 Dec 10 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,676,412	-
Trade and other receivables		24,590	700
<b>TOTAL CURRENT ASSETS</b>		<u>1,701,002</u>	<u>700</u>
<b>TOTAL ASSETS</b>		<u>1,701,002</u>	<u>700</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		45,436	1,853,475
Short-term borrowings		70,673	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>116,109</u>	<u>1,853,475</u>
<b>TOTAL LIABILITIES</b>		<u>116,109</u>	<u>1,853,475</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>1,584,893</u>	<u>(1,852,775)</u>
<b>EQUITY</b>			
Issued capital		1,822,307	72,605,431
Reserves		552,000	-
Retained earnings		(789,414)	(74,458,206)
<b>TOTAL EQUITY</b>		<u>1,584,893</u>	<u>(1,852,775)</u>

The financial statements should be read in conjunction with accompanying notes.

**SWW Energy Limited**

ABN 60 096 687 839

**Half – year ended 30 June 2011**

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**Statement of Changes in Equity for the half-year ended 30 June 2011**

	<b>Issued Ordinary Share Capital</b>	<b>Option Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2010</b>	72,232,052	-	(74,113,654)	(1,881,602)
Total comprehensive income for the period	-	-	(299,947)	(299,947)
Shares issued during the period	298,379	-	-	298,379
Share based payments	-	-	-	-
<b>Balance as 30 June 2010</b>	<b>72,530,431</b>	<b>-</b>	<b>(74,413,601)</b>	<b>(1,883,170)</b>
<b>Balance at 1 January 2011</b>	72,605,431	-	(74,458,206)	(1,852,775)
Total comprehensive income for the period	-	-	1,063,361	1,063,361
Shares issued during the period	2,771,000	-	-	2,771,000
Reduction of share capital	(72,605,431)	-	72,605,431	-
Costs of share issue	(948,693)	552,000	-	(396,693)
<b>Balance as 30 June 2011</b>	<b>1,822,307</b>	<b>552,000</b>	<b>(789,414)</b>	<b>1,584,893</b>

The financial statements should be read in conjunction with accompanying notes.

**SWW Energy Limited**

ABN 60 096 687 839

**Half – year ended 30 June 2011**

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**Statement of Cash Flows for the half - year ended 30 June 2011**

	<b>Company</b>	<b>Consolidated</b>
	<b>30 Jun 11</b>	<b>30 Jun 10</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(772,031)	(13,447)
Other receipts	3,514	10,821
Finance costs	(51)	-
	<hr/>	<hr/>
Net cash used in operating activities	(768,568)	(2,626)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loans to related entities	-	(287,558)
	<hr/>	<hr/>
Net cash used in investing activities	-	(287,558)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	2,374,307	298,379
Proceeds from borrowings	70,673	-
	<hr/>	<hr/>
Net cash provided by financing activities	2,444,980	298,379
Net increase in cash held	1,676,412	8,195
Cash at the beginning of the period	-	(1,317)
	<hr/>	<hr/>
Cash at the end of the period	1,676,412	6,878
	<hr/>	<hr/>

The financial statements should be read in conjunction with accompanying notes.

**Notes to the Financial Statements for the half – year ended 30 June 2011****1. Basis of preparation**

The half-year Company financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* Australian Accounting Standard AASB 134: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2010 and any public announcements made by SWW Energy Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year report does not include full disclosures of the type normally included in an annual financial report. The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

**Accounting Standards not Previously Applied**

The company has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

<b>New/revised pronouncement</b>	<b>Effective date (i.e. annual reporting periods ending on or after)</b>	<b>Likely impact</b>
AASB 9 Financial Instruments  AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	31 December 2015	Depending on assets held, there may be significant movement of assets between fair value and cost categories and ceasing of impairment testing on available for sale assets. If the entity holds any 'own credit risk' financial liabilities, the fair value gain or loss will be incorporated in the OCI, rather than profit or loss, unless accounting mismatch.
AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets (AASB 1 & AASB 7)	30 June 2012	More extensive and onerous quantitative and qualitative disclosure requirements for de-recognition of financial assets.
Disclosure of Interests in Other Entities	31 December 2013	There are some additional enhanced disclosures centred around significant judgements and assumptions made around determining control, joint control and significant influence.

**Reporting Basis and Conventions**

The half-year report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

## **Notes to the Financial Statements for the half – year ended 30 June 2011**

### **2. Going Concern Basis of Accounting**

Notwithstanding the negative cash flows from operations and historical financial performance, the financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The directors believe that it is appropriate to prepare the financial report on a going concern basis given the new board has developed and implemented a recapitalisation strategy which includes a revised business plan.

The capital raising of \$2,503,500 previously proposed by the Recapitalisation Proposal was completed on 19th May 2011 and will allow the Company to meet its initial objectives and expenditure plans. The Company was reinstated on the official list of the ASX on 26 July 2011.

The purpose of the capital raising is to provide funds for the expansion of the Company's existing core business, which is focused on:

- i. the production of biofuel and biodiesel from the beneficiation of waste oils using the proprietary technology of the Company, known as Thermodepolymerisation;
- ii. the funding of operating expenses associated with the toll processing agreement with White Mountain Group LLC and feedstock suppliers;
- iii. the funding of potential offtake agreements with end users of biofuel and biodiesel;
- iv. expansion funding associated with new plants both directly owned and operated by White Mountain Group LLC and other third party operators;
- v. funding for the research and development of the Frac Water Technology and the Solar Cracking Technology;
- vi. provide funds for the further acquisition and development of other investments, as identified by the Company (that may or may not be in the same sector); and
- vii. meet the costs and expenses of the recapitalisation of the Company (including payments due to under the DOCA and to the Proponent) which has allowed the reinstatement to trading of its securities on ASX.

The Board believes that the recent completion of the Recapitalisation Proposal will allow a renewed strategy for the Company and has positioned the Company well for the future to enhance shareholder returns and evaluate further project opportunities.

The directors are of the opinion that the cash resources injected through the Recapitalisation Proposal will provide sufficient funds to enable the Parent Entity to continue its operations for at least the next 12 months, including the commercialisation and marketing of products under development.

### **3. Operating segments**

The company primarily operates in one segment being the renewable energy research, development and production.

## **Notes to the Financial Statements for the half – year ended 30 June 2011**

### **4. Events Subsequent to the Reporting Date**

On 26 July 2011 the Company was reinstated on the official ASX list following the Company's compliance with Chapter 12 of the ASX Listing Rules.

On 28 August 2011 the Company announced it had established a sale facility for holders of unmarketable parcels of shares in the Company, being a parcel of shares with a value of less than \$500. As at the close of business on 19 August 2011, the Company had 2,511 shareholders of which 2,310 held less than a marketable parcel. Their holdings, which total 5,189,960 shares, represent 1.33% of the Company's total issued shares.

As soon as is practical after 5.00pm on 6 October 2011 the Company will endeavour to sell the shares if, at the date of the sale, the holdings are less than a marketable parcel. The proceeds from that sale will be remitted to individual shareholders. In accordance with the Company's Constitution, shares will be sold at not less than 1.9 cents (this being the simple average of the last sale prices of the Company's shares on the ASX for each of the ten trading days immediately preceding the Date of the Notice).Notes to the Financial Statements for the half – year ended 30 June 2011

### **5. Commitments**

At the time of this report there were no commitments requiring disclosure.

### **6. Contingent Liabilities**

There has been no change in contingent liabilities since the last annual reporting period.

### **7. Issuance and Repurchase of Shares**

During the period the company issued 355,000,000 ordinary fully paid shares as follows:

- On 18 May 2011 350,000,000 new shares were issued by the company to provide working capital for the expansion of the Company's core business. The shares were issued at varying issue prices as follows:
  - 35,000,000 new shares at an issue price of 0.1 cent per share.
  - 60,000,000 new shares at an issue price of 0.5 cents per share.
  - 220,000,000 new shares at an issue price of 1 cent per share.
  - 35,000,000 new shares at an issue price of nil cents per share.
- On 24 May 2011 5,000,000 new shares were issued by the company at a price of 1 cent per share to provide working capital funding.

### **8. Restructure and recapitalisation**

During the period, the company underwent a restructuring and recapitalisation under the terms of the DOCA. As part of this arrangement, the company was released from all existing creditors at the time of the recapitalisation. The effect on profit of this transaction was an increase in income of \$1,098,475.



## **DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 12:
  - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
  - b. give a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors



Mr Matthew Foy

Executive Director

Dated this 31st day of August 2011

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### **Independent Auditor's Review Report To the Members of SWW Energy Limited**

We have reviewed the accompanying half-year financial report of SWW Energy Limited ("Company"), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

#### **Directors' responsibility for the half-year financial report**

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the financial position as at 30 June 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of SWW Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**Independence**

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

**Basis for qualified auditor's conclusion**

A disclaimer report was issued on the financial report for the half-year ended 30 June 2010 as the directors of SWW Energy Limited were only able to provide limited documentation and support with regards to the accounting records for the half-year. Accordingly, our opinion is qualified to the extent that we cannot conclude on comparative amounts disclosed in the statement of comprehensive income, statement of cash flows and the statement of changes in equity for the half-year ended 30 June 2011.

**Qualified auditor's conclusion**

Based on our review, which is not an audit, with the exception of the matter described in the preceding paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of SWW Energy Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the half-year ended on that date; and
- b complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON NSW  
Chartered Accountants



G S Layland  
Partner

Sydney, 31 August 2011