

Appendix 4D

SWW ENERGY LIMITED

ABN 60 096 687 839

Half-Year Report – 30 June 2012

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 30/06/12 \$A	Half - Year Ended 30/06/11 \$A	Amount change \$A	Percentage change %
Revenue from ordinary activities	25,586	3,514	22,072	Up 628%
Income from ordinary activities after tax attributable to members	(251,617)	1,063,361	1,314,978	Down 124%

Dividends (distributions)

There are no dividends proposed by the Company.

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.23 cents	0.41 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 2012.



Matthew Foy
Executive Director
31 August 2012

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

SWW Energy Limited

ABN 60 096 687 839

Appendix 4D and Half -Year Financial Report

30 June 2012

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
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Share Register

Link Market Services Ltd
Level 12, 680 George Street
SYDNEY NSW 2000
Tel: (02) 8280 7111
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Auditor

BDO (Audit) WA Pty Ltd
38 Station Street
SUBIACO WA 6008

Stock Exchange Listing

Australian Securities Exchange
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000
Code: **SWW**

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SWW Energy Limited

Interim Financial Report

ABN 60 096 687 839

Half-Year Ended 30 June 2012

This interim financial report should be read in conjunction with the 31 December 2011 annual financial report.

SWW ENERGY LIMITED
DIRECTORS' REPORT

Your directors submit the financial report on the company for the half-year ended 30 June 2012.

Directors

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

Mr Benjamin Bussell

Mr Darren Olsen

Mr Matthew Foy

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 2012 was a loss of \$251,617 (2011: profit of \$1,063,361).

During the Period the Company entered into laboratory services agreement with Ridgeline Energy Services, Inc. (**Ridgeline**). Working with its US partner White Mountain Group LLC (**White Mountain**) on a series of tests to be conducted by Ridgeline, the Company aims to determine whether waste water containing a polymer (primarily vegetable and petroleum based) / oil can be successfully refined into a fuel base to be further refined into biodiesel or a biofuel. This also includes tests to identify produced water from other industrial waste sources. White Mountain directed SWW to Ridgeline due to its Electro-Catalytic technology for treating waste water sources. In addition to remediating the water, waste materials that can be converted to fuel base are present in the water processed. Some of this material can be directly converted to biofuel.

The evaluation process will involve the sourcing of appropriate waste water, processing and independent testing including fuel quality testing. Make up water will be processed and then refined materials that can be converted to fuel base will be identified. Test America, Inc. an independent laboratory has been chosen to verify test results. It is proposed to conduct three separate tests and each sample's waste water will be representative of waste streams commonly found in developed, populated areas, including; Interceptor waste water, transported non-hazardous water sources, and sump waste water, (typically found at car washes and other locations).

SWW considers that the test runs will provide sufficient materials for it to assess whether it has the basis for commercial scale tests at municipal and industrial waste water facilities.

In addition to its renewable fuels activities, the Company has allocated part of its working capital budget to the identification and evaluation of new mineral resource opportunities in Australia and overseas. In this regard the Company is actively reviewing a number of potential acquisitions across a number of types of minerals. No decision to invest in any of the projects currently being reviewed has been made to date.

Corporate

On 25 January 2012 the Company advised it had sold all of the ordinary shares which SWW held as sale agent for participating security holders under the Unmarketable Parcels Sale Facility announced on 24 August 2011 (**Sale Facility**).

The Sale Facility was established on 24 August 2011 and enabled eligible shareholders holding an unmarketable parcel of shares, being a parcel of shares with a value of less than \$500, the opportunity to sell those shares off market at a price of \$0.019 per ordinary share, representing the ten day 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 initial Elimination Notice dated 24 August 2011.

Approximately 1,804 SWW shareholders holding a total of 3,497,553 ordinary shares participated in the Sale Facility. The SWW ordinary shares were sold off market at a price of \$0.019 per ordinary share, representing the ten day 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 initial Elimination Notice dated 24 August 2011. The proceeds from the sale of the ordinary shares have been despatched today.

As a result of the Sale Facility the number of ordinary shareholders has been reduced from approximately 2,310 to approximately 694.

At the end of the Period the Company had approximately \$0.9m in cash at bank and no debt.

SWW ENERGY LIMITED
DIRECTORS' REPORT

Significant Changes in the State of Affairs

During the Period there was no significant change in the state of affairs of the Company.

The report for the six months ended 30 June 2012 was authorised for issue on 31 August 2012 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 13 for the half-year ended 30 June 2012 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 31st August 2012

31 August 2012

The Board of Directors
SWW Energy Limited
PO Box 7653 Cloisters Square
PERTH WA 6850

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF
SWW ENERGY LIMITED**

As lead auditor for the review of SWW Energy Limited for the half-year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been:

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



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

SWW ENERGY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2012

	NOTE	2012 \$	2011 \$
Interest		20,749	-
Foreign exchange gain		4,837	-
Other revenues	7	-	1,101,989
Accounting and taxation expenses		(16,105)	-
Administration expenses		(40,871)	(38,577)
Audit fees		(10,016)	-
Consultants		(59,505)	-
Directors fees		(54,000)	-
Employee Benefits		(35,629)	-
Finance expenses		(1)	(51)
Insurance		(4,508)	-
Legal expenses		(11,150)	-
Occupancy expenses		(21,039)	-
Operating site expenses		(12,116)	-
Travel expenses		(3,059)	-
Other expenses		(9,204)	-
Profit/(Loss) before income tax		(251,617)	1,063,361
Income tax benefit/(expense)		-	-
Profit/(Loss) for the year attributable to members		(251,617)	1,063,361
Other comprehensive income		-	-
Total comprehensive income attributable to members		(251,617)	1,063,361
Overall operations			
Basic earnings/(loss) per share (cents per share)		(0.065)	0.899
Diluted earnings/(loss) per share (cents per share)		(0.065)	0.775

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

SWW ENERGY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		928,181	1,257,325
Trade and other receivables		27,544	21,089
Other current assets		25,261	4,824
TOTAL CURRENT ASSETS		<u>980,986</u>	<u>1,283,238</u>
TOTAL ASSETS		<u>980,986</u>	<u>1,283,238</u>
CURRENT LIABILITIES			
Trade and other payables		49,786	100,421
TOTAL CURRENT LIABILITIES		<u>49,786</u>	<u>100,421</u>
TOTAL LIABILITIES		<u>49,786</u>	<u>100,421</u>
NET ASSETS		<u>931,200</u>	<u>1,182,817</u>
EQUITY			
Issued capital		1,792,353	1,792,353
Reserves		552,000	552,000
Retained earnings		(1,413,153)	(1,161,536)
TOTAL EQUITY		<u>931,200</u>	<u>1,182,817</u>

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

SWW ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2012

	Issued Ordinary Share Capital	Option Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 January 2011	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)
Balance as 30 June 2011	1,822,307	552,000	(789,414)	1,584,893
Balance at 1 January 2012	1,792,353	552,000	(1,161,536)	1,182,817
Total comprehensive income for the period	-	-	(251,617)	(251,617)
Shares issued during the period	-	-	-	-
Reduction of share capital	-	-	-	-
Costs of share issue	-	-	-	-
Balance as 30 June 2012	1,792,353	552,000	(1,413,153)	931,200

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

SWW ENERGY LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(354,729)	(772,031)
Other receipts	20,748	3,514
Finance costs	-	(51)
Net cash used in operating activities	<u>(333,981)</u>	<u>(768,568)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans to related entities	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	2,374,307
Proceeds from borrowings	-	70,673
Net cash provided by financing activities	<u>-</u>	<u>2,444,980</u>
Net increase in cash held	(333,981)	1,676,412
Cash at the beginning of the period	1,257,325	-
Effects of exchange rate changes on cash and cash equivalents	4,837	-
Cash at the end of the period	<u>928,181</u>	<u>1,676,412</u>

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

SWW ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2012

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 2011 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.

New/revised pronouncement	Effective date (i.e. annual reporting periods ending on or after)	Likely impact
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.

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.

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 Company was reinstated on the official list of the ASX on 26 July 2011.

The directors are of the opinion that the cash resources on hand at 30 June 2012 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.

4. Events Subsequent to the Reporting Date

At the time of this report there were no events subsequent to the reporting date that require disclosure.

SWW ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2012

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

No shares were issued or repurchased during the period.

8. Related Party Transactions

At the date of this report there has been no change to related party transactions.

SWW ENERGY LIMITED
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 11:
 - 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 2012 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 2012

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SWW ENERGY LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of SWW Energy Limited, which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 30 June 2012 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 have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of SWW Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

Based on our review, which is not an audit, 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 disclosing entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', written over a horizontal line.

Phillip Murdoch
Director

Perth, Western Australia
Dated this 31st day of August 2012