SWW Energy Limited

SWW Energy Limited

ABN 60 096 687 839

Annual Financial Report
31 December 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

Telephone:	(08) 9486 4036
Facsimile:	(08) 9486 4799

Auditors

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

Bankers

National Australia Bank
Level 1, 1238 Hay Street
West Perth WA 6005

Share Registry

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

Stock Exchange Listing

Australian Securities Exchange
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

ASX Code: SWW

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DIRECTORS' REPORT

Your directors present their report on the Company for the financial year ended 31 December 2012.

DIRECTORS

The names of directors in office at any time during or since the end of the financial year are:

Benjamin Bussell	Director and Chairman
Darren Olsen	Non-Executive Director
Matthew Foy	Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

The following people held the position of company secretary during the financial year:

Matthew Foy	Executive Director

PRINCIPAL ACTIVITIES

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

- Marketing of SWW Energy Limited biodiesel production plant design and operations intellectual property;
- Development and/or acquisition of new renewable energy technologies.

OPERATING RESULTS

The loss of the entity after providing for income tax amounted to $479,610 (2011: $691,239 Profit).

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or are proposed to be paid to members during the financial year.

REVIEW OF OPERATIONS

The result for SWW Energy Limited for the 12 months to 31 December 2012 was a loss of $479,610.

During the period, the Company executed a US$100,000 laboratory services agreement with Ridgeline Energy Services, Inc. (Ridgeline) 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 will also include tests to identify produced water from other industrial waste sources.

The evaluation process involved the sourcing of appropriate waste water, processing and independent testing including fuel quality testing. Make up water was processed, with refined materials that can be converted to fuel base identified. Each waste water sample was 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).

Initial test results have confirmed that the test samples are compatible with Ridgeline's electro-catalytic technology. The resulting water testing showed reductions of Total Dissolved Solids, Total Suspended Solids and other contaminates by up to 90% and that the valuable waste materials were 100% removed and recovered from the sample solution.

Ridgeline completed testing and evaluation of sample solutions at its Santa Fe Springs California laboratory and in Scottsdale, Arizona.

REVIEW OF OPERATIONS (CONT)

Initial observations from the water sample show usable effluent and that material that could be converted to a fuel at 6% of the total solution, with a Btu range of 110,000 per U.S. Gallon. The viscosity was observed to be compatible with reciprocating diesel or direct fired steam applications. All test results were verified through Martin Laboratories, a certified independent laboratory located in Midland Texas.

SWW will continue with further testing, evaluation of test results and consideration of applications of Ridgeline's electro-catalytic process and report to the market in due course.

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 as well as oil and gas opportunities. No decision to invest in any of the projects currently being reviewed has been made at this stage.

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.

As a result of the Sale Facility the number of ordinary shareholders has been reduced from approximately 2,310 to approximately 703.

At the end of the Period the Company had approximately $0.68 million in cash at bank and no debt.

EVENTS SUBSEQUENT TO REPORTING DATE

There were no subsequent reporting date events.

FINANCIAL POSITION

The net asset position of the entity has decreased from $1,182,817 at 31 December 2011 to a net asset position of $703,207 at 31 December 2012.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no other significant changes in the state of affairs of the Company during the financial year.

ENVIRONMENTAL REGULATIONS

The entity is subject to environmental regulation by State and Local government authorities. As at the date of this report the Company believes it complies with all regulations issued by relevant authorities. The Company will ensure that any future activities will continue to comply with relevant environmental regulations, including the NGER Act 2007.

INFORMATION ON DIRECTORS

Mr Benjamin Bussell – Non-Executive Director and Chairman

Experience and Expertise

Mr Bussell is a Senior Accountant with over 14 years' experience in public accounting, corporate accounting and taxation. Mr Bussell is currently a director of ASX listed White Eagle Resources Ltd and is the Chief Financial Officer of ASX listed mineral exploration companies Minerals Corporation Ltd, Auroch Minerals NL, Stonehenge Metals Ltd, AAQ Holdings Ltd, Segue Resources Ltd and Sirocco Energy Ltd.

Special Responsibilities

Nil.

Qualifications

Bachelor of Business, Company Secretary of Australia (CSA) (Cert)

Interest in Shares and Options

3,157,895 shares

Former directorships in last three years

Non-Executive Chairman of Auroch Minerals NL (resigned 14 January 2013)

Directorship held in other listed entities

Non-Executive Director of White Eagle Resources Ltd

Mr Darren Olsen – Non-Executive Director

Experience and Expertise

Darren Olsen is a Certified Practising Accountant with over 14 years' experience in Public Accounting & Taxation. Mr Olsen is currently a Director of Marlston Taxation & Business Advisers, a public Accountancy Firm which provides Accounting and Taxation services and advice to a wide range of small to large business entities including several ASX listed exploration companies.

Mr Olsen has also been directly involved in an accounting advisory capacity with a number of IPO's and capital raisings including Stonehenge Metals Ltd and Excelsior Gold Ltd.

Special Responsibilities

Nil

INFORMATION ON DIRECTORS (CONT)

Mr Darren Olsen – Non-Executive Director (Cont)

Qualifications

Bachelor of Business, Certified Practising Accountant

Interest in Shares and Options

3,200,000 shares

Former directorships in last three years

Nil

Directorship held in other listed entities

Nil

Mr Matthew Foy – Executive Director and Company Secretary

Experience and Expertise

Matthew Foy was a Senior Adviser at the Australian Securities Exchange with 5 years experience in facilitating the compliance of listed companies. Mr Foy has reviewed and approved the listing of over 40 companies during his tenure at the ASX.

Mr Foy has been involved in a number of seed capital raisings and initial public offerings and possesses significant commercial and corporate experience.

Mr Foy is currently the company secretary of ASX Listed Auroch Minerals NL, Stonehenge Metals Limited, Segue Resources Limited and White Eagle Resources Limited.

Special Responsibilities

Nil

Qualifications

Bachelor of Commerce, Diploma of Applied Finance and Investment, Diploma of Applied Corporate Governance (CSA)

Interest in Shares and Options

1,013,158 ordinary shares

Former directorships in last three years

Executive Director of Auroch Minerals NL (Resigned 14 January 2013)

Directorship held in other listed entities

Nil

INFORMATION ON DIRECTORS (CONT)

The Audit, Compliance and Risk Committee

The Audit, Compliance and Risk Management Committee comprise of three Directors (two of whom are Non-Executive Directors) and are chaired by Mr Matthew Foy (Executive Director), who is not the chair of the Board. The members of the Committee are:

- Mr Benjamin Bussell
- Mr Darren Olsen
- Mr Matthew Foy

AUDITED REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of SWW Energy Limited, and for all other key management personnel. Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise).

Remuneration policy

The remuneration packages of directors and key management personnel of SWW Energy Limited have been designed to align director and other key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific performance pay incentives based on key performance areas affecting the entity's financial results. The board of SWW Energy Limited believes the remuneration methodology to be appropriate and effective in its ability to attract and retain the best key management personnel and directors to run and manage the entity, as well as create goal congruence between directors, other key management personnel and shareholders.

The board determines the nature and the amount of remuneration for board members and key management personnel of the entity as follows:

- All key management personnel may receive a base salary, superannuation, fringe benefits (if applicable) and performance pay incentives (if applicable).
- The performance pay plan is reviewed by the board. Objectives for the key management personnel are set by the board.
- The key management personnel packages are reviewed annually by reference to the entity's performance, key management personnel performance and comparable information from industry sectors and other listed companies in similar industries.

The performance of key management personnel is measured against criteria agreed annually with each key management personnel, and is in part based on the forecast growth of the entity's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The board may, however, exercise its discretion in relation to approving incentives and bonuses. Any changes must be justified by reference to measurable performance criteria. The remuneration practices are designed to attract the highest calibre of key management personnel and reward them for performance that results in long-term growth in shareholder wealth.

The executive directors and the Australian based key management personnel receive the superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

All remuneration paid to directors and other key management personnel is valued at the cost to the company and expensed.

AUDITED REMUNERATION REPORT (CONT)

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Chairman determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

Company performance, shareholder wealth and director and executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. There have been two methods applied in achieving this aim (or a combinations of both), the first being a performance based bonus based on key performance indicators, and the second being the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests.

The following table shows the gross revenue, profits and dividends for the last four and a half years for the listed entity, as well as the share price at the end of the respective financial years. Analysis of the actual figures shows that subsequent to the start-up phase during 2004-2006 the results in 2007 were severely impacted by the change in regulatory environment after initially promising results. In 2008 the company went through a turnaround and set itself up for a revised renewable fuel strategy to be implemented from 2009 onwards. The above mentioned remuneration methods have been instrumental in attracting the right human resources throughout the various stages of the company.

	2008	**2009**	**2010**	**2011**	**2012**
	$000	**$000**	**$000**	**$000**	**$000**
Revenue	5,134	12,028	-	1,136	35
Net profit/(loss)	(1,996)	(24,933)	(345)	691	(493)
Share price at year-end (cents)	1.80	3.2	9.2	2.0	0.5
Dividend paid	-	-	-	-	-

Performance based remuneration

As part of each executive director and executive remuneration package there is a performance-based component, consisting of company and individual objectives. The intention of this program is to facilitate goal congruence between directors/executives with that of the business and shareholders. The objectives are set annually, with certain level of consultation with directors/executives to ensure buy-in. The measures are specifically tailored to the areas each director/executive is involved in and has a level of control over. When setting objectives, the board aims to set objectives that will provide greater potential for the company's expansion and profit, covering financial and non-financial as well as short- and long-term goals.

Performance in relation to the objectives is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the objective achieved.

In determining whether the financial objectives have been achieved, SWW Energy Limited bases the assessment on audited figures. Nil bonuses were paid/payable to KMP's during the year.

AUDITED REMUNERATION REPORT (CONT)

The remuneration for each director and other key management personnel of the entity receiving the highest remuneration during the year was as follows:

2012	Position	Salary, Fees & Commissions $	Superannuation Contribution $	Cash Bonus $	Non-cash benefits $	Total $	Performance related% %
Directors							
B Bussell	Non-executive Director	36,000	-	-	-	36,000	-
D Olsen	Non-executive Director	32,871	3,129	-	-	36,000	-
M Foy	Executive Director & Company Secretary	48,000	-	-	-	48,000	-
		116,871	3,129	-	-	120,000	

2011	Position	Salary, Fees & Commissions $	Superannuation Contribution $	Cash Bonus $	Non-cash benefits $	Total $	Performance related% %
Directors							
G D'Anna (i)	Executive Director	-	-	-	-	-	-
B Bussell	Non-executive Director	15,581	-	-	-	15,581	-
D Olsen	Non-executive Director	14,183	1,398	-	-	15,581	-
M Foy (ii)	Executive Director & Company Secretary	20,775	-	-	-	20,775	-
		50,539	1,398	-	-	51,937	

(i) Resigned 16 June 2011

(ii) Appointed 16 June 2011

There is no further key management personnel remuneration to be disclosed.

Shares issued on exercise of options for the year ended 31 December 2012

Nil

Options issued as part of remuneration for the year ended 31 December 2012

There were nil options issued during the period to key management personnel. Options may be issued to key management personnel as part of their remuneration. The options are issued to key management personnel of SWW Energy Limited and its subsidiaries to increase goal congruence between key management personnel and shareholders, and are partly based on performance criteria.

Shares issued on exercise of options for the year ended 31 December 2011

Nil

AUDITED REMUNERATION REPORT (CONT)

Options granted as remuneration for the year ended 31 December 2011

There were nil options issued during the period to key management personnel. Options may be issued to key management personnel as part of their remuneration. The options are issued to key management personnel of SWW Energy Limited and its subsidiaries to increase goal congruence between key management personnel and shareholders, and are partly based on performance criteria.

Employment contracts of directors and key management personnel

The employment conditions of the executive directors and other key management personnel are formalised in contracts of employment.

The employment contracts stipulate a range of three- to six-month resignation periods. Certain directors and executives have renewable three year fixed term contracts. The company may terminate an employment contract without cause by providing notice or making payment in lieu of notice, based on the individual's annual salary component. Non-competition clauses are in certain contracts ranging from six to twenty four months depending on geographical region. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time.

Number of shares held by parent entity directors and other key management personnel:

	Balance 1 Jan 12	Purchased	Disposed	Forfeited	Balance 31 Dec 12
Directors					
Mr Benjamin Bussell	3,000,000	157,895	-	-	3,157,895
Mr Darren Olsen	3,200,000	-	-	-	3,200,000
Mr Matthew Foy	750,000	263,158	-	-	1,013,158
	6,950,000	421,053	-	-	7,371,053

The above figures are from the later of employment commencement date and 1 January 2012 through to the earlier of termination date and 31 December 2012.

Use of remuneration consultants

The company did not employ services of consultants to review its existing remuneration policies.

Voting and comments made at the company's 2011 Annual General Meeting

The company received more than 98% of "yes" proxy votes on its remuneration report for the 2011 financial year, inclusive of discretionary proxy votes. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of audited remuneration report.

MEETINGS OF DIRECTORS

During the financial year two meetings of Directors were held. Attendances by each director during the year were as follows:

Director	Directors' Meetings		Audit Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Benjamin Bussell	2	2	-	-
Mr Darren Olsen	2	2	-	-
Mr Matthew Foy	2	2	-	-

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

The company was not a party to any such proceedings during the year.

Non-audit Services

The board of directors, in accordance with advice from the audit, compliance and risk management committee, is satisfied that the provision of non-audit services during the year are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors believe that the services did not compromise the external auditor's independence for the following reasons:

- typically non-audit services are reviewed and approved by the audit, compliance and risk management committee prior to commencement to ensure they do not adversely affect the integrity and objective of the auditor; and
- the nature of the services provided do not comprise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid to the external auditors during the year ended 31 December 2012:

	2012	2011
	$	$
Compliance and Taxation Services	-	-

MEETINGS OF DIRECTORS (CONT)

Indemnity and Insurance of officers

(a) Indemnification

Every person who is or has been a director, secretary or executive officer of the entity is indemnified, to the maximum extent permitted by law, out of property of the company against any liabilities for costs and expenses incurred by that person unless the liability arises out of conduct involving a lack of good faith.

(b) Insurance Premiums

The company has paid a premium for directors and officers liability. The insurance policy covers the directors of the company and executive officers. The contract prohibits the disclosure of the nature of the liability insured and the amount of the premium.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the financial year ended 31 December 2012 has been received and can be found on page 19, which forms part of the directors' report.

Signed in accordance with a resolution of the Board of Directors

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Mr Matthew Foy, Director

Dated this 28th day of March 2013

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

The Board of SWW Energy Limited is committed to maintaining high standards of Corporate Governance. This statement outlines the main Corporate Governance practices that where adopted or in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1: *Companies should establish and disclose the respective roles and responsibilities of board and management.*

The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Board. The Corporate Governance Charter contains a statement of practices and processes the Board has adopted to discharge its responsibilities. It includes the processes the Board has implemented to undertake its own tasks and activities and the matters it has reserved for its own consideration and decision-making.

The matters that the Board has specifically reserved for its decision are:

- the appointment and management of the CEO/managing director;
- approval of the overall strategy and annual budgets of the business; and
- compliance with constitutional documents.

Some Board functions are handled through Board Committees. These committees are appointed when the size and scale of operations requires. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.

Recommendation 1.2: *Companies should disclose the process for evaluating the performance of senior executives.*

The Board will monitor the performance of senior management, including measuring actual performance against planned performance.

Recommendation 1.3: *Companies should provide the information indicated in the Guide to reporting on Principle 1.*

The Board Charter is set out in the Corporate Governance Plan which is posted on the Australian Securities Exchange website. The Board Charter discloses the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Executive Director.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1: *A majority of the board should be independent directors.*

The Company does have a majority of independent directors. Consistent with the size of the Company and its activities, the Board is comprised of three (3) directors, only Mr Darren Olsen is currently considered to be an independent director.

Recommendation 2.1 (Cont)

The Board's policy is that the majority of directors shall be independent, non-executive directors. The composition of the Board does not currently conform to its policy. It is the Board's intention to comply with its policy at a time when the size of the Company and its activities warrants such a structure.

Recommendation 2.2: *The chairperson should be an independent director.*

The Chair of the Board is Mr Darren Olsen who is considered independent.

Recommendation 2.3: *The roles of chairperson and chief executive officer (or equivalent) should not be exercised by the same individual.*

The roles of the Chairman and the chief executive officer are not exercised by the same person.

Recommendation 2.4: *The board should establish a nomination committee.*

A nomination committee has not been established. The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

Recommendation 2.5: *Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.*

An informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisors, has been committed to by the Board.

Recommendation 2.6: *Provide the information indicated in Guide to Reporting on Principle 2.*

The Company will provide details of each director, such as their skills, experience and expertise relevant to their position, together with an explanation of any departures (if any) from the ASX Recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 in its future annual reports.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING.

Recommendation 3.1: *Companies should establish a code of conduct and disclose the code or a summary of the code as to:*

(a) the practices necessary to maintain confidence in the company's integrity;

(b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders

(c) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company's Corporate Governance Plan includes a Corporate Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment.

Recommendation 3.2: *Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.*

The Company has adopted a diversity policy to address equal opportunities in the hiring, training and career advancement of Directors, officers and employees.

Recommendation 3.3: *Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.*

The Company has not yet set measurable objectives for achieving diversity. The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company. The Board does not consider it appropriate at this time, to formally set objectives for gender diversity.

Recommendation 3.4: *Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.*

As at 31 December 2012 the Company has no female employee or Board Member.

Recommendation 3.5: *Companies should provide the information indicated in the Guide to reporting on Principle 3.*

The Company will explain any departures (if any) from ASX Recommendations 3.2, 3.3 and 3.4 in its Annual Reports.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation 4.1: *The board should establish an audit committee.*

Due to the size of the Company an audit committee has not been established. The role of the Audit Committee has been assumed by the full Board operating under the Audit Committee Charter adopted by the Board.

Recommendation 4.2: *Structure the audit committee so that it consists of:*

(a) only non-executive directors;

(b) a majority of independent directors;

(c) an independent chairperson, who is not chairperson of the board; and

(d) at least three members.

There is no audit committee. However, if one was established the Board policy is that it would have two (2) members who are non-executive directors. This structure would comply with the structure set out in the Board Charter adopted by the Company but not with the ASX Corporate Governance Principles and the corresponding Recommendations..

Recommendation 4.3: *The audit committee should have a formal charter.*

The Company's has an Audit Committee Charter although this is currently administered by the Board.

Recommendation 4.4: *Provide the information indicated in Guide to Reporting on Principle 4.*

There is no Audit Committee and the whole Board acts in this capacity in accordance with the Board Charter. When established, the Audit Committee plans to hold a minimum of 3 meetings per year. It is intended that the Company's auditor will be invited to attend all Audit Committee meetings held during the financial year.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee. Candidates for the position of external auditor must demonstrate independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: *Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.*

The Board Charter contains the policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

Recommendation 5.2: *Provide the information indicated in Guide to Reporting on Principle 5.*

The company secretary who reports directly to the Board has been appointed the disclosure officer and is required to keep abreast of all material information and where appropriate, ensure disclosure of share price sensitive information.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1: *Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.*

The Company's Corporate Governance Plan includes a shareholder communications strategy, which aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Shareholders are encouraged to attend and participate in general meetings.

The Company makes available on its website the following information on a regular and up-to-date basis:

(a) Information briefings to media and analysts;

(b) Notices of meetings and explanatory materials;

(c) Financial information including annual reports; and

(d) All other Company announcements.

The Company provides shareholder materials directly to shareholders through electronic means. A shareholder may request a hard copy of the Company's annual report to be posted to them. Provision is made on the Company's website for shareholders to register to receive information updates.

Recommendation 6.2: *Provide the information indicated in the Guide to reporting on Principle 6.*

The Board aims to ensure that Security Holders are informed of all information necessary to assess the performance of the Company.

Information is communicated to the shareholders through:

- The annual report, which is distributed to all shareholders (other than those who elect not to receive it);
- The AGM and other shareholder meetings called to obtain approval for Board action as appropriate;
- Making available all information released to the ASX website immediately following confirmation of receipt by the ASX;
- Encouraging active participation by shareholders at shareholder meetings;

Encouraging all shareholders who are unable to attend general meetings to communicate issues or ask questions by writing to the Company.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1: *Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.*

The Board has adopted a Risk Management Policy. As detailed in 7.2 no risk management committee has been formed and this role is undertaken by the Board, however, the overall basis for risk management is to provide recommendations about:

(a) Ensuring that the Company has an effective risk management system and that major risks to the Company are reported at least annually to the Board.

(b) Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.

(c) Evaluating the process the Company has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.

(d) Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.

Recommendation 7.2: *The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.*

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

A Risk Management Committee has not been formed and no internal audit function exists. All functions, roles and responsibilities with regard to risk oversight and management and internal control are undertaken by Management as at the date of this report.

Recommendation 7.3: *The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.*

Due to the size of the Company, the Board signed the declaration in accordance with section 295A of the Corporations Act. The declaration is made and is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Recommendation 7.4: *Provide the information located in Guide to Reporting on Principle 7.*

The Company will provide an explanation of any departures (if any) from ASX Recommendations 7.1, 7.2 and 7.3 in its future annual reports.

The Corporate Governance Plan, including the charter of the audit and risk committee is posted on the Company's website.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1: *The board should establish a remuneration committee.*

A Remuneration Committee has not been established. The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.

Recommendation 8.2: *The remuneration committee should be structured so that it:*

(a) consists of a majority of independent directors;

(b) is chaired by an independent director; and

(c) has at least three members

A Remuneration Committee has not been established. The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.

Recommendation 8.3: *Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.*

The Board will distinguish the structure of non-executive director's remuneration form that of executive directors and senior executives. The Company's constitution also provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum determined by a general meeting.

Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Company. There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation). There are currently no options issued to non-executive directors.

Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares options granted at the discretion of the Board and subject to obtaining the relevant approvals.

Recommendation 8.4: *Provide the information indicated in Guide to Reporting on Principle 8.*

The Board will consider what information to include in the corporate governance section of the Company's annual report in respect of remuneration policies at the relevant time.

The Company will explain any departures (if any) from best practice recommendations 8.1, 8.2 and 8.3 in its future annual reports.

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

28 March 2013

The Board of Directors
SWW Energy Limited
Level 8
225 St Georges Terrace
PERTH WA 6000

Dear Sirs,

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

As lead auditor of SWW Energy Limited for the year ended 31 December 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 $	2011 $
Revenue from continuing operations		-	-
Other Income	**2**	2,822	1,098,475
Interest Income		32,418	37,679
		35,240	1,136,154
Accounting and Tax		(24,098)	(45,714)
Audit Fees	**12**	(26,196)	(56,718)
Consulting Fees		(90,986)	(27,600)
Corporate Administration		(80,395)	(110,595)
Directors Fees		(108,000)	(46,743)
Employee Benefits		(61,805)	(40,657)
Finance Costs		(1)	(51)
Insurance		(9,814)	(3,723)
Legal		(20,018)	(6,758)
Occupancy		(42,696)	(21,659)
Project Costs		(31,764)	(64,338)
Travel		(3,777)	(4,737)
Other		(15,300)	(15,622)
		(514,850)	(444,915)
Profit/ (Loss) before income tax		(479,610)	691,239
Income tax expense	**3**	-	-
Net Profit / (Loss) for the year		(479,610)	691,239
Other comprehensive income for the year		-	-
Total comprehensive Income/(Loss) for the year attributable to the owners of SWW Energy Limited		(479,610)	691,239
Profit/(Loss) per share for the year attributable to members of SWW Energy Limited		(479,610)	691,239
Basic profit / (loss) per share (cents per share)	**13**	(0.123)	0.270
Diluted profit / (loss) per share (cents per share)	**13**	(0.102)	0.222

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2012

	Note	2012 $	2011 $
ASSETS			
Current Assets			
Cash and cash equivalents	**4**	675,447	1,257,325
Trade and other receivables	**5**	47,140	21,089
Other current assets	**6**	30,625	4,824
Total Current Assets		**753,212**	**1,283,238**
TOTAL ASSETS		**753,212**	**1,283,238**
LIABILITIES			
Current liabilities			
Trade and other payables	**7**	50,005	100,421
Total Current Liabilities		**50,005**	**100,421**
TOTAL LIABILITIES		**50,005**	**100,421**
NET ASSETS		**703,207**	**1,182,817**
EQUITY			
Issued Capital	**8**	1,792,353	1,792,353
Reserves	**9**	552,000	552,000
Accumulated Losses	**10**	(1,641,146)	(1,161,536)
TOTAL EQUITY		**703,207**	**1,182,817**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

	Ordinary Share Capital	Share Based Payments Reserve	Accumulated Losses	Total
	$	$	$	$
Balance at 1 January 2011	72,605,431	-	(74,458,206)	(1,852,775)
Profit for the period	-	-	691,239	691,239
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	691,239	691,239
Transactions with owners in their capacity as owners:				
Share capital raised during the year	2,771,000	-	-	2,771,000
Reduction of share capital	(72,605,431)	-	72,605,431	-
Costs of share issue	(978,647)	-	-	(978,647)
Share Based Payments	-	552,000	-	552,000
Total transaction with owners	(70,813,078)	552,000	72,605,431	2,344,353
Balance as 31 December 2011	**1,792,353**	**552,000**	**(1,161,536)**	**1,182,817**
Balance at 1 January 2012	1,792,353	552,000	(1,161,536)	1,182,817
Loss for the period	-	-	(479,610)	(479,610)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(479,610)	(479,610)
Transactions with owners in their capacity as owners:				
Share capital raised during the year	-	-	-	-
Total transaction with owners	-	-	-	-
Balance as 31 December 2012	**1,792,353**	**552,000**	**(1,641,146)**	**703,207**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(614,296)	(1,186,283)
Interest received		32,418	37,628
Net cash outflow from operating activities	**15**	(581,878)	(1,148,655)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans to related entities		-	(11,779)
Net cash outflows from investing activities		-	(11,779)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares		-	2,417,759
Net cash inflows from financing activities		-	2,417,759
Net increase/(decrease) in cash and cash equivalents		(581,878)	1,257,325
Cash and cash equivalents at beginning of year	**4**	1,257,325	-
NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		675,447	1,257,325

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Compliance with Australian Accounting Standards ensures compliance in International Financial Reporting Standards (IFRS) in their entirety.

This financial report covers the company SWW Energy Limited. SWW Energy Limited is a listed public company, incorporated and domiciled in Australia. SWW Energy Limited is a for-profit entity for the purposes of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are in Australian dollars, unless otherwise stated.

Accounting Policies

(A) Going Concern Basis of Accounting

The Company has incurred a net loss after tax for the year ended 31 December 2012 of $479,610 (31 December 2011 profit of $691,239) and has a working capital surplus of $703,207 (31 December 2011: $1,182,817). The financial report has therefore 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 for the following reasons:

(B) The directors are of the opinion that existing cash resources will provide sufficient funds to enable the Company to continue its operations for at least the next 12 months.

Revenue Recognition

Sales revenue

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the sale of goods or provision of services to entities outside the company.

Sale of goods – Revenue from the sale of goods is recognised when all significant risks and rewards of ownership have been transferred to the buyer. In most cases this coincides with the transfer of legal title or the passing of possession to the buyer.

Interest revenue is recognised using the effective interest method. It includes the amortisation of any discount or premium. The revenue is recognised over the time the interest is earned.

Dividend revenue is recognised when the right to receive a dividend has been established.

(C) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(D) Income Tax

Income taxes are accounted for using the comprehensive statement of financial position liability method whereby:

- the tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements;
- current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination;
- a deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to realise the asset;
- deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

(E) Impairment of Assets

At each reporting date, the company determines whether there is any indication that assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(F) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank Notes to the financial statements for the financial year ended 31 December 2012 overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(G) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(G) Financial Instruments (Cont)

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Any impairment losses are recognised in the Statement of Comprehensive Income.

(H) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(I) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(J) Share-based payments

Share-based compensation benefits are provided to employees via the company's Employee Option Plan and an employee share scheme. Information relation to these schemes is set out in note 16.

The fair value of options granted under the company's Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(K) Financial Risk Management Objectives and Policies

The company's principal financial instruments comprise receivables, payables, cash and short-term deposits.

The company manages its exposure to key financial risks, including interest rate and currency risk in accordance with the company's financial risk management policy. The objective of the policy is to support the delivery of the company's financial targets whilst protecting future financial security.

(K) Financial Risk Management Objectives and Policies (Cont)

The main risks arising from the company financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Audit, Compliance and Risk Management Committee under authority of the Board. The Board reviews and agrees policies for managing each of the risks identified, including the setting of limits for credit allowances and future cash flow forecast projections.

(L) Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker ("CODM"), which has been identified by the company as the Managing Director and other members of the Board of directors.

(M) Employee Entitlements

The Company's liability for employee entitlements arising from services rendered by employees to reporting date is recognised in other payables. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled within one year, have been measured at their nominal amount and include related on-costs.

(N) Earnings Per Share

(i) Basic Earnings Per Share

Basic earnings per share is determined by dividing the operating loss attributable to the equity holder of the Company after income tax by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the year.

(O) Trade and Other Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months. Cash on deposit is not due for settlement until rights of tenure are forfeited or performance obligations are met.

(P) Trade and Other Payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

(Q) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(R) Impact of new accounting standards not yet adopted

At the date of authorisation of these financial statements, certain new Standards, amendments and Interpretations to existing standards have been published but are not yet effective. The Company has not early adopted any of these pronouncements. The new Standards, amendments and Interpretations that are, expected to be relevant to the Company's financial statements are as follows:

Reference	Title	Nature of Change	Application date of standard	Impact on Company financial statements
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	Periods beginning on or after 1 January 2015	Adoption of AASB 9 is only mandatory for the year ending 30 June 2016. The Company has not yet made an assessment of the impact of these amendments.
AASB 13 (issued September 2011)	Fair Value Measurement	AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements. Additional disclosures required for items measured at fair value in the statement of financial position, as well as items merely disclosed at fair value in the notes to the financial statements. Extensive additional disclosure requirements for items measured at fair value that are 'level 3' valuations in the fair value hierarchy that are not financial instruments	Annual reporting periods commencing on or after 1 January 2013	When this standard is adopted for the first time for the year ended 30 June 2014, additional disclosures will be required about fair values.

(A) (R) Impact of new accounting standards not yet adopted (Cont)

Reference	Title	Nature of Change	Application date of standard	Impact on Company financial statements
AASB 2012-6	Mandatory Effective Date of IFRS 9 and Transition Disclosures	Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	Annual reporting periods commencing on or after 1 January 2015	As comparatives are no longer required to be restated, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.
AASB 127 (issued August 2011)	Separate Financial Statements	Requirements for consolidation removed and inserted into AASB 10 Consolidated Financial Statements Disclosures removed and inserted into AASB 12 Disclosure of Interests in Other Entities.	Annual periods commencing on or after 1 January 2013	1 July 2013
AASB 128 (issued August 2011)	Investments in Associates and Joint Ventures	Disclosures removed and inserted into AASB 12 *Disclosure of Interests in Other Entities*.	Annual periods commencing on or after 1 January 2013	1 July 2013
AASB 2012-3 (issued June 2012	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	Amendments clarify the requirements for offsetting financial instruments and introduce new disclosure requirements	Annual periods commencing on or after 1 January 2013	1 July 2013

The Directors have reviewed the impact of these standards and do not consider these to have significant impact on the results presented.

2. OTHER INCOME

	2012 $	2011 $
Other Revenues		
Reversal of Creditors	-	1,098,475
Foreign Exchange Gain	2,822	-
Total Operating Revenue	2,822	1,098,475

Restructure and recapitalisation

During 2011, 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.

3. INCOME TAX EXPENSE

(a) The components of tax expense comprise:

	2012 $	2011 $
Current tax	-	-
Deferred tax	-	-
Recoupment of prior year tax losses	-	-
Under provision in respect of prior years	-	-
	-	-

(b) The prima facie tax benefit on loss before income tax is reconciled to the income tax as follows:

Prima facie tax benefit on loss before income tax at 30% (31 Dec 2011: 30%)		
Entity	(143,883)	207,372
	(143,883)	207,372
Add:		
Tax effect of:		
Deductions not included in loss for the period		
Non-deductible expenses	6,149	-
	6,149	-
Less:		
Tax effect of:		
Non-assessable income	-	(329,543)
Deferred tax asset unrecognised on tax	137,734	122,171
Income tax expense	-	-
Deferred tax assets/liabilities not brought to account:		
Opening deferred tax assets/liabilities	122,171	
Deferred tax assets – tax losses	137,735	122,171
Deferred Tax Liabilities	-	-
Total deferred tax assets/liabilities not brought to account.	259,905	122,171

4. CASH AND CASH EQUIVALENTS[1]

Cash at bank and on hand	9,100	1,257,325
Deposits at call	666,347	-
	675,447	1,257,325

[1] Please refer to Note 19 Financial Risk Management

5. TRADE AND OTHER RECEIVABLES

	2012 $	2011 $
Current		
Trade and other receivables	47,140	21,089
	47,140	21,089

Allowance for Impairment Loss

Trade receivables are non-interest bearing and are generally on cash up front – 30 day end of month terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment loss has been recognised by the entity in the current year.

At 31 December 2012, the ageing analysis of trade receivables is as follows:

	Total	0-30 days	31-60 days PDNI*	61-90 Days PDNI*	+91 days PDNI*	+91 days CI*
As at 31 December 2012	47,140	47,140	-	-	-	-
As at 31 December 2011	21,089	21,089	-	-	-	-

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

Receivables past due but not considered impaired are $nil (2011: $nil).

Other balances within trade and other receivables do not contain impaired assets and are not past due.

6. OTHER CURRENT ASSETS

Prepayments	30,625	4,824
	30,625	4,824

Nature of Prepayments

The prepayments figure relates to prepaid insurance and rent expense incurred during the year.

7. TRADE AND OTHER PAYABLES

Current		
Trade payables	30,005	100,421
Accrued Expenses	20,000	-
	50,005	100,421

8. ISSUED CAPITAL

	Notes	**2012 Shares**	2011 Shares	**2012 $**	2011 $
(a) Share Capital					
Ordinary Shares					
Fully Paid		**389,599,124**	103,379,322	**1,792,353**	72,605,431
Reconciliation adjustment		**-**	418,050	**-**	-
Reduction of Share Capital		**-**	-	**-**	(72,605,431)
1:3 Reconstruction		**-**	(69,198,248)	**-**	-
Shares issued during year		**-**	-	**-**	-
18 May 2011		**-**	350,000,000	**-**	2,721,000
24 May 2011		**-**	5,000,000	**-**	50,000
Capital Raising Costs		**-**	-	**-**	(978,647)
		389,599,124	389,599,124	**1,792,353**	1,792,353
(b) Other equity securities					
Value of conversion rights		**-**	-	**-**	-
Convertible Notes		**-**	15,000,000	**-**	75,000
Convertible Notes Issued		**-**	-	**-**	-
Notes Converted		**-**	(15,000,000)	**-**	(75,000)
Deferred tax liability component		**-**	-	**-**	-
		-	-	**-**	-
		389,599,124	389,599,124	**1,792,353**	1,792,353

(a) Share Capital

During the year ending 31 December 2011 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. ISSUED CAPITAL (CONT)

(b) Convertible Note

2012

There weren't any convertible notes issued or converted during the reporting period.

2011	**Number**	**$**
As at 1 January 2011	15,000,000	75,000
Notes converted	(15,000,000)	(75,000)
As at 31 December 2011	-	-

9. RESERVES

	2012	**2011**
	$	**$**
Reserves		
Share Based Payments Reserve	552,000	552,000
	552,000	552,000

Nature and purpose of reserves

(i) Share-based payments reserve

The share based payments reserve is used to recognise:

- The fair value of options issued to employees and consultants but not exercised
- The fair value of shares issued to employees

10. ACCUMULATED LOSSES

Balance at the beginning of the financial year	(1,161,536)	(74,458,206)
Net profit/(loss) attributable to members	(479,610)	691,239
Reduction of share capital	-	72,605,431
Balance at the end of the financial year	(1,641,146)	(1,161,536)

11. KEY MANAGEMENT PERSONNEL INFORMATION

(a) Key Management Personnel Compensation

31 December 2012	**Short-term Benefits**	**Post-employment Benefits**	**Share-based payment**	**Total**
	$	**$**	**$**	**$**
Directors	116,871	3,129	-	120,000
	116,871	3,129	-	120,000

11. KEY MANAGEMENT PERSONNEL INFORMATION (CONT)

31 December 2011	Short-term Benefits	Post-employment Benefits	Share-based payment	Total
	$	$	$	$
Directors	50,539	1,398	-	51,937
	50,539	1,398	-	51,937

(b) Other Key Management Personnel Disclosures

Director, Mr B Bussell, is a shareholder and a director of Hemisphere Corporate Services Pty Ltd. During the 2012 year the Company was providing consultancy, tenancy and administration services to SWW Energy Limited. No formal contract is in place in regard to these transactions. All transactions were conducted on normal commercial terms.

Director, Mr D Olsen, is a shareholder and a director of Marlston Taxation & Business Advisers. During the 2012 year the company was providing taxation and accountancy services to SWW Energy Limited. No formal contract is in place in regard to these transactions. All transactions were conducted on normal commercial terms.

Aggregate amounts of each of the above types of other transactions with key management personnel of SWW Energy Limited are as follows:

	2012	2011
	$	$
Payments to related parties		
Consultancy, Rent and Administration	341,685	340,400
Taxation and Accountancy	26,389	38,030
	368,074	378,430
Balance outstanding at year end		
Trade Payables	19,913	54,993
	19,913	54,993

(c) Compensation options

No options were issued to Directors or Key Management Personnel during the year.

(d) Shareholdings

Number of shares held by parent entity directors and other key management personnel

	Balance 1 Jan 12	Purchased	Disposed	Balance 31 Dec 12
Directors				
Mr Benjamin Bussell	3,000,000	157,895	-	3,157,895
Mr Darren Olsen	3,200,000	-	-	3,200,000
Mr Matthew Foy	750,000	263,158	-	1,013,158
	6,950,000	421,053	-	7,371,053

The above figures are from the later of employment commencement date and 1 January 2012 through to the earlier of termination date and 31 December 2012.

12. AUDITOR'S REMUNERATION

	2012	2011
	$	$
Remuneration of the auditor of the parent entity for:		
Auditing and review of financial reports	39,196	56,718
Compliance and taxation services	-	-
	39,196	56,718

13. EARNINGS PER SHARE

	2012	2011
(a) Earnings used in calculating earnings per share		
Profit / (Loss) attributable to continuing operations	(479,610)	691,239
Profit / (Loss) attributable to ordinary equity holders of the parent entity	(479,610)	691,239
	#	#
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	389,599,124	259,489,535
Weighted average number of potential ordinary shares outstanding during the year not included in diluted EPS as not dilutive	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	469,599,124	310,777,206

14. SEGMENT REPORTING

The company primarily operates in one segment being renewable energy research, development and production. No segment results are presented as the directors believe these are the same as the results presented by the company as a whole.

15. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2012	2011
Cash Flows from operating activities		
Profit / (Loss) for the year	(479,610)	691,239
Non-cash flows in profit / (Loss):		
Reversal of creditors	-	(1,098,475)
Changes in assets and liabilities:		
Increase / (Decrease) in trade payables and accrual	(46,644)	(717,278)
Decrease / (Increase) in trade receivables	(25,801)	(24,141)
Decrease / (Increase) in other current assets	(29,823)	-
Increase / (Decrease) in income tax liabilities	-	-
Net cash from operating activities	(581,878)	(1,148,655)

16. SHARE BASED PAYMENTS

(a) Options Issued

No options were issued as share based payments during the year ended 31 December 2012.

The share based payments listed below have been issued to consultants of SWW Energy during the year ended 31 December 2011.

Share based payments transactions are recognised at fair value in accordance with AASB 2.

Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Expired during the year Number	Balance at the end of the year Number	Vested and exercisable at the end of the year Number
2012							
19/04/2011	31/12/2014	$0.01	80,000,000	-	-	80,000,000	80,000,000
			80,000,000	-	-	80,000,000	80,000,000
Weighted Average Exercise Price			$0.01	-	-	$0.01	$0.01
2011							
19/04/2011	31/12/2014	$0.01	-	80,000,000	-	80,000,000	80,000,000
28/05/2008	28/05/2011	$0.01885	2,100,000	-	(2,100,000)	-	-
			2,100,000	80,000,000	(2,100,000)	80,000,000	80,000,000
Weighted Average Exercise Price			$0.5185	-	-	$0.01	$0.01

The assumptions used for the consultants options valuation for options issued in 2011 are as follows:

The options granted during 2011 had a weighted average fair value of the options granted during the year was $0.0069. This price was calculated by using a Black Scholes option pricing model applying the following inputs:

Weighted average exercise price	$0.01
Weighted average life of the option	3.704 years
Underlying share price	$0.01
Expected share price volatility	100%
Risk free interest rate	4.97%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Included under employee benefits expense in the Statement of Comprehensive Income is $nil (2011: $nil), and relates, in full, to equity-settled share-based payment transactions.

16. SHARE BASED PAYMENTS (CONT)

(b) Shares issued

No shares were issued as share-based payments during 31 December 2012.

Shares granted to external consultants during the year ended 31 December 2011 as share-based payments are as follows:

Grant Date	No. of Shares
13 May 2011	20,000,000

The weighted average fair value of those equity instruments, determined by reference to market price, was $0.010875.

These shares were issued as compensation to external consultants of the Company in exchange for services rendered during the year. A summary of shares issued is as follows:

Shareholder	No. of shares	$ Value
Hemisphere Corporate Services	20,000,000	217,500

17. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operation of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

18. CAPITAL MANAGEMENT

Management controls the capital of the entity in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the entity can fund its operations and continue as a going concern.

The entity's debt and capital includes ordinary share capital, and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the entity's capital by assessing the entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the entity since the prior year. This strategy is to ensure that the entity's gearing ratio remains below 40%. The gearing ratios for the year ended 31 December 2012 and 31 December 2011 are as follows:

	2012 $	2011 $
Total Borrowings	-	-
Less Cash and Cash Equivalents	675,447	1,257,325
Net Debt	-	-
Total Equity	690,207	1,182,817
Total Capital	690,207	1,182,817
Gearing Ratio	0%	0%

19. FINANCIAL RISK MANAGEMENT

The entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivables and payable and leases.

1. Treasury Risk Management

An Audit, Compliance and Risk Committee consist of board members who meet to analyse financial risk exposure, and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The board's overall risk management strategy seeks to assist the entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the board. These include the use of credit risk policies and future cash flow requirements.

The company has the following financial instruments.

2. Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

The entity is not exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the entity's measurement currency.

(a) Interest rate risk

The entity is exposed to interest rate risk at the date of this report via its cash holdings.

(b) Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring sufficient cash reserves are on hand to meet obligations.

(c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available).

	2012	**2011**
	$	**$**
Cash and Cash Equivalents		
AA	675,447	1,257,325
	675,447	1,257,325

19. FINANCIAL RISK MANAGEMENT (CONT)

(d) Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

	Weighted average effective interest rate	Variable interest rate	Fixed Interest: 1 Year or less	Fixed Interest: Over 1 to 5 years	Fixed Interest: Total Contractual Cash Flows	Non-interest bearing	Total
	%	$	$	$	$	$	$
31 December 2012							
Financial Assets							
Cash and cash equivalents	3.08%	675,447	-	-	-	-	675,447
Trade and other receivables		-	-	-	-	77,765	77,765
		675,447	-	-	-	77,765	753,212
Financial Liabilities							
Trade and other payables		-	-	-	-	63,005	63,005
Other financial liabilities		-	-	-	-	-	-
		-	-	-	-	63,005	63,005
31 December 2011							
Financial Assets							
Cash and cash equivalents	5.99%	1,257,325	-	-	-	-	1,257,325
Trade and other receivables		-	-	-	-	24,841	24,841
		1,257,325	-	-	-	24,841	1,282,166
Financial Liabilities							
Trade and other payables	-	-	-	-	-	100,421	100,421
Other financial liabilities	-	-	-	-	-	-	-
		-	-	-	-	100,421	100,421

Trade and other payable are expected to be paid as follows:	2012	2011
	$	$
Less than 6 months	63,005	100,421
6 months to 1 year	-	-
1 to 5 years	-	-
Over 5 years	-	-
	63,005	100,421

19. FINANCIAL RISK MANAGEMENT (CONT)

2. Financial Risk Exposures and Management (Cont)

(e) Net Fair Value of Financial Assets and Liabilities

For all assets and liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

(f) Sensitivity Analysis

Interest Rate Risk

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk, and price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 31 December 2012, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2012	2011
	$	$
Change in profit		
Increase in interest rate by 2%	19,328	12,573
Decrease in interest rate by 2%	(19,328)	(12,573)
Change in equity		
Increase in interest rate by 2%	19,328	12,573
Decrease in interest rate by 2%	(19,328)	(12,573)

20. CONTINGENT LIABILITIES

There were no contingent liabilities as at the date of this report.

21. COMPANY DETAILS

The registered office of the company is:

SWW Energy Limited
Level 8
225 St Georges Terrace
Perth WA 6000
T: (08) 9486 4036 F: (08) 9486 4799

The principal place of business is:

SWW Energy Limited
Level 8
225 St Georges Terrace
Perth WA 6000
T: (08) 9486 4036 F: (08) 9486 4799

The company is domiciled and legally incorporated in Australia.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 23 to 43 are in accordance with the Corporations Act 2001 and:

    a. comply with Accounting Standards and the Corporations Regulations 2001 other mandatory professional reporting requirements; and

    b. give a true and fair view of the financial position as at 31 December 2012 and of the performance for the financial year ended on that date of the company and entity; and

    c. complies with International Financial Reporting Standards as disclosed in note 1.

2. the Chief Executive Officer (or equivalent) and Chief Financial Officer (or equivalent) have each declared that:

    a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    b. the financial statements and notes for the financial year comply with Accounting Standards; and

    c. the financial statements and notes for the financial year give a true and fair view.

3. 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.

____

Matthew Foy

Director

Dated this 28th day of March 2013.

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Australia

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

Report on the Financial Report

We have audited the accompanying financial report of SWW Energy Limited, which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and 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.

Directors' Responsibility for the Financial Report

The directors of the company 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, 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 judgement, 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 control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. 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 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 report.

Opinion

In our opinion:

(a) the financial report of SWW Energy Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's financial position as at 31 December 2012 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 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 11 of the directors' report for the year ended 31 December 2012. 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 SWW Energy Limited for the year ended 31 December 2012 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch
Director

Perth, Western Australia
Dated this 28th day of March

ADDITIONAL INFORMATION

Latest Date: 15 February 2013

Top 20 Shareholders

Date	Issued Capital (IC)	Top 20 Position	%IC
11 February 2013	389,599,124	325,858,913	83.64%

Rank	Name	A/C Designation	11 Feb 13	%IC
1	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED		45,000,000	11.55%
2	NIGEL TARRATT PTY LTD	NIGEL TARRATT SUPER FUND	34,250,000	8.79%
3	MIMO STRATEGIES PTY LTD	<MIMO A/C>	26,872,266	6.90%
4	KOBIA HOLDINGS PTY LTD	<THE KOBIA A/C>	22,000,000	5.65%
4	BLU BONE PTY LTD		22,000,000	5.65%
5	FOSTER STOCKBROKING NOMINEES PTY LTD	<NO 1 ACCOUNT>	20,250,000	5.20%
6	FLUFFY DUCK SUPER PTY LTD	FLUFFY DUCK SUPER FUND	17,500,000	4.49%
7	NAUTICAL HOLDINGS WA PTY LTD	<ABANDON SHIP SUPER FUND A/C>	15,000,000	3.85%
8	MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN	<SUPERANNUATION ACCOUNT>	14,700,000	3.77%
9	KINGSLANE PTY LTD	CRANSTON SUPERANNUATION	13,500,000	3.47%
10	MR BEVAN NIGEL HUGH TARRATT & MRS SOPHIE TARRATT		12,836,647	3.29%
11	MR GLENN ROSS WHIDDON		11,500,000	2.95%
12	MRS JANE VALENTINE WHIDDON	<THE LAGRAL FAMILY A/C>	10,000,000	2.57%
13	MR NORMAN SYDNEY MCCLEARY	<GREEN POSSUM SUPER FUND A/C>	8,000,000	2.05%
14	6466 INVESTMENTS PTY LTD		7,000,000	1.80%
15	N & J MITCHELL HOLDINGS PTY LTD	ORD STREET PROPERTIES	5,500,000	1.41%
16	PROFESSIONAL PAYMENT SERVICES PTY LTD		5,450,000	1.40%
17	THIRD REEF PTY LTD	<BACK REEF A/C>	5,000,000	1.28%
17	ROWAN HALL PTY LTD	<ROWAN HALL TRADING A/C>	5,000,000	1.28%
17	GETMEOUTOFHERE PTY LTD	SINKING SHIP SUPER FUND	5,000,000	1.28%
18	MR GINO D'ANNA	<THE INTERNATZIONALE A/C>	4,500,000	1.16%
19	HIGH STREET CONSULTING PTY LIMITED	<ENDLESS POWDER S/FUND A/C>	4,000,000	1.03%
19	MR BEVAN NIGEL HUGH TARRATT		4,000,000	1.03%
19	BRAHMA FINANCE BVI LIMITED		4,000,000	1.03%
20	MISS CORRINA MARIE LARSSON		3,000,000	0.77%
	TOTAL		**325,858,913**	**83.64%**
	Balance of Register		**63,740,211**	**16.36%**
	Grand TOTAL		**389,599,124**	**100.00%**

Range	Securities	%	No of Holders	%
100,001 and Over	383,542,092	98.45	107	15.53
10,001 to 100,000	5,217,841	1.34	134	19.45
5,001 to 10,000	336,562	0.09	46	6.68
1,001 to 5,000	429,254	0.11	172	24.96
1 to 1,000	73,375	0.02	244	33.38
Total	**389,599,124**	**100.00**	**703**	**100.00**

ADDITIONAL INFORMATION

Unmarketable Parcels

The number of holders of less than a marketable parcel of fully paid shares is 576.

Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

There are no voting rights attached to any class of options that is on issue.

Substantial Shareholders (i.e. shareholders who hold 5% or more of the issued capital)

Name	Number of Shares Held	Percentage
Nigel Tarratt Pty Ltd <Nigel Tarratt Super Fund>	34,250,000	8.79%
MIMO Strategies Pty Ltd <MIMO A/C>	26,872,266	6.90%
Blu Bone Pty Ltd <The Share Trading A/C>	22,000,000	5.65%
Kobia Holdings Pty Ltd <The Kobia A/C>	22,000,000	5.65%

Unquoted Securities

As at 15 February 2013 the following options over un-issued shares were on issue:

i. 80,000,000 options exercisable at 1 cent on or before 31 December 2014.

Unquoted Equity Security Holders with Greater than 20% of an Individual Class

As at 15 February 2013 the following class of unquoted securities had holders with greater than 20% of the class on issue.

Options exercisable at 1 cent on or before 31 December 2014

Name	Number of Shares Held	Percentage
Mr Bevan Nigel Hugh Tarratt & Mrs Sophie Tarratt	24,000,000	30.0%
MIMO Strategies Pty Ltd <MIMO A/C>	20,000,000	25.0%

Buy-back arrangements

There are no buy-back arrangements in place.

Restricted Securities

There are no securities restricted or currently subject to voluntary escrow.

Registered Address

The address of the principal registered office is Level 8, 225 St Georges Terrace, Perth WA. Telephone (08) 9486 4036.

ADDITIONAL INFORMATION

Registers

The register of securities are held at the following address:

Link Market Services Limited

Ground Floor, 178 St Georges Terrace

Perth WA 6000

VARIANCE FROM PRELIMINARY FINAL REPORT & APPENDIX 4E

There was no material variance from the Final Annual Report for the Year Ended 31 December 2012 and Preliminary Final Report and Appendix 4E lodged on 28 February 2013.