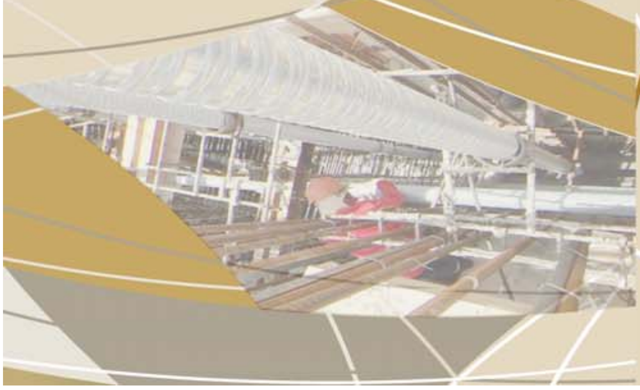
ENERGY WORLD CORPORATION LTD.

ANNUAL REPORT 2014

DELIVERING CLEAN ENERGY TO ASIA
PRESERVING THE ENVIRONMENT



Annual Financial Report

ENERGY WORLD CORPORATION LTD AND ITS CONTROLLED ENTITIES
30 JUNE 2014
ABN: 34 009 124 994

Sengkang LNG Site

Sengkang LNG Site, Construction of LNG Tank

Pagbilao LNG Hub Site, Construction of LNG Tank

Sengkang Power Station Block 2

Pagbilao LNG Hub Site, Formation of Jetty Area

Contents

Chairman's Statement

I am pleased to report the results of Energy World Corporation Ltd for the financial year end 30 June 2014, during which we continue to make considerable progress in developing our Power, Gas and LNG Projects to meet the rapidly increasing energy requirements of the Asia Pacific region, and in achieving our goal to become a leader in modular LNG development and an operator of a vertically integrated clean energy company.

Financial results

On an underlying basis, revenue, and gross & net profit increased to US$158.8 million, US$92.1 million and US$19.7 million, respectively reflecting the commencement of commercial operation of the Sengkang Power Plant Expansion and receipt of revenue from this expansion. Over the last three years revenue has increased by 9.1% and gross profit by 22.7%, highlighting the profitable base of the business and the stable revenue streams we enjoy under long-term power purchase agreements.

As our Power, Gas and LNG projects continue to develop, the Company's fixed, exploration and evaluation assets rose from US$828.7 million to US$1,079.9 million during the financial year.

Project construction – Power, Gas and LNG

The expansion of our Sengkang Power Plant in Indonesia, increasing production capacity by 120MW (or more than 60%) to a capacity of 315MW (total rated output of 357MW), commenced commercial operation in December 2013. This expansion created the largest combined cycle power generation facility in South Sulawesi, Indonesia.

The Wasambo Drilling Program, in our Sengkang PSC, commenced on 18 September 2013 when the Walanga #2 Twinning Well was spudded. The program involved drilling four gas production wells. The gas will provide initial feedstock gas for our Sengkang Modular LNG Project. The drilling programme was completed on 15 March 2014.

The construction of our Sengkang Modular LNG Project in Indonesia and our Philippines LNG Hub has also significantly advanced during the course of the financial year. Our Philippines Power Project is also progressing, with the two Siemens 200MW gas turbines currently being shipped and scheduled to arrive on site by October 2014. We foresee commercial operation of both these projects within the next 12 months.

Financing for the Company's Projects

In April 2014, the Company concluded the upgrade of its existing US$88.0 million facility to US$125.0 million through its wholly owned subsidiary Energy Epic (Sengkang) Pty Ltd ("EEES") (with Standard Chartered Bank and Mizuho Corporate Bank). This upgrade provides approximately US$52 million additional funds for EEES's petroleum operations and commercialization of gas from its gas fields within the Sengkang PSC. The facility also includes a possibility to step up to US$200.0 million subject to completion tests for the Wasambo gas fields and related arrangements. This successful debt financing demonstrates the strong support from lenders for our Indonesian projects. We have also received expressions of interest from a leading domestic bank in Indonesia to provide debt finance for the Sengkang LNG Project, but we have not yet entered into any binding commitments for finance.

In addition to the funding already in place from our own equity and that of Standard Chartered Private Equity, in February 2014 we awarded two mandates to the Development Bank of the Philippines ("DBP") complete with term sheets which have been agreed, for DBP to act as lead arranger and lender to both our LNG Hub and Power Plant projects for up to 70% of the Total Project Cost of each project. The Project Financing is well advanced and we are presently in negotiations with DBP and other banks in the Philippines on the finalisation of the new debt facilities. We envisage the conclusion of formal arrangements in the coming months. To support the Project Financing, we have engaged Standard Chartered Bank as our financial adviser to coordinate the structuring and arrangement of debt finance in relation to the development of the Philippines LNG Hub and Power Plant.

Appreciation and thanks

I would like to extend my appreciation and thanks to Mr. Leslie Charles who served the Company as an Independent Non Executive Director from 30 March 2007 until his resignation on 22 November 2013.

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

Stewart Elliott
Chairman, Managing Director,
and Chief Executive Officer

Company Information

DIRECTORS	Mr. S.W.G. Elliott	Chairman, Managing Director and Chief Executive Officer
	Mr. I.W. Jordan	Executive Director
	Mr. B.J. Allen	Executive Director and Finance Director
	Dr. B.D. Littlechild	Independent Non-Executive Director
	Mr. M.P. O'Neill	Independent Non-Executive Director
	Mr. L.J. Charles	Independent Non-Executive Director (resigned on 22 November 2013)
	Mr. K.S. Virk	Independent Non-Executive Director
	Mr. B. Macfarlane	Independent Non-Executive Director (appointed on 1 September 2013)
	Mr. J.D. Dewar	Independent Non-Executive Director (appointed on 3 September 2013)
	Mr. G. Elliott	Alternate Director to Mr. I.W. Jordan
	Mr. G.J. Karpinski	Alternate Director to Mr. K.S. Virk

COMPANY SECRETARY
Mr. I.W. Jordan

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

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

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

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

LEGAL ADVISORS
Johnson Winter & Slattery
Level 25
20 Bond Street
Sydney, NSW 2000
AUSTRALIA

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

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

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

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

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

EMAIL 188ew@optusnet.com.au

WEBSITE www.energyworldcorp.com

AUSTRALIAN BUSINESS NUMBER 34 009 124 994

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

The Directors present their report together with the financial report of Energy World Corporation Ltd ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2014.

Directors

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

Name	**Age**	**Experience, Special Responsibilities and Other Directorships**
Executive Directors		
Mr. Stewart William George Elliott, *Chairman, Managing Director, Chief Executive Officer (CEO)*	68	Mr. Elliott joined our Board in November 1999 as a Non-executive Director and was appointed Managing Director and CEO on 29 September 2000 and Chairman on 10 September 2003. He is the founder and managing director of Energy World International Limited ("EWI"), one of our Controlling Shareholders and our largest Shareholder. EWI is wholly owned by Mr. Elliott and has diverse interests including listed investments, resources, property and hotel interests. Mr. Elliott also owns a 90% beneficial interest in Slipform Engineering International (H.K.) Ltd ("Slipform (H.K.)") with Mr. Graham Elliott owning a 10% beneficial interest. Mr. Elliott was the Managing Director and CEO of Consolidated Electric Power Asia ("CEPA"). CEPA was listed on the Hong Kong Stock Exchange ("HKEx") in 1993 and delisted in January 1997 following its acquisition and privatisation by The Southern Company for US$3.2 billion. Mr. Elliott was also an Executive Director of Hong Kong listed Hopewell Holdings Limited, from 1980 until 1998, leading many of its infrastructure projects and major developments (including leading the construction of the "Hopewell Centre" in Hong Kong).
Mr. Ian William Jordan, *Executive Director, Company Secretary (Australia)*	75	Mr. Jordan was appointed an Executive Director on 29 September 2000 and Company Secretary in Australia on 12 April 2001. He holds a degree in Electrical Engineering from the University of Queensland. He is a Fellow of the Institute of Engineers, Australia, and is a chartered professional engineer. He is a director of EWI. Prior to joining the Company, Mr. Jordan was a senior executive with CEPA and before this Mr. Jordan was a partner in an international engineering consultancy. He has more than 40 years of experience internationally in the electric power industry, including project development, project finance, construction and operation.

Name	Age	Experience, Special Responsibilities and Other Directorships
Executive Directors		
Mr. Brian Jeffrey Allen, *Executive Director, Finance Director*	62	Mr. Allen was appointed an Executive Director on 12 April 2001. He is also a director of EWI. Prior to joining EWI´s board of directors in September 2000, Mr. Allen was a director and head of project finance for The Hongkong and Shanghai Banking Corporation Limited based in Hong Kong. Mr. Allen was directly involved in a number of transactions including certain financing arranged by HSBC Group members for CEPA. Mr. Allen has been involved in arranging finance for major projects in Asia since 1986.
Independent Non-Executive Directors		
Dr. Brian Derek Littlechild, *Independent Non-Executive Director and member of the Independent Board Committee, Audit Committee and Remuneration Committee*	69	Dr. Littlechild was appointed to our Board on 2 May 2001. He has a Bachelor of Science degree and a Doctor of Philosophy from Nottingham University. He is a member of the Institution of Civil Engineers and was a Fellow of the Hong Kong Institution of Engineers, Member of American Society of Civil Engineers, Member of Academy of Experts and Editorial Panel Member of Geotechnique. He joined Ove Arup in 1972, and worked in Hong Kong for over 20 years, where he served as an associate director. He has 25 years of experience in geotechnical engineering. He has authored numerous geotechnical and related papers. In particular, he led a major programme of testing of foundations in Hong Kong which subsequently formed the basis of a section of the new Code of Practice for Foundations in Hong Kong. His extensive experience in Hong Kong, China and the Philippines covers a large number of geotechnical projects including large power plants and infrastructure projects as well as major buildings.
Mr. Leslie James Charles, *Independent Non-Executive Director and member of the Independent Board Committee, Audit Committee and Remuneration Committee (resigned on 22 November 2013)*	73	Mr. Charles was appointed a Non-Executive Director on 30 March 2007. He lives in Australia and has 42 years of experience in project and construction and project management of major commercial, institutional, public and industrial developments with 25 years experience in the Asia Pacific region in particular Hong Kong and the Peoples Republic of China, and also in Malaysia, Indonesia and the Philippines. Mr. Charles resigned from the Board and related committees on 22 November 2013.

Name	Age	Experience, Special Responsibilities and Other Directorships
Independent Non-Executive Directors		
Mr. Michael Philip O'Neill, BE., FIEA., CpEng., RPEQ., JP. *Independent Non-Executive Director and Chairman of the Independent Board Committee, Chairman of the Audit Committee and Chairman of the Remuneration Committee*	66	Mr. O Neill was appointed to our Board as an Independent Non-Executive Director on 20 April 2007. Mr. O'Neill was educated at Sydney University (Engineering). He is a fellow of the Institute of Engineers, Australia, a registered professional engineer in Queensland, a chartered professional engineer, a member of the Concrete Institute of Australia and of the Master Builder Association of NSW. He is also a holder of Building Licence NSW. He has over 40 years of experience as a site engineer and design engineer in various engineering and concrete prestressing companies in Australia and overseas. In 1982 he founded and has since been a director of APS Group, a concrete prestressing company and general contracting with business based in Australia and the Middle East. Mr. O'Neill is on the Board of the Post Tensioning Institute of Austrlia and the Australian Certification Authority for Reinforcing and Structural Steel. He has been a member of Energy World Corporation committess and currently chairs the audit committee, the remuneration committee and the independent board committee.
Mr. Kanad Singh Virk, *Independent Non-Executive Director and member of the Independent Board Committee, Audit Committee and Remuneration Committee*	48	Mr. Virk was appointed an Independent Non-Executive Director on 14 May 2013. Mr. Virk has a Bachelor of Arts degree from Pomona College and a Juris Doctor degree from the University of Minnesota Law School. He is a Managing Director of, and Co—Head of the Energy, Resources and Infrastructure team at, Standard Chartered Private Equity. Mr. Virk has 20 years of work experience, including private equity investing, mergers and acquisitions (M&A), project finance and financings in a broad range of industries. He was with Goldman Sachs for 10 years, where he served as Chief Operating Officer of Private Wealth Management in Asia ex-Japan and EMEA and a Vice President in the Asia ex-Japan Mergers and Acquisitions group within the Investment Banking Division. Mr. Virk previously worked as a lawyer in M&A and energy project finance at Cravath, Swaine & Moore in New York and later at Skadden Arps in Los Angeles, Hong Kong, London and Vienna.
Mr. Bruce Macfarlane, *Independent Non-Executive Director and member of the Independent Board Committee, Audit Committee and Remuneration Committee*	47	Mr. Macfarlane was appointed an Independent Non-Executive Director on 1 September 2013. Mr. Macfarlane brings to the EWC board extensive experience in oil & gas commercialisation and project management. He is the Founder of SingaporEnergy International, an energy advisory firm, where he acts as an investment consultant for a range of companies. He has previously worked across the oil and gas value chain during his 22 years tenure at BP plc, where he served in various Executive Leadership commercial and strategy roles and earlier as Planning Manager for the integrated gas to power project in Vietnam.

Name	Age	Experience, Special Responsibilities and Other Directorships
Independent Non-Executive Directors		
Mr. James David Dewar, *Independent Non-Executive Director and member of the Independent Board Committee, Audit Committee and Remuneration Committee*	57	Mr. Dewar was appointed an Independent Non-Executive Director on 3 September 2013. Mr. Dewar has more than 30 years of international finance and commercial experience in upstream, downstream, petrochemicals, and trading. He has held global business or group CFO roles with BP plc, Dana Gas and Seven Energy. In addition he has held several other directorships; and is currently a Non-Executive Chairman for Felini Limited and an Independent Advisory Board Member for the energy services company Viking Services Limited.
Alternate Directors		
Mr. Gregory John Karpinski *(Alternate Director to Mr. Kanad Virk)*	41	Mr. Karpinski was appointed an Alternate Director to Mr. Kanad Virk on 14 May 2013. Mr. Karpinski received a Master's degree in Business Administration with a concentration in Finance from Boston University and a Bachelor of Arts degree in Political Science from Tufts University in the United States. He has 15 years of infrastructure, investment and asset management experience derived from positions as a principal investor, board director, finance manager, mergers and acquisitions advisor and commercial analyst. Mr. Karpinski is part of the senior management team that has raised $659m from global institutional infrastructure investors and invested in both control and minority stakes in eight companies in Indonesia, China, India and Malaysia in the power/renewables, water, transport, telecommunications and waste management sectors. He also has significant debt and business restructuring experience in the energy, water and healthcare sectors. Before joining SCB in 2007, Mr. Karpinski worked at InterGen where he held roles as advisor to the Investments and Portfolio Management Group (HK), Finance/Restructuring Manager and Commercial Execution and Development Associate. Prior to joining InterGen, Mr. Karpinski spent three years with British Petroleum as Commercial Analyst supporting upstream oil and gas projects.
Mr. Graham Stewart Elliott *(Alternate Director to Mr. Ian Jordan)*	35	Mr. Elliott was appointed an Alternate Director to Mr. Ian Jordan on 14 May 2013. Mr. Elliott was educated at Princeton University (Engineering). While at Princeton, he served as the President of the Princeton American Society of Civil Engineering Student Chapter. He completed a Masters of Business Administration at Southampton University in June 2004. His previous work experience includes various internships at Slipform Engineering Ltd. between 1992 and 1996, at GEC Alstom in 1996, at Arup in 1997, and at Energy World International Ltd. between 1997 and 2001. Mr. Elliott joined EWC in 2001 and is responsible for matters relating to engineering and civil construction and for the development of new project opportunities throughout the Asia Pacific region. He is the son of Mr. Stewart Elliott, EWC's CEO and Managing Director.

Company Secretary

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

Directors' Meetings

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

	Number of Meetings held during which they were eligible to attend	**Number of Meetings attended**
Mr. Stewart William George Elliott	6	6
Mr. Ian William Jordan	6	6*
Mr. Brian Jeffery Allen	6	6
Mr. Leslie James Charles (*Resigned on 22 November 2013*)	3	3
Dr. Brian Derek Littlechild	6	5
Mr. Michael Philip O'Neill	6	6
Mr. Kanad Singh Virk *(appointed on 14 May 2013)*	6	6**
Mr. Bruce Macfarlane *(appointed on 1 September 2013)*	5	5
Mr. James David Dewar *(appointed on 3 September 2013)*	5	5

*This number includes one meeting attended by Mr. Graham Elliott as an alternate to Mr. Ian Jordan.

** This number includes one meeting attended by Mr. Gregory Karpinski as an alternate to Mr. Kanad Virk.

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

	Number of Meetings held during which they were eligible to attend	**Number of Meetings attended**
Mr. Leslie James Charles (*Resigned on 22 November 2013*)	3	3
Dr. Brian Derek Littlechild	5	4
Mr. Michael Philip O'Neill	5	5
Mr. Kanad Virk	5	5*
Mr. Bruce Macfarlane	4	3
Mr. James David Dewar	4	3

* This number includes one meeting attended by Mr. Gregory Karpinski as an alternate to Mr. Kanad Virk.

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

	Number of Meetings held during which they were eligible to attend	**Number of Meetings attended**
Mr. Leslie James Charles *(resigned on 22 November 2013)*	1	1
Dr. Brian Derek Littlechild	2	2
Mr. Michael Philip O'Neill	2	2
Mr. Kanad Singh Virk	2	2
Mr. Bruce Macfarlane	2	2
Mr. James David Dewar	2	2

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

	Number of Meetings held during which they were eligible to attend	**Number of Meetings attended**
Mr. Leslie James Charles *(resigned on 22 November 2013*	3	3
Dr. Brian Derek Littlechild	7	6
Mr. Michael Philip O'Neill	7	7
Mr. Kanad Singh Virk	7	7*
Mr. Bruce Macfarlane	7	7
Mr. James David Dewar	6	6

** This number includes one meeting attended by Mr. Gregory Karpinski as an alternate to Mr. Kanad Virk.

Overview

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

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

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

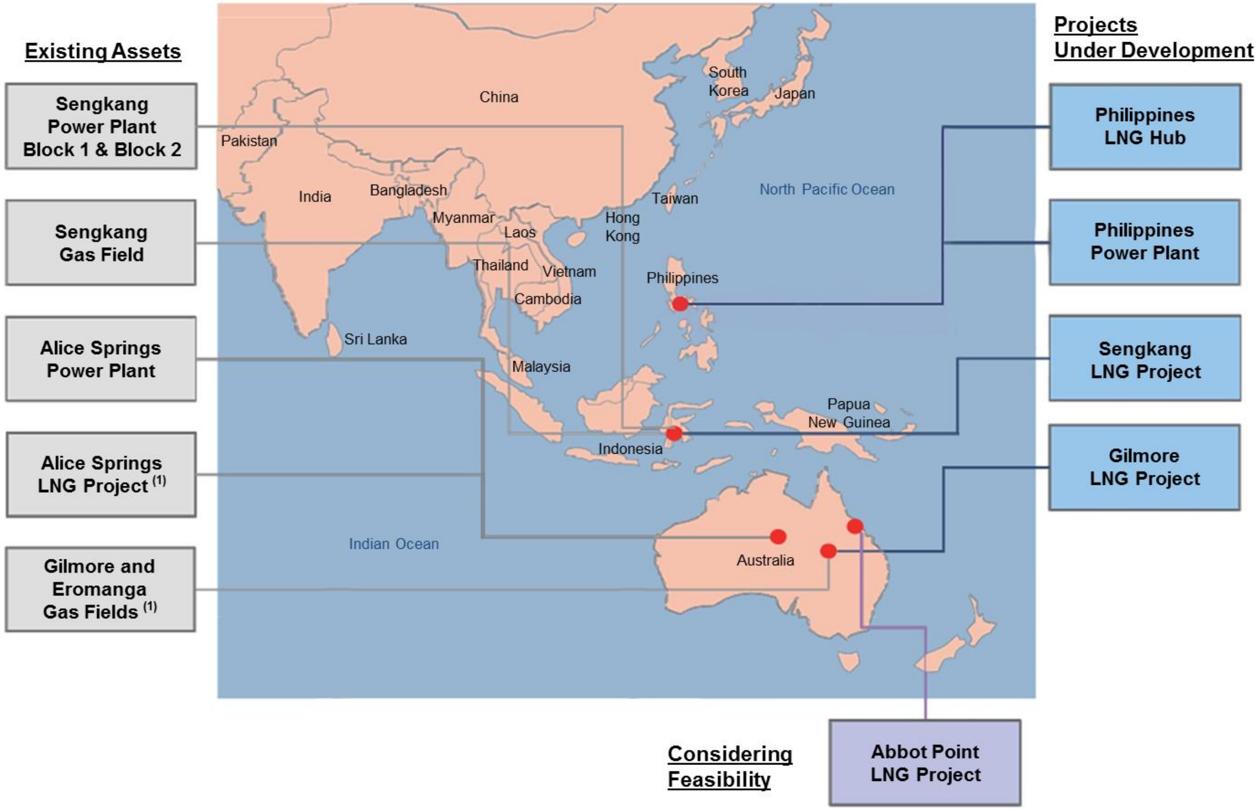
The growing demand for efficient and clean power generation in the Asia Pacific region presents us with opportunities. We intend to selectively develop new power generation capacity fuelled by LNG and natural gas in locations where the ability to satisfy increasing local demand is restricted by the limited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

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

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

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

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



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

Our existing assets comprise:

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

Our projects which are under development comprise:

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

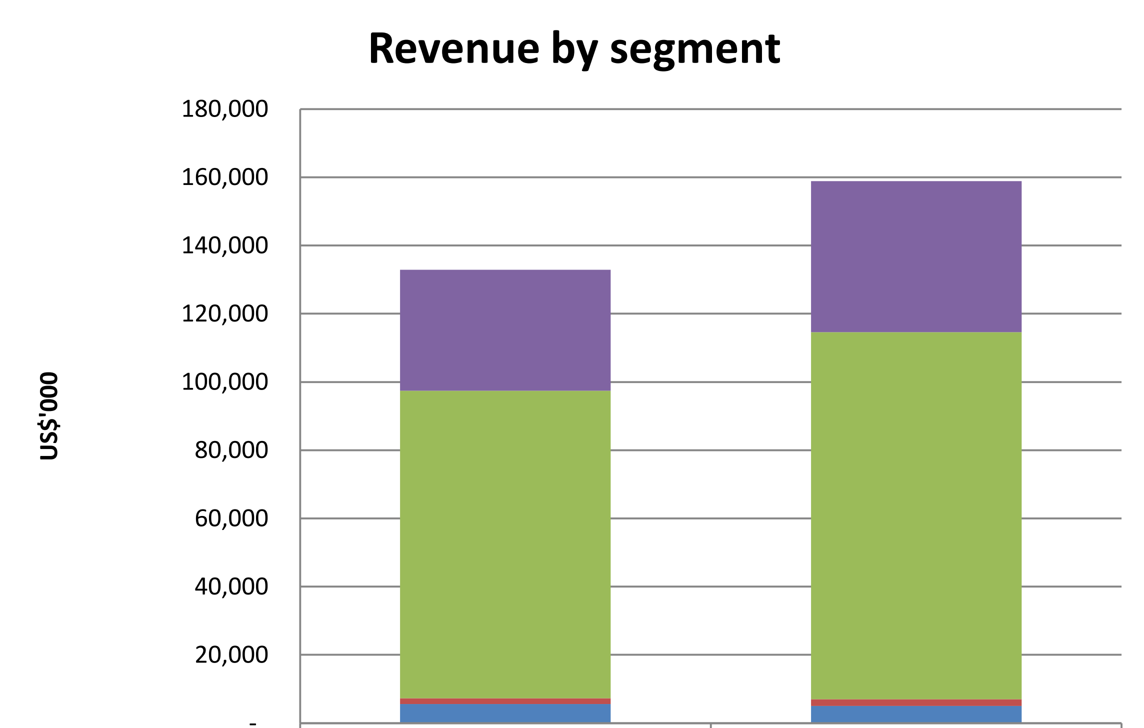
In addition, we are considering the feasibility of:

- the Abbot Point LNG Project.

Operating and Financial Review

Sales revenue for the financial year ended 30 June 2014 was US$158,845,000 (2013: US$132,904,000). The increase from 2013 to 2014 is due to a 3% increase in gas prices and a 14.3% increase in gas and electricity dispatched (2014: 15.2 MMBTU versus 2013: 13.3 MMBTU) in Indonesia. The increase in electricity dispatched was primarily a result of the expansion of our Sengkang power station in Indonesia being completed with the gas turbine (GT 22) being in commercial operation for the entire financial year and the steam turbine (ST 28) coming into operation in September 2013 with commercial operation in December 2013.

Note 1:

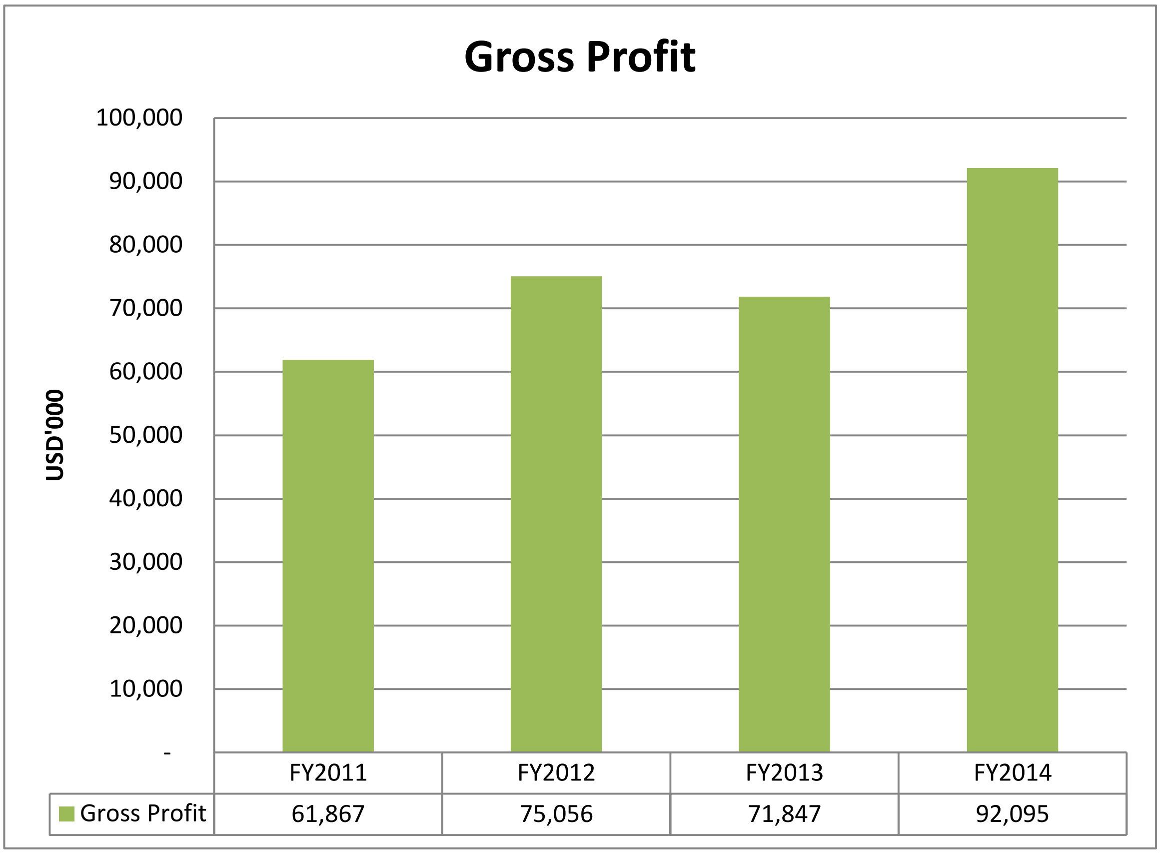


	FY2013 Reported Revenue	FY2014 Reported Revenue
Indonesia: Oil & Gas	35,465	44,214
Indonesia: Power	90,135	107,615
Australia: Oil & Gas	1,717	1,962
Australia: Power	5,588	5,054

Review and Results of Operations (continued)

Gross profit for the financial year was US$92,095,000(2013: US $71,847,000), an increase of 28% over the comparative period. *(See Note 2)*

Note 2:



Gross profit as a percentage of revenue for the financial year is 58% which is above the average for the preceding three financial years of 54%.

Gross Margin Percentage:

FY2011	52%
FY2012	56%
FY2013	54%
FY2014	58%

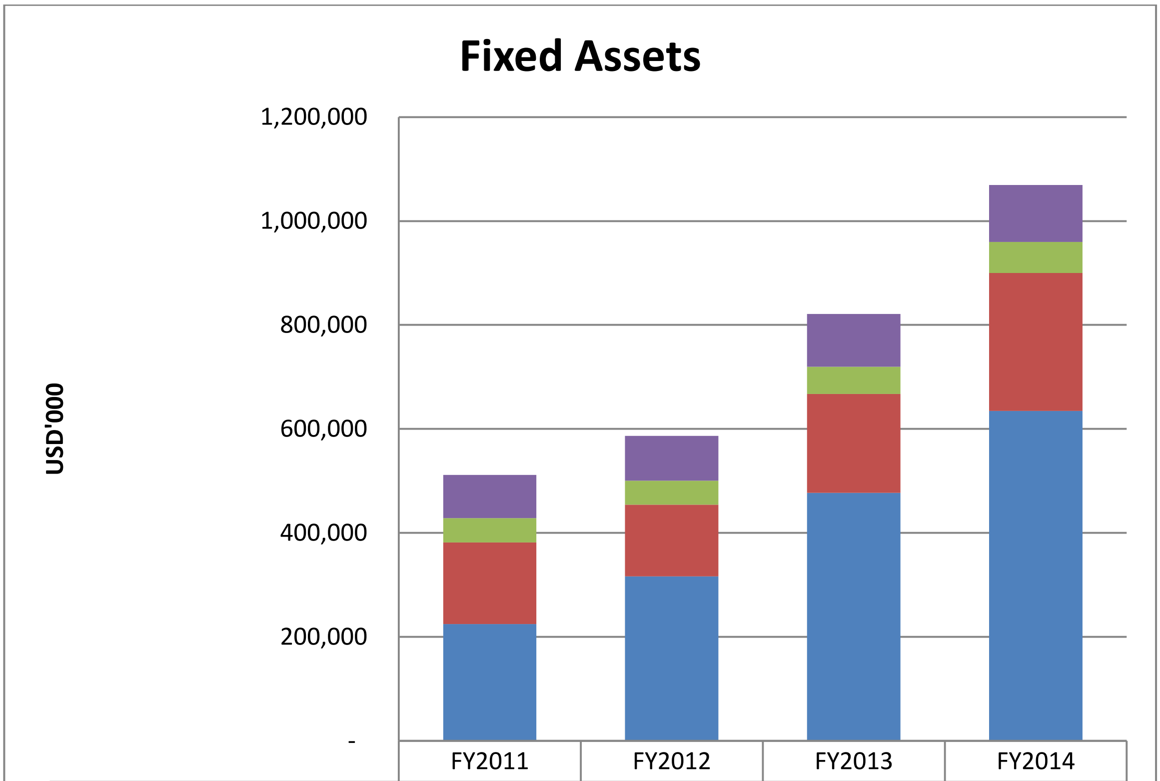
Gross profit percentage increased compared to prior periods as a result of the Company realising economies of scale within its Indonesia Power segment.

Consolidated net profit for the financial year after income tax was US$19,655,000 (2013: US$16,820,000).

Review and Results of Operations (continued)

Assets have increased significantly over the past four years, reflecting construction progress at the Company's projects. For the year ended 30 June 2014, the 60MW steam turbine (ST28) of the Sengkang Power Expansion Project was completed and transferred from assets under construction to Property, Plant & Equipment. The increase in assets under construction is also reflective of progress at Sengkang LNG, Philippines LNG Hub Terminal and Power Projects and other projects under development.

Note 3:



	FY2011	FY2012	FY2013	FY2014
Oil & Gas Assets	82,715	86,162	101,564	109,954
Exploration & Evaluation Expenditure	47,111	45,970	52,182	59,650
Property, Plant & Equipment	156,952	138,126	190,714	265,178
Assets under construction	224,512	316,269	476,826	634,738

Competitive Strengths

We believe that we have the following competitive strengths:

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

We operate our Sengkang Power Plant and Alice Springs Power Plant under long-term, take-or-pay power purchase agreements with terms until 2022 and 2016, respectively. The Indonesian national power utility, PT Perusahaan Listrik Negara (Persero) (PLN), and the Australian state power utility, Northern Territories Power and Water Corporation (NT PWC), are the purchasers of power under these agreements. The take-or-pay arrangements under these agreements require PLN and NT PWC to pay for the available generating capacity of our power plants up to an agreed level, regardless of the actual dispatch of electricity. For the financial year ended 30 June 2014, US$5.1 million of total revenue was generated by our Australian power business and US$107.6 million of total revenue was generated by our Indonesia power business.

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

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

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

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

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

We operate as a vertically integrated independent energy company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Business Strategies

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

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

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

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

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

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

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

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

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

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

Complete our projects under development.

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

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

At Pagbilao in the Philippines, we are currently developing our LNG Hub, an LNG import, storage and regasification terminal with an initial throughput capacity of 3 MTPA, with related port infrastructure. Adjacent to the LNG Hub we are also developing a 600-650 MW combined cycle gas fired power plant which will source LNG from the Philippines LNG Hub and sell electricity into the main Luzon Power Grid.

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

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

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

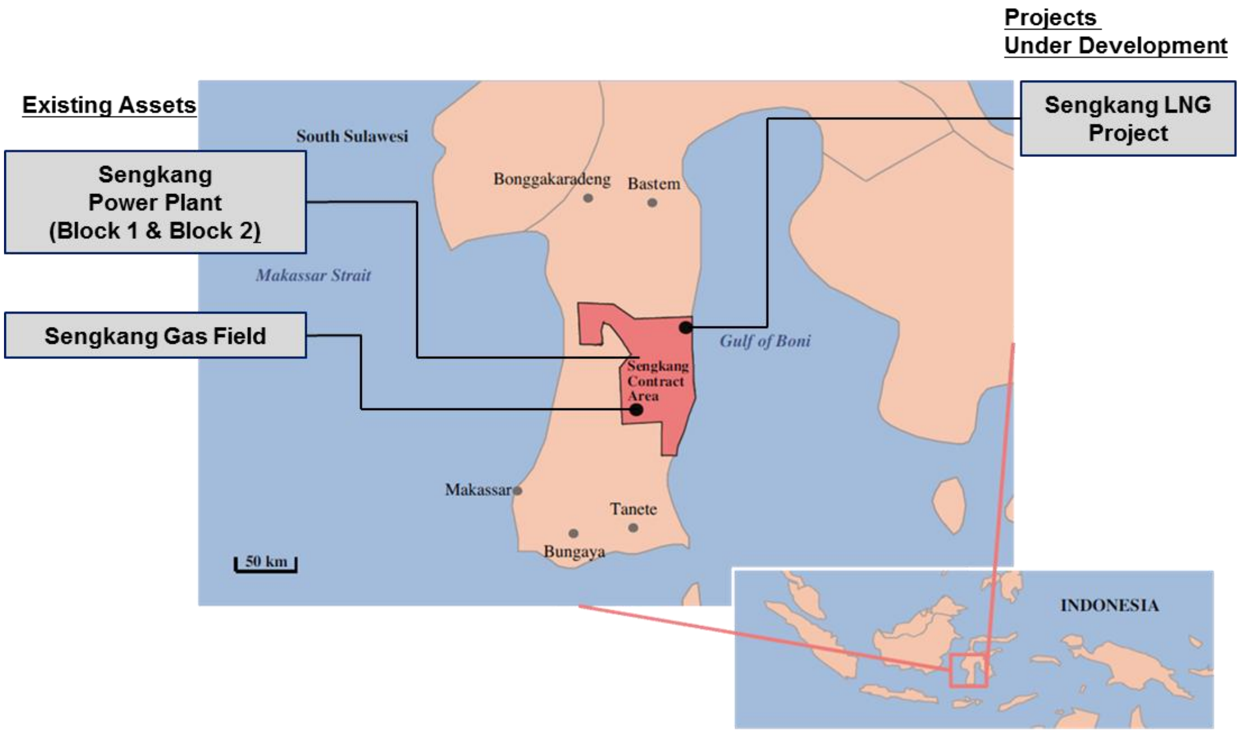
We will continue to explore and evaluate, alone or with partners, other opportunities that are aligned with, and which will help us to achieve, our strategy of developing a successful, vertically integrated energy business in the Asia Pacific region.

Our Business

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

INDONESIA

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



Indonesian power operations

The Sengkang Power Plant is one of our existing assets.

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

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

The Sengkang Power Plant comprises generating plants and auxiliary facilities. It is designed currently to deliver 315 MW (total rated output of 357MW), using two combined cycle plants, Block 1, which is 135 MW (Gross Output 161.6MW), and Block 2, which is 180 MW (Gross Output 196MW).

During the three years ended 30 June 2014, the Sengkang Power Plant operated with an availability factor exceeding the factor of 85% specified in the power purchase agreement with PLN.

The following table sets out the Sengkang Power Plant's output and actual availability factor for the 3 years ending 30 June 2014.

Financial year ended 30 June	Installed Capacity	Plant output	Plant availability factor
2014	315MW	1,544 GWh	85.0%*
2013	255MW	1.314 GWh	90.3%*
2012	195 MW	1,510 GWh	89.6%
Average:	**Not applicable**	**1,456GWh**	**88.3%**

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

Sengkang Power Purchase Agreement

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

Gas supply arrangements

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

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

Operation and maintenance arrangements

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

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

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

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

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

Indonesian Gas Operations

Sengkang Gas Field

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

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

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

Gross reserves (BCF)	**1P**	**2P**	**3P**
Kampung Baru Gas Field (as at 31 March 2014)(1)	141.0	160.1	183.5
Wasambo Gas Fields (Draft report as at 31 March 2014) (1), (2)	54.1	93.0	155.8
Total gross reserves	**195.1**	**253.1**	**339.4**
Gross contingent resources (BCF)	**1C**	**2C**	**3C**
Kampung Baru Gas Field (as at 31 March 2014)	90.0	122.5	157.8
Wasambo Gas Fields (Draft report as at 31 March 2014)	3.6	6.7	15.0
Total gross contingent resources(3)	**93.6**	**129.2**	**172.8**

Notes:

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

(2) The Wasambo Gas Fields refers to the Walanga, Sampi Sampi and Bonge discoveries, which are a cluster of gas accumulations within the Sengkang Contract Area. The reserves are based on the latest draft report available from our petroleum consultant which are still in the process of being updated.

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

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

Walanga #2 Twinning

Walanga #3 Well Test

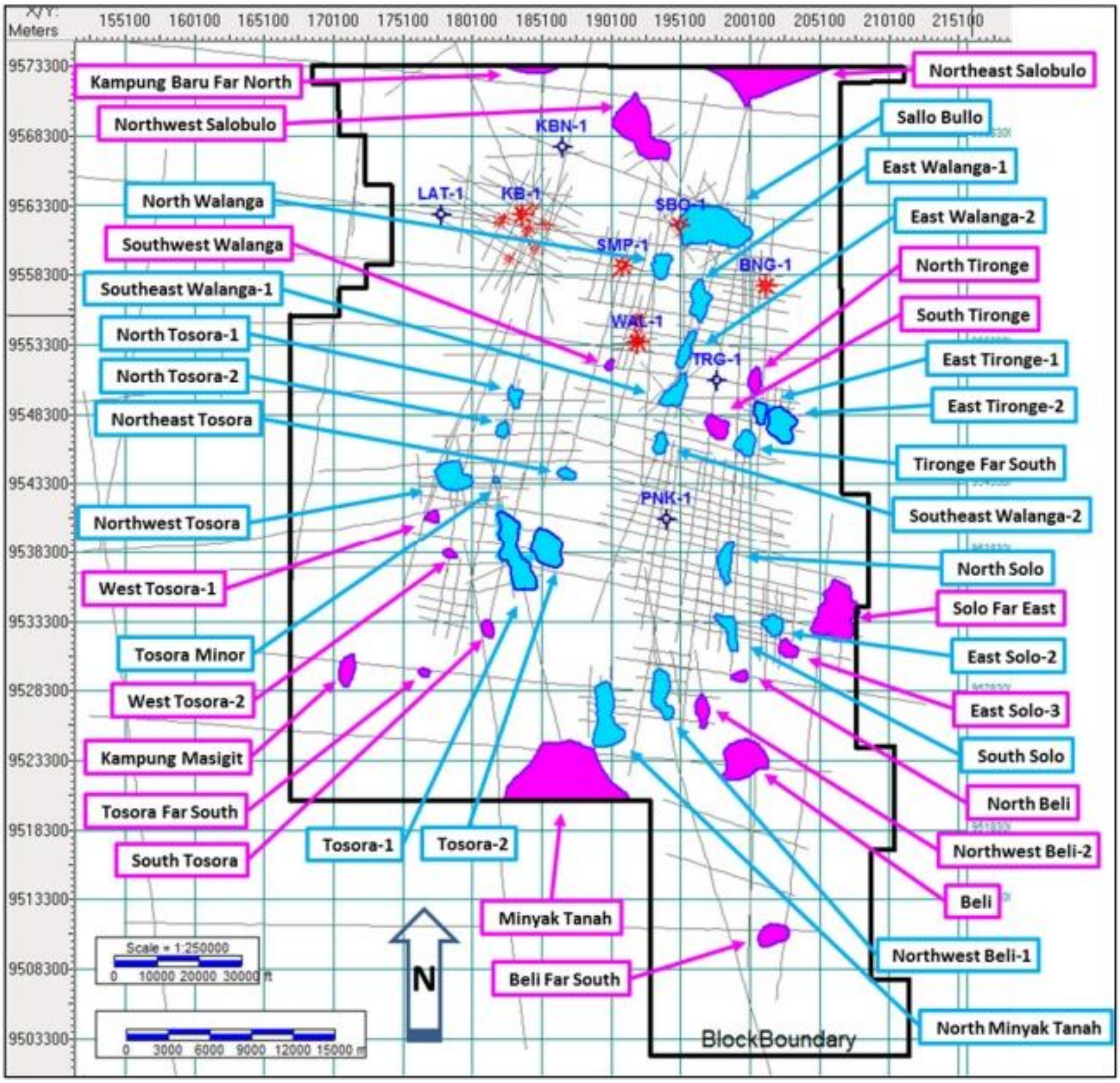
The Sengkang PSC, covering the 2,925.2 km^2 Sengkang Contract Area, includes one producing gas field, the Kampung Baru Gas Field, and undeveloped gas fields. Our petroleum consultant, GCA, have provided estimates on our reserves in the Sengkang PSC. As at 31 March 2014, GCA have confirmed that the remaining proved and probable possible reserves from our Kampung Baru Gas Field, which is our field currently in production, is 160.1 BCF with additional contingent proved and probable reserves of 122.5 BCF subject to commercial contract. In respect of the further three gas fields comprising the Wasambo Gas Fields, which have not yet been developed, proved and probable and possible reserves have been estimated by GCA in a draft report to be 155.8 BCF as at 31 March 2014 with additional contingent proved probable and possible reserves of 15.0. Reserves estimates are limited to volumes expected to be economically recovered within the term of the existing Gas Supply Agreement and Gas Sale and Purchase Agreement to the Sengkang Power Plant (in the case of the Kampung Baru Gas Field) and sales volume target as stated in the BPMigas plan of development approval (in the case of the Wasambo Gas Fields). Additional proved and probable gas volumes recoverable after this date, or which are not provided for in these arrangements, are classified as contingent resources.

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

The Wasambo Drilling Program, which was previously approved by SKKMigas' predecessor, BPMigas, under a plan of development in June 2011 commenced on 18 September 2013 when the Walanga #2 Twinning Well was spudded. The program involves drilling four gas production wells, being: Sampi Sampi #1 Twinning, Walanga #1 Twinning, Walanga #2 Twinning and Walanga #3, and was completed in March 2014. Each of the wells targeted Tacipi formation at a total depth of 2,400 – 2,700 feet. The gas from these wells will provide initial feedstock gas for our Sengkang Modular LNG Project. The information obtained from the Wasambo drilling program was provided to our petroleum consultants who utilised it to re-evaluate and provide a competent persons update on our gas reserves in Wasambo. This report is in draft form and is still under review by GCA.

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

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

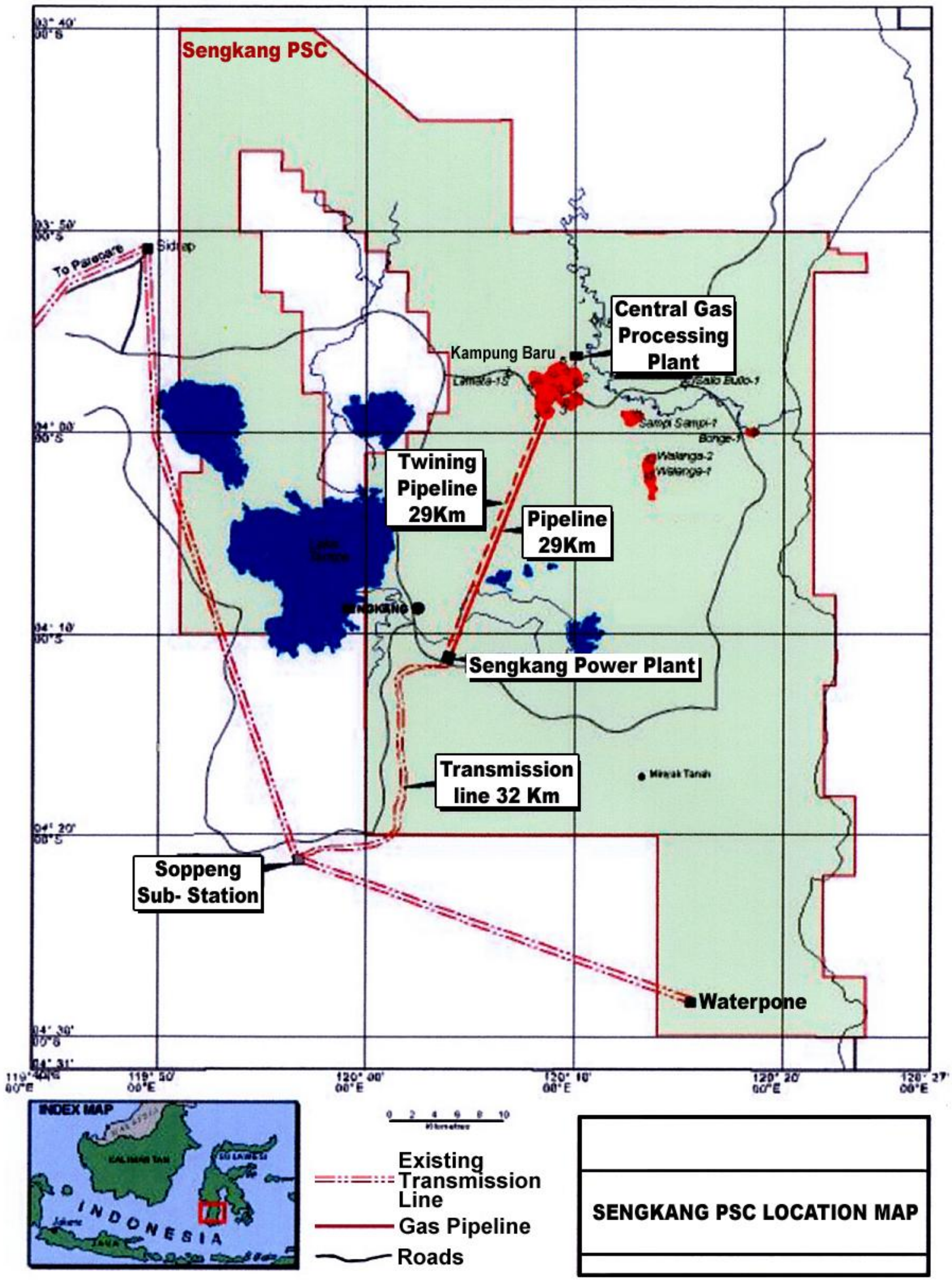


Extract From Gaffney Cline Report*
August, 2014

No	Prospect	GIIP (BCF)		
		Low Case (P90)	Best Case (P50)	High Case (P101)
1	Sallo Bullo	116.1	201.2	328.6
2	Northwest Tosora	120.1	233.1	414.1
3	Tosora-2	76.9	150.9	272.1
4	Tosora-1	65.7	132.1	248.4
5	North Minyak Tanah	50.2	89.7	156.6
6	Northwest Beli-1	39.9	74.6	133.8
7	East Walanga-1	27.8	53.7	96.8
8	Southeast Walanga-1	24.0	44.4	74.4
9	East Tironge-1	33.4	60.7	105.1
10	East Solo-2	17.3	33.6	60.0
11	South Solo	11.3	22.1	38.6
12	East Walanga-2	8.2	14.0	22.5
13	North Solo	10.2	19.8	35.0
14	Northeast Tosora	8.3	15.8	27.3
15	North Walanga	6.5	11.4	18.5
16	East Tironge-1	8.8	15.8	26.1
17	Tironge Far South	7.6	15.2	27.6
18	North Tosora-2	1.4	3.8	8.9
19	Southeast Walanga-2	1.9	3.8	7.1
20	North Tosora-1	1.0	2.2	4.7
21	Tosora Minor	0.9	1.8	3.0
Total		**637**	**1200**	**2109**

* Un risked Probabilistic Prospective Reserves (Prospects) Gross Interest 100%.

The following map shows the Sengkang Contract Area:



Approximately 141.0 BCF of reserves in our Kampung Baru Gas Field will be required to meet the demand from PLN and SKKMigas under the Gas Supply Agreement and the Gas Sale and Purchase Agreement to the end of September 2022. The balance of the recoverable gas volumes at Kampung Baru are therefore classified as contingent resources. Subject to contract the proved and probable contingent reserves of 122.50 BCF could be utilised for LNG production or additional gas to the Power Plant.

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

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

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

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

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

Sengkang LNG Project

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

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

Following the announcement on 14 June 2011 by the chairman of SKKMigas' predecessor, BPMigas, approving our plan of development for the gas reserves in the Wasambo Gas Fields, we arranged for the shipping of major equipment to the site for construction and installation. This equipment, including four cold-boxes, compressors and ancillary equipment, arrived on site in the financial year ended 30 June 2013.

During the period of this report significant construction progress has been made on site including the installation of the major equipments (Cold Boxes and Compressor) and the construction of the Tank and Marine Facilities.

Erection of Gas Processing Equipment

Fabrication & Installation of ICP

Construction of LNG Tank

Construction of LNG Tank

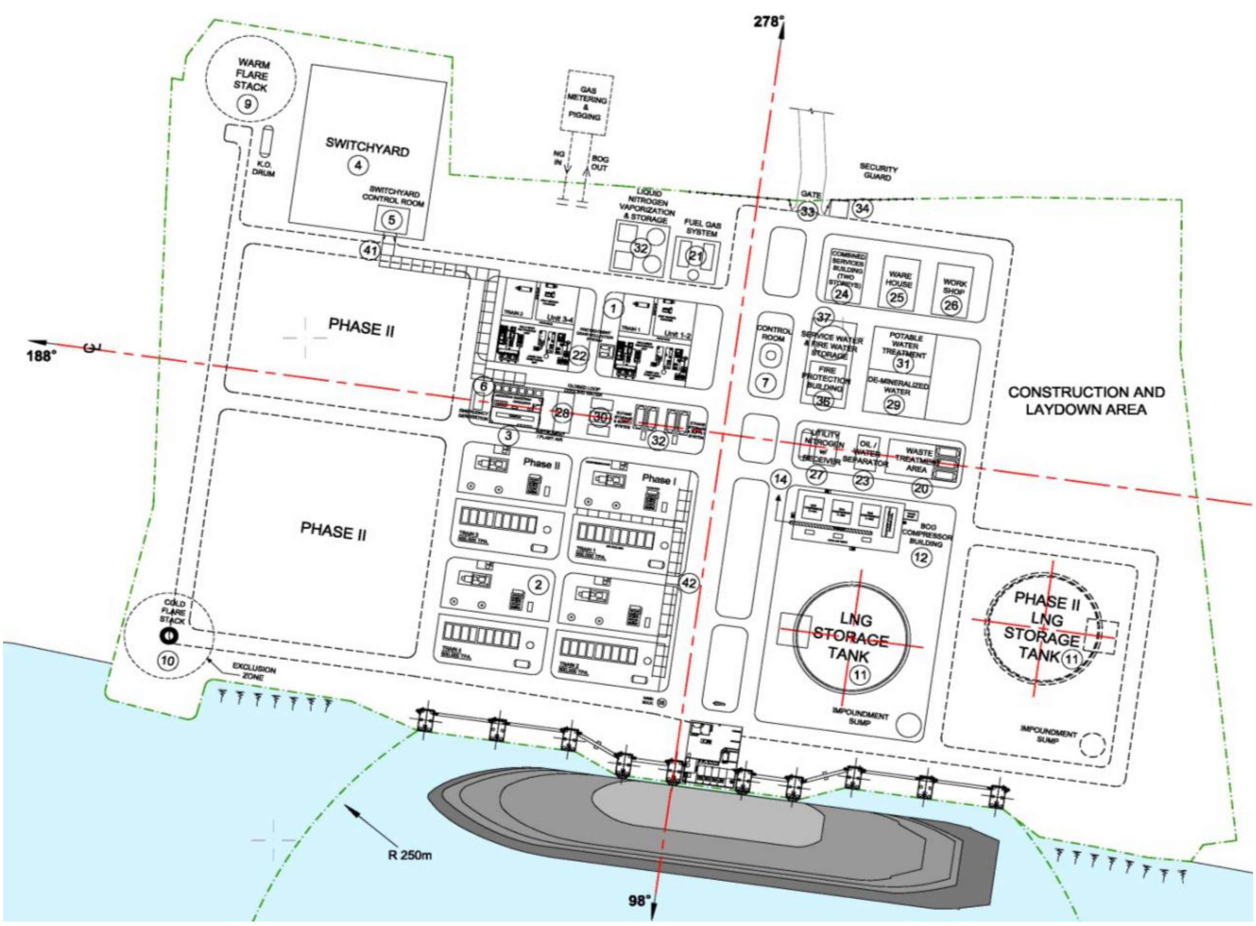
We anticipate that we will complete the construction of the first train and associated works and undertake commissioning and commence operations within this financial year ending 30 June 2015. This estimate, the Company's considered view of the current time frame, may be subject to change and is also subject to various risk factors as outlined in the section titled 'Principle 7: Recognise and manage risk' in the Corporate Governance Statement of this report. We expect three additional modular trains, subject to gas field development, to commence commercial production of LNG at three and six-month intervals after the first train begins production.

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

In a draft report GCA has estimated that as at 31 March 2014, proved, probable and possible reserves in our Wasambo Field are 155.8BCF, which is sufficient to supply the first modular LNG production unit capable of producing 0.5 MTPA for six years. By utilising existing reserves, we plan to use internally generated cash flow from gas and LNG sales to finance further gas field development at Sengkang beyond the scope of works approved by SKKMigas' predecessor, BPMigas, under the agreed Plan of Development for Wasambo.

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

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



Funding and costs for the Sengkang LNG Project

As initially outlined in our 2008 Annual Report, our expected capital expenditure for the Sengkang LNG Project to enable production of 2 MTPA of LNG is approximately US$352 million. This does not include the investment for the related gas supply infrastructure pursuant to a plan of development approved by SKKMigas for our Wasambo Gas Fields, and any capital expenditure required in respect of further gas field development in the Sengkang Contract Area which would be under a further plan of development to be agreed with SKKMigas. It also excludes financing costs. We have already invested a total of approximately US$292.7 million in the Sengkang LNG Project for major equipment purchases. We have received expressions of interest from a leading domestic bank in Indonesia to provide debt finance for the Sengkang LNG Project, but we have not yet entered into any binding commitments for finance.

LNG Sales

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

Licensing, contract and supply status for the Sengkang LNG Project

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

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

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

- ***Civil design and construction***

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

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

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

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

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

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

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

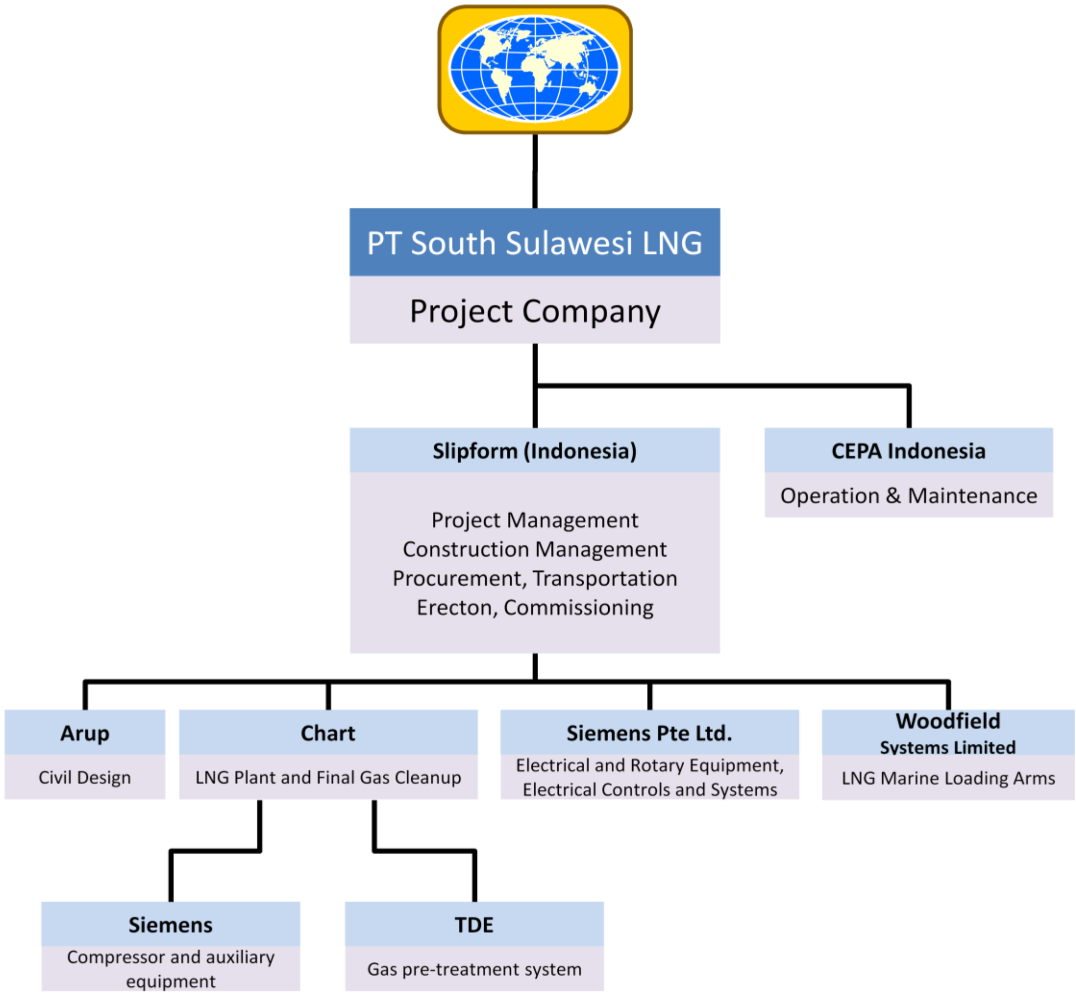
- ***Electrical and rotary equipment, electrical controls and systems***

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

- ***Operation & maintenance***

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

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



- ***Gas supply***

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

- ***Power supply***

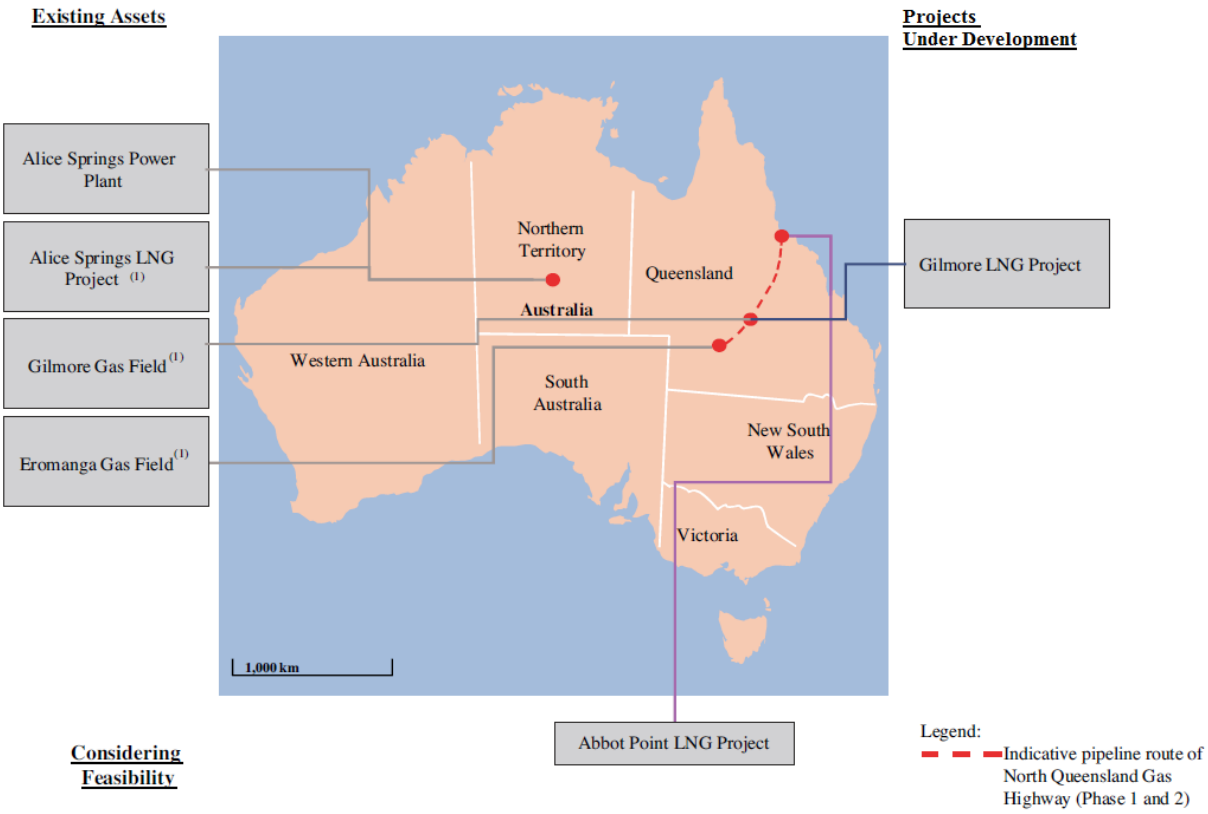
  We are finalising arrangements with PLN regarding the supply of electricity from the South Sulawesi electricity grid to the Sengkang LNG Project. The required transmission line for the Sengkang LNG Project is currently under construction by PLN.

- ***Licensing***

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

AUSTRALIA

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



Note:

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

Australian Power Operations

Alice Springs Power Plant, Australia

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

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

Alice Springs Power Plant, Australia

The Alice Springs Power Plant is an 8.68 MW gas-fired plant comprised of four spark-ignition gas-fired generating engines. For the three years ending 30 June 2014, the average availability factor of the plant was approximately83.6%. In the fiscal year 2014, the Alice Springs Power Plant generated 44.42 GWh of power, with an availability factor of 81.5%.

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

Financial year ended 30 June	Installed Capacity	Plant output	Plant availability factor
2014	8.68 MW	44.42 GWh	81.5%
2013	8.68 MW	44.75 GWh	84.3%
2012	8.68 MW	41.51 GWh	85.0%
Average		**43.56 GWh**	**83.6%**

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

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

Australian Gas Operations

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

Historically we have carried on gas operations in Australia from our Gilmore and Eromanga Gas Fields. However, we do not currently produce gas from these gas fields and they are currently held under care and maintenance. Our future plans for the Eromanga and Gilmore Gas Fields are outlined on pages [37-39].

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

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

Notes:

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

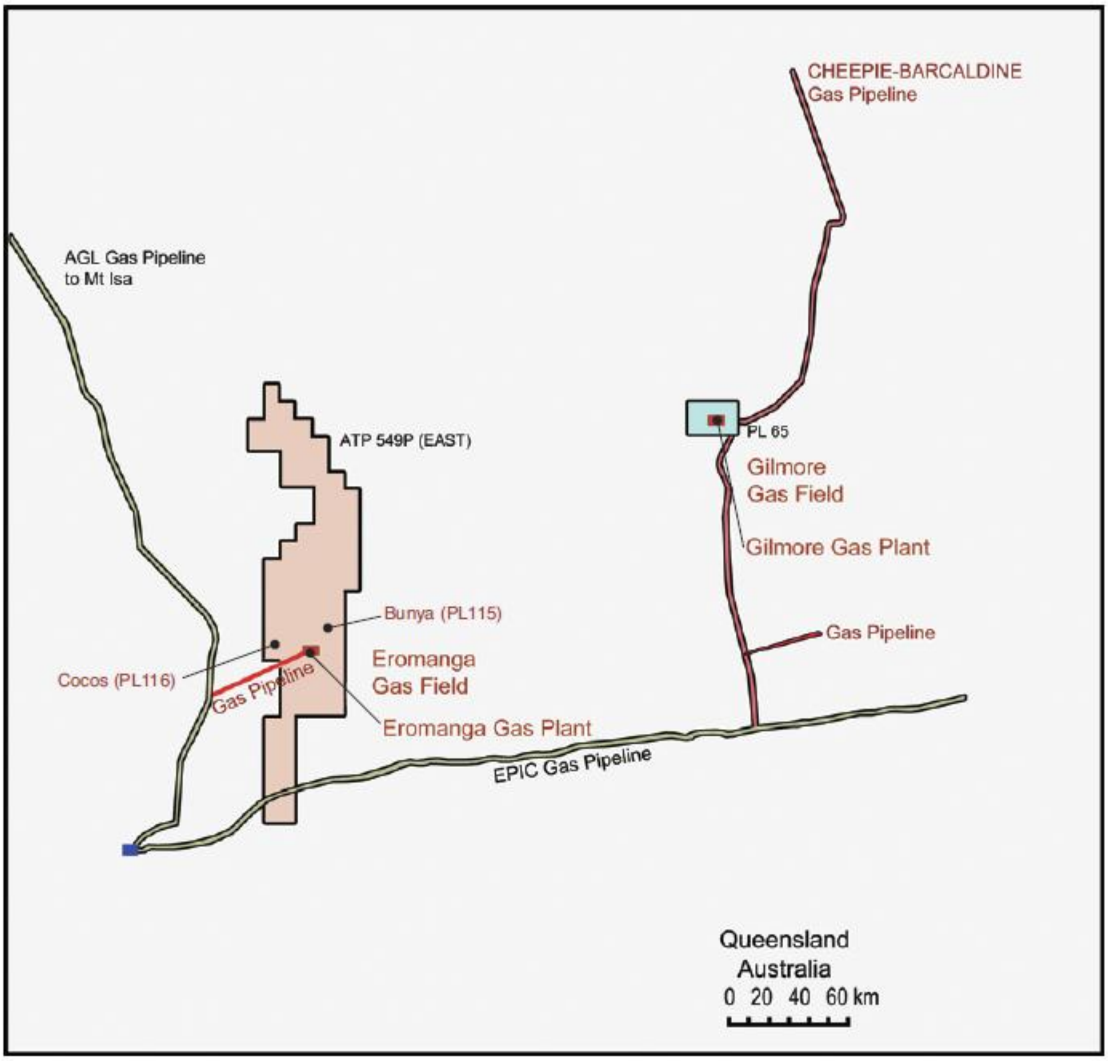
Australian Gas Fields, Queensland

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

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

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

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



Gilmore Gas Field

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

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

We intend to bring the Gilmore Field on line to supply gas to our Gilmore project.

Gilmore Gas Plant, Australia

Eromanga Gas Field

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

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

By drilling the Sheoak-2 appraisal well, AGF completed an agreed work programme in respect of ATP-549P, and the relevant licence has now been extended until 2017. Further investigation and feasibility work is underway to refine the drilling targets set out in the approved work program and budget.

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

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


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

Other existing Australian gas and oil interests

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

AGF has a 2% interest in the Naccowlah Block (part of ATP-259P) which is a producing oil field near to Eromanga. AGF also has a 2% interest in a number of petroleum leases which were derived from the Naccowlah Block. The Naccowlah Block is operated by Santos Limited, an independent third party, under a joint operating agreement originally entered into in 1982 to which AGF subsequently became a party. Santos Limited commenced an extensive drilling and reserve development programme with some 25 wells drilled in the course of 2007 and in 2008, and commenced additional works to provide for a crude oil tanker loading facility and associated road works for crude oil production from this field. Based on information provided by Santos Limited as at 31 December 2011, AGF's share of 2P reserves in the block is 0.164 MMBbl. AGF receives a share of the revenues from the sale of oil produced from the Naccowlah Block currently equivalent to approximately 12,000 barrels per year but also bears its share of development costs and operating expenses. This is our only oil producing asset. In the year ended 30 June 2014, funding required for AGF's participation was A$1.56 million (2013: A$1.08 million) and AGF's share of revenue from the sale of oil was A$2.15 million (2013: A$1.72 million).

AGF has a 19.6% interest in PL184 (known as the Thylungra Gas Field) in Queensland located near our Eromanga Gas Field. Beach Energy Limited, an independent third party, is the operator of Thylungra block, PL184. Some minor geological and geophysical works were undertaken by Beach Energy Limited requiring AGF to fund its participation in this development to maintain its percentage interest. In the year ended 30 June 2014, funding required for AGF's participation was A$39,272 (2013: A$17,454).

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

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

On 7 April 2014, AGF and Strike Energy Limited, under and accordance with the Joint Operating Agreement (JOA), entered into a Deed of Cross Security, an industry standard form of Cross Security that is required to be executed as the Joint Venture progress to the development phase. In addition, all the past due PEL 96 JV Cash Calls have been paid in full by AGF. Strike Energy Limited and AGF have also both contributed their respective share of the cash call for the forthcoming PEL 96 fracture stimulation and flow testing program. AGF remains fully committed to developing the large prospective gas reserve within PEL 96 to commercialization, a commitment and belief which AGF has shared with Strike Energy Limited from the beginning of this project. The signing of the Deed of Cross Security and funding of the next stage of the evaluation program is an important milestone for the project's development and signals the ongoing mutual commitment of AGF and Strike Energy Limited.

In the year ended 30 June 2014, funding required for AGF's participation was A$5,825,421.52 (2013: A$253,848).

Commencement of Drilling Operations at Le Chiffre 1 PEL96

Australian LNG Operations

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

Alice Springs LNG Facility

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

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

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

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

Alice Springs 10,000 TPA LNG Plant

Australian LNG development

Gilmore LNG Project

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

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

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

Site works have commenced and major equipment including the cold-box have been erected on site, and we anticipate that we will complete the construction of the Gilmore LNG Project and associated works during the second half of 2015 and undertake commissioning and commence operations thereafter. This estimate is the Company's considered view of the current time frame, may be subject to change and is also subject to various risk factors as outlined in the section titled 'Principle 7: Recognise and manage risk' in the Corporate Governance Statement of this report.

Erection of Process Equipment

Erection of Process Equipment

Lifting of Cold Box

Abbot Point LNG Project

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

Our proposal is to build a modular LNG facility with a capacity of up to 2 MTPA, comprising modular trains and a storage tank and an export facility at Abbot Point. In May 2011 the Queensland Government issued the Suitability Assessment for LNG Industry at Abbot Point report, which re-confirmed that it is a preferred location for an LNG plant. As noted in the report, Abbot Point is a strategic location due to its remoteness from urban development, ready access to a deepwater port and major transport links.

During the course of the financial year end 30 June 2014, we have completed and lodged an Initial Advice Statement, desktop site assessment and assessment of initial proposals for the detailed pipeline engineering and design with the Queensland State Coordinator General. The Coordinator General has declared that the project is not a "coordinated project for which an environmental Impact statement is required", thus paving the way for Energy World to pursue the individual permits necessary for the project. This process is ongoing.

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

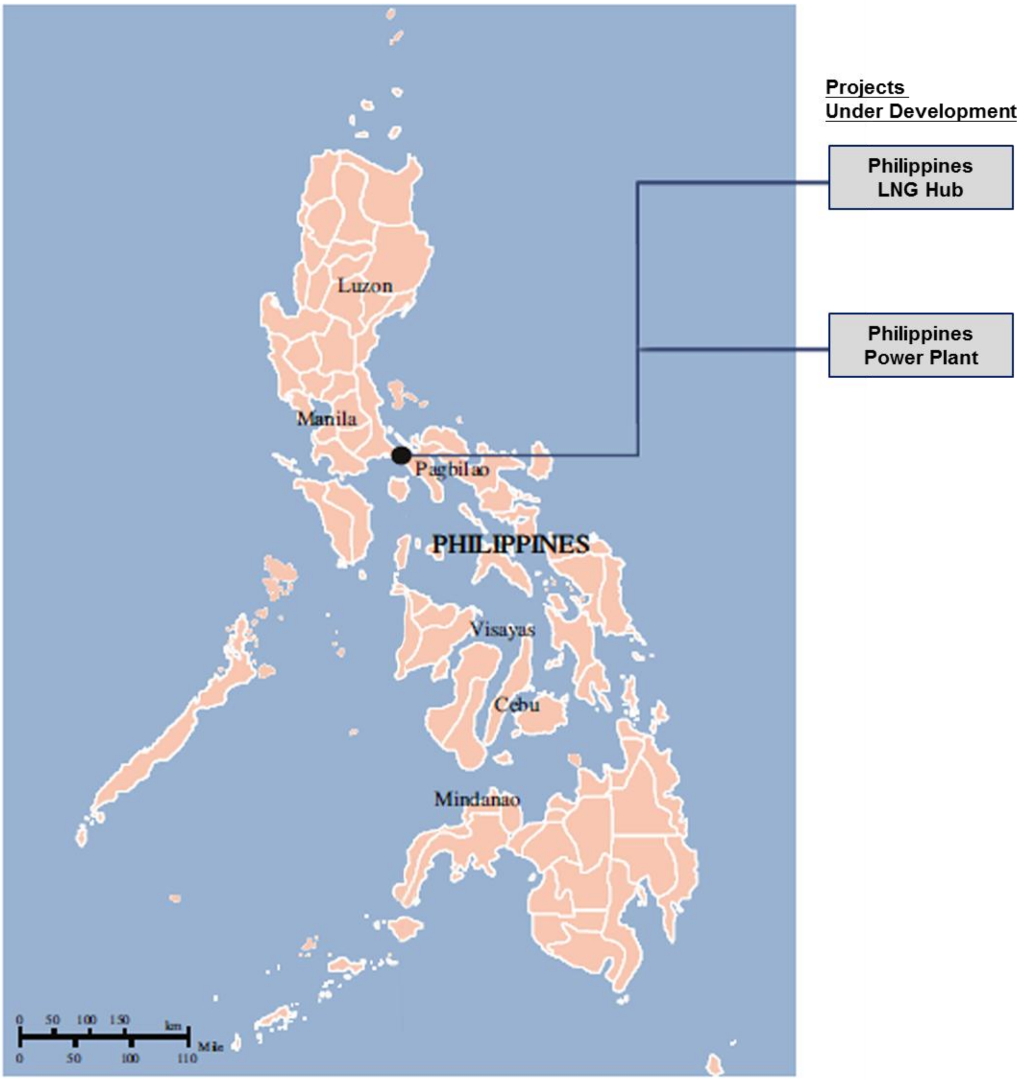
We are also evaluating the supply of gas to the Abbot Point facility from our Gilmore and Eromanga fields. If sufficient amounts of gas are proved in these fields, we would then consider developing a second phase of the North Queensland Gas Highway, consisting of approximately 550 km of a pipeline linking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

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

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

PHILIPPINES

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



Philippines LNG Hub

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

The Hub will consist of several components, comprising: (i) a storage tank with a capacity of 130,000 m^3 for storing LNG on site; (ii) a jetty and receiving and re-export terminal for berthing, unloading and reloading LNG ships; (iii) a regasification facility to convert LNG back to natural gas; and (iv) related support facilities (such as receiving and discharge lines, boil-off gas lines, metering, pumps and compressors). We expect this to be the first LNG terminal to become operational in the Philippines. The site has space and planning for a second storage tank with a capacity of 130,000m3.

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

Construction of LNG Tank

Construction of Jetty Area

Construction of LNG Tank

Construction of Jetty Area

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

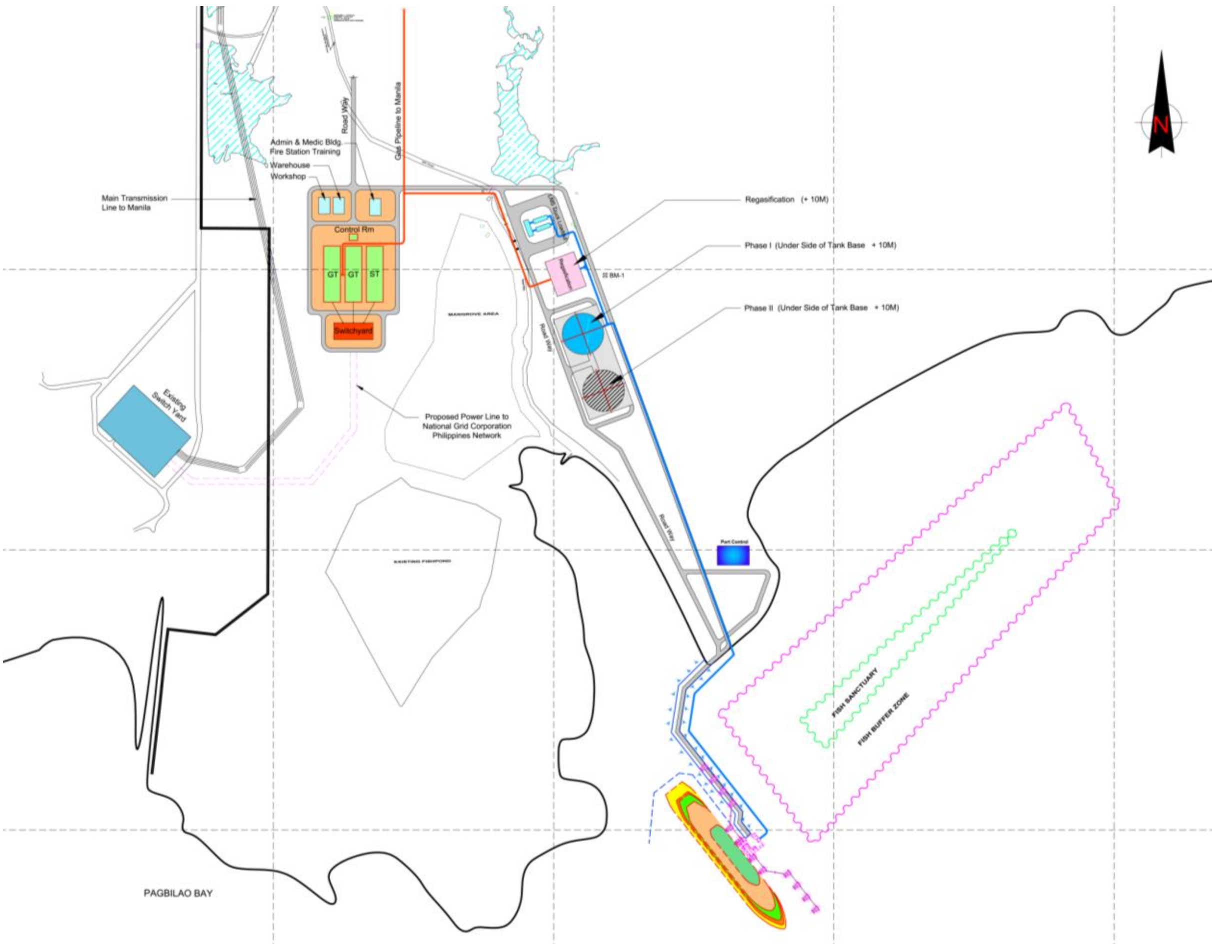
* Malory Properties Inc., a company incorporated on 23 March 1993 in the Philippines with limited liability, in which Mr. Stewart Elliott, who is our Chairman, Managing Director and Chief Executive Officer and one of our controlling shareholders has a 40% beneficial interest.

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

We have completed the site clearance and formation works on the property and the construction of the Philippines Hub and associated works is in final stage. As of August 2014, the reinforced concrete foundation and walls of the first tank have been completed and work on the roof structure has commenced. In addition we have begun pouring the concrete blinding for the second tank. Formation of the jetty with rock armoring is completed and construction of the trestle and concrete pylons is ongoing. Site buildings and supporting infrastructure are under construction.

We envisage that we will complete the construction of the Philippines LNG Hub and associated works in early 2015. Commissioning and commencement of operations would follow thereafter. This estimate is the Company's considered view of the current time frame, may be subject to change and is also subject to various risk factors as outlined in the section titled 'Principle 7: Recognise and manage risk' in the Corporate Governance Statement of this report.

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



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

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

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

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

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

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

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

In addition to the funding already in place from our own equity and that of Standard Chartered Private Equity, in February of 2014 we awarded two mandates to the Development Bank of the Philippines ("DBP") complete with term sheets which have been agreed, for DBP to act as lead arranger and lender to both our LNG Hub and Power Plant projects for up to 70% of the Total Project Cost of each project. The Project Financing is well advanced and we are presently in negotiations with DBP and other banks in the Philippines on the finalization of the new debt facilities. We envisage the conclusion of formal arrangements in the coming months. To support the Project Financing, we have engaged Standard Chartered Bank as our financial adviser to coordinate the structuring and arrangement of debt finance in relation to the development of the Philippines LNG Hub and Power Plant.

Our expected capital expenditure for the Philippine LNG Hub Project is approximately US$130 million. It excludes financing costs. We have already invested a total of approximately US$107.6 million in the Philippine LNG Project for construction cost.

Philippines Power Plant

We are developing a power plant located on Pagbilao Grand Island adjacent to the Philippines LNG Hub. The site for the plant is adjacent to the existing Pagbilao power station, owned by an independent third party, and to the 230 kV switch-yard which is connected to the main Luzon power grid in the Philippines. The plant we are developing will be a 600-650MW (2×200MW GT plus 200/250MW ST) gas fuelled combined cycle power plant based on highly efficient Siemens gas turbines and associated plant and infrastructure. Site clearance for the first 2 x 200MW turbines is completed and we have put concrete blinding in place. We are now working on the reinforced concrete foundation. Shipment of the already manufactured 2 x 200 MW are scheduled to be received at site in October 2014. The Luzon grid is facing an imminent power crisis and power shortage next summer. The Department of Energy (DOE) is considering invoking emergency powers to deal with the situation. As a consequence of these developments EWC has been requested by the DOE to accelerate and bring into commercial operation our 650 MW Pagbilao power plant project as soon as we can. On a best efforts basis we have therefore agreed to bring forward the commercial operation of our plant.

To achieve this we have already shipped 2 x 200 MW gas turbines manufactured by Siemens from USA to Pagbilao. These units will be arriving in the Philippines in September/October 2014. Under this accelerated program we hope to have the first 200 MW ready for generation by early next year with the second 200 MW to come online shortly thereafter. By achieving this program we will meet the DOE's request to bring into commercial operation an additional 400 MW of power capacity to the Luzon grid by summer of 2015. Our planning is for the additional 200/250 MW steam turbine package to be phased into this development by year end 2015 /early 2016. We are therefore receiving strong support and encouragement from the DOE and other Philippine government departments in order to meet the Government's required timeframe for addressing the current shortfall in Luzon's power generation capacity.

Loading of Unit 1 Turbine

Loading of Unit 2 Turbine

In addition to solving the immediate need for new power generation. Our LNG hub terminal will be the country's first, and we will be developing the LNG and natural gas market in the Philippines. This is in support of the DOE's push to reduce the country's carbon footprint per kWh and develop an environmentally friendly energy industry to support economic growth in the country.

The power plant will source regasified LNG from our Philippines Hub when completed. Its construction and operation is subject to the receipt of certain permits, approvals and licences in the Philippines currently in progress. We intend to sell the electricity generated by our Power Plant into the Philippines Wholesale Electricity Spot Market on a merchant basis. This is consistent with the Government's intention of growing the local spot market for electricity and has received full support from the Department of Energy as well as our Lenders. The Department of Energy also has a long-term plan in place to develop the Philippines' power industry to include a greater reliance on Natural Gas. According to a report presented by the DoE at the 27 May 2014 LNG conference, the Philippines as of 2012 was generating 72,922 GWh with approximately 26.9% of that coming from Natural Gas. Under the DoE's preferred "Low Carbon Scenario" they are forecasting a need for 147,111 GWh in 2030 with 34.3% of that coming from Natural Gas. The represents a growth of ~150% of power generation coming from Natural Gas or over 4,200 MW of new Natural Gas power generation based on their estimates. As the current indigenous gas supply in the Philippines is being fully utilized by existing plants, this increase in demand will have to be met by imported LNG. Our power plant will be the first of its kind in the Philippines and as such we are working closely with the Department of Energy to help them realize their long-term goals of economical, clean and green power generation and gas-based industries.

Our expected capital expenditure for the Philippine Power Project is approximately US$588 million. It excludes financing costs. We have already invested a total of approximately US$114.2 million in the Philippine Power Project for major equipment purchases.

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

Other Opportunities

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

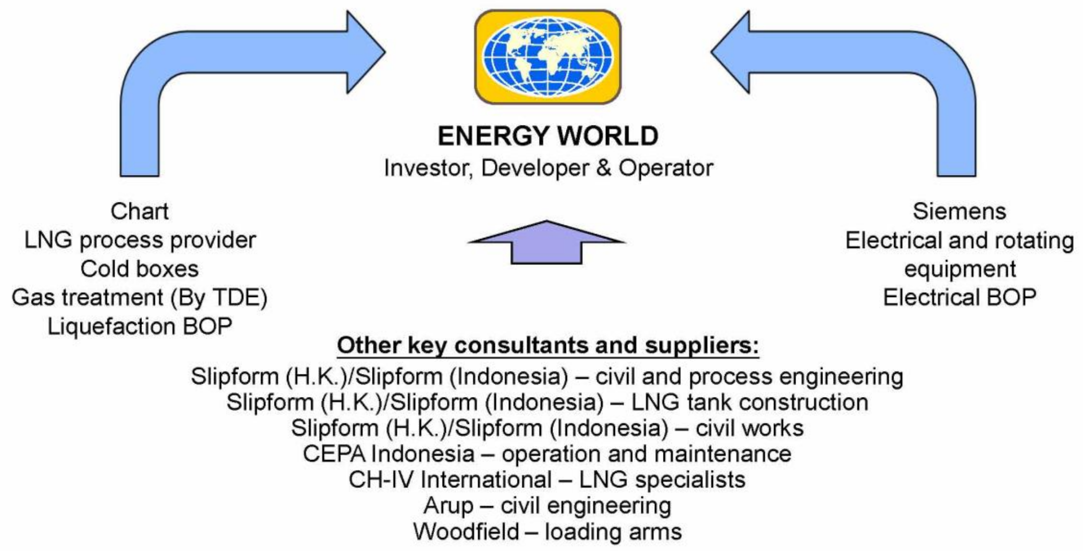
We are also considering possibilities of developing further power plants, which include renewable power generation facilities as well as further developing highly efficient gas-fuelled power plants consistent with our existing power operations, either on a standalone basis or in conjunction with the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

Research and Development

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

Strategic Alliances and Other Key Relationships

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



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

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

Intellectual Property Rights

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

Insurance

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

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

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

Environment, Infrastructure Impact and Safety Matters

Overview

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

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

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

Environmental

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

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

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

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

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

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

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

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

Health and Safety

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

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

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

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

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

Community Relations

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

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

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

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

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

In the Philippines we are also developing our LNG Hub and Power Plant with a view to support the local community. As part of our development programme in the Philippines, we seek to provide jobs to the local population as well as source as many materials and equipment locally as possible. In addition to providing economic opportunities to the local population we have also constructed a church building which will be used by residents of Pagbilao Grande Island where the projects are located.

In July of 2014 Typhoon Glenda (International name: Rammasun) hit the Philippines with a direct hit in Quezon province where our projects are located. While the storm posed no significant threat to our ongoing construction, many of the local population were less fortunate. As a result of this EWC has made several donations to relief efforts and for rebuilding in the local community and province. It is through efforts such as these that EWC can build the trust of the local population. By sourcing local materials, providing high quality jobs and training to locals, as well as support in times of need, our projects enjoy a high level of stability and support from local stakeholders which in turn benefits the Company's development.

Legal Proceedings

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

Compliance

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

Significant Changes in the State of Affairs

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

Events Subsequent to Balance Sheet Date

The Slipform entities have advised the Company in writing they are willing to defer amounts due under existing contracts with the Company in order to allow the Company to meet its debts as and when they fall due and as part of this arrangement have deferred USD120m of these payables until 31 October 2015, or until the Company is in a position to pay these obligations, thus providing time for the Company to secure additional sources of funding via project debt financing and or other means.

Likely Developments

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

- *Sengkang LNG Project*

  In respect of our Sengkang LNG Project, we anticipate that we will complete the construction of the first 0.5MTPA train and associated works by March 2015 and undertake commissioning and commence operations thereafter. We expect three additional modular trains, subject to gas field development, to commence commercial production of LNG at three or six-month intervals after the first train begins production.

- *Gilmore LNG Project*

  We anticipate that we will complete the construction of the Gilmore LNG Project and associated works during 2015 and undertake commissioning and commence operations thereafter.

- *Philippines LNG Hub*

  We envisage that we will complete the construction of the Philippines LNG Hub and associated works around the first quarter of 2015. Commissioning and commencement of operations would follow thereafter.

- *Philippines Power Project*

  We envisage that we will complete the commissioning of the first phase of the Philippines Power Project (being the commissioning of the first 200MW gas turbine and associated works) around the first quarter 2015. The second phase of our Philippines Power Project (being the commissioning of the second 200MW gas turbine) and third phase (being the commissioning of the 200/250MW steam turbine) should follow thereafter.

Dividends

No dividend was declared or paid during the year. No final dividend is payable for the year ended 30 June 2014 (2013: Nil).

Directors' Interests

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

Name of Directors	**Energy World Corporation Ltd ordinary shares as at 30 June 2014**
Mr S.W.G. Elliott	647,451,504
Mr I. W. Jordan	319,700
Mr B. J. Allen	-
Dr B.D. Littlechild	-
Mr M.P. O'Neill	500,000
Mr L.J. Charles	-
Mr K.S. Virk	-
Mr B. Macfarlane	-
Mr J. Dewar	-
Mr G.J. Karpinski	-
Mr G.S. Elliott	-

Indemnification and insurance of directors and officers

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

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

Non-Audit Services

During the year, Ernst & Young Australia and its global affiliates provided both tax and advisory services to the consolidated group. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. Refer to note 8 for details of the amounts Ernst & Young received or are due to receive for the year ended 30 June 2014.

Auditors' Independence Declaration

The auditor's independence declaration is set out on the following page and forms part of the Director's Report for the financial year ended 30 June 2014.

Rounding

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

Remuneration Report (Audited)

This remuneration report for the year ended 30 June 2014 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

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

The remuneration report is presented under the following sections:

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

1. Individual Key Management Personnel Disclosures

Details of KMP are set out below:

(i) Directors

Name	*Position*
Mr. Stewart William George Elliott	Chairman, Managing Director and CEO
Mr. Ian William Jordan	Executive Director and Company Secretary
Mr. Brian Jeffrey Allen	Executive Director and Finance Director
Dr. Brian Derek Littlechild	Independent Non-Executive Director
Mr. Leslie James Charles (resigned on 22 November 2013)	Independent Non-Executive Director
Mr. Michael Philip O'Neill	Independent Non-Executive Director
Mr. Kanad Singh Virk	Independent Non-Executive Director
Mr. Bruce Macfarlane	Independent Non-Executive Director
Mr. James David Dewar	Independent Non-Executive Director
Mr. Graham Stewart Elliott	Alternate Director to Mr. Ian William Jordan
Mr. Gregory John Karpinski	Alternate Director to Mr. Kanad Singh Virk

Remuneration Report (Audited) (continued)

2. Compensation of Key Management Personnel of the Group

	Short-term benefits								Post employment benefits		Total	
	Salary & fees		Cash bonus		Non monetary benefits		Other		Superannuation			
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Executive Directors												
S.W.G. Elliott	450,000	450,000	-	-	-	-	-	-	-	-	450,000	450,000
I.W. Jordan	126,500	126,500	-	-	-	-	-	-	-	-	126,500	126,500
B.J. Allen	320,000	320,000	-	-	-	-	-	-	-	-	320,000	320,000
Non-executive Directors												
B.D. Littlechild	37,500	37,500	-	-	-	-	-	-	-	-	37,500	37,500
L.J. Charles*	14,897	37,500	-	-	-	-	-	-	-	-	14,897	37,500
M.P. O'Neill	37,500	37,500	-	-	-	-	-	-	-	-	37,500	37,500
K.S. Virk ^	-	-	-	-	-	-	-	-	-	-	-	-
B. Macfarlane[w]	31,130	-									31,130	
J.D. Dewar[y]	30,925	-									30,925	
Alternate Executive Directors												
G.S. Elliott ^	159,800	18,127	-	-	-	-	-	-	12,700	1,631	172,500	19,758
Alternate Non-executive Directors												
G.J. Karpinski ^	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,208,252	1,027,127	-	-	-	-	-	-	12,700	1,631	1,220,952	1,028,758

* Resigned on 22 November 2013.
^ Appointed on 28 August 2013.
[W] Appointed on 19 September 2013
y Appointed on 19 September 2013.

Note: At the Annual General Meeting of shareholders held 22 November 2013, the shareholders agreed the maximum annual aggregate remuneration that the Directors are entitled to be paid for their ordinary services as Directors out of funds of the Company be fixed at A$300,000 for Non-Executive Directors.

Remuneration Report (Audited) (continued)

3. Options and Rights over Equity Instruments Granted As Compensation

No options were held by key management personnel.

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

Shares	Held at 1 July 2013	Purchase	Sale	Held at 30 June 2014
Specified Directors/ Non-Executive				
B.D.Littlechild	-	-	-	-
L.J. Charles	-	-	-	-
M.P. O'Neill	400,000	100,000	-	**500,000**
K.S. Virk	-	-	-	-
B. Macfarlane	-	-	-	-
J.D. Dewar	-	-	-	-
Alternate Director				
G.S. Elliott	-	-	-	-
G.J. Karpinski	-	-	-	-
Executive				
S.W.G. Elliott	639,421,234	8,030,270	-	**647,451,504**
I.W. Jordan	319,700	-	-	**319,700**
B.J. Allen	-	-	-	-
Total	640,140,934	8,130,270	-	**648,271,204**

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

4. Board Oversight of Remunerations

Remuneration Committee

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

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

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

Remuneration approval process

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

- any change to the remuneration or contract terms of the chief executive officer and any other executive director, the company secretary(ies) and all senior executives reporting directly to the chief executive officer;

Remuneration Report (Audited) (continued)

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

Remuneration Strategy

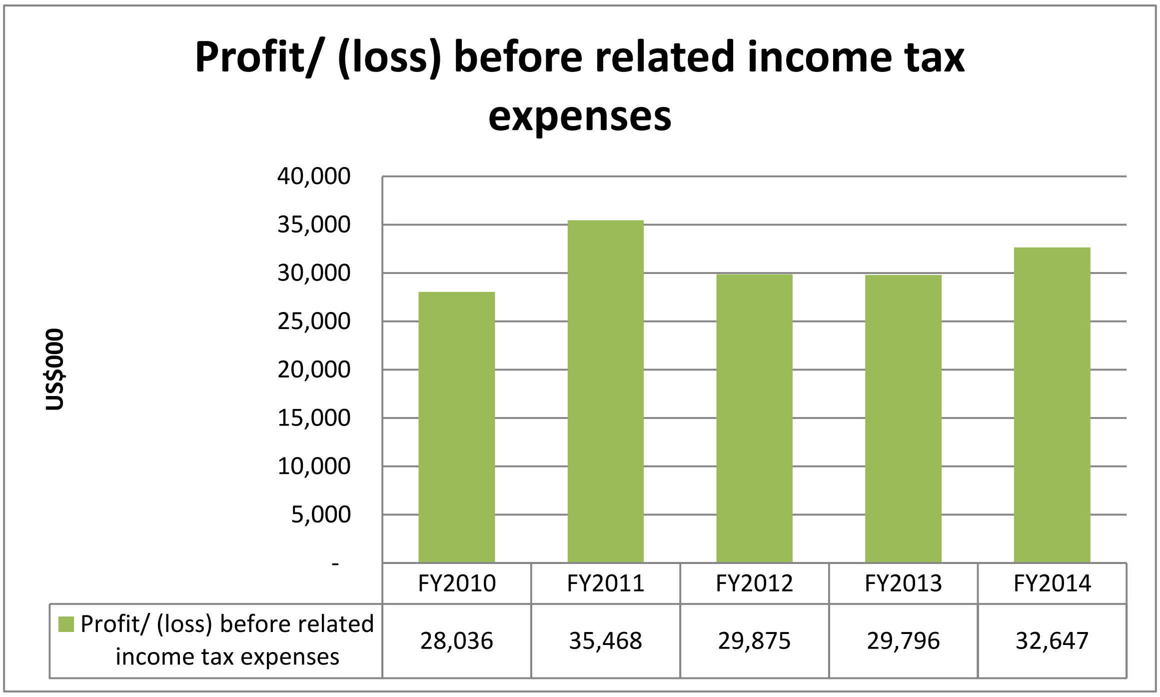
Our remuneration policy is intended to attract, retain and motivate highly talented individuals and to ensure the incentivisation of our workforce is aligned to deliver our business strategy and to maximise shareholder wealth creation.

The key principles of the remuneration policy are to:

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

Company Performance and its Link to Remuneration

The financial performance measures driving remuneration outcomes is profit before tax of the Company. The following chart shows the Group's profit before tax over the 5 year period from 1 July 2009 to 30 June 2014.



Remuneration Report (Audited) (continued)

5. Non-Executive Director Remuneration Arrangements

Remuneration Policy

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

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

Structure

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

6. Executive Remuneration Arrangements

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

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

7. Variable Remuneration

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

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

As of 30 June 2014, no employees in the Group have been awarded options or rights under the Group Option Plan.

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

Remuneration Report (Audited) (continued)

8. Arrangements with Directors

Arrangements with EWI and Mr. Stewart Elliott

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

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

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

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

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

Signed in accordance with a resolution of the Directors:

Stewart William George Elliott
Chairman/Managing Director

Dated 30 September 2014

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

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

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

In relation to our audit of the financial report of Energy World Corporation Ltd for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Scott Jarrett
Partner
Sydney
30 September 2014

Introduction

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

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

Principle 1: Lay solid foundations for management and oversight

Role of the Board

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

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

The following Principle 1 recommendations are not yet complied with:

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

Principle 2: Structure the Board to add value

Composition of the Board

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

The procedures for election and retirement of Directors are governed by the Company's Constitution and the Listing Rules of Australian Stock Exchange Limited.

A majority of the Board is Non-Executive Directors.

The composition of the Board is determined using the following principles:

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

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

Board Processes

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

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

Conflict of Interest

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

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

Independent Board Committee

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

19 September 2013), and is vested with full power on behalf of the Board to deal in such capacity with all matters relating to related party or connected transactions.

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

	Number of Meetings held during which they were eligible to attend	**Number of Meetings attended**
Mr. Leslie James Charles (resigned on 22 November 2013)	3	3
Dr. Brian Derek Littlechild	7	6
Mr. Michael Philip O'Neill	7	7
Mr. Kanad Singh Virk	7	7*
Mr. Bruce Macfarlane	7	7
Mr. James David Dewar	6	6

* This number includes one meeting attended by Mr. Gregory Karpinski as an alternate to Mr. Kanad Virk.

Independent Professional Advice and Access to Company Information

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

The following Principle 2 recommendations are not yet complied with:

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

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

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

Principle 3: Promote ethical and responsible decision making

Ethical Standards

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

Director Dealings in Company Shares

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

Diversity

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

The following principle 3 recommendation is not yet complied with:

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

Principle 4: Safeguard integrity in financial reporting

Audit Committee

The Board reviews the independence of the Auditors on an annual basis. The Company formed an Audit Committee since the financial year commenced 1 July 2008 and adopted a formal Audit Committee Charter in March 2012. In November 2013, the Company advised that its Audit Committee would consist solely of the following Independent Non-Executive Directors effective 22 November 2013 (being the date of the Company's Annual General Meeting):

Dr. Brian Derek Littlechild;
Mr. Michael Philip O'Neill;
Mr. Kanad Singh Virk;
Mr. Bruce Macfarlane; and
Mr. James David Dewar.

The principal duties of the Audit Committee include, but are not limited to, reviewing the Company's current financial standing, considering the nature and scope of audit reports, and ensuring internal control systems cooperate in accordance with applicable standards and conventions.

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

	Number of Meetings held during which they were eligible to attend	Number of Meetings attended
Mr. Leslie James Charles (resigned on 22 November 2013)	3	3
Dr. Brian Derek Littlechild	5	4
Mr. Michael Philip O'Neill	5	5
Mr. Kanad Virk	5	5*
Mr. Bruce Macfarlane (appointed on 1 September 2013)	4	3
Mr. James David Dewar (appointed on 1 September 2013)	4	3

* This number includes one meeting attended by Mr. Gregory Karpinski as an alternate to Mr. Kanad Virk.

Internal Control Framework

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

Principle 5: Make timely and balanced disclosure

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

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

Principle 6: Respect the rights of shareholders

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

- The half-year and annual financial reports contain summarised financial information and a review of the operations of the consolidated entity during the period. The financial reports are prepared in accordance with the requirements of applicable accounting standards and the Corporations Act 2001 and are lodged with the Australian Securities and Investment Commission and the Australian Securities Exchange. The financial report is sent to any shareholder who requests it.
- Proposed major changes in the consolidated entity which may impact on share ownership rights are submitted to a vote of shareholders.
- Notices of all meetings of shareholders.

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

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

Principle 7: Recognise and manage risk

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

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

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

Internal Control Framework

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

Business risk management

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

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

Principle 8: Remunerate fairly and responsibly

Remuneration Policies

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

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

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

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

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

Energy World Corporation Ltd and its Controlled Entities

Consolidated Statement of Comprehensive Income

For The Year Ended 30 June 2014

	Notes	2014	2013
			Restated*
		US$'000	US$'000
Sales revenue	3(b)	**158,845**	132,904
Cost of sales		**(66,750)**	(61,057)
Gross profit		**92,095**	71,847
Other income		**50**	43
Depreciation and amortisation expenses	5(a)	**(35,225)**	(24,276)
Other expenses	5(b)	**(20,300)**	(16,239)
Results from operating activities		**36,620**	31,375
Financial income		**338**	914
Financing expenses		**(3,356)**	(2,178)
Net financing expenses		**(3,018)**	(1,264)
Foreign currency exchange loss		**(955)**	(315)
Profit before income tax expense		**32,647**	29,796
Income tax expense	7	**(12,992)**	(12,976)
Net profit for the period		**19,655**	16,820
Profit for the period is attributable to:			
Non-controlling interest		**270**	318
Owners of the parent		**19,385**	16,502
		19,655	16,820
Net profit for the period		**19,655**	16,820
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains on defined benefit plans	9	**415**	58
Items that may be reclassified subsequently to profit or loss			
Net (loss)/gain on cash flow hedges	9	**(2,542)**	4,959
Exchange differences on translation of foreign operations	9	**1,930**	(3,997)
Other comprehensive income/ (loss) for the period, net of tax		**(197)**	1,020
Total comprehensive income for the period		**19,458**	17,840
Total comprehensive income for the period is attributable to:			
Non-controlling interest		**269**	527
Owners of the parent		**19,189**	17,313
		19,458	17,840
		Cents	Cents
Basic earnings per share attributable to ordinary equity holders	8	**1.12**	0.95
Diluted earnings per share attributable to ordinary equity holders	8	**1.06**	0.94

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements.
*Certain numbers shown here do not correspond to the 30 June 2013 consolidated financial statements and reflect adjustments made, refer to Note 2 (e)

Energy World Corporation Ltd and its Controlled Entities
Consolidated Statement of Financial Position
As At 30 June 2014

	Notes	2014	2013 Restated*
		US$'000	US$'000
Current Assets			
Cash assets	26(b)	**14,245**	86,665
Cash held in reserve accounts	10	**40,415**	109,281
Trade and other receivables	11	**23,727**	29,134
Inventories	12	**1,521**	3,075
Prepayment	13	**5,541**	8,096
Total Current Assets		**85,449**	236,251
Non-Current Assets			
Cash held in reserve accounts	10	**126,082**	75,032
Oil and gas assets	16	**109,954**	101,564
Exploration and evaluation expenditure	17	**59,650**	52,182
Property, plant and equipment	18	**909,066**	674,918
Total Non-Current Assets		**1,204,752**	903,696
Total Assets		**1,290,201**	1,139,947
Current Liabilities			
Trade and other payables	19	**204,450**	96,339
Income tax payable		**2,124**	4,458
Interest-bearing borrowings	20	**35,400**	84,951
Derivative liabilities	29	**2,896**	1,140
Provisions	21	**187**	1,302
Total Current Liabilities		**245,057**	188,190
Non-Current Liabilities			
Interest-bearing borrowings	20	**382,245**	315,964
Deferred tax liabilities	7	**47,312**	45,170
Derivative liabilities	29	**901**	300
Provisions	21	**13,451**	9,004
Total Non-Current Liabilities		**443,909**	370,438
Total Liabilities		**688,966**	558,628
Net Assets		**601,235**	581,319
Equity			
Issued capital	22	**466,805**	466,805
Other reserves	22	**25,146**	24,884
Retained profits/ (Accumulated losses)		**100,260**	80,875
Shareholders' equity attributable to members of Energy World Corporation Ltd		**592,211**	572,564
Outside equity interest in controlled entities		**9,024**	8,755
Total Shareholder's Equity		**601,235**	581,319

The statement of financial position is to be read in conjunction with the notes to the financial statements.
*Certain numbers shown here do not correspond to the 30 June 2013 consolidated financial statements and reflect adjustments made, refer to Note 2 (e)

Energy World Corporation Ltd and its Controlled Entities
Consolidated Statement of Changes in Equity
For The Year Ended 30 June 2014

	Issued capital US$'000	Other reserves US$'000	Accumulated profits / (losses) US$'000	Owners of the Parent US$'000	Non - Controlling Interest US$'000	Total Equity US$'000
Balance at 1 July 2013 Restated*	**466,805**	**24,884**	**80,875**	**572,564**	**8,755**	**581,319**
Profit for the period	-	-	19,385	19,385	270	**19,655**
Other comprehensive income	-	(196)	-	(196)	(1)	**(197)**
Total comprehensive income for the period	-	(196)	19,385	19,189	269	**19,458**
Issue of warrant	**-**	458	-	458	-	**458**
Balance at 30 June 2014	**466,805**	**25,146**	**100,260**	**592,211**	**9,024**	**601,235**
Balance at 1 July 2012 Restated*	466,805	20,609	64,373	551,787	8,228	560,015
Profit for the period	-	-	16,502	16,502	318	16,820
Other comprehensive income	-	811	-	811	209	1,020
Total comprehensive income for the period	-	811	16,502	17,313	527	17,840
Issue of ordinary shares	**-**	3,464	-	3,464	-	3,464
Balance at 30 June 2013 Restated*	466,805	24,884	80,875	572,564	8,755	581,319

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.
*Certain numbers shown here do not correspond to the 30 June 2013 consolidated financial statements and reflect adjustments made, refer to Note 2 (e)

Energy World Corporation Ltd and its Controlled Entities
Consolidated Statement of Cash Flows
For The Year Ended 30 June 2014

	Notes	2014	2013 Restated*
		US$'000	US$'000
Cash Flows From Operating Activities			
Receipts from customers (GST inclusive)		**167,689**	123,408
Payments to suppliers and employees (GST inclusive)		**(100,641)**	(84,480)
Income tax paid		**(13,184)**	(13,024)
Insurance proceeds		**153**	-
Interest received		**1,036**	420
Net Cash Flows Generated from Operating Activities	26(a)	**55,053**	26,324
Cash Flows From Investing Activities			
Payments for property, plant and equipment		**(123,526)**	(154,132)
Payments for exploration and evaluation		**(5,794)**	(5,055)
Payments for oil and gas assets		**(15,552)**	(17,448)
Interest paid – Capitalised in Asset under Construction		**(13,998)**	(15,027)
Net Cash Flows Used in Investing Activities		**(158,870)**	(191,662)
Cash Flows From Financing Activities			
Transfer to/from restricted deposit and reserve accounts		**17,815**	292
Borrowing transaction costs		**(4,934)**	(3,444)
Repayment of borrowings		**(95,500)**	(29,990)
Proceeds from borrowings		**114,000**	157,200
Net Cash Flows Generated from Financing Activities		**31,381**	124,058
Net Decrease In Cash Held		**(72,436)**	(41,280)
Cash at the beginning of the year		**86,665**	128,008
Net foreign exchange differences		**16**	(63)
Cash at the end of the financial year	26(b)	**14,245**	86,665

The statement of cash flows should be read in conjunction with the notes to the financial statements.
*Certain numbers shown here do not correspond to the 30 June 2013 consolidated financial statements and reflect adjustments made, refer to Note 2 (e)

1. Corporate Information

The financial report of Energy World Corporation Ltd (the "Company" or the "Group") for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 30 September 2014. Energy World Corporation Ltd is a for-profit company domiciled in Australia and limited by shares, which are publicly traded on the Australian and OTCQX Stock Exchanges.

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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

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

Certain comparative information has been reclassified during the year.

(b) Going Concern

As at 30 June 2014 the Group's consolidated balance sheet shows a net current liability position of $159.6m.

The current liability position includes $179.2m of payables to Slipform Engineering International (H.K.) Ltd and subsidiary companies, including PT Slipform Indonesia (the "Slipform entities"), for contracts related to projects under construction. The Slipform entities are related parties as described in Note 27. The Slipform entities have advised the Company in writing they are willing to defer amounts due under existing contracts with the Company in order to allow the Company to meet its debts as and when they fall due and as part of this arrangement have deferred $120m of these payables until 31 October 2015, or until the Company is in a position to pay these obligations, thus providing time for the Company to secure additional sources of funding via project debt financing and or other means.

In the meantime, EWC continue to consider additional sources of funding to complete the projects under development. In this regard, EWC is currently in advanced negotiations with a number of parties and remain confident they will secure the required levels of funding at the appropriate time to successfully progress and complete the projects.

On this basis, the Directors are of the opinion that the Company can continue as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. This financial report does not therefore include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

2. Summary of Significant Accounting Policies (continued)

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Energy World Corporation Ltd and its controlled entities as at 30 June 2014.

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has; power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements, less any impairment charges.

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

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

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

(ii) **Interests in Oil & Gas Tenements**

The interest of the Company and of the consolidated entity in oil & gas tenements are brought to account by recognising in its financial statements the assets it controls, the liabilities that it incurs, the expenses it incurs and its share of income that it earns from the sale of goods or services by the oil & gas tenements.

(d) Statement of Compliance

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

(e) New Accounting Standards and Interpretations

(i) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year unless otherwise stated. The following new and revised Standards and Interpretations have been adopted as of 01 July 2013; none of which had a material impact on the financial statements with the exception of AASB 119 Employee Benefits which is explained below in detail:

- *AASB 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to AASB 7*
- AASB 10 - *Consolidated Financial Statements*, AASB 127 *Separate Financial Statements*

2. Summary of Significant Accounting Policies (continued)

(e) New Accounting Standards and Interpretations (continued)

(i) Changes in accounting policy and disclosures (continued)

- AASB 11 – *Joint Arrangements,*, AASB 128 *Investments in Associates and Joint Ventures*
- AASB 12 - *Disclosure of Interests in Other Entities*
- AASB 13 - *Fair Value Measurement*
- AASB 19 *Employee Benefits*
- AASB 1053 – *Application of Tiers of Australian Accounting Standards*
- AASB 2011-*4 – Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements*
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments – Part A
- *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*

AASB 119 introduced amendments to the accounting for defined benefit plans, including the treatment of actuarial gains and losses that are now recognized in OCI and permanently excluded from profit and loss.

Also, expected returns on plan assets are no longer recognized in profit or loss, instead there is a requirement to recognize interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation.

The Company assessed its accounting policy on the recognition of actuarial gains and losses from its defined benefit plans. The Company previously recognized the net cumulative unrecognized actuarial gains and losses, which exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets.

The adoption of AASB 119 required the Company to retroactively restate its consolidated financial statements. The following table summarizes these amounts:

	As at June 30, 2013			**As at July 1,2012**		
US$'000	**Previously Presented**	**Adjustment**	**Restated**	Previously Presented	Adjustment	Restated
Consolidated Balance Sheet:						
Provisions (Non-current)	6,366	2,011	8,377	1,961	2,035	3,996
Deferred income tax liabilities	46,150	(980)	45,170	45,132	(841)	44,291
Consolidated Statements of Changes in Equity:						
Non-controlling interest	8,765	(10)	8,755	8,239	(11)	8,228
Other reserves	753	58	811	21,791	(1,182)	20,609
	For the year ended June 30, 2013			**For the year ended June 30, 2012**		
Consolidated Statements of Income (Loss):						
Other expenses	(16,343)	104	(16,239)	-	-	-
Profit for the period attributable to:						
Non-controlling interest	317	1	318	-	-	-
Owners of the parent	16,399	103	16,502	-	-	-
Consolidated Statements of Comprehensive Income (Loss):						
Actuarial gains (losses) on defined benefit plans	0	58	58	-	(1,193)	(1,193)

2. Summary of Significant Accounting Policies (continued)

(e) New Accounting Standards and Interpretations (continued)

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

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods and have not yet been applied in the financial statements. The consolidated entity's assessment of the impact of these new standards and interpretations is set out below.

Standard/Interpretation	**Effective for the annual reporting period beginning on**	**Expected to be initially applied in the financial year ending**
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities.	July 1, 2014	June 30, 2015
Interpretation 21 Levies	July 1, 2014	June 30, 2015
AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting	July 1, 2014	June 30, 2015
AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities [AASB 1, 3, 7, 10, 12, 107, 112, 124, 127, 132, 134 and 139]	July 1, 2014	June 30, 2015
AASB 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policy Holders [AASB 1038]	July 1, 2014	June 30, 2015
AASB 2013-3 Recoverable Amount Disclosures for Non-Financial Assets – Amendments to AASB 136 Impairment of Assets	January 1, 2014	June 30, 2015
AASB 1031 Materiality	July 1, 2014	June 30, 2015
Annual Improvements 2010-2012 Cycle	July 1, 2014	June 30, 2015
Annual Improvements 2011-2013 Cycle	July 1, 2014	June 30, 2015
AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	Part B: July 1, 2014 Part C: January 1, 2015	Part B: June 30, 2015 Part C: June 30, 2016
Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	July 1, 2016	June 30, 2017
IFRS 15 Revenue from Contracts with Customers	July 1, 2017	June 30, 2018
IFRS 9 Financial Instruments	January 1, 2018	June 30, 2019

The Directors have not yet assessed whether the above amendments and interpretations will have a material impact on the financial report of the Group in the year or period of initial application.

(f) Property, Plant and Equipment

(i) Owned Assets

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

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

2. Summary of Significant Accounting Policies (continued)

(f) Property, Plant and Equipment (continued)

(ii) Leased Assets

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

(iii) Depreciation

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

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

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

(g) Oil and Gas Assets

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

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

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

2. Summary of Significant Accounting Policies (continued)

(h) Exploration and Evaluation Expenditure

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

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

(i) Investments

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

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

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

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

(j) Trade and Other Receivables

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

2. Summary of Significant Accounting Policies (continued)

(k) Inventories

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

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

(l) Financial Assets

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

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

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

(ii) Loans and Receivables

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

(iii) Fair Value

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

(iv) Cash and Cash Equivalents

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

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

2. Summary of Significant Accounting Policies (continued)

(m) Impairment

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

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

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

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

(i) Calculation of Recoverable Amount

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

(ii) Reversals of Impairment

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

An impairment loss in respect of goodwill is not reversed.

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

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

2. Summary of Significant Accounting Policies (continued)

(n) Interest-Bearing Borrowings

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

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and convertible note (Note 20(g)).

(o) Compound financial instruments

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

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

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

(q) Employee Benefits

(i) Defined Contribution Superannuation Funds

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

(ii) Long-Term Service Benefits

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

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

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

(iv) Defined Benefit Plan

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

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

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

2. Summary of Significant Accounting Policies (continued)

(r) Provisions

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

(i) Site Restoration

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

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

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

(s) Trade and Other Payables

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

(t) Revenue

(i) Goods Sold and Services Rendered

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

(ii) Interest

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

2. Summary of Significant Accounting Policies (continued)

(u) Expenses

(i) Operating Lease Payments

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

(ii) Finance Lease Payments

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

(iii) Net Financing Costs

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

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

(v) Income Tax

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

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

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

2. Summary of Significant Accounting Policies (continued)

(w) Operating Segments

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

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

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

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

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

(x) Value-Added and Goods and Services Tax

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

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

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

(y) Significant Accounting Judgements, Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on management's judgement

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

2. Summary of Significant Accounting Policies (continued)

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

(i) Estimates of Reserve Quantities

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

(ii) Exploration and Evaluation

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

The carrying amount of exploration and evaluation assets is disclosed in Note 17.

(iii) Provision for Restoration

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

(iv) Impairment of Oil and Gas Assets

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

(v) Carrying values of property, plant and equipment

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

2. Summary of Significant Accounting Policies (continued)

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

(vi) Income taxes

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

(z) Derivative financial instruments and hedging

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

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

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

- Fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset, or

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

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

(i) Fair value hedges

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

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

2. Summary of Significant Accounting Policies (continued)

(z) Derivative financial instruments and hedging

(ii) Cash flow hedges

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

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

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

(aa) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

3. Operating Segments

(a) Identification of reportable segments

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

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

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

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

(b) Major customers

The Group supplies Indonesian Government agencies that combined account for 95% of external revenue (2013: 95%). The next most significant customer accounts for 4% (2013: 4%).

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

	2014	2013
	US$'000	US$'000
Indonesia	**151,829**	125,599
Australia	**7,016**	7,305
Total revenue	**158,845**	132,904

3. Operating Segments (continued)

(c) Segment revenue, expenses, assets and liabilities

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

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

	Australia				**Indonesia**						**Total**	
	Oil & Gas		**Power**		**Oil & Gas**		**Power**		**Project development**			
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Sales revenue	**1,962**	1,716	**5,054**	5,588	**44,214**	35,465	**107,615**	90,135	**-**	-	**158,845**	132,904
Result												
Segment result	**1,074**	611	**86**	41	**31,783**	25,772	**46,570**	32,200	**-**	-	**79,513**	58,624
Depreciation and amortisation	**(551)**	(667)	**(805)**	(928)	**(7,367)**	(7,445)	**(26,502)**	(15,236)	**-**	-	**(35,225)**	(24,276)
Net financing cost											**(3,018)**	(1,264)
Unallocated corporate result											**(7,668)**	(2,973)
Foreign currency exchange gain/(loss)											**(955)**	(315)
Profit before income tax											**32,647**	29,796
Income tax expense											**(12,992)**	(12,976)
Net profit after tax											**19,655**	16,820
Non-controlling interest											**(270)**	(318)
Net profit attributable to owners of the parent											**19,385**	16,502
Other Comprehensive income/(loss)											**(197)**	1,020
Current assets	**607**	632	**504**	820	**20,953**	44,054	**54,419**	89,867	**-**	-	**76,483**	135,373
Segment assets	**50,347**	40,094	**5,743**	5,440	**149,968**	173,430	**311,950**	315,086	**634,738**	428,942	**1,152,933**	962,992
Segment liabilities	**(2,440)**	(1,668)	**(228)**	(720)	**(124,433)**	(90,311)	**(158,205)**	(175,694)	**(182,871)**	(71,429)	**(468,177)**	(339,822)

3. Operating Segments (continued)

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

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

Reconciliation of segment operating assets to total assets:

	2014 US$'000	2013 US$'000
Current operating assets	**76,483**	135,373
Cash	**3,457**	41,354
Cash held in reserve accounts	**117**	51,124
Prepayments and other	**5,392**	8,400
Current corporate assets	**8,966**	100,878
Total current assets per the statement of financial position	**85,449**	236,251

	2014 US$'000	2013 US$'000
Segment operating assets	**1,152,933**	962,992
Current corporate assets	**8,966**	100,878
Non-current cash held in reserve accounts	**126,082**	75,032
Non-current prepayments and other	**2,220**	1,045
Total assets per the statement of financial position	**1,290,201**	1,139,947

Reconciliation of segment operating liabilities to total liabilities:

	2014 US$'000	2013 US$'000
Segment operating liabilities	**468,177**	339,822
Deferred tax liabilities	**47,312**	45,170
Interest-bearing borrowings	**171,644**	170,400
Provisions and other	**1,833**	3,236
Total liabilities per the statement of financial position	**688,966**	558,628

4. Parent Entity Information

Information relating to Energy World Corporation Ltd:

	2014	2013
	US$'000	US$'000
Current assets	**11,131**	97,277
Total assets	**763,571**	680,161
Current liabilities	**(113,726)**	(91,897)
Total liabilities	**(415,028)**	(332,198)
Issued capital	**466,805**	466,805
Other reserves	**(16,338)**	(20,583)
Accumulated losses	**(101,924)**	(98,259)
Total shareholders' equity	**348,543**	347,963
Net profit and total comprehensive income	**3,664**	1,866

5. Expenses

	2014	2013
	US$'000	US$'000
(a) Depreciation and amortisation expenses		
Property, plant and equipment	**(27,857)**	(16,831)
Oil and gas assets	**(7,368)**	(7,445)
	(35,225)	(24,276)
(b) Other expenses		
Insurance	**(4,144)**	(3,791)
Employee entitlements	**351**	(661)
Production bonus	**(373)**	(324)
Professional services	**(685)**	(657)
Director Fees	**(1,221)**	(1,029)
Employee expenses and other	**(14,228)**	(9,777)
	(20,300)	(16,239)

6. Auditors' Remuneration

	2014	2013
Amounts paid to Ernst & Young	**US$'000**	US$'000
Audit and review of financial reports	**649**	501
Other – tax services	**75**	157
Other – assurance related to secondary listing	**-**	333
	724	991

7. Income Tax

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

	2014	2013
	US$'000	US$'000
Accounting profit before tax:	**32,647**	29,796
At the Parent Entity's statutory income tax rate of 30% (2013: 30%)	**(9,794)**	(8,908)
Difference in tax rates	**(5,025)**	(1,347)
Decrease/(increase) in tax expense due to:		
Non-deductible expenses/non-assessable income	**3,291**	(1,489)
Temporary differences not brought to account, including foreign exchange impact	**(527)**	(1,129)
Change in tax rates impacting temporary differences	**-**	-
Tax losses not brought to account	**(937)**	-
Deferred tax income charge in respect of previous years	**-**	-
Income tax expense reported in the statement of comprehensive income	**(12,992)**	(12,976)

The major components of income tax expense are:

Current income tax charge	**(10,850)**	(11,958)
Deferred tax income/(expense)	**(2,142)**	(1,018)
Income tax expense reported in the statement of comprehensive income	**(12,992)**	(12,976)

7. Income Tax (continued)

Deferred income tax at 30 June relates to the following:

	Balance Sheet		**Income Statement**	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Deferred tax assets				
Provision for employee entitlements	**1,899**	3,750	**(1,671)**	(29)
Provision for abandonment and restoration	**2,689**	826	**1,863**	199
Hedging	**303**	-	**-**	-
Tax losses	**18,000**	19,551	**(1,551)**	10,818
Unrecovered cost pool	**326**	894	**(568)**	(585)
Deferred tax liabilities				
Fixed and moveable assets	**(11,425)**	(13,355)	**1,929**	359
Oil and gas properties and fixed assets	**(24,956)**	(21,808)	**(3,147)**	(4,914)
In respect of EEES assets	**(20,327)**	(21,935)	**1,608**	1,229
In respect of PTES assets	**(2,105)**	(2,368)	**263**	395
Borrowing costs	**(6,373)**	(2,824)	**(3,549)**	(2,824)
Foreign exchange	**(4,858)**	(7,127)	**2,270**	(5,390)
Non-capital inventories	**(485)**	(594)	**109**	(278)
Net deferred tax balance	**(47,312)**	(45,170)	**(2,142)**	(1,018)

Tax losses not brought to account for the year ended 30 June 2014 were $27.2 million (2013: $23.3 million). Realisation of these tax losses are subject to specific entities meeting legislative requirements and generating income to utilise these losses.

8. Earnings per Share (EPS)

The calculation of basic earnings per share for the year ended 30 June 2014 was based on the profit attributable to ordinary shareholders of $19,385,000 (2013: $16,502,000) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2014 of 1,734,166,672 (2013: 1,734,166,672).

	2014	2013
	US$'000	US$'000
Earnings reconciliation		
Profit attributable to ordinary shareholders for basic and diluted earnings (a)	**19,385**	16,502

	2014	2013
	Number	Number
Weighted average number of shares used as a denominator for basic earnings per share	**1,734,166,672**	1,734,166,672
Effect of dilution:		
Convertible note (b)	**101,122,459**	13,298,296
Weighted average number of shares used as a denominator for diluted earnings per share	**1,835,289,131**	1,747,464,968

	2014	2013
	Cent	Cent
Earnings per share basic – cents per share	**1.12**	0.95
Earnings per share diluted – cents per share	**1.06**	0.94

(a) Profit attributable to ordinary shareholders is the same for basic and diluted as any additional interest or costs incurred for the convertible notes would be capitalised to projects.

(b) The convertible notes were outstanding for the entire fiscal 2014 and only 48 days of fiscal 2013 resulting in a pro-rated amount of shares outstanding of 101,122,459 and 13,298,296, respectively.

9. Other Comprehensive Income

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

	2014	2013
	US$'000	US$'000
Cash flow hedges		
Cash flow hedges (gross of tax)	**(2,726)**	5,524
Tax effect	**184**	(565)
Cash flow hedges net of tax	**(2,542)**	4,959
Exchange differences on translation of foreign operations		
Exchange differences on translation of foreign operations (gross of tax)	**2,757**	(5,800)
Tax effect	**(827)**	1,803
Exchange differences on translation of foreign operations net of tax	**1,930**	(3,997)
Defined benefit plans		
Defined benefit plans (gross of tax)	**801**	104
Tax effect	**(386)**	(46)
Defined benefit plans net of tax	**415**	58

10. Cash Held in Reserve Accounts

	2014 US$'000	2013 US$'000
Cash held in reserve accounts - current	**40,415**	109,281
Cash held in reserve accounts – non-current	**126,082**	75,032
	166,497	184,313

As at 30 June 2014, cash of $166.5 million is held in reserve accounts for the following purpose.

- $75.0 million as security for payment to Standard Chartered Bank of the corporate facility (Note 20(f)(i))
- $51.0 million as security for payment to HSBC of the corporate facility (Note 20(f)(ii))
- $35.5 million as Debt Service Accrual and Debt Service Reserve Sub Accounts ($14.0 million), Maintenance Reserve Account ($10.0 million) and other reserve account ($11.0 million) for PT Energi Sengkang (Note 20(d))
- $4.7 million as Debt Service Accrual and Debt Service Reserve Sub Accounts and Collection Account for Energy Equity Epic (Sengkang) Pty Ltd (Note 20 (e))
- $0.3 million as Security Deposits made by Australian Gasfields Limited ($0.1 million); Central Energy Australia Pty Ltd. ($0.1 million) and Energy Equity Epic (Sengkang) Pty Ltd, ($0.1 million).

As at 30 June 2013, cash of $184.3 million is held in reserve accounts for the following purpose.

- $75.0 million as security for payment to Standard Chartered Bank of the corporate facility (Note 20(f)(i))
- $51.1 million as security for payment to HSBC of the corporate facility (Note 20(f)(ii))
- $29.6 million as Debt Service Accrual and Debt Service Reserve Sub Accounts ($9.9 million), Maintenance Reserve Account ($10.0 million) and other reserve account ($9.7 million) for PT Energi Sengkang (Note 20(d))
- $28.3 million as Debt Service Accrual and Debt Service Reserve Sub Accounts ($0.8 million) and Collection Account ($27.5 million) for Energy Equity Epic (Sengkang) Pty Ltd (Note 20(e))
- $0.3 million as Security Deposits made by Australian Gasfields Limited ($0.1 million); Central Energy Australia Pty Ltd. ($0.1 million) and Energy Equity Epic (Sengkang) Pty Ltd, ($0.1 million).

11. Trade and Other Receivables

	2014 US$'000	2013 US$'000
(a) Current		
Trade receivables (a)	**17,207**	25,350
Sundry debtors	**6,520**	3,784
	23,727	29,134
Less : Allowance for doubtful debts	**-**	-
	23,727	29,134

(a) Trade receivables are 28-30 days and are interest-bearing if not paid within this term. Other receivables are not interest bearing.

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

		Total US$'000	0-28 days US$'000	29-40 days US$'000	41-90 days PDNI* US$'000	+91 days PDNI* US$'000	+91 days CI** US$'000
2014	**Trade receivables**	**17,207**	**14,592**	**2,593**	**6**	**16**	**-**
	Sundry debtors	**6,520**	**1,192**	**101**	**160**	**5,067**	**-**
2013	Trade receivables	25,350	19,060	4,953	1,337	-	-
	Sundry debtors	3,784	3,558	29	-	197	-

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

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

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

Detail regarding liquidity risk is disclosed in Note 29(g).

12. Inventories

	2014	2013
	US$'000	US$'000
Consumables	**1,477**	3,032
Finished goods	**44**	43
	1,521	3,075

13. Prepayment

	2014	2013
	US$'000	US$'000
Prepayment *	**5,541**	8,096
	5,541	8,096

* Prepayments include $3.6 million (2013: $6.0 million) related to expenses incurred to date for the proposed secondary listing on the Hong Kong Stock Exchange. If the listing does not eventuate these costs or a proportion thereof would need to be expensed. If however, the listing does proceed and a capital raising occurs, then these costs will offset the funds raised and be taken directly to contributed equity.

14. Consolidated Entities

	Ownership Interest	
	2014	2013
Parent Entity		
Energy World Corporation Ltd		
Subsidiaries		
Active Subsidiaries		
Australian Gasfields Limited ^ [x]	**100**	100
Central Energy Australia Pty Ltd ^ [x]	**100**	100
Central Energy Power Pty Ltd ^ [x]	**100**	100
Central Queensland Power Pty Ltd ^ [x]	**100**	100
Energy Equity Epic (Sengkang) Pty Ltd ("EEES") * [x]	**100**	100
Energy Equity LNG Pty Ltd [x]	**100**	100
Energy Equity Holdings Pty Ltd * [x]	**100**	100
Energy World Holdings (Cayman) Ltd [y]	**100**	100
Energy World L.N.G. (Queensland) Pty Ltd [x]	**100**	100
Energy World Operations Pty Ltd [x]	**100**	100
Energy World Petroleum Pty Ltd [x]	**100**	100
Epic Sulawesi Gas Pty Ltd [x]	**100**	100
Galtee Limited [y]	**100**	100
Sulawesi Energy Pty Ltd * [x]	**100**	100
PT Energi Sengkang * [z]	**95**	95
Ventures Holdings Pty Ltd [x]	**100**	100
PT South Sulawesi LNG ("PTES") * [z]	**100**	100
Kerbridge Energy Pty Ltd [x]	**100**	100
Energy World (H.K.) Ltd [w]	**100**	100
Energy World Philippines Holdings Ltd [y]	**100**	100
Energy World Power-Holdings Philippines Inc. [y]	**100**	100
Energy World Gas Developments Philippines Inc. [y]	**100**	100
Energy World Power Developments Philippines Inc. [y]	**100**	100

* Entities which carry on business in Indonesia.

^ Pursuant to ASIC Class Order 98/1418, relief has been granted to these controlled entities of Energy World Corporation Ltd from the Corporations Law requirements for preparation, audit and publication of financial reports. As a condition of the Class Order, Energy World Corporation Ltd and the controlled entities subject to the Class Order entered into a deed of indemnity on 16 June 1998. The effect of the deed is that Energy World Corporation Ltd has guaranteed to pay any deficiency in the event of winding up of the controlled entity. The controlled entities have also given a similar guarantee in the event Energy World Corporation Ltd is wound up. Refer Note 25.

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

15. Interests in Oil & Gas Tenements

		Ownership Interest	
		2014	2013
		%	%
ATP-549P (Australia)	- Cypress JV	**55.0**	55.0
	- Solitaire JV	**100.0**	100.0
PL 184 (Australia)		**19.604**	19.604
PEL 96 (Australia)		**33.3**	33.3
Naccowlah Block (part of ATP-259P) (Australia)		**2.0**	2.0
PL 65 Gilmore Gas Field (Australia)		**100.0**	100.0
PL 115 Bunya, Eromanga Gas Field (Australia)		**100.0**	100.0
PL 116 Cocos, Eromanga Gas Field (Australia)		**100.0**	100.0
Sengkang PSC Contract Area (includes Kampung Baru Gas Field and Wasambo Gas Fields (Indonesia)		**100.0**	100.0

The principal activity of these interests is the exploration and development of oil and gas prospects. For the financial year ended 30 June 2014, the contribution of the interests to the operating profit of the consolidated entity was $450 thousand (2013: $611 thousand).

16. Oil and Gas Assets

	2014	2013
	US$'000	US$'000
Opening balance	**101,564**	91,462
Additions	**15,758**	17,547
Amortisation	**(7,368)**	(7,445)
Closing balance	**109,954**	101,564

17. Exploration and Evaluation Expenditure

	2014	2013
	US$'000	US$'000
Opening balance	**52,182**	50,028
Additions	**6,537**	5,054
Foreign currency translation	**931**	(2,900)
Closing balance	**59,650**	52,182

18. Property, plant and equipment

	Freehold land US$'000	Buildings on freehold land US$'000	Plant and equipment US$'000	Assets under construction US$'000	Total US$'000
Assets at Cost					
Balance at 1 July 2012	4,560	2,756	238,382	315,511	561,209
Transfer	-	-	55,401	(55,401)	-
Additions	1,046	-	26,705	216,716	244,467
Foreign currency translation	(3)	(6)	(4,491)	-	(4,500)
Balance at 30 June 2013	5,603	2,750	315,997	476,826	801,176
Balance at 1 July 2013	5,603	2,750	315,997	476,826	801,176
Transfer	-	-	84,283	(84,283)	-
Additions	1,788	-	17,888	242,195	261,871
Foreign currency translation	1	-	949	-	950
Balance at 30 June 2014	7,392	2,750	419,117	634,738	1,063,997
Depreciation					
Balance at 1 July 2012	-	(907)	(108,856)	-	(109,763)
Depreciation charge for the year	-	(68)	(16,763)	-	(16,831)
Foreign currency translation	-	-	336	-	336
Balance at 30 June 2013	-	(975)	(125,283)	-	(126,258)
Balance at 1 July 2013	-	(975)	(125,283)	-	(126,258)
Depreciation charge for the year	-	(17)	(27,840)	-	(27,857)
Foreign currency translation	-	-	(816)	-	(816)
Balance at 30 June 2014	-	(992)	(153,939)	-	(154,931)
Carrying amount					
At 30 June 2013	5,603	1,775	190,714	476,826	674,918
At 30 June 2014	7,392	1,758	265,178	634,738	909,066

The borrowing costs capitalised to property, plant and equipment assets during the period amounted to $13.9 million (2013: to $13.2 million). The capitalization rate used to determine the amount of borrowings eligible for capitalization was 3.48% (2013: 3.88%).

The Assets under construction comprise of $376.5 million (2013: $280.5 million) applicable to the Sengkang LNG plant development; $113.8 million (2013: $44.5 million) applicable to the Philippines LNG hubs; $114.4 million (2013: $75.7 million) applicable to the Philippines power plant development; nil (2013: $58.2 million) applicable to the PTES 120 MW Sengkang power plant expansion completed in fiscal 2014 and $30.0 million (2013: $17.9 million) applicable to other projects.

19. Trade and other payables

	2014 US$'000	2013 US$'000
Current		
Trade Payables (a) (b)	**7,580**	15,237
Trade Payables – related parties (b) (c)	**8,028**	1,942
Other creditors and accruals (b)	**17,630**	32,504
Other creditors and accruals – related parties (b) (c)	**171,212**	46,656
	204,450	96,339

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

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

(c) $2.91 million trade payables was related to the O&M payment for PT Consolidated Electric Power Asia (2013: $1.95 million); $72.3 million was related to the project development in Philippines and Australia for Slipform Engineering International (H.K.) Ltd (2013: $15.4 million) and $104.0 million was related to project development in Indonesia for PT Slipform Indonesia (2013: $31.3 million).

Information regarding interest rate and liquidity risk exposure is set out in Note 29(g).

20. Interest-Bearing Liabilities

		2014 US$'000	2013 US$'000
Current			
PTES US$200 million with Standard Chartered Bank and Mizuho Corporate Bank	(d)	**24,005**	21,500
EEES US$125 million Secured Borrowing Base Facility with Standard Chartered Bank and Mizuho Corporate Bank	(e)	**11,395**	13,000
US$51 million Revolving Loan Facility Agreement with The Hong Kong and Shanghai Banking Corporation Limited	(f)(ii)	**-**	50,451
Total current		**35,400**	84,951
Non-current			
PTES US$200 million with Standard Chartered Bank and Mizuho Corporate Bank	(d)	**112,736**	135,015
EEES US$125 million Secured Borrowing Base Facility with Standard Chartered Bank and Mizuho Corporate Bank	(e)	**98,061**	61,000
US$75 million Revolving Loan Facility Agreement with Standard Chartered Bank	(f)(i)	**74,569**	74,667
US$51million Revolving Loan Facility Agreement with The Hong Kong and Shanghai Banking Corporation Limited	(f)(ii)	**50,441**	-
US$50 million Convertible Exchangeable Note with Standard Chartered Private Equity (Singapore) Pte. Ltd.	(g)	**46,438**	45,282
Total non-current		**382,245**	315,964
Total interest-bearing liabilities		**417,645**	400,915

20. Interest-Bearing Liabilities (continued)

(a) Interest Rate, Foreign Exchange and Liquidity Risk

Details regarding interest rate, foreign exchange and liquidity risk is disclosed in Note 29.

(b) Assets Pledged As Security

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

(c) Default and Breaches

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

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

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

The PTES Facility is subject to semi-annual repayments of principal and payments of interest and will be fully repaid on 22 April 2022. PTES has already fully drawn down Facility A and Facility C under the PTES Facility. Facility B under the PTES Facility is available for drawing by PTES when all of the conditions precedent to drawings for this facility has been satisfied. US$185 million has been advanced under the PTES Facility, of which US$142.7 million was outstanding as at 30 June 2014, excluding unamortised borrowing costs.

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

(e) EEES Secured Borrowing Base Facility Terms and Conditions

The US$88,000,000 Secured Borrowing Base Facility Agreement with Standard Chartered Bank and MizuhoCorporate Bank Limited has been renewed and upgraded to US$125,000,000

On 18 March 2014, EEES executed documentation to revise and upgrade its existing US$88,000,000 secured revolving borrowing base facility to US$125,000,000 (the "**EEES Facility**") in connection with the Sengkang PSC. The lenders under the EEES Facility are Standard Chartered Bank and Mizuho Corporate Bank, Ltd. and Natixis (Singapore Branch) (who together are the mandated lead arrangers), with Mizuho Corporate Bank, Ltd. as agent and security trustee.

20. Interest-Bearing Liabilities (continued)

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

The US$88,000,000 Secured Borrowing Base Facility Agreement with Standard Chartered Bank and Mizuho Corporate Bank Limited has been renewed and upgraded to US$125,000,000

This Facility which replaces the previous US$88,000,000 facility is a borrowing base facility subject to semi-annual repayments of principal (calculated by reference to EEES's projected net cashflow from the Sengkang PSC from time to time) and semi-annual or quarterly payments of interest and will be fully repaid on 18 March 2021 (or, if earlier, the date on which the quantities of hydrocarbon reserves attributable to the Sengkang PSC are projected to fall below 25% of the value of such reserves calculated as at the date of the EEES Facility). As at 30 June 2014, US$113.9 million, excluding unamortised borrowing costs, had been advanced under the EEES Facility.

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

(f) Corporate Bank Loans Terms and Conditions

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

EWC obtained the US$75.0 million 2008 SCB Corporate Revolving Loan Facility from Standard Chartered Bank on 22 October 2008. This facility was for a term of 3 years, and the interest rate applicable to borrowings under the facility was 0.5% over the bank's cost of funds. In October 2011, EWC extended the facility for 2 years past its original due date. On 28 June 2013, the Group further extended the facility for 2 years which extended the maturity date to 23 October 2015. As at 30 June 2014, the aggregate amount owed under the 2008 SCB Corporate Revolving Loan Facility was US$74.7 million, excluding unamortised borrowing costs, and EWC held US$75.0 million in reserve accounts as security for the facility.

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

EWC has a US$50.0 million revolving loan facility from HSBC which was first entered into on 10 October 2008.

In June 2012, the Group extended the facility for 2 year past its original due date. In June 2014, EWC further extended the facility for 2 years which extended the maturity date to 14 June 2016. As at 30 June 2014, the aggregate amount the Group owed under the HSBC Corporate Revolving Loan Facility was US$50.5 million, excluding unamortised borrowing costs and EWC held US$51 million in reserve accounts as security for the facility.

20. Interest-Bearing Liabilities (continued)

(g) US$75,000,000 reduced to US$50,000,000 Convertible Exchangeable Note with Standard Chartered Private Equity (Singapore) Pte. Ltd

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

Under the Subscription Agreement:

(a) EWP has issued, and the Subscriber has subscribed for, US$50 million 2.5% convertible exchangeable notes due in May 2018 which may be converted into ordinary shares in EWP or in the alternative exchanged for Ordinary Shares in EWC at AU$0.50. The 2.5% coupon rate is due semi-annually payable in arrears (the **First Tranche Notes**). An additional Warrant was issued during the year to purchase 4,133,598 Ordinary Shares at an initial exercise price of AU$0.60.

The Company was informed by Standard Chartered Private Equity (Singapore) Pte. Ltd. (SCPE) by a letter dated 9 May 2014, that certain conditions as described in the Cleansing Notice dated 14 May 2013 previously released to Shareholders have not been met by Energy World Corporation Ltd. and Energy World Philippines (EWP) and SCPE would not be waiving these conditions or extending the timeline to allow these conditions to be met. As a consequence of this development, SCPE will no longer make available to the Company the sum of US$25,000,000 for the Second Tranche Notes as foreseen under the Subscription Agreement dated 14 May 2013.

The Company has received an offer of finance from Energy World International (EWI) to fully replace the US$25,000,000 through a convertible/exchangeable bond on the same commercial terms and conditions that were previously agreed with SCPE for its US$75,000,000 exchangeable bond; matching loan conditions, a coupon of 2.5% and a conversion strike price at minimum of AU$0.50 cents per share. As a related party, the convertible/exchangeable bond with EWI will require shareholder approval which will be sought at the forthcoming Annual General meeting.

21. Provisions

	2014	2013
	US$'000	US$'000
Current		
Employee benefits (a)	**187**	657
Production bonus (c)	**-**	645
	187	1,302
Non-current		
Employee benefits (a)	**5,148**	6,081
Restoration/rehabilitation (b)	**8,035**	2,923
Production bonus (c)	**268**	-
	13,451	9,004

(a) Employee Benefits

	2014	2013
	US$'000	US$'000
Current		
Australian employees - Annual leave	**94**	78
Indonesia National employees – Defined benefit scheme	**93**	579
	187	657
Non-current		
Indonesia National employees – Defined benefit scheme	**5,148**	5,151
Indonesia expatriate employees – Long service leave	**-**	273
	5,148	5,424

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

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

	2014	2013
	US$'000	US$'000
Current service cost	**835**	716
Interest cost	**404**	331
Past service costs recognised	**(365)**	-
Benefits paid	**(526)**	(47)
Exchange differences	**(1,095)**	(328)
Actuarial changes arising from changes in assumptions	**(417)**	(126)
Net employee service entitlements expenses	**(1,164)**	546

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

21. Provisions (continued)

Movements in the provision for Indonesian national employee service entitlements during the years ended 30 June 2014 and 2013 are as follows:

	2014 **US$'000**	2013 US$'000
Balance at beginning of year	**6,404**	5,858
Add: Provision during the year/(release of unused provision)	**(637)**	593
Less: Utilisation during the year	**(526)**	(47)
Balance at the end of the year	**5,241**	6,404

The principal assumptions used in determining provision for Indonesian national employee service entitlements liabilities as of 30 June 2014 and 30 June 2013 are as follows:

	2014 **US$'000**	2013 US$'000
Discount rate	8%	7%
Salary increment rate	10%	10%
Mortality rate	100%TM13	100%TM12
Disability rate	5%TM13	5%TM12
Resignation/turnover rate	1% p.a.	1% p.a.
Retirement age	The earlier of 58 years of age or 30 September 2022	

TM12 means Table Mortality Indonesia second edition
TM13 means Table Mortality Indonesia third edition

21. Provisions (continued)

2014 changes in the defined benefit obligation and fair value of plan assets

	1-Jul-13	Current service cost	Interest cost on benefit obligation	Expected return on plan assets	Past service costs recognised	**Subtotal included in other expenses**	Benefits paid	Amortisation of unvested Past service Cost	Amortisation of Actuarial Gain	Contributions by employer	Exchange differences	Transfer of Employee	**Total 30 June 2014**
	Cost of sales for pensions during the year												
	US$'000	US$'000	US$'000	US$'000	US$'000	**US$'000**	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	**US$'000**
Defined benefit obligation	(6,404)	(835)	(404)	-	365	**(7,278)**	526	-	417	-	1,095	-	**(5,241)**
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total recognised benefit liability	(6,404)	(835)	(404)	-	365	**(7,278)**	526	-	417	-	1,095	-	**(5,241)**
Benefit liability	(6,404)	(835)	(404)	-	365	**(7,278)**	526	-	417	-	1,095	-	**(5,241)**

2013 changes in the defined benefit obligation and fair value of plan assets

	1-Jul-12	Current service cost	Interest cost on benefit obligation	Expected return on plan assets	Past service costs recognised	**Subtotal included in cost in other expenses**	Benefits paid	Amortisation of unvested Past service Cost	Amortisation of Actuarial Gain	Contributions by employer	Exchange differences	Transfer of Employee	**Total 30 June 2013**
	Cost of sales for pensions during the year												
	US$'000	US$'000	US$'000	US$'000	US$'000	**US$'000**	US$'00 0	US$'000	US$'000	US$'000	US$'000	US$'000	**US$'000**
Defined benefit obligation	(5,858)	(716)	(331)	-	-	**(6,905)**	47	-	126	-	328	-	**(6,404)**
Fair value of plan assets	-	-	-	-	-	**-**	-	-	-	-	-	-	**-**
Total recognised benefit liability	(5,858)	(716)	(331)	-	-	**(6,905)**	47	-	126	-	328	-	**(6,404)**
Benefit liability	(5,858)	(716)	(331)	-	-	**(6,905)**	47	-	126	-	328	-	**(6,404)**

21. Provisions (continued)

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

	2014 US$'000	2013 US$'000
Movement in provision for abandonment and restoration:		
Balance at the beginning of the year	**2,923**	3,141
Addition	**2,602**	99
Revision on estimated abandonment and restoration costs	**3,560**	-
Utilised	**(1,125)**	-
Unwind discount for the year	**275**	414
Foreign exchange (gain)/loss	**(200)**	(731)
Balance at end of the year	**8,035**	2,923

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

	2014 US$'000	2013 US$'000
Movement in provision for production bonus:		
Balance at the beginning of the year	**645**	1,072
Provision made/ (released) during the year	**(377)**	(427)
Balance at end of the year	**268**	645

22. Share Capital and Reserves

	2014 US$'000	2013 US$'000
Issued capital	**466,805**	466,805

	2014	2013
Number of ordinary shares, issued and fully paid	**1,734,166,672**	1,734,166,672

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Other reserves

	2014 US$'000	2013 US$'000
Asset revaluation reserve	**19,211**	19,211
Cash flow hedge reserve	**(3,473)**	(932)
Foreign currency translation reserve	**6,195**	4,265
Warrant reserve	**458**	-
Convertible note reserve	**3,464**	3,464
Employee Benefit Reserve	**(709)**	(1,124)
	25,146	24,884

Asset Revaluation Reserve

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

Hedging Reserve

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

$0.2 million of expenses were transferred out of equity to assets under construction during the year (2013: $0.7 million of income was transferred out of equity to profit or loss).

Foreign Currency Translation Reserve

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

Warrant Reserve

EWC issued to the Subscriber a Warrant to purchase 9,920,634 Ordinary Shares at an initial exercise price of AU$0.50. An additional Warrant was issued during the year to purchase 4,133,598 Ordinary Shares at an initial exercise price of AU$0.60. This balance pertains to the equity value of this transaction.

22. Share Capital and Reserves (continued)

Convertible Note Reserve

Convertible note reserve represents the equity component of the USD50 million convertible notes issued in the current year net of current deferred tax. Refer to Note 20(g).

Employee Benefit Reserve

The employee benefit reserve represents the actuarial gains and losses that are recognised in other comprehensive income and permanently excluded from profit and loss.

23. Contingent Liabilities

(a) SKKMigas Participation (formerly as called BPMigas)

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

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

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

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

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

(b) Intra-Group Loans

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

24. Future Financial Capital Commitments

Details of the Group's committed capital expenditure during the financial year ended 30 June 2014 are as disclosed. Contracts with related parties are structured in a manner that the contract is subject to the Group having available financing in place to proceed with the projects.

Sengkang LNG Project

As at 30 June 2014, the Group was contracted to spend a remaining amount of US$6.6 million representing the balance remaining under the construction services contract with Slipform (Indonesia).

Philippines Power Plant

As at 30 June 2014, the Group was contracted to spend a remaining amount of US$473.8 million representing the balance remaining under the construction services contract with Slipform (HK).

Philippines LNG Hub

As at 30 June 2014, the Group was contracted to spend a remaining amount of US$21.6 million, representing the balance remaining under the construction services contract with Slipform (HK).

Gilmore LNG Project

As at 30 June 2014, the Group was contracted to spend a remaining amount of US$49 million representing the balance remaining under the construction services contract with Slipform (HK).

25. Deed of Cross Guarantee

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

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

The subsidiaries subject to the Deed are:

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

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and subsidiaries which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2014 is set out below:

25. Deed of Cross Guarantee (continued)

Statement of comprehensive income	**2014** **US$'000**	2013 US$'000
Profit from ordinary activities	**(8,898)**	(3,669)
Income tax attributable to ordinary activities	-	-
Profit from ordinary activities after income tax	**(8,898)**	(3,669)
Accumulated losses at the beginning of the financial year	**(66,628)**	(62,959)
Accumulated losses at the end of the financial year	**(75,526)**	(66,628)

Statement of financial position		
Current assets		
Cash assets	**3,513**	86,795
Trade and other receivables	**978**	1,687
Inventories	**146**	141
Prepayment	**3,737**	10,221
Total current assets	**8,374**	98,844
Non-current assets		
Cash assets	**126,082**	75,032
Trade and other receivables	**252,383**	242,582
Investments	**75,178**	58,588
Exploration and evaluation expenditure	**41,970**	31,187
Property, plant and equipment	**319,773**	241,003
Total non-current assets	**815,386**	648,392
Total assets	**823,760**	747,236
Current Liabilities		
Payables	**114,053**	42,697
Interest bearing liabilities	**-**	50,482
Provisions	**94**	77
Total current liabilities	**114,147**	93,256
Non-current liabilities		
Interest bearing liabilities and borrowings	**300,389**	240,992
Deferred tax liabilities	**415**	-
Provisions	**4,167**	1,045
Total non-current liabilities	**304,971**	242,037
Total liabilities	**419,118**	335,293
Net assets	**404,642**	411, 943
Equity		
Issued capital	**466,805**	466,805
Other reserves	**13,363**	11,766
Accumulated losses	**(75,526)**	(66,628)
Total equity	**404,642**	411,943

26. Notes to the Statements of Cash Flows

	2014 US$'000	2013 US$'000
(a) Reconciliation of the profit from ordinary activities after tax to the net cash flows generated from operations		
Profit from ordinary activities after tax	**19,655**	16,820
Add/(less) non-cash items		
Depreciation of non-current assets	**35,225**	24,276
Impairment of inventories	**557**	-
Write off of prepayment	**2,896**	-
Foreign currency loss	**955**	315
Amortisation of borrowing costs	**127**	288
Changes in assets and liabilities during the financial year		
(Increase)/decrease in receivables	**5,407**	(7,466)
(Increase)/decrease in prepayments	**2,555**	3,431
(Increase)/decrease in inventories	**1,554**	(1.081)
(Decrease)/increase in payables	**(17,018)**	(11,954)
(Decrease)/ increase in deferred tax liability	**2,142**	1,018
(Decrease)/ increase in income tax payable	**(2,343)**	970
(Decrease)/increase in provisions	**3,332**	(293)
Net cash generated from operating activities	**55,053**	26,324

(b) Reconciliation of cash

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

	2014 US$'000	2013 US$'000
Cash assets	**14,245**	86,665
Closing cash balance	**14,245**	86,665

Cash assets include cash at bank and short-term deposits. Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and one month, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash assets is US$14 million (2013: US$87 million).

27. Related Party Disclosures

Transactions with Related Parties

There was one new related party contract entered into during the financial year for the engineering, procurement and construction of the Philippines Power Project (refer to (b)). Open contracts at 30 June 2014 are summarised below:

(a) Leases of properties

Energy World Corporation Ltd rents a number of properties from related parties for the offices in Sydney, New South Wales and for the site of the proposed LNG Hub terminal in the Philippines, details of which are set out in the following table:

Premises	Lessor	Lessee	Term	Rental
1. Part of Unit 9A, Seaforth Crescent, Seaforth, Sydney, New South Wales, Australia	Energy World International Limited	Energy World Corporation Ltd	Initial term of 2 years commencing 1 February 2004, from time to time, further extended for 19 months from 1 February 2010 and expiring 31 August 2011. Initially extended to 31 August 2012. Further extended for one to 31 August 2013 and then subsequently extended to 31 December 2014.	A$6,000 per month (excluding GST); Payment made during the period of this annual report - US$66,047.82
2. Parcel of land comprising a total area of 215,000 sq.m on Pagbilao Grande Island, Province of Quezon, Lozon, the Philippines	Malory Properties Inc.(i)	Energy World Corporation Ltd	20 years commencing 9 June 2007 with an option to extend for a further term of 10 years	5 PHP ($0.1) per square metre (total PHP 1,075,000) ($22,349 per annum), commencing on the date of commissioning and commercial operation of the LNG Hub facility, indexed to the Philippines consumer price index annually after 3 years of the term; no payment was made during the period of this annual report.

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

27. Related Party Disclosures (continued)

Transactions with Related Parties (continued)

(b) Commercial Agreements with EWC and Related Parties

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

Parties	Date of agreement/ amendment	Scope of services	Fees	Payment made during the year ended 30 June 2014	Amount remaining on contract at 30 June 2014
1. EWC and Slipform Engineering International (H.K.) Ltd*	18 July 2007 1 March 2010 8 December 2011	Slipform Engineering International (H.K.) agrees to provide EWC with engineering assistance, design services and management support for the development of the LNG receiving and hub terminal in the Philippines	Fixed fee of US$3.9 million. All payment obligations under this agreement have been satisfied, although Slipform continues to provide ongoing assistance.	Balance payable as at 30 June 2014: Nil Amount paid: Nil	Nil
2. EWC and Slipform Engineering International (H.K.) Ltd*	10 October 2011	Slipform Engineering International (H.K.) agrees to provide EWC with engineering assistance, design services and management support for the development of a 56,000 TPA LNG processing plant and related facilities in Gilmore, Queensland Australia.	Fixed fee of US$5.5 million. All payment obligations under this agreement have been satisfied, although Slipform continues to provide ongoing assistance.	Balance payable as at 30 June 2014: Nil Amount paid: Nil	US$279,763
3. EWC and Slipform Engineering International (H.K.) Ltd	18 July 2007	Slipform agrees to provide EWC with engineering assistance, design services and management support for the development of the Sengkang LNG project.	Fixed fee of US$32 million. All payment obligations under this agreement have been satisfied, although Slipform continues to provide ongoing assistance.	Balance payable as at 30 June 2014: Nil Amount paid: Nil	Nil

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

27. Related Party Disclosures (continued)

Transactions with Related Parties (continued)

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

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

Parties	Date of agreement / amendment	Scope of services	Amounts incurred for the year ended 30 June 2014	Payments made during the year ended 30 June 2014	Amount payable on contract at 30 June 2014
PTES and PT Consolidated Electric Power Asia *	12 March 2012 30 May 2012 (amendment) 30 May 2012 (addendum)	PT Consolidated Electric Power Asia is responsible for operation and maintenance services in relation to the Sengkang Power Plant. The initial scope covers the original 135MW units. The O&M has been extended to cover the additional 180MW units upon commercial operation of the 60MW steam turbine.	US$14.27m	US$13.32m Including 1. US$1.96m: invoices received in the year ending 2013 which were paid in the current year; 2. US$11.36m: invoice received and paid during the current financial year;	US$2.91m

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

27. Related Party Disclosures (continued)

Transactions with Related Parties (continued)

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

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

Parties	Date of agreement / amendment	Scope of services	Contract value ($US millions)	Accumulated invoices received from related parties ($US millions)	Accumulated invoices received from third parties ($US millions)	Total invoices received ($US millions)	Amount remaining on contract ($US millions)	Related party payable ($US millions)
EWC and Slipform Engineering International (H.K.) Ltd	12 March 2012 18 June 2012 (amendment)	Slipform Engineering International (H.K.) Ltd agrees to undertake the engineering, procurement and construction of the Gilmore LNG Project.	$70.0 subject to adjustment and deduction for equipment and consultant services incurred directly by the Company.	30 June 2014: $11.1 30 June 2013: $3.5	30 June 2014: $9.9 30 June 2013: $9.9	30 June 2014: $21.0 30 June 2013: $13.4	30 June 2014: $49.0 30 June 2013: $56.6	30 June 2014: $11.1 30 June 2013: $3.5
EWC and Slipform Engineering International (H.K.) Ltd	12 March 2012 18 June 2012 (amendment)	Slipform Engineering International (H.K) Ltd agrees to undertake the engineering, procurement and construction of the Philippines LNG Hub.	$130.0 subject to adjustment and deduction for equipment and consultant services incurred directly by the Company.	30 June 2014: $90.4 30 June 2013: $27.9	30 June 2014: $18.0 30 June 2013: $14.8	30 June 2014: $108.4 30 June 2013: $42.7	30 June 2014: $21.6 30 June 2013: $87.3	30 June 2014: $51.2 30 June 2013: $11.9
PT Energi Sengkang and PT Slipform Indonesia	12 March 2012 28 May 2012 (amendment)	PT Slipform Indonesia agrees to provide the Group with equipment and construction services in relation to the installation and construction of a 60 MW steam turbine at the Sengkang Power Plant which represents the second 60 MW of the Sengkang Expansion and balance of plant for the Sengkang Expansion.	$57.9 subject to adjustment and deduction for equipment and consultant services incurred directly by the Company.	30 June 2014: $16.9 30 June 2013: Nil	30 June 2014: $41.0 30 June 2013: $24.4	30 June 2014: $57.9 30 June 2013: $24.4	30 June 2014: Nil 30 June 2013: $33.5	30 June 2014: Nil 30 June 2013: Nil

27. Related Party Disclosures (continued)

Transactions with Related Parties (continued)

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

Parties	Date of agreement / amendment	Scope of services	Contract value ($US millions)	Accumulated invoices received from related parties ($US millions)	Accumulated invoices received from third parties ($US millions)	Total invoices received ($US millions)	Amount remaining on contract ($US millions)	Related party payable ($US millions)
PT South Sulawesi LNG and PT Slipform Indonesia	18 March 2009 12 March 2012 (novation and variation) 18 June 2012 (amendment)	PT Slipform Indonesia agrees to undertake the engineering, procurement and construction of the Sengkang LNG Project. The contract was originally with Slipform Engineering International (H.K.) Ltd, and was novated to PT Slipform Indonesia on 12 March 2012.	$352.0 subject to adjustment and deduction for equipment and consultant services incurred directly by the Company	30 June 2014: $106.5 30 June 2013: $33.3	30 June 2014: $238.9 30 June 2013: $213.9	30 June 2014: $345.4 30 June 2013: $247.2	30 June 2014: $6.6 30 June 2013: $104.8	30 June 2014: $104.0 30 June 2013: $31.3
EWC and Slipform Engineering International (H.K.) Ltd	3 March 2014	Slipform Engineering International (H.K) Ltd agrees to undertake the engineering, procurement and construction of the Philippines Power.	$588.0 subject to adjustment and deduction for equipment and consultant services incurred directly by the Company	30 June 2014: $29.4 30 June 2013: Nil	30 June 2014: $84.8 30 June 2013: Nil	30 June 2014: $114.2 30 June 2013: Nil	30 Jun 2014: $473.8 30 Jun 2013: Nil	30 June 2014: $10 30 June 2013: Nil

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

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

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

EWC has confirmed Slipform Engineering International (H.K.) Ltd’s continued support for the Group’s projects by entering into a binding strategic alliance agreement (the “**Slipform Co-operation Agreement**”) with Slipform Engineering International (H.K.) Ltd on the basis described below.

27. Related Party Disclosures (continued)

Transactions with Related Parties (continued)

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

Background

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

- power plant developments;

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

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

Co-operation Arrangements

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

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

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

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

Non-competition Arrangements

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

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

27. Related Party Disclosures (continued)

Transactions with Related Parties (continued)

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

Arrangements with PT Consolidated Electric Power Asia

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

Background

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

Co-operation Arrangements

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

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

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

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

Non-competition Arrangements

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

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

27. Related Party Disclosures (continued)

Transactions with Related Parties (continued)

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

Arrangements with EWI and Mr. Stewart Elliott

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

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

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

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

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

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

Background

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

Co-operation Arrangements

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

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

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

New Opportunities

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

27. Related Party Disclosures (continued)

Transactions with Related Parties (continued)

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

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

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

Non-competition Arrangements

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

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

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

	2014	2013
	US$’000	US$’000
Short term benefits	**1,221**	1,029
Post employment benefits	**-**	-
Long term benefits	**-**	-
Share based benefits	**-**	-
Termination benefits	**-**	-
	1,221	1,029

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

	2014	2013
	US$'000	US$'000
Slipform Engineering International (H.K.) Ltd.	**(72,310)**	(15,351)
PT Consolidated Electric Power Asia	**(2,907)**	(1,926)
PT Slipform Indonesia	**(104,023)**	(21,736)
Total	**(179,240)**	(39,013)

28. Economic Dependency

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

29. Financial Instruments

Financial liabilities

	2014 US$'000	2013 US$'000
Financial liabilities at fair value through profit and loss		
Cash flow hedge	**3,797**	1,440
Total financial liabilities at fair value through profit and loss	**3,797**	1,440
Total current	**2,896**	1,140
Total non-current	**901**	300

(a) Financial Risk Management

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

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

(b) Capital Risk Management

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

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

(c) Foreign Currency Risk

Management regularly monitors the position of the consolidated entity and has not entered into any foreign exchange contracts as at 30 June 2014. The Company manages the risk by matching receipts and payments in the same currency.

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

The Group has assessed the sensitivity of movements in foreign currencies on post tax profit and equity to be not significant.

29. Financial Instruments (continued)

(d) Credit Risk

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

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

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

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

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

(e) Inflation and Deflation

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

(f) Interest Rate Risk

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

The Group's subsidiaries PTES and EEES entered into interest rate swap contracts to hedge their debt obligations.

The PTES interest rate swap was restructured on 15 July 2011 when PTES entered into an interest rate swap contract (ISDA Agreement) with Standard Chartered Bank Limited, London Branch, at a fixed rate of 3.06% p.a. and a new interest rate swap contract (ISDA Agreement) with Mizuho Corporate Bank and Natixis Bank at a fixed rate of 2.2375%. This interest rate swap was in respect of the US$100.59M initially drawn under the PTES Facility. On 10 December 2012, PTES entered into an further interest rate swap in respect of the US$59.3M subsequently drawn down under the PTES Facility. This interest rate swap was with Standard Chartered Bank Limited, London Branch, at a fixed rate of 1.60% p.a. and with Mizuho Corporate Bank at a fixed rate of 1.065% p.a. Interest payment dates are October and April each calendar year with the final instalment paid on 22 October 2121 to Standard Chartered Bank Limited and 22 April 2018 to Mizuho Corporate Bank. These swaps are designated to hedge the debt obligations.

29. Financial Instruments (continued)

(f) Interest Rate Risk (continued)

On 11 April 2014 EEES entered into on interest rate swap contract (ISDA Agreement) with Standard Chartered Bank Limited - London Branch and Mizuho Corporate Bank at a fixed rate of 2.485% and Natixis – Singapore Branch at a fixed rate of 2.065% Interest payment dates are December and June each calendar year with the first instalment on 30 June 2014 and the final instalment on 31 December 2020. These swaps are designated to hedge the debt obligations.

Cash flow hedges

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

	2014		**2013**	
Interest rate swap contracts	**Assets US$'000**	**Liabilities US$'000**	**Assets US$'000**	**Liabilities US$'000**
Fair value	-	(3,797)	-	(1,440)

The terms of the interest rate swap contracts match the terms of the expected debt obligation repayment transactions. As a result, no material hedge ineffectiveness arises requiring recognition through profit or loss. The difference between fixed and variable rate interest amounts is calculated by reference to an agreed-upon notional principal amount. At 30 June 2014, the notional principal amount of these swaps was $222,473,000 at a fixed rate of interest (2013: $219,372,000)

The cash flow hedges of the expected debt obligation repayments were assessed to be highly effective and a net unrealised loss of $2,726,000, with a deferred tax asset of $184,000 relating to the hedging instruments, is included in OCI.

At the end of 30 June 2013, the cash flow hedges of the expected debt obligation repayments were assessed to be highly effective and an unrealised gain of $5,524,000 with a deferred tax liability of $565,000 was included in OCI in respect of these contracts.

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

Table A

	2014 Effective interest rate	2013 Effective interest rate	**2014 US$'000**	2013 US$'000
Financial assets				
Cash and cash equivalents	**0.52%**	0.59%	**14,245**	86,665
Cash held in reserve accounts	**0.25%**	0.43%	**166,497**	184,313
			180,742	270,978
Financial liabilities				
Interest-bearing loans and borrowings	**0.88%**	1.17%	**125,010**	125,118
			125,010	125,118
Net exposure			**55,732**	145,860

29. Financial Instruments (continued)

(f) Interest Rate Risk (continued)

At 30 June 2014, if interest rates had moved, as illustrated in the table below, with all other variables held constant, the consolidated entity's post-tax profit and equity would have been affected as follows. EWC has elected to use these interest rate variations as the basis of the sensitivity analysis due to the fact that the Group currently operate in a US dollar low interest rate environment.

Table B

	Post Tax Profit Higher/(Lower)		**Equity Higher/(Lower)**	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Consolidated				
+1% (100 basis points)	**557**	1,459	**(25)**	50
-0.5% (50 basis points)	**(279)**	(729)	**13**	(25)

The movements in profit in 2014 and 2013 are due to higher / lower interest costs from variable rate debt and cash balances. These arrangements have been subsequently modified and amended as described above.

(g) Liquidity Risk

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

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

30 June 2014	**Contractual Maturity**					
	< 6 months US$'000	6-12 months US$'000	1-2 years US$'000	2-5 years US$'000	> 5 years US$'000	Total US$'000
Financial assets						
Cash and cash equivalents	**14,245**	**-**	**-**	**-**	**-**	**14,245**
Cash held in reserve accounts	**22,169**	**17,825**	**126,503**	**-**	**-**	**166,497**
Trade and other receivables	**20,843**	**2,884**	**-**	**-**	**-**	**23,727**
	57,257	**20,709**	**126,503**	**-**	**-**	**204,469**
Financial liabilities						
Trade and other payables	**204,450**	**-**	**-**	**-**	**-**	**204,450**
Interest-bearing loans and borrowings	**17,245**	**19,272**	**176,325**	**188,035**	**16,758**	**417,635**
Derivative liabilities – net settled	**2,896**	**-**	**901**	**-**	**-**	**3,797**
	224,591	**19,272**	**177,226**	**188,035**	**16,758**	**625,882**
Net maturity	**(167,334)**	**1,437**	**(50,723)**	**(188,035)**	**(16,758)**	**(421,413)**

* Interest bearing loans of the consolidated group currently bear an interest rate range from 0.81% to 4.36% p.a. in 2014.

29. Financial Instruments (continued)

(g) Liquidity Risk (continued)

30 June 2013	Contractual Maturity					
	< 6 months US$'000	6-12 months US$000	1-2 years US$'000	2-5 years US$'000	> 5 years US$'000	Total US$000
Financial assets						
Cash and cash equivalents	86,665	-	-	-	-	86,665
Cash held in reserve accounts	109,281	-	-	75,032	-	184,313
Trade and other receivables	25,350	3,785	-	-	-	29,135
	221,296	3,785	-	75,032	-	300,113
Financial liabilities						
Trade and other payables	100,797	-	-	-	-	100,797
Interest-bearing loans and borrowings	73,470	26,017	52,011	266,147	-	417,645
Derivative liabilities – net settled	1,140	-	300	-	-	1,440
	175,407	26,017	52,311	266,147	-	519,882
Net maturity	45,889	(22,232)	(52,311)	(191,115)	-	(219,769)

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

29. Financial Instruments (continued)

(h) Commodity Price Risk

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

(i) Fair Value

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

	Carrying amount		Fair value	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Financial assets				
Cash and cash equivalents	**14,245**	86,665	**14,245**	86,665
Cash held in reserve accounts	**166,497**	184,313	**166,497**	184,313
Trade and other receivables	**23,727**	29,134	**23,727**	29,134
	204,469	300,112	**204,469**	300,112
Financial liabilities				
Trade and other payables	**204,450**	96,339	**204,450**	96,339
Interest-bearing loans and borrowings	**417,645**	400,915	**417,645**	400,915
Derivative financial liabilities at fair value through profit or loss				
- Derivatives in effective hedges	**3,797**	1,440	**3,797**	1,440
	625,892	498,694	**625,892**	498,694

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

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

(b) Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates and the risk characteristics of the financed project. As at 30 June 2014, the carrying amounts of such borrowings, were not materially different from their calculated fair values.

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

29. Financial Instruments (continued)

(i) Fair Value (continued)

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

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

For the year ended 30 June 2014, the Group held no financial instruments with the characteristics of level 3 financial instruments described above.

EWC has interest-bearing loans and borrowings with the characteristics of level 2 financial instruments. Fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

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

As at 30 June 2014 and 30 June 2013, the group held the following financial instruments carried at fair value in the statement of financial position

	2014	2013
	US$'000	US$'000
Financial liabilities at fair value through profit or loss		
Cash flow hedge	**3,797**	1,440
Total financial liabilities at fair value through profit or loss	**3,797**	1,440
Total current	**2,896**	1,140
Total non-current	**901**	300

During the reporting period ended 30 June 2014 and 30 June 2013, there were no transfers between level 1 and level 2 fair value measurements.

30. Subsequent Events

The Slipform entities have advised the Company in writing they are willing to defer amounts due under existing contracts with the Company in order to allow the Company to meet its debts as and when they fall due and as part of this arrangement have deferred $120m of these payables until 31 October 2015, or until the Company is in a position to pay these obligations, thus providing time for the Company to secure additional sources of funding via project debt financing and or other means.

Directors' Declaration

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

In the opinion of the directors:

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

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

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

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

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

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

On behalf of the Board

Stewart William George Elliott
Chairman/ Managing Director

Dated 30 September 2014

Building a better
working world

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

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

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

Report on the financial report

We have audited the accompanying financial report of Energy World Corporation Ltd which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

Independence

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

Auditor's Opinion

In our opinion:

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

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

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

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

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. 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 International Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Energy World Corporation Ltd for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Scott Jarrett
Partner
Sydney
30 September 2014

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

Substantial Shareholdings (as at 31 August 2014)

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder		Shares	%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	*	437,516,077	25.23
ORCHID CAPITAL INVESTMENTS PTE LTD		386,368,649	22.28
ENERGY WORLD INTERNATIONAL LTD		334,572,393	19.29
J P MORGAN NOMINEES AUSTRALIA LIMITED		198,311,120	11.44
		1,356,768,239	**78.24**

* Includes HSBC Custody Nominees (Australia) Limited holding 300,000,000 shares for Energy World International Limited

Voting Rights
All ordinary shares carry one vote per share without restriction.

Distribution of Equity Security Holders

Distribution of shareholdings			Number of Shareholders	%
1	-	1,000	607	0.02
1,001	-	5,000	1,647	0.28
5,001	-	10,000	857	0.40
10,001	-	100,000	1,300	2.45
100,001	-	9,999,999,999	246	96.86
Rounding			-	-0.01
			4,657	**100.00**

On-Market Buy-Back

There is no current on-market buy-back.

Twenty Largest Shareholders from the Register of Members as at 31 August 2013 were:

No.	Shareholder	Shares	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	437,516,077	25.23
2	ORCHID CAPITAL INVESTMENTS PTE LTD	386,368,649	22.28
3	ENERGY WORLD INTERNATIONAL LTD	334,572,393	19.29
4	J P MORGAN NOMINEES AUSTRALIA LIMITED	198,311,120	11.44
5	CITICORP NOMINEES PTY LIMITED	53,842,643	3.10
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	51,697,006	2.98
7	NATIONAL NOMINEES LIMITED <DB A/C>	20,473,860	1.18
8	MR D'ARCY FREDERICK QUINN + MRS HEATHER JEAN QUINN + MR DAVID BRENDON QUINN <THE QUINN FAMILY NO 2 A/C>	13,748,167	0.79
9	MR DAVID WILLIAM MAIR + MR JOHN GORDON PHIPPS <DM2 INVESTMENT A/C>	11,225,102	0.65
10	MR JOHN GORDON PHIPPS + MRS KATHRON ANNE PHIPPS + MR DAVID WILLIAM MAIR <PHIPPS CORONET A/C>	10,570,102	0.61
11	NATIONAL NOMINEES LIMITED	10,484,174	0.60
12	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	10,021,058	0.58
13	MS DOROTHEA HOLTMANN + DR CHRISTIAN ALEXANDER	9,330,445	0.54
14	SANDHURST TRUSTEES LTD <ENDEAVOR ASSET MGMT MDA>	7,749,834	0.45
15	BNP PARIBAS NOMS PTY LTD <DRP>	5,940,983	0.34
16	MR JOHN GORDON PHIPPS + MRS KATHRON ANNE PHIPPS + MR DAVID WILLIAM MAIR <PHIPPS CORONET A/C>	5,553,226	0.32
17	QIC LIMITED	3,562,228	0.21
18	MR DAVID MAIR <DM 2 INVESTMENT A/C>	3,145,000	0.18
19	CEEC PTY LTD <CEEC PTY LTD SUPER FUND A/C>	3,000,000	0.17
20	AUST EXECUTOR TRUSTEES LTD <HENROTH PTY LIMITED>	2,985,000	0.17
		1,580,097,067	**91.12**

Issued Capital

(a) At 31 August 2014, the Company had 1,734,166,672 ordinary fully paid shares listed on the Australian Stock Exchange Limited.

(b) At 31 August 2014, 760 shareholders held less than a marketable parcel.

ENERGY WORLD
CORPORATION LIMITED
ACN 009 124 994