## Appendix 4D

## Energy World Corporation Ltd and Controlled Entities

## ABN 34 009 124 994

## Half year ended: 31 December 2014

## Previous corresponding reporting period: 31 December 2013

This information should be read in conjunction with the 30 June 2014 Annual Report.

**Results for announcement to the market**

| | | | | US$'000 |
|---|---|---|---|---|
| Revenue from ordinary activities | Up | 28.1% | to | 93,739 |
| Profit before tax | Up | 57.3% | to | 23,107 |
| Profit after income tax expense for the period attributable to members | Down | 1.2% | to | 9,964 |

| **Dividends (distributions)** | | Amount per security | Franked amount per security |
|---|---|---|---|
| Interim dividend | | Nil | Nil |
| Previous corresponding period | | Nil | Nil |

| | |
|---|---|
| Record date for determining entitlements to the dividend | N/A |

**Commentary on the results for the period**

The commentary on the results of the period is contained in the Directors Report included in the Half Year Financial Report.

| | **31 Dec 2014** | 31 Dec 2013 |
|---|---|---|
| **Net Tangible Asset Backing** | | |
| Net tangible asset backing per ordinary security | **27.76 cents** | 28.07 cents |

**Loss of control over entities**

Control gained or lost over entities during the year: None

**Details of associates and joint venture entities**

Please see the Annual Report 2014 for details regarding joint venture entities.

**Foreign entities**

Origin of accounting standards for foreign entities used in compiling the report: Not Applicable.

**Audit qualification or review**

The accounts were subject to a review by the auditors and the review report is attached.

**Attachments**

The Report for the half-year ended 31 December 2014 for Energy World Corporation Ltd is attached.

# Energy World Corporation Ltd

**ABN 34 009 124 994**

Interim condensed financial statements

**31 December 2014**

## Table of Contents

## Company Information

| | | |
|---|---|---|
| **DIRECTORS** | Mr. Stewart William George Elliott | Chairman, Managing Director and Chief Executive Officer |
| | Mr. Ian William Jordan | Executive Director and Company Secretary |
| | Mr. Brian Jeffrey Allen | Executive Director and Finance Director |
| | Mr. Graham Stewart Elliott | Executive Director |
| | Dr. Brian Derek Littlechild | 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. Gregory John Karpinski | Alternate Director to Mr. Kanad Singh Virk |

**COMPANY SECRETARY**
Mr. I. W. Jordan

**REGISTERED AND SYDNEY OFFICE**
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
13th Floor 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 Ltd
HSBC Main Building
1 Queen's Road Central
HONG KONG

**EMAIL** 188ew@optusnet.com.au

**LISTED ON THE AUSTRALIAN STOCK EXCHANGE** **CODE** EWC

**AUSTRALIAN BUSINESS NUMBER** 34 009 124 994

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

## Directors' Report

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 half year ended 31 December 2014.

### Directors

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

| | |
|---|---|
| Mr. Stewart William George Elliott | Chairman, Managing Director and Chief Executive Officer |
| Mr. Ian William Jordan | Executive Director and Company Secretary |
| Mr. Brian Jeffrey Allen | Executive Director and Finance Director |
| Mr. Graham Stewart Elliott | Executive Director (appointed 6 October 2014) |
| Dr. Brian Derek Littlechild | 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. Gregory John Karpinski | Alternate Director to Mr. Kanad Singh 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.

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.

Our existing assets comprise:

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

Our projects which are under development comprise:

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

In addition, we are considering the feasibility of:

- the Abbot Point LNG Project.

## Review and Results of Operations

Sales revenue for the half year ended 31 December 2014 was US$93,739,000 representing an increase of 28% when compared to the sales revenue for the half year ended 31 December 2013. The increase from the half year ended 31 December 2013 to the half year ended 31 December 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 Gross Profit as a percentage of revenue for half year ended 31 December 2014 is 60% which is above the average for the 4 preceding years of 55%. The increase is due to the following movements: (1) 28% increase in revenues compared to half year ended 31 December 2013; (2) offset by a 14% increased in cost of sales compared to half year ended 31 December 2013. This is not reflective of the increase in revenues due to the lower operating cost of the steam turbine (ST-28) and economies of scale being achieved with increased throughput.

Income tax expense increased from US$ 4,519,000 to US$ 12,676,000 for the following reasons: (1) The impact of non-deductible expenses of US$ 5,700,000, primarily related to interest and certain depreciation expenses in Energy Epic (Sengkang) Pty Ltd. ("EEES"), which were non-deductible under the Sengkang PSC; and (2) tax expenses payable on additional revenues during the period from our operations in Indonesian both from PTES and EEES.

Assets under construction have continued to increase as a result of: (1) PT SSLNG: additions of US$36.5 million, primarily relating to construction progress payments; (2) Philippines LNG Hub Terminal: US$22.3 million of additions related to progress payments for construction; (3) Philippines Power Project: US$99.7 million of additions related to payments for equipment supply and construction services obtained and (4) Gilmore LNG Project: additions of US$7 million pertaining to construction progress payments.

## 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

**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.

In September 2013, the Company completed the second phase of its expansion to the Sengkang Power Plant. The two-phased expansion increased production capacity by 120MW (or more than 60%) to a total output of 315MW (total rated output of 357MW). EWC's Sengkang Power Plant is now the largest power generation facility by output capacity in South Sulawesi.

With the completion of the expansion project, the Sengkang Power Plant now comprises two combined cycle power plant blocks: (i) Block 1 being a combined cycle gas fuel power plant consisting of three turbines (GT11, GT12 and ST18) and having a total output of 135MW (total rated output of 161.6MW); and (ii) Block 2 being a combined cycle gas fuel power plant consisting of three turbines (GT21, GT22 and ST28) and having a total output of 180MW (total rated output of 196MW).

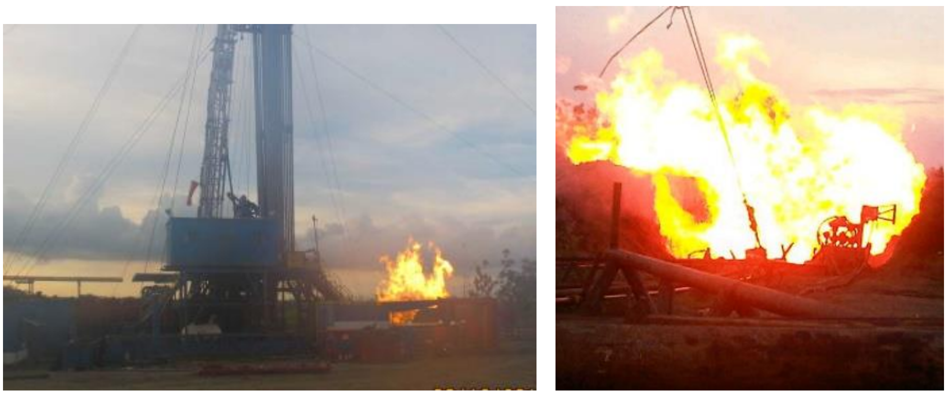
**Indonesian Gas Operations**

***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' 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 Sengkang Power Plant using our own gas infrastructure. In June 2011, BPMigas approved our plan of development for the Wasambo Gas Fields at Sengkang.

The Wasambo Drilling Program, which was 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. The drilling of Walanga #1 Twinning, Walanga #2 Twinning and Walanga #3 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.



Walanga Production Well Tests

In April 2014, the Company concluded the increase 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). The financing also includes a possibility to step up to US$200.0 million subject to completion tests for the Wasambo gas fields and related arrangements.

***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.

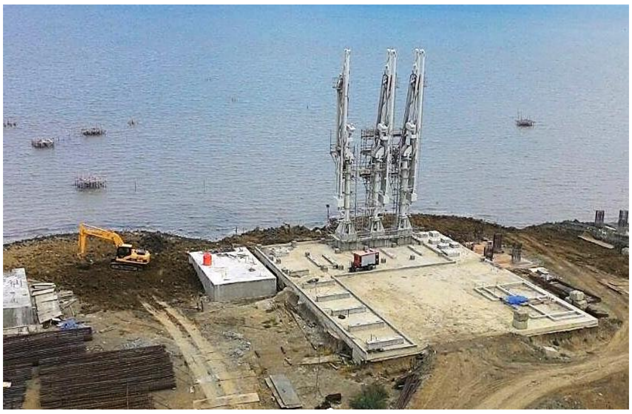
This equipment, including four cold-boxes, compressors and ancillary equipment, has been installed on site. The tank has been fully Slipformed and is now subject to fit out. Jetty works has being finalised and loading arms have been installed.

The interconnecting pipework and the installation of the control and instrumentation systems are being completed. PLN, who are responsible for providing the power supply to the Sengkang LNG Project, have completed the first phase of the interconnecting transmission systems and are on track to supply power to the site prior to the project's commercial operation.

We anticipate that we will complete the construction of the first train and associated works and undertake commissioning and commence operations within 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 the Company's 2014 Annual Report.

Project debt financing for the Sengkang LNG Project is being finalised with a leading Indonesia domestic bank. LNG product off-take discussions are being discussed with PLN who require LNG for its power operations in eastern Indonesia.


Construction of the LNG Tank


Construction of the Loading Platform


Compression & Liquefaction Trains

## AUSTRALIA

### 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. The Alice Springs Power Plant is an 8.68 MW gas-fired plant comprised of four spark-ignition gas-fired generating engines. Performance of the Alice Springs Power Plant for the period end 31 December 2014 has been in line with contractual agreements in place.

### Australian Gas Operations

Our Australian gas fields comprise of 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 in the 30 June 2014 Annual Report.

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

Our wholly-owned subsidiary Australian Gasfields Ltd (AGF) is a party to a joint operating agreement with Strike Energy Limited, an independent third party, in respect of the exploration licence area PEL 96, in the southern part of the Cooper/Eromanga Gas Field Basin in South Australia. PEL 96 was granted in May 2009 and has been renewed till November 2019. The permit area is approximately 4,050 km2 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 2014 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.

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 progresses 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.

AGF has a 2% interest in the Naccowlah Block (part of ATP-259P) which is a producing oil field near to Eromanga.

AGF has a 19.6% interest in PL184 (known as the Thylungra Gas Field) in Queensland located near our Eromanga Gas Field.

### Australian LNG Operations

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

#### *Alice Springs LNG Facility*

Our Alice Springs LNG Facility is one of our existing assets. Although the facility is not currently in production or operation it has been upgraded and ready for commercial supply of LNG to the market.

Central Energy Australia Pty. Ltd. ("CEA") continues to explore 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. As previously advised, 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 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.

***Gilmore LNG Project***

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

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

Site works have commenced and major equipment including the cold-box have arrived on site and are now installed onto their foundations, and 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. 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 the Company's 2014 Annual Report.

***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.

During the course of the financial year ended 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.

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.

**PHILIPPINES**

***Philippines LNG Hub***

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

The Hub consists 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 fully 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.

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 are well advanced. Concrete blinding for the LNG storage tank, the base slab formation and walls are complete. Formation of the jetty with rock armoring is completed with dome top roof currently being constructed. Loading arms should be installed soon. Site buildings and supporting infrastructure are under construction.

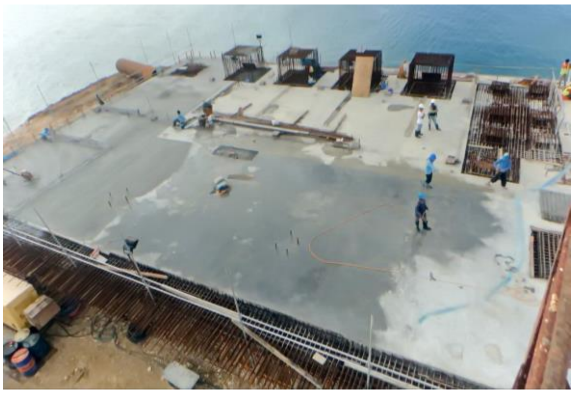
We envisage that we will complete the construction commissioning and commence commercial operation of the Philippines LNG Hub and associated works in 2015. This estimate is the Company's considered view of the current time frame, may be subject to change and is also subject to various risk factors as outlined in the section titled 'Principle 7: Recognise and manage risk' in the Corporate Governance Statement of the Company's 2014 Annual Report.

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. We are also working with Standard Chartered Bank in relation to a domestic bond issuance to finance the LNG Hub Terminal Project which again we anticipate will be concluded in the forthcoming months.

Construction of LNG Tank

Construction of LNG Tank Roof

Construction of Jetty



Construction of Jetty Deck

***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 x 200 MW gas turbines and 1 x 200/250MW steam turbine) gas fuelled combined cycle power plant based on highly efficient Siemens gas turbines and associated plant and infrastructure. Site foundations for the first 2 X 200MW gas turbine manufactured by Siemens (which arrived on site in October 2014) are complete and works are ongoing to bring the 2x200MW Gas Turbine into commercial operation as soon as possible.

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.

In addition to the funding already in place from our own equity and that of Standard Chartered Private Equity, the Development Bank of the Philippines ("DBP") is acting as lead arranger and lender to our Power Plant project. The

Project Financing is well advanced and we envisage the conclusion of formal arrangements and subsequent drawdown of funds in the coming months.


Construction of Power Station

Construction of Power Station

**Auditor's Independence Declaration**

A Copy of the auditor's independence as required under section 307C of the Corporations Act 2001 is set out on Page 13.

**Roundings of amounts**

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.

**Auditor**

Ernst & Young continue in office in accordance with section 327 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors:

**Brian Jeffrey Allen**
Director

Dated 27 February 2015

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 review of the financial report of Energy World Corporation Ltd for the half-year ended 31 December 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
27 February 2015

**Energy World Corporation Ltd and its Controlled Entities**
Interim Condensed Consolidated Statement of Comprehensive Income
**For the Half Year Ended 31 December 2014**

| | Note | **31 Dec 2014 US$'000s** | 31 Dec 2013 US$'000s |
|---|---|---|---|
| Sales revenue | 3 | **93,739** | 73,157 |
| Cost of sales | | **(37,703)** | (33,161) |
| **Gross profit** | | **56,036** | 39,996 |
| Other income | | **697** | 33 |
| Depreciation and amortisation expenses | 4 | **(23,226)** | (14,836) |
| Other expenses | | **(7,711)** | (8,001) |
| **Profit from operating activities** | | **25,796** | 17,192 |
| Finance income | 5 | **105** | 230 |
| Finance expenses | 5 | **(2,920)** | (2,585) |
| **Net financing expenses** | | **(2,815)** | (2,355) |
| Foreign currency exchange gain / (loss) | | **126** | (150) |
| **Profit before related income tax expense** | | **23,107** | 14,687 |
| Income tax expense | 6 | **(12,676)** | (4,519) |
| **Net profit for the period** | | **10,431** | 10,168 |
| Profit for the period attributable to: | | | |
| Non-controlling interests | | **467** | 79 |
| Owners of the parent | | **9,964** | 10,089 |
| | | **10,431** | 10,168 |
| | | **Cents** | Cents |
| Basic earnings per share attributable to ordinary equity holders | 15 | **0.57** | 0.58 |
| Dilutive earnings per share attributable to ordinary equity holders | 15 | **0.54** | 0.55 |
| **Net profit for the period** | | **10,431** | 10,168 |
| Items that may be reclassified subsequently to profit or loss | | | |
| Net gain/(loss) on cash flow hedges | | **624** | 467 |
| Exchange differences on translation of foreign operations | | **(7,113)** | (1,349) |
| Other comprehensive income/ (loss) for the period, net of tax | | **(6,489)** | (882) |
| **Total comprehensive income for the period** | | **3,942** | 9,286 |
| Total comprehensive income/(loss) for the period attributable to: | | | |
| Non-controlling interests | | **630** | 70 |
| Owners of the parent | | **3,312** | 9,216 |
| | | **3,942** | 9,286 |

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

**Energy World Corporation Ltd and its Controlled Entities**
Interim Condensed Consolidated Statement of Financial Position
**As at 31 December 2014**

| | Note | **31 Dec 2014 US$'000s** | 30 Jun 2014 US$'000s |
|---|---|---|---|
| **Current Assets** | | | |
| Cash assets | 7 | **6,288** | 14,245 |
| Cash held in reserve accounts | 8 | **101,733** | 40,415 |
| Trade and other receivables | 9 | **22,199** | 23,727 |
| Inventories | | **1,363** | 1,521 |
| Prepayment | 10 | **5,350** | 5,541 |
| **Total Current Assets** | | **136,933** | 85,449 |
| **Non-current Assets** | | | |
| Cash held in reserve accounts | 8 | **51,000** | 126,082 |
| Oil and gas assets | | **110,917** | 109,954 |
| Exploration and evaluation expenditure | | **58,191** | 59,650 |
| Property, plant and equipment | 11 | **1,058,256** | 909,066 |
| **Total Non-Current Assets** | | **1,278,364** | 1,204,752 |
| **TOTAL ASSETS** | | **1,415,297** | 1,290,201 |
| **Current Liabilities** | | | |
| Trade and other payables | | **313,038** | 204,450 |
| Interest-bearing borrowings | 12 | **112,034** | 35,400 |
| Income tax payable | | **6,887** | 2,124 |
| Derivative financial instruments | | **2,136** | 2,896 |
| Provisions | | **1,697** | 187 |
| **Total Current Liabilities** | | **435,792** | 245,057 |
| **Non-current Liabilities** | | | |
| Trade and other payables | | **1,770** | - |
| Interest-bearing borrowings | 12 | **311,677** | 382,245 |
| Deferred tax liabilities | | **48,068** | 47,312 |
| Derivative financial instruments | | **564** | 901 |
| Provisions | | **10,548** | 13,451 |
| **Total Non-Current Liabilities** | | **372,627** | 443,909 |
| **TOTAL LIABILITIES** | | **808,419** | 688,966 |
| **NET ASSETS** | | **606,878** | 601,235 |
| **EQUITY** | | | |
| Issued capital | 13 | **466,805** | 466,805 |
| Other reserves | | **20,195** | 25,146 |
| Retained earnings | | **110,224** | 100,260 |
| Equity attributable to owners of the parent | | **597,224** | 592,211 |
| Non-controlling interests | | **9,654** | 9,024 |
| **TOTAL EQUITY** | | **606,878** | 601,235 |

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

**Energy World Corporation Ltd and its Controlled Entities**
Interim Condensed Consolidated Statement of Changes in Equity
**For the Half Year Ended 31 December 2014**

| | Issued capital | Other Reserve | Retained earnings | Owners of the Parent | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|
| | US$'000s | US$'000s | US$'000s | US$'000s | US$'000s | US$'000s |
| Balance at 1 July 2014 | 466,805 | 25,146 | 100,260 | 592,211 | 9,024 | 601,235 |
| Profit for the period | - | - | 9,964 | 9,964 | 467 | 10,431 |
| Other comprehensive income | - | (6,652) | - | (6,652) | 163 | (6,489) |
| Total comprehensive income for the half year | - | (6,652) | 9,964 | 3,312 | 630 | 3,942 |
| Issue of convertible note (refer note 12(f)) | - | 1,701 | - | 1,701 | - | 1,701 |
| Balance at 31 December 2014 | **466,805** | **20,195** | **110,224** | **597,224** | **9,654** | **606,878** |
| | | | | | | |
| Balance at 1 July 2013 | 466,805 | 26,008 | 80,772 | 573,585 | 8,765 | 582,350 |
| Profit for the period | - | - | 10,089 | 10,089 | 79 | 10,168 |
| Other comprehensive income | - | (873) | - | (873) | (9) | (882) |
| Total comprehensive income for the half year | - | (873) | 10,089 | 9,216 | 70 | 9,286 |
| Issue of convertible note (refer note 12(e) | - | 458 | - | 458 | - | 458 |
| Balance at 31 December 2013 | 466,805 | 25,593 | 90,861 | 583,259 | 8,835 | 592,094 |

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

**Energy World Corporation Ltd and its Controlled Entities**
Interim Condensed Consolidated Statement of Cash Flows
**For the Half Year Ended 31 December 2014**

| | 31 Dec 2014 US$'000s | 31 Dec 2013 US$'000s |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Receipt from customers | **98,506** | 69,726 |
| Payment to suppliers & employees | **(42,153)** | (48,184) |
| Income tax paid | **(7,157)** | (4,420) |
| Insurance proceeds | **-** | 153 |
| Interest received | **36** | 230 |
| **NET CASH FROM OPERATING ACTIVITIES** | **49,232** | 17,505 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Payments for property, plant and equipment | **(53,959)** | (68,990) |
| Payments for oil and gas assets | **(8,120)** | (8,681) |
| Payments for exploration and development expenditure | **(5,333)** | (1,083) |
| Interest paid | **(9,109)** | (7,991) |
| **NET CASH USED IN INVESTING ACTIVITIES** | **(76,521)** | (86,745) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Transfer from/(to) restricted deposits and reserve accounts | **13,765** | 15,236 |
| Borrowing costs paid | **(375)** | (80) |
| Proceeds from borrowings | **25,000** | - |
| Repayment of borrowings | **(18,945)** | (7,900) |
| **NET CASH FROM FINANCING ACTIVITIES** | **19,445** | 7,256 |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | **(7,844)** | (61,984) |
| Cash at the beginning of the financial period | **14,245** | 86,665 |
| Net foreign exchange differences | **(113)** | (179) |
| **Cash at the end of the financial period** | **6,288** | 24,502 |

The statement of cash flows is read in conjunction with the accompanying notes.

# Notes to the Interim Condensed Consolidated Financial Statements

## 1. CORPORATE INFORMATION

The interim condensed financial statements of the consolidated entity ("the Group") for the half year ended 31 December 2014 were authorised for issue on 27 February 2015 in accordance with a resolution of the directors. Energy World Corporation Ltd is a company incorporated and domiciled in Australia and limited by shares, which are publically traded on the Australian Stock Exchange.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Energy World Corporation during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year.

Energy World Corporation has adopted all mandatory applicable Australian Accounting Standards and AASB interpretations as of 1 July 2014.

The adoption of these standards has not impacted the financial position or performance of Energy World Corporation.

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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (b) Going Concern

As at 31 December 2014 the group's consolidated balance sheet shows a net current liability position of $299m.

The current liability position includes $265.9m 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 16. The company has agreed on 26 February 2015 with the Slipform entities 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 all of these payables until 1 March 2016, 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 addition, the company has reached an agreement on 27 February 2015 with EWI, a related party as described in Note 16, to provide a $25m working capital facility until 1 March 2016. It is intended that the working capital facility will be exchanged into a convertible note that will be based on the same or similar commercial terms and conditions as the $25m EWI convertible note executed on 19 December 2014. Should the proposed convertible note not receive the relevant approvals, the facility is repayable immediately. The exchange of the working capital facility for a convertible note will be subject to the necessary process and approvals. A separate communication will be released by the Company to its shareholders on this note facility once the convertible note terms have been finalised.

The remaining deficit in net current liabilities can be met from cashflows from existing operations.

In the meantime, EWC continue to progress 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.

### (c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods. The consolidated entity has not adopted these new standards and interpretations and the Directors have not yet assessed whether their adoption will have a material impact on future financial statements.

### (d) Basis of consolidation

The interim condensed financial statement comprises the financial statements of Energy World Corporation Ltd and its controlled entities as at 31 December 2014.

(i) Subsidiaries

Subsidiaries are 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 right, to variable returns from its involvement with the investee, and the ability to use the power over the investee to affect its returns. The financial statements of the 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 impairment charges.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Subsidiaries (continued)

A change in the ownership interest 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 interests 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.

### (e) Fair value

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:

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

(ii) 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.

(iii) 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.

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 half year ended 31 December 2014, the Group held no financial instruments with the characteristics of level 1 and level 3 financial instruments described above.

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

During the reporting period ended 31 December 2014 and 30 June 2014, there were no transfers between level 1 and level 2 fair value measurements.

The fair value of financial assets and financial liabilities approximate their carrying value.

## 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.

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

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

### (b) Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in this interim condensed financial statements and the annual financial report for the year ended 30 June 2014.

## 3. OPERATING SEGMENT (CONTINUED)

### (c) Segment revenue, expenses and assets

All revenues are derived from external customers.

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** | | | |
| | **31 Dec 14 US$'000s** | 31 Dec 13 US$'000s | **31 Dec 14 US$'000s** | 31 Dec 13 US$'000s | **31 Dec 14 US$'000s** | 31 Dec 13 US$'000s | **31 Dec 14 US$'000s** | 31 Dec 13 US$'000s | **31 Dec 14 US$'000s** | 31 Dec 13 US$'000s | **31 Dec 14 US$'000s** | 31 Dec 13 US$'000s |
| Sales revenue | **670** | 956 | **2,624** | 2,710 | **25,429** | 22,261 | **65,016** | 47,230 | **-** | - | **93,739** | 73,157 |
| **Result** | | | | | | | | | | | | |
| Segment result | **184** | 515 | **(84)** | 145 | **19,808** | 16,023 | **30,235** | 16,074 | **-** | - | **50,144** | 32,757 |
| Depreciation and amortisation | **(347)** | (281) | **(470)** | (464) | **(7,157)** | (3,727) | **(15,252)** | (10,364) | **-** | - | **(23,226)** | (14,836) |
| Net financing cost | | | | | | | | | | | **(2,815)** | (2,355) |
| Unallocated corporate result | | | | | | | | | | | **(1,121)** | (729) |
| Foreign currency exchange gain | | | | | | | | | | | **126** | (150) |
| Profit before income tax | | | | | | | | | | | **23,107** | 14,687 |
| Income tax expense | | | | | | | | | | | **(12,676)** | (4,519) |
| Profit after income tax | | | | | | | | | | | **10,431** | 10,168 |
| Non-Controlling interest | | | | | | | | | | | **467** | 79 |
| | **31 Dec 14 US$'000s** | 30 Jun 14 US$'000s | **31 Dec 14 US$'000s** | 30 Jun 14 US$'000s | **31 Dec 14 US$'000s** | 30 Jun 14 US$'000s | **31 Dec 14 US$'000s** | 30 Jun 14 US$'000s | **31 Dec 14 US$'000s** | 30 Jun 14 US$'000s | **31 Dec 14 US$'000s** | 30 Jun 14 US$'000s |
| Current assets | **305** | 607 | **772** | 504 | **13,792** | 20,953 | **41,078** | 54,491 | **-** | - | **55,947** | 76,483 |
| Segment assets | **47,761** | 50,347 | **5,098** | 5,743 | **142,444** | 149,968 | **285,092** | 311,950 | **800,692** | 634,738 | **1,281,087** | 1,152,933 |
| Segment liabilities | **(3,949)** | (2,440) | **(327)** | (228) | **(76,210)** | (124,433) | **(142,458)** | (158,205) | **(340,235)** | (182,871) | **(563,179)** | (468,177) |

## 3. OPERATING SEGMENT (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:

| | **31 Dec 2014 US$'000** | 30 Jun 2014 US$'000 |
|---|---|---|
| Segment operating assets | **1,281,087** | 1,152,933 |
| Current corporate assets | **80,985** | 8,966 |
| Non-current cash held in reserve accounts | **51,000** | 126,082 |
| Non-current prepayments and other | **2,225** | 2,220 |
| **Total assets per the statement of financial position** | **1,415,297** | 1,290,201 |

Reconciliation of segment operating liabilities to total liabilities:

| | **31 Dec 2014 US$'000** | 30 Jun 2014 US$'000 |
|---|---|---|
| Segment operating liabilities | **563,179** | 468,177 |
| Deferred tax liabilities | **48,068** | 47,312 |
| Interest-bearing borrowings | **194,934** | 171,644 |
| Other | **2,238** | 1,833 |
| **Total liabilities per the statement of financial position** | **808,419** | 688,966 |

| | **31 Dec 2014 US$'000s** | 31 Dec 2013 US$'000s |
|---|---|---|
| **4. DEPRECIATION AND AMORTISATION EXPENSES** | | |
| Depreciation of property, plant and equipment | **(16,069)** | (11,110) |
| Depreciation and amortisation of oil and gas assets | **(7,157)** | (3,726) |
| | **(23,226)** | (14,836) |
| **5. FINANCIAL INCOME AND EXPENSES** | | |
| Interest income – cash at bank and term deposits | **105** | 230 |
| Finance costs * | **(2,920)** | (2,585) |
| | **(2,815)** | (2,355) |

* Finance costs for the current period are $11.6m (31 Dec 2013: $8.4m) of which $8.8m (31 Dec 2013: $5.8m) has been capitalised in projects under construction.

## 6. INCOME TAX

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

| | **31 Dec 2014 US$'000s** | 31 Dec 2013 US$'000s |
|---|---|---|
| Accounting profit before tax | **23,107** | 14,687 |
| Prima facie tax expense at the Parent's statutory rate of 30% (31 December 2013: 30%) | **(6,932)** | (4,406) |
| *Decrease / (increase) in tax expense due to:* | | |
| Difference in tax rates | **(2,281)** | (720) |
| Non-deductible expenses / non-assessable income | **(5,785)** | (70) |
| Temporary differences not brought to account, including foreign exchange impact | **2,606** | 127 |
| Other | **(284)** | 550 |
| | **(12,676)** | (4,519) |

| | **31 Dec 2014 US$'000s** | 30 Jun 2014 US$'000s |
|---|---|---|
| **7. CASH ASSETS** | | |
| Cash at bank and in hand | **4,733** | 12,677 |
| Term deposits | **1,555** | 1,568 |
| | **6,288** | 14,245 |

## 8. CASH HELD IN RESERVE ACCOUNTS

| | **31 Dec 2014 US$'000s** | 30 Jun 2014 US$'000s |
|---|---|---|
| Cash held in reserve accounts – current | **101,733** | 40,415 |
| Cash held in reserve accounts - non-current | **51,000** | 126,082 |
| | **152,733** | 166,497 |

As at 31 December 2014, cash of $152.7 million was held in reserve accounts for the following purpose.

- $75.0 million as security for payment to Standard Chartered Bank of the corporate facility
- $51.0 million as security for payment to HSBC of the corporate facility
- $26 million as Debt Service Accrual and Debt Service Reserve Sub Accounts for PT Energi Sengkang
- $0.4 million as Debt Service Reserve Account, Collection Account and Mandatory Prepayment Account for Energy Equity Epic (Sengkang) Pty Ltd.
- $0.3 million as Security Deposits made by Australian Gasfields Ltd ($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 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
- $51.0 million as security for payment to HSBC of the corporate facility
- $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
- $4.7 million as Debt Service Accrual and Debt Service Reserve Sub Accounts and Collection Account for Energy Equity Epic (Sengkang) Pty Ltd
- $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).

## 9. TRADE AND OTHER RECEIVABLES

| | **31 Dec 2014 US$'000s** | 30 Jun 2014 US$'000s |
|---|---|---|
| **Current** | | |
| Trade receivables | **12,769** | 17,207 |
| Sundry debtors | **9,430** | 6,520 |
| | **22,199** | 23,727 |

## 10. PREPAYMENTS

| | | |
|---|---|---|
| Prepayments* | **5,350** | 5,541 |
| | **5,350** | 5,541 |

* Prepaid costs include $3.6 million incurred to date for the proposed secondary listing on the Hong Kong Stock Exchange. If the listing does not eventuate these costs 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.

## 11. PROPERTY, PLANT AND EQUIPMENT

| | Freehold land US$'000s | Buildings on freehold land US$'000s | Plant and equipment US$'000s | Assets under construction US$'000s | Total US$'000s |
|---|---|---|---|---|---|
| **Assets at Cost** | | | | | |
| Balance at 1 July 2014 | 7,392 | 2,750 | 419,117 | 634,738 | 1,063,997 |
| Transfers | - | - | - | - | - |
| Additions | - | - | 1,830 | 165,785 | 167,615 |
| Foreign currency translation | (4) | (8) | (6,557) | - | (6,569) |
| Balance at 31 December 2014 | 7,388 | 2,742 | 414,390 | 800,523 | 1,225,043 |
| **Depreciation** | | | | | |
| Balance at 1 July 2014 | - | (992) | (153,939) | - | (154,931) |
| Depreciation charge for the period | - | (8) | (16,061) | - | (16,069) |
| Foreign currency translation | - | - | 4,213 | - | 4,213 |
| Balance at 31 December 2014 | - | (1,000) | (165,787) | - | (166,787) |
| **Carrying amount** | | | | | |
| At 30 June 2014 | 7,392 | 1,758 | 265,178 | 634,738 | 909,066 |
| At 31 December 2014 | 7,388 | 1,742 | 248,603 | 800,523 | 1,058,256 |

The Assets under construction comprise of $413.0 million (June 2014: $376.5 million) applicable to the Sengkang LNG plant development; $136.1 million (June 2014:$113.8 million) applicable to the Philippines LNG project; $214.1 million (June 2014: $114.4 million) applicable to the Philippines Power project and $37.3 million (June 2014: $30.0 million) applicable to other projects.

## 12. INTEREST-BEARING BORROWINGS

| | | 31 Dec 2014 US$'000s | 30 Jun 2014 US$'000s |
|---|---|---|---|
| **Current** | | | |
| PTES US$200 million with Standard Chartered Bank and Mizuho Corporate Bank | (b) | **24,720** | 24,005 |
| EEES US$125 million Secured Borrowing Base Facility with Standard Chartered Bank and Mizuho Corporate Bank | (d) | **12,693** | 11,395 |
| US$75 million Revolving Loan Facility Agreement with Standard Chartered Bank | (c)(i) | **74,621** | - |
| **Total current** | | **112,034** | 35,400 |
| **Non-current** | | | |
| PTES US$200 million with Standard Chartered Bank and Mizuho Corporate Bank | (b) | **101,321** | 112,736 |
| EEES US$125 million Secured Borrowing Base Facility with Standard Chartered Bank and Mizuho Corporate Bank | (d) | **89,972** | 98,061 |
| US$75 million Revolving Loan Facility Agreement with Standard Chartered Bank | (c)(i) | **-** | 74,569 |
| US$51million Revolving Loan Facility Agreement with the Hong Kong and Shanghai Banking Corporation Limited | (c)(ii) | **50,447** | 50,441 |
| Convertible Exchangeable Note with Standard Chartered Private Equity (Singapore) Pte. Ltd. | (e) | **46,897** | 46,438 |
| EWI US$25 million Convertible Exchangeable Note | (f) | **23,040** | - |
| **Total non-current** | | **311,677** | 382,245 |
| **Total interest-bearing liabilities** | | **423,711** | 417,645 |

### (a) 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.

### (b) 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 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$131.2 million was outstanding as at 31 December 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.

## 12. INTEREST-BEARING BORROWINGS (CONTINUED)

### (c) Corporate Bank Loans Terms and Conditions

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

EWC originally obtained the US$75.0 million SCB Corporate Revolving Loan Facility from Standard Chartered Bank on 22 October 2008. The maturity date is 23 October 2015. As at 31 December 2014, the aggregate amount owed under the 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 Ltd

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

The facility's maturity date is 14 June 2016. As at 31 December 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.

### (d) EEES New Secured Borrowing Base Facility Terms and Conditions

**US$125,000,000 Secured Borrowing Base Facility Agreement with Standard Chartered Bank and Mizuho Corporate Bank Ltd**

EEES has a secured revolving borrowing base facility of 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.

This 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 31 December 2014, US$106.5 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.

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

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

## 12. INTEREST-BEARING BORROWINGS (CONTINUED)

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

Under the Subscription Agreement:

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

(ii) EWC issued to the Subscriber a Warrant to purchase 9,920,634 Ordinary Shares at an exercise price of AU$0.50 EWC. An additional Warrant was issued during the half year ending 31 December 2013 to purchase 4,133,598 Ordinary Shares at an 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 SCPE would 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.

### (f) US$25,000,000 Convertible Exchangeable Note with Energy World International Ltd

On 19 December 2014, the Company executed documentation with Energy World International (EWI) to obtain 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 convertible/exchangeable bond; matching loan conditions, a coupon of 2.5% and a conversion strike price of AU$0.50 cents per share. The convertible/exchangeable bond with EWI obtained shareholder approval at the Annual General Meeting held on 21 November 2014.

A financial liability of $22,924,406 has been recognised in non-current liabilities representing the debt component and an amount of $1,700,594 recognised in convertible note reserve in equity representing the equity component of the instrument.

## 13. ISSUED CAPITAL

| | **31 Dec 2014** | 30 Jun 2014 |
|---|---|---|
| Ordinary shares (US$'000) | **466,805** | 466,805 |
| Number of ordinary shares | **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.

## 14. CONTINGENT LIABILITIES

### (a) SKKMIGAS PARTICIPATION (FORMERLY AS CALLED BPMIGAS)

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

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

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

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

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

### (b) Intra-Group Loans

The Company has given an undertaking that we will not require loans that the Company has made to wholly owned and controlled entities to be repaid within a 12-month period from 28 February 2015 if doing so would place those entities in a position where they could not pay their debts as and when they fall due.

## 15. EARNINGS PER SHARE

The calculation of basic earnings per share outstanding for the period ended 31 December 2014 was based on the profit attributable to ordinary shareholders of $9,964,000 (31 December 2013: $10,089,000) and a weighted average number of ordinary shares outstanding during the period ended 31 December 2014 of 1,734,166,672 (31 December 2013: 1,734,166,672), calculated as follows:

### (a) Earnings used in calculating earnings per share:

| | **31 Dec 2014 US$'000s** | 31 Dec 2013 US$'000s |
|---|---|---|
| Profit attributable to ordinary shareholders for basic and diluted earnings | **9,964** | 10,089 |

### (b) Weighted average number of ordinary shares

| | **31 Dec 2014** | 31 Dec 2013 |
|---|---|---|
| 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 | | |
| SCPE | **101,122,459** | 101,122,459 |
| EWI (ii) | **4,324,973** | - |
| Weighted average number of shares used as a denominator for diluted earnings per share | **1,839,614,104** | 1,835,289,131 |

| | **31 Dec 2014 Cent** | 31 Dec 2013 Cent |
|---|---|---|
| Basic earnings per share – cents per share | **0.57** | 0.58 |
| Diluted earnings per share – cents per share | **0.54** | 0.55 |

(i) 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.

(ii) The convertible notes were outstanding for only 13 days of fiscal 2014 resulting in a pro-rated amount of shares outstanding of 4,324,973, respectively.

## 16. RELATED PARTY TRANSACTIONS

There were no new related party contracts entered into during the half year ended 31 December 2014. Open contracts at 31 December 2014 are summarised below:

### (a) Leases of properties

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

| Premises | Lessor | Lessee | Term | Rental |
|---|---|---|---|---|
| 1. Part of Unit 9A, Seaforth Crescent, Seaforth, Sydney, New South Wales, Australia | Energy World International Limited | Energy World Corporation Ltd | Extended to 31 December 2015. | A$6,000 per month (excluding GST);<br>Payment made during the period of this annual report - A$36,000 (US$31,938) |
| 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.* | Energy World Corporation Ltd | 20 years commencing 9 June 2007 with an option to extend for a further term of 10 years | 5 PHP ($0.1) per square metre (total PHP 1,075,000) ($22,349 per annum), commencing on the date of commissioning and commercial operation of the LNG Hub facility, indexed to the Philippines consumer price index annually after 3 years of the term; no payment was made during the period of this annual report. |

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

## 16. RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Commercial Agreements with EWC and Related Parties

We have previously entered into a number of management services agreements with EWI and Slipform Engineering International (H.K.) Ltd, details of the open contact at 31 December 2014 is summarised below:

| Parties | Date of agreement/ amendment | Scope of services | Fees | Payment made during the year ended 31 December 2014 | Amount remaining on contract to be billed at 31 December 2014 |
|---|---|---|---|---|---|
| 1. 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. Slipform continues to provide ongoing assistance. | Balance payable as at 31 December 2013: Nil payable<br><br>Amounts paid during the six months ended 31 December: Nil | US$279,763 |

* 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.

### (c) Construction Agreements with EWC and Connected Persons

We have 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 half year ended 31 December 2014 | Payments made during the year ended 31 December 2014 | Amount payable on contract at 31 December 2014 |
|---|---|---|---|---|---|
| PTES and PT Consolidated Electric Power Asia * | 12 March 2012<br>30 May 2012 (amendment)<br>30 May 2012 (addendum) | PT Consolidated Electric Power Asia agrees to be responsible for operation and maintenance services in relation to the Sengkang Power Plant. The initial scope covers the original 135MW units. The O&M was extended to cover the additional 180MW units upon commercial operation of the 60MW steam turbine. | US$8.68m | US$7.86m<br>Including<br>1. US$2.88m: invoices received in the year ending 2014 which were paid in the current year;<br>2. US$4.98m: invoice received and paid during the current financial half year; | US$3.71m |

* 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.

## 16. RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Construction Agreements with EWC and Connected Persons (Continued)

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

| Parties | Date of agreement / amendment | Scope of services | Contract value | 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<br>18 June 2012 (amendment) | Slipform Engineering International (H.K.) Ltd agrees to undertake the engineering, procurement and construction of the Gilmore LNG Project. | $70.0m subject to adjustment and deduction for equipment and consultant services incurred directly by the Company. | 31 December 2014: $17.1<br>30 June 2014: $11.1 | 31 December 2014: $10.2<br>30 June 2014: $9.9 | 31 December 2014: $27.2<br>30 June 2014: $21.0 | 31 December 2014: $42.8<br>30 June 2014: $49.0 | 31 December 2014: $17.1<br>30 June 2014: $11.1 |
| EWC and Slipform Engineering International (H.K.) Ltd | 12 March 2012<br>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. | 31 December 2014: $107.0<br>30 June 2014: $90.4 | 31 December 2014: $18.2<br>30 June 2014: $18.0 | 31 December 2014: $125.2<br>30 June 2014: $108.4 | 31 December 2014: $4.8<br>30 June 2014: $21.6 | 31 December 2014: $41.2<br>30 June 2014: $51.2 |
| PT South Sulawesi LNG and PT Slipform Indonesia | 18 March 2009<br>12 March 2012 (novation and variation)<br>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 | 31 December 2014: $120.5<br>30 June 2014: $106.5 | 31 December 2014: $193.7<br>30 June 2014: $201.1 | 31 December 2014: $314.2<br>30 June 2014: $307.6 | 31 December 2014: $37.8<br>30 June 2014: $44.4 | 31 December 2014: $118.0<br>30 June 2014: $104.0 |
| 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 | 31 December 2014: $101.1<br>30 June 2014: $29.4 | 31 December 2014: $105.6<br>30 June 2014: $84.8 | 31 December 2014: $206.6<br>30 June 2014: $114.2 | 31 December 2014: $381.4<br>30 Jun 2014: $473.8 | 31 December 2014: $81.7<br>30 June 2014: $10 |

* 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.

In September 2014 EWC received a letter from Slipform (H.K) and its related entities agreeing to defer $120m of payables until 31 October 2015 or until the company is in a position to pay these obligations. Costs relating to entering the arrangement and interest payable of $7.95m have been accrued for at 31 December 2014.

## 17. SUBSEQUENT EVENTS

Except for the events as described in Note 2(b) of these accounts, there are no other significant events occurring after the balance sheet date which may affect the Company's operations or results of these operations or the Company's state of affairs.

## 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 Energy World Corporation Ltd for the half year ended 31 December 2014 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 31 December 2014 and of its performance for the half year ended on that date; and

(ii) complying with Accounting Standards and *the Corporations Regulations 2001*

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board

B Allen

**Brian Jeffrey Allen**
Director

27 February 2015

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

# To the Directors of Energy World Corporation Ltd

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Energy World Corporation Ltd, which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, 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 half-year or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Energy World Corporation Ltd and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### Independence

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

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Energy World Corporation Ltd is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Scott Jarrett
Partner
Sydney

27 February 2015