MUI CORPORATION LIMITED

ABN 54 072 350 817

ANNUAL REPORT
For the year ended 30 June 2014

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CORPORATE INFORMATION

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Mr J Bell (Chairman)
Mr D Martino
Mr P Silva

COMPANY SECRETARY
Ms L Martino

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COUNTRY OF INCORPORATION AND DOMICILE
Australia

DIRECTORS' REPORT

Your directors submit the financial report of MUI Corporation Limited ("the Company") for the year ended 30 June 2014. In order to comply with the provisions of the Corporations Act, the directors report as follows:

Directors

The names of the Company's directors in office during the year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated:

Mr John Bell
Mr Philip Silva
Mr Domenic Martino (appointed 19 December 2013)
Mr Marcus Zeltzer (resigned 19 December 2013)

The details of directors and company secretary who held office as at the date of this report are as follows.

Names, Qualifications and Experience

John Bell (Chairman, Executive Director)

Mr Bell graduated from the University of Aston with a B.Sc. (Hons) in Administrative Science, is a Fellow of the Chartered Institute of Management Accountants (UK), a Chartered Global Management Accountant, a Fellow of CPA Australia, and is a Member of the Australian Institute of Company Directors.

Mr Bell brings extensive experience in strategic, financial and commercial management and governance to the Company. He has had experience as Chairman, CEO, COO, CFO, Director and Company Secretary of a number of ASX listed and venture capital backed companies and specialises in rebuilding value in organisations. He also has extensive experience with multinational companies in the media and entertainment, cable manufacturing, engineering and industrial products industries and has worked in Europe, North and South America, Africa and Asia Pacific. His industry experience covers a wide range including mining exploration, mining services, investment banking, entertainment, technology, medical devices and renewable energy.

During the past three years Mr Bell held no other directorships in ASX listed companies.

Phil Silva (Non-Executive Director)

Mr Silva is a partner of Creative Resources & Distribution and an associate with the Institute of Independent Business (IIB) specialising in management consulting across a range of companies and sectors locally and internationally.

Mr Silva also has developed deep knowledge in the IT, telecoms, contact centre and interactive media industries. He has held a number of positions as a Managing Director, Director and Vice President for a number of local private and international public companies.

His primary focus is generating profitable sales returns for his clients both locally and internationally.

During the past three years Mr Silva held no other directorships in ASX listed companies.

Domenic Martino (Non-Executive Director) – Appointed 19 December 2013

Mr Martino is a Chartered Accountant and an experienced director of ASX listed companies. Previously CEO of Deloitte Touch Tohmatsu in Australia, he has significant experience in the development of "micro-cap" companies.

Mr Martino is a key player in the re-birth of a broad grouping of ASX companies including Cokal Limited, Pan Asia Corporation Limited, Clean Global Energy Limited (renamed Citation Resources Ltd) and NuEnergy Capital Limited. He has a strong reputation in China, with a lengthy track record of operating in Papua New Guinea (PNG) and Indonesia, where he has successfully closed key energy and resources deals with key local players. He has a proven track record in capital raisings across a range of markets.

Mr Martino was a recipient of the Centenary Medal 2003 for his service to Australian society through business and the arts.

During the past three years Mr Martino held the following directorships in other ASX listed companies:

Australasian Resources Ltd (27 November 2003-Current), Cokal Ltd (24 December 2010-Current), Coral Sea Petroleum Ltd (3 August 2012-Current), ORH Limited (6 May 2009-Current), Pan Asia Corporation Ltd (24 December 2010-Current), Synergy Plus Limited (7 July 2006-Current) and Citation Resources Ltd (9 October 2009-13 December 2012).

Marcus Zeltzer (Non-Executive Director) - Resigned 19 December 2013

Mr Zeltzer holds a Bachelor of Science degree from the University of Wollongong.

Mr Zeltzer has significant experience in corporate finance, mergers and acquisitions, capital raisings and corporate development. He has worked in corporate advisory firms in Sydney, Auckland and Singapore and in the investment arm of the Tenix Group.

Mr Zeltzer has successfully advised corporate and financial sponsors on many transactions across the resources, technology, media and industrial sectors.

During the past three years Mr Zeltzer held no other directorships in ASX listed companies.

Louisa Martino (Company Secretary)

Ms Martino provides company secretarial and accounting services through Transaction Services Pty Ltd. Prior to this she was the Chief Financial Officer of a private company during its stage of seeking investor financing.

Ms Martino previously worked for a corporate finance company, assisting with company compliance (ASIC and ASX) and capital raisings. She also has experience working for a government organisation in its Business Development division where she performed reviews of business opportunities and prepared business case documents seeking Government funding.

Ms Martino previously worked for a major accounting firm in Perth, London and Sydney where she provided corporate advisory services, predominantly on IPOs and mergers and acquisitions and also performed due diligence reviews. She has a Bachelor of Commerce from the University of Western Australia, is a member of the Institute of Chartered Accountants in Australia and a member of the Financial Services Institute of Australasia (FINSIA).

Interest in the Shares and Options of the Company

As at the date of this report, the interests of the directors in the Company were:

	Number of Ordinary Shares	Number of Options
J Bell	-	30,000,000
P Silva	-	10,000,000
D Martino	-	-

Dividends

No dividends have been paid or declared since the start of the period and the directors do not recommend the payment of a dividend in respect of the period.

Principal Activities

The principal activity of the Company during the financial year was the licensing of copyright for feature films. There have been no other significant changes in the nature of those activities during the year.

Review of Operations

The Company continued to review its film library assets and continued to undertake due diligence on the potential acquisition of coal licences in Queensland during the financial year.

During the year the Company issued 500,000,000 shares at $0.001 each to raise $500,000 in cash.

Put and Call Option

MUI Corporation terminated its existing Call Option Deed and entered in to a new Put and Call Option Deed with the following terms:

- AusAsia Energy Pty Ltd ("AusAsia") grants a call option to MUI to purchase the shares of its wholly owned subsidiary, JEMS Exploration Pty Ltd ("Shares"), which holds the Grey Ranges and Laura Basin exploration tenements ("Call Option");
- MUI grants to AusAsia a put option to require MUI to purchase the Shares, which can only be exercised if MUI does not exercise the Call Option, on terms and conditions contained in the Share Purchase Agreement ("Put Option");
- The expiry date of the Put and Call Options is 15 December 2014;
- The conditions to be met prior to exercising the options are as follows:
    - MUI obtaining all shareholder approvals necessary;
    - Compliance with Chapters 1 and 2 of the ASX Listing Rules as a result of the application of Listing Rule 11;
    - JEMS remaining the holder of the tenements, and all such tenements remain in good standing; and
    - MUI being satisfied with its due diligence investigations in respect of JEMS and the tenements.
- A Share Purchase Agreement will come into effect on exercise of either the Put Option or Call Option, and its terms are as follows:
    - The Company will purchase 100% of AusAsia's 100% owned subsidiary JEMS Exploration Pty Ltd ("JEMS") which holds 100% of the following tenements:
        - Queensland Exploration Permit for Coal EPC 2510 – Grey Ranges;
        - Queensland Exploration Permit for Coal EPC 2544 – Grey Ranges;
        - Queensland Exploration Permit for Coal EPC 2557 – Grey Ranges; and
        - Queensland Exploration Permit for Coal EPC 2755 – Laura Basin.
    - No MUI shares will be issued and no cash will be paid by the Company to acquire the Shares;

  - The transfer of the Shares to MUI on exercise of either the Put Option or the Call Option is in full and final satisfaction of all outstanding amounts under the Loan Facility Agreement, which is currently $3.5m, as amended as set out below.

Loan Facility Agreement

Amendments to the Loan Facility Agreement made during the year are as follows:

- Loan Amount: The parties have agreed to increase the loan facility from $3.5 million to $4.0 million. To date $3.475 million has been advanced to AusAsia. Any further advances will be made at MUI's discretion for costs associated with the tenements.
- Term: The terms has been extended to 15 December 2014. If the options are not exercised or if the conditions contemplated under the Put and Call Option are not approved by the Company's shareholders prior to the expiry of the term, then all funds lent to AusAsia under the Loan Facility Agreement will become due and repayable to the Company.
- Interest Rate: The loan is interest free, provided that full repayment of the funds lent is made prior to the expiry of the term. Default interest accrues at a rate of 12% per annum.
- Security: The Company has been granted the following security:
  - Charge over the assets of JEMS and AusAsia;
  - Corporate guarantee of JEMS; and
  - Personal guarantee of Mr Domenic Martino.

Financial Position

The net assets of the Company have decreased by $48,858 from 30 June 2013 to $3,105,823 as at 30 June 2014.

Operating Results for the Period

The statement of profit or loss and other comprehensive income shows a net loss attributable to members of $518,858 (2013: loss $552,588).

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Significant Events after the Reporting Date

As announced on ASX in July 2014, MUI has been reviewing options to develop the coal tenements held by JEMS and, given sustained depressed market conditions for coal and their effect particularly on the junior coal sector, MUI has explored a number of alternatives to maximise the value of the call option.

MUI has since year end agreed binding terms with AusAsia to relinquish MUI's call option to purchase JEMS and for the repayment of MUI's loan to AusAsia as follows:

1. AusAsia will pay MUI:

- a non-refundable cash payment of $1,200,000 via instalments by 5 December 2014 ($160,000 of which was received in June 2014); and
- $4,800,000 in cash by 15 December 2015.

2. MUI will release its security upon receipt of the last of the above payments.

3. On payment of the $1,200,000, the expiry date of the call option will extend to 15 December 2015. In addition, the Loan Facility Agreement will also extend to 15 December 2015.

4. Should the transaction not complete by 15 December 2015 with the payment of $4,800,000, AusAsia will relinquish 30% of the shares in JEMS to a third party nominated by AusAsia and MUI will retain its option to acquire 70% of the shares in JEMS. In this event the security as mentioned above will continue (except to the extent of the 30% of shares in JEMS transferred to the party nominated by AusAsia).

Likely Developments and Future Results

With the completion of the transaction noted above with AusAsia, MUI will assess further opportunities for the Company. The Company continues to explore opportunities for its film library, with discussions taking place with parties who can develop its potential for digital platforms, with a view to generating value from the asset.

Environmental Regulation and Performance

The Company was not subject to any environmental regulations or licences during the financial year.

Indemnification and Insurance of Officers and Auditors

During the year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the company secretary, Ms L Martino and any related body corporate against a liability incurred as such against a director or secretary to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the reporting period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Company

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

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

REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for the directors and executives of the Company. The following persons acted as directors during or since the end of the financial year:

Mr J Bell	Director (executive)
Mr P Silva	Director (non-executive)
Mr D Martino	Director (non-executive) – appointed 19 December 2013
Mr M Zeltzer	Director (non-executive) – resigned 19 December 2013

The previous remuneration report was passed at the Company's 2013 Annual General Meeting held on 27 November 2013. There were no comments provided by shareholders in respect of the previous remuneration report.

Remuneration Philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors.

The Board of Directors assesses the appropriateness of the nature and amount of remuneration of directors on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. A remuneration consultant has not been engaged by the Company to provide recommendations in respect of remuneration, given the size of the entity and its structure.

Non-executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The last determination was at the Annual General Meeting held on 8 December 2009 when shareholders approved an aggregate remuneration of $300,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed periodically. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. In addition, the directors received options as part of their remuneration and as an incentive. The directors considered it prudent to conserve the Company's limited working capital rather than increasing director fees, and the issue of non-performance options to directors aligns them with shareholder objectives.

The remuneration of non-executive directors for the period ended 30 June 2014 is detailed in the ensuing pages.

Executive Remuneration

Remuneration of the executive director is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the director.

The remuneration of the executive director for the period ended 30 June 2014 is detailed in the ensuing pages.

There were no employment contracts in place during the financial year.

DIRECTORS' REPORT (continued)

Remuneration of Directors

Directors' remuneration for the year ended 30 June:

		Salary & Fees	Non Monetary Benefits	Post Employment Super-annuation	Equity Based Payment	Termination Benefits	Total	% Equity Based Payments
J Bell	2014	48,000	-	-	-	-	48,000	-
	2013	60,000	-	-	8,986	-	68,986	13.03%
P Silva	2014	36,000	-	-	-	-	36,000	-
	2013	66,000	-	-	2,995	-	68,995	4.34%
D Martino – appointed 19 Dec 2013	2014	18,000	-	-	-	-	18,000	-
	2013	-	-	-	-	-	-	-
M Zeltzer – resigned 19 Dec 2013	2014	36,000	-	-	-	-	36,000	-
	2013	72,000	-	-	8,986	-	80,986	11.10%
Total	**2014**	**138,000**	**-**	**-**	**-**	**-**	**138,000**	**-**
	2013	**198,000**	**-**	**-**	**20,967**	**-**	**218,967**	**-**

Directors' interest in the Shares and Options of the Company

Shares held in the Company

Nil shares were held by directors in the Company during the 2014 financial year (2013: Nil).

Options held in the Company (number)

	Balance at beginning of year July 2013	Options issued	Options expired	Balance at date of resignation	**Balance at 30 June 2014**
J Bell	**30,000,000**	**-**	**-**	**-**	**30,000,000**
P Silva	**10,000,000**	**-**	**-**	**-**	**10,000,000**
D Martino	**-**	**-**	**-**	**-**	**-**
M Zeltzer	**30,000,000**	**-**	**-**	**-**	**30,000,000[1]**
Total	**70,000,000**	**-**	**-**	**-**	**70,000,000**

[1] Balance as at date of resignation (19 December 2013)

Other transactions with directors

Below are transactions carried out between the Company and related parties of directors.

Mr Domenic Martino was appointed a director on 19 December 2013:

1) Mr Martino is a director of AusAsia Energy Pty Ltd ("AusAsia") and JEMS Exploration Pty Ltd. As at 30 June 2014, AusAsia owed the Company $3,475,062. The loan is interest free provided full repayment of the funds lent is made prior to the expiry date. Default interest accrues at 12% p.a.;

   Mr Martino has provided a personal guarantee to unconditionally and irrevocably guarantee the payment of loan amount and any accrued or capitalised interest.

   MUI also currently holds a call option to purchase 100% of the shares of JEMS Exploration Pty Ltd ("JEMS"), a company that owns four Exploration Permits for Coal in Queensland from AusAsia Energy Pty Ltd ("AusAsia").

2) Mr Martino's son is the sole director of Transaction Services Pty Ltd, a company that provides MUI with company secretarial, accounting, office rental and secretarial services. The amount payable to Transaction Services Pty Ltd since Mr Martino's appointment to the end of the financial year totalled $107,201. As at 30 June 2014, nil amount was owing to Transaction Services Pty Ltd; and

3) Mr Martino's son is the sole director of Minimum Risk Pty Ltd, a company that provides MUI with underwriting services. The latest underwriting agreement was entered in to in September 2013 (prior to Minimum Risk Pty Ltd being a related party), entitling Minimum Risk Pty Ltd to an underwriting fee equal to 6% of the amount raised plus options. In January 2014, $500,000 was raised under this underwriting agreement, creating an amount payable to Minimum Risk Pty Ltd of $30,000 plus 37,313,433 options (with an exercise price of $0.001 and expiry date 3 years from the date of issue). As at 30 June 2014, a total of $62,816 was owing to Minimum Risk Pty Ltd for underwriting services.

   Under the underwriting agreement in respect of the Rights Issue completed in December 2012, the Company was to issue 50 million options to the underwriter. The cost associated with these options was fully vested into the 2013 financial year accounts ($18,351). On 4 December 2013, the Company issued the 50 million options to the underwriter. The terms of these options are an expiry date of 3 December 2016 and an exercise price of 0.1 cents.

THIS CONCLUDES THE REMUNERATION REPORT WHICH HAS BEEN AUDITED.

DIRECTORS' REPORT (continued)

Directors' Meetings

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

	Eligible Director Meetings Held	Director Meetings Attended
Mr J Bell	5	5
Mr P Silva	5	5
Mr D Martino – appointed 19 December 2013	2	2
Mr M Zeltzer – resigned 19 December 2013	3	3

Committee Membership

As at the date of this report, the Company has no committees.

The Board's view is that the Company is not at a size that justifies having separate committees. However, matters typically dealt with by various committees are dealt with by the Board.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of MUI Corporation Ltd support the principles of corporate governance. The Company's corporate governance statement is contained after this directors' report.

Options

At the date of this report, the unissued ordinary shares of MUI Corporation Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
24 December 2012	24 December 2014	0.1 cents	70,000,000
2 December 2013	3 December 2016	0.1 cents	50,000,000

In addition to the above and as announced on 30 September 2013, the Company entered into an underwriting agreement whereby 50 million options will be issued to the underwriter on completion of a share placement to take place for the issue of 670,000,000 shares to eligible persons at an issue price of 0.1 cents per share raising $670,000 (before the costs of the issue). The terms of these options will be an expiry date 3 years from issue and an exercise price of 0.1 cents. On 31 January 2014, the underwriter completed the placement of 500,000,000 shares, entitling the underwriter to an underwriter fee of $30,000 plus 37,313,433 options.

Option holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity.

During the year ended 30 June 2014 (2013: nil), nil ordinary shares of the Company were issued on the exercise of options granted. No further shares have been issued since year-end. No amounts are unpaid on any of the shares.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, William Buck, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is attached to and forms part of this directors' report for the year ended 30 June 2014.

Non-Audit Services

The auditors provided no non-audit services during the financial period.

The Directors report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

John Bell

Chairman

Dated this 30th day of September 2014

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF MUI CORPORATION LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2014 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

J.C. Luckins
Director
Dated this 30 day of September, 2014

CHARTERED ACCOUNTANTS & ADVISORS

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CORPORATE GOVERNANCE STATEMENT

The Board of Directors of MUI Corporation Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure that the Board is well equipped to discharge its responsibilities, it has established guidelines and accountability as the basis for the administration of corporate governance.

Corporate Governance Disclosures

The Board is committed to corporate governance and to the extent that they are applicable to the Company have followed the "Principles of Good Corporate Governance and Best Practice Recommendations" issued by the Australian Securities Exchange ("ASX") Corporate Governance Council.

In summary, at the date of this report the Company **departs** from the Guidelines in five (5) key areas:

- The Board does not comprise a majority of independent director as the management of the business (given its current nature and size) remains with the Board. Therefore the Board cannot be independent of the management decisions it makes.
- The Company does not have a separate Remuneration and Nomination Committee. The full Board attends to the matters normally attended to by a Remuneration and Nomination Committee. Remuneration levels are set by the Company in accordance with industry standards to attract suitable qualified and experienced Directors.
- The Company does not have a separate Audit Committee. The Company is not of a size that justifies having separate committees. Matters typically dealt with by the Audit Committee are dealt with by the Board.
- The Company does not have a full time Chief Financial Officer at the present but the Board intends to appoint an appropriate executive when it is justified by the size and nature of the business. In the meantime the Board satisfies itself, assisted by the Company Secretary that there are appropriate reporting systems and controls in place.
- The Company has not established a policy concerning diversity. The Board is highly aware of the positive impacts that diversity may bring to an organisation and continues to assess all staff and board appointments on their merits with consideration to diversity.

Role of the Board

The key responsibilities of the Board include:

- Appointing, evaluating, rewarding and if necessary the removal of Directors;
- Development of corporate objectives and strategy;
- Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;
- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately, approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that the Company's practice is consistent with, a number of guidelines, being:
  - Directors and Executive Officers Code of Conduct;
  - Dealings in Securities; and
  - Reporting and Dealing with Unethical Practices.
- Reporting to and advising shareholders.

Structure of the Board

Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.

An independent director is a non-executive director (i.e. is not a member of management) and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or its subsidiaries, or been a director after ceasing to hold any such employment;
- is not a principal or employee of a professional adviser to the Company or its subsidiaries whose billings exceed a material amount of the adviser's total revenue;
- is not a significant supplier or customer of the Company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. A significant supplier is defined as one whose revenues from the Company are a material amount of the supplier's total revenue. A significant customer is one whose amounts payable to the Company are a material amount of the customer's total operating costs;
- has no material contractual relationship with the Company or its subsidiaries other than as a director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

In accordance with the definition of independence above, none of the directors of the Company are considered to be independent as they currently manage the Company (given the size and nature of the business), despite all other requirements being met.

There are procedures in place, agreed by the Board, to enable the Directors in furtherance of their duties to seek independent professional advice at the Company's expense.

The term in office held by each director is as follows:

Name	Term
J Bell	2 years, 7 months
P Silva	2 years, 7 months
D Martino	6 months

When a Board vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the service of a new director with particular skills, the Board will document the process behind a recommendation for a candidate or panel of candidates with the appropriate expertise.

The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

Remuneration and Nomination Committee

The Board has not established a formal Remuneration and Nomination Committee. The full Board attends to the matters normally attended to by a Remuneration and Nomination Committee. Remuneration levels are set by the Company in accordance with industry standards to attract suitable qualified and experienced Directors.

For full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and executives in the current period please refer to the Remuneration Report, which is contained within the Directors' Report.

There is no scheme to provide retirement benefits to Non-Executive Directors.

CORPORATE GOVERNANCE STATEMENT (continued)

The Board is responsible for determining and reviewing compensation, arrangements and performance of Directors for the Directors themselves.

Audit and Risk Management Committee

The Board has not established an Audit and Risk Management Committee. The full Board attends to the matters normally attended to by such a Committee.

The Board acknowledges that the when the size and nature of the Company warrants an Audit and Risk Management Committee that the Committee will operate under a Charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of key performance indicators.

The Board will delegate responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit and Risk Management Committee as and when it is formed.

The Company's Policy is to appoint external auditors who clearly demonstrate independence. The performance of the external auditor is reviewed annually by the Board. The Corporations Act provides a policy of rotating the audit partner at least every 5 years.

Risk Management

The Company takes a proactive approach to Risk Management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

In addition to the fact that the Company is not of a size and nature to warrant a separate committee, the Board believes that it is crucial for all Board members to be a part of this process, and as such has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board, including implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the establishment and monitoring of performance indicators of both a financial and non-financial nature.

CORPORATE GOVERNANCE STATEMENT (continued)

Best Practice Recommendation

Outlined below are the 8 Essential Corporate Governance Principles as outlined by the ASX and the Corporate Governance Council as they applied for the period ended 30 June 2014. The Company has complied with the Corporate Governance Best Practice Recommendations except as identified below.

Corporate Governance Policy	Comment
Principle 1 ***Lay solid foundation for management and oversight***	***Adopted***
1.1 Formalise and disclose the functions reserved to the Board and those delegated to management.	The Company's Corporate Governance Polices includes a Board Charter, which discloses the specific responsibilities of the Board.
1.2 Disclose the process for evaluating the performance of senior executives.	There are currently no senior executives who are employees of the Company.
1.3 Provide the information indicated in 'Guide to reporting on Principle 1'.	The Company will provide details of any departures from best practice recommendation Principle 1 in its Annual Report.
Principle 2 ***Structure the Board to add value***	***Adopted except for Recommendations 2.1 to 2.4***
2.1 A majority of the Board should be independent. 2.2 The chairperson should be an independent director.	*None of the directors are independent as they also manage the Company, given its current size and nature.*
2.3 The roles of chairperson and chief executive officer should not be exercised by the same individual.	*The Company is not in compliance with this recommendation, given its current size.*
2.4 The Board should establish a nomination committee.	*No formal nomination committee or procedures have been adopted as yet given the size of the Company and the Board. The Board, as a whole, will serve as a nomination committee whilst the Company is of its current size.* *Where necessary, the Board seeks advice of external advisers in connection with the suitability of applicants for Board membership.*
2.5 Disclose the process for evaluating the performance of the Board, its committees and the individual directors.	The Board will conduct an annual performance review of itself that compares the performance of the Board with the requirements of the Board Charter, critically reviews the mix of the Board and suggests and amendments to the Board Charter as are deemed necessary or appropriate.
2.6 Provide the information indicated in 'Guide to reporting on Principle 2'.	The Company will provide details of each director, such as their skills, experience and expertise relevant to their position, together with an explanation of any departures from best practice recommendation Principle 2 in its Annual Report.

Corporate Governance Policy	Comment
Principle 3 ***Actively promote ethical and responsible decision-making***	***Adopted*** ***Except for Recommendations 3.2 and 3.3***
3.1 Establish a code of conduct and disclose the code or a summary of the code as to: 3.1.1 the practices necessary to maintain confidence in the Company's integrity; 3.1.2 the practices necessary to take into account their legal obligations and reasonable expectations of their stakeholders; and 3.1.3 the responsibility and accountability of individuals for reporting or investigating reports of unethical practices.	The Company's Corporate Governance Policies include a Directors and Executive officers' Code of Conduct Policy, which provides a framework for decisions and actions in relation to ethical conduct in employment.
3.2 Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them. 3.3 Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	*The Company is highly aware of the positive impacts that diversity may bring to an organisation. The Company continues to assess all staff and board appointments on their merits with consideration to diversity a driver in decision making. The Company has not yet developed or disclosed a formal diversity policy and therefore has not complied with the recommendations 3.2 and 3.3 of the Corporate Governance Council effective from 1 January 2011.*
3.4 Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	The Company continues to strive towards achieving objectives established towards increasing gender diversity. At the end of the reporting period, the Company employed no staff, the board of Directors consisted of three males and the current Company Secretary is female.
3.5 Provide the information indicated in 'Guide to Reporting on Principle 3'.	The Company will provide details of any departures from best practice recommendation Principle 3 in its Annual Report.
Principle 4 ***Safeguard integrity in financial reporting***	***Adopted except for Recommendation 4.1***
4.1 The Board should establish an audit committee.	*The Board considers that it is not of sufficient size at this stage to justify a separate audit committee. Until the audit committee has been established, its functions, roles and responsibilities will be undertaken by the Board.*
4.2 Structure the audit committee so that it consists of: ▪ Only non-executive directors ▪ A majority of independent directors ▪ An independent chairperson who is not the chairperson of the Board ▪ At least three members.	The composition, roles and responsibilities of the audit committee when it is established will be set out in the Corporate Governance Plan.
4.3 The audit committee should have a formal operating charter.	The Audit Committee will adopt a formal Charter when established.
4.4 Provide the information indicated in the 'Guide to reporting on Principle 4'.	The Company will provide details of any departures from best practice recommendation Principle 4 in its Annual Report.
Principle 5 ***Promote timely and balanced disclosure***	***Adopted***
5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	The Company has a Continuous Disclosure program in place which is designed to ensure compliance with the ASX Listing Rules requirements on disclosure and to ensure accountability at a Board level for compliance and factual presentation of the Company's financial position. The Company Secretary is responsible for monitoring the Continuous Disclosure program.
5.2 Provide the information indicated in the 'Guide to reporting on Principle 5'.	The Company will provide details of any departures from best practice recommendation Principle 5 in its Annual Report.

CORPORATE GOVERNANCE STATEMENT (continued)

Corporate Governance Policy	Comment
Principle 6 ***Respect the rights of shareholders***	***Adopted***
6.1 Design and disclose a communications policy to promote effective communication with shareholders and encourage effective participation at general meetings and disclose the policy or a summary of the policy	The Company's Corporate Governance Policies include a Shareholder Communications Policy which aims to ensure that the shareholders are informed of all material developments affecting the Company's state of affairs.
6.2 Provide the information indicated in the 'Guide to reporting on Principle 6'.	The Company will provide details of any departures from best practice recommendation Principle 6 in its Annual Report
Principle 7 ***Recognise and manage risk***	***Adopted***
7.1 The Board or appropriate Board committee should establish policies on risk oversight and management.	The Company's Corporate Governance Policies include a Risk Management Policy which aims to ensure that all material business risks are identified and mitigated. The Board determines and identifies the Company's "risk profile" and is responsible for overseeing and approving risk management strategies and policies, internal compliance and internal controls.
7.2 The Board should require management to design and implement the risk management and internal control systems to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	The Board will implement risk management and internal control systems and provide a report at the relevant time.
7.3 The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.	The Board will seek, at the appropriate time, the relevant assurances from the individuals appointed to perform the role of Chief Executive Officer and the Chief Financial Officer when appointed. Currently the declaration is provided by the Chairman and Company Secretary.
7.4 Provide the information indicated in the 'Guide to reporting on Principle 7'.	The Company will provide details of any departure from best practice recommendation Principle 7 in its Annual Report.
Principle 8 ***Remunerate fairly and responsibly***	***Adopted except for Recommendation 8.1***
8.1 The Board should establish a remuneration committee	*The Company's remuneration committee comprises the Board acting without the affected director participating in the decision making process.*
8.2 The remuneration committee should be structured so that it: ▪ consists of a majority of independent directors; ▪ is chaired by an independent director; and ▪ has at least three members.	
8.3 Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	The Board will distinguish the structure of non- executive director's remuneration from that of executive directors. Relevantly, the Company's Constitution provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum determined by a general meeting. The Board is responsible for determining the remuneration of Directors (without the participation of the affected director).
8.4 Provide the information indicated in the 'Guide to reporting on Principle 8'.	The Company will provide details of any departures from best practice recommendation Principle 8 in its Annual Report.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014	2013
		$	$
Revenue	2(a)	**1,288**	10,621
Interest expense		**(42,178)**	(28,664)
Corporate administrative expenses	2(b)	**(477,968)**	(534,545)
Loss before income tax expense		**(518,858)**	(552,588)
Income tax expense	3	**-**	-
Loss after tax attributable to the company		**(518,858)**	(552,588)
Other Comprehensive Income			
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the year attributable to the company		**(518,858)**	(552,588)
Basic and diluted loss per share (cents per share)	4	**(0.02)**	(0.02)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Notes	**2014**	2013
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	5 (a)	**242,810**	135,379
Trade and other receivables		**22,445**	37,798
Other current assets	6	**20,000**	35,111
Financial assets	7	**1,040,000**	3,524,089
Total Current Assets		**1,325,255**	3,732,377
Non-Current Assets			
Financial asset	7	**2,435,062**	-
Total Non-Current Assets		**2,435,062**	-
Total Assets		**3,760,317**	3,732,377
LIABILTIES			
Current Liabilities			
Trade and other payables		**83,652**	49,032
Convertible notes	9	**570,842**	528,664
Total Current Liabilities		**654,494**	577,696
Total Liabilities		**654,494**	577,696
Net Assets		**3,105,823**	3,154,681
EQUITY			
Issued capital	10	**35,764,430**	35,307,863
Options reserve	11	**52,751**	39,318
Accumulated losses		**(32,711,358)**	(32,192,500)
Total Equity		**3,105,823**	3,154,681

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 $	2013 $
Cash flows from operating activities			
Interest received		**1,288**	10,621
Payments to suppliers and directors		**(433,261)**	(531,719)
Net cash flows used in operating activities	5 (b)	**(431,973)**	(521,098)
Cash flows from investing activities			
Loan to AusAsia Energy Pty Ltd		**(120,596)**	(1,854,130)
Repayment of Loan by AusAsia Energy Pty Ltd		**160,000**	-
Net cash flows used in investing activities		**39,404**	(1,854,130)
Cash flows from financing activities			
Proceeds from issue of shares and options		**500,000**	1,320,770
Payments for cost of capital raising		**-**	(107,171)
Proceeds from borrowings		**-**	48,600
Proceeds from issue of convertible notes		**-**	500,000
Net cash flows from financing activities		**500,000**	1,762,199
Net decrease in cash and cash equivalents		**107,431**	(613,029)
Cash and cash equivalents at beginning of year		**135,379**	748,408
Cash and cash equivalents at the end of the year	5 (a)	**242,810**	135,379

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital	*Options Reserve*	*Accumulated Losses*	*Total Equity*
	$	*$*	*$*	*$*
Balance at 1 July 2012	33,617,872	-	(31,639,912)	1,977,960
Loss for the year	-	-	(552,588)	(552,588)
Total Comprehensive loss for the year	-	-	(552,588)	(552,588)
Transactions with owners in their capacity as owners:				
Options granted to underwriter	(18,351)	18,351	-	-
Options granted and issued to Directors	-	20,967	-	20,967
Contributions of equity, net of transaction costs	1,708,342	-	-	1,708,342
At 30 June 2013	35,307,863	39,318	(32,192,500)	3,154,681
Balance at 1 July 2013	**35,307,863**	**39,318**	**(32,192,500)**	**3,154,681**
Loss for the year	**-**	**-**	**(518,858)**	**(518,858)**
Total Comprehensive income/ (loss) for the year	**-**	**-**	**(518,858)**	**(518,858)**
Transactions with owners in their capacity as owners:				
Options granted to underwriter	**(13,433)**	**13,433**	**-**	**-**
Contribution of equity, net of transaction costs	**470,000**	**-**	**-**	**470,000**
At 30 June 2014	**35,764,430**	**52,751**	**(32,711,358)**	**3,105,823**

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These financial statements are general purpose financial statements, that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements have also been prepared on an accruals basis and are based on historical costs which apply the going concern assumption.

The financial statements are presented in Australian dollars.

MUI Corporation Limited (the "Company") is a for-profit listed Public Company, incorporated in Australia.

(b) Statement of Compliance

The financial report was authorised for issue on the day of the Directors' Report.

The financial report complies with Australian Accounting Standards ("AASB's"). Compliance with AASB's ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) Going Concern

These financial statements have been prepared on a going concern basis, notwithstanding the fact that for the year ended 30 June 2014 the company generated a loss after tax of $518,858 and incurred net cash outflows from operations of $431,973. As at 30 June 2014 the company had available cash reserves of $242,810.

The Company anticipates receiving consideration in accordance with the agreement entered in to with AusAsia Energy Pty Ltd ("AusAsia") for the repayment of MUI Corporation Limited's ("MUI's") loan to AusAsia and the relinquishment of MUI's option to purchase JEMS (the "MUI Agreement") (refer Note 18). The directors believe that completion will take place, given AusAsia has entered in to an agreement to sell JEMS to a third party (subject to completion of the MUI Agreement). Due diligence on the third party indicates they have adequate resources in order to complete the transaction.

For the 12 months from the date of this report, the Directors have determined that MUI is a going concern based upon a cash flow budget prepared by management. This cash flow budget incorporates a control of costs, as and where appropriate, including the potential to place payments on hold as well as no long term leases, commitments or employee contracts. MUI has, at its discretion, the ability to convert the convertible note held by the Company to equity and the ability to exercise the Company's security relating to the AusAsia Energy Pty Ltd loan and liquidate the asset, thereby creating a cash in flow. The Company also has the ability of a listed entity to raise capital in the public capital market. Lastly, the Company has the support of a director that will ensure it has adequate working capital for at least 12 months from the date of this report.

For these reasons, the Directors believe that the assumption of a going concern basis in the preparation of these financial statements is appropriate. The financial statements do not include any adjustments in relation to the recoverability or classification of recorded assets or liabilities which might be necessary should the Company not be able to continue as a going concern.

(d) Critical Accounting Estimates and Judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Assessment of Impairment of Financial Asset:
As assessment is undertaken at the end of each reporting period as to whether a financial asset is impaired. If there is objective evidence that an impairment loss on a financial asset measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of a provision account. The amount of the loss shall be recognised in profit or loss.

As at balance date, the financial asset is not believed to be impaired given the security and guarantees that exist as set out in Note 7.

Convertible Notes:
The fair value of convertible notes comprises the fair value of the liability and the equity residual value. The Company has recorded convertible notes at the amount of money advanced. This is because, given the nature and size of the Company, the face value of the unsecured debt under the convertible note is the most reliable estimate of the fair value of the unsecured debt (i.e. there exists no market for debt of this nature to facilitate a fair value estimate).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity-based Payment Transactions:
The Company measures the cost of equity-settled transactions with directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted.

The accounting estimates and assumptions relating to equity based payment transactions would have no impact on the carrying amounts of assets and liabilities within the next reporting period but may impact profit or loss or equity.

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest Income:
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(f) Cash and Cash Equivalents

Cash comprises cash at bank and on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(g) Trade and Other Receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days. The Company currently has no trade receivables.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit and loss and other comprehensive income.

(h) Income Tax

The income tax expense or benefit for the period is the tax payable on the current year's taxable income (loss) based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge (benefit) is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or from an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(i) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(l) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Earnings / (loss) per Share

Basic earnings / (loss) per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(n) New Accounting Standards for Application in Future Periods

The Company has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

The adoption of all the new and revised standards and interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised accounting standards and interpretations have not had a material impact and not resulted in changes to the Company's presentation of, or disclosure in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	$	$
2. REVENUES AND EXPENSES		
a) Other Revenue		
Interest received	**1,288**	10,621
b) Corporate Administration Expenses		
Impairment of financial asset (note 7)	**25,000**	25,000
Equity based payment	**-**	20,967
Legal fees	**25,736**	32,415
Occupancy costs	**63,364**	61,000
Professional fees	**120,000**	118,000

3. INCOME TAX EXPENSE

	2014	2013
The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax/(benefit) on loss before income tax at 30% (2013: 30%)	**(155,657)**	(165,776)
Less:		
Deferred tax asset on current year losses not brought to account	**155,657**	165,776
Income tax expense attributable to loss	**-**	-

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in the accounting policies note occur.

	2014	2013
Tax losses	**9,206,559**	9,050,902

4. LOSS PER SHARE

Basic loss per share:

	2014	2013
The loss and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share is as follows:		
Loss from continuing operations	**(518,858)**	(552,588)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**3,399,337,256**	2,600,138,835

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	$	$
5. CASH AND CASH EQUIVALENTS		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash at bank and cash in hand	**242,810**	135,379
	242,810	135,379

Cash at bank earns interest at floating rates based on daily bank deposit rates.
The Company has no credit standby arrangements, loan or overdraft facilities.

	2014	2013
(b) Reconciliation of net loss after tax to net cash flows from operations		
Net loss	**(518,858)**	(552,588)
Adjustments for non-cash items:		
Depreciation on property, plant and equipment	**-**	114
Impairment of option (to acquire AusAsia Energy Pty Ltd)	**25,000**	25,000
Equity-based payments	**-**	20,967
Interest accrued on convertible notes	**42,178**	28,664
Changes in assets and liabilities:		
(Increase)/decrease in receivables and other assets	**15,086**	(28,440)
(Decrease)/increase in trade payables and accruals	**4,621**	(14,815)
Net cash used in operating activities	**(431,973)**	(521,098)
Non-Cash Financing and Investing Activities		
Issue of share capital	**-**	527,559
Loan to AusAsia Energy Pty Ltd	**-**	(478,959)
Repayment of third party loan	**-**	(48,600)
Options granted to underwriter	**13,433**	39,318
	13,433	39,318

	2014	2013
6. OTHER CURRENT ASSETS		
Current		
Film library	**20,000**	20,000
Prepayments	**-**	15,111
	20,000	35,111

7. FINANCIAL ASSETS

	2014	2013
	$	$
Current		
Related Party Loan – AusAsia Energy Pty Ltd (refer note 16(e))	**1,040,000**	3,499,089
Option fee	**-**	25,000
	1,040,000	3,524,089
Non-Current		
Related Party Loan – AusAsia Energy Pty Ltd (refer note 16(e))	**2,435,062**	-

During March 2014, the Call Option Deed ("Call Option") to acquire all the issued capital of AusAsia Energy Pty Ltd ("AusAsia"), and its 100% owned subsidiary Jems Exploration Pty Ltd ("JEMS") was terminated and replaced with a Put and Call Option. JEMS holds the exploration rights over coal mining tenements in Queensland. To secure the Call Option, the Company had paid a $50,000 option fee. The fee has been written off this year, on the basis that this first Call Option has been terminated.

The Put and Call Option entitles MUI to purchase the shares of JEMS for nil cash consideration, but in full satisfaction of the loan outstanding from AusAsia to MUI. The expiry date of the Put and Call Option is 15 December 2014.

The Company has also amended its Loan Facility Agreement providing a secured loan to AusAsia Energy Pty Ltd to fund exploration work. In summary, the Loan Facility Agreement provides the following:

- A loan facility amount of $4,000,000 of which $3,475,062 has been loaned as at 30 June 2014. The loaning of funds under the agreement is at MUI's discretion and is only in respect of costs associated with the coal mining tenements;
- Expiry date – 15 December 2014. This will be extended to 15 December 2015 as noted in the agreement to relinquish MUI's Call Option which is discussed above;
- Security – General security over the assets of AusAsia Energy Pty Ltd and Jems Exploration Pty Ltd;
- Guarantee – Corporate guarantee by Jems Exploration Pty Ltd. Personal guarantee from Mr Domenic Martino who unconditionally and irrevocably guarantees the payment of loan amount and any accrued or capitalised interest;
- The loan is interest free provided full repayment of the funds lent is made prior to the expiry date. Default interest accrues at 12% p.a.

Subsequent to year end the Company has entered in to an agreement to relinquish the Put and Call option and for the repayment of the loan (refer Note 18).

8. ASSETS HELD FOR SALE

	2014	2013
	$	$
Current		
Investment in CAMI (i)	**165,000**	165,000
Less: Net proceeds from deposit	**(5,800)**	(5,800)
Less: Impairment	**(159,200)**	(159,200)
	-	-
Investment in Bauxite asset (ii)	**140,000**	140,000
Less: Impairment	**(140,000)**	(140,000)
	-	-

(i) The Company paid $165,000 for a 15% equity interest in CAMI China; a software-based business in China. On 9 February 2011 the Company signed a Heads of Agreement with O'Connell Street Holdings Pty Ltd (a company associated with a former director) for a total consideration of $200,000; a deposit of $20,000 was received at this date (legal fees and commissions in relation to the agreement totalled $14,200) with the remaining $180,000 due by 9 August 2011. As at the date of this report the $180,000 remains outstanding.

(ii) As announced on 14 September 2010 the Company entered into an agreement to acquire a 15% interest in bauxite tenements located in northern New South Wales with an option (the "option") to acquire a further 35% interest. Total consideration for the interest was $140,000. At 31 December 2010 the Company decided not to continue pursuing further investment in the asset and commenced negotiations with a number of interested parties in relation to selling the current 15% interest it held. The Company is currently reviewing its options in respect of this asset.

	2014	2013
	$	$
9. CONVERTIBLE NOTES		
Current		
Convertible Note	**500,000**	500,000
Accrued Interest	**70,842**	28,664
	570,842	528,664

During the 2013 financial year the Company issued unsecured convertible notes to raise $500,000. The notes attract an annual interest rate of 7.75%, calculated quarterly and payable upon conversion. The conversion price is 0.1 cents per ordinary share and are convertible at the Company's discretion.

	2014	2013
	$	$
10. ISSUED CAPITAL		
Ordinary shares issued and fully paid	**35,764,480**	35,307,863

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. Shares have no par value and the Company does not have an authorised amount of share capital.

	Number	Number
(i) Movement in Ordinary Shares on Issue		
At 1 July	**3,193,857,804**	1,345,528,902
Fully paid shares issued for cash	**500,000,000**	301,400,000
Fully paid shares issued under the Rights Issue	**-**	1,546,928,902
At 30 June	**3,693,857,804**	3,193,857,804

(ii) Capital Management

The Board controls the capital of the Company in order to fund its operations and continue as a going concern.

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

There are no externally imposed capital requirements except for the restrictions imposed by the ASX Listing Rules, which restricts the amount of equity to be issued without shareholder approval (with the exception of rights issues). At balance date, the number of securities able to be issued by the Company without shareholder approval or without being issued on a pro rata basis totalled 798,464,451.

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

11. OPTIONS RESERVE

	Number	$
At 30 June 2013	70,000,000	39,318
Options issued during the year but granted and vested in prior year (i)	50,000,000	-
Options granted during the year but unissued at report date (ii)	-	13,433
At 30 June 2014	**120,000,000**	**52,751**

Equity-based Payments

(i) Under the underwriting agreement in respect of the Rights Issue completed in December 2012, the Company was to issue 50 million options to the underwriter. The cost associated with these options was fully vested into the 2013 financial year accounts ($18,351). On 4 December 2013, the Company issued the 50 million options to the underwriter. The terms of these options are an expiry date of 3 December 2016 and an exercise price of 0.1 cents.

(ii) Under the underwriting agreement entered in to in September 2013, the underwriter is entitled to 37,313,433 options (with an exercise price of 0.01 cents and expiry date 3 years from the date of issue) on the placement of 500 million shares made on 31 January 2014. These options are yet to be issued, but the associated expense of $13,433 has been accrued in the accounts.

The fair value of each option when granted was determined as 0.036 cents per option. These values were calculated using the Black-Scholes option pricing model applying the following inputs:

Share Price:	0.1 cents
Exercise Price:	0.1 cents
Expected share price volatility:	49.87%
Vesting date:	30 November 2014
Expiry date:	30 November 2017
Risk-free interest rate:	3.25%
Dividends:	0%

Comparable company volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

12. FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise receivables, payables, convertible notes, options and cash and cash equivalents.

The main purpose of these financial instruments is to finance the Company's operations. The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

The company has a credit risk exposure with AusAsia Energy Pty Ltd (a related party), which as at 30 June 2014 owed the company $3,475,062 (2013: $3,499,089). Security over its assets has been obtained from AusAsia Energy Pty Ltd. Collateral held by the Company, securing the receivable, is detailed in Note 7. Domenic Martino is a director of AusAsia and has provided a personal guarantee for the payment of the loan and any accrued interest.

The company has obtained securities and guarantees over assets of sufficient value to mitigate the risk. Charges over the assets of AusAsia Energy Pty Ltd and JEMS Exploration Pty Ltd are registered on the Personal Property Securities Register ("PPSR").

12. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its non-cancellable obligations related to financial liabilities. The company manages liquidity risk by monitoring forecast cash flows and only investing surplus cash with major financial institutions.

	2014	2013
	$	$
13. AUDITOR'S REMUNERATION		
The auditor of MUI Corporation Limited is William Buck Audit (Vic) Pty Ltd		
Amounts received or due and receivable by William Buck for an audit or review of the financial report of the entity	**23,400**	17,500

14. SEGMENT INFORMATION

The directors have considered the requirements of AASB 8 - Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

During the year, the Company considers that it has only operated in one segment, being the film industry in Australia.

15. CONTROLLED ENTITIES

The Company has a 100% owned subsidiary, Media Education International Pty Ltd. Currently no operations are carried out through this subsidiary and the company is currently dormant. As a consequence, the parent entity's statement of financial position and performance for the years ended 30 June 2014 and 30 June 2013 are exactly the same as that of the consolidated entity.

16. RELATED PARTY DISCLOSURES

(a) Details of Key Management Personnel

J Bell	(Executive Chairman)
P Silva	(Non-Executive Director)
D Martino	(Non-Executive Director) – appointed 19 December 2013
M Zeltzer	(Non-Executive Director) – resigned 19 December 2013

(b) Remuneration of Directors and Named Executives

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel ("KMP") for the year ended 30 June 2014.

The total remuneration paid to KMP of the Company during the year is as follows:

	2013	2013
	$	$
Short-term employee benefits	**138,000**	198,000
Termination benefits	**-**	-
Equity-based payments	**-**	20,967
	138,000	218,967

16. RELATED PARTY DISCLOSURES (continued)

(c) Other Transactions with Directors

With the exception of the transactions noted below, there are no other specific transactions or balances with related parties.

Mr Domenic Martino was appointed a director on 19 December 2013:

1) Mr Martino is a director of AusAsia Energy Pty Ltd ("AusAsia") and JEMS Exploration Pty Ltd. As at 30 June 2014, AusAsia owed the Company $3,475,062 on the terms as set out in Note 7. The loan is interest free provided full repayment of the funds lent is made prior to the expiry date. Default interest accrues at 12% p.a.;

   Mr Martino has provided a personal guarantee to unconditionally and irrevocably guarantee the payment of loan amount and any accrued or capitalised interest.

   MUI also currently holds a call option to purchase 100% of the shares of JEMS Exploration Pty Ltd ("JEMS"), a company that owns four Exploration Permits for Coal in Queensland from AusAsia Energy Pty Ltd ("AusAsia"). Further information concerning this transaction is in Note 7.

2) Mr Martino's son is the sole director of Transaction Services Pty Ltd, a company that provides MUI with company secretarial, accounting, office rental and administrative services. The amount payable to Transaction Services Pty Ltd since Mr Martino's appointment to the end of the financial year totalled $107,201. As at 30 June 2014, nil amount was owing to Transaction Services Pty Ltd; and

3) Mr Martino's son is the sole director of Minimum Risk Pty Ltd, a company that provides MUI with underwriting services. The latest underwriting agreement was entered in to in September 2013 (prior to Minimum Risk Pty Ltd being a related party), entitling Minimum Risk Pty Ltd to an underwriting fee equal to 6% of the amount raised plus options. In January 2014, $500,000 was raised under this underwriting agreement, creating an amount payable to Minimum Risk Pty Ltd of $30,000 plus 37,313,433 options (with an exercise price of $0.001 and expiry date 3 years from the date of issue). These options are yet to be issued, but the associated expense of $13,433 has been accrued in the accounts. As at 30 June 2014, a total of $62,816 was owing to Minimum Risk Pty Ltd for underwriting services.

   Under the underwriting agreement in respect of the Rights Issue completed in December 2012, the Company was to issue 50 million options to the underwriter. The cost associated with these options was fully vested into the 2013 financial year accounts ($18,351). On 4 December 2013, the Company issued the 50 million options to the underwriter. The terms of these options are an expiry date of 3 December 2016 and an exercise price of 0.1 cents.

17. COMMITMENTS, CONTINGENCIES AND LEASE COMMITMENTS

There are no capital or lease commitments and no contingent liabilities.

18. EVENTS AFTER THE REPORTING DATE

As announced on ASX in July 2014, MUI has been reviewing options to develop the coal tenements held by JEMS and, given sustained depressed market conditions for coal and their effect particularly on the junior coal sector, MUI has explored a number of alternatives to maximise the value of the call option.

MUI has since year end agreed binding terms with AusAsia to relinquish MUI's call option to purchase JEMS and for the repayment of MUI's loan to AusAsia as follows:

1. AusAsia will pay MUI:
   - a non-refundable cash payment of $1,200,000 via instalments by 5 December 2014 ($160,000 of which was received in June 2014); and
   - $4,800,000 in cash by 15 December 2015.

2. MUI will release its security upon receipt of the last of the above payments.

3. On payment of the $1,200,000, the expiry date of the call option will extend to 15 December 2015. In addition, the Loan Facility Agreement (refer Note 7) will also extend to 15 December 2015.

4. Should the transaction not complete by 15 December 2015 with the payment of $4,800,000 (assuming the $1,200,000 has been paid), AusAsia will relinquish 30% of the shares in JEMS to a third party nominated by AusAsia and MUI will retain its option to acquire 70% of the shares in JEMS. In this event the security as mentioned above will continue (except to the extent of the 30% of shares in JEMS transferred to the party nominated by AusAsia).

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2014

In the opinion of the directors of MUI Corporation Limited (the "Company"):

(a) the financial statements, notes and additional disclosures included in the director's report designated as audited are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year then ended; and

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

(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; and

(c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections 295A of the Corporations Act 2001 for the year ended 30 June 2014.

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

John Bell
Director

Dated this 30th day of September 2014

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUI CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of MUI Corporation Limited (the company) comprising the statement of financial position as at 30 June 2014, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

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

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUI CORPORATION LIMITED

Auditor's Opinion

In our opinion:

a) the financial report of the company is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the company'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 2001; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, attention is drawn to the following matter. As a result of the matters described in the going concern assumption paragraph in note 1 to the financial statements, there is inherent uncertainty whether the company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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 Australian Auditing Standards.

Auditor's Opinion

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

William Buck.

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

J.C. Luckins
Director

Dated this 30 day of September, 2014

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd, and not shown elsewhere in this report is as follows. The information is current as at 11 September 2014.

(a) Distribution of Equity Securities

Ordinary share capital

3,693,857,804 fully paid shares held by 1,196 shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

The number of ordinary shareholders, by size of holding are:

	Fully Paid Ordinary Shares	
1 - 1,000	167	74,094
1,001 - 5,000	118	271,071
5,001 - 10,000	21	144,922
10,001 - 100,000	272	13,821,384
100,001 and over	618	3,679,546,333
	1,196	**3,693,857,804**

758 Shareholders hold less than a marketable parcel

(b) Twenty Largest Holders of Quoted Equity Securities (fully paid ordinary shares)

	Fully Paid Number	Percentage %
UOB Kay Hian (Hong Kong) Limited <Clients A/C>	500,000,000	13.54
Coal Contractors Pty Ltd <Coal Contractors A/C>	273,268,000	7.40
Roadhound Electronics Pty Ltd	158,400,000	4.29
Dobrani Pty Ltd	151,400,000	4.10
Coalindo Pte Limited	139,690,955	3.78
Red And White Pty Ltd <Bloods Super Fund A/c>	105,000,000	2.84
Island Shore Aust Pty Ltd	100,000,000	2.71
Wobbly Investments Pty Ltd	75,000,000	2.03
Mr James David William Taylor + Mrs Erin Ann Taylor <Taylor Super Fund A/c>	67,500,000	1.83
Mr Philip Lowry + Mrs Wendy Lowry <The Lowry Super Fund A/c>	67,000,000	1.81
Klen Pty Limited	66,000,000	1.79
Ningbo Inwit Pty Ltd <Ducks Family A/c>	54,000,000	1.46
Mr Mark John Bahen + Mrs Margaret Patricia Bahen <Superannuation Account>	50,000,000	1.35
Brynwilliams Pty Limited	50,000,000	1.35
Kobia Holdings	50,000,000	1.35
A2B Logistics Pty Ltd	48,600,000	1.32
Penat Pty Ltd <Penat Pty Ltd Super Fund a/c>	45,250,000	1.23
Mr Stephen Michael Warren	45,000,000	1.22
Mr Mark Teti	29,500,655	0.80
Mr Marcelo Bernardi De Andrade	27,590,000	0.75
	2,103,199,610	**56.95**

ASX ADDITIONAL INFORMATION (continued)

(c) Substantial Shareholders (fully paid ordinary shares)

	Fully Paid Number	Percentage %
Coal Contractors Pty Ltd <Coal Contractors A/C>	273,268,000	7.40

(d) Voting Rights

All ordinary shares carry one vote per share without restriction.

(e) Restricted Securities

The Company has no restricted securities on issue.

(e) Business Objective

The Company has used its cash and assets that are readily convertible to cash in a way consistent with its business objectives.