CLEAN GLOBAL ENERGY

CLEAN GLOBAL ENERGY LIMITED AND ITS SUBSIDIARIES

Annual Report 2011

ABN 90 118 710 508

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Corporate Directory

Clean Global Energy Limited ABN 90 118 710 508

Directors

Mr John Harkins (resigned 23 June 2011)

Mr Domenic Vincent Martino (Interim Non-executive Chairman)

Ms Alison Coutts (CEO and Managing Director)

Dr Michael Green (Technical Director)

Mr Wayne Rossiter (Non-executive Director – appointed 16 May 2011)

Mr Paul Hubbard (resigned 1 July 2011)

Company Secretary

Mr Andrew John Whitten

Registered Office

Level 8, Bligh Chambers

25 Bligh Street

Sydney NSW 2000

Business Office

Level 8, Bligh Chambers

25 Bligh Street

Sydney NSW 2000

Bankers

Commonwealth Bank

Level 19, 111 Pacific Highway, North Sydney NSW 2060

National Australia Bank Limited

Level 3, 255 George Street, Sydney NSW

Share Registrar

Security Transfer Registrars Pty Limited

770 Canning Highway, Applecross WA 6953

Auditors

BDO Audit (NSW-VIC) Pty Ltd

2 Market Street, Sydney NSW 2000

Internet Address

www.cleanglobalenergy.com.au

Chairman and Managing Director's Letter

Dear Shareholders,

This second Annual Report from Clean Global Energy Limited (ASX: CGV) sets out primarily to establish the current activities in the development of coal resources suitable for Underground Coal Gasification (UCG) and conventional coal mining. In mid 2010, the Company shifted its business focus to identify suitable UCG opportunities overseas, particularly in the United States and India. By June 2011, following changes to the Company's Board and Management Team, the strategic focus of the business became conventional coal exploration and monetisation of the Company's existing coal tenement assets in Queensland and Victoria. The Company is also investigating adding new conventional coal assets, including through purchases and mergers and acquisitions.

Despite an uncertain political and regulatory environment for mining in Queensland, the Company has successfully navigated its way through potential risks from new state government policies, to advance work plans for conventional coal exploration of the Company's tenements. The Company's current focus is on EPCA 1748, in South East Queensland, in the Surat basin. This tenement is considered to be a low geological risk with an anticipated resource target of 300 million tonnes of thermal coal from an initial drilling program of 3 to 4 holes. Drilling is anticipated in Q1 2012 once the permit is granted to the Company and mandatory landholder negotiations are completed. The CGE team successfully removed more than 4 months from the permitting process by legally bypassing Native Title consideration in the awarding process. The tenement has existing road and rail infrastructure, offering ready port access to Brisbane and, in future Gladstone, for potential export opportunities. Earlier, the Company proved up a 38 million tonne JORC inferred resource in the Clarence-Moreton basin within EPC 1506 for a UCG project. The Queensland Government's expected Q1 2012 decision on allowing commercialisation of UCG will determine future activity on that tenement.

This year there has been increasing media attention given to high-profile opposition to the methane gas extraction method of mining called Coal Seam Gas (CSG), or Coal Seam Methane (CSM) on Australia's east coast. Opposition by affected landholders centres on the practice of hydraulic fracturing, also known as fraccing/fracking, the use of carcinogenic BTEX chemicals, and potentially detrimental affects on underground acquifers as well as the high volume of saline water brought to the land surface and the large number of wells required over large land areas. Clean Global Energy's UCG technology and methodology is different from CSG. It is environmentally safer as it does not involve fraccing or BTEX chemicals and it leaves unaffected, the underground acquifers and groundwater levels. In addition it has a much smaller land footprint required for its use.

Our team in North America is making steady progress on identifying appropriate coal reserves and Syngas customers for UCG projects within a regulatory regime that supports development of coal extraction by UCG. Concurrently, the Company continues to support bids by Indian energy major, Essar, for coal blocks for UCG projects, as part of that federal government's program to pursue alternative energy sources to feed increasing domestic energy needs.

In May and June 2011 a number of changes were made to the board and management. The new team provided steamlining and renewed focus to the company and also embarked on a major cost reduction program which has resulted in savings around $1.5 million per annum.

Creating increased value for all shareholders in the Company remains a priority, and we are optimistic that investment in developing conventional coal assets will deliver increasing shareholder value in the near term, whilst we continue to develop UCG assets in the longer term. We look forward to your ongoing support.

A Coutts

On behalf of
Domenic Martino, Interim Chairman and Alison Coutts, Managing Director

Exploration – Australia

As of 30 September 2011, the Company's coal tenement package in QLD and VIC included 7 granted tenements covering 2,559 km², 4 priority applications over 1,159 km² and 5 competing applications over 1,298 km².

Tenement	Project Name	Holder/Applicant	Area (sq km)	Status
EPC1506	Maryvale	Clean Global Energy Ltd	336	Granted
EPC1539	Maryvale2	Clean Global Energy Ltd	38	Granted
EPC1508	Leyburn	Clean Global Energy Ltd	343	Granted
EPC1751	Capella	Clean Global Energy Ltd	147	Granted
EPC1864	Pumpkin Hill	Clean Global Energy Ltd	674	Granted
EPC2210	Kooringa	Clean Global Energy Ltd	99	Granted
EL5270	Wonthaggi	Clean Global Energy Ltd	922	Granted
EPC1748	Kumbarilla	Clean Global Energy Ltd	280	Priority Application
EPC1745	Western Creek	Clean Global Energy Ltd	166	Priority Application
EPC1861	Mt Hope	Clean Global Energy Ltd	182	Priority Application
EPC2110	Cooyar Creek	Clean Global Energy Ltd	531	Priority Application
EPC2372	Aramac Creek	Clean Global Energy Ltd	774	Competing Application
EPC1637	Pentland	Clean Global Energy Ltd	192	Competing Application
EPC1612	Dalby	Clean Global Energy Ltd	77	Competing Application
EPC2027	Mantuan	Clean Global Energy Ltd	147	Competing Application
EL5282	Bass Coast	Clean Global Energy Ltd	108	Competing Application

Initial exploration and analysis of historical work conducted over the tenements indicates the existence of prospective coals (mainly thermal) located at various depths to the surface. These tenements have enabled the Company to formulate and implement a business plan to further explore and assess the commercial feasibility of the tenements and if appropriate, exploit the tenements through conventional underground coal mining, and if appropriate, develop future UCG projects. The Company is evaluating all tenements as part of its strategic review process.

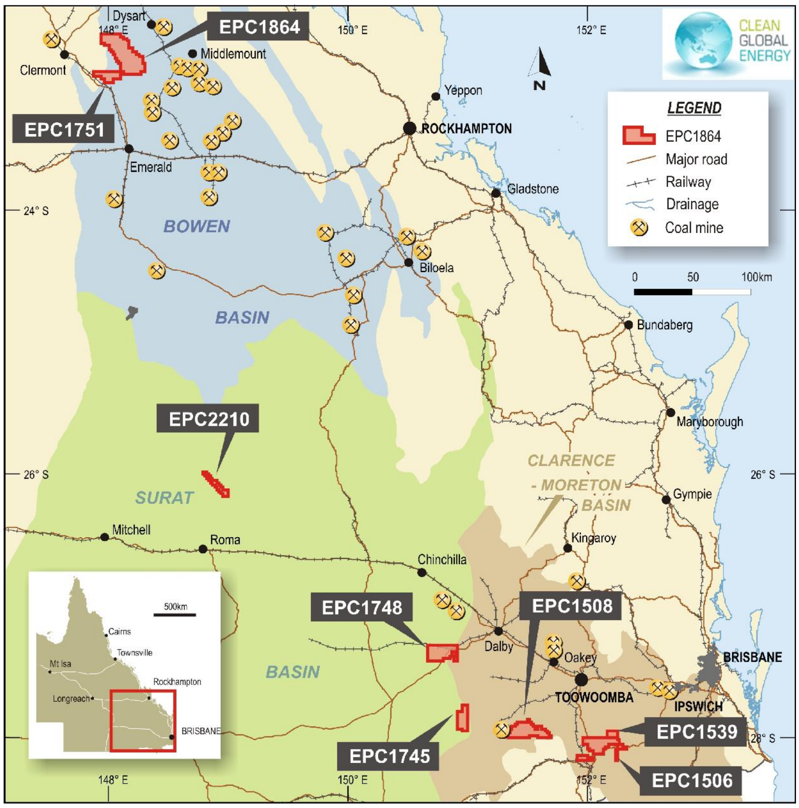
As part of that review process, Queensland tenement EPC 1507 was sold realising expenditure savings of $440,000, as this is the expenditure that would have been spent in exploration work commitments to retain the tenement until 30 June 2012. There is limited commercial coal present in the tenement, and as such was not considered to be a conventional coal mining opportunity, nor did it have scope for UCG potential.

The Company considers EPC 1748 covering an area of 280km^2 in Queensland's Surat Basin, to offer the best potential for conventional thermal coal mining in its exploration portfolio. Major road and rail infrastructure runs through EPC 1748. The Macalister coal seam which is part of the Juandah Coal Measures (upper Walloon sub-group) is considered to be the primary coal target. An initial drilling program of 3 to 4 holes to define an inferred in-situ resource of deposit of approximately 300 million tonnes** is expected to commence drilling activities in Q1 2012.

The Company has another priority application tenement, EPC 1745 which is on geological trend and is located some 40km southeast of EPC 1748. The Company considers this tenement to be an ideal continuation of the coal exploration targets within the Surat Basin. However, the drilling results from EPC 1748 will provide a key role in guiding future exploration and evaluation for EPC 1745.

Both EPC 1751 and EPC 1864 lie on the western side of the Bowen Basin, in central Queensland. EPC 1751 is 11km north of the township of Capella, and EPC 1864 is about 30km southwest of the township of Dysart. Rail infrastructure exists at Capella and extends through the western part of EPC 1751. EPC 1751 consists of 46 sub-blocks covered 147 km² while EPC 1864 consists of 213 sub-blocks covering 674 km². Both permits were granted to the Company in February 2010.

These Bowen Basin tenements are considered a high geological risk opportunity with large upside, and coal depths greater than 500m which may be of a Pulverised Coal Injection (PCI) quality. The Company will continue to seek joint venture partners to advance exploration on these permits.



QLD Tenements

EPC 1506, EPC 1508 and EPC 1539 within Queensland's portion of the Clarence Morton Basin, near the township of Warwick, are under review, awaiting clarification from the Queensland government on permitting for UCG projects. The Company conducted an exploration drilling program in mid-2010 within EPC 1506. This work identified that the Bulwer Coal Seam in EPC 1506 has a JORC compliant inferred coal resource of 38 million tonnes*, expandable to 178 million tonnes* with a further 3 holes, and is potentially suitable for UCG.

In Q1 2011, the Company shifted its UCG focus to developing projects overseas. This shift was underscored by developments during the financial year affecting UCG operators in Queensland, namely Cougar Energy and Carbon Energy, by Queensland's Environment Department (DERM). Until the legislative and permitting environment is clearer for UCG development and commercialisation in that state, CGE has determined it is easier to develop UCG opportunities elsewhere, most particularly in the USA and in India where UCG commercialisation is encouraged, with suitable local partners. The Company determined to suspend UCG activities on its Queensland tenements until the Queensland Government announces its support, or otherwise, for UCG due by Q1 2012. In the meantime, the Company continues to further develop its proprietary CRIP technology in preparation for UCG opportunities, as they arise.

VIC Tenement

Coal tenement EL 5270 covers approximately 900km² in Victoria's Gippsland Basin and contains numerous exploration and other wells. It was granted to the Company in June 2010. There has been an extraction history of more than 16 million tonnes of black coal which would meet the Company's requirement for a UCG project. However, further exploration is needed to identify a resource size of black coal suitable for commercial UCG activities.

Based on desktop analysis by the Company, there is a lignite coal seam in the north east of the tenement that is 15m thick over an area of 15km² at depths from 30m to 60m. Given the geological complexity of these coals, the Board has suspended activity on this tenement to allocate exploration and development expenditure to coal tenements in QLD, and UCG opportunities in the USA and India.

Competent Person Statement

* The information in this report that relates to in situ coal resources potential is based on information compiled by Adrian Buck and GeoConsult Pty Ltd and reviewed by Warwick Smyth, who is a member of the Australasian Institute of Mining and Metallurgy (CP) Geology; and the Australian Institute of Geoscientists. Warwick Smyth is a qualified geologist (BSc Geol, Grad Dip AF&I, MAusIMM (CP), MGSA, MAIG), and a Principal Consultant for GeoConsult Pty. Ltd. and has over 17 years' experience which is relevant to the style of mineralisation, the type of deposit under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined by the 2004 edition of the Australian Code for Reporting of Coal Resources. Neither Warwick Smyth nor GeoConsult Pty Ltd has any material interest or entitlement, direct or indirect, in the securities of Clean Global Energy or the Projects.

GeoConsult has been commissioned to provide geological services to Clean Global Energy since early 2008. Fees for the preparation of this report are on a time and materials basis. Warwick Smyth and GeoConsult Pty Ltd consent to the use of this statement and references to it and extracts from it, in the form and context in which they are included. Apart from the above, neither the whole nor any part of the statement document, nor references thereto, may be included in, or with, or attached to any document, circular, resolution, letter or statement without the prior written consent of Warwick Smyth or GeoConsult Pty Ltd.

** This information is based on a preliminary report prepared by Earth Resources Australia Pty Ltd (authored by ERA's Principal Consultant, Mr Mal Bunny, BSc(Hons), FAusIMM (CP);MMICA; MAIG). Mr Bunny has in excess of 40 years' experience in mineral exploration, and is a "competent person" as defined in Appendix 5A of the ASX Listing Rules. Mr Bunny has consented in writing to the inclusion of his findings (presented in ERA Report A503, dated February 2011) in this report in the form and context in which it appears.

Under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (Paragraph 18) the Company is required to make the following statement with regard to Exploration Targets: The potential quantity and quality is conceptual in nature and that there has been insufficient exploration to define a Mineral Resource or Ore Reserve and that it is uncertain if further exploration will result in the determination of a Mineral Resource or Ore Reserve.

Exploration – International

The United States of America
During this financial year, the Company shifted its UCG focus to developing UCG projects overseas. This shift was underscored by developments affecting UCG operators in Queensland, namely Cougar Energy and Carbon Energy, by Queensland's Environment Department (DERM). Until the legislative and permitting environment is clearer for UCG development in that state, the Company has determined it is easier to find and develop UCG sites elsewhere, most particularly in the USA and also in India, if developed with a suitable local partner.

The Company is advancing its UCG business by further developing its proprietary CRIP technology, through hardware updates using the latest engineering designs, and preparing a facility where the mechanical components can be tesed prior to delivery to site for the UCG project. It is also defining a suite of software programs for the evaluation of target sites and on-line processing of UCG data in real time.

In the March 2011 quarterly report, the Company announced it had received mining data on coal and geology within a previously-identified coal site in Oklahoma on which the Company wished to build a UCG plant to produce Syngas for a power plant located close by. The data indicated the mine site's coal deposits might be suitable for the Company's UCG process.

This triggered plans for a drilling program and potential routes for a pipeline from the mine site to the power plant, as well as preliminary work for the UCG reactors.

Further investigation into the coal's composition and geological data has now shown the coal site, owned by Farrell Cooper Mining, would not deliver commercial levels of energy necessary for this project to realise projected revenues at full plant production. The Company also investigated, in a considerable degree of detail, the possibility of developing the site as a conventional underground mine.

The Company ultimately determined that it would be preferable to focus its resources on developing its most prospective Queensland tenements. Accordingly, the MOU struck with Farrell Cooper Mining was mutually terminated. Although the MOU with the power company has formally expired, the Company continues to enjoy a sound business relationship with that organisation and will continue to jointly seek new UCG opportunities proximal to their other power plants, and other operators.

The Company believes there are numerous possibilities to access low-cost coal reserves for successful UCG projects in the USA. It has engaged a two person team based in Colorado that is now working to identify those sites, with a view to developing new UCG projects at low capital and operating costs. The team has considerable industry contacts in the USA and will seek an alternate project that better matches the Company's UCG criteria. Our Americas Business Development Plan includes exploring the basins of Colorado's medium and high-volatile bituminous coal, Wyoming's sub-bituminous coal and lignite in Texas.

India

CGE's binding HOA with Indian energy multinational, Essar, continues to offer opportunities for the company's UCG technology in that continent. These opportunities will continue as new coal blocks become available in India for UCG development.

CGE is working with Essar on a new UCG capability presentation for State companies in Rajasthan and Southern India. Potential revenue streams for each project in India include licencing and project management fees during design, construction and commissioning, and UCG Syngas production royalties after achieving commercial production.

Essar is one of India's largest private sector companies, engaged in the vertical businesses of steel making, electrical power generation, oil and gas production, construction, shipping and telecommunications.

China

Negotiations with potential Chinese technical and financial partners throughout the financial year have not resulted in formalisation of a joint venture to develop or license a suitable UCG project in China, and as such the Board decided against funding further activity in this market at this time.

Corporate

Board and Management Changes

In June 2011, the Company's Board and Management were changed. The Board now comprises Mr Domenic Martino, Interim Chairman, Ms Alison Coutts as Managing Director, Mr Wayne Rossiter as a Non-Executive Director and Dr Michael Green, Technical Director. Mr John Harkins, former Executive Chairman and Mr Paul Hubbard, former Non-Executive Director, resigned their respective positions in June and July. The consultancy services of Wayne O'Brien, a company founder, were also terminated.

Settlement of Dispute and Discharge of Convertible Note

In June, the Company announced in its quarterly report that it was in dispute in respect of the consultancy agreement between it and Universal Power and Oil Pty Ltd (UPO) through which the services of Wayne O'Brien were made available to the Company.

The company has settled the dispute on confidential terms. As part of the settlement, the convertible loan/note, provided by CTL Global LLC on 20th December 2010 and voted on at the Extraordinary General Meeting of the company held 21 September 2011, will be repaid. Accordingly this note will no longer be converted.

Completion of Capital Raising

On March 28, 2011 the Board of Clean Global Energy Limited announced a placement of 21,109,194 fully paid ordinary shares at $0.07 per share to institutional and sophisticated investors. In addition The Company undertook a fully-underwritten 2:5 non-renounceable pro-rata entitlement offer of 64,734,863 fully paid ordinary shares at $0.07 per share. Patersons Securities Limited acted as the Lead Manager for the placement and was the underwriter for the rights issue.

These transactions resulted in the issue of 85,844,057 fully paid ordinary shares to raise gross proceeds of $6,009,084.

The Directors present their report of Clean Global Energy Limited for the period ended 30 June 2011.

The consolidated entities referred to hereafter as The Company consist of Clean Global Energy and the entities controlled at the end of the period.

Principal Activities
The principal activities of The Company are:

- Exploration for coal resources in Australia for conventional coal assets; and
- Development and commercialisation of Underground Coal Gasification (UCG) projects outside Australia, until there is political and regulatory support for commercial projects within Australia.

Company Information
Clean Global Energy is a Company limited by shares, which is incorporated and domiciled in Australia.

Review of Operations
During the financial period the Company undertook substantial activity, the highlights of which appear below:

a) Coal Exploration Licence on EL 5270 Granted by Victorian Government
Work commenced from Q3 2010 on the tenement covering 900km² to find coal seams suitable for a UCG project. Development was suspended in Q1 2011 to focus effort and further investment in USA UCG opportunities, due to the geological complexity of the coals in this tenement.

b) Inner Mongolia Coal Lease Clarification
In Q3 2010, the Company clarified a potential acquisition by CGE joint venture company, AuSino Energy Limited, of an Inner Mongolian coal lease in the Bayan Bulag Coalfield. Further exploration to define a mineral deposit was uncertain due to insufficient review of the existing exploration data. In Q2 2011, the Board decided against funding further activity in China after negotiations with potential Chinese technical and financial partners had not resulted in formalisation of a joint venture to develop or license a suitable UCG project in that market.

c) MOU with Indian Fertiliser and Chemicals Company, Nagarjuna
In Q3 2010, the Company proposed an MOU with Nagarjuna after it invited CGE to work with it to procure UCG coal blocks to develop, construct, commission and operate a UCG plant for power generation, and a bid to Rajastan State Petroleum Corporation for UCG Syngas off-take.

d) UCG Collaboration Agreements with Australian and USA Universities
In Q3 2010, CGE entered into agreements with the Australian Centre for Sustainable Mining Practices and the School of Mining Engineering at the University of NSW, and the Colorado School of Mines at the University in Golden, Colorado, to undertake further research into the technical and environmental applications of UCG and CCS.

e) QLD Drilling Program proves up a 38MT JORC Inferred Resource
At the end of Q3 2010, the Company announced its EPC 1506 coal tenement in QLD's Clarence Moreton Basin was given a JORC Inferred Resource of 38 million tonnes* by independent geologists, with a potential 183 million tonnes* target. By Q1 2012, the Company suspended further development due to regulatory uncertainty in that state, and to await a QLD Government decision on allowing commercialisation of UCG projects, expected by Q1 2012.

f) CGE Expands into USA
At the end of Q4 2010, a new entity, Clean Global Energy Inc., was created to develop UCG projects in the USA, beginning in the state of Oklahoma. The Company agreed on terms to procure an existing coal mine with a minimum 20 million tonnes resource for a UCG plant. The mine site was 24 kms from a power plant that the Company entered into negotiations with for a UCG Syngas off-take agreement. Stage 3 of the project envisaged a 300MW UCG Syngas plant with full production by Q2 2015. In Q2 2011, further investigation into the mine site's coal indicated deposits would not deliver commercial levels of energy necessary to realise projected revenues at full production, and the Board decided to look for other UCG opportunities near power plants in the USA.

g) Binding Heads of Agreement with Indian power major, Essar
In Q1 2011, the Company entered into a binding HOA with Mumbai-based oil, gas and power multinational, Essar, to provide UCG technology and expertise under a Technology Licence Agreement (TLA). The HOA terms include the Company delivering and operating first a pilot, and then a commercial UCG Syngas plant. The TLA is triggered once Essar is awarded a UCG coal block by various government-backed entities in India, including Coal India Limited.

h) Rights and Placement Capital Raising for more than $6M
In Q1 2011, the Company issued a Placement of 21,109,194 fully paid ordinary shares at $0.07 per share, and a fully-underwritten 2:5 non-renounceable pro-rata Rights offer of 64,734,863 fully paid ordinary shares at $0.07 per share. The capital was sought to explore and drill the Company's coal tenements in QLD's Surat and Bowen Basins, to develop its UCG business and to provide ongoing working capital. These transactions were completed at the end of Q2 2011, resulting in the issue of 85,844,057 fully paid ordinary shares to raise gross proceeds of $6,009,084.

i) Board and Management Changes
On June 23, 2011, the Board updated a May 16 announcement on a Board and Management reorganisation. The Company accepted the resignation of John Harkins as CEO and Managing Director, the resignation of Non-Executive Director, Paul Hubbard, and thanked them for their contribution to the Company's formation and early development.

The Board ratified Alison Coutts as the permanent CEO and Managing Director, and the inclusion of Wayne Rossiter as an Executive Director from 16 May 2011. Wayne Rossiter's position changed to that of a Non-Executive Director effective from 1 July 2011.

Following the changes, the Board also comprises Domenic Martino as Interim Chairman and Dr. Michael Green, as Executive Technical Director.

Significant Changes in the State of Affairs
Other than the activities referred to in the above Review of Operations, as at the date of this report, no transaction or event of a material and unusual nature has been finalised which is likely, in the opinion of the Directors, to significantly affect the operations of the Company, the results of the operations, or the state of affairs of the Company in future financial years.

Likely Developments and Expected Results
The Company expects to continue the exploration, appraisal and development of coal assets principally suitable for conventional coal mining in Australia and Underground Coal Gasification (UCG) mining overseas, including the development of associated energy infrastructure. Progression of these activities will require the raising of additional capital. In the opinion of Directors, further disclosure of information regarding potential developments in the operations of the Company is likely to prejudice the interests of the Company. Accordingly, this information has not been included in this report.

The Board will continue to review potential areas of activity that may create additional value to the Company. The Board will keep shareholders informed of any significant developments.

Financial Result
The consolidated loss of The Company for the period amounted to $6,646,318 (2010: loss $2,785,469). This is made up of an operating loss of $6,646,318 (2010: $1,561,512). In 2010 there was $1,223,818 relating to non-cash charges on share based payments arising as a result of the reverse takeover of IRH as dictated by International Accounting Standards.

Dividends
No dividends have been paid or declared and no dividends have been recommended by the Directors.

Proceedings on behalf of The Company
No proceedings have been brought or intervened in or on behalf of The Company with leave of the Court under S237 of the *Corporations Act 2001*.

Environmental Regulation and Performance

Exploration and development activities in Australia are subject to State and Federal laws, principally the *Environmental Protection Act* and associated regulations in each State of operation. The Company has a policy of complying with its environmental performance obligations, and during the reporting period, there have been no significant known breach of statutory conditions or obligations.

Any UCG development or operation will be subject to significant environmental requirements. The operation of these laws will be determined by the country or state of operation.

The National *Greenhouse and Energy Reporting Act (NGER) 2007* has established a national framework for corporations to report greenhouse gas emissions, energy consumption and production. The NGER makes registration and reporting mandatory for corporations which meet or exceed specified thresholds in energy use and production. The Company does not meet these minimum thresholds.

Directors

The following persons were Directors of Clean Global Energy Limited during the financial year and up to the date of the report:

Michael Green	Appointed 9 October 2009
Domenic Martino	Appointed 9 October 2009
Alison Coutts	Appointed 9 October 2009
Wayne Rossiter	Appointed 16 May 2011
John Harkins	Resigned 23 June 2011
Paul Hubbard	Resigned 1 July 2011

Information on Directors

Dr Michael Green (Technical Director)

Dr. Michael Green is the founding Director of UCG Partnership Ltd, and Managing Director of UCG Engineering Ltd, a UK company which provides specialist technical and management services to companies on underground coal gasification. He has authored many papers on UCG, and has made presentations to most of the major coal and energy conferences. He has also been working with Companies and State Bodies to identify future options for UCG.

Dr Green is a Chartered Engineer (1975), a MIChemE and an Ass. Member of the ASME. He holds a B.Sc. (Eng.) in Chemical Engineering (London, 1964) and a Ph.D. in Engineering (1968) from Imperial College London. Prior to forming the UCG Partnership and establishing UCG Engineering Ltd he was appointed as a specialist consultant to the British Department of Trade and Industry (DTI) and the National Coal Authority (1999) to evaluate the feasibility of UCG technology for UK Coal resources and prepared the Government report on the feasibility of UCG in the UK (published September 2004), and a large number of other briefing papers for the British Government. During this time he has acted as DTI adviser to the Scottish UCG and CO2 sequestration project.

Dr Green was previously appointed as Director and General Manager of the major €17M trial of UCG (Underground Gasification Europe A.E.I.E) in Teruel, Spain which lasted from 1996 to 1999. During this time he was in full charge of the project and led it through plant commissioning, gasification, close down and analysis phases and met the project objectives and deliverables set by the European Commission and the participating countries. He reported directly to the International Board and the European Commission in Brussels.

Prior to this Dr Green was Technical Controller with British Gas at its Chemical Sciences R&T Division – Gas Research Centre, Loughborough where he was responsible for a £8m p.a. programme of technological acquisition and specialist support services, to improve profitability of the Exploration, Production, Transmission and Land Reclamation Business Units with a staff of 208. During this time he initiated a £800k long-range research program to maintain and develop core competencies and capture emerging technologies from universities and technology centres. His distinguished career with British Gas spanned some 25 years.

Before joining British Gas Dr Green was a Thermodynamicist with Grumman Aerospace Inc, Bethpage, New York, USA (1968-1971). He worked on military projects in the fields of heat transfer in space vehicles simulation of infrared emissions from aircraft, and counter-measures against heat-seeking missiles.

Mr Domenic Martino (Interim Non-Executive Chairman)
Mr Martino was the Chief Executive Officer of Deloitte Touche Tohmatsu in Australia from 2001 to 2003. During that time he was also a member of the Global Executive Committee of Deloitte Touche Tohmatsu International. Prior to taking on the position as Chief Executive Officer he was the Managing Partner of The Company's New South Wales operations from 1998 to 2001. He was a partner of Deloitte Touche Tohmatsu and its predecessor firms from 1981 to 2003 during which time, in addition to a number of management operational roles, he specialised in the corporate finance area including mergers and acquisitions, initial public offerings and strategic opportunities.

Mr Martino is a Director and Chairman of Computercorp Limited (appointed 7 July 2006), a national ICT infrastructure solutions company and a director of AIM listed Gladstone Pacific Nickel Ltd (appointed 11 December 2007). He was a founding Director and former Chairman of coal bed methane companies Sydney Gas Limited (appointed November 1992, retired 13 September 2005) and Blue Energy Limited (formerly Energy Investments Limited, appointed June 1992, retired 10 October 2006).

Mr Martino serves on the following Boards: -
Current Chairman – Australasian Resources Ltd (ASX: ARH)
Current Director – Pan Asia Corporation Ltd (ASX: PZC)
Current Director – Cokal Limited (ASX: CKA)
Current Director – Gladstone Pacific Nickel Limited
Current Director – Resourcehouse Limited (HKSE – listing pending)

Ms Alison Coutts (CEO and Managing Director)
Ms Coutts has over 25 years' experience in international engineering project management, strategy consulting and executive search. Ms Coutts' most recent experience has been in financial services, focusing on providing corporate finance and strategic advisory services to young, high growth companies.

Upon completing her engineering degree (the first female graduate of Melbourne University in Chemical Engineering), Ms Coutts worked in London as a graduate trainee with Bechtel Corporation in the design of petrochemical plants, which were based in the Middle East and the North Sea. She subsequently became a Lecturer in Physical Chemistry at the University of the West Indies, Department of Chemistry, Barbados, after which she returned to Bechtel to work in the corporate head office in San Francisco, USA before working as a contracts engineer on site in Taranaki, New Zealand, as part of the Bechtel team building the world's first commercial natural gas to gasoline plant. During her years with Bechtel Corporation Ms Coutts gained experience in designing and managing the construction of large multinational oil and gas projects. Upon her return to Australia, Ms Coutts worked as a project engineer with a private firm designing, building and delivering complex processing plants to central Australia under extremely tight time frames and difficult budgetary constraints.

Ms Coutts then completed her MBA at Melbourne Business School with distinction and won the Business Policy prize. She subsequently worked at Boston Consulting Group (BCG), Melbourne where she undertook assignments in strategy formulation, organisational restructuring and corporate training for a number of large Australasian corporations. After her time at BCG, Alison worked in Executive Search for Egon Zehnder International and was responsible for placing a number of executives across a range of functions and industries.

In 2001 she completed a degree in biotechnology at Melbourne University and was subsequently headhunted to Sydney to lead a stock broking firm's efforts to enter that field. A year later she co-founded a boutique financial advisory firm, eG capital, which quickly became established as a leader in providing corporate advisory, capital raising and stock broking services in the Australian Life Sciences sector. Over its seven years in operation, eG Capital raised in excess of $500 million for the sector through IPOs and secondary raisings. During this time Alison gained a great understanding of the special difficulties, not just financial, that beset many small companies and some of the remedies that can be applied.

Ms Coutts is also a non-executive director of DataDot Technology Ltd (ASX: DDT).

Mr Wayne Rossiter (Non-Executive Director)
Mr Rossiter's solid mining engineering background, coupled with his extensive accounting and finance skills offers a deep understanding of both operational and boardroom risks. His solid experience covers companies listed on the ASX, TSX and SEHL, primarily in small to mid-sized stocks up to $A1.5 billion.

Mr Rossiter has transitioned companies from the exploration stage through to development and into production. His broader general management and technical skills in understanding the coal and gas mining sectors, and delivering successful projects, was highly prized at Clean Global Energy when he held the role of Chief Financial Officer.

Mr Rossiter's global range of experience includes coal seam gas operations with Planet Gas, in the Powder River Basin in Wyoming, USA. Conventional oil and gas experiences were gained through his time with Novus Petroleum, operating in Australia, Indonesia, the USA, and the Middle East, and with Rock Oil Company Ltd, with projects in the UK, China, Australia and Africa.

As General Manager for Cockatoo Coal, he worked with coal assets in the Surat and Bowen Basins in Queensland which is where Clean Global Energy currently holds coal tenements. As Chief Financial Officer for the $2B Sino Gold Mining Company, Mr Rossiter worked on projects in China. Previously, he was involved in wind farm projects in the UK, the USA and Australia for Wind Hydrogen Ltd.

His prior role with Core Mining Limited resulted in the raising of significant pre IPO funding for a major iron ore project in West Africa and establishing processes and procedures in preparation of a London AIM listing.

Mr Rossiter's financial expertise was honed with Coopers and Lybrand, one of the "Big 4" global chartered and audit companies. He is a Member of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Chartered Accountants and a Graduate Member of the Australian Institute of Company Directors.

Mr Rossiter's academic qualifications include a Bachelor of Mining Engineering (Hons) from the University of New South Wales, a second Major in Accounting at Sydney's University of Technology, and a Masters in Accounting through the Australian Institute of Chartered Accountants. His Masters of Finance was completed at Macquarie University.

Company Secretary Information

Mr Andrew Whitten (Appointed on 9 October 2009)
Andrew Whitten is an admitted solicitor with a specialty in Corporate Finance and Securities Law. He is currently the Company secretary of a number of publicly listed companies. Mr Whitten is a responsible officer of a Nominated Adviser to the National Stock Exchange of Australia Limited, and has been involved in a number of corporate and investment transactions including Initial Public Offerings on the ASX and NSX, corporate reconstructions, reverse mergers and takeovers. His firm currently acts for a number of publicly listed companies.

Mr Whitten holds a Bachelor of Arts (Economics) from UNSW, Master of Laws and Legal Practice (Corporate Finance and Securities Law) from UTS, and a Graduate Diploma in Advanced Corporate Governance from the Institute of Chartered Secretaries, and is an elected Associate of the Institute.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Throughout the reporting period the Company has maintained Directors' and Officer's insurance for the purpose of covering losses which Directors and Officers may become legally obligated to pay.

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001* every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the period the Company paid $20,471 (2010: $11,111) in premiums for Directors and Officer Insurance.

MEETINGS OF DIRECTORS

During the period, nine meetings of Directors were held. Attendances were as follows:

Director	Number of meetings held while a director	Number of meetings attended while a director
John Harkins	9	8
Michael Green	9	8
Domenic Martino	9	6
Alison Coutts	9	9
Paul Hubbard	9	9
Wayne Rossiter	1	1

DIRECTORS INTERESTS

At the date of this report, the beneficial interests of each Director in the issued capital of the Company were:

Specified Director	Held at 1 July 2010	Issued[1]	Sold	Held at the date of this report
Michael Green	6,386,335	-	-	6,386,335
Domenic Martino	7,833,333	-	-	7,833,333
Alison Coutts	1,333,332	533,333	-	1,866,665
Wayne Rossiter	-	-	-	-

[1] Shares issued to directors were issued pursuant to allotments made to directors who participated in the rights issue pursuant to the prospectus dated 28th March 2011.

No options were granted to Directors during the period and no current Directors hold options in the Company.

UNISSUED SHARES UNDER OPTION

The Company has 5,277,079 options on issue which were issued by International Resource Holdings Limited prior to the merger. As at the date of this report unissued ordinary share capital of the Company under option are:

Number of options	Exercise price	Expiry date
3,527,079	$0.40	30 November 2011
125,000	$0.60	30 November 2011

375,000	$1.00	30 November 2011

REMUNERATION REPORT (Audited)

The goals of the Company's remuneration policy are to:

- Ensure that reward for performance is competitive and that employees are committed and motivated;
- Align executive compensation with achievement of strategic objectives and the creation of value for shareholders; and
- Comply with relevant legislation and general market remuneration practices.

EXECUTIVE DIRECTORS

Executive Directors are entitled to receive a Base Fee plus superannuation where applicable. Remuneration for Executive Directors is benchmarked against a comparable pool of Companies and is determined by the Board. As the company is still in the exploration and development stage and is not making profits, there is no relationship between executive director remuneration and company performance other than in relation to milestone payments for Dr Michael Green, the Technical Director, as noted below.

NON-EXECUTIVE DIRECTORS

Non-Executive Directors are entitled to receive a Base Fee plus superannuation where applicable. Remuneration for Non-Executive Directors is benchmarked against a comparable pool of Companies and reviewed on an annual basis. Remuneration is determined by the Board and takes into consideration the need to obtain suitably qualified independent Directors.

Remuneration of Non-Executive Directors is approved by the Board and set in aggregate with the maximum amount approved by the shareholders.

The Key Management Personnel of the Company include the Executive and Non Executive Directors, the Company Secretary, the Chief Financial Officer and a consultant to the Company. The Company does not consider other executives to be Key Management Personnel.

The Key Management Personnel of the Company are:

- Alison Coutts, CEO and Managing Director (appointed Non-Executive Director on 9 October 2009 and appointed interim then permanent CEO and Managing Director on 12 May 2011 and 23 June 2011 respectively)
- Michael Green, Technical Director (appointed 9 October 2009)
- Domenic Martino, Interim Chairman (appointed Non-Executive Director on 9 October 2009 and Interim Chairman on 12 May 2011)
- Wayne Rossiter, Non-Executive Director (previously Chief Financial Officer and appointed as Executive Director 16 May 2011, subsequently changed to a Non-Executive Director effective 1 July 2011)
- Andrew Whitten, Company Secretary (appointed date 9 October 2009)
- John Harkins, Chairman and Managing Director (resigned 23 June 2011)
- Paul Hubbard, Non-Executive Director (resigned 1 July 2011)
- Wayne O'Brien, (suspended 16 May 2011 and subsequently terminated)

DETAILS OF REMUNERATION

	Short term employee benefits	Post-employment (superannuation)	Termination benefits	Share – based	Total

	(cash salary and fees)			payments (shares)	
2011					
Directors					
John Harkins	250,000	-	20,000	-	270,000
Michael Green	144,698	-	-	-	144,698
Domenic Martino	50,000	4,500	-	-	54,500
Alison Coutts (CEO & Managing Director)	80,593	7,253	-	-	87,846
Paul Hubbard	50,000	-	-	-	50,000
Wayne Rossiter (Chief Financial Officer & Executive Director)	253,687	22,832	-	-	276,519
Key Management					
Andrew Whitten (Company Secretary)	95,928	-	-	-	95,928
Executive					
Wayne O'Brien	262,500	-	-	-	262,500
2010					
Directors					
John Harkins	315,623	-	-	-	315,623
Michael Green	116,527	-	-	-	116,527
Domenic Martino	36,410	3,277	-	300,000	339,687
Alison Coutts	43,907	4,011	-	-	47,918
Paul Hubbard	50,002	-	-	-	50,0002
Key Management					
Andrew Whitten (Company Secretary)	45,000	-	-	-	45,000
Wayne Rossiter (Chief Financial Officer)	15,432	1,389	-	-	16,821
Peter Dunoon (Company Secretary and Chief Financial Officer)*	101,250	9,518	51,000	-	170,768
Executive					
Wayne O'Brien	315,623	-	-	-	315,623

* Peter Dunoon resigned 17th November 2009

No portion of remuneration was performance based in the reporting period.

DETAILS OF EMPLOYMENT AGREEMENTS

The Chairman, Mr Domenic Martino, is employed as a Non-Executive Directorof the Company and is paid a fixed fee for service. No termination benefits exist.

The Managing Director, Ms Alison Coutts, has no service contract with the Company. Ms Coutts is paid a market-based compensation for her services. The Company and Ms Coutts are in negotiations to complete an employment contract which will include a termination agreement.

The Technical Director, Dr. Michael Green, through his company, UCG Engineering Ltd, entered into a Technology Partnership Agreementwith the Company, dated 23 July 2008. An exclusivity clause in that Agreement relating to Australia, China and Africa expired 11 May 2011.

Mr Wayne Rossiter, a Non-Executive Director of the Company was until 30 June 2011 the Chief Financial Officer of the Company. Under the terms of his employment contract he was entitled to a three month termination payment. On 16 May 2011 Mr Rossiter was appointed as an Executive Director of the Company and effective 1 July 2011 Mr Rossiter transitioned to the position of Non-Executive Director.

Non Executive Director tenure is subject to rotation and shareholder re-appointment and no termination entitlements exist.

The Company Secretary is a consultant engaged by the Company. No termination benefits exist.

This is the end of the Audited Remuneration Report

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Between the end of the financial period and the date of this report the following events have occurred:

a) Non-Renounceable Entitlement Offer
On August 16 2011, the Company announced a 1-for-1 non-renounceable pro-rata entitlement offer of options to acquire fully paid ordinary CGE shares (New Options) at an issue price of $0.002 per option, with an exercise price of $0.07 per option to raise approximately $453,144.04 before issue costs (Offer).

The offer is fully underwritten by Patersons Securities Limited, and funds raised under the Offer, after the payment of costs of the Offer, will be principally be used to advance the Company's projects. As at August 16, the total number of New Options that will be issued under the Offer is 226,572,021, assuming that no options over Shares that are currently on issue are exercised in time to permit the holders of exercised options to participate in the Offer.

b) Extraordinary General Meeting
At the Extraordinary General Meeting held in Sydney on Wednesday, September 21, shareholders considered three separate resolutions:

1. **Subsequent Approval of an Issue of Securities**: seeking approval for the issue and allotment by the Company of 21,109,194 fully paid ordinary shares in the capital of the Company at an issue price of $0.07 per share to clients of Patersons Securities Limited.

   Resolution 1 was passed unanimously on a show of hands.

2. **Issue of Shares on Conversion of the Convertible Note Loan Facility Agreement with CTL Global LLC**: to consider approval for Directors to issue and allot up to 15,156,161 fully paid ordinary shares in the capital of the Company at a deemed issue price of $0.04 per share to CTL Global LLC on conversion of the convertible note loan facility agreement, dated 20 December 2010.

   Resolution 2 was defeated on a show of hands.

3. **Authority to Issue Options to CTL Global LLC**: subject to the passing of resolution 2, seeking approval for the Company to issue to CTL Global LLC up to 15,156,161 options to subscribe for fully paid ordinary shares in the capital of the Company at a deemed issue price of $0.002 per option and an exercise price of $0.07 per fully paid ordinary share, in accordance with a proposed pro-rata non-renounceable entitlement issue to holders of ordinary securities that the Company is considering to undertake in the near future.

   As resolution 3 was interdependent on the passing of resolution 2, it was not put to members at the meeting, as resolution 2 was defeated.

c) Settlement of Dispute and Discharge of Convertible note
In June, the Company announced in its quarterly report that it was in dispute in respect of the consultancy agreement between it and Universal Power and Oil Pty Ltd (UPO) through which the services of Wayne O'Brien were made available to the Company.

The company has settled the dispute on confidential terms. As part of the settlement, the convertible loan/note, provided by CTL Global LLC on 20th December 2010 and voted on at the Extraordinary General Meeting of the company held 21 September 2011, will be repaid. Accordingly this note will no longer be converted.

BOARD POLICY ON LIMITING RISK IN SHARE TRADING

This sets out Clean Global Energy's policy on the sale and purchase of its securities by its Directors, employees and contractors.

The purpose of this policy is to:

- impose "Black-out" periods at various times during the year, particularly in periods leading up to an announcement of results, during which trading of Clean Global Energy's securities by Directors, employees and contractors is prohibited; and
- set out procedures to eliminate the risk of insider trading.

A basic explanation on insider trading is provided together with the steps taken by Clean Global Energy to prevent the practice, including:

- a description of what conduct may constitute insider trading,
- the windows when Directors, employees and contractors are permitted to buy or sell securities in order to minimise the risk of insider trading,
- the steps to take when buying or selling securities in the Company.

CORPORATE GOVERNANCE STATEMENT

In recognising the need for the highest standards of corporate behaviour and accountability, the Board supports and adhere to the principals of corporate governance, establishing a set of policies and manuals for the purpose of managing this governance.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out following this report.

NON-AUDIT SERVICES
The Board has considered the position and is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including acting in a management or a decision-making capacity for the Company or acting as advocate for the Company.

During the financial period the following fees were paid or payable for non-audit services (Investigative Accounting Report for the prospectus) provided by the auditor:

	2011	2010
	$	$
BDO Corporate Finance (WA) Pty Ltd	**-**	15,929

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

30 September 2011, at Sydney, New South Wales

Alison Coutts
CEO and Managing Director

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DECLARATION OF INDEPENDENCE BY JEFF ABELA
TO THE DIRECTORS OF CLEAN GLOBAL ENERGY LIMITED

As lead auditor of Clean Global Energy Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Clean Global Energy Limited and the entities it controlled during the period.

Jeff Abela

Director

BOO Audit (NSW-VIC) Pty Ltd

Signed in Sydney on 30th September 2011

Statement of Comprehensive Income

For the year ended 30 June 2011

	Note	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Revenue	4	**78,474**	123,767
Other income		**34,388**	11,979
Total revenue and other income		**112,862**	135,746
Advertising and marketing		**(147,799)**	(87,789)
Consultants		**(728,593)**	(466,878)
Directors fees		**(152,416)**	(120,429)
Depreciation	5	**(24,230)**	(12,459)
Employee costs	5	**(973,694)**	(458,882)
Exploration costs written off		**(3,447,865)**	-
Interest expense		**(32,475)**	-
Legal		**(78,500)**	(83,302)
Rent and occupancy	5	**(224,724)**	(81,746)
Telephone and communications		**(106,301)**	(53,495)
Travel and accommodation		**(520,094)**	(138,631)
Office costs		**(121,071)**	(69,457)
Other costs		**(201,418)**	(124,329)
Total expenses		**(6,759,180)**	(1,697,397)
Operating Loss for the year		**(6,646,318)**	(1,561,651)
Share based payments	19	**-**	(1,223,818)
Loss before tax		**(6,646,318)**	(2,785,469)
Income tax expense	6	**-**	-
Loss for the year		**(6,646,318)**	(2,785,469)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(6,646,318)**	(2,785,469)
Loss attributable to owners of Clean Global Energy Limited		**(6,646,318)**	(2,785,469)
Total comprehensive loss attributable to owners of Clean Global Energy Limited		**(6,646,318)**	(2,785,469)
Loss per share attributable to owners of the company: Basic and diluted loss per share (cents per share)	7	**(3.97)/(3.97)**	(2.32)/(2.32)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2011

	Note	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
ASSETS			
Current Assets			
Cash and cash equivalents	8	**4,473,200**	3,093,432
Trade and other receivables	9	**157,963**	245,173
Total current assets		**4,631,163**	3,338,605
Non-Current Assets			
Property, plant & equipment	10	**56,635**	65,098
Exploration & evaluation expenditure	11	**422,613**	2,583,890
Total non-current assets		**479,248**	2,648,988
Total assets		**5,110,411**	5,987,593
LIABILITIES			
Current Liabilities			
Trade and other payables	12	**381,885**	871,998
Provisions	13	**19,795**	-
Borrowings	14	**630,632**	-
Total current liabilities		**1,032,312**	871,998
Net assets		**4,078,099**	5,115,595
Equity			
Contributed equity	15	**13,876,317**	8,267,495
Accumulated losses	16	**(9,798,218)**	(3,151,900)
Total Equity		**4,078,099**	5,115,595

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2011

CONSOLIDATED EQUITY	Issued Capital $	Accumulated Losses $	Total Equity $
At 1 July 2010	8,267,495	(3,151,900)	5,115,595
Loss for the year	-	(6,646,318)	(6,646,318)
Total comprehensive income for the year	-	(6,646,318)	(6,646,318)
Contribution of new equity	6,009,084	-	6,009,084
Share issues costs	(400,262)	-	(400,262)
At 30 June 2011	13,876,317	(9,798,218)	4,078,099
At 1 July 2009 (Unaudited)	690,004	(366,431)	323,573
Loss for the year	-	(2,785,469)	(2,785,469)
Total comprehensive income for the year	-	(2,785,469)	(2,785,469)
Contribution of new equity	6,000,000	-	6,000,000
Share based payment	2,400,000	-	2,400,000
Flotation costs paid	(822,509)	-	(822,509)
At 30 June 2010	8,267,495	(3,151,900)	5,115,595

The above statement in changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2011

		CONSOLIDATED	CONSOLIDATED
		2011	2010
CONSOLIDATED	Note	$	$
Cash flows from operating activities			
Payments to suppliers and consultants		**(4,046,668)**	(1,192,828)
Interest received		**79,191**	122,246
Interest paid		**(1,843)**	-
Receipts/(payments) for security deposits		**8,000**	(27,257)
GST received		**434,621**	90,014
Net cash outflow from operating activities	17	**(3,526,699)**	(1,007,825)
Cash flows from investing activities			
Payments for property, plant and equipment		**(15,767)**	(71,381)
Payments for exploration, evaluation and development expenditure		**(1,286,588)**	(1,214,463)
Cash obtained on reverse acquisition		**-**	44,682
Net cash outflow from investing activities		**(1,302,355)**	(1,241,162)
Cash flows from financing activities			
Proceeds from issue of shares		**6,009,084**	6,000,000
Share issue costs/floatation costs paid		**(400,262)**	(662,626)
Proceeds from borrowings		**600,000**	-
Net cash inflow from financing activities		**6,208,822**	5,337,374
Net increase in cash and cash equivalents		**1,379,768**	3,088,387
Cash and cash equivalents at the beginning of the financial year		**3,093,432**	5,045
Cash and cash equivalents at the end of the financial year	8	**4,473,200**	3,093,432

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. CORPORATE INFORMATION

The financial statements of Clean Global Energy Limited for the year ended 30 June 2011 were authorised for issue in accordance with a resolution of Directors on 30 September 2011 and covers the consolidated entity consisting of Clean Global Energy Limited and its subsidiaries (the Group) as required by the Corporations Act.

Clean Global Energy Limited (Company) is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In order to assist in the understanding of the financial statements, the following summary explains the material accounting policies that have been adopted in the preparation of the financial statements.

(a) Basis of preparation/accounting

The financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(b) Statement of compliance

The financial statements comply with Australian Accounting Standards and, International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) Going concern

The Group has incurred a net loss after tax for the year ended 30 June 2011 of $6,646,318 (2010: $2,785,469) and has experienced net cash outflows from operating activities of $3,526,699 (2010: outflows $1,007,825). The Company has also experienced cash outflows from investing activities of $1,302,355 (2010: outflow $1,241,162). As at the 30 June 2011, the Group had net current assets of $3,598,851 (2010: $2,466,607).

The Directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. As a result of the planned expenditures on exploration activities and underground coal gasification development costs the Board anticipates seeking additional funding within the next 12 months, in order to continue as a going concern. This may be by sale of surplus traditional coal assets, equity issues or both.

(d) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Clean Global Energy Limited as at 30th June 2011 and the results of all subsidiaries for the year then ended. Clean Global Energy Limited and its subsidiaries together are referred to in the financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Functional and presentation currency

The financial statements are prepared in Australian Dollars which is the functional and presentation currency of the Company.

(e) Impairment of assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's values in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had the impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(f) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(g) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss statement during the reporting period in which they are incurred.

Depreciation is calculated using the diminishing value and prime cost methods and is brought to account over the estimated economic lives of all buildings, plant and equipment. The rates used are based on the useful life of the assets and range from 20% to 33%.

(h) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances relating to amounts recognised directly in other comprehensive income and equity are also recognised directly in other comprehensive income and equity respectively.

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

- where 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 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 flow 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.

(i) Exploration and evaluation expenditure

The Group's policy with respect to exploration and evaluation expenditure is to use the area of interest method. Under this method exploration and evaluation expenditure is carried forward on the following basis:

1. Each area of interest is considered separately when deciding whether, and to what extent, to carry forward or write off exploration and evaluation costs.
2. Exploration and evaluation expenditure related to an area of interest is carried forward provided that rights to tenure of the area of interest are current and that one of the following conditions is met:

   - such evaluation costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
   - exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Exploration and evaluation costs accumulated in respect of each particular area of interest include only net direct expenditure.

(j) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, cash in bank accounts, money market investments readily convertible to cash within two working days, and bank bills but net of outstanding bank overdrafts.

(k) Joint ventures

As at the end of the reporting period the Group was not a party to any joint venture arrangements.

(l) Restoration and rehabilitation

Estimates of the cost of restoration and rehabilitation are provided for when areas first become affected as a result of exploration activities. Site restoration costs include: the dismantling and removal of infrastructure, removal of residual materials and remediation of disturbed areas. Such costs are determined using estimates of future costs, current legal requirements and technology on a discounted basis.

(m) Interest-bearing liabilities

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method.

All borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(n) Employee entitlements

The Group's liability for employee entitlements arising from services rendered by employees to the end of the reporting period, where material, are recognised in other payables. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled within one year, have been measured at their nominal amount and include related on-costs. No provision for long-service leave has been made given the tenure of employees was less than one year as at 30 June 2011.

(o) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing the operating loss attributable to owners of the Group after income tax by the weighted average number of ordinary shares outstanding during the financial period.

(ii) Diluted earnings per share

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

(p) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(q) Trade and other receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months.

(r) Trade and other payables

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

(s) Contributed equity

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

(t) Business combination

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

During the prior year Clean Global Energy Pty Limited's original shareholders obtained a majority share interest in Clean Global Energy Limited after the acquisition transaction. This would normally be accounted for as a reverse acquisition in accordance with *AASB 3 "Business Combinations"*; however, after disposing of its business activities on 23 September 2009, Clean Global Energy Limited as the accounting acquiree was not a business. Therefore, the transaction has been accounted for in the consolidated financial statements in accordance with *AASB 2 "Share-based Payment"*. It has been accounted for as a continuation of the financial statements of Clean Global Energy Pty Limited, together with a deemed issue of shares, equivalent to the shares held by the former shareholders of Clean Global Energy Limited. This deemed issue of shares is, in effect, a share-based payment transaction whereby Clean Global Energy Pty Limited is deemed to have received the net assets of Clean Global Energy Limited, together with the listing status of Clean Global Energy Limited. The overall accounting effect is very similar to that of a reverse acquisition.

This accounting treatment applies only to the business combination transactions at the acquisition date and does not apply to transactions after the reverse acquisition date.

Reverse acquisition accounting applies only to the consolidated financial statements.

Because the consolidated financial statements represent a continuation of the financial statements of Clean Global Energy Pty Limited, the principles and guidance on the preparation and presentation of the consolidated financial statements in a reverse acquisition set out in AASB 3 have been applied:

- fair value adjustments arising at acquisition were made to Clean Global Energy Limited's assets and liabilities, not those of Clean Global Pty Limited;
- the cost of the acquisition is based on the notional amount of shares that Clean Global Energy Pty Limited would need to issue to acquire the majority interest of Clean Global Energy Limited's shares that the shareholders did not own after the acquisition, times the fair value of Clean Global Energy Pty Limited shares at acquisition date;
- retained earnings and other equity balances in the consolidated financial statements at the date of acquisition are the retained earnings and other equity balances of Clean Global Energy Pty Limited immediately before the acquisition;
- a share-based payment transaction arises whereby Clean Global Energy Pty Limited is deemed to have issued shares in exchange for the net assets of Clean Global Energy Limited, together with the listing status of Clean Global Energy Limited. The listing status does not qualify for recognition as an intangible asset and has therefore been expensed in profit or loss as a listing expense;
- the amount recognised as issued equity instruments in the consolidated financial statements has been determined by adding the share-based payment to the issued equity of Clean Global Pty Limited (formerly International Resource Holdings Limited) immediately before the business combination;
- the equity structure in the consolidated financial statements (the number and type of equity instruments issued) at the date of the acquisition reflects the equity structure of Clean Global Energy Limited, including the equity instruments issued by Clean Global Energy Limited to effect the acquisition;
- the results for the year ended 30 June 2011 comprise the results of Clean Global Energy Pty Limited, and the results of Clean Global Energy Limited subsequent to the acquisition.

(u) Adoption of new and revised accounting standards

No new accounting standards and interpretations, that are available for early adoption at 30 June 2011, but not yet adopted, will result in any material change to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

(a) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of exploration and evaluation expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped. In relation to the South East Queensland project the Company is carrying forward exploration expenditure incurred to date on the basis of a potential future UCG operation. Capitalised development costs relate to the design and engineering of underground and surface facilities in relation to underground coal gasification and surface handling, treatment and storage of syngas product which may be potentially applied in any of the Company's projects.

Deferred tax assets

The Group expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

(b) Significant accounting estimates and assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Write off of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Regulatory uncertainty for underground coal gasification commercialisation in Queensland has resulted in the Company suspending drilling on tenements in this state, until completion of an expert panel report into the environmental impact of UCG, and the Queensland Government makes a determination on UCG commercialisation support, due by Q1 2012. As a result the Company has written of $3,447,865 (2010: $nil) of exploration and evaluation expenditure which would otherwise have been disclosed as a capitalised asset.

4. REVENUE

	CONSOLIDATED	CONSOLIDATED
	2011	**2010**
	$	**$**
Revenue includes the following specific items:		
Interest revenue	**78,474**	**123,767**

5. EXPENSES

	CONSOLIDATED	CONSOLIDATED
	2011	**2010**
	$	**$**
Loss includes the following specific expenses:		
Depreciation expense		
Plant and equipment	**17,671**	10,788
Leasehold improvements	**6,559**	1,671
Total depreciation	**24,230**	12,459
Rent and Occupancy		
Rent under operating lease	**193,368**	73,071
Occupancy expenses	**31,356**	8,675
Total rent expense	**224,724**	81,746
Employee expenses		
Superannuation	**86,913**	25,522
Wages and salaries	**662,525**	283,039
Payroll tax	**59,552**	26,069
Workers compensation	**50,354**	17,160
Recruitment fees	**114,350**	107,092
Total employee costs	**973,694**	458,882

6. TAXATION

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Loss before income tax	**(6,646,318)**	(2,785,469)
Prima facie benefit on loss from continuing activities at 30% tax rate (2010: 30%)	**(1,993,895)**	(835,641)
Tax effect of amounts which are not deductible in calculating taxable income:		
Share based payment expense	**-**	367,145
Entertainment	**19,768**	1,769
Tax effect of current year tax losses for which no deferred tax asset has been recognised	**1,974,127**	466,727
Total income tax expense	**-**	-
Unrecognised deferred tax assets and liabilities:		
Carry forward tax losses:		
Operating	**2,550,783**	576,656
Exploration, evaluation and development expenditure	**126,783**	775,167
	2,677,566	1,351,823
Deferred tax liabilities temporary differences	**(126,783)**	(775,167)
Net unrecognised deferred tax assets	**2,550,783**	576,656

The taxation benefits will be obtained only if the assessable income derived is of a nature and an amount sufficient to enable the benefit of deductions to be realised; conditions for deductibility imposed by the law are complied with; and there are no changes in tax legislation which adversely affect the realisation of the benefit of the deductions. For Financial Statement purposes, with respect to the above, the Group has not brought the tax benefit to account.

7. EARNINGS/(LOSS) PER SHARE

	CONSOLIDATED	CONSOLIDATED
	2011	**2010**
	$	**$**
(a) Basic earnings per share		
Loss from continuing operations attributable to owners of Clean Global Energy Limited used to calculate basic earnings per share	**6,646,318**	**2,785,469**
(b) Diluted earnings per share		
Loss from continuing operations attributable to owners of Clean Global Energy Limited used to calculate diluted earnings per share	**6,646,318**	**2,785,469**

	CONSOLIDATED	CONSOLIDATED
	2011	**2010**
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted earnings per share	**167,271,357**	**120,014,185**

Options being potential shares are not considered dilutive and have not been used to calculate diluted loss per share.

Loss per share attributable to owners of the company:		
Basic and diluted loss per share (cents per share)	**(3.97)/(3.97)**	(2.32)/(2.32)

8. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	CONSOLIDATED
	20110	**2010**
	$	**$**
Deposits at call	**147,966**	99,658
Cash at bank and in hand	**4,325,234**	2,993,774
	4,473,200	3,093,432

(a) Reconciliation to cash at end of year

The above figures are reconciled to cash at the end of the financial year.

(b) Cash at bank

Amounts held in the Groups cheque and online savings accounts attract variable rates commensurate with a business cheque and online savings account.

(c) Deposits at call

The deposits are at call and attract interest rates between 4% and 6% (2010: 3.60% and 4.95%). The maturity dates of the various term deposits range from 45 days to 180 days after the end of the reporting period.

9. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Prepaid expenses	**8,963**	20,704
Other receivables	**803**	1,520
Security deposits	**36,957**	44,957
GST receivable	**111,240**	177,992
	157,963	245,173

Security deposits are held by the Queensland Department of Mines and Energy and the landlords for rented premises. No receivables are past due.

10. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED 20110 $	CONSOLIDATED 2010 $
Leasehold improvements		
- at cost	**32,795**	32,795
- accumulated depreciation	**(8,230)**	(1,671)
- total leasehold improvements	**24,565**	31,124
Plant and equipment		
- at cost	**72,224**	56,457
- accumulated depreciation	**(40,154)**	(22,483)
- total plant and equipment	**32,070**	33,974
Total property, plant and equipment	**56,635**	65,098
Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below:		
Reconciliation of the carrying amount of leasehold improvements		
Carrying amount at beginning of financial year	**31,124**	-
Additions	**-**	32,795
Depreciation expense for the period	**(6,559)**	(1,671)
Carrying amount at end of financial year	**24,565**	31,124
Reconciliation of the carrying amount of plant and equipment:		
Carrying amount at beginning of financial year	**33,974**	6,176
Additions	**15,767**	38,586
Depreciation expense for the period	**(17,671)**	(10,788)
Carrying amount at end of financial year	**32,070**	33,974

11. NON-CURRENT ASSETS – EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Exploration and evaluation		
Balance at beginning of the year	**2,583,890**	838,292
Exploration expenditure incurred	**1,286,588**	1,745,598
Exploration expenditure written off	**(3,447,865)**	0
Balance at the end of the year	**422,613**	2,583,890

The balance carried forward represents capitalised exploration expenditure regarding areas of interest where either exploration activities are ongoing or where recoupment of exploration costs is expected and capitalised expenditure regarding design and engineering of underground and surface facilities in relation to underground coal gasification and surface handling, treatment and storage of syngas product. A proportion of employment costs of the key staff are considered to be directly related to exploration activities. The proportion of salary and other expense attributable to exploration is based upon time allocation and the nature of their work activities. The carrying forward of capitalised exploration and evaluation costs is dependent on the successful recoupment of these costs through commercial exploitation, or alternatively, the sale of the Group's area of interest.

Note 3 refers to key judgements and estimates relating to these balances.

12. TRADE AND OTHER PAYABLES

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Trade creditors	**165,059**	738,883
Rehabilitation provision	**-**	88,826
Other creditors	**216,826**	44,289
Total current liabilities	**381,885**	871,998

13. PROVISIONS

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Employee entitlements	**19,795**	-
Total provisions	**19,795**	-

14. BORROWINGS

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Convertible notes	**630,632**	-
Total borrowings	**630,632**	-

The convertible note, dated 20 December 2010, is held by CTL Global LLC (the Noteholder) for the amount of $600,000. The terms and conditions are as follows:

- The term of the note is 365 days from the date of the agreement, unless converted or extended pursuant to the Option to Extend of the Noteholder for a further 365 days from the initial maturity date
- Interest is to accrue at 10% per annum payable upon conversion or expiry of the Note
- The Note may be fully or partially converted into fully paid ordinary shares at a price per share equivalent to a 20% discount to the 5 day weighted average share price of the Company immediately prior to conversion. Conversion is at the election of the Noteholder with Board of Directors and shareholder's approval.
- The Noteholder may demand full repayment of the note should certain events occur as stipulated in the agreement.

15. CONTRIBUTED EQUITY

(a) Share capital

	CONSOLIDATED	CONSOLIDATED	CONSOLIDATED	CONSOLIDATED
	2011	2010	**2011**	2010
	Shares	Shares	**$**	$
Ordinary shares	**226,572,021**	140,727,964	**13,876,317**	8,267,495
Fully paid	**226,572,021**	140,727,964	**13,876,317**	8,267,495

(b) Movements in ordinary share capital of the parent entity:

Date	Details	Number of shares	Issue Price	$
1 July 2009	Balance at beginning of year	69,861,575		6,579,492
28 September 2009	By issue of prospectus	6,333,333	$0.01	76,000
28 September 2009	By issue of prospectus	17,882,450	$0.02	339,767
28 September 2009	By issue of prospectus	33,333,332	$0.02	500,000
28 September 2009	By issue of prospectus	11,822,222	$0.05	532,000
28 September 2009	Reversal of shares subject to be issued upon issuance			(545,000)
28 September 2009	Shares issued on conversion of convertible note	3,679,152	$0.05	169,807
28 October 2009	Reverse acquisition	250,000,000	$0.02	3,750,000
28 October 2009	Facilitation shares issued on reverse acquisition	50,000,000	$0.02	750,000
28 October 2009	1:4 Capital consolidation	(332,184,100)		
28 October 2009	Placement pursuant to prospectus	30,000,000	$0.20	6,000,000
28 October 2009	Less share issue costs			(662,626)
30 June 2010	Balance at end of year	140,727,964		17,489,440
28 March 2011	Placement pursuant to prospectus	21,109,194	$0.07	1,477,644
28 March 2011	Non-renounceable pro-rate entitlement offer	64,734,863	$0.07	4,531,440
28 March 2011	Less share issue costs			(400,262)
30 June 2011	Balance at end of year	226,572,021		23,098,262

(c) Movement in share capital of the consolidated entity

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Opening ordinary share capital	**8,267,495**	690,004
Shares issued	**6,009,084**	6,000,000
Share based payment transactions – see note 19	**-**	2,400,000
Share issue costs	**(400,262)**	(822,509)
Closing ordinary share capital	**13,876,317**	8,267,495

Refer to Note 2 (s) for a discussion of issued capital for the group.

(d) Options (not quoted on ASX)

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Balance at beginning of the year	**5,402,079**	-
Issued to former IRH Directors and contractors	**-**	5,402,079
Expired during the year	**(125,000)**	-
Balance at the end of the year	**5,277,079**	5,402,079

(e) Capital Raising

On 28 March 2011 21,109,194 shares were issued by way of a share placement, raising an amount of $1,477,644. On the same date, a further 64,734,863 shares were issued by way of a non-renounceable rights issue, raising an additional $4,531,440.

(f) Reverse Take Over

Clean Global Energy Pty Ltd on or about 12 June 2009 entered into a Share Sale Agreement with International Resources Limited (IRH) which governed a Reverse Take Over transaction whereby the shareholders in Clean Global Energy Pty Ltd were issued shares in IRH in exchange for their holdings in Clean Global Energy Pty Ltd which resulted in Clean Global Energy Pty Ltd shareholders becoming the controlling shareholders of IRH. In addition 50,000,000 Facilitation Shares were also issued pursuant to the terms of this Share Sale Agreement. This transaction was completed on 28 October 2009 and was completed following the completion of a $6 million capital raising.

Pursuant to the terms of this transaction IRH converted various debts to fully paid ordinary shares and conducted a capital consolidation whereby IRH shareholders held 35,727,964 shares in the Company following completion of the Reverse Takeover.

Note 1(ii) details the accounting policy behind the Reverse takeover. As part of this transaction 2 tranches of share based payments have been recognised and accounted for in the share capital of the consolidated entity. Refer to note 19 for details.

(g) Bonus Option Issue

A capital raising was completed pursuant to a Prospectus dated 8 September 2009 and a supplementary prospectus 25 September 2009 whereby $6 million was raised in exchange for a new issue of 30 million fully paid ordinary shares. On 9 October 2009 a new board was appointed to IRH and IRH changed its name to Clean Global Energy Limited.

(h) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(i) Capital risk management

The Group's objective when managing capital is to safeguard the ability to continue as a going concern and to provide returns for shareholders and benefits for other stakeholders and to maintain capital structure to reduce the cost of capital.
The Board of Directors monitors capital on an ad-hoc basis. No formal targets are in place for return on capital, or gearing ratios as the Group has not derived any income from the mining tenements in place.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The group defines equity as cash and cash equivalents plus net equity.

16. ACCUMULATED LOSSES

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Accumulated losses at the beginning of the financial year	**(3,151,900)**	(366,431)
Loss attributable to the owners of Clean Global Energy Limited	**(6,646,318)**	(2,785,469)
Accumulated losses at the end of the financial year	**(9,798,218)**	(3,151,900)

17. CASH FLOW INFORMATION

(a) Reconciliation of net profit after tax to net cash flows from operations

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Loss for the year	**(6,646,318)**	(2,785,469)
Adjustments for non-cash movements:		
Depreciation and amortisation	**24,230**	12,459
Exploration costs written off	**3,447,865**	-
Share based payment expense	**-**	1,223,818
Accrued interest on convertible note right	**30,632**	-
Change in operating assets and liabilities		
Increase in trade debtors and other receivables	**87,210**	(157,577)
Increase in trade creditors and other payables	**(470,318)**	698,944
Net cash outflow from operating activities	**(3,526,699)**	(1,007,825)

(b) Non-cash financing and investing activities

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Share based payments for facilitation shares	-	159,883

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key Management Personnel Compensation

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Short-term benefits	**924,906**	724,150
Post-employment benefits	**34,585**	18,195
Termination benefits	**20,000**	51,000
Share based payments	**-**	300,000
Total	**979,491**	1,093,345

The share based payments in the prior period pertain to 5,000,000 shares issued to Domenic Martino, through Domenal Enterprises Pty Ltd, for services provided in facilitating the merger between Clean Global Energy Pty Limited and Clean Global Energy Limited (formerly known as International Resource Holdings). See note 19 for more details.

(b) Equity Instrument Disclosures Relating to Key Management Personnel

Aggregate numbers of shares of the Group held directly, indirectly or beneficially by Directors of the Group during the financial year are set out below:

2011	**Balance at the start of the year**	**Received during the year on the exercise of options**	**Other changes during the year**	**Balance at the end of the year**
Directors of Clean Global Energy Limited				
John Harkins *	13,113,260	-	-	13,113,260
Michael Green	6,386,335	-	-	6,386,335
Domenic Martino	7,833,333	-	-	7,833,333
Alison Coutts	1,333,332	-	533,333	1,866,665
Paul Hubbard	1,318,332	-	-	1,318,332
	29,984,592	**-**	**533,333**	**30,517,925**

Shares issued to Alison Coutts were following subscription by Ms Coutts as part of a 2.5 non-renounceable pro-rata entitlement offer at $0.07 per share approved on 28 March 2011. In addition, Wayne Rossiter, a director of the company, has a contractual entitlement arising from his previous employment as an executive of the Company to be issued 3 million options to acquire fully paid shares in the company. To date these options have yet to be issued and member approval will now be required to fulfil this contractual entitlement.

*John Harkins shareholding relates to amounts held at date of resignation, 23 June 2011.

2010	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of Clean Global Energy Limited				
John Harkins	-	-	13,113,260	13,113,260
Michael Green	-	-	6,386,335	6,386,335
Domenic Martino	-	-	7,833,333	7,833,333
Alison Coutts	-	-	1,333,332	1,333,332
Paul Hubbard	-	-	1,318,332	1,318,332
	-	-	29,984,592	29,984,592

The above shares were issued to the directors as a result of the reverse takeover of Clean Global Energy Pty Ltd. No other shares have been issued to directors except as part of this transaction.

(c) Other transactions with key management personnel

Other than in relation to directors fees as disclosed above there were no other transactions with key management personnel.

(d) Employee Share Option Scheme

The Company has in place an Employee Share Option Scheme ('ESOP") to ensure it can attract and retain suitably qualified and experienced staff to execute the Company's business plans. Under this scheme a number of Directors, employees and consultants have entitlement to be issued of up to 7,650,000 options. At the date of this report these options have yet to be issued. If the Company finalises the pro-rate option entitlement announced on 16 August 2011 then a waiver from the Australian Stock Exchange will be required to issue these ESOP options as the Company will, after satisfying its ESOP obligation, have more options on issue than fully paid ordinary shares. In the event this waiver cannot be secured then the Company will be unable to perform on these contractual obligations.

19. SHARE BASED PAYMENT EXPENSE

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Share based payments provided as facilitation		
- Profit and loss	-	590,117
- Equity raising costs	-	159,883
	-	750,000
Shares provided in respect of merger with Clean Global Energy Pty Limited	-	633,701
	-	1,383,701
Total share based payments recognised in the profit and loss:		
- Facilitation fees	-	590,117
- merger	-	633,701
	-	1,223,818

Facilitation fees

50,000,000 shares (12,500,000 post 1:4 consolidation) were provided to parties who assisted the Company in relation to the facilitation of the acquisition of Clean Global Energy Limited (formerly International Resource Holdings) and the subsequent raising of 30,000,000 shares in additional capital. 20,000,000 shares (5,000,000 shares post 1:4 consolidation) were issued to a related party as per note 18. All ordinary shares provided were to rank alongside all other ordinary shares and there were no performance conditions linked to this issue.

The value of the share based payment is based on the notional amount of shares that Clean Global Energy Pty Limited would need to issue to acquire the majority interest of Clean Global Energy Limited's (formerly International Resource Holdings) shares that the shareholders did not own after the acquisition, times the fair value of Clean Global Energy Pty Limited shares at acquisition date.

Merger

As discussed in note 1 (v) the merger of Clean Global Energy Limited (formerly International Resource Holdings and Clean Global Energy Pty Limited is accounted as a share based payment under AASB 2. A share-based payment transaction arises whereby Clean Global Energy Pty Limited is deemed to have issued shares in exchange for the net assets of Clean Global Energy Limited (formerly International Resource Holdings), together with the listing status of Clean Global Energy Limited (formerly International Resource Holding). The listing status does not qualify for recognition as an intangible asset and has therefore been expensed in profit or loss as a listing expense.

The amount recognised as issued equity instruments in the consolidated financial statements has been determined by adding the share-based payment to the issued equity of Clean Global Pty Limited (formerly International Resource Holdings) immediately before the business combination.

The value of the share based payment is based on the notional amount of shares that Clean Global Energy Pty Limited would need to issue to acquire the majority interest of Clean Global Energy Limited's (formerly International Resource Holdings) shares that the shareholders did not own after the acquisition, times the fair value of Clean Global Energy Pty Limited shares at acquisition date.

No other Share based payment transactions were entered into during the period and at the time of this report the Company does not have a formal employee option plan in place.

20. COMMITMENTS

(a) Tenement Expenditure Commitments

Tenement expenditure contracted for at the end of the reporting period but not recognised as liabilities are as follows:

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
No later than 1 year	**518,559**	790,372
Later than 1 year but not later than 5 years	**959,794**	1,736,868
Later than 5 years	**-**	-
	1,478,353	2,527,240

(b) Rental Commitments

Commitments on leased office and accommodation premises at the end of the reporting period but not recognised as liabilities are as follows:

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
No later than 1 year	**120,241**	100,364
Later than 1 year but not later than 5 years	**103,869**	233,597
Later than 5 years	**-**	-
	224,110	333,961

(c) Capital Commitments

There are no capital expenditure commitments as at 30 June 2011 (2010 nil).

21. CONTINGENCIES

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Bank guarantees	**64,658**	**64,658**

The bank guarantee secures rent on office premises.

22. RELATED PARTY TRANSACTIONS

(a) Parent entities

The parent entity within the Group is Clean Global Energy Limited. The ultimate Australian parent entity is Clean Global Energy Limited which at 30 June 2011 owns 100% of the issued ordinary shares of Clean Global Energy Pty Ltd.

(b) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2(c):

Name of entity	Country of Incorporation	Class of shares	Equity holding 2011	2010
Clean Global Energy Operations Pty Ltd	Australia	Ordinary	100%	100%
Clean Global Incorporated	USA	Ordinary	100%	-
Global Power and Energy Pty Ltd	Austalia	Ordinary	100%	-

Clean Global Energy Operations Pty Ltd became a subsidiary of International Resource Holdings Limited pursuant to the terms of a reverse takeover transaction as set out in Note 15.

Clean Global Incorporated was set up during the year and no activity has occurred in this entity.

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 18.

(d) Outstanding balances arising from sales/purchases of goods and services

There are no outstanding balances arising from sales/purchases of goods and services.

23. REMUNERATION OF AUDITORS

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Audit services:		
Audit and review of financial statements under the Corporations Act 2001	**72,000**	50,000
Non-audit services:		
Investigating Accountants report	**-**	15,929
	72,000	65,929

24. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash and cash equivalents.

All cash balances are held with recognised institutions limiting the exposure to credit risk. There are no formal credit approval processes in place. However, the Company reviews management information for subsidiaries to ensure early detection of risks.

Exposure to credit risk
The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the end of the reporting period was:

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Loans and receivables	**36,957**	44,957
Cash and cash equivalents	**4,473,200**	3,093,432
	4,510,157	3,138,389

Guarantees
Group policy is to not provide financial guarantees without Board approval.

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

Financial assets that are neither past due and not impaired are as follows:-

	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
Cash at bank and short term bank deposits		
S&P AA rating	**4,473,200**	3,093,432

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The Company anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities. The decision on how the Company will raise future capital will depend on market conditions existing at that time.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities of the Group had at the end of the reporting period were trade payables incurred in the normal course of the business. These were non interest bearing and were due within the normal 30-60 days terms of creditor payments.

The Company has a convertible note of $630,632 (2010: $nil) – refer note 14 for the terms and conditions of the note.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Consolidated	Less than 6 months	6-Dec months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
	$	$	$	$	$	$	$
30 June 11							
Trade and other payables	381,885	-	-	-	-	381,885	381,885
Convertible note	630,632	-	-	-	-	630,632	630,632
	1,012,517	0	0	0	0	1,012,517	1,012,517
30 June 10							
Trade and other payables	827,709	-	-	-	-	827,709	827,709
Convertible note	-	-	-	-	-	-	-
	827,709	0	0	0	0	827,709	827,709

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Cashflow and interest rate risk

The Group's only interest rate risk arises from cash and cash equivalents held. Term deposits and current accounts held with variable interest rates expose the group to cash flow interest rate risk. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

The following sets out the Group's exposure to interest rate risk, including the effective weighted average interest rate by maturity periods:

30 June 11 **Consolidated**	**Note**	**Weighted average interest**	**1 year or less $**	**2-5 years $**	**Total $**
Financial assets					
Cash and cash equivalents	8	4.57%	4,473,200	-	4,473,200
Security deposits	9	-	-	36,957	36,957
Financial liabilities					
Convertible note	14	10.00%	(630,632)	-	(630,632)

30 June 10 **Consolidated**	**Note**	**Weighted average interest**	**1 year or less $**	**2-5 years $**	**Total $**
Financial assets					
Cash and cash equivalents	8	4.56%	3,093,432	-	3,093,432
Security deposits	9	-	-	44,957	44,957
Financial liabilities					
Convertible note	14	-	-	-	-

The Group has no exposure to interest rate risk other than reductions/increases in interest earned should the rates decrease/increase respectively. As an indication of possible sensitivity to changes in interest rates a 1% movement in interest rates, assuming a cash balance of $4,500,000, would increase/decrease the annual amount of interest received by $45,000. Directors consider that there is no significant credit risk in respect of cash balances as those balances are all held with major Australia banks.

(d) Fair value estimation

The fair value of financial assets and financial liabilities are assumed to approximate their carrying values due to their short term nature.

25. SEGMENT INFORMATION

The company has adopted AASB 8 *Operating Segments* from 1 July 2009 whereby segment information is presented using a 'management approach', that is segment information is provided on the same basis as information used for internal reporting purposes by management to the board in making strategic decisions. The board have determined that there are no operating segments because no discrete information is provided to them and no segment information has therefore been disclosed. The board only receive consolidated financial information for the group. This is consistent with the group's consolidated financial statements.

The group is currently not selling products and as such no information has been provided on a product basis for 2011 or 2010. The group has no sales revenue and no customers. As such no information has been disclosed for sales revenue on a geographic basis, nor are there any major customers that comprise more than 10% of the group's revenue.

All the group's non-current assets are based in Australia.

26. REVERSE MERGER

Clean Global Energy Pty Ltd on or about 12 June 2009 entered into a Share Sale Agreement with International Resources Limited (IRH) which governed a Reverse Take Over transaction whereby the shareholders in Clean Global Energy Pty Ltd were issued shares in IRH in exchange for their holdings in Clean Global Energy Pty Ltd which resulted in Clean Global Energy Pty Ltd shareholders becoming the controlling shareholders of IRH.

The value of the transaction is as follows:

	CONSOLIDATED	CONSOLIDATED
	2011	**2010**
	$	**$**
Share based payment concentration – Note 19	-	1,650,000
Less-		
Net assets acquired in Clean Global Energy Limited – Note 19	-	(1,016,299)
	-	633,701

27. PARENT ENTITY

The following information relates to the parent entity, Clean Global Energy Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

	PARENT 2011 $	PARENT 2010 $
Current assets	**4,589,106**	3,271,009
Non-current assets	**4,284,124**	6,652,606
Total assets	**8,873,230**	9,923,615
Current liabilities	**922,571**	793,010
Non-current liabilities	**-**	-
Total liabilities	**922,571**	793,010
Contributed equity	**23,098,261**	17,489,440
Accumulated losses	**(15,630,477)**	(8,841,710)
Share-based payment reserve	**482,875**	482,875
Total Equity	**7,950,659**	9,130,605
Loss for the year	**(788,767)**	(1,920,693)
Other comprehensive income	**-**	-
Total comprehensive income for the year	**(788,767)**	(1,920,693)

(a) Guarantees in relation to subsidiaries

Clean Global Energy Limited has not made any guarantees in relation to its subsidiaries.

(b) Lease commitments

Commitments on leased office and accommodation premises at the end of the reporting period but not recognised as liabilities are as follows:

	PARENT 2011 $	PARENT 2010 $
No later than 1 year	**120,241**	100,364
Later than 1 year but not later than 5 years	**103,869**	233,597
Later than 5 years	**-**	-
	224,110	333,961

(c) Capital Commitments

As set out in Note 20 there are no capital expenditure commitments as at 30 June 2011 (2010 nil).

28. DIVIDENDS

There were no dividends paid or declared by the Group during the year.

29. EVENTS AFTER THE END OF THE REPORTING PERIOD

Between the end of the reporting period and the date of this report the following events have occurred:

a) Non-Renounceable Entitlement Offer

On August 16 2011, the Company announced a 1-for-1 non-renounceable pro-rata entitlement offer of options to acquire fully paid ordinary CGE shares (New Options) at an issue price of $0.002 per option, with an exercise price of $0.07 per option to raise approximately $453,144.04 before issue costs (Offer).

The offer is fully underwritten by Patersons Securities Limited, and funds raised under the Offer, after the payment of costs of the Offer, will be principally be used to advance the Company's projects. As at August 16, the total number of New Options that will be issued under the Offer is 226,572,021, assuming that no options over Shares that are currently on issue are exercised in time to permit the holders of exercised options to participate in the Offer.

b) Notice of an Extraordinary General Meeting

At the Extraordinary General Meeting held in Sydney on Wednesday, September 21, shareholders considered three separate resolutions:

1. **Subsequent Approval of an Issue of Securities**: seeking approval for the issue and allotment by the Company of 21,109,194 fully paid ordinary shares in the capital of the Company at an issue price of $0.07 per share to clients of Patersons Securities Limited.

   Resolution 1 was passed unanimously on a show of hands.

2. **Issue of Shares on Conversion of the Convertible Note Loan Facility Agreement with CTL Global LLC**: to consider approval for Directors to issue and allot up to 15,156,161 fully paid ordinary shares in the capital of the Company at a deemed issue price of $0.04 per share to CTL Global LLC on conversion of the convertible note loan facility agreement, dated 20 December 2010.

   Resolution 2 was defeated on a show of hands.

3. **Authority to Issue Options to CTL Global LLC**: subject to the passing of resolution 2, seeking approval for the Company to issue to CTL Global LLC up to 15,156,161 options to subscribe for fully paid ordinary shares in the capital of the Company at a deemed issue price of $0.002 per option and an exercise price of $0.07 per fully paid ordinary share, in accordance with a proposed pro-rata non-renounceable entitlement issue to holders of ordinary securities that the Company is considering to undertake in the near future.

   As resolution 3 was interdependent on the passing of resolution 2, it was not put to members at the meeting, as resolution 2 was defeated.

Directors' Declaration

The directors of the Company declare that:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date.

1. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. The remuneration disclosures included in pages 15 to 16 of the directors' report (as part of audited Remuneration Report), for the year ended 30 June 2011, comply with section 300A of the *Corporations Act 2001.*

4. The directors have been given the declarations by the managing director and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Alison Coutts
CEO and Managing Director

30 September 2011, at Sydney, New South Wales

To the members of Clean Global Energy Limited

Report on the Financial Report

We have audited the accompanying financial report of Clean Global Energy Limited, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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.

Independent Auditors Report

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Clean Global Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

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

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

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

Emphasis of Matter

Without qualification to the opinion expressed above, attention is drawn to the following matters:

Going concern

As disclosed in Note 2(c) to the financial statements, the ability of the Company to continue its planned expenditures on exploration and underground coal gasification developments and therefore continue as a going concern is dependent on deriving sufficient cash through raising funds through issuing shares and/or the sale of surplus coal assets held. These conditions, along with other matters as set forth in Note 2(c), indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. If the company is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of the business and at amounts different from those currently stated in the financial statements.

Exploration in Queensland

As disclosed in Note 3 to the financial statements, political developments in Queensland has resulted in drilling being suspended on tenements, until completion of an expert panel report into the environmental impact of underground goal classification in 2012. The majority of the entities capitalised exploration and evaluation costs relate to tenements held in Queensland and therefore uncertainty exists over the entities ability to demonstrate commercial viability of utilising its UCG technology tenements located in Queensland.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 16 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Clean Global Energy Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

BDO

BDO Audit (NSW-VIC) Pty Ltd

J Abela.

Jeff Abela
Director

Signed in Sydney this 30th day of September 2011

CLEAN GLOBAL ENERGY LIMITED ("CGE" or "THE COMPANY")
CORPORATE GOVERNANCE OVERVIEW STATEMENT

On 2 August 2007, the ASX Corporate Governance Council released the 'The Revised Corporate Governance Principles and Recommendations' (second edition Corporate Governance Guidelines) ('guidelines').

In fulfilling its obligations and responsibilities to its various stakeholders, the Board of CGE is a strong advocate of corporate governance. The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations 2nd edition" (Recommendations) where considered appropriate for a company of CGE's size and nature.

This document describes the progress by CGE in addressing those guidelines. It is structured in line with the Council's guidelines, and the Council's 8 corporate governance principles.

Principle 1 – Lay solid foundations for management and oversight

"Companies should establish and disclose the respective roles and responsibilities of the Board and Management."

The main function of the Board is to set strategic objectives for the Company, supervising and guiding management through the implementation process. The aim is for the Board to provide the entrepreneurial leadership required for the Company to evolve within a framework of prudent and effective risk management.

CGE has adopted a formal board charter delineating the roles, responsibilities, practices and expectations of the Board collectively, the individual directors and senior management.

The Board of CGE ensures that each member understands its roles and responsibilities and ensures regular meeting so as to retain full and effective control of the Company.

The Board specifically emphasises the following:

- Setting the strategic aims of CGE and overseeing management's performance within that framework
- Making sure that the necessary resources (financial and human) are available to the Company and its senior executives to meet its objectives
- Overseeing management's performance and the progress and development of the Company's strategic plan
- Selecting and appointing a suitable Chief Executive Officer/Managing Director with the appropriate skills to help the Company in the pursuit of its objectives
- Determining the remuneration policy for the Board members, Company Secretary and Senior Management
- Controlling and approving financial reporting, capital structures and material contracts
- Ensuring that a sound system of risk management and internal controls is in place
- Setting the Company's values and standards
- Undertaking a formal and rigorous review of the Corporate Governance policies, to ensure adherence to the ASX Corporate Governance Council
- Ensuring that the Company's obligations to shareholders are understood and met
- Ensuring the health, safety and well-being of employees in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to assure the well-being of all employees
- Ensuring an adequate system is in place for the proper delegation of duties for the effective operational day to day running of the Company without the Board losing sight of the direction that the Company is taking.

Principle 2 - Structure the Board to add value

"Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties."

The Board has been structured in such a way so as to provide an adequate mix of proficient directors that lead the Board with enterprise, integrity and judgement. The Board acts in the best interest of the Company and its stakeholders. The Board is directed on the principles of transparency, accountability and responsibility.

The ASX Corporate Governance Council Guidelines recommend that ideally the Board should constitute a majority of independent directors. The Board currently consists of five Directors; Mr Domenic Martino, Mr Paul Hubbard and Ms Alison Coutts are non-executive independent directors. Mr John Harkins and Dr Michael Green are Executive directors.

The Board believes the composition of the Board is appropriate at this stage. The Board endeavours to review this policy from time to time.

Principle 3 - Promote ethical and responsible decision-making

"Actively promote ethical and responsible decision-making"

CGE is aware that law and regulations alone is no guarantee of fair practice and thus to ensure the integrity of its operations, it has adopted a code of ethics and conduct to sustain its corporate culture.

CGE's ethical rules demands high standards of integrity, fairness, equity and honesty from all Directors, Senior Management and Employees. CGE expects its employees to understand that the company acts morally and that the main goal of the Company is to maximise shareholders' value.

The Code of ethics and conduct include the following issues:

- the avoidance of conflicts of interest;
- employees' behaviour towards the use of company property
- confidentiality;
- fair dealing with customers, suppliers, employees and competitors;
- protection and proper use of the company's assets;
- compliance with laws and regulations;
- encouraging the reporting of illegal and unethical behaviour

Principle 4 - Safeguard integrity in financial reporting

"Have a structure to independently verify and safeguard the integrity of the company's financial reporting"

CGE has a financial reporting process which includes half year and full year results which are signed off by the Board before they are released to the market.

The Audit Committee has been developed as per the guidelines of good corporate governance and its responsibilities are delineated in the Audit committee Charter.

The Audit Committee provides assistance to the Board of directors in fulfilling its corporate governance and oversight responsibilities, as well as advice on the modification and maintenance of the company's financial reporting, internal control structure, external audit functions, and appropriate ethical standards for the management of the company.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

The CFO reports in writing on the propriety of compliance on internal controls and reporting systems and ensures that they are working efficiently and effectively in all material respects.

The Committee also advises on the modification and maintenance of the Company's risk management systems, the Company's risk profile, compliance and control and assessment of effectiveness.

Principle 5 - Make timely and balanced disclosure

"Promote timely and balanced disclosure of all material matters concerning the company."

CGE has adopted a formal policy dealing with its disclosure responsibilities.
The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The policy also addresses the company's obligations to prevent the creation of a false market in its securities. CGE ensures that all information necessary for investors to make an informed decision is available on its website.

The Managing Director has ultimate authority and responsibility for approving market disclosure which, in practice, is exercised in consultation with the Board, CFO and Company Secretary.

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX. In addition, the Board will also consider whether there are any matters requiring continuous disclosure in respect of each and every item of business that it considers.

Principle 6 - Respect the rights of shareholders

"Respect the rights of shareholders and facilitate the effective exercise of those rights"
CGE is aware that regular and constructive two-way communications between the Company and its shareholders can help investors understand what the Board of directors is planning to achieve and how the company intends to set about achieving its objectives.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights, the Company is committed to:

- communicating effectively in a timely and accurate way with shareholders through releases to the market via ASX, Annual Reports, the general meetings of the Company and any information mailed to shareholders;
- sending a notice of any general meetings to which they are entitled to attend together with an explanatory memorandum of proposed resolutions (as appropriate). If shareholders cannot attend the General Meeting, they are entitled to lodge a proxy in accordance with the Corporations Act and the Company's Constitution.
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The address made by the Chairman to the Annual General Meeting is released to the ASX. All ASX announcements are accessible via the Company's website.

Principle 7 - Recognise and Manage Risk

"__Companies should establish a sound system of risk oversight and management and internal control__"

CGE policy is to regularly review processes and procedures to ensure the effectiveness of its internal systems control, so as to keep the integrity and accuracy of its reporting and financial results at a high level at all times.

Internal controls are devised and enforced to ensure, as far as practicable in the given circumstances, the orderly and efficient conduct of the business. They include measures to safeguard the assets of the Company, prevent and detect fraud and error, ensure the accuracy and completeness of accounting records and ensure the timely preparation of reliable financial information.

The Board's Charter clearly establishes that it is responsible for ensuring there is a sound system for overseeing and managing risk. As the whole Board only consists of five (5) members, the Company does not have a Risk Management Committee because it would not be a more efficient mechanism than the full Board focusing the Company on specific issues.

The Managing Director and CFO are required to state to the Board, in writing, that to the best of their knowledge the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which operates efficiently and effectively in all material respects.

The Managing Director and Chief Financial Officer are also required to report monthly to the Board on the areas they are responsible for, including material business risks and provide an annual written report to the Board summarising the effectiveness of the Company's management of material business risks.

Principle 8 - Remunerate fairly and responsibly

"__Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear__"

The Company is committed to remunerating its executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders.

Consequently, the Board ensures that executive remuneration follows the guidelines of good governance and the criteria for remuneration are as follows:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in any share/option scheme with thresholds approved by shareholders;
- Statutory superannuation.

CGE has devised a framework for remuneration that aligns the interest of the Company's Shareholders with that of the Executives. The aim is to make the structure agreeable to both parties. The elements of consideration are as follows:

For the Shareholders:
They should see that there is an economic profit in the remuneration structure
The structure is one that focuses on the continued growth of share price and sustained returns on assets
Attracts and retains high calibre executives

For the Executives:
Their capability and experience should be rewarded
The arrangement for reward should be clear and understandable
Their active contribution should be rewarded
Reward is competitive and linked with growth in shareholder value

CGE is committed in providing the right remuneration structure so that Executives are not unaware of shareholder value. The structure provides long and short term incentive designed to retain and motivate executives in bringing more value to the Company.

CLEAN GLOBAL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT

Principle No	Recommendation	Compliance	Reason for Non-compliance
1.1	Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	The Board has adopted a formal charter setting out the responsibilities of the Board.	Not applicable
1.2	Disclose the process for evaluating the performance of senior executives.	The Board meets annually to review the performance of executives. The senior executives' performance is assessed against the performance of the company as a whole.	Not applicable
1.3	Provide the information indicated in the Guide to reporting on Principal 1.	A performance evaluation has been completed during the reporting period in accordance with the process detailed in 1.2 above.	Not applicable
2.1	A majority of the Board should be independent of Directors.	50% of the board, comprising Mr Domenic Martino and Mr Wayne Rossiter, is independent. The other two directors, Ms Alison Coutts and Dr Michael Green, are executives.	The Board has been decreased to four members to minimise costs and two of the members are required as executives.
2.2	The chair should be an independent Director.	The Chair, Mr Domenic Martino, is independent.	Not applicable
2.3	The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	The Chair is Mr Domenic Martino and the Chief Executive is Ms Alison Coutts.	Not applicable
2.4	The Board should establish a nomination committee.	The Board has not established a separate nomination committee with these roles and responsibilities currently carried out by the full Board.	Given the size and nature of the Company the Board feels that full board participation is appropriate at this stage.
2.5	Disclose the process for evaluating the performance of the Board, its committee and individual Directors.	The performance evaluation of Board members occurs in accordance with the Board's Performance Evaluation Policy.	Not applicable
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	The skills, experience and expertise relevant to the position held by each Director is disclosed in the Directors' Report which forms part of the Annual Report.	Not applicable
3.1	Establish a code of conduct and disclose the code for a summary of the code as to: • the practice necessary to maintain confidence in the Company's integrity; • the practices necessary to take into account the Directors' legal obligations and the reasonable	The Company has adopted a Code of Conduct.	Not applicable

	• expectations of their stakeholders; • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.		
3.2	Establish a policy concerning trading in Company's securities by Directors, senior executives and employees, and disclose the policy or a summary of that policy.	The Company has adopted a Trading Policy.	Not applicable
3.3	Provide the information indicated in the Guide to reporting on Principle 3.	The information has been disclosed in the Annual Report.	Not applicable
4.1	The Board should establish an audit committee.	The Board has established a separate audit Company.	Not applicable
4.2	The audit committee should be structured so that it: • consists only of Non-Executive Directors; • consists of a majority of independent Directors; • is chaired by an independent chair, who is not chair of the Board; • has at least three members.	A formal Audit Committee Charter has been adopted.	Not applicable.
4.3	The audit committee should have a formal charter.	The formal charter is in place.	Not applicable
4.4	Provide the information in the Guide to reporting on Principle 4.	The Board has not established a separate Nomination Committee with these roles and responsibilities currently carried out by the full Board.	Given the size and nature of the Company the Board feels that full board participation is appropriate at this stage.
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has adopted a Continuous Disclosure Policy.	Not applicable
5.2	Provide the information indicated in the Guide to reporting on Principle 5.	The information is disclosed in the Annual Report.	Not applicable
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.	The Company has adopted a Shareholder Communications Policy.	Not applicable
6.2	Provide the information indicated in the Guide to reporting on Principle 6.	The information is disclosed in the Annual Report.	Not applicable

7.1	Establish policies for the oversight and management of material business risk and disclose a summary of those policies.	The Company has adopted a Risk Management Policy. This policy outlines the key material risks faced by the Company as identified by the Board.	Not applicable
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	The Executive Directors and Chief Financial Officer (equivalent) report to the board on the areas they are responsible for, including material business risks and provide an annual written report to the Board summarizing the effectiveness of the companies' management of material business risks.	Not applicable
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Board receives assurance in the form of a declaration, from the Executive Director and Chief Financial Officer (equivalent) as required by the Corporations Act.	Not applicable
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	The information has been disclosed in the Annual Report.	Not applicable
8.1	The Board should establish a remuneration committee.	The Company has not established a separate remuneration committee with this role currently carried out by the full Board.	Given the size and nature of the Company the Board feels that full board participation is appropriate at this stage.
8.2	Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors and senior executives.	The structure of non-executive Directors' remuneration is clearly distinguished from that of Executive Directors and senior executives, as described in the Directors' Report which forms part of this Annual Report.	Not applicable
8.3	Companies should provide the information indicated in the guide to reporting on Principle 8.	The information has been disclosed in the Annual Report.	Not applicable

Shareholder Information

Additional information included in accordance with the listing rules of the Australian Securities Exchange Limited.

1. Statement of issued capital at 22 September 2011:

(a) Distribution of fully paid ordinary shareholders

Size of holding			Number of shareholders	Number of shares
1	-	1,000	26	13,404
1,001	-	5,000	183	572,714
5,001	-	10,000	142	1,086,676
10,001	-	100,000	400	16,282,313
100,001	-	and over	229	208,616,914
Total shareholders			980	226,572,021

(b) Distribution of option holders: All Listed Options either expired or were exercised during the period ended 30 June 2011.

(c) There are no restrictions on voting rights attached to ordinary shares. On a show of hands, every member present in person shall have one vote and upon a poll, every member present or by proxy shall have one vote for every share held.

(d) At the date of this statement, there existed shareholders who held less than a marketable parcel of shares.

2. Substantial shareholders at 22 September 2011 as per the share registry:

Name	Ordinary Shares	Ordinary Shares %
Carnethy Evergreen Pty Ltd	12,407,249	5,48%
Pension Australia Nominees Pty Ltd	9,760,000	4.31%
Uzes Holdings Pty Ltd	8,323,509	3.67%
Green, Michael	6,386,335	2.82%
J P Morgan Nominees Australia Ltd	6,033,581	2.66%
Burton, Craig Ian	6,000,000	2.65%
Spring Street Holdings Pty Ltd	5,253,166	2.32%
Domenal Enterprises Pty Ltd	5,187,500	2.29%
Celtic Capital Pty Ltd	5,000,000	2.21%
Donoon, David & Lynne	4,931,382	2.18%

Shareholder Information

Harkins, John Charles	4,789,751	2.11%
Carnethy Investments Pty Ltd	4,170,000	1,84%
Flue Holdings Pty Ltd	3,749,043	1.65%
Kingslane Pty Ltd	3,609,042	1.65%
Wise, Daniel Paul	3,559,043	1.57%
Mensik, Immanuel	3,453,842	1.52%
BT Portfolio Services Ltd	3,193,022	1.41%
Pearce, Jonathan	3,142,857	1.39%
Seamist Enterprises Pty Ltd	3,135,000	1.38%

3. Quotation

Fully paid shares are quoted on the Australian Securities Exchange Limited under the code CGV.