TPL CORPORATION LIMITED
ABN 72 088 749 008

ANNUAL REPORT
30 June 2012

CORPORATE DIRECTORY

Directors

Hugh Warner – Executive Chairperson
James Pratt – Non-executive Director
Neil Hackett – Non-executive Director

Company Secretary

Neil Hackett

Auditors

Stantons International
Level 2
1 Walker Avenue
West Perth WA 6005

Solicitors

King & Wood Mallesons
Level 10
Central Park
152 St Georges Terrace
Perth WA 6000

Bankers

Westpac Banking Corporation
109 St George's Terrace
Perth WA 6000

Registered Office

Suite 6
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Share Registry

Computershare Limited
Level 2
45 St Georges Terrace
PERTH WA 6000
Investor Enquiries: 1300 850 505
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Stock Exchange Listing

Securities of TPL Corporation Limited are listed on the Australian Securities Exchange (ASX).
ASX Code: TPL

Web Site: www.tplcorporation.com.au

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OPERATIONS REPORT

During the past financial year TPL Corporation Ltd's ('TPL' or 'the Company') operations focused on progressing its Canning Basin coal tenements and reviewing additional mineral project opportunities.

Much of the first half of the year was focused on identifying a joint venture partner to farm-in to the Company's tenement package and negotiating heritage surveys in accordance with its Heritage Protection Agreements (HPAs). Whilst the Company had discussions with a number of potential joint venture parties, no deal was agreed.

In July 2011, the Company lodged its plans for an exploration programme with the relevant parties in accordance with its HPA. A heritage survey conducted by the traditional owners was then required. Whilst the heritage survey request was lodged in July 2011, the survey was not completed until June 2012. As a consequence, it was only at the end of the financial year when the Company was able to embark on its initial exploration programme. Whilst this programme yielded coal discoveries over a strike length of 2.4km, it also confirmed, given coal quality, competing products and international coal pricing that, at present commodity price levels, it is unlikely that there would be a demand in the short to medium term for any commercially mineable coal located at the Lightjack Hill Project. Further detail is provided below.

As a result the Company is again actively pursuing the identification of additional projects both within the coal sector and the minerals sector more generally in an effort to rebuild value.

CANNING BASIN

Following the receipt of results of drill core analysis TPL engaged CSA Global Pty Ltd (CSA) to complete a brief report on the commercial coal potential of the tenements the subject of the drill programme.

Based on the analysis of core from the Sisters Bore Prospect it is likely that a TPL processed coal would be similar to the Rey Resources Limited's (Rey Resources) processed coal. Core from hole SB2 returned results on an as received basis (before processing) of: moisture of 9.2%, Ash 29.5%, sulphur 1.56% and calorific value 4,499 kcal/kg.

In their most recent release of project economics (ASX Release: 23 November 2011), Rey Resources, the best comparator for the Lightjack Hill Project, indicated operating costs of approximately A$70/t. In their release Rey Resources assumed the sale price of the coal would be US$100/t when the Newcastle Reference Price was US$120/t (2011). However the current selling price of 5500 Newcastle Coal is approximately $US82-85. Applying the same discount of US$20/t, gives a sale price of US$62-US$65/t making the potential selling price of a TPL processed coal product now below the assumed operating cost of TPL's Lightjack Hill Project. (Assuming the above operating costs would also apply to TPL's project.)

In the current coal market, given the superior quality and availability of the Indonesian low energy coals, CSA have advised TPL that it is unlikely that there would be a demand in the short to medium term for any commercially mineable coal located at the Lightjack Hill Project.

As a result of the above market analysis and current seaborne prices, the Board of Directors of TPL have decided to reduce the company's immediate expenditures on its Canning Basin tenements.

Further, given the costs and challenges associated with negotiating access to the tenements with the Traditional Landowners and their representative bodies, and the attendant difficulties meeting minimum expenditure commitments, the Board has decided to rationalize its landholding. The Board will continue to review the Company's tenement holding including the ground associated with the Lightjack Hill project pending improvements in coal market conditions. The Company does not intend to relinquish the tenements the subject of the Lightjack Hill Project, pending improvements in commodity price levels. It should also be noted that on 11 September 2012, Rey announced completion of a placement of $11.8m. These funds were raised to progress their Duchess Paradise project. Ultimately, the success of this project will have a positive effect on the commercial outcomes of TPL's coal deposit.

NATIVE TITLE

Exploration Access and Heritage Protection Agreements have been completed which covers TPL's priority tenements.

GALILEE BASIN

Early 2011 TPL lodged an exploration application (i.e. EPC 2333) within the northeast portion of the Galilee Basin in Queensland. After further investigation, it was determined that any potential coal resource in the tenement area would be underground and not of a significant size to warrant exploration. Accordingly, this application was withdrawn prior to grant.

MONGOLIA

The Company investigated possible coal opportunities in Mongolia. This investigations did not yield any projects thought worthy of making an offer and as a consequence the Board determined to stop any further expenditure in Mongolia.

MANAGEMENT

The Managing Director resigned in February 2012 and management of company was picked up by the remaining existing Directors. Upon identification of appropriate value adding resource project the company will look to engage an appropriately experienced Managing Director to oversee the company's operations.

FUTURE PROJECTS

The Company is actively investigating new projects to be involved with. The Company is looking at projects across the minerals industry spectrum.

DIRECTORS' REPORT
30 June 2012

Your directors submit the Directors' Report and Financial Report of TPL Corporation Limited ("Company") and its subsidiary, Canning Basin Coal Pty Ltd, (together the "Consolidated Entity" or "Group") for the year ended 30 June 2012.

Officers and Directors

The names of the directors of the Company that held office during the year are:

Hugh Warner
James Pratt
Neil Hackett
Mark Gunther (resigned 6 February 2012)

Principal Activities

The principal activity of the Group is the exploration and evaluation of mineral resource projects, predominantly focused on the commodity coal.

Dividends

No dividends were paid or proposed to be paid to members during the financial year (2011: Nil).

Review of Operations and Results

The Group made a loss from operations of $1,059,272 in the year (2011: Loss $916,313).

Additional information on the operations and financial position of the Group is set out in the Directors' Report and Financial Report.

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the Company during the financial year were as follows:

1) The Company issued 80,900,000 shares raising $1,440,200;
2) The Company's subsidiary, Canning Basin Coal Pty Ltd had 21 exploration licences granted and surrendered 17 exploration licences.

Matters Subsequent to the End of the Financial Year

The Company's subsidiary, Canning Basin Coal Pty Ltd has surrendered a further four exploration licenses and voluntarily withdrawn two applications. The financial impact of surrendering these licenses has resulted in the Group recording an $82,000 write down of exploration and evaluation expenditure which is included in this year's Consolidated Statement of Comprehensive Income.

Likely Developments and Expected Results of Operations

There were no likely developments in the operations of the Group that were not finalised at the date of this report.

Environmental Regulation

With the commencement of exploration activities, the Group is subject to environmental regulations.

DIRECTORS' REPORT
30 June 2012

Information on Directors

Term of office
Hugh Warner - Appointed 17 May 2010 and continues in office at the date of this report
James Pratt - Appointed 27 October 2009 and continues in office at the date of this report
Neil Hackett - Appointed 9 June 2011 and continues in office at the date of this report
Mark Gunther – Appointed 27 May 2010 and resigned on 6 February 2012

Individual director information

Hugh Warner B Econ (Executive Chairman, age 43)

Experience and Expertise
Hugh Warner holds a Bachelor of Economics degree from the University of Western Australia. Hugh has a broad experience as a public company director having been a director of approximately 25 publicly listed companies involved in the mining, oil & gas, biotechnology and service industries.

Other Current Directorships

Modun Resources Limited (Re-appointed on 17 May 2010) (Non-executive director and Chairperson)
FRR Corporation Limited (Non-executive director and Chairperson)
PLD Corporation Limited (Non-executive director and Chairperson)
Prospect Resources Limited (Non-executive director and Chairperson)

Former Directorships in the Last Three Years

Modun Resources Limited (Resigned 27 March 2008)

Special Responsibilities

Executive Chairman

Interests in Shares and Options

49,644,500 ordinary shares

James Pratt B.Sc (Hons), Grad Dip Finance & Investment, MAusIMM (Non-executive director, age 46)

Experience and Expertise
James Pratt has been a director of a number of exploration companies listed on AIM and the ASX and is currently a non-executive director of Uranium Resources plc. Prior to that James held the position of senior and chief geologist for various Australian mining companies over the last 21 years.

Other Current Directorships

Uranium Resources plc

Former Directorships in the Last Three Years

None

Special Responsibilities

None

Interests in Shares and Options

4,000,000 1 cent options to acquire ordinary shares on or before 31 December 2012

DIRECTORS' REPORT
30 June 2012

Information on Directors (continued)

Neil Hackett B Econ, Grad Dip Finance & Investment, Grad Dip Fin Planning, FFin, GAICD (Merit)
(Non-executive director, age 43)

Experience and Expertise
Neil Hackett is a professionally qualified ASX200 senior executive with 20 years practical experience with diversified industrials, financial services, mining entities and the ASIC. Neil Hackett is non-executive director of Rialto Energy Ltd, Stratos Resources Ltd and Westcycle Inc and company secretary for Ampella Mining Limited and Steel Blue Pty Ltd.

Other Current Directorships

Rialto Energy Ltd
Stratos Resources Ltd

Former Directorships in the Last Three Years

None

Special Responsibilities

Company Secretary

Interests in Shares and Options

2,500,000 ordinary shares

Mark Gunther B.Sc (Hons), MSc, MAIG (Executive director, age 53) – resigned 6 February 2012

Experience and Expertise
Mark Gunther has 26 years experience in the resource industry covering a range of commodities within a variety of Australian geological terrains. Mark's experience ranges from grassroots exploration through to resource definition and development. Early in his career Mark was part of the initial exploration and resource definition team that worked on the Lake Vermont Coal deposit within the Bowen basin, Queensland.

Interests in Shares and Options – upon resignation 6 February 2012

3,125,000 ordinary shares
15,000,000 3 cent options to acquire ordinary shares on or before 18 August 2015

Company Secretary

The company secretary is Neil Hackett. Neil was appointed to the position of company secretary on 19 July 2010.

Meetings of Directors

The number of meetings of the Company's board held during the year ended 30 June 2012 that each director was eligible to attend, and the number of meetings attended by each director were:

Director	Number of Meetings	
	Eligible to attend	Attended
Hugh Warner	11	11
James Pratt	11	11
Neil Hackett	11	11
Mark Gunther	7	7

DIRECTORS' REPORT
30 June 2012

Remuneration Report (audited)

The Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration;
2. Details of remuneration;
3. Service agreements; and
4. Share-based compensation.

The information provided under headings 1 to 4 above in the Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

1 Principles used to determine the nature and amount of remuneration (audited)

The Company's Constitution specifies that subject to the initial fixed annual aggregate sum of $500,000, the aggregate remuneration of non-executive directors shall not exceed the sum determined by the shareholders of the Company in general meeting.

Fees and payments to directors:

a) are to reflect the demands which are made on, and the responsibilities of, the directors; and

b) are reviewed annually by the board to ensure that directors' fees and payments are appropriate and in line with the market.

2 Details of remuneration

Retirement allowances and benefits for directors

There are no retirement or termination allowances, profit sharing, bonuses, or other performance related remuneration or benefits paid to directors, other than that Mark Gunther was paid $20,000 ex-gratia payment upon his resignation.

The amount of remuneration of the directors of the Company (as defined in AASB 124 *Related Party Disclosures*) is set out in the following table. During the financial year there were no executives other than the directors. There was no remuneration of any type paid to the directors, other than as reported below for the provision of director and professional services.

		Short-term benefits							
		Salary & fees	Other fees	Total	Non-monetary benefits	Post-employment benefits: Superannuation	Share based payments	Total	Proportion of remuneration performance fixed
Directors		**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Hugh Warner	**2012**	95,872	-	95,872	-	8,628	-	104,500	-
	2011	66,055	-	66,055	4,520	5,945	-	76,520	-
James Pratt (a)	**2012**	106,522	-	106,522	-	6,757	-	113,279	-
	2011	39,897	-	39,897	4,520	3,303	-	47,720	-
Neil Hackett (b)	**2012**	64,494	-	64,494	-	-	-	64,494	-
	2011	-	-	-	-	-	40,000	40,000	-
Mark Gunther (c)	**2012**	251,835	-	251,835	-	20,865	(70,476)	202,224	-
	2011	219,999	15,566	235,565	4,520	19,800	318,155	578,040	55
Totals	**2012**	**518,723**	**-**	**518,723**	**-**	**36,250**	**(70,476)**	**484,497**	**-**
Totals	**2011**	**325,951**	**15,566**	**341,517**	**13,560**	**29,048**	**358,155**	**742,280**	**48**

(a) Cape Samsys Pty Ltd, an entity associated with James Pratt, was paid $31,440 for geological consulting fees (2011: $3,200).

(b) Corporate Starboard Pty Ltd, an entity associated with Neil Hackett, was paid $35,994 for non executive director fees and $28,500 for company secretarial services (2011: $Nil)

(c) Included in Mark Gunther's salary & fees is 3 month notice and $20,000 ex-gratia payment.

DIRECTORS' REPORT
30 June 2012

Remuneration Report (audited) (continued)

3 Service agreements (audited)

The non-executive directors serve until they resign, are removed, cease to be a director or are prohibited from being a director under the provisions of the *Corporations Law 2001*, or are not re-elected to office. The non-executive directors are remunerated on a monthly basis with no termination payments payable.

As at the date of this report there are no executives or management personnel engaged by the Company other than the directors.

4 Share-based compensation (audited)

On 18 August 2010 following shareholder approval, 30,000,000 options were issued to Mark Gunther as a share based payment with a total fair value of $484,500. Upon Mark Gunther's resignation on 6 February 2012, 15,000,000 options exercisable at 5 cents did not vest and were forfeited.

On 3 September 2010, 2,500,000 shares were issued to Neil Hackett as a share based payment for company secretarial services with a total fair value of $40,000.

On the 23 December 2010, Hugh Warner exercised 7,000,000 options exercisable at 1 cent, prior to their expiry date of 31 December 2010.

No other options issued to directors or key management personnel were cancelled or exercised during the year or prior year.

(End of Remuneration Report)

Additional Information

(a) Shares under option

At the date of this report, there were 38,000,000 ordinary shares under option (2011: 55,000,000). These options are exercisable as follows:

1. 13,000,000 options exercisable at 1 cent on or before 31 December 2012;
2. 10,000,000 options exercisable at 1.6 cents on or before 17 May 2013;
3. 15,000,000 options exercisable at 3 cents on or before 17 August 2015; and

For the terms of the options, see Note 14.

(b) Insurance of officers

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company Secretary, and any executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporation Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

DIRECTORS' REPORT
30 June 2012

(c) Agreement to indemnify officers

The Company has entered into agreements with the directors to provide access to Company records and to indemnify them. The indemnity relates to any liability as a result of being, or acting in their capacity as, an officer of the Company to the maximum extent permitted by law; and for legal costs incurred in successfully defending civil or criminal proceedings.

No liability has arisen under these indemnities as at the date of this report.

(d) Proceedings on behalf of the company

No person has applied to the court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under Section 237.

(e) Auditor

Stantons International is the appointed auditor.

(f) Indemnity of Auditor

The auditor (Stantons International) has not been indemnified under any circumstance.

(g) Audit services

During the financial year $20,018 (excluding GST) was paid or is payable for audit services provided by Stantons International (2011: $19,018 excluding GST).

(h) Non-audit services

No non-audit services were provided by the auditor or any entity associated with the auditor in the years ended 30 June 2012 or 2011.

(i) Auditors' independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 11 of the Annual Report.

Signed in accordance with a resolution of the directors.
On behalf of the directors

Hugh Warner
Chairman
Perth

26 September 2012

Stantons International Audit and Consulting Pty Ltd
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Chartered Accountants and Consultants

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26 September 2012

Board of Directors
TPL Corporation Limited
Suite 6, 245 Churchill Avenue
Subiaco WA 6008

Dear Directors

RE: TPL CORPORATION LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of TPL Corporation Limited.

As Audit Director for the audit of the financial statements of TPL Corporation Limited for the year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

John P Van Dieren
Director

TPL CORPORATION LIMITED (TPL) – CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out TPL Corporation Limited's (**the Company**) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**the ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the ASX Principles and Recommendations.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
1.Lay solid foundations for management and oversight		
1.1. Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes	The Company's board of directors (**the Board**) is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to: (a)maintain and increase Shareholder value; (b)ensure a prudential and ethical basis for the Company's conduct and activities; and (c)ensure compliance with the Company's legal and regulatory objectives. Consistent with these goals, the Board assumes the following responsibilities: (a)developing initiatives for profit and/or asset growth; (b)reviewing the corporate, commercial and financial performance of the Company on a regular basis; (c)acting on behalf of, and being accountable to, the Shareholders; and (d)identifying business risks and implementing actions to manage those risks and corporate systems to assure quality. The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully-informed basis. It is expected that the division of responsibility of the Board and senior executives will vary with the evolution of the Company. The Company intends to regularly review the balance of responsibilities to ensure that the division of functions remains appropriate to the needs of the Company.
1.2. Companies should disclose the process for evaluating the performance of senior executives.	Yes	During the period the board set Key Performance Indicators for the Managing Director as the key senior executive. Given the current size of the Company and the fact that the Company currently has no full time senior executives the process for evaluating performance is under review.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
2.Structure the board to add value		
2.1.A majority of the board should be independent directors.	No	The Board has reviewed the position and associations of each of the three directors in office and has determined that none of the directors are independent. In making this determination the Board has had regard to the independence criteria in ASX Principle 2 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of the other directors, as appropriate. The Board strives to ensure that it is comprised of directors with a blend of skills, experience and attributes appropriate to the Company and its business. The principle criterion for the appointment of new directors is their ability to add value to the Company and its business.
2.2.The chair should be an independent director.	No	The Company's current Chairman Mr Hugh Warner, does not satisfy the ASX Principles and Recommendations definition of an independent director. However, the Board considers Mr Warner's role as chairman essential to the success of the Company at this early stage of its restructure and the development of its new business.
2.3.The roles of chair and chief executive officer should not be exercised by the same individual.	No	The Company's current Chairman Mr Hugh Warner currently oversees the executive management of the company. Upon attainment of new resource projects it is anticipated that an appropriately experienced chief executive officer will be appointed.
2.4.The board should establish a nomination committee.	No	No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisers and relevant Professional Associations (if required), has been committed to by the Board.
2.5.Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	No	The Company does not have in place a separately constituted remuneration committee due to the size and current operations of the Company. The remuneration of an executive director will be decided by the Board, without the affected executive director participating in that decision-making process. There are currently no executive directors. The total maximum remuneration of non-executive directors is currently set at $500,000. Any increases will be the subject of a shareholder resolution in accordance with clause 13.7 of the Company's constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive directors' remuneration within that maximum amount will be made by the Board, having regard to the inputs and value to the Company of the respective contributions by each non-executive director. The Board may award additional remuneration to non-executive directors called upon to perform executive services or make special exertions on behalf of the Company. This has been the case for Mr Hugh Warner and Mr James Pratt since the resignation of the former Managing Director since February 2012.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
3.Promote ethical and responsible decision-making		
3.1.Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	The Board is committed to the establishment and maintenance of appropriate ethical standards. The Company has a statement of values and a code of conduct endorsed by the board that applies to all directors and any employees if and when they are engaged. The code is reviewed and updated as necessary to ensure it reflects the standards of behaviour and professionalism, and the practices necessary to maintain confidence in the Company's integrity. The directors are satisfied that the Company has complied with its policies on ethical standards, including securities trading during the period.
3.2.Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	No	The Company has not established a formal policy addressing diversity. Given the current size of the Company and the fact that the Company is in the early stages of its restructure and the development of its new business, the Board does not consider it necessary to have a diversity policy. As the Company develops the Board intends to review its practices, and if deemed necessary in the future, the Board may consider adopting a policy in the future. The Policy will focus on securing the most appropriately qualified and experienced personnel to achieve the Company's objectives.
3.3.Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	No	As mentioned in 3.2 above, the Company has not established a formal policy addressing diversity
3.4.Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	No	There are currently no women employees.
4.Safeguard integrity in financial reporting		
4.1.The board should establish an audit committee.	No	The Company does not have a separately constituted audit committee due to its current size and the fact that the Company is in the early stages of its restructure and the development of its business. The Company in general meeting is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.
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.	N/A	The Company does not currently have an audit committee.
4.3.The audit committee should have a formal charter.	N/A	The Company does not currently have an audit committee.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
5.Make timely and balanced disclosure		
5.1.Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material affect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. A summary of these policies and procedures is included in the board charter and is available at the Company's registered office and website www.tplcorporation.com. The company secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public. Shareholders that have made an election, receive a copy of the Company's Annual Report by mail. Otherwise, the Annual Report is available on the Company's website. ***Trading in the Company's shares*** A director must not trade in any securities of the Company at any time when they are in possession of unpublished price sensitive information in relation to those securities. As required by the ASX Listing Rules, the Company is to notify the ASX of any transaction conducted by any director in the listed securities of the Company. TPL has established procedures and protocols to be complied with if a director, officer or employee wishes to trade in TPL's securities. There was no trading of the Company's securities in the period by directors whilst in that position (2011: Nil).
6.Respect the rights of shareholders		
6.1.Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	The Company has a formal communications policy in place and all material matters will be disclosed to the market in accordance with the Listing Rules. The Company encourages shareholders to register for receipt of announcements and updates electronically.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
7.Recognise and manage risk		
7.1.Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	The Board is responsible for the oversight and management of all material business risks. The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation as Board meetings. The risk profile can be expected to change and procedures adapted as the Company develops and it grows in size and complexity. The Board intends to continue to regularly review and approve the risk management and oversight policies of the Company.
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.	No	This has not been formalised as a role of management, as this responsibility presently sits at Board level.
7.3.The board should disclose whether it has received assurance from the chief executive office (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.	Yes	The section 295A Corporations Act Declaration is provided annually by the Chief Executive Officer (or equivalent) and the Chief Financial Officer.
8.Remunerate fairly and responsibly		
8.1.The Board should establish a remuneration committee.	No	As mentioned in 2.5 above, the Company does not have in place a separately constituted remuneration committee due to the size and current operations of the Company.
8.2.The remuneration committee should be structured so that it: •consists of a majority of independent directors; •is chaired by an independent chair; •has at least three members.	No	The Company does not currently have a remuneration committee.
8.3.Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	The remuneration of an executive director will be decided by the Board, without the affected executive director participating in that decision-making process. There are currently no executive directors. The total maximum remuneration of non-executive directors is currently set at $500,000. Any increases will be the subject of a shareholder resolution in accordance with clause 13.7 of the Company's constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive directors' remuneration within that maximum amount will be made by the Board, having regard to the inputs and value to the Company of the respective contributions by each non-executive director.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2012

	Note	2012 $	2011 $
Continuing operations			
Application fees	9	-	(1,670)
Directors' remuneration – cash		(358,116)	(185,632)
Directors' remuneration – share based payments	14	70,476	(318,155)
Company secretarial fees – share based payment		-	(40,000)
Other administrative expenses	6	(363,114)	(297,067)
Project assessment costs		(242,600)	(148,006)
Write down of exploration and evaluation expenditure		(319,757)	-
Total expenses		(1,213,111)	(990,530)
Direct drilling rebate		67,027	-
Finance income	5	86,812	74,217
Loss before income tax		**(1,059,272)**	**(916,313)**
Income tax expense		-	-
Loss for the year		**(1,059,272)**	**(916,313)**
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to members of the Company		**(1,059,272)**	**(916,313)**
Basic and diluted loss per share (cents per share)	22	(0.18)	(0.18)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2012

	Note	2012 $	2011 $
Assets			
Current assets			
Cash and cash equivalents	8	1,519,345	1,451,249
Advance rentals	9	43,451	186,596
Trade and other receivables	9	88,136	216,071
Prepayments	9	15,731	17,280
Total current assets		**1,666,663**	**1,871,196**
Non-current asset			
Exploration expenditure	10	1,164,497	626,757
Office plant and equipment	11	8,198	14,372
Total non-current assets		**1,172,695**	**641,129**
Total assets		**2,839,358**	**2,512,325**
Liabilities			
Current liabilities			
Trade and other payables	12	212,563	89,704
Provisions	12	-	15,566
Total current liabilities		**212,563**	**105,270**
Total liabilities		**212,563**	**105,270**
Net Assets		**2,626,795**	**2,407,055**
Equity			
Contributed equity	13(b)	32,763,130	31,413,642
Share based payments reserve	14(d)	570,225	640,701
Accumulated losses		(30,706,560)	(29,647,288)
Total Equity		**2,626,795**	**2,407,055**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2012

	Notes	Issued capital	Option Premium Reserve	Share Based Payments Reserve	Accumulated Losses	Total Equity
		$	$	$	$	$
Balance at 1 July 2010		30,998,295	825	322,546	(28,730,975)	2,590,691
Total comprehensive income for year:						
Loss for the year		-	-	-	(916,313)	(916,313)
Transactions with owners in their capacity as owners:						
Shares issued	13b	90,000	-	-	-	90,000
Options exercised	13b	330,000	-	-	-	330,000
Cost of issues		(5,478)	-	-	-	(5,478)
Share based payments	13b&14b	-	-	318,155	-	318,155
Transfer from option premium reserve		825	(825)	-	-	-
Balance at 30 June 2011		**31,413,642**	**-**	**640,701**	**(29,647,288)**	**2,407,055**
Balance at 1 July 2011		31,413,642	-	640,701	(29,647,288)	2,407,055
Total comprehensive income for year:						
Loss for the year		-	-	-	(1,059,272)	(1,059,272)
Transactions with owners in their capacity as owners:						
Shares issued	13b	1,420,200	-	-	-	1,420,200
Options exercised	13b	20,000	-	-	-	20,000
Cost of issues		(90,712)	-	-	-	(90,712)
Share based payments	13b&14b	-	-	(70,476)	-	(70,476)
Balance at 30 June 2012		**32,763,130**	**-**	**570,225**	**(30,706,560)**	**2,626,795**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2012

	Note	2012 $	2011 $
Cash flows from operating activities			
Payments to employees & suppliers		(735,367)	(606,426)
Exploration expenditure		(840,791)	(544,430)
Refund of license application fees		209,772	-
Advances and receivables associated with exploration licence applications		-	(10,239)
Interest received		86,812	74,217
Net cash inflow/(outflow) from operating activities	**21**	**(1,279,574)**	**(1,086,878)**
Cash flows from investing activities			
Payments for property, plant and equipment		(1,818)	(7,439)
Net cash inflow/(outflow)from investing activities		**(1,818)**	**(7,439)**
Cash flows from financing activities			
Net proceeds from issues of shares		1,349,488	374,522
Net cash inflow/(outflow)from financing activities		**1,349,488**	**374,522**
Net increase/(decrease) in cash and cash equivalents		**68,096**	**(719,795)**
Cash and cash equivalents at beginning of the year		1,451,249	2,171,044
Cash and cash equivalents at end of the year	**8**	**1,519,345**	**1,451,249**

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

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

TPL Corporation Limited is a company limited by shares, incorporated and domiciled in Australia.

The Financial Report of TPL Corporation Limited ("Company") for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the board of directors on 26 September 2012.

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Basis of preparation

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group Interpretations and the *Corporations Act 2001,* unless stated otherwise.

It is recommended that this financial report be read in conjunction with the public announcements made by TPL Corporation Limited during the year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

Compliance with IFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the Financial Report of TPL Corporation Limited complies with International Financial Reporting Standards (IFRS).

Historical cost convention
These financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Where these are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, these are disclosed in Note 3.

Comparative figures
When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year. When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(b) Going Concern

The Financial Report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 30 June 2012, the Company recorded a loss of $1,059,272 (2011: $916,313) and had cash and cash equivalents of $1,519,345 (June 2011: $1,451,249). In order to maintain the mineral tenements in which the Company is involved, the Company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted, which is $975,000 (refer note 18).

The Company will require further funding during the 2013 and 2014 financial years in order to meet day to day obligations as they fall due and progress its exploration projects. Based on the Company's cash flow forecast the Board of Directors is aware of the Company's need to access additional working capital funds in the next 12 months to enable the Company to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due. The Directors are aware that the Company has the option, if necessary to relinquish tenements in order to maintain its cash funds at appropriate levels. Based on these facts, the Directors consider the going concern basis of preparation to be appropriate for this financial report.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

1 Summary of significant accounting policies (continued)

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of the Company as at 30 June 2012 and the results of the subsidiary for the period then ended.

Canning Basin Coal Pty Ltd is the subsidiary over which the Company has the power to govern the financial and operating policies as the holder of all of the voting rights. The subsidiary is fully consolidated from the date of incorporation of the subsidiary and the issue on that date of its one share to the Company. Consolidation will cease from the date that control of the subsidiary ceases. Any and all intercompany transactions and balances between the Company and the subsidiary are eliminated on consolidation.

(d) Revenue recognition

Interest revenue is recognised on a time proportional basis using the effective interest method.

(e) Cash and cash equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(f) Exploration expenditure

Exploration and evaluation expenditure incurred on granted exploration licences is accumulated in respect of each identifiable area of interest. These costs are carried forward where the rights to tenure of the area of interest are current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to any abandoned area will be written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review will be undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(g) Income tax

The income tax expense or revenue for the year is the tax payable on a current year's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

(h) Other receivables

Other receivables are recognised at fair value and subsequently measured at amortised cost, less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

1 Summary of significant accounting policies (continued)

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

(j) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Contributed equity

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

(l) Earnings per share

Basic earnings per share (“EPS”) is calculated by dividing the result attributable to equity holders of the Company by the weighted number of shares outstanding during the year. Diluted EPS adjusts the figures used in the calculation of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed or known to have been issued in relation to dilutive potential ordinary shares.

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown exclusive of GST. Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at balance date.

(o) Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight line basis.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

1 Summary of significant accounting policies (continued)

(p) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group

At the date of the authorization of the financial statements, the standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', AASB 200911 'Amendments to Australian Accounting Standards arising from AASB 9' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2013	30 June 2014
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in other Entities'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements' (2011)	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011)	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 19 (2011)'	1 January 2013	30 June 2014
AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: recovery of Underlying Assets'	1 January 2012	30 June 2013
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'	1 July 2012	30 June 2013
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.	1 January 2013	30 June 2014

The Group has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations the Group's assessment of those new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2. 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

  These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

1 Summary of significant accounting policies (continued)

(p) New Accounting Standards for Application in Future Periods (continued)

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

  AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or 'joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

  AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the 'special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will only affect disclosures and is not expected to significantly impact the Group.

  To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

1 Summary of significant accounting policies (continued)

(p) New Accounting Standards for Application in Future Periods (continued)

AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Group.

- AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is not expected to significantly impact the Group.

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

(i)for an offer that may be withdrawn – when the employee accepts;

(ii)for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and

(iii)where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Group has not yet been able to reasonably estimate the impact of these changes to AASB 9.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

1 Summary of significant accounting policies (continued)

(q) Application of new and revised Accounting Standards

The following new and revised Accounting Standards and Interpretations have, where applicable, been adopted in the current year but have had no significant effect on the amounts reported or disclosures.

Standards affecting presentation and disclosure

Amendments to AASB 7 'Financial Instruments" Disclosure'	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify the required level of disclosures about credit risk and collateral held.
Amendments to AASB 101 'Presentation of Financial Statements'	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
AASB 1054 'Australian Additional Disclosures' and AASB 2011-1 'Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project'	AASB 1054 sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. AASB 2011-1 makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards.
AASB 124 'Related Party Disclosures' (revised December 2009)	AASB 124 (revised December 2009) has been revised on the following two aspects: (a) AASB 124 (revised December 2009) has changed the definition of a related party and (b) AASB 124 (revised December 2009) introduces a partial exemption from the disclosure requirements for government-related entities.
AASB 2009-14 'Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement'	Interpretation 114 addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of AASB 119.
AASB 2009-12 'Amendments to Australian Accounting Standards'	The application of AASB 2009-12 makes amendments to AASB 8 'Operating Segments' as a result of the issuance of AASB 124 'Related Party Disclosures (2009).
AASB 2010-5 'Amendments to Australian Accounting Standards'	The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations.
AASB 2010-6 'Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets'	The application of AASB 2010-6 makes amendments to AASB 7 'Financial Instruments – Disclosures' to introduce additional disclosure requirements for transactions involving transfer of financial assets.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

2 Financial risk management

Risk management is the role and responsibility of the board. The Group's current activities expose it to minimal risk. However, as activities increase there may be exposure to interest rate, market, credit, and liquidity risks

(a) Interest Rate Risk

The Group's and Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate	Floating Interest Rate	Non-interest Bearing	Total
2012				
Financial Assets:		$	$	$
Cash and cash equivalents	3.48%	1,470,703	48,642	1,519,345
Advances & other receivables		-	131,587	131,587
Total Financial Assets		1,470,703	180,229	1,650,932
Financial Liabilities				
Payables		-	212,563	212,563
Total Financial Liabilities		-	212,563	212,563
2011				
Financial Assets:			$	$
Cash and cash equivalents	4.44%	1,357,220	94,029	1,451,249
Advances & other receivables		-	402,667	402,667
Total Financial Assets		1,357,220	496,696	1,853,916
Financial Liabilities				
Payables		-	105,270	105,270
Total Financial Liabilities		-	105,270	105,270

The Group has interest bearing assets and therefore income and operating cash flows are subject to changes in the market rates. However, market changes in interest rates will not have a material impact on the profitability or operating cash flows of the Group. A movement in interest rates of +/- 100 basis points will result in less than a +/- $15,000 (2011: $14,000) impact on the Group's income and operating cash flows. At this time, no detailed sensitivity analysis is undertaken by the Group.

(b) Market risk

The Group is not exposed to equity securities price risk as it holds no investments in securities classified on the balance sheet either as available-for-sale or at fair value through profit or loss; or to commodity price risk.

(c) Credit risk

The Group has no significant concentrations of credit risk and as such, no sensitivity analysis is prepared by the Company.

2 Financial risk management (continued)

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group manages liquidity risk by preparing forecasts and monitoring actual cash flows and requirements for future capital raisings. The Group does not have committed credit lines available, which is appropriate given the nature of its operations. Surplus funds are invested in a cash management account with Westpac Banking Corporation which is available as required.

The material liquidity risk for the Group is the ability to raise equity in the future. The Company will need to raise further funds within the next 12 months to continue as a going concern, refer to Note 1(b). In the past, the Group has raised sufficient capital to fund its operations but is however, at the risk of financial markets to fund its operations.

(e) Effective interest rate and repricing analysis

Cash and cash equivalents are the only interest bearing financial instruments of the Group.

3 Critical accounting estimates and judgements

The preparation of financial reports requires the directors to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The issue of options to the recipient directors during the year required judgements to be made on the inputs in calculating the fair value of these share based payments.

Share based payments
The Company measures the cost of equity settled transactions with directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. The assessed fair value of the options at the grant date is allocated equally over the period from the grant date to the vesting date. The fair value at the grant date is determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at the grant date, the expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option. The fair value calculation and inputs to the Black Scholes model are shown at Note 14(d).

Impairment
The Group assesses impairment at each reporting period by evaluating conditions and events specific to the Group that may be indicative triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

4 Segment information

The Company has one geographic segment being in Australia and operates in one industry being the exploration of coal and other minerals.

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Consolidated Entity, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income, statement of financial position and statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

5 Finance income

	2012 $	2011 $
Interest earned	86,812	74,217
	86,812	**74,217**

6 Other Administrative Expenses

	2012 $	2011 $
Audit, tax & accounting	82,572	40,417
ASIC fees	1,721	1,659
ASX fees	24,474	17,523
Company secretarial fees – share based payment and fees	28,500	42,800
Depreciation	7,992	7,382
Insurance	16,118	16,095
Legal fees	14,585	-
Rent and office costs	78,534	41,589
Share registry fees	26,007	19,454
Sundry Costs	27,891	22,070
Travel and accommodation	16,106	8,014
Wages and on-costs	18,344	15,566
Website	20,270	64,498
Total Expenses	**363,114**	**297,067**

7 Income tax

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	2012 $	2011 $
Loss from continuing operations before income tax expense	(1,059,272)	(916,313)
Tax at the Australian tax rate of 30%	(317,782)	(274,894)
Tax effect of amounts which are not deductable (taxable) in calculating taxable income:	71,185	168,233
Tax effect of amounts which are deductable (taxable) in calculating taxable income:	(257,249)	(191,627)
Tax effect of amounts deductible over more than one year	(22,667)	(8,710)
(Under)/over from prior year	(37,600)	-
Tax losses not recognised	564,113	306,998
Income tax expense	-	-

(b) Tax losses

	2012 $	2011 $
Unused tax losses for which no deferred tax asset has been recognised	4,179,843	2,299,468
Potential tax benefit at 30%	**1,253,953**	**689,840**

Tax losses related to the Company prior to its reconstruction in 2008 that were not used have been lost. Current tax losses have not been recognised as a deferred tax asset as recoupment is dependent on, amongst other matters, sufficient future assessable income being earned. That is not considered certain in the foreseeable future and accordingly there is uncertainty that the losses can be utilised. There are deferred tax liabilities of approximately $349,349 relating to capitalised exploration costs claimed for tax in the year ended 30 June 2012 (2011: $188,027).

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

8 Current assets - cash and cash equivalents

	2012 $	2011 $
Cash at bank and in hand	1,519,345	1,451,249
	1,519,345	**1,451,249**

The cash at bank has a weighted average interest rate of 3.48% per annum at balance date (2011: 4.75%).

9 Current assets - other current assets

	2012 $	2011 $
Trade and other receivables		
- drilling rebate receivable	73,730	-
- advance annual rentals	43,451	186,596
- GST	13,366	6,299
- refunds due on withdrawn applications	-	209,772
-other	1,040	-
Prepayments	15,731	17,280
	147,318	**419,947**

Applications lodged with the Department of Petroleum and Mining for licences to explore for coal in the Canning Basin area of Western Australia include the application fees (which are expensed in the Statement of Comprehensive Income) and advances bought to account in the Statement of Financial Position. The advances are either applied to the annual rentals on grant of the licences (with GST applied thereto); or returned to Canning Basin Coal Pty Ltd if an application is not granted or withdrawn.

No trade and other receivables are past due.

10 Exploration

	2012 $	2011 $
Exploration at cost at beginning of the period	626,757	-
Expenditure incurred	857,497	626,757
Write down of tenements surrendered	(319,757)	-
Total expenditure at cost	1,164,497	626,757
Total expenditure incurred and carried forward in respect of specific projects		
-Canning Basin Coal	1,164,497	626,757
Total carried forward exploration expenditure	**1,164,497**	**626,757**

The recoupment of costs carried forward in relation to area of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. The impairment charge relates to tenements that have been surrendered during the financial year, until the date of this report.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

11 Office Equipment

	2012 $	2011 $
At cost	24,159	22,341
Accumulated Depreciation	(15,961)	(7,969)
Total Office Equipment	**8,198**	**14,372**

Movements in carrying amounts		
Balance at the beginning of the year	14,372	18,846
Additions	1,818	2,908
Disposals	-	-
Depreciation expense	(7,992)	(7,382)
Carrying amount at the end of the year	**8,198**	**14,372**

12 Current liabilities - trade and other payables and provisions

	2012 $	2011 $
Trade, other payables and accruals	193,946	72,422
Employee entitlement – provision for annual leave	-	15,566
Superannuation	1,759	3,885
PAYG Withholding tax	16,858	13,397
	212,563	**105,270**

13 Contributed equity

(a) Issued share capital	**2012 Shares**	**2011 Shares**
Ordinary shares fully paid	**606,976,382**	**526,076,382**

(b) Movement in ordinary share capital

Date	Details	Number of shares	Issue price	$
01/07/2011	Opening Balance	526,076,382		31,413,642
12/09/2011	Placement	78,900,000	$0.018	1,420,200
29/06/2012	Options exercised	2,000,000	$0.010	20,000
	Share Issue Costs	-		(90,712)
30/06/2012	**Balance at the end of the year**	**606,976,382**		**32,763,130**

Date	Details	Number of shares	Issue price	$
01/07/2010	Opening Balance	487,451,382		30,998,295
18/08/2010	Placement	3,125,000	$0.016	50,000
03/09/2010	Share based payment	2,500,000	$0.016	40,000
23/12/2010	Options exercised	33,000,000	$0.010	330,000
	Transfer from Option Premium Reserve			825
	Share Issue Costs			(5,478)
30/06/2011	**Balance at the end of the year**	**526,076,382**		**31,413,642**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands or on a poll every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

14 Options, reserves and accumulated losses

	2012 Options	2012 $	2011 Options	2011 $
(a) Options at the end of the year	**38,000,000**	**570,225**	**55,000,000**	**640,701**

There are no voting rights attached to the options.

(b) Movement in options

Date	Details	Number of options	Fair value Issue price	$
01/07/2011	Opening Balance	55,000,000		640,701
05/02/2012	Options forfeited	(15,000,000)		(70,476)
29/06/2012	Options exercised	(2,000,000)		-
30/06/2012	**Balance at the end of the year**	**38,000,000**		**570,225**
01/07/2010	Opening Balance	58,000,000		323,371
18/08/2010	Options issued	30,000,000		318,155
23/12/2010	Options exercised	(33,000,000)		(825)
30/06/2011	**Balance at the end of the year**	**55,000,000**		**640,701**

(c) Option Premium Reserve

	2012 Number of options	2012 $	2011 Number of options	2011 $
Movements in reserve				
Balance at the beginning of the year	7,000,000	-	40,000,000	825
Options issued (free with placement)	-	-	-	-
Options exercised	(2,000,000)	-	(33,000,000)	(825)
Balance at the end of the year	**5,000,000**	**-**	**7,000,000**	**-**

(d) Share Based Payments Reserve

	2012 Number of Options	2012 $	2011 Number of options	2011 $
Movements in reserve				
Balance at the beginning of the year	48,000,000	640,701	18,000,000	322,546
Options issued (director incentivisation)	-	-	30,000,000	318,155
Options forfeited (director incentivisation – did not vest)	(15,000,000)	(70,476)	-	-
Balance at the end of the year	**33,000,000**	**570,225**	**48,000,000**	**640,701**

14 Options, reserves and accumulated losses (continued)

During the year ended 30 June 2012, the Company did not grant any options to key management personnel.

7,000,000 options exercisable at 1 cent on or before 31 December 2012 were issued free with the placement of shares made on 28 October 2009 to fund working capital. Of these 7,000,000 options, 2,000,000 options were exercised on 29 June 2012.

15,000,000 options exercisable at 3 cents and 15,000,000 options exercisable at 5 cents on or before 17 August 2015 were issued to the former Managing Director, Mark Gunther, on 18 August 2010 following shareholder approval given on 19 July 2010. The 5 cent options did not vest and were forfeited on the 6 February 2012.

The fair value of the options issued to the former Managing Director is determined using a Black-Scholes model and applying the following assumptions:

Exercise price	3 cents	5 cents
No of options	15,000,000	15,000,000
Grant date	18 August 2010	18 August 2010
Vesting Conditions and Period	See the following terms and conditions but the time period (12 and 24 months from issue) is used for the valuation of the options.	
Expiry date	17 August 2015	17 August 2015
Share price at grant date	1.90 cents	1.9 cents
Risk-free interest rate	4.5%	4.5%
Volatility	140.26%	140.26%
Fair value at grant date	1.65 cents	1.58 cents

The value of the options issued to Mark Gunther is bought to account in the Share Based Payments Reserve and expensed as director's remuneration over the vesting period. Other than the exercise price and the time period vesting condition, the options issued to the former Managing Director have the same terms and conditions and entitle the holder to subscribe for shares in the Company on the following terms and conditions:

(i) each option gives the right to subscribe for one share on exercise of the options in accordance with the terms and conditions of the options.

(ii) The options expire at 5:00 pm (WST) five years from the date of issue on 17 August 2015. The options will not vest until the earlier of:
- the board of directors of the Company approving the commencement of a pre-feasibility study for the establishment of a minimum 100 million tonne JORC resource coal mine on the Company's Canning Basin Tenements; or
- for the 3 cent options,12 months from the date of issue of the options, and for the 5 cent options, 24 months from the date of issue of the options; or
- an unconditional takeover offer being made for the Company which is recommended by the board of directors of the Company subject to a superior offer being made or such takeover offer reaches the compulsory acquisition thresholds prescribed by the Corporations Act; or
- a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with scheme for the reconstruction of the Company or its amalgamation with any other company or companies.

(iii) Subject to (c), the options may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

(iv) Subject to (c), the optionholder may exercise their options by lodging with the Company, before the expiry date:
- a written notice of exercise of options specifying the number of options being exercised; and
- a cheque or electronic funds transfer for the exercise price for the number of options being exercised (exercise notice).

(v) An exercise notice is only effective when the Company has received the full amount of the exercise price in cleared funds.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

14 Options, reserves and accumulated losses (continued)

(vi) Within 10 business days of receipt of the exercise notice accompanied by the exercise price, the Company will allot the number of shares required under these terms and conditions in respect of the number of options specified in the exercise notice.
(vii) Subject to the vesting of the Options in accordance with (c) above, the options are transferable.
(viii) All shares allotted upon the exercise of options will upon allotment rank pari passu in all respects with other shares.
(ix) The Company will not apply for quotation of the options on ASX. However, The Company will apply for quotation of all shares allotted pursuant to the exercise of options on ASX within 10 business days after the date of allotment of those shares.
(x) If at any time the issued capital of the Company is reconstructed, all rights of an optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
(xi) There are no participating rights or entitlements inherent in the options and the optionholder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 business days after the issue is announced. This will give optionholder the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue.
(xii) An option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised.

4,000,000 options exercisable at 1 cent on or before 31 December 2012 were issued to Ian Miller on 25 November 2009 pursuant to an agreement entered into between the Company, Ian Miller and Alba Energy Pty Ltd for the introduction and facilitation of exploration licence applications in respect to coal targets in Western Australia. The shareholders of the Company ratified the issue of the options (and 12,500,000 shares at a price of 0.8 cents) at the annual general meeting held on 30 November 2009.

4,000,000 options exercisable at 1 cent on or before 31 December 2012 were issued to the director, James Pratt, on 30 November 2009 following shareholder approval at the annual general meeting held on that date.

10,000,000 options exercisable at 1.6 cents on or before 17 May 2013 were issued to Hartleys Limited on 18 May 2010 for corporate advisory fees.

The fair value of the options is determined using a Black-Scholes model and applying the following assumptions:

Recipient	Ian Miller	James Pratt	Hartleys
Exercise price	1 cent	1 cent	1.6 cents
No of options	4,000,000	4,000,000	10,000,000
Grant and vesting date	25 Nov 2009	30 Nov 2009	18 May 2010
Expiry date	31 Dec 2012	31 Dec 2012	17 May 2013
Share price at grant date	2.24 cents	2.2 cents	2.2 cents
Risk-free interest rate	4.74%	4.74%	4.94%
Volatility	125.2%	125.1%	118.3%
Fair value at grant date	2.04 cents	1.85 cents	1.67 cents

The options entitle the holder to subscribe for shares in the Company on the following terms and conditions:

- each option gives the optionholder the right to subscribe for one share. To obtain the right given by each option, the optionholder must exercise the options in accordance with the terms and conditions of the options.
- The options will expire at 5:00 pm (WST) on the expiry date. Any option not exercised before the expiry date will automatically lapse on the expiry date.
- The amount payable upon exercise of each option is the exercise price.
- The options held by each optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

14 Options, reserves and accumulated losses (continued)

- An optionholder may exercise their options by lodging with the Company, before the expiry date a written notice of exercise of options specifying the number of options being exercised; and a cheque or electronic funds transfer for the exercise price for the number of options being exercised (exercise notice).
- An exercise notice is only effective when the Company has received the full amount of the exercise price in cleared funds.
- Within 10 business days of receipt of the exercise notice accompanied by the exercise price, the Company will allot the number of shares required under these terms and conditions in respect of the number of options specified in the exercise notice.
- The options are not transferable.
- All shares allotted upon the exercise of options will upon allotment rank pari passu in all respects with other shares.
- The Company will not apply for quotation of the options on ASX. However, The Company will apply for quotation of all shares allotted pursuant to the exercise of options on ASX within 10 business days after the date of allotment of those shares.
- If at any time the issued capital of the Company is reconstructed, all rights of an optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- There are no participating rights or entitlements inherent in the options and optionholders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 business days after the issue is announced. This will give optionholders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.
- An option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised.

Nature and Purpose of Reserves

The option premium reserve arises pursuant to an issue of options pursuant to a capital raising.

The share based payments reserve arises pursuant to an issue of shares or options as consideration for a service or an acquisition transaction.

(e) Accumulated losses

	2012 $	2011 $
Movements in accumulated losses were as follows:		
Balance at the beginning of the year	(29,647,288)	(28,730,975)
Loss for the year	(1,059,272)	(916,313)
Balance at the end of the year	**(30,706,560)**	**(29,647,288)**

15 Dividends

There were no dividends recommended or paid during the financial year.

16 Key management personnel disclosures

(a) Key management personnel compensation

	2012 $	2011 $
Short-term employee benefits	518,723	341,517
Non-monetary benefits	-	13,560
Post-employment benefits	36,250	29,048
Share based payments	(70,476)	358,155
	484,497	**742,280**

Detailed remuneration disclosures are provided in sections 1 to 3 of the Remuneration Report in the Directors' Report.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

16 Key management personnel disclosures (continued)

(b) Equity instrument disclosures relating to key management personnel

(i) Option holdings
The numbers of options over ordinary shares in the Company held during the financial year by each director, including their personally related parties, are set out below:

2012 Director	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Mark Gunther	30,000,000	-	-	(30,000,000)	-	-
James Pratt	4,000,000	-	-	-	4,000,000	4,000,000
Hugh Warner	-	-	-	-	-	-
Neil Hackett	-	-	-	-	-	-
	34,000,000	**-**	**-**	**(30,000,000)**	**4,000,000**	**4,000,000**

No options are vested and un-exercisable at the end of the year.

During the year:
1. No options were exercised by key management personnel during the year.
2. Mark Gunther resigned on the 6 February 2012. Upon his resignation, 15,000,000 options exercisable at 5 cents were forfeited as the vesting conditions were not met. The remaining 15,000,000 options exercisable at 3 cents were held on his resignation.

2011 Director	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Mark Gunther	-	30,000,000	-	-	30,000,000	-
James Pratt	4,000,000	-	-	-	4,000,000	4,000,000
Hugh Warner	7,000,000	-	(7,000,000)	-	-	-
Neil Hackett	-	-	-	-	-	-
	11,000,000	**30,000,000**	**(7,000,000)**	**-**	**34,000,000**	**4,000,000**

(ii) Share holdings
The numbers of shares in the Company held during the financial year by each director, including their personally related parties, are set out below:

2012 Director	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
Hugh Warner	49,644,500	-	-	49,644,500
Neil Hackett	2,500,000	-	-	2,500,000
James Pratt	-	-	-	-
Mark Gunther	3,125,000	-	(3,125,000)	-
	55,269,500	**-**	**(3,125,000)**	**52,144,500**

There were no shares granted during the reporting period as compensation.
Mark Gunther resigned on the 6 February 2012. The shares held on resignation are shown in “Other changes during the year”.

2011 Director	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
Mark Gunther	-	-	3,125,000	3,125,000
James Pratt	-	-	-	-
Hugh Warner	42,644,500	7,000,000	-	49,644,500
Neil Hackett	-	-	2,500,000	2,500,000
	42,644,500	**7,000,000**	**5,625,000**	**55,269,500**

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

17 Remuneration of auditors

During the year the following fees (exclusive of GST) were paid or payable for services provided by the auditor of the Company:	2012 $	2011 $
Audit services		
Audit and review of financial report and other audit work under the *Corporations Act 2001*	20,018	19,018
Non-audit services		
Other services provided	-	-
Total remuneration for audit and other services	**20,018**	**19,018**

18 Commitments and contingencies

There is no capital expenditure contracted for at the reporting date that has not been recognised as a liability.

Exploration Commitments
The Group had certain commitments to meet minimum expenditure requirements on the granted exploration licences. Outstanding exploration, rent and rates commitments are as follows:

	2012 $	2011 $
Within a year	975,000	1,127,766
Later than one year but not later than five years	2,468,677	4,511,084
	3,443,677	5,638,850

As at 30 June 2012, the Group does not have any contingent liabilities

19 Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 16 and the detailed remuneration disclosures to the Directors' Report.

(b) Transaction with related parties

Anglo Pacific Ventures Pty Ltd, a company associated with Hugh Warner, charges the Company for office rental on normal commercial terms and conditions. Anglo Pacific Ventures Pty Ltd was paid $60,000 for the current year (2011:$30,000).

Cape Samsys Pty Ltd, a company associated with James Pratt, was paid $31,440 (2011 $3,200) for geological consulting.

Corporate Starboard Pty Ltd, a company associated with Neil Hackett, was paid $64,494 (2011: $Nil) for director and company secretarial services.

Leanne Gunther, the spouse of the Managing Director, was employed by the Company from 22 June 2010 until 6 February 2012 as part time Senior Office Geologist on a rate of $95 per hour plus superannuation. The Company paid a total of $76,224 inclusive superannuation during the period (2011: $106,488).

Georgia Gunther, the daughter of the Managing Director, was employed by the Company from 1 April 2011 until 31 December 2011, as a casual office assistant on a rate of $15 per hour plus superannuation. The Company paid a total of $2,319 during the period (2011: $992).

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

At 30 June 2012, the Company owed Anglo Pacific Ventures Pty Ltd $5,145 and Corporate Starboard Pty Ltd $6,416.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

20 Events occurring after the balance sheet date

The Company's subsidiary, Canning Basin Coal Pty Ltd has surrendered a further four exploration licenses and voluntarily withdrawn two applications. The financial impact of surrendering these licenses has resulted in the Group recording an $82,000 impairment charge which is included in this year's Consolidated Statement of Comprehensive Income.

21 Reconciliation of comprehensive loss after income tax to net cash outflow from operating activities

	2012 $	2011 $
Comprehensive loss for the year	(1,059,272)	(916,313)
Share based payments	(70,476)	358,155
Depreciation	7,992	7,382
Annual leave provision	(15,566)	15,566
Changes in operating assets and liabilities:		
(Increase)/decrease in capitalised exploration expenditure	(537,740)	(626,757)
(Increase)/decrease in advance rentals	143,145	303,170
(Increase)/decrease in accounts receivable and prepayments	129,484	(163,713)
Increase/(decrease) in trade and other payables	122,859	(64,368)
Net cash outflow from operating activities	**(1,279,574)**	**(1,086,878)**

Capitalised exploration and evaluation expenditure has been classified as an operating activity.

22 Loss per share

	2012 Cents	2011 Cents
(a) Basic loss per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.18)	(0.18)
	(0.18)	**(0.18)**

(b) Diluted loss per share

As the Company made a loss for the year ended 30 June 2012, the options on issue have no dilutive effect. Therefore, dilutive loss per share is equal to basic loss per share.

(c) Reconciliation of loss used in calculating earnings per share	2012 $	2011 $
Basic and diluted loss per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(1,059,272)	(916,313)
	(1,059,272)	**(916,313)**

(d) Weighted average number of shares used as the denominator	2012 Number	2011 Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	589,201,861	509,405,149
Adjustments for calculation of diluted loss per share – Options	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	**589,201,861**	**509,405,195**

(e) Information concerning the classification of securities

Options

Options are considered to be potential ordinary shares but have not been included in the determination of the diluted loss per share as a loss was incurred for the year.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2012

23 Parent Entity Disclosures

Financial Position	**2012 $**	**2011 $**
Assets		
Current assets		
Cash and cash equivalents	1,519,345	1,451,249
Trade and other receivables	21,110	6,299
Prepayments	15,731	17,280
Total current assets	**1,556,186**	**1,474,828**
Non-current asset		
Investment in subsidiary	1	1
Loan to subsidiary	1,630,280	1,125,701
Office Equipment	8,198	14,372
Total non-current assets	**1,638,479**	**1,140,074**
Total assets	**3,194,665**	**2,614,902**
Liabilities		
Current liabilities		
Trade and other payables	212,562	89,704
Provisions	-	15,566
Total current liabilities	212,562	105,270
Total liabilities	**212,562**	**105,270**
Net Assets	**2,982,103**	**2,509,632**
Equity		
Contributed equity	32,763,130	31,413,642
Share based payments reserve	570,225	640,701
Accumulated losses	(30,351,252)	(29,544,711)
Total Equity	**2,982,103**	**2,509,632**

Financial performance	**Year ended 30 June 2012 $**	**Year ended 30 June 2011 $**
Loss for the year	(806,541)	(916,673)
Other comprehensive income	-	-
Total comprehensive income	(806,541)	(916,673)

The parent entity has not provided any guarantees in relation to the debts of its subsidiaries.

For details on commitments, see Note 18.

DIRECTORS' DECLARATION
30 June 2012

In the directors' opinion:

1. the financial statements and notes set out on pages 17 to 40 are in accordance with the *Corporations Act 2001*, including:

   (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (b) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2012 and of their performance for the financial year ended on that date; and

2. 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 financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and

4. the audited remuneration disclosures set out on pages 8 to 9 of the Directors' Report comply with accounting standard AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001*.

The directors acting in the capacity of Chief Executive Officer and Chief Financial Officer have given the declarations required by Section 295(A) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Hugh Warner
Chairman

Perth
26 September 2012

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

Report on the Financial Report

We have audited the accompanying financial report of TPL Corporation Limited, which comprises the consolidated statement of financial position as at 30 June 2012, 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian 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 whether the financial report is free from material misstatement.

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

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

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

Opinion

In our opinion:

(a) the financial report of TPL Corporation 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 2012 and of its performance for the year ended on that date; and
  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 1(a).

Report on the Remuneration Report

We have audited the remuneration report included in pages 8 to 9 of the directors' report for the year ended 30 June 2012. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion
In our opinion the remuneration report o TPL Corporation Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

Emphasis of Matter

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

The ability of the Company and of its subsidiary to continue as going concerns and meet their planned exploration, administration, and other commitments is dependent upon the Company and its subsidiary raising further working capital, and/or commencing profitable operations. In the event that the Company cannot raise further equity, the Company and its subsidiary may not be able to meet their liabilities as they fall due and the realisable value of the Company's and consolidated entity's non-current assets may be significantly less than book values.

The recoverability of the Group's carrying value of capitalised exploration and acquisition costs of $1,164,497 is dependent on the successful commercial exploitation of the assets and/or sale of the assets to generate profits at amounts in excess of the book values. In the event that the Group is not successful in commercial exploitation and/or sale of the assets, the realisable value of the consolidated entity's assets may be significantly less than their current carrying values.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

John Van Dieren
Director

West Perth, Western Australia
26 September 2012

ASX Additional Information

Additional Information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The shareholder information was applicable as at 20 September 2012.

(a) Substantial Shareholders

The substantial shareholders are:

Name	Number Held	Percentage of Issued Shares
Elliot Holdings Pty Ltd – HD & DM Warner	49,644,500	8.18
Tisia Nominees Pty Ltd	42,000,000	6.92

(b) Voting Rights

Ordinary Shares

On a show of hands every member present at a meeting of shall have one vote and upon a poll each share shall have one vote.

Options

There are no voting rights attached to the options

(c) Distribution of Equity Security Holders

Category	Ordinary Fully Paid Shares	% Issued Capital
1 – 1,000	744,122	0.12
1,001 – 5,000	788,836	0.13
5,001 – 10,000	351,497	0.06
10,001 – 100,000	12,768,848	2.10
100,001 and over	592,323,079	97.59
Total	606,976,382	**100**

There were 2,307 holders of less than a marketable parcel of ordinary shares.

ASX Additional Information (continued)

(d) Equity Security Holders

The names of the twenty largest holders of quoted equity securities are listed below:

	Name	Number Held	Percentage of Issued Shares
1.	TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	42,000,000	6.92
2.	ELLIOT HOLDINGS PTY LTD <CBM FAMILY A/C>	32,000,000	5.27
3.	MR DIRK VAN DER STRUYF + MRS STEPHANIE VAN DER STRUYF <VAN DER STRUYF S/F A/C>	20,000,000	3.30
4.	POLFAM PTY LTD <POLLAK SUPERANNUATION A/C>	16,650,000	2.74
5.	MR HUGH DAVID WARNER + MRS DIANNE MICHELLE WARNER <CBM SUPER FUND A/C>	16,250,000	2.68
6.	HOLLOWAY COVE PTY LTD <HOLLOWAY COVE S/F A/C>	14,000,000	2.31
7.	MR JASON PETERSON + MRS LISA PETERSON <J & L PETERSON S/F A/C>	12,700,000	2.09
8.	LSAF HOLDINGS PTY LTD <OWEN FAMILY A/C>	10,000,000	1.65
9.	SWANCAVE PTY LTD <THE BMC FAMILY A/C>	8,000,000	1.32
10.	MR DOUGLAS JAMES BOLTON	7,069,000	1.16
11.	MR NICHOLAS SIMON DRAPER + MRS MELINDA JANE DRAPER <DRAPER SUPER FUND A/C>	7,000,000	1.15
12.	MR JOHN O'CONNOR <THE O'CONNOR A/C>	7,000,000	1.15
13.	UNITED EQUITY PARTNERS PTY LTD <POLYCORP FAMILY A/C>	6,852,612	1.13
14.	STONE PONEYS NOMINEES PTY LTD <BK A/C>	6,250,000	1.03
15.	R W ASSOCIATES PTY LTD <SUPER FUND A/C>	6,000,000	0.99
16.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,500,000	0.91
17.	STONE PONEYS NOMINEES PTY LTD <CHAPMAN SUPER FUND A/C>	5,500,000	0.91
18.	TALLTREE HOLDINGS PTY LTD <NERD FAMILTY SUPER FUND A/C>	5,351,624	0.88
19.	MR VINCENZO BRIZZI + MRS RITA LUCIA BRIZZI <BRIZZI FAMILY S/F A/C>	5,043,500	0.83
20.	MR PHILIP CAWOOD	5,000,000	0.82
	TOTAL	**238,166,736**	**39.24**

Unquoted equity securities

	Number on Issue	Number of Holders
Options – exercisable at 1 cent before 31 December 2012	13,000,000	6
Options – exercisable at 1.6 cent before 17 May 2013	10,000,000	1
Options – exercisable at 3 cents before 17 August 2015	15,000,000	1

ASX Additional Information (continued)

Exploration licenses granted:

Tenement No	Project	Registrered Holder & Interest	Date Granted
E04/1975	Lightjack Hill	Canning Basin Coal Pty Ltd (100%)	6/07/2010
E04/1981	Walgidee Hills	Canning Basin Coal Pty Ltd (100%)	29/09/2011
E04/1984	Lightjack Hill	Canning Basin Coal Pty Ltd (100%)	2/12/2010
E04/1986	Lightjack Hill	Canning Basin Coal Pty Ltd (100%)	6/07/2010
E04/1987	Lightjack Hill	Canning Basin Coal Pty Ltd (100%)	2/12/2010
E04/1988	Lightjack Hill	Canning Basin Coal Pty Ltd (100%)	6/07/2010
E04/2048	Lightjack Hill	Canning Basin Coal Pty Ltd (100%)	30/03/2011
E04/2049	Lightjack Hill	Canning Basin Coal Pty Ltd (100%)	30/03/2011
E04/2117	Lightjack Hill	Canning Basin Coal Pty Ltd (100%)	2/03/2012
E80/4333	Lightjack Hill	Canning Basin Coal Pty Ltd (100%)	2/12/2010
E80/4346	Lightjack Hill	Canning Basin Coal Pty Ltd (100%)	11/08/2011
E80/4359	Casey Range	Canning Basin Coal Pty Ltd (100%)	5/01/2011
E80/4363	Casey Range	Canning Basin Coal Pty Ltd (100%)	5/01/2011