ALEATOR ENERGY LIMITED

FINANCIAL REPORT

30 June 2013

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ALEATOR ENERGY LIMITED
CHAIRMANS' LETTER

Dear Shareholder,

On behalf of your Board, I am pleased to present this report on Aleator Energy's progress and activities over the year ended 30 June 2013.

In past the year there has been a substantive focus by the Company to secure the funding necessary to drill and test the POV-105 well in the Povorotnoye Gas and Condensate Field, Ukraine. The Company believes that the financing facility arranged by Gres Holdings Limited is now close to completion. In addition to working on financing the drill programme, the Company successfully secured funding via convertible loans and the placement of shares to progress the purchase of long lead items, engineering and fund the administrative and working capital requirements.

While waiting for the completion of the funding, the Company has utilised the time to progress preparations for drilling the POV-105 well with procurements of technical expertise, long lead items of equipment and administrative organisation, both within Ukraine and in Australia. Aleator recently signed a letter of intent with Ukrburservis Drilling (Ukrbur), to provide the drilling rig and services to drill the well. Ukrbur is a Ukrainian based company which has extensive experience in drilling gas and condensate wells including one of the deepest producing wells in Ukraine with total depth at 6240m. The rig allocated to drill the Pov-105 well is a modern US build National Oilwell Varco rig with a depth capability well exceeding the planned depth for Pov-105 of 4140m. The Company is very pleased to have entered the letter of intent with such an experienced drilling contractor with a modern, capable rig. The details of the drilling rig and services have been negotiated and a Drilling Contract is being prepared.

Aleator Energy has also improved its tenure of leases on the Golden Eagle gas field in the past year by securing a new 5 year Exploratory Unit, referred to as the Golden Eagle 70 II Unit. The Company is continuing to review its options on the Golden Eagle Field with the objective of maximising the value to shareholders for the amount of investment made to date on this field.

We look forward to a productive year ahead, particularly as we work toward the spud and successful completion of the Pov-105 well. An overview of the historic and other information on the Povorotnoye field provided in presentations and periodic reports throughout the past year lead the Company to be optimistic about the project's potential.

I would like to thank the staff and management of Aleator Energy for their efforts in the past year and to thank you, our shareholders, for your ongoing support.

Lewis Cross
Chairman

Your Directors submit the financial report of Aleator Energy Limited for the year ended 30 June 2013.

Directors

The names and qualifications of persons who have held the position of Director of Aleator Energy Limited at any time during the financial year and up to the date of this report are:

- Lewis Cross – Non Executive Chairman
- Gennady Varitsky – Non Executive Director (appointed 30 November 2012)
- Mark Rowbottam – Executive Director
- Richard Sciano – Non Executive Director (resigned 12 July 2012)
- Anthony Kain – Non Executive Director (resigned 30 November 2012)
- John Armstrong – Non Executive Chairman (resigned 19 October 2012)

Information on Directors, KMP & Company Secretary

Lewis Cross, BBus (Acc) CPA FAICD, Non-Executive Chairman

Mr Cross was appointed director on 22 May 2006. Mr Cross is a Certified Practising Accountant and has a Bachelor of Business majoring in Accounting from Curtin University and is a Fellow of the Institute of Company Directors. Mr Cross has been involved in the mining industry for many years as well as various other industries in the course of his work in providing accounting and business consulting services. He has had extensive experience as a company director and is currently a director of Aspermont Limited, an international publisher focusing on the various sectors of the mining industry, and White Canyon Uranium Limited. Mr Cross has not been a director of any other public listed companies during the 3 years prior to the current year.

Gennady Varitsky, Non-Executive Director (appointed 30 November 2012)

Mr Varitsky has spent the last seven years as an executive and director of Ukraine oil and gas companies focussed on developing energy assets within Ukraine. He has substantial experience in the sector and has assisted a number of western companies enter the Ukraine oils and gas sector, including Aleator's acquisition of its interest in the Povorotnoye field. He holds degrees in Social Studies and Law and was formerly the Head of the Legal Department of the Ukraine Naval Forces and Head of International Law in the Ministry of Defence. After leaving the Defence Forces, Mr Varitsky held positions as Legal Advisor and International Practice Partner with Grant Thornton Ukraine. Mr Varitsky has not been a director of any other public listed companies during the 3 years prior to the current year.

Mark Rowbottam, Executive Director

Mr Rowbottam is an experienced corporate executive, advisor and company director. Mr Rowbottam has undergraduate science qualifications and a Master of Business Administration with specialties in corporate administration and marketing. He is a Fellow of the Securities Institute of Australia and active member of the Australian Institute of Company Directors. Mr Rowbottam has more than 15 years' experience in the corporate financial arena and has been involved in many ASX capital raisings, mergers/acquisitions and corporate transactions in the mineral and energy sectors, including the acquisition of the Seychelle assets of Seyco by WHL Energy Limited and the Povorotnoye asset by Aleator Energy Limited. He is a founder and current director of ASX listed Latin Resources Limited and a director of GRP Corporation Limited.

Wal Muir, BSc (HONS) MBA, Chief Executive Officer

Mr Muir has a B.Sc. (Hons) degree from the University of New South Wales (1978) with a double major in Geology, a major in Pure Mathematics and Honours in Geophysics. He has a Master of Business Administration (1989) from the University of Queensland. Mr Muir has more than 30 years of experience in the petroleum exploration and production industry, both within Australia and overseas.

Mr Muir is a member of the Australian Society of Exploration Geophysicists, Queensland Petroleum Exploration and is a Distinguished Member of the Petroleum Exploration Society of Australia (PESA). He has filled all the executive positions at PESA Queensland, and was Federal President of PESA from 1997 until 1999. Mr Muir is an Adjunct Professor in Biogeosciences at the Queensland University of Technology.

An experienced and motivated petroleum professional, Mr Muir specialises in the accurate evaluation of the value and risks associated with exploration acreage. He has specific skills in seismic interpretation, risk analysis, play and prospect evaluation and team leadership. Prior to founding his own consulting group in 2001, Mr Muir was the New Ventures and Exploration Manager for Petroz NL. He has worked on all

Australian petroleum basins, and extensively in basins overseas including SE Asia, the North Sea, Italy, Falklands and East Africa.

Hamish Carnachan, Company Secretary and Chief Financial Officer

Mr Carnachan graduated from the University of Western Australia in 1982 with a Bachelor of Commerce degree and attained his Chartered Accountant status in 1986. He has broad commercial experience having worked in Australia and London in accounting, audit, finance and executive management roles with Australian and international companies including Price Waterhouse Coopers and Merrill Lynch Europe and Middle East. Mr Carnachan was previously also CFO of White Canyon Uranium Limited. Mr Carnachan was made joint Company Secretary of the Company on 3 June 2013.

Ranko Matic, Company Secretary

Mr Matic was appointed to the position of Company Secretary on 1 February 2007. Mr Matic is a Chartered Accountant with over 20 years' experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr Matic has considerable experience in a range of industries with particular exposure to publicly listed companies and large private enterprises. Mr Matic is a director of a Chartered Accounting firm and a Corporate Advisory company based in West Perth, and has specialist expertise and exposure in areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Through these positions Mr Matic has been involved in an advisory capacity to a significant number of initial public offerings on the ASX in the last ten years. Mr Matic has also acted as CFO and company secretary for companies in the publicly listed and private sectors and currently holds non-executive directorships and corporate secretarial roles for several private and publicly listed companies.

Interests in the shares and options of the Company

As at the date of this report, the interests of the directors in the shares and options of Aleator Energy Limited were:

	Ordinary Shares	Options over Ordinary Shares
Lewis Cross	7,680,000	20,030,000
Mark Rowbottam	34,850,000	15,000,000
Gennady Varitsky	20,000,000	25,000,000

Meetings of Directors

The attendance of directors at meeting of the company's Board of Directors held during the year is as follows:

	Number of Meetings	
Director	**Attended**	**Eligible to Attend**
Richard Sciano	1	1
Lewis Cross	23	23
Anthony Kain	19	19
Mark Rowbottam	21	23
John Armstrong	11	12
Gennady Varitsky	3	4

Principal Activities

The principal activity of the company during the year has been exploration for oil and gas.

Operating Results

The consolidated operating loss amounted to $2,590,595 (2012: $2,293,076) after providing for income tax and eliminating non-controlling equity interests.

Dividends Paid or Recommended

There were no dividends declared or paid by the company during the year and no dividend is recommended.

Review of Operations

The principal activities of the entities within the consolidated entity during the year were gas and oil exploration. Aleator Energy Limited is an Australian based energy company with projects in Ukraine and the USA. The Company's flagship operation is based in the Crimea, Ukraine where it jointly operates the Povorotnoye Gas and Condensate field with the license holder. The Company is also the 100% operator of the Golden Eagle Gas Field in Grand County Utah USA. Royalty interests are retained in several mineral projects in Western Australia.

THE POVOROTNOYE GAS & CONDENSATE FIELD – ONSHORE UKRAINE

Early in 2012 Aleator Energy acquired the Povorotnoye Gas Field located on the Kerch Peninsula in the region of Crimea, Ukraine. The Company has a 61.2% beneficial interest in the project. Operational management of the field is conducted under a Joint Activity Agreement with the license holder, Nadra Krymu, the State body controlling oil and gas operations in Crimea.

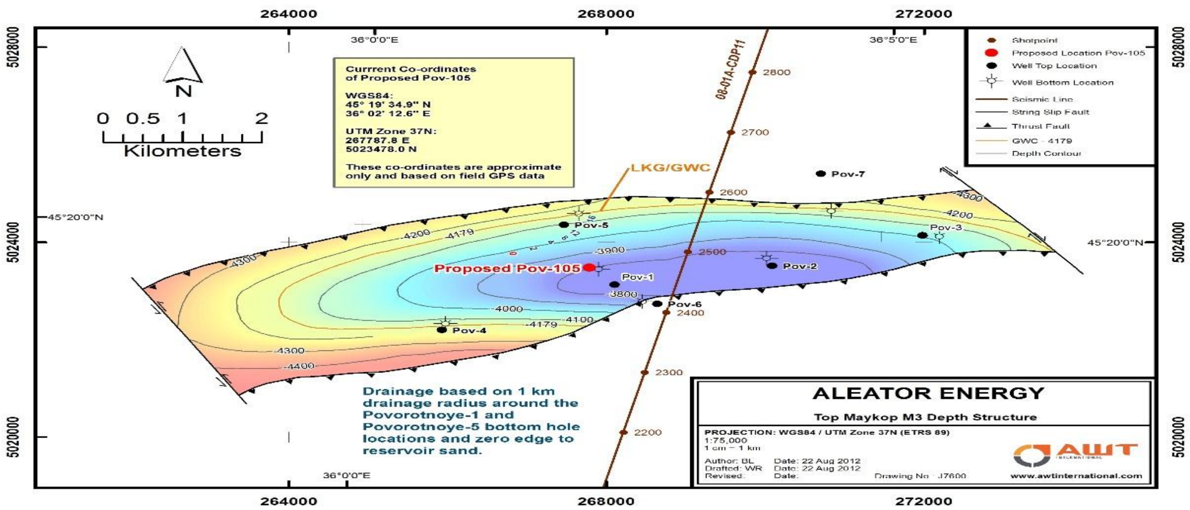
Historical

The Povorotnoye gas and condensate field was discovered and appraised in the USSR era (1980's) but it was never developed. The field is located in the southern "Foredeep" section of the hydrocarbon province known as the Azov-Kuban Basin, which forms a band along the southern section of the Azov-Kuban Basin and is recognized as the most prolific section of the basin for hydrocarbon discovery and production.

When the field was first discovered, drilling was conducted with equipment and methods available at the time and without the intention of putting any of the wells into production. The information gathered from these discovery and appraisal wells have allowed Aleator to complete a substantial amount of geological and engineering work in preparation for the drilling of the Pov 105 well. This previous work, the close proximity of the field to gas distribution infrastructure and stable high gas prices indicate that Povorotnoye has the potential to be a "company making" project.

The Povorotnoye Field

The licence area covers some 104 km^2 with structural closure estimated at more than 20 square kilometres (5,000 acres). The discovery well (POV-1) in the Povorotnoye oil and gas field flowed gas at a stabilised flow rate of 5.1 Mmcfgpd with some condensate through a 20/64" choke with a shut-in surface pressure of 5,100 psi. The gas is from the M-3 sandstone reservoir (gross thickness 18m) at a depth of 3,900m where the formation pressure is 10,500 psi. A nearby well in the field (POV-2, two km from the POV-1 well) had a gas flow estimated to be 17 Mmcfgpd (prior to well control problems) probably from the same M3 reservoir,



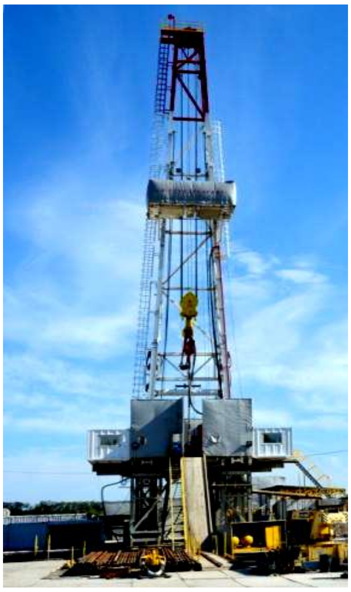
in other wells this reservoir has a gross thickness of up to 50m. Current Ukraine gas prices stand between US$11-12 per Mcf. Gas which is produced can be tied into local open access infrastructure with a relatively short connecting pipeline (5 km) to the gas distribution network or through a nearby processing facility with excess capacity.

Activities and Proposed Operations

Aleator has proposed to drill a new well designated "POV-105" on the Povorotnoye field, which will be drilled on the crestal position of the identified hydrocarbon structure and have a bottom-hole location approximately 100m from the POV-1 well which historically tested at a stabilised flow was 5.1 Mmcfgpd. POV-105 will be engineered and electric logged to investigate and test the primary objective - the known deep gas reservoirs. The well will also investigate the secondary objectives - the 700m of gas shows at about 3,000m depth, as well as the shallow oil prospectivity which has been recognised on the well logs from the existing wells. The well is now planned to spud in Q4 of 2013 and take approximately 60 to 75 days to drill and run electric logs, with production casing and testing programmes to follow.

Drill Casing – All delivered in readiness for the Pov-105 Well

The Company has continued to progress the project in Ukraine with procurement of receivables which are stored in the local subsidiary's warehouse. In addition to the work being done in procurement of materials and drilling services, the Pov-105 drill site preparations are complete, which includes the installation of concrete slabs as a base for the rig, construction of the cellar and setting of the liner. Other construction works completed are associated with facilities such as water storage, fluid containment and mixing of drilling mud.



In July the Company signed a binding letter of intent ("LOI") with Ukrburservis Drilling Company ("Ukrbur") to provide a rig to drill the Pov-105 well. Ukrbur is a Ukrainian based company which has extensive experience in drilling gas and condensate wells in Ukraine and other Eastern European locations. Since 2003 Ukrbur has drilled a total in excess of 105 thousand meters, including one of the deepest producing wells in Ukraine gas with total depth at 6240m.

The proposed rig to drill the Pov-105 well is a US build National Oilwell Varco rig with a top drive configuration. It has a maximum drilling depth capability well exceeding the planned target depth for Pov-105 of 4140m.

Signing of the LOI with Ukrbur provides definitive commercial terms together with drill costs and confirmation of time-frames for the rig to be mobilised and located on site to spud the Pov-105 well in Q4 2013.

GOLDEN EAGLE GAS FIELD

The Golden Eagle gas field was discovered by Golden State Resources Ltd in 2006 with the drilling of the first of three Paradox Basin wells, Paradox Basin #1. The field is a large shelf-edge/basement structure with multiple objectives within Pennsylvanian and Mississippian aged strata.

In December 2012 the Company completed the re-unitization of the Golden Eagle Field and was granted the new the Golden Eagle 70 II Unit, which has a tenure until December 2017, subject to Unit obligations being met in accordance with the Unit Agreement to the satisfaction of the US Bureau of Land Management (BLM). The Company is continuing to review its options on the Golden Eagle Field with the objective of maximising the value to shareholders for the amount of investment made to date on this field.

JOHNSTON RANGE

Iron Ore Royalties: The Company has an agreement with Cliffs Asia Pacific Iron Ore Pty Ltd ("Cliffs") with respect to its previously owned Johnston Range Iron Ore tenements in the Yilgarn region of Western Australia. Cliffs will pay the Company a gross royalty of 2% on the iron ore sales from the tenements as well as a 2% gross royalty on the sale of all other minerals. Mining is scheduled to commence in 2014 and the Company received $3 million pre-paid royalties in April, 2010.

Financial Position

The company had increases in the net assets to $66,791,759, an increase of $9,046,956 from net assets of $57,744,803 at 30 June 2012. Further capital of $5,755,255 (2012: $7,124,697) net of costs, was raised during the year to fund ordinary capital.

Significant Changes in the State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the company that occurred during the financial year under review, not otherwise disclosed in these financial statements and the Director's report.

Events after the reporting period

On 31 July 2013 the Company announced it had signed a Letter of Intent ("LOI") with Ukrburservis Drilling Company ("Ukrbur") to provide a rig to drill the Pov-105 well in the highly prospective Povorotnoye gas and condensate field in Ukraine. The final contract is expected to be negotiated within a time-frame anticipated to coincide with receipt of the first US$10m tranche of the previously announced US$20m funding facility.

No other matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect:

(a) the company's operations in future financial years, or
(b) the results of those operations in future financial years; or
(c) the company's state of affairs in future financial years.

Future Developments, Prospects and Business Strategies

Further information on likely developments in the operations of the company has not been included in this report because at this stage the directors believe it would be likely to result in unreasonable prejudice to the company. As Aleator Energy is listed on the Australian Stock Exchange, it is subject to the continuous disclosure requirements of the ASX Listing Rules which require immediate disclosure to the market of information that is likely to have a material effect on the price or value of Aleator Energy Limited's securities.

Environmental Regulation

Aleator Energy is committed to environmental care and aims to carry out its activities in an environmentally-responsible and scientifically-sound way. In performing exploration activities, some disturbance of the land in the creation of tracks, drill rig pads, sumps and the clearing of vegetation occurs. These activities have been managed in a way that reduces environmental impact to a practical minimum and rehabilitation of any land disturbance commences after exploration activity in an area has been completed.

Aleator Energy has complied with all statutory requirements involving protection of the environment as enforced by the Western Australian Department of Industry and Resources, Department of Environment, and Department of Conservation and Land Management.

The company also has environmental obligations with respect to its proposed operations in Utah, USA. These obligations are regulated by the Utah Division of Oil, Gas and Mining, and the Bureau of Land Management of the Federal Department of the Interior.

The directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of developments, the directors have determined that the NGER Act will have no effect on the company for the current or subsequent financial year. The directors will reassess this position as and when the need arises.

Officer's Indemnities and Insurance

For the year ended 30 June 2013, all directors and the specified executives of the consolidated group were insured by the Company. The insurance covers legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. The total amount of insurance contract premiums paid was $17,926.

Options

At the date of this report, the unissued ordinary shares in the company under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
30 June 2011	31 January 2015	2 cents	11,000,000
8 & 14 July 2011	31 January 2015	2 cents	424,742,609
11 January 2012	31 January 2015	2 cents	300,000,000
29 June 2012	31 January 2015	2 cents	30,555,558
29 June 2012	31 January 2015	2 cents	66,666,664
6 July 2012	31 January 2015	2 cents	152,777,774
12 July 2012	31 January 2015	2 cents	83,333,334
30 August 2012	31 January 2015	2 cents	250,000,000
			1,319,075,939

Option holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity. For details of options issued to directors and executives as remuneration, refer to the Remuneration Report. During and since the year ended 30 June 2013, there were nil (2012: 12,758) ordinary shares in the company issued on the exercise of options granted. No amounts are unpaid on any of the shares. No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Legal Proceedings

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 of the Corporations Act 2001.

Auditor's Independence Declaration and Non-Audit Services

RSM Bird Cameron Partners continues in office in accordance with section 327 of the *Corporations Act 2001.*

A copy of the auditor's independence declaration as required by Section 307C of the Corporations Act 2001 is included within the financial statements.

Details of non-audit services provided by the company's auditor, RSM Bird Cameron Partners, are set out below. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provide means that auditor independence has not been compromised. RSM Bird Cameron Partners received the following amount for provision of non-audit services:

- Tax advice and compliance services - $1,717 (2012: $83,275)

Remuneration Report (Audited)

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration

B Details of remuneration

C Service agreements

D Share-based compensation

E Additional information

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A Principles used to determine the nature and amount of remuneration

Remuneration Policy

The remuneration policy of the company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the company.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the company is as follows:

(i) The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as skills, experience and length of service) and superannuation. The Board reviews executive packages annually by reference to the company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

(ii) The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

(iii) Executives are also eligible to participate in the employee share and option arrangements.

(iv) The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

(v) All remuneration paid to directors and executives is valued at the cost to the company and expensed.

(vi) The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $300,000). Fees for non-executive directors are not linked to the performance of the company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company.

Performance based remuneration

The company currently has no performance based remuneration component built into director and executive remuneration packages.

Company performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors and executives' performance. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

B Details of remuneration

Details of the remuneration of the directors, the key management personnel of the company (as defined in AASB 124 Related Party Disclosures) and specified executives of the company are set out in the following table. The key management personnel of the company include the directors, the chief executive officer and the chief financial officer. The company secretary is not considered to be key management personnel as he is not involved in management decisions and performs duties in relation to statutory and compliance matters only.

Given the size and nature of operations of the company and the company, there are no other employees who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

Key management personnel and other executives of the company and the Group

2013

Key Management Person	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Represented by Options	Performance Related
	Cash, salary & commissions	Cash profit share	Non-cash Benefit	Other	Superannuation	Other	Equity	Options			
Directors	$	$	$	$	$	$	$	$	$	%	%
Lewis Cross	85,000	-	-	-	7,650	-	-	-	92,650	-	-
Gennady Varitsky (appointed 30 November 2012)	21,000	-	-	-	-	-	-	-	21,000	-	-
John Armstrong (resigned 19 October 2012)	32,671	-	-	-	2,940	-	-	-	35,611	-	-
Richard Sciano (resigned 12 July 2012)	2,301	-	-	-	207	-	-	-	2,508	-	-
Anthony Kain (resigned 30 November 2012)	29,167	-	-	-	2,625	-	-	-	31,792	-	-
Mark Rowbottam	168,167	-	-	-	3,750	-	-	-	171,917	-	-
Other KMP											
Wal Muir (CEO)	299,088	-	-	-	12,000	-	-	-	311,088	-	-
Hamish Carnachan (CFO)	209,475	-	-	-	18,853	-	-	-	228,328	-	-
	846,869	-	-	-	48,025	-	-	-	894,894	-	-

2012

Key Management Person	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Repre-sented by Options	Perform-ance Related
	Cash, salary & commis-sions	Cash profit share	Non-cash Benefit	Other	Super-annuation	Other	Equity	Options			
Directors	$	$	$	$	$	$	$	$	$	%	%
John Armstrong (appointed 25 June 2012)	2,466	-	-	-	222	-	-	-	2,688	-	-
Lewis Cross	96,000	-	-	-	8,640	-	-	-	104,640	-	-
Richard Sciano (resigned 12 July 2012)	266,349	-	-	-	20,073	-	-	-	286,422	-	-
Anthony Kain	85,125	-	-	-	7,661	-	-	-	92,786	-	-
Mark Rowbottam (Appointed 2 April 2012)	42,500	-	-	-	3,825	-	-	-	46,325	-	-
Other KMP											
Wal Muir (CEO) (appointed 23 Jan 2012)	204,684	-	-	-	-	-	-	-	204,684	-	-
Hamish Carnachan (CFO)	199,500	-	-	-	17,955	-	-	-	217,455	-	-
	896,624	-	-	-	58,376	-	-	-	955,000	-	-

C Service agreements

The details of service agreements as at the date of the financial report for the key management personnel and specified executives of the company are as follows:

Lewis Cross, Non-Executive Director

The company has an agreement with Mr Cross for the provision of services for an agreed annual fee of $85,000 plus superannuation.

Mark Rowbottam, Executive Director

The company had an agreement with Allegra Capital Pty Ltd for the provision of Mark Rowbottam's services for an agreed annual fee of $75,000 plus superannuation between July 2012 and April 2013. From 1 May 2013 the Company has as agreement with Mr Rowbottam for the provision of services for an agreed annual fee of $250,000 plus superannuation plus performance bonuses.

Gennady Varitsky, Non-Executive Director

From 1 December 2012 the company has a 12 month contract with Mr Varitsky for the provision of services for an agreed monthly fee of $3,000.

Wal Muir, CEO

From 1 July 2012 to 31 October 2012 the company had an agreement with AWT International for the provision of Mr Muir's services for an agreed annual fee of $384,000 based upon a 3 day week, and an additional day rate of $2,462 per day for services provided in excess of 3 days per week. From 1 November 2012 the Company has as agreement with Mr Muir for the provision of services for an agreed annual fee of $200,000 plus superannuation plus performance bonuses.

Hamish Carnachan, CFO

The company has an agreement with Mr Carnachan for the provision of services on normal commercial terms and conditions. His annual salary is $209,475 plus statutory superannuation. The company may terminate the contract by giving three months' notice; Mr Carnachan may terminate by giving one month notice.

D Share-based compensation

There were no options or shares issued to directors and executives as part of their remuneration during the financial year.

E Additional information

Performance income as a proportion of total compensation

No performance based bonuses have been paid to key management personnel during the financial year except as indicated above.

The directors are entitled to reimbursement of out-of-pocket expenses incurred whilst on company business.

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

Lewis Cross

Director

Dated this 30th day of September 2013

Aleator Energy Limited is listed on the Australian Securities Exchange. The company is relatively small with a simple corporate structure and its financial and management control requirements are tailored accordingly. It adheres to the eight Essential Corporate Governance Principles as published by the ASX Corporate Governance Council and has adopted those of the Best Practice Recommendations which its Board of Directors considers to be relevant and essential for the efficient management of the company and its business whilst safe guarding shareholder assets in the context of the inherent and well understood high risk nature of the exploration industry.

The following is a summary of the Corporate Governance measures adopted by the Company:

Board and Management

Objectives of the Board

The Board's key objectives are the addition of value corporate assets whilst safe guarding shareholders' rights and interests together with the provision of an appropriate overview of management. With this in mind, the Board meets regularly in the discharge of its responsibilities.

Board Responsibility

The Board focuses the company on the investigation of exploration opportunities in the oil and gas business which are judged to have the potential for success without exposing the company to undue risk by establishing and maintaining adequate management control through monitoring systems which include:

(a) continually reviewing the performance of the company and its executives, including management and financial performance, overseeing strategy implementation and where necessary, ensuring appropriate resources are available. The Board retains the right to replace the executive management of the company;

(b) regular Board meetings, reviewing, approving and amending where necessary, the Executive Director's annual programmes and budgets and the company's overall corporate objectives;

(c) putting in place systems of risk management and legal control mechanisms and ensuring their effectiveness;

(d) approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;

(e) maintaining responsibility for the overall financial management of the company with the ability to approve the appointment (if necessary) of a financial officer and to replace the Company Secretary;

(f) monitoring and approving financial and other reporting;

(g) supervising the overall corporate governance of the company, including conducting regular reviews of the balance of responsibilities to ensure division of functions remain appropriate to corporate needs;

(h) liaising with the company's external auditors;

(i) monitoring, and ensuring compliance with all of the company's legal obligations, in particular those in relation to the maintenance of the company's mineral tenements, the environment, native title, cultural heritage and occupational health and safety requirements.

Materiality

The Board adopts the following guidelines, which are deemed appropriate for a company of the maturity and size of Aleator Energy Limited, for assessing the materiality of matters:

Qualitative

(a) any matters which impact on the reputation of the company and/or its Board;

(b) any activities of the company, its joint ventures, employees or contractors, which may involve a breach of legislation or are in the Board's view outside the ordinary course of its business;

(c) any matter which might negatively affect the company's rights to its assets;

(d) any activities of the company, its joint ventures, employees or contractors which have the capacity to involve a contingent liability that would in the Board's view have a potential material effect on the company's statement of financial position or a similar effect on one or more profit and loss items.

Contracts

Aleator Energy is a relatively small company and its Directors consider most contracts entered into by the company to be material. With the exception of day to day agreements the responsibility for which fall upon the executive directors, all contracts are subjected to review by the Board.

Structure of the Board

The name, expertise, experience and term of the office of each director is set out in the Directors' Report. The structure of the Board, at the date of this report, is comprised of one executive director and two non-executive directors.

Independent Directors
There is one independent director on the Board. Given the small size of the company this board structure is considered appropriate for the size of the company and to provide an adequate mix of independent and executive directors.

The Chairman
Mr Lewis Cross fulfils the role of Chairman. He is a non-executive, independent director and is responsible for leadership of the Board and for the efficient organisation and conduct of the Board. He also retains overall responsibility, subject to management input, for communication with shareholders.

Wal Muir, Chief Executive Officer
Wal Muir, chief executive officer runs the company on a day-to-day basis pursuant to authority delegated by the Board and is responsible from the implantation of Board and corporate policy and planning in accordance with approved programmes and budgets. He reports to the Board regularly and is under an obligation to make sure that all reports which he presents give a true and fair view of the company's exploration and other activities and its then current financial status.

Other Directors
The other directors assist in providing an independent oversight to the operations of the board.

Nomination for Board Positions
The Board will decide on the choice of any new director(s) upon the creation of any new board position and/or if any casual vacancy arises. Decisions to appoint new directors will be minuted. The small size of the company and the Board do not warrant the appointment of a nomination committee.

Independent Professional Advice
Each Director has the right to seek independent professional advice at the company's expense. Prior approval of the Chairman and/or Wal Muir is required and will not be unreasonably withheld.

Ethical and Responsible Decision Making

Code of Conduct
The Board adheres to and is responsible for enforcing the Corporate Code of Conduct set out in this Corporate Governance Statement.

Policy on Share Trading
Directors, officers and employees are prohibited from dealing in Aleator's shares when they possess inside information. The Board is to be notified promptly of any trading of shares in the company by any Director or officer of the Company.

Financial Reporting Integrity

Financial Reports
The CEO and the CFO are required to confirm in writing to the Board that the company's half year and full year financial reports present a true and fair view in all material respects of the company's financial condition and operational results and are in accordance with relevant accounting standards.

Audit Committee
The Directors do not consider that the company's affairs are of such a size and complexity as to merit the establishment of a separate audit committee. Until this situation changes, the Board of Aleator Energy will carry out any necessary audit committee functions.

The Board monitors the form and content of the company's financial statements; it also has an overview of the company's internal financial control and audit system and risk management systems.

Additionally, on an annual basis the Board, in line with its overall responsibility to shareholders, reviews the performance of the external auditor and the continuation of that appointment. Directors also approve the remuneration and terms of engagement of the external audit firm. Any appointment of a new external auditor is submitted for ratification by shareholders at the next annual general meeting of the Company.

Timely and Balance Disclosure

Detailed compliance procedures, to ensure timely balanced disclosure of information in line with ASX Listing Rule disclosure requirements and Continuous Disclosures Guideline, have been noted and adopted by the company. The Company Secretary is charged with ensuring that any necessary steps which need to be taken by the Company are brought before the Board for discussion and, subject to amendment, approval.

Rights of Shareholders

Aleator Energy maintains a website at www.aleatorenergy.com.au.

Under various headings Aleator Energy shareholders may find all current information on the Company, its recent ASX releases, its projects and its Corporate profile. Shareholders may also contact the Company and request a copy of the company's ASX releases.

The Company invites the external auditor to attend its annual general meeting and to be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

Management of Risk

Consistent with the compliance systems detailed elsewhere in this statement the Board takes responsibility for the risk management of the Company.

The Board routinely reviews corporate risk and supervises internal compliance and control systems.

The Chief Executive Officer is responsible to the board for ensuring the systems are complied with and is required annually to make a statement to the board in writing to this effect.

Whilst high priority is given to the management of risk in the company current and potential investors are reminded that they are investors in a company engaged in exploration activities which by their very nature are high risk and where successful may give rise to high rewards.

Performance Evaluation of the Board and Management

The Chairman conducts regular informal reviews of Board and management performance including that of the Company Secretary on at least an annual basis.

Remuneration of Directors and Executives

The Chief Executive Officer and Executive Directors are engaged on a service contract with a company related to each Director. The Chairman and any non-executive Directors carry out an annual review of the adequacy of their remuneration which may include participation in share incentive arrangements.

The size of Aleator Energy and the current remuneration of the non-executive Chairman and any non-executive Directors are not considered of a size and nature to warrant independent review.

Details of directors' and executives' remuneration are set out in the annual Financial Report in accordance with accounting standards.

Corporate Code of Conduct

Aleator Energy is committed to:

(a) applying the Company's funds efficiently to provide above average and sustainable return to shareholders through both capital appreciation and the payment of dividends when in a position to do so;

(b) adopting high standards of occupational health and safety, environmental management and ethics;

(c) ensuring that all of its business affairs are conducted legally, ethically and with integrity.

Corporate Responsibility

The Company complies with all legislative and common law requirements that affect its business, particularly environmental regulations, native title and cultural heritage laws.

Employment

The Company policy is to employ the best available staff. At this stage in the Company's development all potential employees will be subject to full Board scrutiny.

The proportion of women employees in the whole organisation, women in senior positions and women on the Board is disclosed as follows.

	2013		2012	
	No.	%	No.	%
Women on the Board	0	0%	0	0%
Women in senior management roles	0	0%	0	0%
Women employees in the company	5	35%	1	25%

Third Parties

The Company treats third parties in a fair and reasonable manner and does not engage in deceptive practices.

Conflict of Interest

The Board and the executives are obligated to avoid situations of real or apparent conflict of interest between them as individuals and as Directors or employees of Aleator Energy. If a situation where a conflict of interest arises the Chairman is to be notified; the matter will then be considered and the appropriate steps taken to avoid a repetition.

Breach of Corporate Governance

Any breach of Corporate Governance is to be reported directly to the Chairman.

Review of Rules of Corporate Governance

The Board through the Chairman monitors the company's compliance with the Rules periodically.

CORPORATE GOVERNANCE STATEMENT

As an integral part of its preparations to list on the Australian Securities Exchange ("**ASX**"), the Company has considered and set up a framework for embracing the ASX Corporate Governance Principles and Recommendations (2nd Edition) ("**Recommendations**"). The Company has followed each of the Recommendations where the Board has considered the practices appropriate, taking into account factors such as size of the Company and the Board, the resources available to the Company and the activities of the Company. Where, after due consideration the Company's corporate governance policies depart from the Recommendations, the Board has outlined the nature of, and reason for, the adoption of its own practice.
Further information about the Company's corporate governance practices is available on the Company's web site at:

www.aleatorenergy.com.au

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations. As the Company's activities develop in size, nature and scope, further consideration will be given by the Board to the implementation of additional corporate governance structures.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Summary Statement

	ASX P & R[1]	If not, why not[2]		ASX P & R[1]	If not, why not[2]
Recommendation 1.1	✓		Recommendation 4.2		✓
Recommendation 1.2	✓		Recommendation 4.3	✓	
Recommendation 1.3	✓		Recommendation 4.4	✓	
Recommendation 2.1	✓		Recommendation 5.1	✓	
Recommendation 2.2	✓		Recommendation 5.2	✓	
Recommendation 2.3	✓		Recommendation 6.1	✓	
Recommendation 2.4		✓	Recommendation 6.2	✓	
Recommendation 2.5	✓		Recommendation 7.1	✓	
Recommendation 2.6	✓		Recommendation 7.2	✓	
Recommendation 3.1	✓		Recommendation 7.3	✓	
Recommendation 3.2		✓	Recommendation 7.4	✓	
Recommendation 3.3		✓	Recommendation 8.1		✓
Recommendation 3.4	✓		Recommendation 8.2	✓	
Recommendation 3.5	✓		Recommendation 8.3	✓	
Recommendation 4.1		✓	Recommendation 8.4	✓	

1 Indicates where the Company has followed the Principles & Recommendations
2 Indicates where the Company has provided "if not, why not" disclosure.

"If Not, Why Not" Disclosure

During the Company's 2012/2013 financial year ("**Reporting Period**") the Company has followed each of the Principles & Recommendations other than in relation to the matters specified below.

Principle 2
Recommendation 2.4: The board should establish a nomination committee.

Notification of departure:
During the reporting period there was no separate nomination committee.

Explanation for departure:
The full Board considers those matters that would usually be the responsibility of a nomination committee. The Board considers given its size and composition that no efficiencies or other benefits would be gained by establishing a separate committee. The Board has adopted a Nomination Committee Charter which it applies, as relevant.

Principle 3
Recommendation 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 measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.

Notification of departure:
During the reporting period there was no diversity policy in place.

Explanation for departure:
Currently, due to its size and operations the Board has yet to establish a diversity policy. This is an area which will continue to be reviewed, with a policy to be established, as soon as appropriate.

Principle 3
Recommendation 3.3: Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

Notification of departure:
Information is not disclosed in the Annual Report.

Explanation for departure:
Due to the size of the company, there have ben no measurable objectives set.

Principle 4
Recommendations 4.1 & 4.2: The board should establish an audit committee and structure it in accordance with Recommendation 4.3.

Notification of departure:
A separate audit committee has not been formed and therefore is not structured in accordance with the compositional recommendation.

Explanation for departure:
The role of the audit committee is carried out by the full Board. The Board considers that given its size and composition, no efficiencies or other benefits would be gained by establishing a separate committee. When considering audit related matters, the Board functions in accordance with its Audit Committee Charter. The Audit Committee Charter also provides that the Board may meet with the external auditor, without management present, as required.

Principle 8
Recommendation 8.1: The board should establish a remuneration committee.

Notification of departure:
There is no separate remuneration committee.

Explanation for departure:
The role of the remuneration committee is carried out by the full Board. The Board considers that no efficiencies or other benefits would be gained by establishing a separate remuneration committee. However, the Board has adopted a Remuneration Committee Charter, which it applies when convening as the remuneration committee. No Directors participate in any deliberations regarding their own remuneration or related issues.

NOMINATION COMMITTEE

The full Board carries out the role of the Nomination Committee. The full Board did not officially convene as a Nomination Committee during the Reporting Period, however nomination related discussions occurred from time to time during the year as required. To assist the Board to fulfil its function as the Nomination Committee, it has adopted a Nomination Committee Charter (available on the Company's website).

AUDIT COMMITTEE

The full Board carries out the role of the Audit Committee. The full Board did not officially convene as an Audit Committee during the Reporting Period, however audit related discussions occurred from time to time during the year as required. To assist the Board to fulfil its function as the Audit Committee, it has adopted an Audit Committee Charter (available on the Company's website).

REMUNERATION COMMITTEE

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

The full Board carries out the role of the Remuneration Committee. The full Board did not officially convene as a Remuneration Committee during the Reporting Period, however remuneration related discussions occurred from time to time during the year as required. To assist the Board to fulfil its function as the Remuneration Committee, it has adopted a Remuneration Committee Charter (available on the Company's website).

OTHER

Skills, Experience, Expertise and term of office of each Director

A profile of each director containing their skills, experience and expertise is set out in the Directors' Report.

Assurances to the Board

The Board has received assurance from management that the Company's management of its material business risks are effective. Further, the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) have provided a declaration in accordance with section 295A of the Corporations Act and have assured the Board that such declaration 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 risk.

Identification of Independent Directors and the Company's Materiality Thresholds

In considering the independence of directors, the Board refers to its *Policy on Assessing the Independence of Directors* (available on the Company's website).

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's *Board Charter* (available on the Company's website):

- Statement of financial position items are material if they have a value of more than 10% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on statement of financial position or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

There is currently one independent director of the Company.

Statement concerning availability of Independent Professional Advice

To assist directors with independent judgement, it is the Board's Policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Confirmation whether performance Evaluation of the Board and its members have taken place and how conducted

During the Reporting Period an evaluation of the performance of the Board, its committees and individual directors was not carried out due to operational priorities. During the Reporting Period a performance evaluation for senior executives was not carried out due to operational priorities.

Existence and Terms of any Schemes for Retirement Benefits for Non-Executive Directors

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Aleator Energy Limited for the year ended 30 June 2013, 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.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Perth, WA
Dated: 30 September 2013

TUTU PHONG
Partner

ALEATOR ENERGY LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 June 2013

	Note	2013 $	2012 $
Revenue	2	48,197	191,351
Depreciation expense		(30,018)	(12,665)
Finance costs		(164,343)	(5,559)
Corporate and administration expenses		(1,116,300)	(1,669,479)
Impairment of exploration expenditure capitalised		(239,372)	(13,368)
Director and employee benefits expense		(1,138,187)	(783,356)
Net loss before income tax	3	(2,640,023)	(2,293,076)
Income tax expense	4	-	-
Net loss for the year		(2,640,023)	(2,293,076)
Other Comprehensive Income			
Items that may be reclassified subsequently to operating result			
Foreign currency translation		5,806,724	1,915,851
Income tax relating to components of other comprehensive income for the year		-	-
Other comprehensive income for the year		5,806,724	1,915,851
Total comprehensive income/(loss) for the year		3,166,701	(377,225)
Net loss attributable to:			
Members of the parent entity		(2,590,595)	(2,293,076)
Non-controlling interest		(49,428)	-
		(2,640,023)	(2,293,076)
Total comprehensive (loss)/income attributable to:			
Members of the parent entity		(3,117,273)	(377,225)
Non-controlling interest		(49,428)	-
		(3,166,701)	(377,225)
Basic and diluted earnings per share (cents per share)		(0.19)	(0.26)

The accompanying notes form part of these financial statements.

ALEATOR ENERGY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 June 2013

	Note	2013 $	2012 $
CURRENT ASSETS			
Cash and cash equivalents	8	690,691	5,342,751
Receivables	9	612,459	774,723
Other assets	10	16,453	69,855
TOTAL CURRENT ASSETS		1,319,603	6,187,329
NON-CURRENT ASSETS			
Receivables	9	557,306	-
Plant and equipment	14	133,034	66,594
Deferred exploration and evaluation expenditure	15	65,561,124	55,111,289
TOTAL NON-CURRENT ASSETS		66,251,464	55,177,883
TOTAL ASSETS		67,571,067	61,365,212
CURRENT LIABILITIES			
Payables	16	757,365	3,616,427
Provisions	17	21,943	3,982
TOTAL CURRENT LIABILITIES		779,308	3,620,409
TOTAL LIABILITIES		779,308	3,620,409
NET ASSETS		66,791,759	57,744,803
EQUITY			
Issued capital	18	81,745,962	75,990,707
Reserves	19	706,966	(5,224,758)
Accumulated losses		(15,813,763)	(13,223,168)
Parent entity interest		66,639,165	57,542,781
Non-controlling interest		152,594	202,022
TOTAL EQUITY		66,791,759	57,744,803

The accompanying notes form part of these financial statements.

ALEATOR ENERGY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 June 2013

	Issued Capital $	Accumulated Losses $	Foreign Currency Translation $	Option Reserve $	Non-controlling interest $	Total $
Balance at 1 July 2011	68,866,010	(10,930,092)	(14,770,198)	5,572,278	-	48,737,998
Loss after income tax	-	(2,293,076)	-	-	-	(2,293,076)
Other comprehensive	-	-	-	-	-	-
income: Foreign currency translation – subsidiaries	-	-	1,915,851	-	-	1,915,851
Total other comprehensive loss for the year	-	(2,293,076)	1,915,851	-	-	(377,225)
Transactions with owners, directly in equity						
Shares issued during the year	7,497,821	-	-	-	-	7,497,821
Options issued during the year	-	-	-	2,057,311	-	2,057,311
Capital raising costs	(373,124)	-	-	-	-	(373,124)
Recognition of non-controlling interest on acquisition of subsidiaries	-	-	-	-	202,022	202,022
Balance at 30 June 2012	75,990,707	(13,223,168)	(12,854,347)	7,629,589	202,022	57,744,803
Balance at 1 July 2012	75,990,707	(13,223,168)	(12,854,347)	7,629,589	202,022	57,744,803
Loss after income tax	-	(2,590,595)	-	-	(49,428)	(2,640,023)
Other comprehensive income: Foreign currency translation – subsidiaries	-	-	5,806,724	-	-	5,806,724
Total other comprehensive loss for the year	-	(2,590,595)	5,806,724	-	(49,428)	3,166,701
Transactions with owners, directly in equity						
Shares issued during the year	6,119,055	-	-	-	-	6,119,055
Options issued during the year	-	-	-	125,000	-	125,000
Capital raising costs	(363,800)	-	-	-	-	(363,800)
Balance at 30 June 2013	81,745,962	(15,813,763)	(7,047,623)	7,754,589	152,594	66,791,759

The accompanying notes form part of these financial statements.

ALEATOR ENERGY LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 June 2013

	Note	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITES			
Payments to suppliers and employees		(2,076,753)	(2,349,521)
Payments for exploration expenditure		(5,508,176)	(3,253,227)
Finance costs paid		(155,514)	-
Interest and dividends received		22,368	191,351
Net cash used in operating activities	22	(7,718,075)	(5,411,397)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investment		47,675	-
Proceeds from disposal of investment in associate		-	457,041
Purchase of plant and equipment		(89,274)	(17,672)
Payment for bonds		(17,140)	(6,279)
Net cash (used in) / provided by investing activities		(58,739)	433,090
CASH FLOWS FROM FINANCING ACTIVITES			
Proceeds from borrowings		775,000	-
Proceeds from issue of options		125,000	424,746
Net proceeds from issue of shares		4,974,754	5,680,197
Conversion of placement monies held in trust		(2,750,000)	-
Net cash provided by financing activities		3,124,754	6,104,943
Net movement in cash held		(4,652,060)	1,126,636
Cash at beginning of financial year		5,342,751	4,216,115
Cash at end of financial year	8	690,691	5,342,751

The accompanying notes form part of these financial statements.

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The consolidated financial statements and notes represent those of Aleator Energy Limited and its controlled entities ("the consolidated entity"). Aleator Energy Limited is a listed public company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Aleator Energy Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue by the Board on 30th September 2013.

Australian Accounting Standards set out in accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB.

In the year ended 30 June 2013, the company has reviewed all of the new and revised Australian Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. It has been determined by the company that there is no impact, material or otherwise, of the new Standards and Interpretations on its business and therefore, no changes are required to its accounting policies. Material accounting policies adopted in preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The accounting polices set out below have been consistently applied to all years presented.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the company and consolidated entity incurred losses of $2,135,797 and $2,640,023 respectively and the consolidated entity had net cash outflows from operating activities of $7,718,075 for the year ended 30 June 2013.

These factors indicate significant uncertainty as to whether the company and consolidated entity will continue as going concerns and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Going concern (Cont'd)

The Directors believe that there are reasonable grounds to believe that the company and consolidated entity will be able to continue as going concerns, after consideration of the following factors:

- The ability to raise additional equity capital;
- The company has signed a finance and security agreement with Gres Holding Limited for a funding amount of $US20 million; and
- The ability to scale down operations in order to curtail expenditure, in the event capital raisings are delayed or insufficient cash is available to meet projected expenditure.

Accordingly, the Directors believe that the company and consolidated entity will be able to continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company and consolidated entity does not continue as going concerns.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Aleator Energy Limited at the end of the reporting period. A controlled entity is any entity over which Aleator Energy Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the consolidated entity during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated entity have been eliminated in full on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Note 1: Statement of Significant Accounting Policies (continued)

(a) Principles of Consolidation (continued)

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of profit and loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(b) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated financial statements, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of profit and loss and other comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of profit and loss and other comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and other comprehensive income.

Note 1: Statement of Significant Accounting Policies (continued)

(c) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (revenue) is charged or credited outside profit or loss when the tax related to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Note 1: Statement of Significant Accounting Policies (continued)

(d) Plant and Equipment

Each class of plant and equipment is carried at cost of fair value, less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of fixed assets is depreciated on the straight line method over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Furniture and Fixtures	15% - 25%
Plant and Equipment	15% - 33.3%
Leasehold Improvements	12%
Motor Vehicles	20%
Computer Equipment	50%

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

Note 1: Statement of Significant Accounting Policies (continued)

(e) Exploration and Development Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest or sale of that area of interest, or exploration and evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to the area of interest.

(f) Investments in Associates

Associate companies are companies in which the company has significant influence through holding, directly or indirectly, 20% or more of the voting power of the company. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the company's share of net assets of the associate company. In addition, the company's share of the profit or loss of the associate company is included in the company's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition whereby the Group's share of the net fair value of the associate exceeds the cost of investment is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the company and the associate are eliminated to the extent of the relation to the company's interest in the associate.

When the company's share of losses in an associate equals or exceeds its interest in the associate, the company discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the company will resume the recognition of its share of those profits once its share of the profits equals the share of the losses not recognised.

(g) Interests in Joint Ventures

The company's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. The company's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interests in joint venture entities are brought to account using the cost method.

(h) Impairment of Assets

At each reporting date, the consolidated entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Note 1: Statement of Significant Accounting Policies (continued)

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss and other comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss and other comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Impairment testing is performed annually for intangible assets with indefinite useful lives.

(i) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

(j) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the entities in the consolidated entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised directly in the statement of profit and loss and other comprehensive income except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in statement of profit or loss and other comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

(j) Foreign Currency Transactions and Balances

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

Note 1: Statement of Significant Accounting Policies (continued)

(k) Employee Entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year has been measured at the present value of the estimated future cash outflows to be made for those benefits, plus related on-costs.

Equity-settled compensation

The consolidated entity operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(l) 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.

(m) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as "at fair value through profit or loss". Transaction costs related to instruments classified as "at fair value through profit or loss" are expensed to the statement of profit or loss and other comprehensive income immediately.

Derecognition

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

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designed as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the statement of profit or loss and other comprehensive income.

Note 1: Statement of Significant Accounting Policies (continued)

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method. Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting periods. All other investments are classified as current assets.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

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

Impairment of Assets

At the end of each reporting date, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to the statement of profit or loss and other comprehensive income at this point.

(n) Cash and Cash Equivalents

Cash and equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments. For the purpose of the statement of cash flows, cash includes deposits at call, which are readily convertible to cash on hand and subject to an insignificant risk of changes in value.

(o) Revenue and Other Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

(p) 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 statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Note 1: Statement of Significant Accounting Policies (continued)

(q) Trade and other payables

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

(r) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance account for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income. When a trade receivable for which an impairment allowance has been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit and loss and other comprehensive income.

(s) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(t) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

There have been no judgements, apart from those involving estimation, in applying accounting policies that have a significant effect on the amounts recognised in these financial statements. Following is a summary of the key assumptions concerning the future and other key sources of estimation at reporting date that have not been disclosed elsewhere in these financial statements.

Exploration and evaluation expenditure

The board of directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves. No areas of interest have been abandoned at the date of this report.

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Note 1: Statement of Significant Accounting Policies (continued)

Taxation
Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

(u) New accounting standards applicable for future periods
At the date of this financial report the following accounting standards, which may impact the consolidated entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)
AASB 9	*Financial Instruments*	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2015
AASB 10	*Consolidated Financial Statements*	Replaces the requirements of AASB 127 and Interpretation 112 pertaining to the principles to be applied in the preparation and presentation of consolidated financial statements.	1 January 2013
AASB 11	*Joint Arrangements*	Replaces the requirements of AASB 131 pertaining to the principles to be applied for financial reporting by entities that have in interest in arrangements that are jointly controlled.	1 January 2013
AASB 12	*Disclosure of Interests in Other Entities*	Replaces the disclosure requirements of AASB 127 and AASB 131 pertaining to interests in other entities.	1 January 2013
AASB 127	*Separate Financial Statements*	Prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 January 2013
AASB 128	*Investments in Associates and Joint Ventures*	Prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2013
AASB 13	*Fair Value Measurement*	Provides a clear definition of fair value, a framework for measuring fair value and requires enhanced disclosures about fair value measurement.	1 January 2013
AASB 119	*Employee Benefits*	Prescribes the accounting and disclosure for employee benefits.	1 January 2013
IFRIC Interpretation 20	*Stripping Costs in the Production Phase of a Surface Mine*	This Interpretation clarifies the requirements for accounting for stripping costs in the production phase of a surface mine, such as when such costs can be recognised as an asset and how that asset should be measured, both initially and subsequently.	1 January 2013

The entity has decided against early adoption of these standards and interpretations. Furthermore, these changes in standards and interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

	2013 $	2012 $
Note 2: Revenue and Other Income		
OTHER REVENUE		
Interest received	25,522	191,351
Other income	22,675	-
	48,197	191,351

Note 3: Loss for the year

The loss before income tax includes the following specific items:

	2013 $	2012 $
Rental expenses on operating leases	87,887	88,163
Share registry expense	24,523	38,730

Note 4: Income Tax Expense

(a) Reconciliation

The prima facie tax on the loss is reconciled to income tax expense as follows:

	2013 $	2012 $
Loss for the year	(2,640,023)	(2,293,076)
Prima facie tax expense at 30%	792,007	687,923
Non-assessable/(non-deductible) items	-	-
Tax losses utilised during the year	-	-
Difference in foreign tax rate	(75,634)	(32,776)
Deferred tax asset not brought to account - tax consolidation group	(716,373)	(655,147)
Income tax benefit relating to loss	-	-

Aleator Energy Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidation group under the Tax Consolidation Regime. Aleator Energy Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidation group. The tax consolidation group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit of the tax consolidation group.

(b) Deferred Tax Asset

Deferred tax asset not brought to account compromises the future benefits at applicable tax rates:

	2013 $	2012 $
Tax losses – revenue (resident)	4,315,842	3,675,104
Tax losses – revenue (non-resident)	5,044,098	4,968,464
	9,359,940	8,643,568

Note 4: Income Tax Expense (continued)

Resident tax losses calculated at the Australian income tax rate of 30%.

Non-resident tax losses calculated at the respective country tax rate threshold of 15%.

This asset has not been recognised as an asset in the statement of financial position as its realisation is not considered probable. The asset will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the asset from the deductions for the loss to be realised;
(b) the company continues to comply with the conditions for deductibility imposed by the law; and
(c) no changes in tax legislation adversely affect the company in realising the asset from deductions for the losses.

Note 5: Interests of Key Management Personnel

(a) Key Management Personnel Remuneration

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the company's key management personnel for the year ended 30 June 2013.

The total remuneration paid to key management personnel of the company and the consolidated entity during the year are as follows:

	2013 $	2012 $
Short-term employee benefits	846,869	896,624
Post-employment benefits	48,025	58,376
	894,894	955,000

(b) KMP Shareholdings

The number of ordinary shares in the company held by each KMP during the financial year is as follows:

30 June 2013 Shares	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
L Cross	7,680,000	-	-	-	7,680,000
R Sciano	3,600,000	-	-	(3,600,000)*	-
A Kain	5,000,000	-	-	(5,000,000)*	-
M Rowbottam	25,000,000	-	-	9,850,000	34,850,000
G Varitsky	-	-	-	20,000,000**	20,000,000
W Muir	-	-	-	26,115,959	26,115,959
	41,280,000	-	-	47,365,959	88,645,959

* R Sciano resigned on 12 July 2012 and A Kain resigned on 30 November 2012
** G Varitsky existing shareholdings on appointment as director

Note 5: Interests of Key Management Personnel (continued)

(b) KMP Shareholdings (continued)

30 June 2012 Shares	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
J Armstrong	-	-	-	-	-
L Cross	7,650,000	-	-	30,000	7,680,000
R Sciano	3,000,000	-	-	600,000	3,600,000
A Kain	5,000,000	-	-	-	5,000,000
M Rowbottam	-	-	-	25,000,000	25,000,000
	15,650,000	-	-	25,630,000	41,280,000

(c) KMP Option Holdings

The number of options over ordinary shares held by each KMP of the company during the financial year is as follows:

30 June 2013 Share Options	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Issued	Other changes during the year	Balance at end of year	Vested during year	Vested and exerciseable	Vested and unexercisable
L Cross	20,030,000	-	-	-	-	20,030,000	-	20,030,000	-
R Sciano	20,600,000	-	-	-	(20,600,000)*	-	-	-	-
A Kain	24,000,000	-	-	-	(24,000,000)**	-	-	-	-
M Rowbottam	25,000,000	-	-	-	(10,000,000)	15,000,000	-	15,000,000	-
G Varitsky	-	-	-	-	25,000,000	25,000,000	-	25,000,000	
W Muir	-	-	-	-	2,777,778	2,777,778	-	2,777,778	-
H Carnachan	12,012,000	-	-	-	-	12,012,000	-	12,012,000	-
	101,642,000	-	-	-	(26,822,222)	74,819,778	-	74,819,778	-

* Resigned 12 July 2012
** Resigned 30 November 2012

30 June 2012 Share Options	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Issued	Other changes during the year	Balance at end of year	Vested during year	Vested and exerciseable	Vested and unexercisable
J Armstrong	-	-	-	-	-	-	-	-	-
L Cross	-	-	-	20,030,000	-	20,030,000	-	20,030,000	-
R Sciano	-	-	-	20,600,000	-	20,600,000	-	20,600,000	-
A Kain	-	-	-	24,000,000	-	24,000,000	-	24,000,000	-
M Rowbottam	-	-	-	25,000,000	-	25,000,000	-	25,000,000	-
W Muir	-	-	-	-	-	-	-	-	-
H Carnachan	5,000,000	-	-	-	7,012,000	12,012,000	-	12,012,000	-
	5,000,000	-	-	89,630,000	7,012,000	101,642,000	-	101,642,000	-

(d) Other KMP Transactions

There have been no other transactions involving equity interests other than those described in the tables above. For details of transactions with KMP, refer to Note 25: Related Party Transactions.

	2013 $	2012 $

Note 6: Auditors' Remuneration

Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial report	44,000	39,500
- tax advice and compliance services	1,717	83,275
	45,717	122,775

Note 7: Earnings per Share

Loss for the year	(2,590,595)	(2,293,076)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	1,385,509,410	876,473,683

The company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options was unlikely during the year.

Note 8: Cash and Cash Equivalents

Cash at bank and at hand	690,691	5,342,751

Note 9: Receivables

CURRENT		
Deposits	351,195	524,531
GST receivable	90,989	91,805
Accrued interest	560	5,813
Bond receivable	169,715	152,574
	612,459	774,723
NON CURRENT		
VAT receivable	557,306	-

There are no balances within trade and other receivables that contain assets that are impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

Note 10: Other Assets

CURRENT		
Prepayments	16,453	44,855
Shares in other companies (unlisted)	-	25,000
	16,453	69,855

Note 11: Controlled Entities

Ultimate Parent Entity:
Aleator Energy Limited

Subsidiaries	Country of incorporation	Class of shares	Ownership Interest 2013	Ownership Interest 2012
Technology Resource Company Limited	AUS	Ordinary	100%	100%
Western Nickel Limited	AUS	Ordinary	100%	100%
Golden Paradox Inc	USA	Ordinary	100%	100%
Golden Eagle Exploration LLC USA	USA	Ordinary	100%	100%
Golden Eagle Production LLC USA	USA	Ordinary	100%	100%
Honoratus Investments Ltd	Cyprus	Ordinary	100%	100%
Honoratus Holdings Ltd	AUS	Ordinary	100%	100%
Crimea Energy Limited BVI	British Virgin Isles	Ordinary	100%	-
East Crimea Energy BV (a)	Netherlands	Ordinary	85%	85%
Pivenspetsbud LLC (b)	Ukraine	Ordinary	85%	85%

(a) Held via Honoratus Investments Ltd
(b) Held via East Crimea Energy B.V.

Note 12: Parent Entity Disclosures

	2013 $	2012 $
Financial Position		
Assets		
Current assets	1,123,072	4,538,243
Non-current assets	67,130,818	56,973,097
Total assets	**68,253,890**	**61,511,340**
Liabilities		
Current liabilities	574,513	3,547,680
Total liabilities	**574,513**	**3,547,680**
Equity		
Issued capital	81,745,962	75,990,705
Reserves:		
Options Reserve	7,754,587	7,629,588
Foreign currency reserve	(7,033,675)	(13,004,932)
Accumulated losses	(14,787,497)	(12,651,701)
Total Equity	**67,679,377**	**57,963,660**

Note 12: Parent Entity Disclosures

	2013 $	2012 $
Financial Performance		
Loss for the year	(2,135,797)	(2,074,570)
Other comprehensive income	5,971,257	1,938,819
Total comprehensive (loss) / income for the year	3,835,460	(135,751)

Guarantees

Aleator Energy Limited has not entered into any guarantees in relation to the debts of its subsidiary.

Commitments for expenditure (Operating lease)

Aleator Energy Limited has no commitments to acquire property, plant and equipment, and has no contingent liabilities.

Note 13: Interests in Joint Venture Operations

Joint venture agreements have been entered into with various tenement holders, whereby the company has purchased an interest in exploration areas or has earned or can continue to earn an interest in exploration areas by expending specified amounts in the exploration areas. The company's percentage interests in the future output of the joint ventures, if all its obligations are fulfilled, are as follows:

Joint Venture – Australia	**Interest %**
• Johnston Range Iron Ore Joint Venture	Royalty – 3
• Leonora (Pig Well Prospect)	Royalty – 1
• Laverton (Barmicoat West Prospect)	Royalty – 2
• Laverton (Mt Ida Prospect)	Royalty – 2

1. Royalty payable to Aleator Energy is 1% of gross value of minerals produced from the tenements;
2. Royalty payable to Aleator Energy is 50 cents per tonne of ore mined from the tenements and milled;
3. Royalty payable to Aleator Energy is 2% of gross value of minerals produced from the tenements

Joint Venture – United States
Aleator Energy has earned 100% working interest in the Golden Eagle Gas Field through its 100% owned subsidiary Golden Eagle Exploration LLC. Joint venture partners retain a right to back-in with a combined 16.67% working interest.

There are no assets employed by these joint ventures and the company's expenditure in respect of them is brought to account initially as deferred exploration and evaluation expenditure. The principal activity of all joint ventures listed above is of the nature of exploration for gold and other minerals.

Joint Venture – Ukraine
Aleator Energy holds a 62.1% beneficial interest in a number of oil and gas exploration licences containing the Povortnoye gas/condensate field, in the autonomous region of Crimea, south-eastern Ukraine.

Note 14: Plant and Equipment

	2013 $	2012 $
Plant and equipment		
At cost	242,598	142,080
Accumulated depreciation	(109,564)	(75,486)
	133,034	66,594

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	2013 $	2012 $
Balance at the beginning of year	66,594	61,586
Additions	95,590	17,862
Disposals	-	-
Translation difference	868	(189)
Depreciation expense	(30,018)	(12,665)
Carrying amount at the end of year	133,034	66,594

Note 15: Deferred Exploration and Evaluation Expenditure

	2013 $	2012 $
Cost brought forward	55,111,289	44,510,263
Expenditure incurred during year	4,910,424	8,757,109
Effects of foreign exchange on exploration	5,778,783	1,857,285
Expenditure impairment for the year	(239,372)	(13,368)
Cost carried forward	65,561,124	55,111,289

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful exploration and sale of the oil and gas resources.

	2013 $	2012 $

Note 16: Payables

	2013 $	2012 $
CURRENT		
Trade payables	556,234	687,969
Sundry payables and accrued expenses	201,131	172,958
Monies held in trust	-	2,755,500
	757,365	3,616,427

Trade creditors are expected to be paid within agreed terms.

Monies held in trust represent share application monies.

Note 17: Provisions

	2013 $	2012 $
Employee entitlements	21,943	3,982

Note 18: Issued Capital

	2013 $	2012 $
1,665,769,734 (2012: 1,189,100,517) fully paid ordinary shares	81,745,962	75,990,707

(a) Ordinary Shares	No. of shares 2013	No. of shares 2012	2013 $	2012 $
At beginning of reporting period		643,776,834		68,866,010
Shares issued during the year:				
- 8 July 2011		64,755,367		647,554
- 16 August 2011		12,758		267
- 11 January 2012		300,000,000		3,600,000
- 20 April 2012		150,000,000		2,700,000
- 29 June 2012		30,555,558		550,000
Capital Raising Costs		-		(373,124)
At beginning of reporting period	1,189,100,517		75,990,707	
Shares issued during the year:				
- 6 July 2012	152,777,774		2,750,000	
- 10 May 2013	88,068,182		775,000	
- 10 May 2013	235,813,261		2,593,945	
- 12 June 2013	10,000		110	
Capital Raising Costs	-		(363,800)	
At the end of the reporting period	1,665,769,734	1,189,100,517	81,745,962	75,990,707

At the shareholders meetings each ordinary share is entitled to one vote. The company does not have authorised share capital and there is no par value for shares.

Note 18: Issued Capital

Share options

	Exer-cise price	Expiry date	Balance at beginning of year	Granted during the year	Exercised during the year	Transferred during the year	Expired or forfeited during the year	Balance at end of year	Options exercisable at end of year
			Number	Number	Number	Number	Number	Number	Number
2013 year									
Unlisted options	$0.02	31/01/15	11,000,000	-	-	(11,000,000)	-	-	-
Listed options	$0.02	31/01/15	821,964,831	486,111,108	-	11,000,000	-	1,319,075,939	1,319,075,939
			832,964,831	486,111,108	-	-	-	1,319,075,939	1,319,075,939
2012 year									
Unlisted options	$0.02	31/01/15	11,000,000	-	-		-	11,000,000	11,000,000
Listed options	$0.02	31/01/15	-	821,977,589	(12,758)		-	821,964,831	821,964,831
			11,000,000	821,977,589	(12,758)		-	832,964,831	832,964,831

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 580 days (2012: 948 days), and the exercise price is 2 cents.

(d) Capital Risk Management

The Company is not subject to any externally imposed capital requirements.

Management's objectives when managing capital is to ensure the company continues as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the company's activities, being exploration, the company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the company's capital risk management is the current working capital position against the requirements of the company to meet exploration programmes and corporate overheads.

The company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the company at 30 June 2013 and 30 June 2012 are as follows:

	2013	2012
	$	$
Total borrowings (including trade and other payables)	757,365	3,616,427
Less cash and cash equivalents	(690,691)	(5,342,751)
Net debt	66,674	(1,726,324)
Total equity	66,791,759	57,744,803
Total capital	66,858,433	56,018,479
Gearing ratio	0.1%	(3%)

Note 19: Reserves

The option reserve records items recognised as expenses on valuation of directors and specified consultant share options.

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

Note 20: Contingent Liabilities and Contingent Assets

Contingent Liabilities

There were no known contingent liabilities at reporting date.

Contingent Assets

There are no contingent assets at reporting date.

Note 21: Operating Segments

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded during the year, Aleator Energy Limited operated in the exploration industry within the geographical segments of Australia, USA and Ukraine.

Revenues of approximately Nil (2012: Nil) are derived from a single external customer.

SEGMENT INFORMATION

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2013 and 30 June 2012 are as follows:

2013	Exploration activities AUSTRALIA $	Exploration Activities USA $	Exploration Activities Ukraine $	Consolidated $
Other revenue	46,860	151	1,186	48,197
Total segment revenue	46,860	151	1,186	48,197
Segment result before income tax	(2,423,513)	(34,045)	(182,465)	(2,640,023)
Loss before income tax				(2,640,023)
Segment assets	4,290,774	52,451,471	10,828,822	67,571,067
Total assets				67,571,067
Segment liabilities	574,511	23,720	181,077	779,308
Total Liabilities				779,308

Note 21: Operating Segments (continued)

2012	Exploration activities AUSTRALIA $	Exploration Activities USA $	Exploration Activities Ukraine $	Consolidated $
Other revenue	189,552	194	1,605	191,351
Total segment revenue	189,552	194	1,605	191,351
Segment result before income tax	(2,074,570)	(31,678)	(186,828)	(2,293,076)
Loss before income tax				(2,293,076)
Segment assets	5,815,687	46,672,830	8,876,695	61,365,212
Total assets				61,365,212
Segment liabilities	3,547,679	5,572	67,158	3,620,409
Total Liabilities				3,620,409

Note 22: Cash Flow Information

	2013 $	2012 $
(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(2,640,023)	(2,293,076)
Non-cash items:		
Depreciation	30,018	12,665
Impairment of capitalised exploration expenditure	239,372	13,368
Net (gain)/loss on disposal of non current assets	-	17,836
Changes in assets and liabilities:		
Receivables	(377,902)	(589,272)
- Prepayments	28,402	(15,033)
- Payables and accruals	(85,602)	81,070
- Exploration expenditure capitalised	(4,912,340)	(2,638,955)
- Cash flow from operations	(7,718,075)	(5,411,397)

	2013 $	2012 $
(b) Non-cash investing and financing activities	-	5,832,564

Note 23: Share Based Payments

Employees and Contractors Option Incentive Plan

The company provides benefits to employees (including directors) and contractors in the form of share-based payment transactions, whereby employees render services in exchange for options to acquire ordinary shares. The exercise price of the options granted is 2 cents per option. All options granted have an expiry date of 31 January 2015.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights.

There were no share based payments made during the current financial year (2012: nil).

Note 24: Events After the Reporting Period

On 31 July 2013 the Company announced it had signed a Letter of Intent ("LOI") with Ukrburservis Drilling Company ("Ukrbur") to provide a rig to drill the Pov-105 well in the highly prospective Povorotnoye gas and condensate field in Ukraine. The final contract is expected to be negotiated within a time-frame anticipated to coincide with receipt of the first US$10m tranche of the previously announced US$20m funding facility.

No other matters or circumstances have arisen since 30 June 2013 that may significantly affect:
(a) the consolidated entity's operations in future financial years; or
(b) the results of those operations in future financial years; or
(c) the consolidated entity's state of affairs in future financial years.

Note 25: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. In addition to the transactions noted in Note 5: Key Management Personnel:

Directors and Key Management Personnel Transactions

During the year, there were payments to AWT International, a company with which Mr Wal Muir was a director until 31 October 2012 and existing shareholder. The payments were for technical services in relation to the proposed Pov 105 well in Ukraine and amounted to $1,109,772 (2012: $1,008,794).

During the year, Mr Wal Muir's CEO secondment costs from AWT International before he was employed directly by the Company amounted to $165,775 (2012:$204,684).

During the year, there were payments to Talbot Olivier with whom Mr Anthony Kain is a Special Counsel. The payments were for legal advice and amounted to $47,206 (2012: $42,850).

During the year, there were payments to Bogart Group Ltd, a company with which Mr Gennady Varitsky is a shareholder. The payments were for corporate services and amounted to $129,658 (2012:$NIL).

There were no other transactions with related parties. All related party transactions are on normal commercial terms and conditions.

Directors and Key Management Personnel Balances	2013 $	2012 $
Amount owing to Mr Mark Rowbottam for director fees	41,666	-

Note 26: Financial Instruments

The company's financial instruments consist mainly of deposits with banks, short term investments and accounts receivable and payable. The main risks the company is exposed to through its financial instruments are interest rate risk, foreign currency risk and credit risk

(a) Interest rate risk

The company's exposure to interest rate risk, which is the risk that a financial instrument will fluctuate as a result of changes in market interest rates and effective average interest rates on those financial assets and liabilities, is set out below.

	Weighted Average Interest Rate	**Floating Interest Rate** **$**	**Fixed Interest Rate Within 1 Year** **$**	**Fixed Interest Rate Within 1-5 Years** **$**	**Non-Interest Bearing** **$**	**Total** **$**
2013						
Financial Assets:						
Cash	3.20	690,691	-	-	-	690,691
Receivables	-	-	-	-	1,169,765	1,169,765
Total financial assets	-	690,691	-	-	1,169,765	1,860,456
Financial Liabilities:						
Payables	-	-	-	-	757,365	757,365
Total financial liabilities	-	-	-	-	757,365	757,365
Net financial assets	-	690,691	-	-	412,400	1,103,091

Note 26: Financial Instruments (continued)

	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Fixed Interest Rate Within 1-5 Years	Non-Interest Bearing	Total
2012						
Financial Assets:						
Cash	3.90	5,342,751	-	-	-	5,342,751
Receivables	-	-	-	-	774,723	774,723
Total financial assets	-	5,342,751	-	-	774,723	6,117,474
Financial Liabilities:						
Payables	-	-	-	-	3,616,427	3,616,427
Total financial liabilities	-	-	-	-	3,616,427	3,616,427
Net financial assets	-	5,342,751	-	-	(2,841,704)	2,501,047

(b) Interest Rates

The effect on profit and equity as a result of changes in interest rates on net financial assets is immaterial.

(c) Credit Risk

Credit risk related to balances with banks and other financial institutions is managed by the board of directors in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	2013	2012
		$	$
Cash and cash equivalents — AA Rated	8	690,691	5,342,751

(d) Net Fair Values

The net fair value of financial assets and liabilities of the company approximated their carrying amount. Listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred.

The company has no financial assets and liabilities where the carrying amount exceeds the net fair value at reporting date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and notes to the financial statements.

Note 26: Financial Instruments (continued)

(e) Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- investing only in surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The company does not have a significant exposure in terms of financial liabilities or illiquid financial assets and is able to settle its debts or otherwise meet its obligations related to financial liabilities.

The financial asset and financial liability maturity analysis are as follows:

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2013 $	2012 $	2013 $	2012 $	2013 $	2012 $	2013 $	2012 $
Financial liabilities								
Payables	757,364	3,616,427	-	-	-	-	757,364	3,616,427
Total Expected outflows	757,364	3,616,427	-	-	-	-	757,364	3,616,427
Financial assets								
Cash and cash equivalents	690,691	5,342,751	-	-	-	-	690,691	5,342,751
Receivables	612,459	774,723	557,306	-	-	-	1,169,765	774,723
Total Anticipated Inflows	1,303,150	6,117,474	557,306	-	-	-	1,860,456	6,117,474
Net inflow on financial instruments	545,786	2,501,047	557,306	-	-	-	1,103,092	2,501,047

(f) Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities. As at 30 June 2013 and 30 June 2012 the company is not exposed to any material price risk.

Note 27: Commitments for Expenditure

(a) Exploration Expenditure

In order to maintain the mineral tenements in which the company and other parties are involved, the company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure requirements in accordance with the Western Australian Department of Industry and Resources requirements for the next twelve months is $Nil (2012: $Nil). These requirements are expected to be fulfilled in the normal course of operations but maybe varied from time to time subject to approval by the Grantor of Titles. The estimated expenditure represents potential expenditure, which may be avoided by relinquishment of tenure, or the gaining of exemptions from the Grantor of Titles.

The minimum estimated expenditure requirements in accordance with the United States Golden Eagles lease rentals for the next twelve months is $43,463, with a suspended amount payable of $89,898 (2012: $104,891).

As per the “Framework Share Purchase Agreement” dated 9 January 2012 whereby the Company secured a 61.2% beneficial interest in the Povorotnoye gas and condensate project in Ukraine, the following amounts are payable to Transeuro Energy Corporation:

- Tranche 2 – upon spud of Pov 105 USD$ 500,000
- Tranche 3 – upon commencement of testing Pov 105 USD$ 500,000

There are no other exploration expenditure commitments at year end for the Ukraine areas of interest.

(b) Operating Lease Commitments

The property lease is a non-cancellable lease with a three year term expiring July 2015, with rent payable on a monthly basis. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by the CPI per annum. An option exists to renew the term at the end of each year. The lease allows for subletting of all lease areas.

	2013	2012
	$	$
Payable:		
No later than twelve months	93,705	90,873
One to five years	68,472	162,177
Greater than five years	-	-
	162,177	253,050

Note 28: Company Details

The registered office is:
- Unit 18, 40 St Quentin Avenue, Claremont, WA, 6010

The principal place of business is:
- Unit 18, 40 St Quentin Avenue, Claremont, WA, 6010

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out in the financial report, are in accordance with the Corporations Act 2001 and:

   a) comply with Australian Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the consolidated entity;

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

3. the directors have been given the declarations required by s295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Finance Officer.

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

Lewis Cross
Director

Dated this 30th day of September 2013

RSM Bird Cameron Partners

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALEATOR ENERGY LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Aleator Energy Limited, which comprises the consolidated statement of financial position as at 30 June 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

RSM Bird Cameron Partners

Independence

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

Opinion

In our opinion:

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

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

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

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the company and consolidated entity incurred net losses of $2,135,797 and $2,640,023 respectively and the consolidated entity had net cash outflows from operating activities of $7,718,075 during the year ended 30 June 2013. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's and consolidated entity's ability to continue as going concerns and therefore, the company and consolidated entity may be unable to realise their assets and discharge their liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report contained within the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Aleator Energy Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Perth, WA
Dated: 30 September 2013

TUTU PHONG
Partner

SHAREHOLDER INFORMATION (as at 18 SEPTEMBER 2013)

(i) Number of shareholders: 5,549
(ii) Ordinary shares issued: 1,665,769,734
(iii) The twenty largest shareholders hold 457,840,775 ordinary shares representing 27.49% of the issued capital
(iv) Distribution schedule of holdings

NO OF SHARES	NO OF HOLDERS
1 – 1,000	621
1,001 - 5,000	1,492
5,001 – 10,000	701
10,001 – 100,000	1,664
100,001 and over	1,085

(v) Shareholders with less than a marketable parcel: 4,348

VOTING RIGHTS OF ORDINARY SHARES

Each member presents in person, or by proxy, representative or attorney, has one vote on a show of hands and one vote per share on a poll for each share held. Each member is entitled to notice of, and to attend and vote at, general meeting.

TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES AT 25 SEPTEMBER 2013

1.	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	44,100,000	2.65
2.	MR JASON PETERSON + MRS LISA PETERSON <J & L PETERSON S/F A/C>	40,404,040	2.43
3.	AH SUPER PTY LTD <THE AH SUPER FUND A/C>	32,500,000	1.95
4.	BRIJOHN NOMINEES PTY LTD <NELSONIO A/C>	30,000,000	1.80
5.	DK TRUE ENERGY DEVELOPMENT LIMITED	30,000,000	1.80
6.	SILVER KNIGHT HOLDINGS PTY LTD <GANDOSSI FAMILY A/C>	28,640,548	1.72
7.	MR MICHAEL FOSTER BLACK + MRS LYNETTE ROBIN BLACK <PE SUR SUPP CO STF S/F 2 A/C>	25,000,000	1.50
8.	FEINT HOLDINGS PTY LTD <HERMANO A/C>	25,000,000	1.50
9.	MR DEAN ROBERT MELLERS	21,500,000	1.29
10.	REVOLVE PROJECTS PTY LTD <THE HEM A/C>	21,215,337	1.27
11.	CONFADENT LIMITED	21,213,789	1.27
12.	MR DIONYSIUS VANDERBURG	20,400,000	1.22
13.	BOGART GROUP LTD	20,000,000	1.20
14.	NEFCO NOMINEES PTY LTD	17,762,525	1.07
15.	HEELMO HOLDINGS PTY LTD <ROWBOTTAM SUPER A/C>	15,000,000	0.90

16.	MR WALTER FITZGERALD MUIR & MRS ELIZABETH JANE MUIR <WAL AND LIZ MUIR FAM S/F A/C>	13,459,596	0.81
17.	MR CRAIG THOMAS BRUNT	13,454,031	0.81
18.	CANDLESTICK LIMITED	13,181,818	0.79
19.	DR MICHAEL THOMAS MUSK	12,509,091	0.75
20.	ROBERT JONATHAN WALL	12,500,000	0.75
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES		**457,840,775**	**27.49**
Total Remaining Holders Balance		**1,207,928,959**	**72.51**

STATEMENT OF LISTED OPTION HOLDERS

(i) Number of option holders: 869
(ii) Options issued: 1,319,075,939
(iii) The twenty largest option holders hold 576,605,002 options representing 43.71% of the options on issue
(iv) Distribution schedule of holdings

NO OF SHARES	NO OF HOLDERS
1 – 1,000	150
1,001 - 5,000	137
5,001 – 10,000	58
10,001 – 100,000	108
100,001 and over	416

(v) Option holders with less than a marketable parcel: 528

TOP 20 HOLDERS OF LISTED OPTIONS AT 18 SEPTEMBER 2013

Rank	Name	Units	% of Units
1.	BUZZ CAPITAL PTY LTD <THE BEELEAF A/C>	59,000,000	4.47
2.	FEINT HOLDINGS PTY LTD <HERMANO A/C>	55,000,000	4.17
3.	AH SUPER PTY LTD <THE AH SUPER FUND A/C>	40,000,000	3.03
4.	BERENES NOMINEES PTY LTD <BERENES SUPER FUND A/C>	40,000,000	3.03
5.	MR JASON PETERSON + MRS LISA PETERSON <J & L PETERSON S/F A/C>	40,000,000	3.03
6.	ZENIX NOMINEES PTY LTD	39,688,888	3.01
7.	LENOIR CAPITAL PTY LTD	30,000,000	2.27
8.	ODIN CAPITAL PTE LTD	30,000,000	2.27
9.	BRIJOHN NOMINEES PTY LTD <NELSONIO A/C>	26,250,000	1.99
10.	BOGART GROUP LTD	25,000,000	1.90
11.	DK TRUE ENERGY DEVELOPMENT LIMITED	25,000,000	1.90
12.	CICAK PTY LTD <CREATIVE TECHNOLOGY A/C>	24,000,000	1.82
13.	J & D ROBERTS NOMINEES PTY LTD <BOOKMARKETING SA UNIT A/C>	23,601,114	1.79
14.	PETERBOROUGH NOMINEES PTY LTD <CAPITAL DEVELOPMENT FUND A/C>	20,005,000	1.52
15.	AOTEA MINERALS LTD	20,000,000	1.52
16.	SILVER KNIGHT HOLDINGS PTY LTD <GANDOSSI FAMILY A/C>	20,000,000	1.52
17.	CONFADENT LIMITED	16,500,000	1.25
18.	HEELMO HOLDINGS PTY LTD <ROWBOTTAM SUPER A/C>	15,000,000	1.14
19.	MR PHILIPPE DUCHEIX	13,810,000	1.05
20.	MR DAMIAN PETER BLACK + MR ANDREW JAMES BLACK <LENOIR SUPERFUND A/C>	13,750,000	1.04
Totals: Top 20 holders of LISTED OPTIONS EXPIRING ON 31/01/15 @ $0.02		**576,605,002**	**43.71**
Total Remaining Holders Balance		**742,470,937**	**56.29**

PROJECT & JOINT VENTURE SCHEDULE

Project	Tenements	AWD's Interest	Other Parties
Leonora (Pig Well)	P37/6426, P37/6427, P37/6428, P37/6431	Royalty(1	Hannans Reward NL
Mt Ida	E38/2033, E38/2034, P38/3726 – P37/3731 P37/3732 – P38/3738	Royalty	Crescent Gold Limited(2)
Johnston Range Iron Ore Gold and Base Metals	E77/1038, E77/1155, E77/1387 - E77/1389 P77/3670 – P77/3674, P77/3676 – P77/3677	Royalty	Cliffs Asia Pacific(3)
Golden Eagle Oil & Gas JV, Utah	ML47311, ML47365, ML47533, ML48735, ML51681, ML51682, UTU75547, UTU75751, UTU75752, UTU75753, UTU75756, UTU75761, UTU75762, UTU76326, UTU76510, UTU82583, UTU82584, UTU84159	100%(5)	Eclipse Exploration Corporation, GLNA (LCC), Dave Waters
Povorotnoye Joint Activity, Ukraine	1946	61.2%(6)	Crymgeologica, Transeuro Energy Corporation(6)

Notes:

1. Pig Well Sale and Royalty agreement signed April 29 2005. Aleator Energy retains 1% net royalty
2. Deed of assignment and assumption signed 30th July 2012 GSR retains 50c per tonne royalty
3. Aleator Energy sold all of its interests in Johnson Range to Cliffs Asia Pacific. GSR retains a 2% royalty
4. Aleator Energy surrendered its interest in Mt Korong in September 2012
5. Aleator Energy has earned 100% working interest. Partners retain a right to back-in to 16.7% working interest.
6. Aleator Energy has an 85% interest in East Crimea Energy B.V. (Transeuro 15%). East Crimea Energy B.V. has a 100% interest in Pivdenspetsbud LLC which will receive 72% of profit distribution from the Povorotnoye Field Joint Activity with Nadra Krimu before reimbursement of costs. Subsequent to reimbursement of costs the profit distribution reverts to 60% of Joint Activity profits.