

GREENPOWER ENERGY LIMITED

[ABN 22 000 002 111]

114th ANNUAL REPORT

2013

GREENPOWER ENERGY LIMITED

GREENPOWER'S STRATEGIC INTENT

Greenpower's strategic intent is to become a significant producer of energy from environmentally friendly energy sources, such as conventional gas and low emission coal liquifaction, in Victoria, South Australia and Western Australia.

IMPORTANT INFORMATION

1. Definitions

Certain abbreviations and other defined terms are used throughout this Report. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out on page [x] of the Report. All amounts of money are stated in Australian dollars unless otherwise specified.

2. Display on website

This Annual Report will be posted on the Company's website at

www.greenpowerenergy.com.au

3. Cautionary Statement

This Report may contain forward looking statements that are subject to risk factors associated with amongst other things, the economic and business circumstances occurring from time to time in the locations, and business sectors in which Greenpower may operate. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results to differ from those currently projected.

GREENPOWER ENERGY LIMITED

CORPORATE DIRECTORY

DIRECTORS:	CHIEF EXECUTIVE OFFICER & COMPANY PRINCIPAL PLACE OF BUSINESS
Alan Flavelle (Chairman) Gerard King Ronald McCullough (Non-Executive) Takanao (Tony) Mitsui (Non-Executive)	John Watts, B.Sc (Hons, Geo), FAIMM, CP Geo, FIMM, C Eng. 1 st Floor, 46 Ord Street West Perth WA 6005
COMPANY SECRETARY:	AUDITORS:
Matthew Suttling P.O. Box 1061, Newport Beach NSW 2106 Australia Phone: +61425215349 E-mail: matt@suttling.com	BDO Audit (WA) Pty Ltd 128 Hay Street Subiaco WA 6008 Australia Phone: +61893808400
REGISTERED OFFICE:	SHARE REGISTRY:
1 st Floor, 46 Ord Street West Perth WA 6005 Phone: +61-2 9286 5555 Fax: +61-2 9286 5599	Computershare Investor Services Pty Limited 452 Johnston Street Yarra Falls VIC 3067 Australia Phone: +61-3-9415 5023 Fax: + 1300 137 341
BANKERS	SOLICITORS:
Commonwealth Bank of Australia 48 Martin Place Sydney NSW 2000	Price Sierakowski Lawyers Level 24, 44 St Georges Terrace Perth WA 6000 Australia TheunissenTrollip Lawyers Level 31, RBS Tower 88 Phillip Street Sydney 2000
POSTAL ADDRESS	WEBSITE:
PO Box 1664 Fremantle WA 6959	www.greenpowerenergy.com.au

2013 REPORT FROM THE BOARD

OVERVIEW

The year ended 30 June 2013 was Greenpower Energy Limited's ('Greenpower') 114th year and was the 5th full year of operation since listing its shares on the Australian Securities Exchange (ASX), in March 2008.

The highlights of the year under review have been:–

Victorian Operations:

- exploratory drilling and testing for inferred contained lignite (Victorian Brown Coal) in compliance with agreed programmes, which, as reported, had reached the point of disclosing an Inferred JORC lignite resource of 573 million tonnes.
- the progression of its objective to investigate, identify and secure technologies to convert Latrobe Valley lignite into refinable crude oil and other products, in an environmentally acceptable way i.e. with no or very low carbon dioxide emissions. The company has contracted to develop and test and if successful license production under two technologies conforming to those objectives:
 - * General Electric Microwave Plasma Assisted CTL – GE Global Research is currently carrying out a comprehensive series of trials on Victorian Brown Coal using their patented process for direct conversion of coal to hydrocarbon liquids. The company will report on outcomes towards the end of 2013 early 2014.
 - * Thermaquatica Inc OHD CTL - In May 2013 Greenpower Energy signed a Research and Option Agreement with US based Thermaquatica Inc (under the auspices of the University of Southern Illinois) to fund the development of its Oxidative Hydrothermal Dissolution technology and to option an exclusive Australian and New Zealand licence for use of the technology.

These have been significant developments for Greenpower and with the Victorian Brown Coal ideally suited to the technologies, and in abundance, the company's principal focus will now be to develop each technology to commerciality.

Western Australia:

- The farm-in by UIL Energy Limited ('UIL') to EP 447 for unconventional gas, made substantial progress. UIL complied with the farm-in terms by completing a tenement-wide 2D seismic survey during the fourth quarter of 2013.
- During the year under review a well was drilled in the Petroleum Exploration permit 37 at Mount Ridley and whilst the drill was completed successfully it did not disclose sufficient thermal activity to justify continuation with this project. A grant towards the cost of drilling was made by the Western Australian Government under the "Royalties for regions" program.

South Australia:

- PEL 145 Greenpower had completed data acquisition and its reporting obligations in the prior year. After assessment of this area's prospects, the company has decided they did not conform to the company's goals. The company has since sought interest from others in acquiring the tenement. If these initiatives do not succeed the tenement will be surrendered.
- PEL 146 Greenpower has also completed data acquisition and assessment. The principal hurdle to grant to the tenement will be completion of Native Title formalities, which the company is now assessing.

Corporate:

- In December 2012 the Group successfully completed a rights issue raising \$976,632 before share issue costs.

In addition and subsequent to year end:

- ◆ In accordance with the terms of the farm in agreement with UIL on EL 447 in July 2013 Greenpower subsidiary GCC Methane Pty Ltd 'GCCM' transferred the earned 50% interest in EP 447 to UIL. In September 2013 GCCM accepted UIL's offer to acquire the remaining 50% interest in the EL under a conditional sale.

The contract provides that, subject to certain conditions being fulfilled, GCCM will sell its remaining 50% interest in EP447 to UIL for \$875,000 cash and, effectively, \$1,125,000 worth of shares in UIL. If a Production License is granted to UIL in respect of any part of EP447, GCCM will receive a further cash payment of \$500,000 and a further tranche of UIL shares to the value of \$1,000,000 at the time of issue. The sale is conditional on UIL issuing shares under a prospectus for the IPO (initial public offering) of its shares for the purposes of listing on ASX; and GCCM arranging the assignment of the rights and obligations of an aboriginal heritage agreement to UIL. If UIL has not completed its IPO within 8 months of the date of this contract then it must pay a fee of \$125,000 to GCCM. UIL may then choose to extend the period within which it must complete its IPO by a further three months. If UIL extends the IPO deadline and the IPO is not completed within that extended period then the contract will be terminated and UIL must pay an additional fee of \$125,000 to GCCM.

This sale will allow the Group to focus on its core CTL projects while participating in the potential production from EL 447.

- ◆ Announced the commencement of General Electric carrying out a comprehensive series of CTL trials on Victorian Brown Coal.
- ◆ Advised the Western Australian Department of Minerals and Petroleum that it has relinquished its Geothermal Exploration Permits GEP 37 and GEP 38.

THE DIRECT COAL-TO-LIQUIDS TECHNOLOGY QUEST

As previously reported, following the acquisition of its lignite bearing properties in the Latrobe Valley, Greenpower commenced research into possible technologies for the environmentally clean usage of the resource. Many past evaluations had shown clearly that Latrobe Valley lignite was eminently suitable for conversion into hydrocarbon liquids. Amongst these were the trials conducted by Exxon in the 1980s in its Baytown (Texas) laboratories. Other trials have also supported these findings.

Conversion of coal to liquids has been carried out throughout the 20th century, commercially in Germany and South Africa, but in all cases with high emissions of CO₂. Greenpower has spent several years in a search for a process which would substantially reduce or eliminate CO₂ emissions.

Greenpower's agreements for clean CTL technologies are as follows:

- General Electric Global Research ('GE')
 - o GE's CTL process uses microwave energy to heat the coal and to create plasma conditions to assist its chemical conversion to liquid hydrocarbons.
 - o GPP's agreement with GE gives GPP the opportunity to evaluate the technical and economic feasibility of the CTL process with an option to take a commercial license.
 - o The plasma process (in respect of which patents have been applied for), as compared to other coal to liquid processes has several significant advantages:
 - High Hydrocarbon yield
 - Zero to low carbon dioxide emissions
 - No process water required
 - o GE is currently testing the process in the USA on Australian coal for the purpose of designing an Australian pilot plant for converting coal to transport fuels. Testing deliverables are:
 - understanding the behaviour of the coals
 - identification of optimum operating conditions, and
 - characterisation of output oils and charcoals.
 - o The company expects to report on outcomes towards the end of 2013 early 2014.

- Thermaquatica Inc
 - o Under the auspices of the University of Southern Illinois has developed an Oxidative Hydrothermal Dissolution technology to convert coal and other solid organic materials into low molecular weight, water soluble products.
 - o OHD is a novel environmentally friendly technology to convert coal and other solid organic materials into low molecular weight, water soluble products. Many of the initial products are potentially useful for making polymers as well as other hydrocarbon-based products.
 - o OHD works by reaction of coal, or other macromolecular organic solids, with small amounts of oxygen in high temperature (220-370C) and high pressure water.
 - o Greenpower:
 - will contribute \$2million [staged over a two year time frame] to development by Thermaquatica of the Oxidative Hydrothermal Dissolution (OHD) process (for conversion of low grade hydrocarbon material to higher grade material) as it applies to conversion of coal to liquids, and
 - is granted an option for two years to take an exclusive license for Greenpower to apply the process commercially in Australia and New Zealand.

GPP now has the opportunity to evaluate the technical and economic feasibility of two innovative clean energy Coal to Liquid projects, with option to take a commercial license in Australia and New Zealand and thereby utilize the JORC inferred resources held by the Group in its Victorian tenements.

This has been a significant development for Greenpower and will become the company's principal focus, from process development to commerciality.

LATROBE VALLEY (VICTORIA) LIGNITE PROPERTIES

The company continues to hold three exploration licenses in the onshore Gippsland Basin.

Resource Definition

EL4500, EL4877 and EL5227 cover lignite occurrences to the west of Moe Township. Previous exploration by other companies has shown substantial lignite tonnages in a discrete basin covered by EL4500 and EL4877 (western part). A small part of this basin is located within EL5210, a tenement owned by other parties. A second basin located to the west of that one is covered entirely by EL5227.

Lignite inferred JORC resource:

- EL 4500 306 Mt lignite Resource
- EL 4877 131 Mt lignite Resource
- EL 5227 136 Mt lignite Resource

The Group thus has a total of 573 Mt of Lignite inferred JORC resource within its tenements.

MANAGEMENT

The Company's executive team – Executive Chairman Alan Flavelle, Managing Director Gerry King and Executive Officer John Watts – have managed all of the company's business activity with able support from Non Executive Directors Ron McCullough and Tony Mitsui, accountant/secretary Matt Suttling together with external consultants John Karajas, Gordon Thomson, Marty Gorbarty and David McLean.

Our officers' individual backgrounds and qualifications are included elsewhere in the Annual Report. Altogether, management is represented by four directors, the secretary and four consultants – which includes three geologists, three engineers, a fuel and a microwave scientist, an accountant and a lawyer – who in aggregate have, hundreds of years of experience in companies engaged in coal, oil and gas exploration and production.

GREENPOWER'S PURPOSE:

Greenpower which was initially incorporated as Gunnedah Colliery Company Limited, mining coal at Gunnedah, NSW, in 1899 (becoming 'Gunnedah Coal Company Ltd' in 1985) and stopped mining coal when it sold the mine in 1997, has now as its mission to become a producer of environmentally friendly energy sources, such as conventional gas in Western Australia and South Australia, geothermal energy in Western Australia, and lignite coal to liquid in Victoria. The primary purpose of the Group now is to develop its licensed technology and explore and develop its existing resources.

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Annual Report

For the Year Ended 30 June 2013

Greenpower Energy Limited

ABN 22 000 002 111

For the Year Ended 30 June 2013

CONTENTS

	<u>Page</u>
Directors' Report	1
Consolidated Financial Statements	
Auditor's Independence Declaration	13
Consolidated Income Statement	14
Consolidated Statement of Comprehensive Income	15
Consolidated Statement of Financial Position	16
Consolidated Statement of Changes in Equity	17
Consolidated Statement of Cash Flows	18
Notes to the Consolidated Financial Statements	19
Directors' Declaration	51
Independent Audit Report	52
ASX Additional Information	54

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Report

30 June 2013

Your directors present their report on the Company and its controlled entities for the financial year ended 30 June 2013.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Alan Flavelle

Qualifications

BSc, FAIMM, MSPE

Experience

1958-1968: Alan was employed by the Bureau of Mineral Resources [a federal government agency] as a geophysicist and worked in all states of Australia, New Guinea, Canada and the USA.

1969-70: He was employed by West Australian Petroleum, a Perth based affiliate of Chevron as an exploration expert in oil exploration activities in Western Australia.

1971-1980: He became the senior partner in the Layton Group, at that time the largest earth science consulting group based in Australia, and worked on projects in Australia, New Guinea, Philippines, Malaysia, Thailand, Taiwan, Japan, India, USA and Argentina.

1981-present: Alan has worked as an independent consultant, resource developer and adviser to companies at the technical director level including jobs like:

Coalbed Methane: Alan became involved in coal seam natural gas (CSG) development in 1984 when he visited USA on a fact finding mission. From 1985-1990 he worked on CSG developments in Queensland and was instrumental in introducing Mitsubishi Gas and Chemical to CSG technology. The company then took over the Queensland assets. From 1991-2000 he investigated a number of CSG development opportunities in Vietnam, South Korea, South Africa, and Japan as well as Australia. From 2001 to the present he has directed a major investigation for CSG opportunities in Europe and Central Asia. Several projects which have been acquired in France and Italy. A second major project aimed at identifying CSG opportunities in Western Australia was started in 2003 and is ongoing.

Interest in shares and options

3,130,160 Ordinary Shares

Special responsibilities

Chairman - Executive Director

Other directorships in listed entities held in the previous three years

Alan Flavelle was formerly a Director in European Gas Limited appointed in December 1999 and resigning on 2 September 2009

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Report

30 June 2013

Information on directors continued

Gerard King

Qualifications

LLB

Experience

After graduating in law (LLB) from the University of Western Australia in 1963, Gerard commenced articles with (Sir) John Lavan (Lavan & Walsh) in Perth, being admitted as a solicitor in 1965, into the law firm partnership in 1966, and became its senior partner in 1978. Under Gerard, Lavan & Walsh eventually became Phillips Fox, Perth in 1985.

Throughout his career, Gerard has practised in the legal areas of commercial property, banking/finance, revenue/tax, corporate compliance, and mining law. He taught mortgage and other debt security drafting at UWA law school for 5 years, joined the Taxation Institute of Australia, and the Australian Mining and Petroleum Lawyers Association and gave papers on revenue, strata title, prospectuses, document drafting and other topics. Gerard served on the Law Society of WA Council, and its committees. He was involved in the management of his law firm from 1968 to 1991, and attended two law firm management courses at the University of New England.

Gerard has been a company director of Australasian Shopping Centres Property Trust, 1977 to 1980, Australian Mining Investments Ltd., 1983 to 2002, as well as other public companies, and is currently Chairman of Astron Limited, since 1985. He was Chairman of WA St. John Ambulance Service Board 1987 to 1996, and is currently WA State St. John Council Chairman.

Interest in shares and options

28,977,516 Ordinary Shares

Special responsibilities

Executive Director

Other current directorships in listed entities

Gerard King is a Director of Astron Limited since 5 November 1985

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Report

30 June 2013

Information on directors continued

Ronald McCullough

Qualifications

M.B.A., B.E. (Hons), FAustIMM

Experience

Ronald Hugh McCullough is an Honours graduate in Engineering from the University of Western Australia. He also completed a Master of Business Administration at UWA.

Subsequently, Ron has been involved in civil engineering design, and the construction of various major engineering works in Western Australia, including water supply dams, major water reticulation and suburban infrastructure projects.

Ron has extensive mining experience, including bauxite and coal mining. Ron has investigated the development of a private power station and the exploitation of coal bed methane deposits in the Gunnedah basin on NSW. While involved with the Maitland Main Collieries, which held an authorisation to develop a large coal deposit at Glennies Creek, near Singleton in the Hunter Valley, NSW Ron managed all necessary environmental impact studies, authority compliance requirements, mine construction and operation feasibility studies and then obtained a mining lease for the deposit.

Ron became involved in the sand mining industry in Western Australia with the development, in 1994, and management until 2005 of a silica sand mining and exporting operation at Albany in Western Australia, on behalf of Japanese corporations.

Interest in shares and options

2,487,741 Ordinary Shares

Special responsibilities

Non Executive Director. There are no special responsibilities

Other current directorships in listed entities

Ronald McCullough is a Director of Astron Limited since 21 August 2006

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Report

30 June 2013

Information on directors continued

Takanao Mitsui

Qualifications

B.Ec MBA

Experience

In April 1965, Tony joined Tomen Corporation, (then called Toyo Menka Kaisha, one of the large, multi-faceted Japanese Trading Houses) in the Steel Department in the Osaka Head Office. From 1968 to 1971 he worked in the Metals and Minerals Department of Toyo Menka. In 1971 he was posted to Toyo Menka's Sydney office, returning to Tokyo in 1973, to join the Coal Department. In 1977 he was posted to the Vancouver, Canada office of Toyo Menka.

In 1981, Tony returned to Tokyo to head the Thermal Coal Section. In 1985 he was appointed General Manager, Metals and Minerals for Tomen Australia. In 1990, he moved to General Manager Coal and Iron Ore Department, Tokyo Head Office of Tomen Corporation. In 1995 he returned to Australia as Managing Director of Tomen Australia. In 2001 he returned to Tokyo as a Corporate Auditor in the Tomen Head Office.

In April 2006, Tomen Corporation merged with Toyota Tsusho, the trading arm of Toyota. Tony remains an adviser to Toyota Tsusho in Tokyo.

Interest in shares and options

120,000 Ordinary Shares

Special responsibilities

Non Executive Director. There are no special responsibilities

Other current directorships in listed entities

Nil

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Report

30 June 2013

Principal Activities

The principal activities of the Group during the financial year related mainly to all of its petroleum, mineral and hydrothermal exploration properties, namely –

Victoria:

- three Mineral exploration licenses in the Gippsland Basin (Latrobe Valley), namely EL 4500 “Korumburra” and EL 5227 “Athlone” both held in the name of subsidiary Greenpower Natural Gas Pty Ltd and EL 4877 “Mirboo” held in the name of subsidiary Sawells Pty Ltd.

Western Australia:

- one petroleum exploration permit in the Perth Basin (EP 447) held in the name of subsidiary GCC Methane Pty Ltd.
- two hydrothermal exploration permits (GEP 37 and GEP 38) held directly.

South Australia:

- one petroleum exploration license in the Willochra Basin (PEL 145), and one application for a petroleum exploration license in the Eromanga Basin (SAPELA 146) both held directly.

The principal activities of the company during the financial year relating to these were:

Victoria:

- exploratory drilling and testing for inferred contained lignite (Victorian Brown Coal) in compliance with agreed programmes, which, as reported, had reached the point of disclosing an Inferred JORC resource of 573 million tonnes.

- the progression of its objective to investigate, identify and secure technologies to convert Latrobe Valley lignite into refinable crude oil and other products, in a environmentally acceptable way i.e. with no or very low carbon dioxide emissions. The company has contracted to develop and test and if successful license production under two technologies conforming to those objectives:

- * General Electric Microwave Plasma Assisted CTL – GE Global Research is currently carrying out a comprehensive series of trials on Victorian Brown Coal using their above described patented process for direct conversion of coal to hydrocarbon liquids. The company will report on outcomes towards the end of 2013 early 2014.
- * Thermaquatica Inc OHD CTL - In May 2013 Greenpower Energy signed a Research and Option Agreement with US based Thermaquatica Inc (under the auspices of the University of Southern Illinois) to fund the development of its Oxidative Hydrothermal Dissolution technology and to option an exclusive Australian and New Zealand licence for use of the technology.

These have been significant developments for Greenpower and with the Victorian Brown Coal ideally suited to the technologies, and in abundance, the company's principal focus will now be to develop each technology to commerciality.

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Report

30 June 2013

Principal Activities continued

Western Australia:

- The farm-in by UIL Energy Limited ('UIL') to EP 447 for unconventional gas, has made substantial progress. UIL has complied with the farm-in terms by completing a tenement-wide 2D seismic survey during the fourth quarter of 2013.

South Australia:

- PEL 145 The company had completed data acquisition and its reporting obligations for the prior year. After assessment of this area's prospects, the company has decided they did not conform to the company's goals. The company has since sought interest from others in acquiring the tenement. If these initiatives do not succeed the tenement will be surrendered.
- PEL 146 The company has also completed data acquisition and assessment. The principal hurdle to grant to the tenement will be completion of Native Title formalities, which the company is now assessing.

Corporate:

- In December 2012 the Group successfully completed a rights issue raising \$976,632 before share issue costs.

No significant change in the nature of these activities occurred during the year.

Matter Subsequent to the end of the Financial Year

Subsequent to year end the Group:

- ◆ In accordance with the terms of the farm in agreement with UIL on EL 447 in July 2013 Greenpower subsidiary GCC Methane Pty Ltd 'GCCM' transferred the earned 50% interest in EP 447 to UIL. In September 2013 GCCM accepted UIL's offer to acquire the remaining 50% interest in the EL under a conditional sale. The contract provides that, subject to certain conditions being fulfilled, GCCM will sell its remaining 50% interest in EP447 to UIL for \$875,000 cash and, effectively, \$1,125,000 worth of shares in UIL. If a Production License is granted to UIL in respect of any part of EP447, GCCM will receive a further cash payment of \$500,000 and a further tranche of UIL shares to the value of \$1,000,000 at the time of issue. The sale is conditional on UIL issuing shares under a prospectus for the IPO (initial public offering) of its shares for the purposes of listing on ASX; and GCCM arranging the assignment of the rights and obligations of an aboriginal heritage agreement to UIL. If UIL has not completed its IPO within 8 months of the date of this contract then it must pay a fee of \$125,000 to GCCM. UIL may then choose to extend the period within which it must complete its IPO by a further three months. If UIL extends the IPO deadline and the IPO is not completed within that extended period then the contract will be terminated and UIL must pay an additional fee of \$125,000 to GCCM. This sale will allow the Group to focus on its core CTL projects while participating in the potential production from EL 447.
- ◆ Announced the commencement of General Electric carrying out a comprehensive series of CTL trials on Victorian Brown Coal.

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Report

30 June 2013

Matter Subsequent to the end of the Financial Year continued

- ◆ Advised the Western Australian Department of Minerals and Petroleum that it has relinquished its Geothermal Exploration Permits GEP 37 and GEP 38.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results from Operations

The Company expects to maintain the present status and level of operations.

Non-Audit Services

There were no non-audit services during the year (2012: Nil).

Auditors Independence Declaration

The lead auditors independence declaration for the year ended 30 June 2013 has been received and can be found on page 13 of the financial report. The auditor BDO Audit (WA) Pty Ltd continues in office in accordance with Section 327 of the Corporations Act 2001.

Environmental Regulations

The Group's operations to date are not regulated by any significant environmental regulation under the law of the Commonwealth or of a state or territory. The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report on annual greenhouse gas emissions and energy use. For the measurement period 1 July 2012 to 30 June 2013 the directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

Business Review

Operating Results

The loss after providing for income tax amounted to \$1,212,490 (2012: \$1,516,481). The 2013 loss reflects increased drilling activities together with expenses incurred in the Coal to Liquid ('CTL') project and the Group's policy of expensing exploration and initial expenditures. The loss was significantly affected by license payments on the CTL projects \$376,453 (2012: Nil) which reflects the Group's strategy to developing a clean and efficient CTL technology that will integrate with the inferred resources held within the Group's Victorian tenements. Development of the CTL projects is ongoing with the GE CTL process currently lab testing Victorian Brown coal. The Group has engaged specialists to provide independent guidance as to the strengths of the CTL processes and technology. The Directors are committed to carefully utilising current resources, reviewing potentially markets for output, partners and other funding initiatives.

Dividends Paid or Declared

No dividends were paid or declared since the start of the financial year.

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Report

30 June 2013

Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Mr Alan Flavelle	11	11
Mr Gerard King	11	11
Mr Ronald McCullough	11	11
Mr Takanao Mitsui	11	10

Company Secretary

Mr Matthew Suttling, B.Ec CA was appointed Company Secretary of Greenpower Energy Limited on 1 May 2007. He is a Chartered Accountant. His experience is broad based including clients ranging from multinationals to listed public companies, audit, other business financial and taxation services. He is currently in Public Practice.

Remuneration Report (AUDITED)

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

This report details the nature and amount of remuneration for each director of Greenpower Energy Limited, and for the executives of the Group.

Service Agreements

Currently Greenpower Energy Limited does not have any service agreements in place with key management personnel.

Use of Remuneration Consultants

During the year the Directors did not utilise the services of remuneration consultants in determining amount of remuneration for each Director and Executive.

Voting and Comments Made at the Company's 2012 Annual General Meeting

The Company received 53.28% of non excluded proxy votes rejecting the 2012 remuneration report and received 52.78% of non excluded proxy votes rejecting re-introduction of an employee share option plan. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices. The Board has been in regular contact with shareholders during the financial year to address the concerns of the shareholders and re-iterate the importance of the employee share scheme to ensure that long term objectives are aligned with key employees remunerations.

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Report

30 June 2013

Remuneration Report continued (AUDITED)

Share-Based Compensation

No Options over shares in Greenpower Energy Limited were granted during the year in accordance with the Company Employee Share Option Plan ("ESOP") as the ESOP which commenced 17 April 2007 had expired. The Directors plan to implement an updated ESOP which will be designed to provide long-term incentives for executives to deliver long-term shareholder returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options granted under the original ESOP carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. The exercise price of options is based on the price at grant date. No options were exercised during the year.

No ordinary shares in the company were provided as a result of the exercise of remuneration options to any director of Greenpower Energy Limited or other key management personnel of the group.

Additional information

No performance based bonuses have been paid to key management personnel during the financial year. It is the intent of the board to include performance bonuses as part of remuneration packages when mine production commences.

For non executive Directors the aggregate pool limit approved by shareholders as Directors Fees is \$100,000 as approved at the 2009 Annual General Meeting.

Details of Remuneration

Details of remuneration of the directors and key management personnel of the group are set out below:

2013	Short-term benefits				Post employment benefits	Share-based payments		Total
	Cash salary	Cash profit share	Cash Bonus	Non-cash Benefits	Superannuation	Equity	Options	
	\$	\$	\$	\$	\$	\$	\$	\$
Alan Flavelle	126,000	-	-	-	-	-	-	126,000
Gerard King	60,000	-	-	-	-	-	-	60,000
Ronald McCullough	-	-	-	-	-	-	-	-
Takanao Mitsui	-	-	-	-	-	-	-	-
John Watts	167,413	-	-	-	-	-	-	167,413
	353,413	-	-	-	-	-	-	353,413

2012	Short-term benefits				Post employment benefits	Share-based payments		Total
	Cash salary	Cash profit share	Cash Bonus	Non-cash Benefits	Superannuation	Equity	Options	
	\$	\$	\$	\$	\$	\$	\$	\$
Alan Flavelle	108,000	-	-	-	-	-	-	108,000
Gerard King	60,000	-	-	-	-	-	-	60,000
Ronald McCullough	-	-	-	-	-	-	-	-
Takanao Mitsui	-	-	-	-	-	-	-	-
John Watts	158,686	-	-	-	-	-	-	158,686
	326,686	-	-	-	-	-	-	326,686

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Report

30 June 2013

Remuneration Report continued (AUDITED)

Details of Remuneration (continued)

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the Group. The table also illustrates the proportion of remuneration that was fixed and at risk.

	Fixed Remuneration %	At Risk Long Term Remuneration %
Directors		
Alan Flavelle	100	-
Gerard King	100	-
Ronald McCullough	100	-
Takanao Mitsui	100	-
KMP		
John Watts	100	-

Remuneration Policy

As the Group develops it will be implementing the following remuneration guidelines. The remuneration policy of Greenpower Energy Limited 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 Group's financial results. The board of Greenpower Energy Limited 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 Group, as well as create goal congruence between directors, executives and shareholders.

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

- 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 length of service and experience) and superannuation where applicable. The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.
- 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.
- Executives will also be entitled to participate in future employee share and option arrangements.

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Report

30 June 2013

Remuneration Report continued (AUDITED)

Remuneration Policy continued

- The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.25%, and do not receive any other retirement benefits. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.
- All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using appropriate methodologies.
- 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. No such advice was obtained during the year. Fees for non executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Performance-based Remuneration

The Group currently has no performance based remuneration component built into director and executive remuneration packages due to the stage of the Group's development, no link between remuneration and financial performance currently exists.

The table below sets out summary information about the Group's earnings and movement in share price for the five years to 30 June 2013:

	2013	2012	2011	2010	2009
	\$	\$	\$	\$	\$
Revenue	396,073	181,053	244,963	19,886	176,005
Net loss before tax	(1,121,806)	(1,296,759)	(5,729,034)	(592,911)	(855,762)
Net loss after tax benefit	(1,212,490)	(1,516,481)	(5,433,629)	(592,911)	(855,762)
Share Price at end of year (cents)	1	4	7	5	10
Basic and diluted loss per share	(1.46)	(2.09)	(8.57)	(0.94)	(1.35)

Long Term Benefits and Termination Benefits

It is the Group's intention to re-implement with shareholder consent an Employee Share and Option Plan to align remuneration with at risk long term benefits. The Group has no long term benefits payable or termination benefits due.

End of Audited Remuneration Report

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Report

30 June 2013

Indemnifying Officers or Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Group.

Options

Unissued shares under option

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

Grant Date	Date of Expiry	Exercise Price	Number under Option
30 September 2011	30 September 2016	0.050	450,000
10 August 2010	10 August 2015	0.051	250,000
			<hr/> <hr/> 700,000

No shares were issued on exercise of Options during the year. On 30 June 2013 1,200,000 unlisted options expired. No options were granted to the directors or KMP since the end of the financial year.

Proceedings on Behalf of Company

No person has applied for leave of Court under s237 of the Corporations Act 2001 to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

Sign off details

Signed in accordance with a resolution of the Board of Directors:



Director:

Gerard King

Dated this 27th day of September 2013

DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF GREENPOWER ENERGY LIMITED

As lead auditor of Greenpower 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:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

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



WAYNE BASFORD

Director

BDO Audit (WA) Pty Ltd

Perth, 27 September 2013

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Income Statement

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
Other income	4	367,830	148,808
Interest revenue		28,243	32,245
Occupancy costs		(11,929)	(11,698)
Administrative costs		(442,429)	(389,780)
Exploration and Tenement costs		(883,860)	(647,621)
Loss on disposal of tenements		-	(407,312)
Impairment loss of available for sale assets		(174,036)	(16,666)
Depreciation and amortisation		(5,625)	(4,735)
Profit (loss) before income tax		(1,121,806)	(1,296,759)
Income tax (expense)/benefit	5	(90,684)	(219,722)
Loss after income tax		(1,212,490)	(1,516,481)
Loss attributable to owners of Greenpower Energy Limited		(1,212,490)	(1,516,481)

Loss per share:

Basic earnings per share (cents)	6	(1.46)	(2.09)
Diluted earnings per share (cents)	6	n/a	n/a

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

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2013

	2013	2012
	\$	\$
Net loss for the year	(1,212,490)	(1,516,481)
Other comprehensive income:		
Items that maybe reclassified to profit or loss		
Net (loss)/gain on revaluation of financial assets	(1,077,942)	(725,876)
Other comprehensive income for the year, net of tax	(1,077,942)	(725,876)
Total comprehensive loss for the year	(2,290,432)	(2,242,357)
Total comprehensive loss attributable to:		
Owners of Greenpower Energy Limited	(2,290,432)	(2,242,357)
	(2,290,432)	(2,242,357)

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

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Statement of Financial Position

As at 30 June 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	848,050	319,360
Trade and other receivables	9	70,190	40,431
TOTAL CURRENT ASSETS		918,240	359,791
NON-CURRENT ASSETS			
Available for sale assets	10	1,299,767	3,194,855
Property, plant and equipment	11	3,103	4,448
Deferred tax	12	-	90,682
Intangible assets	13	2,963	4,804
Exploration and evaluation assets	15	2,125,477	2,125,477
TOTAL NON-CURRENT ASSETS		3,431,310	5,420,266
TOTAL ASSETS		4,349,550	5,780,057
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	210,778	191,693
TOTAL CURRENT LIABILITIES		210,778	191,693
NON-CURRENT LIABILITIES			
Deferred tax	17	-	90,682
TOTAL NON-CURRENT LIABILITIES		-	90,682
TOTAL LIABILITIES		210,778	282,375
NET ASSETS		4,138,772	5,497,682
EQUITY			
Contributed equity	18	63,398,286	62,466,764
Reserves	19	10,592,393	11,670,335
Accumulated losses	20	(69,851,907)	(68,639,417)
TOTAL EQUITY		4,138,772	5,497,682

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

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2013

2013

	Contributed Equity \$	Accumulated Losses \$	Capital Profits Reserve \$	Option Reserve \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2012	62,466,764	(68,639,417)	10,314,793	277,600	1,077,942	5,497,682
Loss for the year	-	(1,212,490)	-	-	-	(1,212,490)
Changes in fair value of available for sale financial assets:						
- Transfer to profit and loss	-	-	-	-	(306,383)	(139,739)
- Revaluation	-	-	-	-	(771,559)	(938,203)
Total comprehensive income for the year	-	(1,212,490)	-	-	(1,077,942)	(2,290,432)
Transactions with owners in their capacity as owners						
Contribution of equity, net of transaction costs	931,522	-	-	-	-	931,522
Sub-total	931,522	(1,212,490)	-	-	(1,077,942)	(1,358,910)
Balance at 30 June 2013	63,398,286	(69,851,907)	10,314,793	277,600	-	4,138,772

2012

	Contributed Equity \$	Accumulated Losses \$	Capital Profits Reserve \$	Option Reserve \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2011	61,946,806	(67,122,936)	10,314,793	277,600	1,803,818	7,220,081
Loss for the year	-	(1,516,481)	-	-	-	(1,516,481)
Changes in fair value of available for sale financial assets:						
- Transfer to profit and loss	-	-	-	-	(154,138)	(154,138)
- Revaluation	-	-	-	-	(571,738)	(571,738)
Total comprehensive income for the year	-	(1,516,481)	-	-	(725,876)	(2,242,357)
Transactions with owners in their capacity as owners						
Contribution of equity, net of transaction costs	519,958	-	-	-	-	519,958
Sub-total	519,958	(1,516,481)	-	-	(725,876)	(1,722,399)
Balance at 30 June 2012	62,466,764	(68,639,417)	10,314,793	277,600	1,077,942	5,497,682

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

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Payments to suppliers and employees		(1,249,284)	(1,193,543)
Interest received		28,243	33,642
Income taxes received		-	55,819
Net cash provided by (used in) operating activities	21	(1,221,041)	(1,104,082)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		-	(2,550)
Acquisition of other non-current assets		(3,606)	-
Proceeds from disposal of available for sale assets		891,374	199,850
Deposit on sale of tenement		-	200,000
Net cash used by investing activities		887,768	397,300
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from the issue of shares net of transaction costs		611,963	519,958
Loan proceeds from related parties *		250,000	-
Net cash used by financing activities		861,963	519,958
Net increase (decrease) in cash and cash equivalents held		528,690	(186,824)
Cash and cash equivalents at beginning of year		319,360	506,184
Cash and cash equivalents at end of financial year	8	848,050	319,360

Non Cash Movement

* This loan was extinguished as part of the rights subscription.

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

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

1 Corporate Information

The financial report of Greenpower Energy Limited for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Directors on 27 September 2013 and covers Greenpower Energy Limited as an individual entity as well as the consolidated entity consisting of Greenpower Energy Limited and its subsidiaries as required by the Corporations Act 2001.

The financial report is presented in the Australian currency.

Greenpower Energy Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

2 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general purpose financial statement that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Greenpower Energy Limited is a for profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. The financial statements and notes comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

2 Summary of Significant Accounting Policies continued

(b) Principles of Consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of Greenpower Energy Limited and its subsidiaries at 30 June each year ("the Group"). Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Potential voting rights that are currently exercisable or convertible are considered when assessing control. Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Subsidiaries are accounted for in the Parent entity financial statements at cost. A list of subsidiary entities is contained in Note 14 to the financial statements. All subsidiaries entities have a 30 June financial year end.

(c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Directors. The Directors are responsible for allocating resources and assessing the performance of the operating segments.

(d) Revenue and Other Income

Revenue is recognised at the fair value of the consideration received or receivable.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

Interest revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

Dividends received are accounted for when received.

All revenue is stated net of the amount of goods and services tax (GST).

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

2 Summary of Significant Accounting Policies continued

(e) Income Tax

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

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

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

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

Greenpower Energy Limited and its wholly owned subsidiaries have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. Current and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

(f) Impairment of Assets

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount for an individual asset, recoverable amount is determined for the cash generating unit to which the asset belongs.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

2 Summary of Significant Accounting Policies continued

(g) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(h) Property, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

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 not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group 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.

(i) Intangibles

Intangible assets being website development and preliminary expenses are recorded at cost, it has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

2 Summary of Significant Accounting Policies continued

(j) Exploration and Evaluation Assets

Exploration and evaluation expenditure is generally written off in the year incurred, except for acquisition of exploration properties which is capitalised and carried forward.

When production commences, any accumulated costs for the relevant area of interest which have been capitalised and carried forward will be amortised over the life of the area according to the rate of depletion of the economically recoverable resources.

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. The carrying value of any capitalised expenditure is assessed by the Directors each year to determine if any provision should be made for the impairment of the carrying value. The appropriateness of the Group's ability to recover these capitalised costs has been assessed at year end and the Directors are satisfied that the value is recoverable.

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

(k) Investments and Available for Sale Assets

All investments and available for sale assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the Group commits to purchase or sell the asset. Accounting policies for each category of investments and available for sale assets subsequent to initial recognition are set out below.

Available-for-sale Financial Assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term. Impairment testing is performed annually.

Loans and Receivables

Non-current loans and receivables include loans due from related parties repayable within 365 days of reporting date. These are interest bearing using a market rate of interest for a similar instrument with a similar credit rating. They are carried at amortised cost using the effective interest rate method.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

2 Summary of Significant Accounting Policies continued

(l) Fair Values

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures.

Fair values for financial instruments traded in active markets are based on quoted market prices at reporting date. The quoted market price for financial assets is the current bid price.

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

(m) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 30-90 day payment terms.

(n) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(o) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares associated with the acquisition of a business are included as part of the purchase consideration.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

2 Summary of Significant Accounting Policies continued

(p) Earnings per Share

Basic Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to owners of Greenpower Energy Limited by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

Diluted Earnings per Share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(q) Goods and Services Tax (GST)

Revenues and expenses are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

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

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

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

(r) Comparative Figures

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

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

2 Summary of Significant Accounting Policies continued

(s) New Accounting Standards and Interpretations not yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not yet been applied in the financial report. The Group's assessment of the impact of these new standards and interpretations is set out below.

* AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (effective for annual reporting periods beginning on or after 1 January 2015). AASB 9 addresses the classification, measurement and derecognising of financial assets and financial liabilities. The Group will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed.

* AASB 10 Consolidated Financial Statements (effective for annual reporting periods commencing on or after 1 January 2013). AASB 10 introduces certain changes to the consolidation principles, including the concept of de facto control and changes in relation to the special purpose entities. The adoption of this standard from 1 July 2013 may have an impact where the consolidated entity has a holding of less than 50% in an entity, has de facto control, and is not currently consolidating that entity. At the date of this report, the changes do not apply for any investments or entities that are part of the Group.

* AASB 11 Joint Arrangements (effective for the annual reporting periods commencing on or after 1 January 2013). AASB 11 changes the classification and accounting for joint arrangements based on the specified rights and obligations of the agreement. The adoption of this standard from 1 July 2013 will not have a material impact on the Group.

* AASB 12 Disclosure of Interest in Other Entities. AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. The adoption of this standard from 1 July 2013 will increase the amount of disclosures required to be given by the Group such as significant judgements and assumptions made in determining whether it has a controlling or non-controlling interest in another entity and the type of non-controlling interest and the nature and risks involved.

* AASB 13 Fair Value Measurement (effective for annual reporting periods commencing on or after 1 January 2013). AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the consolidated entity from 1 July 2013 should be minimal.

* AASB 127 Separate Financial Statements (Revised) and AASB 128 Investments in Associates and Joint Ventures (Reissued) effective for the annual reporting periods commencing on or after 1 July 2013. These have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of this standard from 1 July 2013 will not have a material impact on the Group.

* AASB 119 Employee benefits expected to be settled (as opposed to due to be settled under current standard) within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating the leave liabilities. Annual leave not expected to be used within 12 months of end of reporting period will in future be discounted when calculating leave liability. This standard has no impact as there are no annual leave provision amounts that are non-current. The Group will apply this from 1 July 2013.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

2 Summary of Significant Accounting Policies continued

(t) Going Concern

For the year ended 30 June 2013 the Group incurred a net loss of \$1,212,490 (2012: \$1,516,481). At 30 June 2013, the cash balance was \$848,050 (2012: \$319,360). The accounts have been prepared on a going concern basis. The Directors have determined that future capital raisings and/or asset sales will be required in order to continue the exploration and development of the Group's mining tenements to achieve a position where they can prove exploration reserves.

The ability of the Group to continue as a going concern is dependent upon the Group raising further capital or realising funds from the sale of assets sufficient to meet the Group's expenditure commitments.

The Directors have prepared a cash flow forecast for the foreseeable future reflecting the above mentioned expectations and their effect upon the Group. The achievement of the forecast is dependent upon the future capital raising and/or sale of assets, the outcome of which is uncertain.

In the event that sufficient capital raising and/or asset sales at an amount and timing necessary to meet the future budgeted operational and investing activities of the Group is unfavourable the Directors believe that they will be able to contain the operating and investment activities sufficiently to ensure that the Group can meet its debts as and when they become due and payable.

In the event that the events referred to above results in a negative outcome, then the going concern basis of accounting may not be appropriate with the result that the Group may have to realise its assets and extinguish its liabilities other than in the normal course of business and in amounts different from that stated in the financial report.

The financial report does not include any adjustments relating to the recoverability or classification of recorded amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(u) Critical accounting estimates and judgements

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

Key estimates - income taxes

The Group has not recognised deferred tax assets relating to carried forward tax losses as utilisation of the tax losses also depends on the ability of the group to satisfy certain tests at the time the losses are recouped. Due to the recent capital raising of the parent entity, there are some concerns that the entity may fail to satisfy the continuity of ownership test and therefore has to rely on the same business test.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

2 Summary of Significant Accounting Policies continued

Key judgments - exploration and evaluation assets

The Group has not capitalised expenditure relating to exploration and evaluation during the year however has carried forward the initial cost of certain Exploration Licenses where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$2,125,477.

Key judgments - available-for-sale investments

The Group maintains a portfolio of securities with a carrying value of \$1,299,767 at the end of the reporting period. Certain individual investments have declined in value and impairment adjustments have been brought to account.

3 Auditors' Remuneration

	Note	2013 \$	2012 \$
Remuneration of the auditor of the parent entity for:			
- Audit or review		37,467	28,311
- Total remuneration for audit services		<u>37,467</u>	<u>28,311</u>

4 Other Income

	2013 \$	2012 \$
- Gain on disposal of available for sale assets	334,222	148,808
- Grants received	33,608	-
	<u>367,830</u>	<u>148,808</u>

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

5 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	Note	2013 \$	2012 \$
Deferred tax expense			
Other deferred tax		90,684	219,722
		<u>90,684</u>	<u>219,722</u>

(b) The prima facie tax benefit/(expense) from the loss before income tax is reconciled to the income tax as follows:

	2013 \$	2012 \$
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2012: 30%)		
- the Group	(363,747)	(391,166)
	<u>(363,747)</u>	<u>(391,166)</u>
Add/Less tax effect of:		
- losses not brought to account	273,063	171,444
	<u>273,063</u>	<u>171,444</u>
Income tax attributable to parent entity	<u>(90,684)</u>	<u>(219,722)</u>

(c) Unrecognised temporary differences

	2013 \$	2012 \$
Deferred Tax Assets (at 30%)	247,517	16,153
Losses not brought to account	1,176,562	807,361

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Availability of losses is subject to passing the required tests under the ITAA 1997/1936.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

6 Earnings per Share

(a) Reconciliation of Earnings used to calculate Earnings per share

	2013	2012
	\$	\$
Loss	1,212,490	1,516,481
Loss used to calculate basic EPS	1,212,490	1,516,481

(b) Weighted average number of ordinary shares (diluted):

	2013	2012
Weighted average number of ordinary shares outstanding during the year number used in calculating basic EPS and dilutive EPS	83,154,332	72,569,252
	83,154,332	72,569,252

7 Key Management Personnel Compensation

(a) Key Management Personnel Compensation

The totals of remuneration paid to key management personnel of the Group during the year are as follows:

	2013	2012
	\$	\$
Short-term employee benefits	353,413	326,686
	353,413	326,686

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

7 Key Management Personnel Compensation continued

(a) Key Management Personnel Compensation continued

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

(b) Key Management Personnel Shareholdings

The number of ordinary shares in Greenpower Energy Limited held by each key management person of the Group during the financial year is as follows:

	Balance at beginning of year	On exercise of options	Net Change Other *	Balance at end of year
30 June 2013				
Directors				
Alan Flavelle	3,130,160	-	-	3,130,160
Gerard King	21,977,516	-	7,000,000	28,977,516
Ronald McCullough	2,487,741	-	-	2,487,741
Takanao Mitsui	120,000	-	-	120,000
Other KMP				
John Watts	179,109	-	99,464	278,573
	27,894,526	-	7,099,464	34,993,990

	Balance at beginning of year	On exercise of options	Net Change Other *	Balance at end of year
30 June 2012				
Directors				
Alan Flavelle	3,130,160	-	-	3,130,160
Gerard King	21,977,516	-	-	21,977,516
Ronald McCullough	2,487,741	-	-	2,487,741
Takanao Mitsui	120,000	-	-	120,000
Other KMP				
John Watts	120,000	-	59,109	179,109
	-	-	-	-
	27,835,417	-	59,109	27,894,526

* Net change other refers to shares purchased or sold during the financial year.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

7 Key Management Personnel Compensation continued

(c) Key management personnel options and rights holdings

Details of options provided as remuneration and shares issued on the exercise of such options together with terms and conditions of the options can be found in the Remuneration Report within the Director's Report.

	Balance at beginning of year	Granted as remuneration	Exercised	Other changes	Balance at the end of year	Vested during the year	Unvested and exercisable
30 June 2013							
Directors							
Alan Flavelle	-	-	-	-	-	-	-
Gerard King	-	-	-	-	-	-	-
Ronald McCullough	-	-	-	-	-	-	-
Takanao Mitsui	-	-	-	-	-	-	-
Other KMP							
John Watts	200,000	-	-	-	200,000	-	200,000
	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>

	Balance at beginning of year	Granted as remuneration	Exercised	Other changes	Balance at the end of year	Vested during the year	Unvested and exercisable
30 June 2012							
Directors							
Alan Flavelle	-	-	-	-	-	-	-
Gerard King	-	-	-	-	-	-	-
Ronald McCullough	-	-	-	-	-	-	-
Takanao Mitsui	-	-	-	-	-	-	-
Other KMP							
John Watts	200,000	-	-	-	200,000	-	200,000
	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>

(d) Option Inputs

No Options were issued for the year ended 30 June 2013 and 30 June 2012.

(e) Loans to Key Management Personnel

There were no loans to key management personnel during the year.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

8 Cash and Cash Equivalents

	Note	2013 \$	2012 \$
Cash at bank		693,052	171,104
Short-term bank deposits	8(a)	154,998	148,256
		848,050	319,360

Reconciliation of Cash

	2013 \$	2012 \$	
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents	848,050	319,360	
		848,050	319,360

The effective interest rate on short-term bank deposits was 2.3% (2012: 3.5%); these deposits are at call.

(a) Short term deposit

Short term deposits are held as a security for various bank guarantees.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

9 Trade and Other Receivables

	Note	2013 \$	2012 \$
CURRENT			
Other receivables	9(a)	70,190	40,431
		70,190	40,431

(a) Other Receivables

Other receivable represent receivables due from the Australian Taxation Office, WA Department of Mines and Petroleum and other amounts which are not impaired and will be receivable.

(b) Past due but not impaired

As at 30 June 2013, other receivables were past due but not impaired. Other receivables are GST credits and other prepaid company tax balances which will be received subsequent to year end.

10 Available-for-Sale Financial Assets

Available-for-Sale Financial Assets Comprise:

	2013 \$	2012 \$
Listed investments		
shares in listed corporations	1,299,767	3,194,855
	1,299,767	3,194,855
Total available for sale assets at fair value	1,299,767	3,194,855

Available for sale assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments. The impairment loss for this year was \$174,036 (2012: \$16,666).

Impairment

Available for sale financial assets represent shares listed on the ASX, the impairment represents the reduction in market valuation of the financial assets as at 30 June 2013 where fair value is lower than cost.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

10 Available-for-Sale Financial Assets continued

(a) Reconciliation of Available-for-Sale Financial Assets

	2013	2012
	\$	\$
Opening Balance	3,194,855	4,208,162
Impairment	(174,036)	(16,666)
Disposal	(891,374)	(209,769)
Net (loss)/gain on revaluation of financial assets	(829,678)	(786,872)
	<u>1,299,767</u>	<u>3,194,855</u>

11 Property, Plant and Equipment

	2013	2012
	\$	\$
<u>PLANT AND EQUIPMENT</u>		
Office equipment		
At cost	5,796	5,796
Accumulated depreciation	(2,693)	(1,348)
Total office equipment	<u>3,103</u>	<u>4,448</u>
Total plant and equipment	<u>3,103</u>	<u>4,448</u>
Total property, plant and equipment	<u>3,103</u>	<u>4,448</u>

(a) Movements in Carrying Amounts

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

	Office Equipment \$
Balance at 30 June 2013	
Balance at the beginning of year	4,448
Additions	-
Depreciation expense	(1,345)
Balance at 30 June 2013	<u>3,103</u>
Balance at 30 June 2012	
Balance at the beginning of year	3,030
Additions	2,550
Depreciation expense	(1,132)
Balance at 30 June 2012	<u>4,448</u>

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

12 Deferred Tax Assets

	2013	2012
	\$	\$
The balance comprises temporary differences attributable to:		
Tax losses	-	90,682

13 Intangible Assets

	Note	2013	2012
		\$	\$
Other intangible assets			
Cost	13(b)	13,249	10,809
Accumulated amortisation and impairment		(10,286)	(6,005)
Net carrying value		2,963	4,804
Total Intangibles		2,963	4,804

(a) Movements in Carrying Amounts

	Other intangible assets - Website \$
Year ended 30 June 2012	
Opening balance	8,407
Additions	-
Amortisation	(3,603)
Closing value at 30 June 2012	4,804
Year ended 30 June 2013	
Opening balance	4,804
Additions	2,440
Amortisation	(4,281)
Closing value at 30 June 2013	2,963

(b) Intangible Assets

Intangible assets are represented by capitalised costs of the Group's website development.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

14 Controlled Entities

	Country of incorporation	Percentage Owned 2013	Percentage Owned 2012
Subsidiaries of parent entity:			
GCC Asset Holdings Pty Ltd	Australia	100	100
GCC Methane Pty Ltd	Australia	100	100
Greenpower Natural Gas Pty Ltd	Australia	100	100
Sawells Pty Ltd	Australia	100	100
Chimney Springs Pty Ltd	Australia	100	-
Greenpower Latrobe CTL Pty Ltd	Australia	100	-

15 Exploration and Evaluation Assets

NON-CURRENT

Exploration permits	2,125,477	2,125,477
---------------------	-----------	-----------

Movements in Other Assets

	Exploration permits \$	Total \$
Year ended 30 June 2012		
Opening balance	2,732,789	2,732,789
Deposit on Tenement	(200,000)	(200,000)
Relinquishment of Tenements	(407,312)	(407,312)
Balance at 30 June 2012	2,125,477	2,125,477
Year ended 30 June 2013		
Opening balance	2,125,477	2,125,477
Deposit on Tenement	-	-
Relinquishment of Tenements	-	-
Balance at 30 June 2013	2,125,477	2,125,477

The Directors determined that the information available did not justify seeking renewal of Exploration licence EL 4860 in Victoria, the carrying value of \$407,312 was expensed in the year ended 30 June 2012.

Exploration permits

Current permits as at 30 June 2013:

- Victoria - EL4500, EL 4877 and EL 5227
- South Australia - SAP145 and SAPELA146
- Western Australia - EP 447, GEP 37 and GEP 38

Ultimate realisation of the value of the above tenements is dependent upon successful exploitation or sale.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

16 Trade and Other Payables

	2013	2012
	\$	\$
CURRENT		
Trade payables	121,791	156,927
Other payables	88,988	34,766
	210,779	191,693

17 Deferred Tax Liabilities

	2013	2012
	\$	\$
The balance comprises temporary differences attributable to:		
Financial assets at fair value	-	90,682

18 Issued Capital

	2013	2012
	\$	\$
92,465,787 (2012: 72,933,138) Ordinary Shares	63,398,286	62,466,764
	63,398,286	62,466,764

The Company has no authorised share capital amounting to no par value.

Movements in ordinary share capital

	Note	No. of shares	\$
Year ended 30 June 2013			
At the beginning of year		72,933,138	62,466,764
Shares issued during the year		19,532,649	976,632
Cost of listing shares		-	(45,110)
Balance at 30 June 2013		92,465,787	63,398,286
Year ended 30 June 2012			
At the beginning of year		63,420,120	61,946,806
Shares issued during the year		9,513,018	523,216
Cost of listing shares		-	(3,258)
Balance at 30 June 2012		72,933,138	62,466,764

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

18 Issued Capital continued

Movements in ordinary share capital continued

At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Risk Management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may pay dividends to shareholders, return capital to shareholders, issue new shares or sell assets.

Consistently with others in the industry, the Group and the parent entity monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'borrowings' and 'trade and other payables' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position (including minority interest) plus net debt.

During 2013, the Group's strategy, which was unchanged from 2012, was to maintain nil borrowings outside of trade and other payables.

	2013	2012
	\$	\$
Total payables	210,779	191,693
Less: cash and cash equivalents	(848,050)	(319,360)
Net debt	(637,271)	(127,667)
Total equity	4,138,772	5,497,682
Total capital	3,501,501	5,370,015

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

19 Reserves

	2013	2012
	\$	\$
Capital Realisation Reserve	10,314,793	10,314,793
Share Based Payments Reserve	277,600	277,600
Available For Sale Asset Reserve	-	1,077,942
	10,592,393	11,670,335

	2013	2012
	\$	\$
Capital Realisation Reserve		
Opening balance	10,314,793	10,314,793
	10,314,793	10,314,793
Share Based Payments Reserve		
Opening balance	277,600	277,600
	277,600	277,600
Available For Sale Asset Reserve		
Opening balance	1,077,942	1,803,818
Fair value adjustment	(826,234)	(786,872)
Income statement	(342,392)	(158,726)
Deferred tax in income statement	36,011	4,588
Deferred tax in statement of financial position	54,673	215,134
	-	1,077,942
Total reserves	10,592,393	11,670,335

Capital Realisation Reserve

The capital realisation reserve records revaluation of capital.

Share Based Payments Reserve

The share based payments reserve records items recognised as expenses on valuation of employee share options.

Available For Sale Asset Reserve

The financial assets reserve recognises movements in fair value of available for sale financial assets.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

20 Accumulated Losses

	2013	2012
	\$	\$
Accumulated losses		
Opening balance	(68,639,417)	(67,122,936)
Net loss for the period	(1,212,490)	(1,516,481)
Total	(69,851,907)	(68,639,417)

21 Cash Flow Information

Reconciliation of Cash Flow from Operations with Loss after Income Tax

	2013	2012
	\$	\$
Net loss for the year	(1,212,490)	(1,516,481)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss		
Amortisation	4,281	3,603
Depreciation	1,345	1,132
Impairment of available for sale assets	174,036	16,666
Loss on relinquishment of tenement	-	407,312
Net (gain)/loss on disposal of available for sale assets	(334,222)	(148,808)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Decrease/(Increase) in receivables	(29,759)	54,867
Increase/(Decrease) in trade payables and accruals	85,086	(142,095)
Increase/(Decrease) in deferred taxes	90,682	219,722
Net cash (outflow) from operating activities	(1,221,041)	(1,104,082)

22 Capital Commitments

Operating Leases

	2013	2012
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	3,000	-
	3,000	-

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

22 Capital Commitments continued

Capital Expenditure Commitments

	2013	2012
	\$	\$
Capital expenditure commitments contracted for:		
Exploration Permits	1,391,250	30,092,550
CTL	2,073,842	-
	3,465,092	30,092,550
Payable:		
- not later than 12 months	1,671,401	927,800
- between 12 months and 5 years	1,793,691	29,164,750
	3,465,092	30,092,550

23 Related Party Transactions

(a) Parent entity

The ultimate parent entity within the Group is Greenpower Energy Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 14.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 7.

(d) Transactions and balances with related parties

All transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(e) Beneficial Holdings

The direct, indirect and beneficial holding of directors and their director-related entities in the share and share options of the company as at 30 June 2013 was:

Shares: 34,715,417 (2012: 27,715,417) Ordinary

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

24 Financial Risk Management

(a) Financial Risks

The main risks the Group is exposed to through its financial instruments are interest rate risk and liquidity risk.

The Group manages liquidity risk by prudent monitoring of expenditure in line with available funds.

(b) Net Fair Values

Fair Value Measurement

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

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the group's assets and liabilities measured and recognised at fair value at 30 June 2013 and 30 June 2012:

	2013	2012
	Level 1	Level 1
	\$	\$
Assets		
Available-for-sale financial assets:		
- equity securities	1,299,767	3,194,855
Total assets	1,299,767	3,194,855

(c) Foreign Currency Risk

The group is not exposed to fluctuations in foreign currencies.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

24 Financial Risk Management continued

(d) Credit Risk

The Group has no significant concentrations of credit risk other than cash at bank which is held with the Commonwealth Bank of Australia and Westpac Bank both AAA rated Australian banks. The maximum exposure to credit risk at reporting date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the statement of financial position and notes to the financial statements.

As the Group does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(e) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments (e.g. borrowing repayments). The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Maturity analysis

	Carrying Amount \$	Contractual Cash flows \$	< 6 mths \$
Year ended 30 June 2013			
Trade and other payables	210,779	210,779	210,779
	210,779	210,779	210,779
Year ended 30 June 2012			
Trade and other payables	191,693	191,693	191,693
	191,693	191,693	191,693

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

24 Financial Risk Management continued

(f) Interest Rate Risk

The Group manages its interest rate risk by monitoring available interest rates while maintaining an overriding position of security whereby the majority of cash and cash equivalents are held in AA-rated bank accounts.

The Groups' exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the tables below:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Non-interest Bearing		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Cash and cash equivalents	2.3	3.5	693,052	164,215	154,998	148,256	-	6,889	848,050	319,360
Receivables	-	-	-	-	-	-	70,370	40,431	70,370	40,431
Total Financial Assets			693,052	164,215	154,998	148,256	70,370	47,320	918,420	359,791
Financial Liabilities:										
Trade and sundry payables	-	-	-	-	-	-	210,779	191,693	210,779	191,693
Total Financial Liabilities			-	-	-	-	210,779	191,693	210,779	191,693

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

24 Financial Risk Management continued

Sensitivity analysis

The following tables show the movements in profit due to higher/lower interest costs from variable interest rate cash balances.

	+ .5% (50 basis points)		- .5% (50 basis points)	
	2013	2012	2013	2012
	\$	\$	\$	\$
Cash at bank	4,240	1,093	(4,240)	(1,093)
	4,240	1,093	(4,240)	(1,093)

(g) Price Risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the statement of financial position as available-for-sale. Neither the Group nor the parent entity are exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Group regularly reviews the holdings and maintains a portfolio which the Directors believe has strong core values. The Group's equity investments are publicly traded and are listed on the ASX.

The maximum exposure to price risk from an income statement perspective at reporting date is the carrying amount of the investments.

	+ 20%		- 20%	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets	259,953	319,486	(259,953)	(958,457)
	259,953	319,486	(259,953)	(958,457)

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

25 Segment Reporting

Segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the Directors who monitor the segment performance based on the operating profit and loss and cash flows which is measured in accordance with the Group's accounting policies.

For management purposes, the Group has identified only one reportable segment as exploration activities undertaken in Australia. This segment includes activities associated with the determination and assessment of the existence of commercial economic reserves from the Group's mineral assets in Australia.

Segment performance is evaluated based on the operating profit and loss and cashflows and is measured in accordance with the Group's accounting policies.

	2013	2012
	\$	\$
Exploration Segment		
Segment revenue	33,608	-
Reconciliation of segment revenue to total revenue before tax:		
Interest received	28,243	32,245
Other	334,222	148,808
Total revenue	396,073	181,053
Exploration Segment		
Segment results (loss)	(883,860)	(1,054,933)
Reconciliation of segment results to net loss before tax:		
Other corporate and administration	(634,019)	(422,879)
Income tax (expense)/benefit	(90,684)	(219,722)
Net loss after tax	(1,212,490)	(1,516,481)
Exploration Segment		
Segment operating assets	2,125,477	2,125,477
Reconciliation of segment assets:		
Other corporate and administration assets	2,224,074	3,654,580
Total assets	4,349,551	5,780,057
Exploration Segment		
Segment operating liabilities	93,094	51,274
Reconciliation of segment liabilities:		
Other corporate and administration liabilities	117,685	231,101
Total	210,779	282,375

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

26 Events After the Reporting Date

Subsequent to year end the Group:

- ◆ In accordance with the terms of the farm in agreement with UIL on EL 447 in July 2013 Greenpower subsidiary GCC Methane Pty Ltd 'GCCM' transferred the earned 50% interest in EP 447 to UIL. In September 2013 GCCM accepted UIL's offer to acquire the remaining 50% interest in the EL under a conditional sale. The contract provides that, subject to certain conditions being fulfilled, GCCM will sell its remaining 50% interest in EP447 to UIL for \$875,000 cash and, effectively, \$1,125,000 worth of shares in UIL. If a Production License is granted to UIL in respect of any part of EP447, GCCM will receive a further cash payment of \$500,000 and a further tranche of UIL shares to the value of \$1,000,000 at the time of issue. The sale is conditional on UIL issuing shares under a prospectus for the IPO (initial public offering) of its shares for the purposes of listing on ASX; and GCCM arranging the assignment of the rights and obligations of an aboriginal heritage agreement to UIL. If UIL has not completed its IPO within 8 months of the date of this contract then it must pay a fee of \$125,000 to GCCM. UIL may then choose to extend the period within which it must complete its IPO by a further three months. If UIL extends the IPO deadline and the IPO is not completed within that extended period then the contract will be terminated and UIL must pay an additional fee of \$125,000 to GCCM. This sale will allow the Group to focus on its core CTL projects while participating in the potential production from EL 447.
- ◆ Announced the commencement of General Electric carrying out a comprehensive series of CTL trials on Victorian Brown Coal.
- ◆ Advised the Western Australian Department of Minerals and Petroleum that it has relinquished its Geothermal Exploration Permits GEP 37 and GEP 38.

Other than this no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial year.

27 Parent entity

The following information has been extracted from the books and records of the parent, Greenpower Energy Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Greenpower Energy Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

27 Parent entity continued

Tax consolidation legislation

Greenpower Energy Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

The tax consolidated group has entered into a tax funding agreement whereby each entity within the group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding agreement are recognised as either a contribution by, or distribution to the head entity.

	2013 \$	2012 \$
Consolidated Statement of Financial Position		
Assets		
Current assets	830,374	276,815
Non-current assets	4,248,967	5,122,388
Total Assets	5,079,341	5,399,203
Liabilities		
Current liabilities	210,779	191,693
Total Liabilities	210,779	191,693
Equity		
Issued capital	63,398,286	62,466,764
Accumulated losses	(69,122,117)	(67,851,647)
Capital Realisation Reserve	10,314,793	10,314,793
Share Based Payments Reserve	277,600	277,600
Total Equity	4,868,562	5,207,510
Consolidated Income Statement		
Total profit or loss for the year	(1,064,473)	(450,381)
Total comprehensive income	(1,064,473)	(450,381)

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Financial Statements

For the Year Ended 30 June 2013

28 Contingent Liabilities

The Directors are not aware of any contingent liabilities at reporting date.

29 Company Details

Registered office

The registered office of the company is:

Greenpower Energy Limited
1st Floor, 46 Ord Street
West Perth WA 6005

Principal place of business

The principal place of business is:

Greenpower Energy Limited
1st Floor, 46 Ord Street
West Perth WA 6005

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 14 to 50, are in accordance with the *Corporations Act 2001* and:
 - a. comply with *Corporations Act 2001* and other mandatory professional reporting requirements, Accounting Standards, which, as stated in accounting policy note 2 to the financial statements, constitutes explicit and unreserved 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 group.
2. the Chief Executive Officer and Chief Finance Officer have each declared that as required by Section 295A:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. 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.

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



Director

Dated 27 September 2013



Tel: +8 6382 4600
Fax: +8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Greenpower Energy Limited

Report on the Financial Report

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

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2 (a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Greenpower 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 Greenpower 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 2 (a).

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 (t) in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 2 (t), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in 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 Greenpower Energy Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd



Wayne Basford

Director

Perth, 27 September 2013

Greenpower Energy Limited

ASX Additional Information

For the Year Ended 30 June 2013

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 19 September 2013.

Voting Rights

Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights.

Distribution Of Equity Security Holders

Holding	Holders	Number of Shares
1 - 1,000	884	176,223
1,001 - 5,000	301	900,253
5,001 - 10,000	201	1,715,962
10,001 - 100,000	279	9,085,440
100,000 and over	56	80,587,909
	1,721	92,465,787

There were 1,545 holders of less than a marketable parcel of ordinary shares.

20 Largest Optionholders

	Options	
	Number held	% of issued options
Mr Matthew Suttling	300,000	42.86
Mr John Watts	200,000	28.57
Mr Stephen Menzies	200,000	28.57
	700,000	100.00

Unissued Equity Securities

Options issued 700,000.

Greenpower Energy Limited

ASX Additional Information

For the Year Ended 30 June 2013

20 Largest Shareholders

	Ordinary shares	
	Number held	% of issued shares
Lodestar Investments Limited	21,623,216	23.39
C N Mcdonald Pty Ltd <C N Mcdonald Family A/C>	10,000,000	10.81
Astron Limited	9,513,018	10.29
Pandora Nominees Pty Ltd	7,354,300	7.95
Narlack Pty Ltd <Piperoglou Pension A/C>	5,921,340	6.40
Mr Alan John Flavelle	3,060,160	3.31
Mr Frederic Bernd Rappaport	2,181,476	2.36
Leibler Superannuation Nominees Pty Ltd <Leibler Super Fund A/C>	1,972,947	2.13
Ms Jane Marian Walker	1,750,000	1.89
Yalloak Pty Ltd	1,732,030	1.87
Mr Ronald Mccullough & Mrs Shirley Mccullough <Demeter Super Fund A/C>	1,340,000	1.45
Manasota Pty Ltd	1,000,000	1.08
Mr Michael Bruce Smith + Mrs Kay Smith <M & K Smith S/F A/C>	1,000,000	1.08
Rokeba Nominees Proprietary Limited <Silman Property A/C>	931,476	1.01
Greeneearth Energy Limited	785,100	0.85
JP Morgan Nominees Australia Limited <Cash Income A/C>	765,000	0.83
Mr Israel Goldberg + Mrs Yael Goldberg <I & Y Goldberg S/F A/C>	750,000	0.81
Mr Christopher Hosking + Mrs Marcia Hosking <Hosking Super Fund A/C>	750,000	0.81
Mr Simon Andrew Peters + Mrs Emma Frances Vogel <Perseus S/F A/C>	628,614	0.68
Polheim Pty Ltd	540,000	0.58
	<hr/>	
	73,598,677	79.58

Securities exchange

The Company is listed on the Australian Securities Exchange.