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Form 388
Corporations Act 2001
294, 295, 298-300, 307, 308, 319, 321, 322
Corporations Regulations
1.0.08

Copy of financial statements and reports

Company details

Company name

COAL ENERGY AUSTRALIA LIMITED

ACN

158 713 163

Lodgement details

Registered agent number

19990

Registered agent name

CAUSBROOK & ASSOCIATES

Reason for lodgement of statement and reports

A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking

Dates on which financial year ends

Financial year end date

30-06-2013

Auditor's report

Were the financial statements audited?

Yes

Is the opinion/conclusion in the report modified? (The opinion/conclusion in the report is qualified, adverse or disclaimed)

No

Does the report contain an Emphasis of Matter and/or Other Matter paragraph?

No

Details of current auditor or auditors

Appointment of an auditor

Date of appointment **15-10-2013**

ASIC registered auditor number
424969

Given names **VICTORIA**

Family name **LAKIS**

Address

15 WILLIAM STREET
SOUTH HURSTVILLE NSW 2221
Australia

Certification

I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.
Yes

Signature

Select the capacity in which you are lodging the form
Agent

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.
Yes

Authentication

This form has been authenticated by
Name CAUSBROOK & ASSOCIATES
This form has been submitted by
Name Margaret Frances Causbrook
Date 19-03-2014

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Coal Energy Australia Limited

ABN 84 158 713 163 and Controlled Entities

Financial Report for the Financial Period Ended 30 June 2013

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DIRECTORS' REPORT

Directors present their first report on Coal Energy Australia Limited ("the Company") and its controlled entities for the financial period ended 30 June 2013. The consolidated entity is referred to as "the Group".

Officeholders:

The names of the Directors of the Company in office during the financial period and up to the date of this report are:

Name	Period as a director
• Mr Stephen Wee, Managing Director, Chairman	Appointed 1 June 2012 to present;
• Ms Lisa Fu, Non-Executive Director	Appointed 1 June 2012 to present;
• Mr David Henty Sutton, Non-Executive Director	Appointed 1 June 2012 to present;

The Company Secretary for the financial year is Mr Nick Tropea appointed 1 June 2012.

Principal Activities

The principal activity of the company and the Group consisted of the development of brown coal beneficiation plants.

The Company was incorporated on 1 June 2012 and is currently considering capital raising activities.

Results and Dividends

The consolidated entity's loss after tax for the period ended 30 June 2013 was $531,679.

No dividends were paid during the financial period and no dividends are recommended.

Significant Changes in the State of Affairs

No significant changes in the company's or Group's state of affairs occurred during the financial year under review.

Likely Developments, Prospects and Expected Results of Operations

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Environmental Regulation and Performance

The Group is required to carry out its activities in accordance with applicable regulations in each of the jurisdictions in which it undertakes its activities. The Group is not aware of any matter which requires disclosure with respect to any significant environmental regulation under Australian and International law in respect of its operating activities.

DIRECTORS' REPORT (CONT.)

Significant Events after the Balance Date

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

Options

No options over issued shares or interests in the company or the controlled entities were granted during or since the end of the financial year, and there were no options outstanding as at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Directors and Officers

During and since the end of the financial year the company has not given an indemnity or paid insurance premiums to insure each of the following directors and officers against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director and or officer of the company.

Auditor's Independence Declaration

The Directors have received from the auditor, a declaration of the auditor's independence as required by section 307C of the Corporations Act 2001. A copy of this declaration accompanies this report on page 24.

Information on the Directors

Stephen Wee B Com
Managing Director, Chairman

Mr Wee is an investment banker with over 30 years of experience in the financial services industry. Stephen was awarded the Cutler, Hughes and Harris Prize in 1985 by the Securities Institute of Australia for excellence in the subject of securities industry law. He is a current member of the Financial Services Institute of Australasia (Finsia).

Directorships held in listed entities during the last 3 years: nil

Lisa Fu B.A GradDipBusAdm
Non-Executive Director

Ms Fu holds a Bachelor of Arts degree, and a Graduate Diploma in Business Administration (with Distinction).

Before working for a major bank in Australia, Lisa joined a US Forest Products Group as the Marketing Director for China. Since 2005 she has been providing financing and investment solutions to Chinese State-owned companies, private companies and high net-worth entrepreneurs. Ms Fu brings with her a wealth of knowledge on doing business in China

Directorships held in listed entities during the last 3 years: Sinovus Mining Limited

DIRECTORS' REPORT (CONT.)

David Sutton B.Com ACIS
Non-Executive Director

Mr Sutton has many years' experience in stockbroking and investment banking including management of corporate finance, advisory, and share broking activities. He currently owns and manages Dayton Way Financial Pty Limited, a boutique financial services company focusing on the resources sector, which has offices in Sydney and Hong Kong.

Prior to his current role, he was a partner and Director of several stock exchange member firms including Clarke & Co and Macnab Clarke. David's past experience includes Directorships in several industrial and resource companies. He is currently Chairman of EHG Corporation Limited, Silver Mines Limited and Sinovus Mining Limited as well as a Director of Empire Energy Group Limited.

Directorships held in listed entities during the last 3 years:

Earth Heat Ltd
Silver Mines Ltd
Sinovus Mining Ltd
Empire Energy Group Ltd
Precious Metals Investments Ltd
AAT Corporation Ltd
EHG Corporation Ltd

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Nick Tropea B.Com CPA CTA MAICD

Mr Tropea is a CPA with 30 years' experience in the accountancy profession and has been providing accounting, secretarial and business advice to a wide range of industries. He has held the position of Company Secretary in both public and private companies.

Director's Meeting Attendance

The number of meetings of the Company's board of directors held during the financial period ended 30 June 2013 and the number of meetings attended by each director were:

Directors' Meetings

Director	Attended	Held whilst in office
S Wee	3	3
L Fu	3	3
D H Sutton	3	3

DIRECTORS' REPORT (CONT.)

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

The directors' report is signed in accordance with a resolution of the Board of Directors:

On behalf of the Directors

Director ______________________

Stephen Wee

Dated this 17th day of MARCH 2014

Sydney NSW

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2013

	Note	1 June 2012 to 30 June 2013 ($)
Revenue		
Other Income	4	26,326
Expenses		
Administration expenses		(7,216)
Consulting expenses	2	(449,163)
Other expenses	3	(101,626)
Total expenses		(558,005)
(Loss) before tax		(531,679)
Income tax expense		-
(Loss) for the period		(531,679)
Other Comprehensive Income		-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(531,679)
Earnings per share		
Basic (cents per share)	5	(0.003)
Diluted (cents per share)		(0.003)

These financial statements should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013

	Note	30 June 2013 ($)
ASSETS		
CURRENT ASSETS		
Cash at Bank	6	420,797
Formation Cost		2,900
GST Paid		25,339
TOTAL CURRENT ASSETS		449,036
TOTAL ASSETS		449,036
CURRENT LIABILITIES		
Trade Creditors	7	86,526
Other Deposits	7	56,500
TOTAL CURRENT LIABILITIES		143,026
NON CURRENT LIABILITIES		
Other Loans		135,924
TOTAL NON CURRENT LIABILITIES		135,924
TOTAL LIABILITIES		278,950
NET ASSETS		170,086
EQUITY		
Issued capital	8	701,765
Accumulated losses	9	(531,679)
TOTAL EQUITY		170,086

These financial statements should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY FOR PERIOD ENDED 30 JUNE 2013

	Note	Share capital	Accumulated (loss)	Total
		($)	($)	($)
Shares issued during the period		701,765	-	701,765
(Loss) for the period		-	(531,679)	(531,679)
Balance at 30 June 2013		**701,765**	**(531,679)**	**170,086**

These financial statements should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR PERIOD ENDED 30 JUNE 2013

	Note	1 June 2012 to 30 June 2013
CASH FLOWS FROM OPERATING ACTIVITIES		**($)**
Other Income		26,326
Payments to suppliers and employees (inclusive of goods and service tax)		(443,218)
Net cash (used in) operating activities	**10**	(416,892)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds of Loan		135,924
Net cash (used in) investing activities		135,924
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		701,765
Net cash provided by financing activities		701,765
Net increase in cash held		420,797
Cash and cash equivalents at start of year		-
Cash and cash equivalents at end of year		420,797

These financial statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

The consolidated financial statements and notes represent those of Coal Energy Australia Limited and Controlled Entities (the "consolidated group" or "group"). Coal Energy Australia Limited is a company limited by shares, incorporated and domiciled in Australia.

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

The financial statements were authorised for issue by the Directors on 17th March 2014.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

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

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. All amounts are presented in Australian dollars, unless otherwise noted.

Accounting Policies

a. **Principles of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of the entities controlled by Coal Energy Australia Limited at the end of the reporting period. A controlled entity ("subsidiary") is any entity over which Coal Energy Australia Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 12 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the Group have been eliminated in full on consolidation.

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

b. Business Combinations

Business combinations occur where the acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit and loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less accumulated impairment losses.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ("proportionate interest method"). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Under the full goodwill method, the fair value of the non-controlling interest is determined using the valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, which represents the lowest level at which goodwill is monitored but where such level is larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

c. Taxation

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Current income tax expense charged to profit or loss is the tax payable on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

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

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

The Company is currently in the start-up phase and has not recognised a deferred tax asset for the carry-forward tax losses. At the end of each reporting period, the Company shall reassess the unrecognised deferred tax assets.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

d. Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

e. Financial Instruments

Recognition and initial measurement

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

Financial instruments are initially measured at fair value plus transaction costs that are directly attributable to their acquisition or issue, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

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

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

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

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

For the purpose of consolidated financial statements, the Group does not designate any interests in subsidiaries, associates or jointly controlled entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

For the purpose of the parent entity's separate financial statements, investments in subsidiaries, jointly controlled entities and associates are accounted for at cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(i) *Financial assets at fair value through profit or loss*

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

(ii) *Loans and receivables*

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

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest method less any impairment.

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are not expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Derecognition

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

f. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

g. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the Group is measured using the currency of its primary economic environment in which it operates. The financial statements are presented in Australian dollars.

Transactions and balances

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

h. Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

j. Basic Earnings per Share

(i) Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

l. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

m. Critical Accounting Estimates and Judgments

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

n. Newly Applicable Standards Applicable at Reporting Date

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

Amendments to AASB 7 Financial Instruments: Disclosure	The amendments (part of AASB 2012-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project) clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans.
Amendments to AASB 101 Presentation of Financial Statements	The amendments (part of AASB 2012-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project) clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
Amendments to AASB 107 Statement of Cash Flows	The amendments (part of AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project) specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Consequently, cash flows in respect of development costs that do not meet the criteria in AASB 138 Intangible Assets for capitalisation as part of an internally generated intangible asset (and, therefore, are recognised in profit or loss as incurred) have been reclassified from investing to operating activities in the statement of cash flows.

o. Standards and Interpretations in issue not yet adopted

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

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 124 Related Party Disclosures (revised December 2009), AASB 2009-12 Amendments to Australian Accounting Standards	1 January 2013	30 June 2012
AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2012)	1 January 2013	30 June 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

NOTE 2: CONSULTING EXPENSES

	1 June 2012 to 30 June 2013 $
Financial Advisory Fees	269,400
Consulting Fees	179,763
Total consulting expenses:	449,163

NOTE 3: OTHER EXPENSE

	1 June 2012 to 30 June 2013 $
Registrations	1,482
Filing Fee	230
Miscellaneous expenses	616
Bank charges	150
Advertising	900
Office supplies	20,004
Postage	186
Printing	121
Website design	383
Telephone	2,475
Airfares and accommodation – overseas	42,836
Airfares and accommodation – domestic	14,360
Meals	5,333
Travel, parking, tolls	11,283
Assets written off	1,267
Total other expenses:	101,626

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

NOTE 4: OTHER INCOME

	1 June 2012 to 30 June 2013 $
Interest income	14,296
Foreign exchange gain	12,030
Total other income:	26,326

NOTE 5: EARNINGS PER SHARE

Reconciliation of earnings:	
Loss	(531,679)
	No.
Weighted average number of ordinary shares outstanding during the year used in calculating EPS	179,300,000
	$
Basic EPS	(0.003)
Diluted EPS	(0.003)

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand	100
Cash at bank	420,697
Total cash at bank:	420,797

NOTE 7: TRADE AND OTHER PAYABLES

Trade Creditors	86,526
Shares application monies	56,500
Total trade and other payables :	143,026

NOTE 8: ISSUED CAPITAL

(a) Issued capital ($)

Ordinary Shares Fully Paid on Incorporation	701,765
At reporting date	701,765

(b) Number of issued ordinary shares

Shares allotted	
Shares resulting from share division	176,501,765
Shares issued	2,800,000
At reporting date	179,301,765

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(c) Terms and condition of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares and amounts paid up on shares held.

In accordance with the Constitution and subject to any rights or restrictions for the time being attached to any class or classes of shares, every member present or by proxy or attorney, in the case of a body corporate, by a representative duly authorised in writing under the seal of that body corporate, shall on a show of hands have one vote and upon a poll shall have one vote for each fully paid share held.

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

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.

NOTE 9: ACCUMULATED LOSSES

Balance at the beginning of the period	-
(Loss) attributable to members of the company	(531,679)
Accumulated (losses) at the end of the period	(531,679)

NOTE 10: CASH FLOW INFORMATION

a. **Reconciliation of Cash Flow from Operations with (loss) for the period**

(Loss) for the period	(531,679)
Movements in working capital:	
- increase in receivables	(28,239)
- increase in trade payables and accruals	86,526
- increase in deposits	56,500
Cash flow (used in) operations	(416,892)

b. **Reconciliation of Cash:**

Cash on hand	100
Cash at bank – NAB cheque account	8
Cash at bank – NAB cash maximiser account	420,672
Cash at bank – NAB share trust account	17
Cash and cash equivalents	420,797

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

NOTE 11: KEY MANAGEMENT PERSONNEL COMPENSATION

Details of specified directors and specified executives

Stephen Wee
Lisa Fu
David Sutton

NOTE 12: CONTROLLED ENTITIES

Subsidiary	Country of Incorporation	Date Acquired	Percentage Owned (%)
Lignite Energy Pty Ltd	Australia	15/06/2012	100
Lignite Development Pty Ltd	Australia	13/05/2013	100

NOTE 13: FINANCIAL INSTRUMENTS

Interest Rate Risk

The company is not exposed directly to interest rate risk, not having any financing at 30 June 2013.

Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

NOTE 14: POST BALANCE DATE EVENTS

Apart from the matters discussed above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 15: COMPANY DETAILS

Corporate Information

Coal Energy Australia Limited is a company limited by shares that is incorporated and domiciled in Australia.

The ***registered office*** is:

Level 10, 32 Martin Place
Sydney, NSW, 2090

The ***principal place of business*** is:

Level 10, 32 Martin Place
Sydney, NSW, 2090

DIRECTORS' DECLARATION

The directors declare that:

(a) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001,* including compliance with accounting standards and giving a true and fair view of the financial position and performance of the entity;

(b) 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;

(c) In the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors

Director ______________________

Stephen Wee

Dated this 17th day of MARCH 2014.

Sydney NSW

Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001
To the directors of Coal Energy Australia Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial statements of Coal Energy Australia Ltd for the financial period ended 30 June 2013 there have been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit and

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

V. Lakis

Victoria Lakis
Registered Company Auditor

Sydney

Dated 19th March 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the financial report

I have audited the accompanying financial report of Coal Energy Australia Ltd and its Controlled Entities, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 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 period as set out on pages 6 to 23.

Directors' responsibility for the financial report

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

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Accounting 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 controls relevant to the entity's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT.)

Independence

In conducting my audit, I 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 Coal Energy Australia Limited, would be the same terms if provided to the directors as at the same time of this auditor's report.

Auditor's opinion

In my opinion,

a) the financial report of Coal Energy Australia Ltd and its Controlled Entities is in accordance with the Corporations Act 2001, including:
   (i) giving a true and fair view of the company's and 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 (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and

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

V. Ld

Victoria Lakis
Registered Company Auditor

Sydney

Dated 19th March 2014