

GREENPOWER ENERGY LIMITED

[ABN 22 000 002 111]

116th ANNUAL REPORT

2015

GREENPOWER ENERGY LIMITED

GREENPOWER'S STRATEGIC INTENT

Greenpower's strategic intent is to become a significant Australian producer of energy and chemicals from environmentally friendly low emission coal liquefaction.

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 provided through 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:	PRINCIPAL PLACE OF BUSINESS
Alan Flavelle (Chairman) Gerard King (Executive) Ronald McCullough (Non-Executive) Takanao (Tony) Mitsui (Non-Executive)	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@greenpower.com.au	William Buck Audit (WA) Pty Ltd Level 3, 15 Labouchere Road South Perth WA 6151 Australia Phone: +61 8 6436 2888
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BANKERS	SOLICITORS:
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GREENPOWER ENERGY LIMITED

2015 REPORT FROM THE BOARD

MANAGEMENT

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

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, two engineers, a fuel 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 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.

Greenpower has, since 2008, as its mission to become a producer of environmentally friendly energy and chemicals, principally by applying environmentally neutral coal liquefaction technology to lignite coal.

PRINCIPAL ACTIVITIES

COAL TO LIQUIDS:

In the year under review we have consolidated our position in the coal conversion space. Extending back five years we have accumulated considerable experience in evaluating coal conversion technologies-of all sorts. Many of the technologies convert coal to "synthetic hydrocarbons" but at considerable cost to the environment. Most of these processes require additional hydrogen as an input.

We have given serious attention to five processes all currently under development—all in North America. Four of the processes are classified as DCTL [direct coal to liquids]. The fifth does not fit into the "direct" or "indirect" category and for the year under review this process has received most of our attention. This process is called OHD [Oxidative Hydrothermal Dissolution]. Basically OHD, under controlled conditions and with the addition of oxygen oxidises the coal. The process breaks down the material to form an aggregate of water soluble, low molecular weight organic compounds. [see Figure1]

For VBC [Victorian Brown Coal] the process completely uses the carbonaceous material—on a DAF [Dry, Ash-Free] basis the yield is 106%. [the "extra" percentage comes from the added oxygen].

Our development partner has constructed an engineering scale processing system [Figure2] which has a nominal capacity of 10kg/hr. This system comprises a process unit, reverse osmosis units, an esterification system and a vacuum distillation unit. This system works well and can routinely convert VBC into chemicals and now forms the basis for the design of a pilot plant [PP].

Conceptual design work for a 20 tonne/day PP is underway. The work, funded by GPP, is being carried out by Thermaquatica and Impact Technology Development. The PP will comprise:

- A] Automated input systems for VBC slurry and oxygen.
- B] A processing unit which will perform the same function as the PDU but at larger scale.
- C] Reverse Osmosis [RO] units to strip out most of the water from the OHD liquor.
- D] Selective distillation units for product isolation.
- E] The initial separation process will focus on separating out chemicals 6&10 and 14&17 [See figure 3] which are precursor chemicals for making degradable plastic.
- F] The remaining chemicals will be subjected to an esterification process to enable production of fuels.

Much of the above is a “work in progress” and is maturing into coherent knowledge areas.

OHD is in our view superior on a number of counts to any of the “next gen” processes which have been evaluated by us.

- 1] Conversion of carbon is complete and very little CO/CO₂ is produced.
- 2] The resultant liquor is benign and in fact we have under way at Monash University a programme which will develop ways of using the OHD liquor as an agricultural biostimulant. This work is being supported by a commonwealth government research grant.
- 3] Pre-processing moisture reduction is not necessary and for VBC this is a big operational plus.

We continue to monitor development progress for two other Greenfield conversion processes.

[For the statistically minded all five of the identified “promising processes” originate from basic research carried out in the United States].

Figure 1

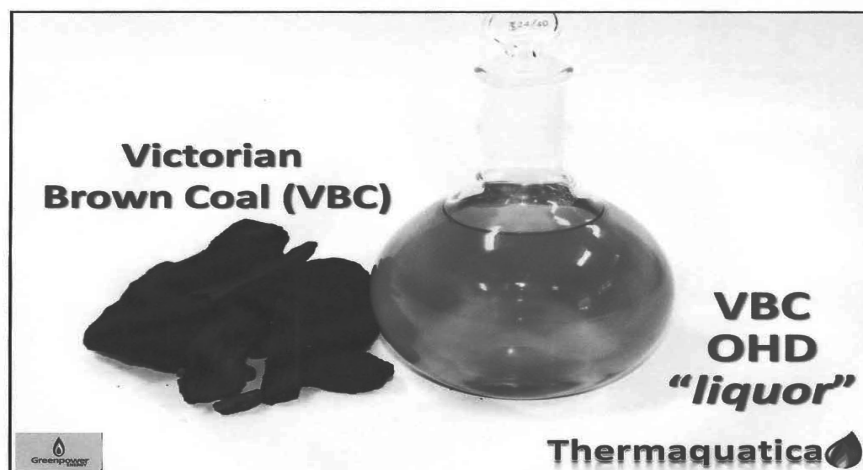
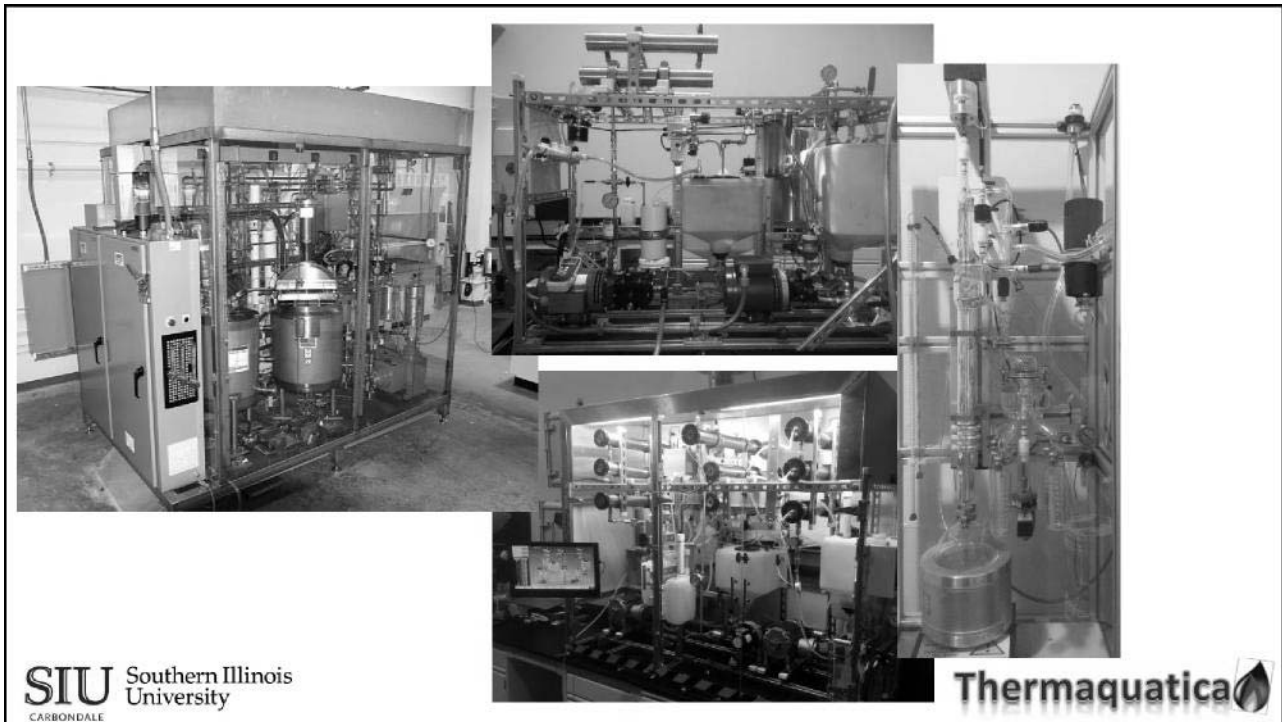


Figure 2



EP447

In the year under review and as announced by us on 2 June 2015 we completed the sale of our 50% interest in EP447 having received the full cash consideration of \$850,000 plus retained in a 1.5% production royalty interest.

Latrobe Valley Victoria Resources

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 outside parties. A second basin located to the west of this is covered entirely by EL5227.

The tenements have the potential to integrate and support the potential Coal to Liquids technology the Group is co-developing.

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Annual Report

For the Year Ended 30 June 2015

Greenpower Energy Limited

ABN 22 000 002 111

For the Year Ended 30 June 2015

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Greenpower Energy Limited

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Directors' Report

30 June 2015

Your directors present their report on the Company and its controlled entities for the financial year ended 30 June 2015.

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

Nil

Greenpower Energy Limited

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Directors' Report

30 June 2015

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

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Directors' Report

30 June 2015

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.

Other current directorships in listed entities

Nil

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Directors' Report

30 June 2015

Information on directors continued

Takanao 'Tony' 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.

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

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Directors' Report

30 June 2015

Principal Activities continued

Principal Activities

The principal activities of the Group during the financial year related principally to the development of its Coal to Liquid project while maintaining core exploration licences with the potential to supply feedstock and integrate with the Coal to Liquid project.

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

Victoria:

- The group continues to hold 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 each of which have the potential to provide feedstock to the Group's coal to liquid projects.
- Continued the progression of its objective to develop its Coal to Liquid process which converts 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.
- In November 2013 Greenpower signed an agreement with US-Thermaquatica Inc., to jointly test and develop the Oxidative Hydrothermal Dissolution (OHD) process for the conversion of coals to liquids. The arrangement allows Greenpower to receive an exclusive license to develop and apply the OHD process on a commercial scale within Australia and New Zealand in exchange for contributing USD \$2m towards research on extraction of the products from the OHD liquid. OHD is a novel and environmentally friendly technology for the conversion of coal and other solid organic material into low molecular weight, water soluble products. Many of the initial products are potentially useful for producing polymers as well as other hydrocarbon based products. The process works by taking the initial macromolecular solid material such as coal and causing a reaction with small amounts of oxygen in high temperature, high pressure water. Testing of samples of Victorian Brown Coal shipped to Thermaquatica's laboratory has continued during the year and the Company has made contracted payments of \$USD 276,000 (2014: \$US1,050,000) to Thermaquatica towards their research and development programme including the acquisition of capital equipment for output testing.
- Greenpower has been developing potential markets for the output which have significant potential. Subsequent to the year-end Monash University is commencing a test program researching the benefits of some of the output for agricultural purposes which is an exciting development and jointly funded by a Commonwealth Research Grant of \$50,000.
- Greenpower is monetarising the technology and working towards the funding of a pilot plant in Victoria which is being designed by US specialists, a number of funding models are being investigated.

South Australia:

- PEL 145, PELA 146 - The South Australian areas have now been surrendered as they did not fit the Company's present business intentions.

Western Australia:

- On 2 June 2015 Greenpower was pleased to announce the completed sale of Greenpower's wholly owned subsidiary GCC Methane Pty Ltd (GCCM) which held EP 447 for \$850,000 and a 1.5% well head royalty agreement.

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Directors' Report

30 June 2015

Corporate:

- Greenpower is focused on reviewing a number of funding opportunities and ensuring corporate costs are not excessive.
- The disposal of GCCM supported the Group's principle activities and provided ongoing funding for the OHD project in Australia and the USA.
- Greenpower received a Research and Development refund on its project expenditures for 2014 and has an application pending to include its research and development in the USA for future claims.
- Gerard King, managing Director has continued to support the Group with a loan of \$420,000 as at 30 June 2015.

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

Coal Resources

The Group recognizes the following coal resources in its tenement areas. There have been no material changes in the resources from those reported in 2014, and no changes in the resource classification during the period.

Table 1

Coal Resources						
Tenement	Resource	Tonnes Mt	Ash %	MHC %	Volatile Matter	SE Mj/Kg
EL 4500	Inferred	306	7.5	63.5	49.4	23.0
EL 4877	Inferred	131	5.0	63.0	50.1	23.7
EL5227	Inferred	136	12.2	63.3	42.7	21.2

Notes to Table 1

The estimates of coal reserves and resources were prepared by Resolve Geo Pty Ltd and have been reviewed by Mr Keith Whitehouse of Australian Exploration Field Services. Mr Whitehouse is principal of Australian Exploration Field Services and has over 25 years of experience in the measurement and estimation of mineral resources and is a qualified person as defined under the ASX listing rule 5.22.

The Resource on EL 4500 was reported to the exchange on 30 January 2012 and was prepared by Neil Biggs of Resolve Geo Pty Ltd and complied with JORC 2004 edition. There has been no material change in the resource since it was first reported.

The Resource on EL 4877 was reported to the exchange on 14 August 2012 and was subsequently updated on 6 December 2012 to reflect an increase in tonnage as the result of further drilling. There was no alteration in the coal quality parameters. The original resource statement and the update was prepared by Neil Biggs of Resolve Geo Pty Ltd and complied with JORC 2004 edition. There has been no material change in the resource since it was updated in 2012.

The Resource on EL 5227 was reported to the exchange on 16 April 2012 and was prepared by Neil Biggs of Resolve Geo Pty Ltd and complied with JORC 2004 edition. There has been no material change in the resource since it was first reported.

The coal quality parameters Ash, Volatile Matter and Specific Energy are reported on a dried basis, Moisture (MHC) is reported on an as received basis. All quality parameters are considered to be correct within the context of the Brown Coal industry.

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Directors' Report

30 June 2015

Competent Person Statement

The information in this report that relates to Inferred Resources is based on information compiled by Keith Whitehouse who is a Member of The Australasian Institute of Mining and Metallurgy and a Chartered Professional (Geology). Mr. Whitehouse has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Whitehouse consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Governance Arrangements

Greenpower Energy seeks to ensure the reporting of Mineral Resources and Ore Reserves is in accordance with Industry best practice and Listing Rules. All current Mineral Resources and Ore Reserves have been compiled by independent consultants recognised for their expertise in the estimation of coal resources and reserves. The Estimates have been reviewed by an independent consultant considered to be a Competent Person under the JORC Code 2012 to ensure that the resource reports comply with the listing rules.

Matter Subsequent to the end of the Financial Year

Subsequent to the year end of the Group:

No 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 (2014: Nil).

Auditors Independence Declaration

The lead auditors' independence declaration for the year ended 30 June 2015 has been received and can be found on page 14 of the financial report. The auditor William Buck 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 2014 to 30 June 2015 the directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

Dividends Paid or Declared

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

Greenpower Energy Limited

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Directors' Report

30 June 2015

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.

Dividends Paid or Declared

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

Business Review

Operating Results

The loss after providing for income tax amounted to \$701,717 (2014: \$1,726,517). The 2015 loss included reduced commitments on the OHD Coal to Liquid ('CTL') project where the Group's policy is to expense exploration and initial expenditures. Administration costs were consistent with the prior year and would not be anticipated to increase in 2016. The significant expenditures during the year were the license payments on the OHD CTL project \$349,432 (2014: \$1,137,567) 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 specifically to identify potential markets and working towards completion of feasibility studies to enable the Group to consider a pilot plant in Victoria. The Group has engaged specialists to provide independent guidance as to the strengths of the CTL processes and technology. During the year the disposal of GCCM resulted in a gross payment to Greenpower of \$850,000 which will be utilised for ongoing development of the OHD process. The Directors are committed to carefully utilising current resources, reviewing potentially markets for output, partners and other funding initiatives.

Meetings of Directors

During the financial year, 9 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	9	9
Mr Gerard King	9	9
Mr Ronald McCullough	9	9
Mr Takanao Mitsui	9	9

Greenpower Energy Limited

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Directors' Report

30 June 2015

Remuneration Report (AUDITED)

The key management personnel of the Group consisted of the following directors and other persons:

- Alan Flavelle - Executive Chairman
- Gerard King - Executive Director
- Ronald McCullough – Non-Executive Director
- Takanao Mitsui – Non-Executive Director
- Matthew Suttling – CFO/Company Secretary

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 the amount of remuneration for each Director and Executive.

Voting and Comments Made at the Company's 2014 Annual General Meeting

The Company received 91.23% of votes (after eliminating excluded votes) approving the 2014 remuneration report. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

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"). The ESOP is 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.

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.

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Directors' Report

30 June 2015

Details of Remuneration

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

2015	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	131,808	-	-	-	12,192	-	-	144,000
Gerard King	60,000	-	-	-	-	-	-	60,000
Ronald McCullough	-	-	-	-	-	-	-	-
Takanao Mitsui	-	-	-	-	-	-	-	-
Matthew Suttling	50,000	-	-	-	-	-	-	50,000
	241,808	-	-	-	12,192	-	-	254,000

2014	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	131,808	-	-	-	12,192	-	-	144,000
Gerard King	60,000	-	-	-	-	-	-	60,000
Ronald McCullough	-	-	-	-	-	-	-	-
Takanao Mitsui	-	-	-	-	-	-	-	-
John Watts #	57,273	-	-	-	-	-	-	57,273
Matthew Suttling	50,000	-	-	-	-	-	-	50,000
	299,081	-	-	-	12,192	-	-	311,273

John Watts resigned 31 March 2014

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		
Matthew Suttling	100	-

Greenpower Energy Limited

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Directors' Report

30 June 2015

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.
- The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5%, 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.

Other transactions with Key Management Personnel

During the year a Director Gerard King loaned the Group \$420,000 to meet its short term Coal to Liquid project commitments and working capital. The loan was made on commercial terms and unpaid at year end. Interest is payable by the Group currently at 5.75% being the underlying bank loan rate. The loan is repayable on demand.

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Directors' Report

30 June 2015

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 2015				
Directors				
Alan Flavelle	3,130,160	-	-	3,130,160
Gerard King	28,977,516	-	-	28,977,516
Ronald McCullough	2,487,741	-	-	2,487,741
Takanao Mitsui	120,000	-	-	120,000
Other KMP				
Matthew Suttling	83,910	-	-	83,910
	34,799,327	-	-	34,799,327

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 2015:

	2015	2014	2013	2012	2011
	\$	\$	\$	\$	\$
Revenue	31,042	21,982	396,073	181,053	244,963
Net loss before tax	(806,434)	(1,726,517)	(1,121,806)	(1,296,759)	(5,729,034)
Net loss after tax benefit	(701,717)	(1,726,517)	(1,212,490)	(1,516,481)	(5,433,629)
Share Price at end of year (cents)	1	2	1	4	7
Basic and diluted loss per share	(0.76)	(1.87)	(1.46)	(2.09)	(8.57)

Long Term Benefits and Termination Benefits

The Group's Employee Share and Option Plan aligns remuneration with at risk long term benefits. The Group has no long term benefits payable or termination benefits due.

Additional statutory disclosures

This section sets out the additional disclosures required under the Corporations Act 2001.

Options

Share options do not carry any voting rights and can be exercised once granted until their expiry date. No options were granted or vested or exercised during the year.

End of Audited Remuneration Report

Greenpower Energy Limited

ABN 22 000 002 111

Directors' Report

30 June 2015

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:

	Opening Balance	On exercise of options	Expired	Closing Balance
Matthew Suttling	300,000	-	150,000	150,000
John Watts	200,000	-	100,000	100,000
Stephen Menzies	200,000	-	-	200,000
	700,000	-	250,000	450,000

No Options were issued during the year, 250,000 options expired in August 2015. No options have been granted to the directors or KMP since the end of the financial year. 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.

Auditors' Independence Declaration

The lead auditors' independence declaration for the year ended 30 June 2015 has been received and can be found on page 14 of the financial report.

Directors' declaration regarding IFRS compliance statement

The Directors' declare that these annual financial statements have been prepared in compliance with International Financial Reporting Standards.


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:

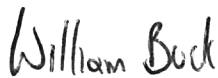
Gerard King

Dated this 18th day of September 2015

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GREENPOWER ENERGY LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2015 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124



Conley Manifis
Director

Dated this 18th day of September, 2015

**CHARTERED ACCOUNTANTS
& ADVISORS**

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South Perth WA 6151

PO Box 748
South Perth WA 6951

Telephone: +61 8 6436 2888

williambuck.com

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Income Statement

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Other income	4	22,124	8,402
Interest revenue		8,918	13,580
Occupancy costs		(12,210)	(12,000)
Administrative costs		(405,173)	(403,286)
Exploration and Tenement costs		(407,765)	(1,326,010)
Finance costs		(11,190)	(4,141)
Depreciation and amortisation		(1,138)	(3,062)
Profit (loss) before income tax		(806,434)	(1,726,517)
Income tax (expense)/benefit	5	104,717	-
Loss after income tax		(701,717)	(1,726,517)
Loss attributable to owners of Greenpower Energy Limited		(701,717)	(1,726,517)

Loss per share:

Basic earnings per share (cents)	6	(0.76)	(1.87)
Diluted earnings per share (cents)	6	(0.76)	(1.87)

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 2015

	2015	2014
	\$	\$
Net loss for the year	(701,717)	(1,726,517)
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Net (loss)/gain on revaluation of financial assets	(296,075)	670,904
Other comprehensive income for the year, net of tax	(296,075)	670,904
Total comprehensive loss for the year	(977,792)	(1,055,613)
Total comprehensive loss attributable to:		
Owners of Greenpower Energy Limited	(977,792)	(1,055,613)
	(977,792)	(1,055,613)

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 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	864,780	384,063
Trade and other receivables	8	118,314	41,594
Non-current assets held for sale	9	-	800,000
TOTAL CURRENT ASSETS		983,094	1,225,657
NON-CURRENT ASSETS			
Available for sale assets	10	321,322	617,397
Property, plant and equipment	11	1,731	2,056
Intangible assets	12	136	949
Exploration and evaluation assets	14	1,324,439	1,325,477
TOTAL NON-CURRENT ASSETS		1,647,628	1,945,879
TOTAL ASSETS		2,630,722	3,171,536
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	545,355	88,377
TOTAL CURRENT LIABILITIES		545,355	88,377
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		545,355	88,377
NET ASSETS		2,085,367	3,083,159
EQUITY			
Contributed equity	16	63,398,286	63,398,286
Reserves	17	10,967,222	11,263,297
Accumulated losses	18	(72,280,141)	(71,578,424)
TOTAL EQUITY		2,085,367	3,083,159

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

Greenpower Energy Limited

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Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

	Contributed Equity \$	Accumulated Losses \$	Capital Profits Reserve \$	Option Reserve \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2014	63,398,286	(71,578,424)	10,314,793	277,600	670,904	3,083,159
Loss for the year	-	(701,717)	-	-	-	(701,717)
Revaluation	-	-	-	-	(296,075)	(296,075)
Total comprehensive income for the year	-	(701,717)	-	-	(296,075)	(997,792)
Balance at 30 June 2015	63,398,286	(72,280,141)	10,314,793	277,600	374,829	2,085,367

2014

	Contributed Equity \$	Accumulated Losses \$	Capital Profits Reserve \$	Option Reserve \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2013	63,398,286	(69,851,907)	10,314,793	277,600	-	4,138,772
Loss for the year	-	(1,726,517)	-	-	-	(1,726,517)
Revaluation	-	-	-	-	670,904	670,904
Total comprehensive income for the year	-	(1,726,517)	-	-	670,904	(1,055,613)
Balance at 30 June 2014	63,398,286	(71,578,424)	10,314,793	277,600	670,904	3,083,159

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

Greenpower Energy Limited

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Consolidated Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Payments to suppliers and employees		(796,078)	(1,826,701)
Interest received		8,730	13,580
Finance costs		(1,935)	(4,141)
Net cash provided by (used in) operating activities	19(a)	(789,283)	(1,817,262)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from disposal of investments		850,000	-
Proceeds from return of capital on available for sale assets		-	1,353,275
Net cash used by investing activities		850,000	1,353,275
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loan proceeds from related parties	21(d)	420,000	-
Net cash used by financing activities		420,000	-
Net increase (decrease) in cash and cash equivalents held		480,717	(463,987)
Cash and cash equivalents at beginning of year		384,063	848,050
Cash and cash equivalents at end of financial year	7	864,780	384,063

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

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

1 Corporate Information

The financial report of Greenpower Energy Limited for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on 18 September 2015 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 Securities 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*.

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.

(b) Principles of Consolidation

Subsidiaries

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Subsidiaries are accounted for in the Parent entity financial statements at cost. A list of subsidiary entities is contained in Note 13 to the financial statements. All subsidiaries entities have a 30 June financial year end.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(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.

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.

(e) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable 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.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(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.

(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.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(i) Intangibles

Intangible assets being website development is 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.

(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 an overall level whenever facts and circumstances suggest that the carrying amount of the assets may exceed recoverable amount. An impairment exists when the carrying amount of the assets exceed the estimated recoverable amount. The assets are then written down to their recoverable amount. Any impairment losses are recognised in the income statement.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(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.

After initial recognition, available-for-sale investments are measured at fair value. Gains or losses are recognised in other comprehensive income and presented as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in profit or loss.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

(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.

(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.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(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.

(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 Statement of Cash Flows 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.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(r) Comparative Figures

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

(s) New Accounting Standards for Application in Future Periods

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015. As a result of this review the Group have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group's accounting policies.

(t) New and Amended Accounting Policies Adopted by the Group

The Group has adopted all of the new and revised pronouncements which became mandatory for annual reporting periods beginning on or after 1 July 2014. In adopting these new and revised pronouncements, the Group has determined that there has been no material impact on the Group's reported position or performance.

(u) Going Concern

For the year ended 30 June 2015 the group recorded a consolidated loss of \$701,717 (2014: \$1,726,517) and at that date the net operating cash out flows were \$789,283. The company had net current assets of \$437,739.

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, however notwithstanding this the accounts have been prepared on a going concern basis.

The directors have assessed the Group's operating and research costs along with future commitments for tenement exploration costs in order to establish the future funding requirements for the Group. As at 30 June 2015 the group has cash of \$864,780 as well as shares held in an ASX listed entity with a value of \$321,322. The group anticipates that the ongoing support of related parties is sufficient to satisfy its obligations. To this end, and as disclosed in Note 15 and 21(d), an amount of \$420,000 owing to Gerard King (Director) will not be called on for repayment for a period of at least 12 months from the date of this report unless the group has the ability to make such a repayment. A further loan facility of \$30,000 on the same terms remains available to the Group and is undrawn at the date of this report.

The Group see significant potential in the ongoing development of its Coal to Liquid project particularly when combined with the Groups' Victorian exploration tenements inferred resources available for feedstock of the Coal to Liquid project. In the event that the above mentioned strategies cannot be implemented successfully then the going concern basis of accounting may not be appropriate with the result that the group may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from that stated in the financial report.

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

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(v) 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.

The probably of future profit and utilisation of income tax losses will be reliant on the successful development of the group's intellectual property.

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 \$1,324,439.

Key judgments - available-for-sale investments

The Group maintains a portfolio of securities with a carrying value of \$321,322 at the end of the reporting period. Certain individual investments have declined in value and impairment adjustments have been brought to account against the financial assets reserve.

3 Auditors' Remuneration

	2015	2014
	\$	\$
Remuneration of the auditor of the parent entity for:		
- Audit or review - BDO (Audit) WA Pty Ltd	-	35,800
- Audit or review - William Buck Audit (WA) Pty Ltd	24,050	-
<hr/>		
- Total remuneration for audit services	24,050	35,800

4 Other Income

	2015	2014
	\$	\$
- Gain on disposal of available for sale investments	30,526	-
- Grants received	-	8,402
<hr/>		
	30,526	8,402

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

5 Income Tax Expense

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

	2015	2014
	\$	\$
Deferred tax expense		
Other deferred tax	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

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

	2015	2014
	\$	\$
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2014: 30%)		
- the Group	<u>(210,515)</u>	(517,955)
	<u>(210,515)</u>	(517,955)
Add/Less tax effect of:		
- losses not brought to account	210,515	517,955
- Research & development refund received	<u>104,717</u>	-
Income tax attributable to parent entity	<u>104,717</u>	-

(c) Unrecognised temporary differences

	2015	2014
	\$	\$
Deferred Tax Assets (at 30%)	<u>15,859</u>	19,436
Losses not brought to account	<u>1,329,756</u>	1,260,154

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

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

6 Earnings per Share

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

	2015	2014
	\$	\$
Loss	701,717	1,726,517
Loss used to calculate basic and diluted EPS	701,717	1,726,517

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

	2015	2014
Weighted average number of ordinary shares outstanding during the year number used in calculating basic EPS and dilutive EPS	92,465,787	92,465,787
	92,465,787	92,465,787

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Parent Company as the numerator (ie no adjustments to profit were necessary in 2015 or 2014).

The weighted average number of ordinary shares has been utilised in the calculation of basic and diluted earnings per share.

7 Cash and Cash Equivalents

	Note	2015	2014
		\$	\$
Cash at bank		715,660	223,760
Short-term bank deposits	7(a)	149,120	160,303
		864,780	384,063

Reconciliation of Cash

	2015	2014
	\$	\$
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	864,780	384,063
	864,780	384,063

The effective interest rate on short-term bank deposits was 2.4% (2014: 2.3%); these deposits are at call.

(a) Short term deposit

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

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

8 Trade and Other Receivables

	Note	2015 \$	2014 \$
CURRENT			
Other receivables	8(a)	118,315	41,594
		118,315	41,594

(a) Other Receivables

Other receivables represent receivables due from the Australian Taxation Office and other amounts which are not impaired and will be receivable.

9 Non-Current Assets – Held for Sale

	Note	2015 \$	2014 \$
CURRENT			
Exploration permits	9(a)	-	800,000
		-	800,000

(a) Exploration permits

The settlement on the sale of its interest in EP 447 was completed in June 2015.

10 Available-for-Sale Financial Assets

Available-for-Sale Financial Assets Comprise:

	2015 \$	2014 \$
Listed investments		
shares in listed corporations	321,322	617,397
Total available for sale assets at fair value	321,322	617,397

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.

Fair Value

Listed investments have been valued at the quoted market bid price at the end of the reporting period.

At 30 June 2015 and 30 June 2014, the aggregate fair values and carrying amounts of financial assets and financial liabilities approximate their carrying amounts.

Available-for-sale financial instruments are recognised in the statement of financial position of the Group according to the hierarchy stipulated in AASB 13.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

10 Available-for-Sale Financial Assets continued

	2015 \$	2014 \$
Available-for-sale financial assets		
ASX Listed equity shares – Level 1	321,322	617,397
	321,322	617,397

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

	2015 \$	2014 \$
Opening Balance	617,397	1,299,767
Return of capital	-	(1,343,274)
Net (loss)/gain on revaluation of financial assets	(296,075)	670,904
	321,322	617,397

11 Property, Plant and Equipment

	2015 \$	2014 \$
PLANT AND EQUIPMENT		
Office equipment		
At cost	5,796	5,796
Accumulated depreciation	(4,065)	(3,740)
Total office equipment	1,731	2,056
Total plant and equipment	1,731	2,056
Total property, plant and equipment	1,731	2,056

(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 2015	
Balance at the beginning of year	2,056
Additions	-
Depreciation expense	(325)
Balance at 30 June 2015	1,731
Balance at 30 June 2014	
Balance at the beginning of year	3,103
Additions	-
Depreciation expense	(1,047)
Balance at 30 June 2014	2,056

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

12 Intangible Assets

	Note	2015 \$	2014 \$
Other intangible assets			
Cost	12(b)	13,249	13,249
Accumulated amortisation and impairment		(12,114)	(12,300)
Net carrying value		136	949
Total Intangibles		136	949

(a) Movements in Carrying Amounts

	Other intangible assets - Website \$
Year ended 30 June 2015	
Opening balance	949
Additions	-
Amortisation	(813)
Closing value at 30 June 2015	136
Year ended 30 June 2014	
Opening balance	2,963
Additions	-
Amortisation	(2,014)
Closing value at 30 June 2014	949

(b) Intangible Assets

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

13 Controlled Entities

	Principal Activity	Country of incorporation	Percentage Owned 2015	Percentage Owned 2014
Subsidiaries of parent entity:				
GCC Asset Holdings Pty Ltd	Investment	Australia	100	100
GCC Methane Pty Ltd	Disposed	Australia	-	100
Greenpower Natural Gas Pty Ltd	Coal Exploration VIC	Australia	100	100
Sawells Pty Ltd	Coal Exploration VIC	Australia	100	100
Chimney Springs Pty Ltd	Non trading	Australia	100	100
Greenpower Latrobe CTL Pty Ltd	Non trading	Australia	100	100

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

14 Exploration and Evaluation Assets

	Note	2015 \$	2014 \$
NON-CURRENT			
Exploration permits		1,324,439	1,325,477

Movements in Other Assets

	Exploration permits \$	Total \$
Year ended 30 June 2015		
Opening balance	1,325,477	2,125,477
Transfer to held for sale	-	-
Impairment of Tenements	(1,038)	-
Balance at 30 June 2015	1,324,439	2,125,477
Year ended 30 June 2014		
Opening balance	2,125,477	2,125,477
Transfer to held for sale	9 (800,000)	-
Impairment of Tenements	-	-
Balance at 30 June 2014	1,325,477	2,125,477

Exploration permits

Current permits as at 30 June 2015:
- Victoria - EL4500, EL 4877 and EL 5227

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

The Group determined that the South Australian areas SAP145 and SAPELA 146 did not fit the Company's business intentions and were relinquished during the period. The Group's interest in the Western Australian EP 447 was disposed for \$850,000 plus a well head royalty in June 2015.

15 Trade and Other Payables

		2015 \$	2014 \$
CURRENT			
Trade payables		35,284	45,029
Other payables		90,071	43,348
Related party loans	21(d)	420,000	-
		545,355	88,377

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

16 Issued Capital

	2015	2014
	\$	\$
92,465,787 (2014: 92,465,787) Ordinary Shares	63,398,286	63,398,286
	63,398,286	63,398,286

The Company has no authorised share capital or par value in respect of its issued shares.

Movements in ordinary share capital

	No. of shares	\$
Year ended 30 June 2015		
At the beginning of year	92,465,787	63,398,286
Shares issued during the year	-	-
Cost of listing shares	-	-
Balance at 30 June 2015	92,465,787	63,398,286
Year ended 30 June 2014		
At the beginning of year	92,465,787	63,398,286
Shares issued during the year	-	-
Cost of listing shares	-	-
Balance at 30 June 2014	92,465,787	63,398,286

Ordinary shares participate in dividends and the proceeds on winding up of the parent 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.

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.

During 2015, the Group's strategy, which was unchanged from 2014, was to maintain minimum borrowings outside of trade and other payables. During the year a loan on commercial terms from a Director was received.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

16 Issued Capital continued

	2015 \$	2014 \$
Total payables	545,355	88,377
Less: cash and cash equivalents	(864,780)	(384,063)
Net debt	(319,425)	(295,686)
Total equity	2,085,367	3,083,160
Total capital	1,765,942	2,787,474

17 Reserves

	2015 \$	2014 \$
Capital Realisation Reserve	10,314,793	10,314,793
Share Based Payments Reserve	277,600	277,600
Available For Sale Asset Reserve	374,829	670,904
	10,967,222	11,263,297

	2015 \$	2014 \$
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	670,904	-
Fair value adjustment	(296,075)	670,904
Income statement	-	-
Deferred tax in income statement	-	-
Deferred tax in statement of financial position	-	-
	374,829	670,904
Total reserves	10,967,222	11,263,297

Capital Realisation Reserve

The capital realisation reserve records revaluation of capital.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

17 Reserves continued

Share Based Payments Reserve

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

Share options are issued for nil consideration. The exercise price of the share options is determined by the Directors in their absolute discretion and set out in the Offer provided that the exercise price is not less than the average Market Price on ASX on the five trading days prior to the day the Directors resolve to grant the Options. Any options that are not exercised by fifth anniversary of their grant date will lapse. Upon exercise, these options will be settled in ordinary fully paid shares of the Company. The Options can be exercised in whole or part at any time up to and including the Expiry Date by lodging and Option Exercise Notice accompanied by the payment of the exercise Price.

Summary of options granted under the Long Term Incentive Plan

The following table illustrates the number and the weighted average exercise price (WAEP) of and movements in shares options under the long term incentive plan:

	2015 Number	2015 WAEP	2014 Number	2014 WAEP
Outstanding at the beginning of the year	700,000	0.05	700,000	.05
Granted during the year	-	-	-	-
Vested during the year	-	-	-	-
Lapsed/cancelled during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding at the year end	700,000	.05	700,000	.05
Exercisable at the year end	700,000	.05	700,000	.05

Weighted average remaining contractual life of share options

The weighted average remaining contractual life for the share options outstanding as at 30 June 2015 is 0.68 years (2014: 1.68 years).

Range of exercise price of share options

The exercise price for options outstanding at the end of the year is .05 to .051 (2014: .05 to .051) cents.

Weighted average fair value of share options

The weighted average fair value of options granted during the year is nil (2014: Nil).

Share option valuation

The fair value of the equity-settled share options granted under the LTIP is estimated at the date of grant using a Black Scholes model, which takes into account factors including the options exercise price, the volatility of the underlying share price, the risk-free interest rate, the market price of the underlying shares at grant date, historical and expected dividends and the expected life of the option.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

17 Reserves continued

Available For Sale Asset Reserve

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

18 Accumulated Losses

	2015	2014
	\$	\$
Accumulated losses		
Opening balance	(71,578,424)	(69,851,907)
Net loss for the period	(1,008,459)	(1,726,517)
Total	(72,586,883)	(71,578,424)

19 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax

	2015	2014
	\$	\$
Net loss for the year	(701,717)	(1,726,517)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss		
Amortisation	813	2,014
Depreciation	325	1,047
Loss on impairment of tenement	1,038	-
Income tax benefit	(104,727)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Decrease/(Increase) in receivables	(21,990)	28,594
Increase/(Decrease) in trade payables and accruals	36,975	(122,400)
Increase/(Decrease) in deferred taxes	-	-
Net cash (outflow) from operating activities	(789,283)	(1,817,262)

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

20 Capital Commitments

Capital Expenditure Commitments

	2015	2014
	\$	\$
Capital expenditure commitments contracted for:		
Exploration Permits	163,950	474,250
Coal to Liquids	769,333	901,379
	933,283	1,375,629
Payable:		
- not later than 12 months	820,933	1,211,679
- between 12 months and 5 years	112,350	163,950
	933,283	1,375,629

21 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 13.

(c) **Compensation**

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2015	2014
	\$	\$
Short-term employee benefits	249,081	249,081
Post-employment benefits	12,192	12,192
Long-term benefits	-	-
Share-based payments	-	-
	261,273	261,273

(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.

During the year a Director Gerard King loaned the Group \$420,000 to meet its short term CTL and working capital commitments. The loan was made on commercial terms and outstanding as at 30 June 2015. The current interest rate payable by the Group on the loan is at 5.75% being the underlying bank loan rate.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

22 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 Group's fair values of financial instruments are categorised by the following levels:

- (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).

(c) Foreign Currency Risk

The group is exposed to fluctuations in foreign currencies with respect to its obligations under its agreement to fund the development of the Coal to Liquids technology in the USA. Refer note 20.

(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 AA- 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.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

22 Financial Risk Management continued

(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 months \$	6- 12 months \$	1- 5 years \$	> 5 years \$	Total \$
Year ended 30 June 2015							
Trade and other payables	545,355	545,355	125,355	420,000	-	-	545,355
	545,355	545,355	125,355	420,000	-	-	545,355
Year ended 30 June 2014							
Trade and other payables	88,377	88,377	88,377	-	-	-	88,377
	88,377	88,377	88,377	-	-	-	88,377

(f) 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.

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% 2015 \$	2014 \$	- 20% 2015 \$	2014 \$
Financial Assets	64,264	123,479	(64,264)	(123,479)
	64,264	123,479	(64,264)	(123,479)

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

22 Financial Risk Management continued

(g) 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
	2015	2014	2015	2014	2015	2014	2015	2014	
	%	%	\$	\$	\$	\$	\$	\$	
Financial Assets:									
Cash and cash equivalents	1.5	2.4	715,660	223,760	149,120	160,303	-	-	864,780
Receivables	-	-	-	-	-	-	118,315	41,594	118,315
Total Financial Assets			715,660	223,760	149,120	160,303	118,315	41,594	425,657
Financial Liabilities:									
Trade and sundry payables	5.75	-	420,000	-	-	-	125,355	88,377	545,355
Total Financial Liabilities			420,000	-	-	-	125,355	88,377	88,377

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)	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash at bank	3,578	1,920	(3,578)	(1,920)
	3,578	1,920	(3,578)	(1,920)

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

23 Segment Reporting

The Group operates predominantly in one business and geographical segment being Exploration activities throughout Australia. This information has been presented for the benefit of readers of the financial statements rather than to comply with any specific accounting standards.

24 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

Investments in subsidiaries, are accounted for at cost in the financial statements of the parent entity.

	2015	2014
	\$	\$
Consolidated Statement of Financial Position		
Assets		
Current assets	887,299	331,932
Non-current assets	1,743,423	2,927,982
Total Assets	2,630,722	3,259,914
Liabilities		
Current liabilities	545,355	88,377
Total Liabilities	545,355	88,377
Equity		
Issued capital	63,398,286	63,398,286
Accumulated losses	(71,905,312)	(70,819,142)
Capital Realisation Reserve	10,314,793	10,314,793
Share Based Payments Reserve	277,600	277,600
Total Equity	2,085,367	3,171,537
Consolidated Income Statement		
Total loss for the year	(1,360,256)	(1,903,022)
Total comprehensive loss	(1,360,256)	(1,903,022)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Pursuant to Class Order 98/1418 Greenpower Energy Limited and its wholly owned subsidiaries (refer note 13) entered into a deed of cross guarantee. The effect to the deed is that Greenpower has guaranteed to pay any deficiency in the event of winding up of any controlled entity or if they do not meet their obligations under the terms of any debt subject to the guarantee. The controlled entities have given a similar guarantee in the event that Greenpower is wound up or if it does not meet its obligations under the terms of any debt subject to the guarantee.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

24 Parent entity continued

Contingent liabilities of the parent entity.

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

Contractual commitments by the parent entity.

	2015	2014
	\$	\$
Capital expenditure commitments contracted for:		
Coal to Liquids payable not later than 12 months	769,333	901,379
	<u>769,333</u>	<u>901,379</u>

25 Events After the Reporting Date

Subsequent to the year end of the Group:

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.

26 Contingent Liabilities

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

27 Sale of Subsidiary

On 18 April 2015 GPP announced that the option for Eneabba Gas Limited to acquire GPP's 100% owned subsidiary GCC Methane Pty Ltd ("GCC") had been exercised, and settled on 1 June 2015.

GCC Methane Pty Ltd holds a 50% interest in EP 447, Perth Basin Western Australia.

Consideration/terms of sale:

- \$30,000 deposit received 9 March 2015
- \$820,000 balance of cash consideration received 2 June 2015
- Royalty Deed to give effect to a royalty right to 1.5% of the GCC's net petroleum production from EP 447

Gain on Sale:

The transaction resulted in a profit of \$30,526 being proceeds less the underlying value of GCC's EP 447 and other transaction costs, there is no tax payable on the disposal due to carried forward losses.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

28 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

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Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 15 to 44, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Corporations Regulations 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 2015 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 18 September 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENPOWER ENERGY LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying consolidated financial report comprising Greenpower Energy Limited (the Company) and the entity's it controlled at year's end or from time to time during the financial year (the consolidated entity) on pages 15 to 45. The consolidated financial report comprises the consolidated statement of financial position as at 30 June 2015, the consolidated income statement and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

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

CHARTERED ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151

PO Box 748
South Perth WA 6951

Telephone: +61 8 6436 2888

williambuck.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENPOWER ENERGY LIMITED AND CONTROLLED ENTITIES (CONT)*Auditor's Opinion*

In our opinion:

- a) the financial report of the consolidated entity on pages 15 to 45 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 2015 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2(u) in the financial report which indicates that the consolidated entity incurred a net loss of \$701,717 during the year ended 30 June 2015. This condition, along with other matters as set forth in Note 2(u), indicates 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 pages 9 to 12 of the directors' report for the year ended 30 June 2015. 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.

Auditor's Opinion


In our opinion, the Remuneration Report of Greenpower Energy Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Greenpower Energy Limited for the year ended 30 June 2015 included on Greenpower Energy Limited's web site. The company's directors are responsible for the integrity of Greenpower Energy Limited's web site. We have not been engaged to report on the integrity of Greenpower Energy Limited's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.



William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124



Corley Manifis
Director

Dated this 18th day of September, 2015

Greenpower Energy Limited

ASX Additional Information

For the Year Ended 30 June 2015

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 18 September 2015.

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	880	175,724
1,001 - 5,000	300	895,319
5,001 - 10,000	193	1,644,953
10,001 - 100,000	254	8,186,865
100,000 and over	57	81,562,926
	1,684	92,465,787

There were 1,598 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 2015

20 Largest Shareholders

	Ordinary shares	
	Number held	% of issued shares
Pandora Nominees Pty Ltd	28,977,516	31.34
C N Mcdonald Pty Ltd <C N Mcdonald Family A/C>	10,000,000	10.81
Astron Limited	9,513,018	10.29
Mr Alan John Flavelle	3,060,160	3.31
Mr Frederic Bernd Rappaport	3,000,000	3.24
Lempip Nominees Pty Ltd <Lempip Super Fund A/C>	2,960,670	3.20
Narlack Pty Ltd <Piperoglou Pension A/C>	2,960,670	3.20
Leibler Superannuation Nominees Pty Ltd <Leibler Super Fund A/C>	1,972,947	2.13
Ms Jane Marian Walker	1,750,000	1.89
Yallock Pty Ltd	1,732,030	1.87
Mr Ronald Mccullough & Mrs Shirley Mccullough <Demeter Super Fund A/C>	1,340,000	1.45
Iris Sydney Holdings Pty Ltd	1,109,148	1.20
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
Greenearth Energy Limited	785,100	0.85
Mr Christopher Hosking + Mrs Marcia Hosking <Hosking Super Fund A/C>	750,000	0.81
Mrs Aily Lamb	633,683	0.69
Mr Simon Andrew Peters + Mrs Emma Frances Vogel <Perseus S/F A/C>	628,614	0.68
Mt Geok Khim Goh	500,000	0.54
Alert Empire Pty Ltd	440,000	0.48
	<hr/>	
	74,113,556	80.14

Securities exchange

The Company is listed on the Australian Securities Exchange.

