



**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2013**

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Dear Shareholders and Stakeholders,

The past financial year has again been challenging, not just the geothermal industry but in the resource sector as a whole.

The Company however, remains committed to the future of geothermal energy and continues to actively maintain its geothermal tenements as part of a long term geothermal strategy to unlock the value of these assets. During the year Geodynamics was successful in proving the application of hot rocks technology in Australia. This is an important step for the geothermal industry.

We are continuing to absolutely minimise expenditure in order to preserve the cash reserves of the company, given the difficulties many companies are facing in raising funds. On this basis we are seeking to be well placed to recommence geothermal exploration or indeed participate in a future transaction to reinvigorate the company.

Following the re-structure of the Board of Torrens and executive level changes last financial year, the Company has been very busy reviewing new strategic opportunities in the energy and resources sectors. We have maintained our strong communications with capital markets participants and key stakeholders and additional firms which provide deal flow. In the past few months, the Board has reviewed a significant number of projects with a particular focus on the oil & gas sectors. This review progress is active and ongoing.

Anthony Wooles
Executive Chairman

A handwritten signature in black ink, appearing to read "Anthony Wooles", is positioned below the printed name and title.

27 September 2013

DIRECTORS REPORT

Your Directors present their report on the Group consisting of Torrens Energy Limited and the entity it controlled during the financial year ended 30 June 2013.

DIRECTORS

The names and details of the Directors of Torrens Energy Limited ("Company") in office during the financial year and until the date of this report are set out below. Directors have been in office for the entire period unless otherwise stated.

Anthony Wooles	-	Executive Chairman
David Eiszele	-	Non-Executive Director
Howard McLaughlin	-	Non-Executive Director
Winton Willesee	-	Non-Executive Director

BOARD OF DIRECTORS

Mr Anthony Wooles

Executive Chairman

Mr Wooles is Chairman of AEW Capital, Chairman of Bhagwan Marine, and Senior Advisor to Catalyst Investment Managers. He brings significant experience and knowledge in the corporate finance and energy sectors including the establishment and ultimate sale in 2009 of energy services company PearlStreet Limited.

Mr Wooles does not currently hold any other directorships in listed companies and has not held any directorships in the last three years.

Mr David Eiszele

Non-Executive Director

Mr Eiszele is a highly regarded expert in the Australian power infrastructure industry, having held a number of senior management positions. Mr Eiszele, whose background is in engineering, previously worked as the Managing Director of Western Power Corporation, having previously served as the Commissioner and Chief Executive of its predecessor entity, the State Energy Commission of WA. He is a past Chairman of the Electricity Supply Association of Australia.

Mr Eiszele is Chairman of the Lions Eye Institute Limited, a past member of the Business Council of Australia and was previously Chairman of Verve Energy, the WA Government owned electricity generator. Mr Eiszele has not held any other directorships in listed companies in the last three years.

Mr Howard McLaughlin

Non-Executive Director

Mr McLaughlin, B.Sc. Geology, is an experienced corporate leader with an extensive international background focused on hydrocarbon exploration and production with past senior roles with BHP Billiton, Antares Energy and Esso Canada. Most recently Mr McLaughlin has pursued his interests in hydrocarbon exploration and development in the United States through his stewardship of Contour Exploration and Production.

DIRECTORS REPORT CONTINUED

Mr McLaughlin does not currently hold any directorships in listed companies and has not held any directorships in the last three years.

Mr Winton Willesee

Non-Executive Director

Mr Willesee is an experienced company director. Mr Willesee brings a broad range of skills and experience in strategy, company administration, corporate governance, company public listings, merger and acquisition transactions, reconstructions and corporate finance from his background with listed and unlisted public and other companies.

Mr Willesee holds a Master of Commerce, Post-Graduate Diploma in Business (Economics and Finance), a Graduate Diploma in Applied Corporate Governance, a Graduate Diploma in Applied Finance and Investment, a Graduate Diploma in Education and a Bachelor of Business. He is a Fellow of the Financial Services Institute of Australasia, a Member of the Australian Institute of Company Directors, a Member of CPA Australia and a Chartered Secretary.

As well as his position with Torrens, Mr Willesee is currently the chairman of Birimian Gold Limited (appointed 31 January 2013), BioProspect Limited (appointed 16 September 2011), Cove Resources Limited (appointed 4 June 2008), and Mining Group Limited (appointed 14 March 2011), and a director of Base Resources Limited (appointed 23 May 2007), Coretrack Limited (appointed 4 October 2010), Newera Resources Limited (appointed 31 March 2007) and Otis Energy Limited (appointed 18 Jan 2008).

COMPANY SECRETARY

Mr Robert Hodby

Mr Hodby holds a Bachelor of Commerce from Murdoch University and is a member of CPA Australia and Chartered Secretaries Australia. Mr Hodby provides corporate, management and accounting advice to a number of companies involved in the resource and energy industries. Mr Hodby is the Company Secretary of Kibaran Resources Limited.

DIRECTORS INTERESTS

As at the date of this report, the interests (directly or indirectly held) of the Directors in the shares and options of the Company were:

Director	Ordinary Shares	Options over Ordinary Shares
Anthony Wooles	19,323,270	-
David Eiszele	1,013,063	200,000
Howard McLaughlin	-	200,000
Winton Willesee	-	-

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration paid to each director of the Company and Key Management Personnel for the financial year ended 30 June 2013. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

DIRECTORS REPORT CONTINUED

Key Management Personnel

(i) Directors

Anthony Wooles (Executive Chairman) (appointed 27 February 2012)

David Eiszele (Non-Executive Director) (appointed 10 July 2007)

Howard McLaughlin (Non-Executive Director) (1 September 2009)

Winton Willesee (Non-Executive Director) (Appointed 21 March 2012)

(ii) Executives

Robert Hodby (Company Secretary) (appointed 23 November 2009)

Remuneration Policy

The remuneration policy is 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 that affect the financial results. The Board believes the remuneration policy is appropriate and effective in its ability to attract and retain the best executives and directors to the Company, as well as create goal congruence between directors, executives and shareholders. Maximum total aggregate fixed sum per annum to be paid to non-executive directors is set at \$250,000 payable as per a shareholder resolution at the Company's 2009 AGM in November 2009.

Policy for determining the nature and amount of remuneration for directors and senior executives is as follows:

- Terms and conditions for the Executive Chairman are set by the Board after seeking professional advice from independent external consultants where necessary.
- The Board reviews the executive package annually by reference to Company performance, executive performance and comparable information from industry sectors.

The performance of executives is measured against criteria agreed with each executive. All bonuses and incentives are not dependent upon performance of the Company as the nature of the Company's operations are exploration and are not generating profits. The Board exercises its discretion in relation to incentives, bonuses and options.

Directors and executives receive the statutory superannuation guarantee contribution currently required by the government. They do not receive any other retirement benefits. Some individuals have chosen some level of salary sacrifice to increase superannuation contributions.

Shares given to directors and executives are valued as the difference between market price and the amount paid by the recipient. Options are valued using the Black-Scholes methodology.

Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to non-executive directors and reviews the remuneration annually, based on market price, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by Shareholders at a General Meeting. Fees for non-executive directors are not linked to the performance of the Company. To align directors' interests with shareholder interests, directors are encouraged to hold shares in the Company and are able to participate in

DIRECTORS REPORT CONTINUED

company option plans. The board does not have a policy in relation to the limiting of risk to directors and executives in relation to the shares and options provided.

On 7 September 2012 the Director resolved to reduce their cash remuneration to \$2,000 per month inclusive of superannuation. The Directors will seek shareholder approval at an appropriate time for the recompense of this cash reduction by way of shares in the Company

Employment Contracts

Remuneration and other terms of employment for the following Key Management Personnel are set out below:

Anthony Wooles, Executive Chairman

- Term of agreement – commencing 27 February 2012 and subject to re-election as required by the Company's constitution.
- Termination as per constitution or breach of code of conduct
- Annual director fees of \$24,000 inclusive of superannuation.

David Eiszele, Non-executive Director

- Term of agreement – commencing 10 July 2007 and subject to re-election as required by the Company's constitution.
- Termination as per constitution or breach of code of conduct
- Annual director fees of \$24,000 inclusive of superannuation.

Howard McLaughlin, Non-executive Director

- Term of agreement – commencing 1 September 2009 and subject to re-election as required by the Company's constitution.
- Termination as per constitution or breach of code of conduct
- Annual director fees of \$24,000 inclusive of superannuation.
- Additional fees for executive work done outside of the scope of a Non-executive director.

Winton Willesee, Non-executive Director

- Term of agreement – commencing 21 March 2012 and subject to re-election as required by the Company's constitution.
- Termination as per constitution or breach of code of conduct
- Annual director fees of \$24,000 inclusive of superannuation.

Rob Hodby, Company Secretary

- Term of agreement – commencing 23 November 2009
- Month to month contract
- Fees charged on a monthly basis

Company Performance, Shareholder Wealth and Director and Executive Remuneration

The Remuneration policy is tailored to enhance goal congruence between shareholders, directors and executives. Options are issued to all directors to encourage the alignment of personal and shareholder interests. Remuneration levels are not dependent upon performance criteria as the nature of the Company's operations are exploration and are not generating profits.

DIRECTORS REPORT CONTINUED

Remuneration Committee

The Remuneration Committee function is performed by the whole Board of Directors and is discussed in board meetings. All directors jointly take responsibility determining and reviewing compensation arrangements for the directors and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Key Management Personnel Remuneration Policy

Board policy for determining remuneration of key personnel is as follows:

Compensation is based on length of service, experience and speciality of the individual concerned, and overall performance of the Company. Contracts for service between the Company and key personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. There is no scheme to provide retirement benefits, other than statutory superannuation.

Employment conditions of key personnel are formalised in contracts of employment. The Company may terminate an employment contract without cause by providing three months written notice or making payment in lieu of notice, based on annual salary. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the case of serious misconduct the Company can terminate employment at any time. Share options not exercised before or on the date of termination will lapse.

Fixed and variable compensations for key management personnel are shown below.

Key Management Personnel Compensation

	Short-term	Post-employment	Share-based payment		
2013	Salary/Fees \$	Superannuation \$	Options \$	Total \$	% of compensation consisting of options
Non Executive					
David Eiszele	22,018	1,982	-	24,000	-
Howard McLaughlin ¹	24,113	1,982	-	26,095	-
Winton Willesee ²	24,000	-	-	24,000	-
Executive					
Anthony Wooles ³	24,000	-	-	24,000	-
Robert Hodby	53,669	-	-	53,669	-
TOTAL	147,800	3,964	-	151,764	-

(1) Includes out of scope consultancy fees of \$2,095.

(2) Includes director fees and expense allowances of \$24,000 paid or payable to Azalea Consulting Pty Ltd, of which Mr Willesee is a director.

(3) Includes director fees and expense allowances of \$24,000 paid or payable to AEW Capital Pty Ltd, of which Mr Wooles is a director and beneficiary

DIRECTORS REPORT CONTINUED

Short term non-monetary benefits: during the year the Company paid insurance premiums in respect of a contract insuring the directors, company secretary and all executive officers of the Company and of any related body corporates against liability incurred as a director, secretary or executive officer.

	Short-term	Post-employment	Share-based payment		
2012	Salary/Fees \$	Superannuation \$	Options \$	Total \$	% of compensation consisting of options
Non Executive					
Dennis Gee ¹	77,955	2,687	-	80,642	-
David Eiszele	35,000	3,150	-	38,150	-
Howard McLaughlin	35,000	3,150	-	38,150	-
Winton Willesee ²	10,600	-	-	10,600	-
Executive					
Anthony Wooles	-	-	-	-	-
Robert Hodby	120,190	-	-	120,190	-
John Canaris ³	441,749	11,346	-	453,095	-
TOTAL	720,494	20,333	-	740,827	-

(1) Mr Gee resigned as a Director on 21 March 2012 (salary included contractual obligations on resignation).

(2) Includes consultancy fees and expense allowances of \$10,600 paid or payable to Azalea Consulting Pty Ltd, of which Mr Willesee is a director.

(3) Mr Canaris resigned as a Director on 21 March 2012 (salary included contractual obligations on resignation). Mr Canaris's remuneration also included \$16,500 consulting fees paid to Tracker GeoServices Pty Ltd, of which Mr Canaris is a director and beneficiary.

Short term non-monetary benefits: during the year the Company paid insurance premiums in respect of a contract insuring the directors, company secretary and all executive officers of the Company and of any related body corporates against liability incurred as a director, secretary or executive officer.

Options Granted as Remuneration

During the year the following the following share-based payment arrangements were in existence:

Option Series	Grant Date	Expiry Date	Grant date fair value (\$)	Vesting Date
Issued 20 December 2010	20/12/2010	30/06/2015	\$0.0360	Vests at date of grant

The following share-based payment arrangements were held by key management personnel:

Key Management Personnel	Option Series	Grant Date	No. Granted	Vesting Date	No. Vested	Grant date fair value (\$)	Exercise Price (\$)	Expiry Date
Non Executive								
David Eiszele	Issued 20 Dec 2010	20/12/2010	200,000	20/12/2010	200,000	\$0.0360	\$0.15	20/06/2015
Howard McLaughlin	Issued 20 Dec 2010	20/12/2010	200,000	20/12/2010	200,000	\$0.0360	\$0.15	20/06/2015
Executive								
Robert Hodby	Issued 20 Dec 2010	20/12/2010	350,000	20/12/2010	350,000	\$0.0360	\$0.15	20/06/2015

DIRECTORS REPORT CONTINUED

There were no share based payments made to directors or senior management during the current financial year.

No options were exercised by directors and senior management or expired during the year. Furthermore, no options vested during the year.

[END OF REMUNERATION REPORT]

Meetings of Directors

During the financial year, ten meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors Meetings		Audit Committee Meetings	
	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
<i>Directors</i>				
Anthony Wooles	10	10	-	-
David Eiszele	9	9	1	1
Howard McLaughlin	9	9	-	-
Winton Willesee	10	10	1	1

Indemnifying Directors and Officers

The Company has entered into an agreement to indemnify all Directors and officers against any liability arising from a claim brought by a third party against the Company. The Company has paid premiums to insure each director and officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The tables below set out summary information about the entity's earnings and movements in shareholder wealth for the five years to 30 June 2013:

	30 June 2013 \$	30 June 2012 \$	30 June 2011 \$	30 June 2010 \$	30 June 2009 \$
Revenue	138,732	187,546	169,596	122,890	315,716
Net loss before tax	(386,775)	(1,292,037)	(3,702,130)	(1,102,341)	(604,181)
Net loss after tax	(386,775)	(1,292,037)	(3,702,130)	(1,102,341)	(604,181)

	30 June 2013	30 June 2012	30 June 2011	30 June 2010	30 June 2009
Share price at start of year	\$0.04	\$0.05	\$0.08	\$0.21	\$0.37
Share price at end of year	\$0.03	\$0.04	\$0.05	\$0.08	\$0.21
Basic earnings per share (cents)	(0.40)	(1.50)	(5.82)	(1.91)	(1.08)

DIRECTORS REPORT CONTINUED

OPERATING AND FINANCIAL REVIEW

Principal Activities

The principal activities of the Company during the financial year were the continued exploration for geothermal energy and the review of alternative investment opportunities in resources with a particular focus on the oil and gas sector. There were no significant changes in the nature of the Company's principal activities during the financial year.

Results from Operations

The net loss after providing for income tax for the year ended 30 June 2013 amounted to \$386,775 (2012: \$1,292,037).

Employees

The Company has no employees as at the date of this report.

Corporate Structure

Torrens Energy Limited is a public company incorporated and domiciled in Australia, limited by shares. At the date of this report the Company had 96,616,357 ordinary shares (includes ordinary acceptances issued pursuant to the Entitlement Issue) and 2,150,000 options on issue.

Torrens Energy (SA) Pty Ltd is a wholly owned subsidiary of Torrens Energy Limited and operates as a holding company for the Group's Geothermal licences.

Review of Operations

GEOHERMAL OPERATIONS

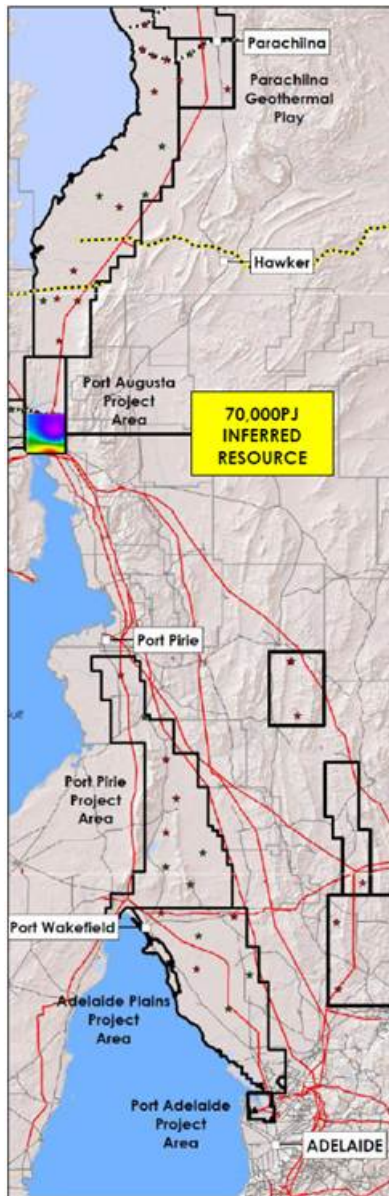
The Company is convinced of the future of geothermal energy and continues to maintain its geothermal tenements at a pace appropriate for the sector as a whole as part of a long term geothermal strategy to unlock the value of these assets. During the year, Geodynamics was successful in proving the application of hot rocks technology in Australia. This is an important step for the geothermal industry and Torrens congratulates Geodynamics on its success.

Torrens Energy continues to monitor opportunities for the utilisation of geothermal energy in South Australia and in particular at the site of the Port Augusta power stations following the submission to the SA Government's Select Committee for Port Augusta Power Stations outlining opportunities by the Australian Geothermal Energy Association (AGEA), which represents the major explorers and developers of geothermal energy in Australia.

Torrens Energy remains ready to contribute and respond to interest in the geothermal potential at Port Augusta Power and more broadly across South Australia. The Company is continuing to maintain its exploration commitments as part of a long term geothermal strategy. Whilst current economic and regulatory conditions are not conducive to rapidly advancing Torrens Energy's geothermal projects, the Company is committed to maintaining the existing value of these assets and is convinced of the long term future of geothermal energy.

CO-GEN OPPORTUNITIES

In 2011, Torrens Energy released the results of its second geothermal resource estimate on GEL 285 at Port Augusta, South Australia. A code-compliant Inferred Resource of 70,000PJ stored heat was identified at the vicinity of the Port Augusta power stations and associated infrastructure north of Adelaide.



Port Augusta is ideally located at the head of Spencer Gulf, 400 km north of Adelaide, for connection to the National Power Grid. The Northern and Playford Power Stations at Port Augusta contribute 20 per cent of South Australia's supply of electricity, and service the Olympic Dam project.

In December 2012, the Australian Geothermal Energy Association (AGEA), which represents the major explorers and developers of geothermal energy in Australia, made a submission to the SA Government's Select Committee for Port Augusta Power Stations outlining opportunities for the utilisation of geothermal energy, both at the site of the Port Augusta power stations and more broadly, across South Australia.

The submission noted "that the wider area surrounding the Port Augusta power stations is likely to support the development of an EGS project or indeed, multiple EGS projects". It further noted that this region had been the subject of more intense investigation by Torrens Energy for the purposes of developing standalone geothermal energy and "co-gen" systems utilising the existing power infrastructure.

This application by AGEA follows on from collaboration in 2010 between Torrens Energy and the Centre for Energy Technologies (CET) at the University of Adelaide to complete a preliminary study into the thermodynamic savings that could be attained by utilising geothermal heat in the conventional pre-heaters at the old power stations. Conceptionally, co-gen integrations by geothermal, solar energy or gas offer enormous opportunity for the advancement of alternative energy resources at Port Augusta and a seamless transition from conventional coal to a sustainable future.

The CET has a strong track record in the development of thermal technologies and technology integration.

TENEMENT REVIEW

Torrens Energy maintains an ongoing program of monitoring of costs. As part of the program, one of the Company's exploration licences was dropped and reapplied for with the South Australian Department for Manufacturing Innovation Trade Resources and Energy.

The total tenement location and area is materially unchanged, however this change significantly reduces the holding costs and the minimum exploration expenditure required to maintain this tenement.

DIRECTORS REPORT CONTINUED

NON-GEOTHERMAL EXPLORATION EVALUATION

A review was undertaken to evaluate the Group's non-geothermal assets for a broad assessment for energy and minerals. This review revealed brown coal and uranium potential. However the company determined that there were no areas that warranted further exploration.

Torrens continued to investigate new non-geothermal opportunities. These opportunities are focused around the oil and gas and energy sectors to take advantage of the skills and experience of the board.

The most significant of these investigations led to Torrens Energy entering into an agreement to acquire interests in four petroleum permits in the Carnarvon Basin. These permits were predominantly shallow offshore and onshore, with prospectivity for both oil and gas. Detailed due diligence was undertaken and the Company elected not to proceed with the transaction.

AGL MAINTAINS STRATEGIC STAKE

Following a placement made in February 2012, AGL Energy elected to maintain its 9.99% interest in Torrens Energy in accordance with the existing Subscription Agreement executed contemporaneously with the Geothermal Alliance Agreement 2008. AGL subscribed for 1,172,084 ordinary shares raising \$58,604.

Financial Update

The Company has forecast a 2013 net annual cash burn to below \$250,000 on minimal administration costs and maintaining the Company's minimum exploration commitments. In the event that the circumstances require increased exploration on its existing projects or the Company undertakes detailed due diligence on or acquires a new project, the forecast net annual cash burn will increase.

The Board of Directors are actively investigating new non-geothermal opportunities to enhance shareholder value in the near term.

The cash at bank at 30 June 2013 was \$2.79m.

Share Options

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

Grant Date	Date of Expiry	Exercise Price	Number Options	Number of Options Listed on ASX
20/12/2010	30/06/2015	\$0.15	2,150,000	-
TOTAL			2,150,000	-

DIVIDENDS

The Directors of the Company do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2013 (2012: Nil).

DIRECTORS REPORT CONTINUED

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

All significant changes in the state of affairs of the Company during the year are discussed in detail above under the Operating and Financial Review section.

AFTER BALANCE DATE EVENTS

There have not been any events that have arisen in the interval between the end of the financial year and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company, in future financial periods.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Likely future developments in the operations of the Company are referred to in the Annual Report. Other than as referred to in this report, further developments in the operations of the Company and expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the Company and its shareholders.

ENVIRONMENTAL ISSUES

The Company's operations are subject to environmental regulation under the laws of the Commonwealth and States. The Board believe that the Company has adequate systems in place for environmental management and is not aware of any breach of environmental requirements as they apply to the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

NON-AUDIT SERVICES

The Board, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the independence of the external auditor for the following reasons:

- all non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the audit services do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 15 of the Annual Report.

DIRECTORS REPORT CONTINUED

CORPORATE GOVERNANCE

The Directors recognises the Australian Securities Exchange Corporate Governance Council's Principles Recommendations and considers that the Company substantially complies with those guidelines. The Corporate Governance Statement and disclosures of the Company are contained on pages 51-56 of the Annual Report.

Signed in accordance with a resolution of the Board of Directors made pursuant to s298(2) of Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'A. Wooles', with a stylized flourish at the end.

Anthony Wooles

Chairman

Dated 27 September 2013

27 September 2013

Board of Directors
Torrens Energy Limited
C/- AEW Capital Pty Ltd
Level 17 Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Sirs

RE: TORRENS ENERGY LIMITED

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

As Audit Director for the audit of the financial statements of Torrens Energy Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully,

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



Samir Tirodkar
Director

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	Consolidated	
		2013 \$	2012 \$
Total Revenue	2	138,732	189,085
Share Based Payments		-	(16,681)
Depreciation Expense		(6,011)	(8,685)
Impairment of Capitalised Exploration Assets		-	(358,614)
Exploration & Evaluation Expenditure		(91,972)	-
Employee Benefits Expense	4	(95,861)	(633,447)
Other Expenses From Ordinary Activities	3	(343,685)	(463,695)
LOSS BEFORE INCOME TAX		(386,775)	(1,292,037)
Income Tax Expense	5	-	-
LOSS FROM CONTINUING OPERATIONS		(386,775)	(1,292,037)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY		(386,775)	(1,292,037)
Basic and diluted loss per share (cents per share)	16	(0.40)	(1.50)

The accompanying notes form part of the financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013

	Notes	Consolidated	
		2013	2012
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	2,790,692	3,072,626
Trade and other receivables	7	48,649	68,193
Other financial assets	8	139,612	134,996
TOTAL CURRENT ASSETS		2,978,953	3,275,815
NON-CURRENT ASSETS			
Property, plant and equipment	9	12,685	23,846
Exploration and evaluation expenditure	10	2,228,199	2,228,199
TOTAL NON-CURRENT ASSETS		2,240,884	2,252,045
TOTAL ASSETS		5,219,837	5,527,860
CURRENT LIABILITIES			
Trade and other payables	11	63,446	43,298
TOTAL CURRENT LIABILITIES		63,446	43,298
TOTAL LIABILITIES		63,446	43,298
NET ASSETS		5,156,391	5,484,562
EQUITY			
Issued Capital	12	11,966,211	11,907,607
Reserves	13	457,370	457,370
Accumulated Losses	13	(7,267,190)	(6,880,415)
TOTAL EQUITY		5,156,391	5,484,562

The accompanying notes form part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Share Capital Ordinary \$	Accumulated Losses \$	Option Reserve \$	Total \$
BALANCE AT 1 JULY 2011	10,492,024	(5,588,378)	440,689	5,344,335
Loss for the Year	-	(1,292,037)	-	(1,292,037)
Other comprehensive income	-	-	-	-
Total Comprehensive Loss	-	(1,292,037)	-	(1,292,037)
Transactions with owners in their capacity as owners				
Shares Issued during the year	528,024	-	-	528,024
Exercise of Options	954,941	-	-	954,941
Share Issue expense	(67,382)	-	-	(67,382)
Share Based Payment	-	-	16,681	16,681
BALANCE AT 30 JUNE 2012	11,907,607	(6,880,415)	457,370	5,484,562
Loss for the Year	-	(386,775)	-	(386,775)
Other comprehensive income	-	-	-	-
Total Comprehensive Loss	-	(386,775)	-	(386,775)
Transactions with owners in their capacity as owners				
Shares Issued during the year	58,604	-	-	58,604
Exercise of Options	-	-	-	-
Share Issue expense	-	-	-	-
Share Based Payment	-	-	-	-
BALANCE AT 30 JUNE 2013	11,966,211	(7,267,190)	457,370	5,156,391

The accompanying notes form part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Consolidated	
		2013	2012
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(370,896)	(1,084,191)
Interest received		30,358	143,370
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	15	(340,538)	(940,821)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from sale of property, plant and equipment		-	11,120
Payments for exploration and evaluation		-	(66,988)
Receipts from government grants (repaid)		-	(291,626)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		-	(347,494)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares and options		58,604	1,415,583
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		58,604	1,415,583
NET (DECREASE)/ INCREASE IN CASH HELD		(281,934)	127,268
Cash at beginning of financial year		3,072,626	2,945,358
CASH AT END OF FINANCIAL YEAR	6	2,790,692	3,072,626

The accompanying notes form part of the financial statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial report covers Torrens Energy Limited as an individual listed public company, incorporated and domiciled in Australia.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 27 September 2013.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

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

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial report complies with Australian Accounting Standards and International Financial Report Standards ('IFRS').

New and amended standards adopted by the group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 Presentation of Financial Statements effective 1 July 2012 now require the statement of profit or loss and other comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

New Accounting Standards for Application in Future Periods

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

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

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

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', and AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2015	30 June 2016
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in Other Entities'	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 19 (2011)'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7)	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132)	1 January 2014	30 June 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'	1 January 2013	30 June 2014

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

AASB 2012-6 'Amendments to Australian Accounting Standards- Mandatory Effective date of AASB 9 and Transition Disclosures' 1 January 2013 30 June 2014

Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'. 1 January 2013 30 June 2014

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

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

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

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

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

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013). AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

AASB 13 requires:

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

These Standards are not expected to significantly impact the Group.

- AASB 2011-4: Amendments to Australian Accounting Standards to remove the individual key management Personnel Disclosure Requirements ((applicable for annual reporting periods commencing on or after 1 January 2013).

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

This standard makes amendments to AASB 124; Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus 29.1 to Aus 29.9.3). These amendments serve a number of purposes, including furthering the trans-Tasman conversion, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

This standard is not expected to significantly impact the Group's financial report as a whole.

AASB 119 (September 2011) includes changes to the accounting for termination benefits.

The Group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7); AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132); AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'; AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'; and Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.

These standards are not expected to impact the Group.

Accounting Policies

a) Going Concern

The Company has incurred a net loss after tax for the year ended 30 June 2013 of \$386,775 (2012 : \$1,292,037) and has cash and cash equivalents of \$2,790,692 (2012 : 3,072,626) as at 30 June 2013.

It is the opinion of the board of directors that the Company will be able to meet its debts as and when they fall due.

The directors are satisfied that the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the statement of financial position date.

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited to the profit and loss component of the statement of comprehensive income except where it relates to items that may be credited directly to other comprehensive income or equity, in which case the deferred tax is adjusted directly against other comprehensive income or equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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

c) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Torrens Energy Limited ('Company' or 'parent entity') as at 30 June 2013 and the results of all subsidiaries for the year then ended. Torrens Energy and its subsidiaries are referred to in this financial report as the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Torrens Energy.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on a historical cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss component of the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the entity commencing from the time the asset is held ready for use as follows:

Plant and equipment	3-5 years
Motor Vehicles	5 years
Leased plant and equipment	8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit and loss component of the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e) Exploration and Development Expenditure

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

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

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Payments for exploration and development expenditure are net of government grants and funding partner contribution.

f) Government Grants

Government grants are assistance by the government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to the operating activities of the Company.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grant will be received.

Government grants are offset against capitalised expenditure over the periods they are receivable as recoupment for expenditure already incurred.

g) Financial Instruments

Recognition

Financial instruments are initially measured at fair value on trade date, plus transaction costs (except where the instrument is measured at fair value through profit or loss), when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the profit or loss component of the statement of comprehensive income in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity, with the exception of impairment losses which are recognised in the profit or loss component of the statement of comprehensive income.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair Value

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

Impairment

At each reporting date, the entity assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the profit or loss component of the statement of comprehensive income.

h) Impairment of Assets

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

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

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

i) Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

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

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

j) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Short term employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Long term employee benefits have been measured at the present value of the estimated future cash outflows to be made for those benefits

Defined superannuation contribution schemes

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

Equity-settled compensation

The entity often uses share-based compensation to remunerate employees. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the profit and loss component of the statement of comprehensive income. The total amount to be expensed over the vesting period is determined by reference to the grant date fair value of the shares or the options granted.

k) Trade and other receivables

Trade and other receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method, less an allowance for any estimated shortfall in receipt. An estimate of any shortfall in receipt is made when there is objective evidence a loss has been incurred. Bad Debts are written off when identified.

l) Trade and other payables

Liabilities for creditors and other amounts are carried at amortised cost, which is the present value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. The carrying period is dictated by market conditions but is generally less than 30 days.

m) Provisions

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

n) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less.

o) Revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Revenue from the sale of goods is recognised when the company has transferred to the buyer the significant risks and rewards of ownership of the goods.

Revenue from the rendering of a service is recognised by reference to the stage of completion of the contract.

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

p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the profit or loss component of the statement of comprehensive income in the period in which they are incurred.

q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

r) Share Based Payments

Equity-settled share based payments with employees and others providing similar services are measured at fair value of the equity instrument at the grant date. Fair value is measured by use of the Black-Scholes model.

s) Critical Accounting Estimates and Judgements

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

Key Estimates — Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Recoverability of exploration and evaluation costs

The Company assesses the recoverability of the carrying value of capitalised exploration and evaluation costs at each reporting date (or at closer intervals should the need arise). In completing this assessment, regard is had to the Company's intentions with regard to proposed future exploration and development plans for individual exploration areas, to the success or otherwise of activities undertaken in individual areas in recent times, to the likely success of future planned exploration activities, and to any potential plans for divestment of individual areas. Any required adjustments to the carrying value of capitalised exploration are completed based on the results of this assessment.

Share-based payment transactions

The Company measures the cost of shares and options issued to employees and third parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of unlisted options is determined by an external valuer using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted.

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

	Note	Consolidated	
		2013 \$	2012 \$
2. REVENUE			
Interest received from financial institutions		138,732	187,546
Other income		-	1,539
Total Revenue		138,732	189,085
3. EXPENSES FOR THE YEAR			
Finance & Legal expenses		117,025	94,604
Occupancy expense		5,451	51,786
Corporate expense		15,757	36,208
Travel expense		16,521	35,477
Other expenses		188,931	245,620
Total other expenses from ordinary activities		343,685	463,695
4. EMPLOYEE BENEFITS EXPENSE			
Wages, salaries and directors fees		94,131	605,133
Other personnel expenses		(2,234)	12,469
Superannuation costs		3,964	15,845
Total Employee Benefits Expense		95,861	633,447
5. INCOME TAX			
a) Income Tax Expense			
The <i>prima facie</i> tax on operating loss from ordinary activities before income tax is reconciled to the income tax as follows:			
Loss from ordinary activities		(386,775)	(1,292,037)
<i>Prima facie</i> tax on loss from ordinary activities at tax rate of 30% (2012:30%)		(116,032)	(387,611)
Tax effect of permanent differences		-	-
Benefit of tax losses not brought to account as an asset		116,032	387,611
Income tax expense attributable to entity		-	-

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

b) Deferred tax – Statement of financial position

Assets:

Tax losses available utilised to offset deferred tax liabilities	3,961	13,923
Accrued expenses	4,850	3,995
	<u>8,811</u>	<u>17,918</u>

Liabilities:

Accrued income	(8,811)	(17,918)
	<u>(8,811)</u>	<u>(17,918)</u>

Net Deferred tax asset	<u>-</u>	<u>-</u>
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c) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Tax losses	<u>2,427,545</u>	<u>2,321,474</u>
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Deferred tax assets have not been recognised in respect of these items because it is not probable in the short to medium term that these assets will be realised. The Company has total estimated tax losses at 30 June 2013 of \$8,091,815 (2012 \$7,738,247).

6. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	204,136	101,646
Short-term bank deposits	2,586,556	2,970,980
	<u>2,790,692</u>	<u>3,072,626</u>

7. TRADE AND OTHER RECEIVABLES

Goods and services taxation receivable ⁽ⁱ⁾	19,179	8,365
Accrued Interest	29,370	59,728
Other Debtors	100	100
	<u>48,649</u>	<u>68,193</u>

(i) Goods and services taxation is non-interest bearing and generally on 14 day terms at the end of each quarter.

None of the receivables are past due and no impairment is required.

8. OTHER FINANCIAL ASSETS

HELD-TO-MATURITY

Bank Guarantees ^(a)	<u>139,612</u>	<u>134,996</u>
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(a) Includes Bank Guarantees held by the Company, as a condition to South Australian tenements held, for environmental work required. These will remain in place for term of the tenements and until environmental clearances are provided to South Australian Department for Manufacturing, Innovation, Trade, Resources and Energy's satisfaction.

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

	Consolidated	
	2013	2012
	\$	\$
9. PROPERTY, PLANT AND EQUIPMENT		
At cost	73,566	96,710
Accumulated depreciation	(60,881)	(72,864)
	12,685	23,846

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, is as follows:

	Computer Hardware	Computer Software	Electronics	Furniture	Field Equipment	Motor Vehicle	Total
Balance at 1 July 2011	22,117	2,750	2,693	7,788	8,274	19,559	63,181
Additions	-	-	-	-	-	-	-
Depreciation expense	(2,622)	(512)	(687)	(2,166)	(2,698)	-	(8,685)
Disposal	(6,180)	(1,144)	(643)	(3,124)	-	(19,559)	(30,650)
Balance at 30 June 2012	13,315	1,094	1,363	2,498	5,576	-	23,846
Additions	-	-	-	-	-	-	-
Depreciation expense	(2,220)	(1,042)	(714)	(282)	(1,753)	-	(6,011)
Write-offs/Disposal	(4,458)	(52)	(649)	-	9	-	(5,150)
Balance at 30 June 2013	6,637	-	-	2,216	3,832	-	12,685

10. EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure carried forward:

Carrying amount as at 1 July	2,228,199	2,228,199
Exploration expenditure capitalised	-	66,988
Grant funding (received)/repaid	-	291,626
Exploration expenditure written off	-	(358,614)
	2,228,199	2,228,199

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

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

Consolidated
2013 2012
\$ \$

Exploration and evaluation expenditure carried forward in respect of respective areas of interest:

2013	Balance 1 July 2012	Exploration Capitalised	Government Grant Funding	Exploration Impairment ⁽¹⁾	Balance 30 June 2013
South Australia	2,228,199	-	-	-	2,228,199
TOTAL	2,228,199	-	-	-	2,228,199

2012	Balance 1 July 2011	Exploration Capitalised	Government Grant Funding	Exploration Impairment	Balance 30 June 2012
South Australia	2,228,199	66,988	291,626	(358,614)	2,228,199
TOTAL	2,228,199	66,988	291,626	(358,614)	2,228,199

1. An assessment of the carrying amount of exploration expenditure of the Company's South Australian license areas was made as at 30 June 2013. AASB 6 requires an entity to ensure that its non-current assets are carried at no more than their recoverable amounts, that is, the amount recovered through use or sale of the asset. The Company has determined that an impairment loss need not be recorded in the 30 June 2013 statement of profit or loss and other comprehensive income.

11. TRADE AND OTHER PAYABLES

Trade payables ⁱ	46,322	28,805
Accruals	16,167	13,318
Payroll payables	957	1,175
Total trade and other payables	63,446	43,298

(i) Trade creditors are non-interest bearing and are normally settled on 45 day terms.

12. ISSUED CAPITAL

A reconciliation of the movement in capital and reserves for the Company can be found in the Statement of Changes in Equity

96,616,367 (2012: 95,444,273) fully paid ordinary shares	11,966,211	11,901,607
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	Consolidated	
	2013	2012
	\$	\$
(a) Ordinary Shares		
	\$	No. of Shares
At 30 June 2011	10,492,024	63,662,842
Exercise of options at \$0.20	887,559	21,220,947
Placement at \$0.05, 28 February 2012	528,024	10,560,484
At 30 June 2012	11,907,607	95,444,273
Placement at \$0.05	58,604	1,172,084
At 30 June 2013	11,966,211	96,616,357

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

(b) Options:

The unissued ordinary shares of Torrens Energy Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Balance at start of the year	Granted	Exercised	Expired/ Exercised	Number Options
13/04/2010	24/02/2013	0.40	1,000,000	-	-	1,000,000	-
20/12/2010	30/06/2015	0.15	2,150,000	-	-	-	2,150,000

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

There were no options issued or exercised during the year.

13. RESERVES

Option Reserve

Balance at the beginning of the financial year	457,370	440,689
Share based payment – consultant engagement	-	16,681
Balance at the end of the financial year	457,370	457,370

This reserve is used to record the value of share based payment provided to employees, directors or consultants.

Accumulated Losses

Balance at the beginning of the financial year	(6,880,415)	(5,588,378)
Net loss attributable to members of the Company	(386,775)	(1,292,037)
Balance losses at the end of the financial year	(7,267,190)	(6,880,415)

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

	Consolidated	
	2013	2012
	\$	\$
14. CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Loss after tax	(386,775)	(1,292,037)
Adjustments for:		
Depreciation	6,011	8,685
Equity based payments	-	16,681
Write-off of Property, Plant & Equipment	5,150	-
Changes in assets and liabilities:		
Increase/(Decrease) in trade and other receivables	19,544	(21,404)
(Decrease)/Increase in other financial assets	(4,616)	12,094
Increase/(Decrease) in trade and other payables	20,148	(23,454)
Decrease in exploration & evaluation expenditure	-	358,614
Cash flows used in Operations	(340,538)	(940,821)

15. EXPENDITURE COMMITMENTS

(a) Mineral Tenement Leases

In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay rentals of \$24,000 (2012: \$19,945) and to meet minimum expenditure requirements of \$50,000 (2012: \$50,000) over the next 12 months, as per the work programmes submitted over the Company's exploration licences.

Financial commitments for subsequent periods are contingent upon future exploration results and cannot be estimated.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Lease with respect to Perth office premises:

a) not later than one year	-	34,137
b) later than one year but not later than four years	-	-

The property lease expired 14 January 2013.

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

Consolidated	
2013	2012
\$	\$

16. LOSS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

a) Reconciliation of earnings to profit or loss

Net loss used in calculating basic and diluted loss per share	(386,775)	(1,292,037)
---------------------------------------------------------------	-----------	-------------

b) Weighted average number of ordinary shares outstanding during the year

Weighted average number of ordinary shares used in calculating basic loss and diluted loss per share	96,545,711	86,291,089
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Effect of dilutive securities:

Share options are not considered dilutive as the conversion of options to ordinary shares will result in a decrease in the net loss per share.

17. AUDITOR'S REMUNERATION

Remuneration of the auditor for :

- auditing or reviewing the financial report	25,064	18,038
----------------------------------------------	--------	--------

18. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Names and positions of key management personnel in office at anytime during the financial year are:

<u>Name</u>	<u>Position</u>
Anthony Wooles	Executive Chairman
David Eiszele	Non-Executive Director
Howard McLaughlin	Non-Executive Director
Winton Willesee	Non-Executive Director
Robert Hodby	Company Secretary

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

(b) Key management personnel compensation

The aggregate compensation made to key management personnel of the Company is set out below:

	2013	2012
	\$	\$
Short term employee benefits	147,800	720,494
Post employment benefits	3,964	20,333
Share based payments	-	-
	151,764	740,827

The compensation of each member of the key management personnel of the Company is set out on page 7.

(c) Options Holdings

Number of Options Held by Key Management Personnel

	Balance at 1 July 2012	Granted as Compensation	Options Exercised	Net Change Other	Balance at 30 June 2013	Vested at 30 June 2013	Vested and exercisable	Options vested during year
Non-Executive								
David Eiszele	200,000	-	-	-	200,000	200,000	200,000	
Howard	200,000	-	-	-	200,000	200,000	200,000	
Mclaughlin								
Winton Willesee	-	-	-	-	-	-	-	-
Key Executives								
Anthony Wooles	-	-	-	-	-	-	-	-
Robert Hodby	350,000	-	-	-	350,000	350,000	350,000	-
Total	750,000				750,000	750,000	750,000	

All options held by Key Management Personnel at 30 June 2013 have vested and are exercisable.

	Balance at 1 July 2011	Granted as Compensation	Options Exercised	Net Change Other (1)	Balance at 30 June 2012	Vested at 30 June 2012	Vested and exercisable	Options vested during year
Non-Executive								
Dennis Gee ⁽¹⁾	200,000	-	-	(200,000)	-	-	-	-
David Eiszele	200,000	-	-	-	200,000	200,000	200,000	-
Howard	200,000	-	-	-	200,000	200,000	200,000	-
Mclaughlin								
Winton Willesee	-	-	-	-	-	-	-	-
Key Executives								
John Canaris ⁽²⁾	500,000	-	-	(500,000)	-	-	-	-
Anthony Wooles	-	-	-	-	-	-	-	-
Robert Hodby	350,000	-	-	-	350,000	350,000	350,000	-
Total	1,450,000	-	-	(700,000)	750,000	750,000	750,000	-

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

All options held by Key Management Personnel at 30 June 2012 have vested and are exercisable.

(1) Dennis Gee retired 21 March 2012.

(2) John Canaris retired 21 March 2012.

(d) Shareholdings

Number of Shares held by Key Management Personnel during the year ended 30 June 2013

	Balance at 1 July 2012	Purchases/ Sales	Exercised Options	Net Change	Balance at 30 June 2013
Non-Executive					
David Eiszele	1,013,063	-	-	-	1,013,063
Howard McLaughlin	-	-	-	-	-
Winton Willesee	-	-	-	-	-
Key Executives					
Anthony Wooles	13,157,228	6,166,042	-	6,166,042	19,323,270
Robert Hodby	-	-	-	-	-
Total	14,170,291	6,166,042	-	6,166,042	20,336,333

Number of Shares held by Key Management Personnel during the year ended 30 June 2012

	Balance at 1 July 2011	Purchases/ Sales	Exercised Options	Net Change	Balance at 30 June 2012
Non-Executive					
Dennis Gee	300,000	-	-	(300,000)	-
David Eiszele	130,000	883,063	-	883,063	1,013,063
Howard McLaughlin	-	-	-	-	-
Winton Willesee	-	-	-	-	-
Key Executives					
Anthony Wooles	-	13,157,228	-	13,157,228	13,157,228
John Canaris	3,150,000	-	-	(3,150,000)	-
Robert Hodby	-	-	-	-	-
Total	3,580,000	14,040,291	-	10,590,291	14,170,291

All equity transactions with specified directors and specified executives other than share options granted as compensation have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

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

19. RELATED PARTY DISCLOSURES

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

Transactions with related parties :

(a) Key Management Personnel

2013: Azalea Consulting Pty Ltd, an entity associated with Mr Willesee was paid an amount of \$24,000 in respect to the provision of Non-Executive duties of Mr Willesee.

AEW Capital Pty Ltd an entity associated with Mr Wooles was paid an amount of \$24,000 in respect to the provision of Executive duties of Mr Wooles.

2012: Azalea Consulting Pty Ltd, an entity associated with Mr Willesee was paid an amount of \$10,600 in respect to the provision of Non-Executive duties of Mr Willesee.

Tracker Geoservices Pty Ltd was paid an amount of \$16,500 as consulting fees for services of Mr Canaris.

(b) Parent entity

Torrens Energy Limited is the parent entity.

(c) Subsidiaries

Interests in subsidiaries are set out in note 23.

20. FINANCIAL INSTRUMENTS

The Company's financial instruments consist mainly of cash, short-term deposits with banks, local money market instruments and accounts payable. The main purpose of these financial instruments is to finance the Company's operations. The Company has various other financial instruments such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

Details of the significant accounting policies and methods adopted, include the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Fair values

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements represents their fair values.

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

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	30 June 2013		30 June 2012	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Cash and cash equivalents	2,790,692	2,790,692	3,072,626	3,072,626
Trade and other receivables	48,649	48,649	8,465	8,465
Other financial assets	139,612	139,612	194,724	194,724
Trade and other payables	(63,446)	(63,446)	(43,298)	(43,298)
	2,915,507	2,915,507	3,232,517	3,232,517

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's cash, local money market instruments and short-term deposits. Cash includes funds held in term deposits and cheque accounts during the year, which earned variable interest at rates ranging between 0% to 4.5% (2012: 0% to 5.35%), depending on the bank account type and account balances. The Company has no loans or borrowings.

At the reporting date the interest rate profile for the Company and the Company interest-bearing financial instruments was:

	Carrying Amount (\$)	
	2013	2012
Variable rate financial assets	2,930,304	3,267,350

A change of 1% in the variable interest rates at the reporting date would have increased/decreased profit and loss and equity by the amounts shown below. The analysis that all other variables remain constant. This analysis is performed on the same basis for 2012.

	2013	2012
	\$	\$
1% increase	29,303	32,674
1% decrease	(29,303)	(32,674)

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

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and finance leases.

The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying Amount	Contractual Cash Flows	6 Months or less	6 - 12 Months	1 - 2 Years	2-5 Years
2013	\$	\$	\$	\$	\$	\$
Trade and other payables	(63,446)	(63,446)	(63,446)	-	-	-
2012						
Trade and other payables	(43,298)	(43,298)	(43,298)	-	-	-

Credit risk

The maximum exposure to credit risk on financial assets of the Company which has been recognised on the statement of financial position is generally the carrying amount, net of any provision for doubtful debts.

The Company continuously monitors credit risks arising from its trade receivables which are principally with significant and reputable companies. The total credit risk exposure of the Company could be considered to include the difference between the carrying amount of the receivable and the realisable amount. At statement of financial position date there were no significant credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The carrying amount of the Company's financial assets represents the maximum credit exposure, as detailed below:

Financial Assets	Carrying Amount	
	2013 \$	2012 \$
Cash	2,790,692	3,072,626
Trade and other receivables	48,649	8,465
Other financial assets	139,612	194,724
	<u>2,978,953</u>	<u>3,275,815</u>

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

The Company's maximum exposure to credit risk for trade and other receivables at the reporting date by geographical region is detailed below.

	Carrying Amount	
	2013	2012
	\$	\$
Australia	48,649	8,465

The Company's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

Australian Taxation Office	19,179	8,465
Westpac Banking Corporation	29,370	-
Other	100	-
	<u>48,649</u>	<u>8,465</u>

The aging of the Company's trade receivables at the reporting date was:

	2013	2012
	\$	\$
Not past due	48,649	8,465
Past due 0-30 days	-	-
Past due 31-120 days	-	-
	<u>48,649</u>	<u>8,465</u>

There have been no impairments applied against any of the Company's financial assets.

Currency risk

The Company is not exposed to foreign currency risk. The Company holds all assets in Australian dollars.

Capital risk management

The Company's objectives when managing capital are to safeguard the ability to continue as a going concern, so that the Company 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.

The Company's overall strategy remains unchanged from 2012.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

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

21. CONTINGENT LIABILITIES

Bank Guarantees have been put in place by the Company detailed in Note 8 as a condition to South Australian tenements held, for environmental work required. These will remain in place for the term of the tenements rights and are subject to environmental clearances subject to PISRA's satisfaction.

The Board is not aware of any other circumstances or information which leads them to believe there are any material contingent liabilities outstanding as at 30 June 2013.

22. SHARE BASED PAYMENTS

The following share-based payment arrangements were in place during the current and prior periods:

	2013		2012	
	Number of Options	WAEP	Number of Options	WAEP
Outstanding at the beginning of the year	4,150,000	\$0.20	3,150,000	\$0.23
Granted	-	-	1,000,000	\$0.10
Forfeited	(2,000,000)	\$0.25	-	-
Exercised	-	-	-	-
Outstanding at year-end	2,150,000	\$0.15	4,150,000	\$0.20
Exercisable at year-end	2,150,000	\$0.15	4,150,000	\$0.20

There were no share options granted or issued during the year.

23. SUBSIDIARIES

	Country of Incorporation	Percentage Owned (%)	
		2013	2012
Subsidiaries of Torrens Energy Ltd:			
Torrens Energy (SA) Company Pty Ltd	Australia	100	100

24. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of comprehensive income

	2013	2012
	\$	\$
Loss after income tax	(2,614,973)	(1,292,037)
Total comprehensive income	(2,614,973)	(1,292,037)

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

Statement of financial position

Total current assets	2,978,953	3,275,815
Total assets	2,991,638	3,299,661
Total current liabilities	63,446	43,298
Total liabilities	63,446	43,298
Equity		
Issued capital	11,966,211	11,907,607
Reserves	457,370	457,370
Accumulated losses	(9,495,389)	(9,108,614)
Total equity	2,928,192	3,256,363

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2013 and 30 June 2012.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2013 and 30 June 2012.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2013 and 30 June 2012.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity; and
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.

25. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information. The Group does not have any customers, and all the Group's assets and liabilities are located within Australia.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

26. EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

There has not been any transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, likely to affect significantly the operations of the Company, in the interval between the end of the financial year and the date of this report.

27. RETIREMENT BENEFIT OBLIGATIONS

Superannuation

There is no scheme to provide retirement benefits, other than statutory superannuation. The directors and executives are entitled to receive a superannuation guarantee contribution required by the government and do not receive any other retirement benefits.

DIRECTORS DECLARATION

The Directors of Torrens Energy Limited declare that:

- (a) 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;
- (b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;
- (c) in the directors' opinion, the attached financial statements and notes thereto as well as the additional disclosures included in the Directors Report described as audited, are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the entity; and
- (d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

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

On behalf of the Directors



Anthony Wooles

Chairman

Perth, 27 September 2013

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TORRENS ENERGY LIMITED**

Report on the Financial Report

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

Directors' responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

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

Independence

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

Opinion

In our opinion:

- (a) the financial report of Torrens Energy Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 4 to 9 of the directors' report for the year ended 30 June 2013. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the remuneration report of Torrens Energy Limited for the year ended 30 June 2013 complies with section 300 A of the *Corporations Act 2001*.

Inherent Uncertainty Regarding Capitalised Exploration Cost

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

The recoverability of the Group's carrying value of capitalised exploration costs of \$2,228,199 is dependent on the successful commercial exploitation of the assets and/or sale of the assets to generate profits at amounts in excess of the book values. In the event that the Group is not successful in commercial exploitation and/or sale of the assets, the realisable value of the Group's assets may be significantly less than their current carrying values.

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

Stantons International

Samir

Samir Tirodkar
Director

West Perth, Western Australia
27 September 2013

CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, all the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council have been applied by the Company for the entire financial year ended 30 June 2013.

Further information on policies adopted by the Company can be found on the Company's website at www.torrensenergy.com.

BOARD OF DIRECTORS

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the Financial Report and their term of office are detailed on page 3-4 of the Directors' Report.

The primary role of the Board is to oversee the business activities and management for the benefit of the shareholders. The Board is responsible for, and has the authority to determine all matters relating to, the strategic direction, policies, practices, establishing goals for management and the operation of the Company. The monitoring and ultimate control of the business of the Company is vested in the Board.

The goals of the corporate governance process are to drive shareholder value, ensure a prudential and ethical base to the Company's conduct and activities and ensure compliance with legal and regulatory obligations.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) develop initiatives for profit and asset growth;
- (b) review the corporate, commercial and financial performance on a regular basis;
- (c) act on behalf of, and being accountable to the Shareholders;
- (d) identify business risks and implementing actions to manage those risks; and
- (e) develop effective corporate systems to assure quality management.

BOARD PROCESS

Whilst at all times the Board retains full responsibility for guiding the Company in discharging its stewardship, it makes use of committees. To this end the Board has established an Audit Committee and a Remuneration Committee. The committees have written mandates and operating procedures, which are reviewed on a regular basis. The Board has established a management framework including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The responsibility for the day-to-day operation and administration is delegated by the Board to the Executive Chairman. The Board ensures that the Executive Chairman and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Executive Chairman. The Company does not currently have any staff.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The roles of Chairman and Executive Director not combined. The Executive Chariman is accountable to the Board for all authority delegated to the position.

Whilst there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management objectives are aligned with the expectations and risks identified by the Board.

The full Board meets regularly during the year. The agenda for meetings is prepared in conjunction with the Chairman and the Company Secretary. Standard items include an operations report, financial reports, strategic matters, share register reports, governance and compliance. All items are circulated to the Board in advance.

Each Director has the right of access to all relevant Company information and the right to seek independent professional advice on matters relating to director responsibilities at the expense of the Company, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

In accordance with the constitution of the Company, each Director will offer themselves for re-election by shareholders at least every 3 years. The Board does not specify a maximum term for which a director may hold office.

STRUCTURE OF THE BOARD

Directors are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement. Mr David Eiszele, Mr Howard McLaughlin and Winton Willesee are considered to be independent and therefore the majority of the Board are independent.

AUDIT COMMITTEE

The Board has established an Audit Committee which operates under a charter approved by the Board. The Audit Committee Charter and procedures are disclosed on the Company website.

Mr David Eiszele and Mr Winton Willesee perform the role of the Audit Committee at the date of this report.

Mr Eiszele and Mr Willesee are independent Non-Executive Directors who are not a chairman of the Board. The Company Secretary and external auditors are invited to assist Mr Eiszele and Mr Willesee at their discretion. Performance of the external auditor is reviewed annually. The external auditor is requested to attend the annual general meeting and be available to answer questions about the conduct of the audit and the preparation and content of the audit report.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

REMUNERATION COMMITTEE

The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board. When the Company is of sufficient size, a separate Remuneration Committee will be formed. The Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate Remuneration Committee.

The maximum remuneration of non-executive Directors is subject to shareholder resolution in accordance with the Company Constitution, the Corporations Act and ASX Listing Rules. The apportionment of non-executive Directors remuneration within that maximum will be made by the Board having regard to the inputs and value of contributions by the non-executive Director. The current limit, which may only be varied by shareholders in General Meeting, is \$250,000 per annum as approved at the 2010 AGM.

There are no retirement benefits other than the statutory superannuation for non-executive directors.

NOMINATION COMMITTEE

The Board has formally adopted a Nomination Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with policies and procedures outlined in the Nomination Committee Charter. When the Company is of sufficient size, a separate Nomination Committee will be formed. The Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate Nomination Committee.

REMUNERATION POLICIES

The Board is responsible for determining and reviewing appropriate compensation arrangements and policies for directors and senior executives. The Board reviews executive packages annually by reference to Company performance, executive performance, and by comparing information from the industry sector, other listed companies and independent advice.

The policy ensures remuneration packages properly reflect each person's duties and responsibilities, and supports business objectives by remunerating people in a manner that is competitive and can attract and retain people of the highest calibre.

Remuneration for all directors and executives, including all monetary and non-monetary components, are detailed in the Directors' Report.

The Board expects that the remuneration structure will result in the Company being able to attract and retain the best executives to grow long-term shareholder value.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Payment of bonuses, options and other incentives are reviewed by the Board annually. All bonuses, options and incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to incentives, bonuses and options, and can recommend changes to the committee recommendations. Any changes must be justified by reference to measurable performance criteria.

SECURITIES TRADING POLICY

The Board has formally adopted a Securities Trading Policy which restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

ASX BEST PRACTICE RECOMMENDATIONS

Item	ASX Best Practice Recommendation	Comment
1.	Lay solid foundations for management and oversight	
1.1	Formalise and disclose the functions reserved to the board and those delegated to management.	The Corporate Governance Policy includes a Board Charter, which discloses the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director or Executive Director. A copy of the Board Charter and the Performance Evaluation Practices Policy is available on the Company's website www.torrensenenergy.com .
1.2	Disclose the process for evaluating the performance of senior executives	The Corporate Governance Policy also includes those tasks delegated to the Managing Director or Executive Director by the Board. The Company's Performance Evaluation Practices Policy sets out the evaluation process for the Board, individual Directors, board committees and senior executives of the Company. A performance evaluation was undertaken for the board in accordance with this process in August 2012.
2.	Structure the board to add value	
2.1	A majority of the board should be independent directors.	A majority of the Board is considered independent.
Item	ASX Best Practice Recommendation	Comment
2.2	The chairperson should be an independent director.	The Chairperson is not an independent director.
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	Following the changes to the board in March 2012 and the resignation of the Managing Director, the Chairman has assumed this role. Given the Company's size and nature of operations this structure is considered adequate and cost effective.
2.4	The board should establish a nomination committee.	Due to the size of the Company, a nomination committee has not been formed, although a Nomination Committee Charter has been established.
2.5	Process for evaluating the performance of the board, its committees and individual directors.	The Company's Performance Evaluation Practices Policy sets out the evaluation process for the Board, individual Directors, board committees and senior executives of the Company. A copy of the Performance Evaluation Practices Policy is available on the Company's website www.torrensenenergy.com .

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Item	ASX Best Practice Recommendation	Comment
3.	Promote ethical and responsible decision-making	
3.1	<p>Establish a code of conduct as to:</p> <p>(a) the practices necessary to maintain confidence in the company's integrity;</p> <p>(b) the practices necessary to take into account legal obligations and the reasonable expectations of their stakeholders; and</p> <p>(c) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</p>	<p>The Corporate Governance Policy includes a Corporate Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment.</p> <p>A copy of the Code of Conduct has been posted on the Company's website at www.torrenenergy.com.</p>
3.2	Establish a policy concerning diversity.	<p>At this stage, the Board does not consider it relevant to establish a diversity policy as the Company has no direct employees, other than Board Members, and the Company Secretary.</p> <p>The Board as a whole is responsible for the integrity of the financial reporting.</p>
3.3	Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them	The Company looks for relevant industry experience when identifying candidates for key positions and employs the best and most suitable people regardless of gender, colour, religion or otherwise.
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	The Company did not employ any women during the year. There are currently no women in senior executive positions of on the board.
4.	Safeguard integrity in financial reporting	
4.1	The board should establish an audit committee.	An Audit Committee has been established.
4.2	<p>Structure the audit committee so that it consists of:</p> <p>(a) only non-executive directors;</p> <p>(b) a majority of independent directors;</p> <p>(c) an independent chairperson, who is not chairperson of the board; and</p> <p>(d) at least three members.</p>	The Audit Committee comprises two Non-Executive Directors. The Directors currently serving on the Audit Committee are deemed independent. The Chairperson of the Audit Committee is not the Chairperson of the Board.
4.3	The audit committee should have a formal charter.	<p>The Corporate Governance Policy includes a formal charter for the Audit Committee, as posted on the Company's website at www.torrenenergy.com.</p> <p>The Audit Committee Charter also contains details on the procedures for the selection and appointment of the external auditor, and the rotation of external audit engagement partners.</p>
5.	Make timely and balanced disclosure	
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	The Company has a Continuous Disclosure Policy in place designed to ensure the factual presentation of the Company's position at all times. A copy of this policy is available on the Company's website at www.torrenenergy.com .
6.	Respect the rights of shareholders	
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	The Company has a Shareholder Communications Policy in place which sets out the procedures to provide shareholders with relevant information which include identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting them on the Company's website and issuing media releases where required. A copy of the Shareholder Communication Policy is available on the Company's website at www.torrenenergy.com .

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Item	ASX Best Practice Recommendation	Comment
7.	Recognise and manage risk	
7.1	Establish policies on risk oversight and management of material business risk.	The Company's Corporate Governance Policy includes a Risk Management and Internal Compliance and Control Policy. Under this policy the Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies for internal compliance and internal control. A copy of this policy is available on the Company's website at www.torrensenenergy.com .
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and to report to the board on whether those risks are being managed effectively.	The Executive Chairman is responsible for the implementation and monitoring of business risk. He is required to report to the board on a monthly basis regarding any identified risks. The risk management and internal control system is reviewed annually, at the completion of the Financial Statements reporting.
7.3	The Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) should state to the Board in writing that declaration in accordance with section 295A of the Corporations Act is founded on the Company's risk management, internal compliance and control system is operating efficiently and effectively in all material respects.	The Board will request that the relevant Director and Company Secretary provide such a statement at the relevant time.
8.	Remunerate fairly and responsibly	
8.1	The board should establish a remuneration committee.	The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board. The Board as a whole is responsible for the remuneration arrangements for Directors, Executive Chairman and executives of the Company.
8.2	The remuneration committee should be structured so that it: <ul style="list-style-type: none"> • consists of a majority of independent directors • is chaired by an independent chair • has at least three members. 	The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	Non-executive directors were paid a set fee of \$24,000 per annum (exclusive of superannuation). Non-executive directors do not receive performance based bonuses nor are they entitled to retirement allowances. The Company's Constitution provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration has been set at an amount of \$250,000 per annum. The Board is responsible for determining the remuneration of the Executive Director and senior executives.

ASX ADDITIONAL INFORMATION

a) Distribution of Ordinary Shareholders (as at 24 September 2013)

	Number of Ordinary Shareholders	Number of Shares
1 - 1,000	76	50,082
1,001 - 5,000	346	989,154
5,001 - 10,000	211	1,708,232
10,001 - 100,000	422	14,743,284
100,001 - and over	105	79,125,605
TOTAL	1,160	96,616,357

b) Top Twenty Ordinary Shareholders (as at 24 September 2013)

Name	Number of Ordinary Shares held	%
AEW HOLDINGS PTY LTD <AEW CAPITAL A/C>	10,560,484	10.93
AGL ENERGY LIMITED	9,651,975	9.99
AEW HOLDINGS PTY LTD <AEW CAPITAL A/C>	8,762,786	9.06
DECK CHAIR HOLDINGS PTY LTD	6,350,000	6.57
MR JOHN PANO CANARIS	4,150,000	4.30
MR MURRAY JOHN JACOB + MRS SARA CAROLINE JACOB <AQUATICA>	2,600,000	2.69
MR GEOFFREY KEVIN CAMMELL <CAMMELL DISCRETIONARY A/C>	2,500,000	2.59
TROCA ENTERPRISES PTY LTD <COULSON SUPER A/C>	2,500,000	2.59
CHELLIT PTY LTD <THE MADMIT A/C>	1,800,000	1.86
MR ROBERT SLADE FORBES	1,600,000	1.66
MR WILLIAM JEREMY WESTON	1,500,000	1.55
AVONMORE HOLDINGS GROUP LIMITED	1,400,000	1.45
DERWENT NOMINEES PTY LTD <EISZELE SUPER FUND>	1,013,063	1.05
STORICO HOLDINGS PTY LTD <MAPLE LEAF INVESTMENT A/C>	1,000,000	1.04
MR PHILIP ARTHUR ROGERSON + MRS KATHERYN GAE ROGERSON + MISS	963,493	1.00
TRACKER GEOSERVICES PTY LTD <CANARIS SUPER FUND A/C>	861,525	0.89
MR ROBERT WARREN ADDISON	684,667	0.71
DON MARTIN SUPERANNUATION PTY LTD <DON MARTIN SUPER FUND A/C>	620,000	0.64
TERASSE (WA) PTY LTD <THE BEACH VIEW A/C>	604,167	0.63
MR COLIN LESLIE BERGER + MRS MARY BERGER	580,000	0.60
Total Top 20 Shareholders	59,702,160	61.79
Other Shareholders	36,914,197	38.21
Total ordinary shares on issue	96,616,357	100.00

c) Non marketable parcels (as at 24 September 2013)

The number of shareholders holding less than a marketable parcel of shares is 742, totalling 4,218,183 ordinary shares.

ASX ADDITIONAL INFORMATION

d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

e) Franking Credits

The Company has nil franking credits.

f) Restricted Securities (as at 24 September 2013)

The Company has no restricted securities.

g) Substantial Shareholders (as at 24 September 2013)

Name	Number of Ordinary Shares held	%
AEW HOLDINGS PTY LTD <AEW CAPITAL >	19,323,270	19.99
AGL ENERGY LIMITED	9,651,975	9.99

h) On-Market Buy Back

There is no current on market buy back.

i) Options on issue (as at 24 September 2013)

Options	Unlisted	Escrowed	Listed	Total	No Holder
Exercisable \$0.15, expiring 30/06/15	2,150,000	-	-	2,150,000	8
TOTAL	2,150,000	-	-	2,150,000	8

ASX ADDITIONAL INFORMATION

j) Schedule of Interests in Mining Tenement:

Location/Project Name	Tenement	Percentage Held
<u>SOUTH AUSTRALIA</u>		
Port Pirie	GEL 571	100%
Parachilna	GEL 572	100%
Adelaide	GEL 573	100%
Port Augusta	GEL 574	100%
Mulgaria	GEL 559	100%
Adelaide	GELA 266	application
<u>NORTHERN TERRITORY</u>		
Northern Territory	GEPA27824	application