



SOLVERDI WORLDWIDE LIMITED
(to be renamed "SWW Energy Limited")
(Subject to Deed of Company Arrangement)
ABN 60 096 687 839

PROSPECTUS

For the offer of up to 60,000,000 Shares at an issue price of 0.5 cents per Share to raise \$300,000 (**Placement Offer**)

and

For the offer of up to 15,000,000 Shares at an issue price of 0.5 cents to the Proponent (or its nominees) as repayment of a \$75,000 deposit paid on behalf of the Company and secured via a Deposit Convertible Loan Note Agreement (**Deposit Loan Note Offer**)

and

For the offer of 220,000,000 Shares at an issue price of 1 cent per Share to raise \$2,200,000 (**Share Offer**)

and

For the offer of 35,000,000 Shares at an issue price of 0.01 cents per Share to raise \$3,500 to the Proponent (or its nominees) (**Proponent Share Offer**)

and

For the offer of 80,000,000 Options for nil consideration to the Proponent (or its nominee) (**Proponent Option Offer**)

and

For the offer of 20,000,000 Shares to the Proponent (or its nominees) in consideration for facilitating the successful completion of the recapitalisation of the Company (**Advisor Offer**).

The Offers are not underwritten.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

If you do not understand it you should consult your professional advisers without delay. The Securities offered by this Prospectus should be considered speculative.

IMPORTANT NOTICE

This Prospectus is dated 5 April 2011 and was lodged with the ASIC on that date. The ASIC and ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

The expiry date of this Prospectus is at 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with the ASIC (**Expiry Date**). No Securities may be issued on the basis of this Prospectus after the Expiry Date.

Persons wishing to apply for Shares or Options pursuant to the Offers must do so using the relevant Application Form attached to or accompanying this Prospectus. Before deciding to invest in the Company potential investors should carefully read the entire Prospectus and, in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance of the Company. Investors should carefully consider these factors in light of their own personal circumstances (including financial and taxation issues).

Refer to **Section 11** of this Prospectus for details relating to risk factors. Investors should seek professional advice from an accountant, stockbroker, lawyer or other professional advisor before deciding to invest.

The Deed Administrator is not responsible for the contents of this Prospectus and has not been involved in its preparation. This Prospectus has been prepared by the directors of the Company. Accordingly, the Deed Administrator does not accept any responsibility for the accuracy of any information included, or any failure to include any information in, this Prospectus.

Application will be made to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Shares the subject of this Prospectus. Official Quotation will not be sought for the Options offered pursuant to this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered speculative.

CONDITIONAL OFFER

The Offers are conditional on Shareholder approval and various other matters. Refer to **Section 5** for detailed information in respect of the conditions.

SECURITIES STATED ON A POST-CONSOLIDATED BASIS

Unless otherwise stated, all references to Securities in this Prospectus are on a post consolidation basis assuming the 1:3 consolidation of the Company's issued capital proposed at the Annual General Meeting is completed.

WEB SITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at www.swwenergy.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications for securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

TRANSACTION SPECIFIC PROSPECTUS

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

RISKS

As with any investment in securities, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in **Section 11** of this Prospectus. Before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

Specific risks that investors should consider include the following:

- The Company has incurred losses in the past and it is therefore not possible to evaluate the Company's future prospects based on past performance. The Company expects to make losses in the foreseeable future. Factors that will determine the Company's future profitability are its ability to manage its costs, its ability to execute its development and growth strategies and the actions of competitors and regulatory developments. As a result, the extent of future profits, if any, and the time required to achieve sustainable profitability, is uncertain. In addition, the level of any such future profitability (or loss) cannot be predicted and may vary significantly from period to period.
- There is no guarantee that the Company will be able to successfully commercialise its products or find viable markets to sell its products to customers to achieve a commercial return. There can be no assurance that the Company's development activity, will result in a viable business. Even if an apparently viable business is identified, there can be no

guarantee that it can be economically exploited.

- At the completion of the Offers, the Company will have 80,000,000 Options on issue. The exercise of part or all of these Options will have a dilutionary effect on a Shareholder's interest in the Company. Shareholders are referred to **Section 3.4** for details of the Company's capital structure.
- The Company may require further funding in the future and there can be no assurance that further funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance.

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1. CORPORATE DIRECTORY

Directors

Benjamin Bussell
Gino D'Anna
Darren Olsen

Company Secretary

Gino D'Anna

Share Registry*

Link Market Services Limited
Level 12
680 George Street
SYDNEY NSW 2000

Telephone: (02) 8280 7111

Facsimile: (02) 9287 0303

Proponent Registered Office

Ground Floor
1306 Hay Street
WEST PERTH WA 6005

Telephone: (08) 9486 4036

Facsimile: (08) 9486 4799

Solicitors to the Company

Steinepreis Paganin
Lawyers and Consultants
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

Administrator Registered Office

Rodgers Reidy Chartered Accountants
C/- Geoffrey Reidy
Level 8
333 George Street
SYDNEY NSW 2000

Telephone: (02) 9262 1944

Facsimile: (02) 9262 1933

ASX Code: SWW

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

** Rodgers Reidy Chartered Accountants and Geoffrey Reidy in his capacity as Deed Administrator (and former capacity as Administrator) have been named in this prospectus for information purposes only. These parties are not involved in the making of any offer under this prospectus nor have they been involved in the preparation or lodgement of this prospectus. These parties do not endorse the offering set out in this prospectus or any statements made in this prospectus and will accept no responsibility in relation to such matters.

2. LETTER TO INVESTORS

Dear Investor,

On 18 March 2010, Mr Phillip Pinn of Pinn Deavin BIO was appointed as administrator by the Company's board of directors pursuant to Section 436A of the Corporations Act.

At the first meeting of the creditors, it was resolved by the creditors of the Company that Mr Geoffrey Reidy of Rodgers Reidy be appointed as administrator of the Company to replace Mr Pinn.

Hemisphere Investment Partners Pty Ltd (**Hemisphere**) subsequently put forward a proposal to the administrator to reconstruct and recapitalise the Company with a view to ensuring that the Company could continue to operate as a going concern and seek reinstatement to trading on ASX (**Proposal**).

On 3 September 2010, the Proposal was put to creditors and approved. The Company subsequently entered into a deed of company arrangement (**DOCA**) on 24 September 2010 that provided for the payment of funds into the Company and settlement of creditors' claims (consistently with the terms of the Proposal and subject to certain conditions).

The Proposal will be put forward to Shareholders for approval at a general meeting to be held on or about 19 April 2011. The Offers pursuant to this Prospectus are conditional on Shareholders approving the Proposal.

The DOCA will be terminated following completion of the capital raisings under this Prospectus (including the associated issue of Shares and Options to the Proponent (or its nominees) under the Proponent Offer and the payment to the Proponent of the Corporate Fee), payment to the Deed Administrator of \$780,000 (to be applied to the trusts (**Creditors Trust**) established to meet the payment of the Administrator's fees and expenses, the Deed Administrator's fees and expenses and the satisfaction of the compromised creditor's claims) and transfer to the Creditors Trust of all shares in the Company's wholly owned subsidiary.

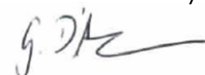
Completion of the Proposal will have the following effect:

- (a) all creditors' claims against the Company will be released and compromised under the DOCA;
- (b) the Company will come out of administration (by termination of the DOCA); and
- (c) the Company's Shares will re-commence trading on the ASX. This will only occur once the Company has satisfied all conditions imposed by ASX.

The Offers under this Prospectus will facilitate completion of the Proposal and will enable the Company to apply for its securities to be reinstated to trading on ASX.

The ASX has given conditional approval to the re-instatement of the Company's Shares to trading on the ASX. To satisfy these conditions, the Company will need, amongst other things, to lodge its outstanding statutory financial reports, which the Company intends to do as soon as practicable after completion of the Offers. Shares issued under this Prospectus will only be tradable on the ASX if the conditions of the ASX approval are satisfied.

Yours faithfully



Gino D'Anna
Director

3. INVESTMENT OVERVIEW

3.1 Important Notice

This section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

3.2 Indicative Timetable

Lodgement of Prospectus with the ASIC	5 April 2011
Opening Date of Offers	12 April 2011
Closing Date of Offers	5.00pm WST on 25 April 2011
Despatch of Holding Statements	3 May 2011

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offers early without notice.

3.3 Purpose of the Offers and Use of Proceeds

The purpose of the Offers is to:

- (a) provide funds for the expansion of the Company's existing core business, which is focused on:
 - (i) the production of biofuel and biodiesel from the beneficiation of waste oils using the proprietary technology of the Company, known as Thermodepolymerisation;
 - (ii) the funding of operating expenses associated with the toll processing agreement with White Mountain Group LLC and feedstock suppliers;
 - (iii) the funding of potential offtake agreements with end users of biofuel and biodiesel;
 - (iv) expansion funding associated with new plants both directly owned and operated by White Mountain Group LLC and other third party operators; and
 - (v) funding for the research and development of the Frac Water Technology and the Solar Cracking Technology.
- (b) provide funds for the further acquisition and development of other investments, as identified by the Company (that may or may not be in the same sector); and
- (c) meet the costs and expenses of the recapitalisation of the Company (including payments due to under the DOCA and to the Proponent) with a view to seeking reinstatement to trading of its securities on ASX.

An indicative two year expenditure budget for the funds raised under the Offers (assuming full subscription) is set out below:

	Year 1	Year 2
Total funds raised	\$2,503,500	-
<i>Utilised as follows:</i>		
Operating Expenses associated with the toll processing agreement with White Mountain and Feedstock suppliers	\$150,000	\$150,000
Funding for potential offtake agreements with end users of biofuel and biodiesel	\$100,000	\$50,000
Expansion funding associated with new plants both directly owned and operated by White Mountain and with other third party operators	\$50,000	\$50,000
Funding for the development of the Frac Water Technology and the Solar Cracking Technology	\$50,000	\$50,000
Acquisition funding and development funding for additional opportunities in the renewable energy and bio-fuel industry by the Company	\$100,000	\$100,000
Acquisition funding and development funding for other investments, as identified by the Company, outside of the bio-fuel industry, such as the natural resources sector	\$100,000	\$150,000
<i>Total general working capital budget</i>	<i>\$550,000</i>	<i>\$550,000</i>
Payment to the Deed Administrator to satisfy obligations under the DOCA ¹ .	\$705,000	-
Working capital, including expenses associated with the Offers and the recapitalisation proposal to be repaid to Hemisphere ² .	\$495,000	\$203,500
Total funds utilised	\$1,750,000	\$753,500

1. The payment to the deed administrator is net of the deposit paid by the Proponent, which is to be converted to shares under the terms of the Deposit Convertible Note Agreement and via the Deposit Loan Note Offer.
2. This includes the \$50,000 corporate advisory fee payable to Hemisphere Investment Partners Pty Ltd.

3.4 Capital Structure

The capital structure of the Company following completion of the Offers (assuming full subscription and on a post Consolidation basis) is summarised below:

Shares	Number
Shares on issue as at the date of the Prospectus	34,599,961
Shares offered under the Placement Offer	60,000,000
Shares offered under the Deposit Loan Note Offer	15,000,000
Shares offered under the Share Offer	220,000,000
Shares offered under the Proponent Offer	35,000,000
Shares offered under the Advisor Offer	20,000,000
Total Shares on issue at completion of the Offers	384,599,961
Options	
Options on as at date of Prospectus	-
Options offered under the Proponent Offer	80,000,000
Total options on issue at completion of the Offers	80,000,000

3.5 Commissions on Application Forms

The Company reserves the right to pay a commission of 5% (exclusive of goods and services tax) of amounts subscribed to any licensed securities dealers or Australian Financial Services licensee in respect of valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian Financial Services licensee.

Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee.

4. DETAILS OF THE OFFERS

4.1 The Offers

The Company is making six separate offers pursuant to this Prospectus. The purpose of the Offers and the use of the funds raised pursuant to the Offers are set out in Section 3.3 of this Prospectus.

The Offers encompass the recapitalisation proposal made by Hemisphere which is reflected in the Notice of Meeting announced to ASX on 23 March 2011.

The rights attached to the Securities offered pursuant to this Prospectus are summarised in Section 12.2 of this Prospectus.

The Placement Offer

Pursuant to the Placement Offer, the Company offers the Directors and parties nominated by the Directors the opportunity to subscribe for 60,000,000 Shares at 0.5 cents each to raise \$300,000.

The Placement Offer is only open to those persons nominated by the Directors. Accordingly, if you are nominated by the Directors and you wish to subscribe for Shares pursuant to the Placement Offer, please complete a **Placement Offer Application Form**.

The Share Offer

Pursuant to the Share Offer, the Company offers the general public, the Directors and parties nominated by the Directors the opportunity to subscribe for 220,000,000 Shares at an issue price of 1 cent per Share to raise \$2,200,000.

The Share Offer is open to the general public and those persons nominated by the Directors. Accordingly, if you are nominated by the Directors or if you are part of the general public and you wish to subscribe for Shares pursuant to the Share Offer, please complete a **Share Offer Application Form**.

The Proponent Offer

Pursuant to the Proponent Offer, the Company offers the Proponent (or its nominees) the opportunity to subscribe for 35,000,000 Shares at an issue price of 0.01 cents each (**Proponent Share Offer**) and 80,000,000 Options for nil cash consideration (**Proponent Option Offer**).

The Options will be exercisable at 1 cent each on or before 31 December 2014. The full terms and conditions of the Options are set out in Section 12.2 of this Prospectus.

The Proponent Offer is only open to the Proponent (or its nominees). Accordingly, if you are nominated by the Proponent and you wish to subscribe for Shares pursuant to the Proponent Share Offer or Options pursuant to the Proponent Option Offer, please complete a **Proponent Share Offer Application Form** and/or a **Proponent Option Offer Application Form**.

The Deposit Loan Note Offer

Pursuant to the Deposit Loan Note Offer, the Company offers the Proponent (or its nominees) the opportunity to subscribe for 15,000,000 Shares at an issue price of 0.5 cents each in consideration for a deposit loan in the amount of \$75,000

paid on behalf of the Company in accordance with the terms of the DOCA (**Deposit Loan Note Offer**). Pursuant to the terms of the DOCA, the Company is required to repay the deposit in immediately available funds or by the issue of Shares at 0.5 cents per Share, at the election of the Proponent. The Proponent has elected to receive repayment of the deposit by the issue of 15,000,000 Shares. To allow secondary sale of these Shares, the Company offers the Shares pursuant to this Prospectus.

The offer is only open to the Proponent (or its nominees). Accordingly, if you are nominated by the Proponent and you wish to subscribe for Shares under the Deposit Loan Note Offer, please complete the **Deposit Loan Note Offer Application Form**.

The Advisor Offer

Pursuant to the Advisor Offer, the Company offers the Proponent (or its nominees) the opportunity to subscribe for 20,000,000 Shares as a bonus payment for the successful completion of the Proposal (**Advisor Offer**). Pursuant to the terms of the DOCA, the Company is required to issue 20,000,000 Shares to the Proponent as a bonus payment for facilitating the successful completion of the Proposal. The Shares have a deemed issue price of 1 cent and, accordingly, an implied value of \$200,000. The Proponent has provided corporate advisory services to the Company and has facilitated the proposed recapitalisation of the Company. To allow secondary sale of these Shares, the Company offers the Shares pursuant to this Prospectus.

The Advisor Offer is only open to the Proponent (or its nominees). Accordingly, if you are nominated by the Proponent and you wish to subscribe for Shares pursuant to the Advisor Offer, please complete an **Advisor Offer Application Form**.

4.2 Opening and Closing Dates

The Offers will open for receipt of acceptances on 12 April 2011 and close at 5.00pm (WST) on 25 April 2011 (unless varied) (**Closing Date**).

4.3 Applications

Please do not complete an Application Form unless instructed to do so by a Director.

Applications for Securities under the Offers must be made using the relevant Application Form (Placement Offer Application Form, Share Offer Application Form, Proponent Share Offer Application Form, Proponent Option Offer Application Form, Deposit Loan Note Offer Application Form and/or Advisor Offer Application Form).

Completed Application Forms and accompanying cheques must be mailed or delivered to:

Street Address:

Solverdi Worldwide Limited
C/- Hemisphere Investment Partners
Ground Floor
1306 Hay Street
WEST PERTH WA 6005

Mailing Address:

Solverdi Worldwide Limited
C\ - Hemisphere Investment Partners
PO Box 52
WEST PERTH WA 6872

Cheques should be made payable to "Solverdi Worldwide Limited – Offer Account" and crossed "Not Negotiable". Completed Application Forms must reach the above address by no later than the Closing Date.

4.4 Minimum Subscription

The minimum subscription to be raised across the Offers is \$2,503,500.

If the minimum subscription has not been raised across the Offers within 4 months after the date of this Prospectus, all applications in respect of the Offers will be dealt with in accordance with the Corporations Act.

4.5 Allotment

Allotment of the Securities offered by this Prospectus will take place as soon as practicable after the Closing Date. The Directors reserve the right to close the Offers early without notice upon meeting the minimum subscription for the Offers. Prior to allotment, all application monies shall be held by the Company on trust. The Company, irrespective of whether the allotment of Securities takes place, will retain any interest earned on the application monies.

The Directors reserve the right to allot Securities in full for any application or to allot any lesser number or to decline any application. Where the number of Shares allotted is less than the number applied for, or where no allotment is made, the surplus application monies will be returned by cheque to the applicant within 7 days of the allotment date.

4.6 ASX Listing

Application for official quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

The Company will not be making application to ASX for quotation of the Options offered pursuant to this Prospectus.

4.7 ASX Reinstatement to Trading

The Company has received a letter from ASX that confirms the Company's shares are likely to be reinstated to trading following completion of the capital raisings contemplated by this Prospectus.

The conditions to reinstatement outlined by the ASX are set out as follows:

- (a) Confirmation of completion of the transactions to facilitate the recapitalisation following approval by Shareholders at a general meeting.
- (b) Completion of a capital raising such that after payment of the costs of capital raising, the Company can demonstrate to ASX that it will have a minimum of \$1,000,000 in cash, net of all liabilities, at the date of its reinstatement.
- (c) Confirmation that the Company has satisfied each of its obligations pursuant to the DOCA and accordingly, the DOCA has been terminated.
- (d) The Company demonstrating to the satisfaction of the ASX that it has commitments to spend at least 50% of its cash held at the date of reinstatement on the core business of surveillance solutions.
- (e) Provision of the following in a form suitable for release to the market:
 - (i) A distribution schedule of the numbers of holders in each class of security to be quoted.
 - (ii) A statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders.
 - (iii) An updated pro-forma statement of financial position, based on actual funds raised.
 - (iv) A pro-forma capital structure, updated for the actual amounts raised pursuant to the security issues.
 - (v) An updated expenditure budget, based on actual funds raised.
 - (vi) A Company update statement detailing the background to the Company, the suspension of trading in the Company's securities and appointment of administrator, the future of the Company and the purpose of the capital raising.
 - (vii) A statement confirming the Company is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.
 - (viii) An Appendix 3X Initial Director Interest Notice for each of the incoming directors of the Company.
- (f) Lodgement of any outstanding reports since the Company's securities were suspended and any other outstanding documents required by Listing Rule 17.5.
- (g) The Company demonstrating compliance with Listing Rules 12.1 and 12.2 to the satisfaction of the ASX.
- (h) Lodgement of all Appendix 3B's with ASX for any issue of new securities.
- (i) Payment of the Company's reinstatement fee and any other fees applicable and outstanding.

- (j) The provision of any other information required or requested by ASX.

The Company will need to satisfy each of the above conditions (and any other conditions imposed by ASX) before its securities can be reinstated to trading on ASX.

4.8 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

4.9 CHESS

The Company participates in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (**HIN**) or Securityholder Reference Number (**SRN**) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

4.10 Risk Factors

Prospective investors in the Company should be aware that subscribing for Securities the subject of this Prospectus involves a number of risks. These risks are set out in Section 11 of this Prospectus and investors are urged to consider those risks carefully (and if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 11, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Securities. Accordingly, an investment in the Company should be considered speculative.

4.11 Privacy Statement

If you complete an application for Shares or Options, you will be providing personal information to the Company. The Company collects, holds, and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules.

4.12 Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or financial projection would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

5. CONDITIONS OF THE OFFERS

5.1 Overview of Conditions

The Offers are conditional upon each of the matters referred to below being satisfied:

- (a) Shareholder approval of Resolutions 1 - 7 at the Annual General Meeting;
- (b) raising the Minimum Subscription under the Prospectus; and
- (c) satisfaction of the conditions of the Recapitalisation Deed and the DOCA.

The satisfaction of each of the conditions set out in this **Section 5** is a requirement for the allotment of Shares and Options under this Prospectus. In the event that all of these conditions are not met within four (4) months of the date of this Prospectus, all Application Monies will be returned to Applicants without interest, in accordance with the Corporations Act as soon as possible thereafter.

5.2 Shareholder Approval

The Annual General Meeting of the Company will be held on 19 April 2011, at which Resolutions 1 - 7 (inclusive) and 10 to 12 (inclusive) must be passed by Shareholders in order to implement the Proposal. The Offers pursuant to this Prospectus are subject to and conditional upon Shareholders passing Resolutions 1 to 7 (inclusive) proposed at the Annual General Meeting.

The resolutions to be proposed at the Annual General Meeting are:

- (a) Consolidation of the Existing Shares and Existing Options on a 1 for 3 basis;
- (b) Reduction of capital;
- (c) Approval for the issue of the Shares and Options pursuant to the Proponent Share Offer, the Placement Offer and Proponent Option Offer under this Prospectus;
- (d) Approval for the issue of the Shares pursuant to the Share Offer under this Prospectus;
- (e) Approval of the Directors right to apply for Shares and Options under the Share Offer;
- (f) Approval for the issue of the Shares pursuant to the Deposit Loan Note Offer under this Prospectus;
- (g) Approval for the issue of the Shares pursuant to the Advisor Offer under this Prospectus;
- (h) Adoption of new Constitution;
- (i) Change of name;
- (j) Election of Director – Mr Benjamin Bussell;



- (k) Election of Director – Mr Gino D'Anna; and
- (l) Election of Director – Mr Darren Olsen.

5.3 Satisfaction of Conditions of the Recapitalisation Deed and the DOCA

The Offers are conditional upon all of the conditions of the Recapitalisation Deed and the DOCA being satisfied. Please refer to **Section 10** of this Prospectus for further details of the conditions of those agreements.

6. COMPANY OVERVIEW

6.1 Company Background

Solverdi, prior to being placed into administration on 18 March 2010, was a producer of renewable fuels using waste oils, sourced within Australia and the United States of America. The Company had previously entered into a license and operating agreement with White Mountain Group LLC (**White Mountain**), an American incorporated company that specialised in the production of biofuels and biodiesel.

At the peak of its operations, Solverdi was characterised as the world's first renewable utility. The Company offered customers a "behind the meter" solution for generating electricity during peak utilisation periods at 15-25% below peak rates per kilowatt hour. In addition, the Solverdi Process was used to produce steam, compressed air, and recapture non-potable water. The Solverdi Process includes an amplified solar cracking (thermal) system that delivers renewable electricity and incorporates the use of solar and renewable fuels and utilises a commercial buildings uninterruptable power supply and interior energy infrastructure.

The core business activities of Solverdi included:

- (a) the production of biofuel and biodiesel from the beneficiation of waste oils using the proprietary technology of the Company, known as Thermodepolymerisation; and
- (b) the creation of a service model based on the collection and acquisition of waste oils, the beneficiation of the waste oils, the production of the biofuel and the delivery of the biofuel. The service model created allowed Solverdi to provide an all-inclusive proposition for its customers.

Solverdi listed on ASX on 14 December 2005, and established an operational business model as a producer of biofuel using waste oils.

In November 2008, Solverdi entered into an agreement with a US renewable energy group, White Mountain, whereby White Mountain granted Solverdi a licence over its renewable energy technology platform and invested \$500,000 into the Company for a 10.6% stake in Solverdi.

As part of the investment in the Company by White Mountain, renewable fuel plants were constructed in Nevada and Arizona. One of the fuel plants in Nevada was fully operational at the time of the appointment of administrators with the second plant in Nevada under construction. The third plant in Arizona was also under construction.

The technology retained by Solverdi as part of the agreement with White Mountain is known as TDP™ Thermodepolymerisation Technology, which converts waste oils and beneficiates the product into a renewable fuel and biofuel for use in the agriculture industry and the transportation industry.

6.2 Administration Overview

On 18 March 2010, Mr Phillip Pinn of Pinn Deavin BIO was appointed as administrator by the Company's board of directors pursuant to Section 436A of the Corporations Act.

At the first meeting of the creditors it was resolved by the creditors of the Company that Mr Geoffrey Reidy of Rodgers Reidy be appointed as administrator of the Company to replace Mr Pinn.

Hemisphere Investment Partners Pty Ltd (**Hemisphere**) subsequently put forward a proposal to the administrator to reconstruct and recapitalise the Company with a view to ensuring that the Company could continue to operate as a going concern and seek reinstatement to trading on ASX (**Proposal**).

On 3 September 2010, the Proposal was put to creditors and approved. The Proposal can be summarised as follows:

- (a) The Company will consolidate its existing issued capital on a one (1) for three (3) basis (being the Consolidation). It is proposed this will be approved by Shareholders at the Company's General Meeting to be held on or about 19 April 2011.
- (b) The Proponent has provided a non refundable deposit of \$75,000 to the Company to be applied by the Deed Administrator to the Creditors Trust.
- (c) The Proponent will be entitled to the Corporate Fee on termination of the DOCA.
- (d) The Company will undertake the Offers pursuant to this Prospectus as outlined in paragraph 4.1.
- (e) All of the directors of the Company will be removed and replaced by nominees of the Proponent.

The Company subsequently entered into a deed of company arrangement (**DOCA**) that provided for the payment of funds into the Company, and settlement of creditors' claims (consistently with the terms of the Proposal).

Conditions precedent to the DOCA include:

- (a) the Company obtaining Shareholder approval of, inter alia, the Consolidation, the payment of the Corporate Fee to the Proponent and the Proponent Offer;
- (b) all employees of the Company being terminated prior to the termination of the DOCA;
- (c) ASX confirming in writing that it will lift the Company's suspension on the ASX following the Capital Raising on terms satisfactory to the Proponent and the Company without the need to re-comply with Chapters 1 and 2 of the ASX Listing Rules; and
- (d) the Offers pursuant to this Prospectus being closed and the minimum subscription of \$2,200,000 being raised.

The DOCA will be terminated following completion of:

- (a) the capital raisings under this Prospectus;
- (b) payment to the Deed Administrator of \$780,000 (to be applied to the Creditors Trust established to meet the payment of the Administrator's fees and expenses, Deed Administrator's fees and expenses and the

satisfaction of the compromised creditor's claims) and transfer to the Creditors Trust of all the Company's assets (including the issued share capital of the Company's wholly owned subsidiary, ACN 051 792 495 Pty Ltd). Together the payment amount and the transferred assets will be the amount to be applied to the Creditors Trust after payment of the Administrator's fees and expenses and the Deed Administrator's fees and expenses; and

- (c) payment to the Proponent of the Corporate Fee and the issue of Shares and Options to the Proponent under the Proponent Offer.

6.3 Principal Features of the Proposal

On 24 September 2010, pursuant to Section 442A of the Corporations Act 2001, Benjamin John Bussell, Gino D'Anna and Darren Paul Olsen were appointed as Directors of the Company. On 24 September 2010 and immediately following execution of the DOCA, control of the Company passed to these Directors.

The principal features of the Proposal are as follows:

- (a) **Consolidation of Capital:** Consolidation of the existing issued capital of the Company on a 1 for 3 basis.
- (b) **Reduction of Capital:** The capital of the Company be reduced by applying an amount being a portion of the accumulated losses of the Company against the share capital which is considered permanently lost.
- (c) **Issue of Securities to the Proponent or its nominees:** The issue of 35,000,000 New Shares (post consolidation) at an issue price of \$0.0001 and 60,000,000 New Shares (post Consolidation) at an issue price of \$0.005 per Share and 80,000,000 New Options (post Consolidation) in the Company, exercisable at 1 cent each at any time on or before 31 December 2014, to the Proponent or its nominees.
- (d) **Prospectus Issue:** The issue of up to 220,000,000 Shares at a price of 1 cent each under the Prospectus to raise not less than \$2,200,000.
- (e) **Issue of Shares to the Proponent or its Nominees:** The issue of 15,000,000 Shares by way of a priority offer to the Proponent or its nominees as a priority offer under the Prospectus in consideration for the payment of a \$75,000 deposit pursuant to the Deposit Convertible Note Agreement.
- (f) **Issue of Shares to the Proponent or its Nominees:** The issue of 20,000,000 Shares by way of a priority offer to the Proponent or its nominees as a priority offer under the Prospectus as a bonus for the successful completion of the Recapitalisation Proposal facilitated by the Proponent.
- (g) **New Constitution:** The adoption of a new Constitution.
- (h) **Company Name:** The change of name of the Company to "SWW Energy Limited".
- (i) **Board Changes:** The resignation of such members of the existing board of directors of the Company as the Proponent requests and the appointment to the Board of Mr Benjamin Bussell, Mr Gino D'Anna and Mr Darren Olsen.

- (j) **Payment by Company to Deed Administrator:** Upon the close of the Offers, the Company shall make available \$780,000 (less the amount of the deposit paid) to be applied by the Deed Administrator to the Creditors Trust, in consideration for the forgiveness of all of the Creditors' claims against the Company (**Trust Assets**).

Completion of the Proposal will restructure the Company's issued capital, provide net working capital, terminate the DOCA and provide a new direction for the Company. Further, in accordance with the terms of the DOCA and the Recapitalisation Deed, all existing debts against the Company will be released, extinguished and barred, with Admitted Creditors claims only able to be met from the Trust Assets.

Following the recapitalisation of the Company, the Company will be in a position to make an application for reinstatement to trading of its Shares on the ASX, subject to compliance with ASX and Corporations Act regulatory requirements.

6.4 Proposed Business Plan

(a) Further Development of Renewable Fuel Business

The new board of Solverdi (**New Board**) intends to further evaluate and develop the renewable fuel business via the use of the TDP™ Thermodepolymerisation Technology.

The continuing business operations of the Company are based on the technology and licence agreement executed with White Mountain. This includes the Shallow Water Reactor Process, the Frac Water Technology, the TDP™ Thermodepolymerisation Technology and the Solar Cracking Technology. The TDP™ Thermodepolymerisation Technology will underpin the continued operations of the Company as Solverdi embarks upon a restructured business plan designed to mitigate the need for extensive capital investments whilst maintaining the same business operations.

Thermaldepolymerisation (**TDP**) is a depolymerisation process using hydrous pyrolysis for the reduction of complex organic materials (usually waste products of various sorts, often biomass and plastic) into light crude oil. It mimics the natural geological processes thought to be involved in the production of fossil fuels. Under pressure and heat, long chain polymers of hydrogen, oxygen, and carbon decompose into short-chain petroleum hydrocarbons with a maximum length of around 18 carbons.

On 1 December 2010, White Mountain and the Company signed an agreement allowing Solverdi the right to access the excess capacity at a renewable fuel plant located in North Las Vegas, Nevada operated by experts engaged by White Mountain for the production of biofuel using feedstock supplied by Solverdi.

The White Mountain plant in Nevada currently has total capacity of 240,000 litres per month, a portion of which can be secured by Solverdi in the production of the Biofuel and biodiesel. The toll processing arrangement allows Solverdi to pay White Mountain a toll processing fee equal to US\$0.86 for every litre of Biodiesel and a license fee of US\$0.054 per litre of Biodiesel produced for the use of the technology in the plant,

produced at standard temperature and pressure at the White Mountain Facility from the feed stocks supplied by Solverdi, delivered to Solverdi.

Access to the treatment plant will allow Solverdi to reduce the need to raise large sums of capital associated with the capital expenditure required for the construction, operation and maintenance of the plants on an ongoing basis. This is considered to be a more efficient business model than previously employed by Solverdi and allows the Company to treat waste oil products using the White Mountain plant by sharing the sale margin with White Mountain. In addition, the experts and personnel that operate the plant on behalf of White Mountain will provide their expertise to Solverdi during the beneficiation and manufacturing process.

In addition to accessing personnel and experts within White Mountain, Solverdi may also be able to utilise the existing White Mountain customer base as an opportunity to channel its own production of biofuel and biodiesel.

This business model is essentially the same as the core business of Solverdi prior to it being placed into administration, without the risk associated with constructing and operating its own biodiesel plants. In turn, the associated large sums of capital which were required under the previous business model are no longer required.

Solverdi will endeavour to create "micro-plant" operations in the fragmented waste oil and grease interceptor industry. Solverdi will attempt to create service collection "vacuums", that competing companies will find difficult to react to, and implement effective "radius" marketing to increase customer density.

Solverdi, through its proprietary technology, intends to convert the collected waste material into a value added resource for the manufacture of renewable fuels. Using proprietary, patent issued and patent pending, technology to convert waste water and waste oil sources to alternative fuel.

The future activities of the Company will largely focus on the commercial application of the existing Solverdi technology, with a view to achieving the production and sale of biofuel and biodiesel products into the transport industry as well as animal feed stock to the agricultural industry under a relationship with White Mountain.

This will be accomplished through the toll processing agreement with White Mountain. Refer to Section 10.6 of this Prospectus for further details of the toll processing agreement.

(b) ***Evaluation and Pursuit of New Project Acquisitions and Investments***

As part of the recapitalisation, the Company will also evaluate other project opportunities for acquisition or investment. The Company proposes to review projects across a range of sectors.

The Company proposes to investigate acquisitions and investments in the following sectors:

- (i) metals and mining across all commodities, including iron ore, gold, copper, manganese, lead, zinc, silver, platinum, chrome, nickel and rare earth elements;
- (ii) energy and energy related investments including oil and gas, coal bed methane, coal and uranium; and
- (iii) renewable energy and fuels including Biofuel, biodiesel and ethanol.

6.5 Expenditure Budget and Application of Funds

The Company proposes to adopt the budget set out in Section 3.3 of this Prospectus in relation to funding the Company's activities, providing working capital for the acquisition and development of other investments (as identified by the Company) and meeting the administration costs of the Company and the expenses of the recapitalisation of the Company, including payments for the benefit of the creditors pursuant to the DOCA.

The Directors are satisfied that upon completion of the Offers, the Company will have sufficient working capital to meet its stated objectives.

It is possible that any future acquisitions that may be contemplated by the Company may exceed the current or projected working capital of the Company. It is expected that these acquisitions would be funded by project finance and/or further equity issues, as required (subject to Shareholder approvals if required).

Following the Minimum Subscription being raised and the issue and allotment of the Shares and Options under this Prospectus, the DOCA shall terminate and the Administrators shall retire in accordance with the terms of the DOCA and Recapitalisation Deed, which are summarised in Sections 10.2 and 10.3.

6.6 Other Opportunities

In addition to the above, the new management team will actively seek out complementary and non-complementary assets, investments and businesses that may have the potential to generate additional shareholder value.

7. RENEWABLE ENERGY AND BIOFUEL INDUSTRY

7.1 Introduction to the Renewable Fuel Industry

Biodiesel is produced from renewable plant or animal feedstocks containing fatty acids using a process of condensation called transesterification. Biodiesel is the most common form of biofuel in Europe as a replacement for diesel.

In Australia total diesel consumption in 2009 was 19 gigalitres and the country imported more than 48% of those needs.

An increasing number of commercial organisations (mining companies and transport companies) are trialing B20 to B100 biodiesel blends because of the significant greenhouse reduction benefits. Biodiesel blends, usually B5 or B20, are available at an increasing number of service stations in all states.

In Australia, the main feedstocks are tallow, used cooking oil and oilseeds. The CSIRO estimate that converting all used cooking oil, tallow exports and oilseed exports to biodiesel could potentially replace 4–8% of petro-diesel consumption.

The biodiesel industry in Australia already has the capacity to produce approximately nine times the amount of biodiesel consumed in 2007.

There are many new feedstocks under development including Indian mustard seeds (Western Australia), Pongamia pinnata trees (Queensland, Western Australia), Moringa oleifera (Western Australia) and algae (Queensland, South Australia, Victoria).

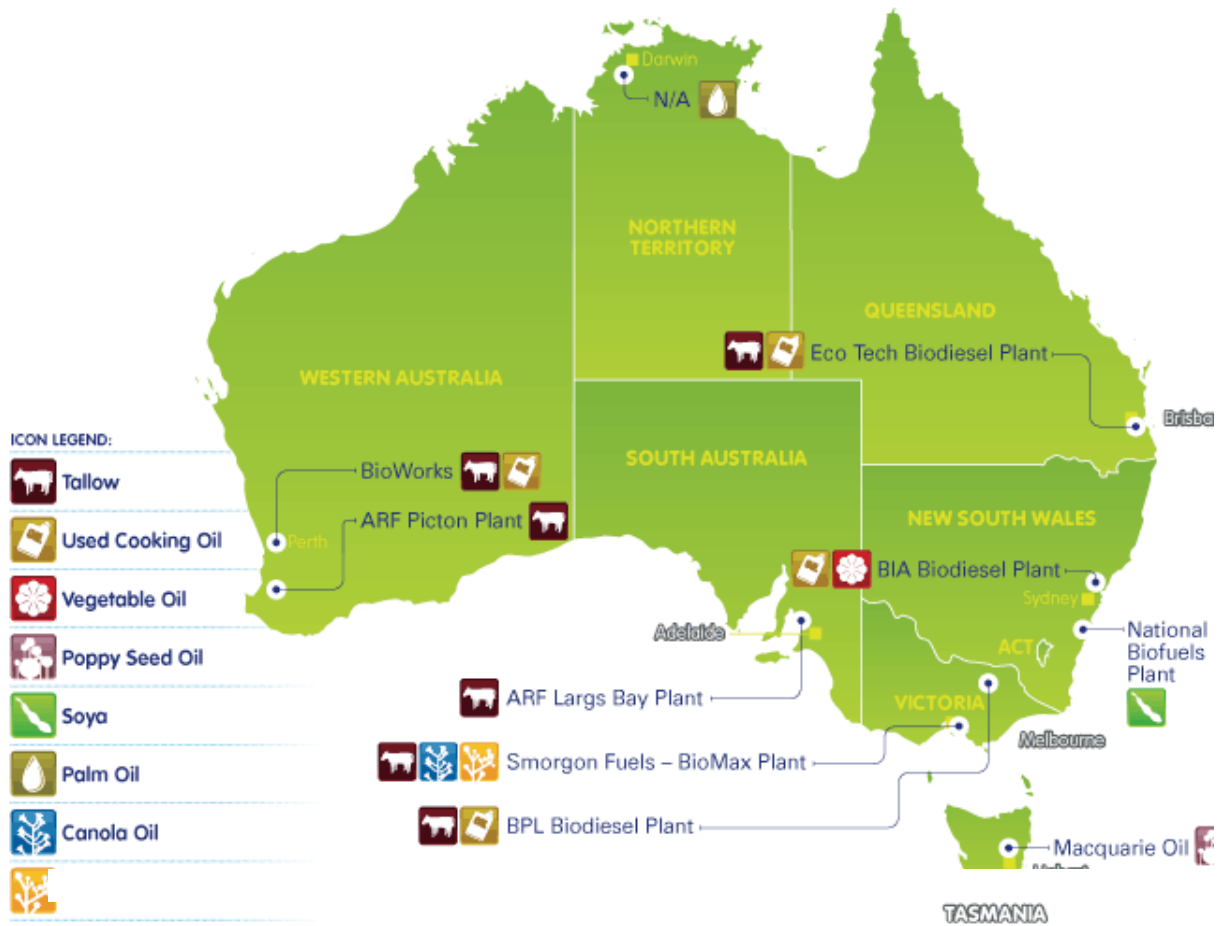
The feedstock with ultimately the most potential is algae because it has significant potential for a high yield per hectare of land. Algae can yield 100,000 litres of oil per hectare whereas the next best crop is palm oil at around 5,000 litres per hectare. In addition, high quality land is not required for algae and only non potable water is needed. The South Australian Research and Development Institute is investigating sustainable production of biodiesel from microalgae, including the construction of a demonstration-scale bioreactor. In Victoria, Smorgon Fuels is commercialising a process that uses the waste gas streams from power stations to convert algae to biodiesel.

At this point in time however, Australia would need about one hundred square kilometres of algae ponds to meet Australian needs, so presently algae is both uneconomically viable and physically impossible.

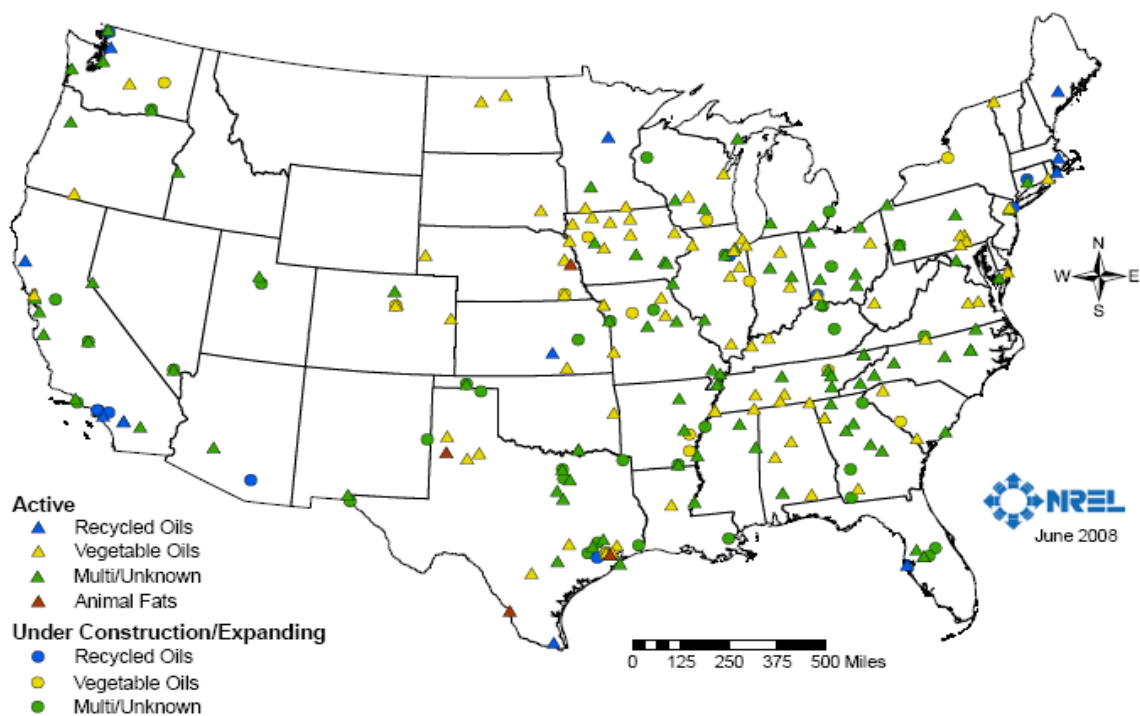
While these projects develop the challenge is to establish a local Australian first generation industry – an industry with the production, transport, storage and dispensing infrastructure needed to be ready to adopt the second generation technologies when they become viable. Alternative feedstocks are needed as well as additional infrastructure and more consistent access to markets.

With 98% of the energy used in the transportation industry still derived from fossil fuels and transportation being responsible for more than a quarter of the world's greenhouse gas emissions, it is crucial that Australia moves towards truly renewable and sustainable fuel sources such as ethanol.

Biodiesel production facilities in Australia



United States Biodiesel Production Facilities



Data Source: National Biodiesel Board and Biodiesel Magazine, June 2008

http://www.eere.energy.gov/atdc/pdfs/biodiesel_plants.pdf

7.2 Thermodepolymerisation Technology and the Production of Biofuel

Thermaldepolymerisation (**TDP**) is a depolymerisation process using hydrous pyrolysis for the reduction of complex organic materials (usually waste products of various sorts, often biomass and plastic) into light crude oil. It mimics the natural geological processes thought to be involved in the production of fossil fuels. Under pressure and heat, long chain polymers of hydrogen, oxygen, and carbon decompose into short-chain petroleum hydrocarbons with a maximum length of around 18 carbons.

Feedstock is funnelled into a grinder and mixed with water to create slurry that is pumped into the first-stage reactor, where heat and pressure partially break apart long molecular chains. The resulting organic soup flows into a flash vessel where pressure drops dramatically, liberating some of the water which returns back upstream to preheat the flow into the first-stage reactor. In the second-stage reactor, the remaining organic material is subjected to more intense heat, continuing the breakup of molecular chains. The resulting hot vapour then goes into vertical distillation tanks which separate it into gases, light oils, heavy oils, water and solid carbon. The gases are burned on-site to make heat to power the process and the water, which is pathogen free, goes to a municipal waste plant. The oils and carbon are deposited in storage tanks ready for sale. The process breaks down almost all materials that are fed into it. TDP even efficiently breaks down many types of hazardous materials such as poisons and difficult-to-destroy biological agents.

7.2.1 Feedstocks and outputs with thermal depolymerization

The fixed carbon solids produced by the TDP process have multiple uses as a filter, a fuel source and a fertilizer. It can be used as activated carbon in wastewater treatment as a fertilizer or as a fuel similar to coal.

7.2.2 Advantages

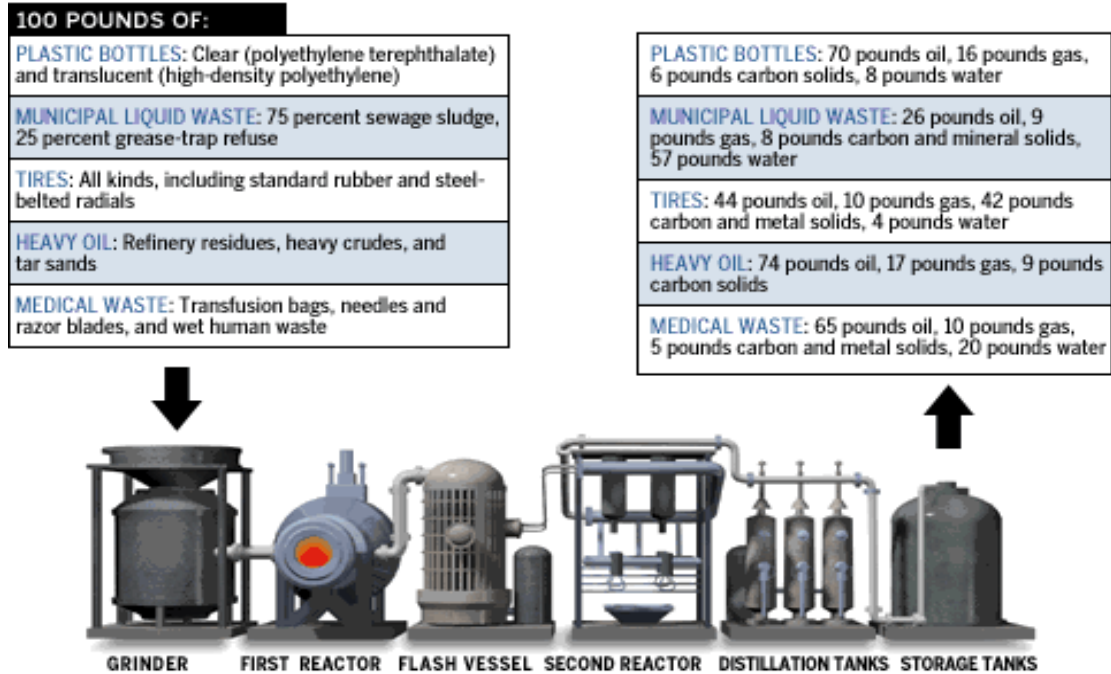
The process can break down organic poisons, due to breaking chemical bonds and destroying the molecular shape needed for the poison's activity. It is likely to be highly effective at killing pathogens. It can also safely remove heavy metals from the samples by converting them from their ionized or organometallic forms to their stable oxides which can be safely separated from the other products. Along with similar processes, it is a method of recycling the energy content of organic materials without first removing the water. It can produce liquid fuel, which separates from the water physically without need for drying. Other methods to recover energy often require pre-drying (e.g. burning, pyrolysis) or produce gaseous products (e.g. anaerobic digestion).

7.2.3 Limitations

The process only breaks long molecular chains into shorter ones, so small molecules such as carbon dioxide or methane cannot be converted to oil through this process. However, the methane in the feedstock is recovered and burned to heat the water that is an essential part of the process. In addition, the gas can be burned in a combined heat and power plant, consisting of a gas turbine which drives a generator to create electricity, and a heat exchanger to heat the process input water from the exhaust gas. The electricity can be sold to the power grid, for example under a Feed-in Tariff scheme. This also increases the overall efficiency of the process. Another option is to sell the methane product as biogas. For example, biogas can be compressed, much like natural gas, and used to power motor vehicles. Many agricultural and animal wastes

could be processed, but many of these are already used as fertilizer, animal feed, and, in some cases, as feedstocks for paper mills or as boiler fuel. Energy crops constitute another potentially large feedstock for thermal depolymerization.

The thermal depolymerization process can convert a wide range of waste materials into oil and other useful by-products, in proportions that vary according to the specific type of feedstock run through the works:



The vast majority of waste oils in the United States are derived from a few major sources. They are:

- waste vegetable cooking oils (Yellow Grease) from deep frying and surface frying of food;
- waste vegetable oils (Brown Grease) pumped from underground grease interceptors that are in line connected to underground waste water systems;
- waste mineral oils from auto service companies, car dealers, truck service companies and in house fleet service centres.

The Biodiesel industry classifies its primary feedstocks by their Free Fatty Acid (FFA) content with (i) Refined oils, such as canola or soybean oil with FFA<1.5%; (ii) animal fats that have low free fatty acid FFA <5%; and (iii) Greases and animal fats that have high free fatty acid FFA ≥20%.

8. DIRECTORS AND CORPORATE GOVERNANCE

8.1 Directors

Outlined below is a summary of each of the Directors.

Benjamin Bussell

Mr Bussell is a Senior Accountant with over 12 years experience in public accounting, corporate accounting and taxation. Mr Bussell is currently the Chief Financial Officer of ASX listed mineral exploration companies Stonehenge Metals Limited, ZYL Limited, Segue Resources Ltd and Excelsior Gold Limited.

Gino D'Anna

Gino D'Anna has experience in financial markets having been involved in a number of initial public offers and secondary listings. Mr D'Anna has been involved in the reconstruction and recapitalisation of various ASX listed companies and has previously been involved in structuring investments and acquisitions for ASX listed companies.

Mr D'Anna has also been involved in a number of secondary capital raisings and brings experience and knowledge in private equity and debt markets and has specialist understanding and experience in dealing with the Listing Rules and compliance requirements. Mr D'Anna is currently Executive Director and Company Secretary of ZYL Limited and was previously Executive Director of ASX Listed Ferrum Crescent Limited (formerly Washington Resources Limited).

Darren Olsen

Darren Olsen is a Certified Practising Accountant with over 13 years experience in Public Accounting & Taxation. Mr Olsen is currently a Director of Marlston Taxation & Business Advisers, a public Accountancy Firm which provides Accounting and Taxation services and advice to a wide range of small to large business entities including several ASX listed exploration companies.

8.2 Corporate Governance

The Directors monitor the business affairs of the Company on behalf of Shareholders and have formally adopted a corporate governance policy which is designed to encourage Directors to focus their attention on accountability, risk management and ethical conduct. The Board and management are committed to corporate governance and, to the extent that they are applicable to the Company, intend to follow the "Principles of Good Corporate Governance and Best Practice Recommendations" issued by the ASX Corporate Governance Council.

The summary below identifies the main corporate governance policies and practices that are intended to be adopted by the Directors. The Directors are committed to high standards of corporate governance in the performance of their duties.

8.2.1 Role of the Board

The Board is responsible for the overall corporate governance of the Company, and recognises the need for the highest standards of ethical behaviour and accountability. The Board will be committed to administering its Corporate Governance structures to promote integrity and responsible decision-making. To

the extent that they are relevant to the Company, the Company will adopt the ASX Principles of Good Corporate Governance and Best Practice Recommendations as published by the ASX Corporate Governance Council.

The following policies and procedures will be implemented and will be available on the Company's website:

- (a) Statement of Board and Management Functions;
- (b) Nomination Committee Charter;
- (c) Policy and Procedures for selection and appointment of new directors;
- (d) Code of conduct for directors and key executives;
- (e) Share Trading Policy;
- (f) Summary of procedure for selection of external auditor and rotation of engagement audit partner;
- (g) Continuous Disclosure Policy;
- (h) Shareholder Communications Strategy;
- (i) Risk Management Policy; and
- (j) Process for performance evaluation of the Board, board committees, individual directors and key executives.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including Shareholders, co-ventures, the government and the community. The Board will consider on an ongoing basis its Corporate Governance procedures and whether they are sufficient given the size and nature of the Company's operations.

8.2.2 Composition of the Board

The Board will be comprised of three Directors, being the current Directors. The Board may seek to nominate additional persons for appointment to the Board who have the qualifications, experience and skills to augment the capabilities of the Board.

9. FINANCIAL INFORMATION

9.1 Effect of the Offers

The Offers will have an effect on the Company's financial position. The principal effect of the Offers will be to:

- (a) increase cash reserves immediately after completion of the Offers and estimated expenses of the Offers by \$1,508,500; and
- (b) increase the number of Shares on issue (post Consolidation) from 34,599,961 Shares to 384,599,961 Shares and increase the number of Options on issue from nil to 80,000,000.

9.2 Pro-forma Balance Sheet

Set out below is the Company's unaudited pro-forma statement of financial position as at 31 December 2010 (assuming all Offers are fully subscribed).

Consolidated Balance Sheet and Pro Forma Balance Sheet as at 31 December 2010 (unaudited)

	31 December 2010 Actual \$	24 February 2011 Pro-forma \$
CURRENT ASSETS		
Cash and cash equivalents	-	1,508,500
Trade and other receivables	696	-
TOTAL CURRENT ASSETS	696	1,508,500
TOTAL ASSETS	696	1,508,500
CURRENT LIABILITIES		
Trade and other payables	(6,420,258)	-
Short term financial liabilities	(75,000)	-
TOTAL CURRENT LIABILITIES	(6,495,258)	-
TOTAL LIABILITIES	(6,495,258)	-
NET ASSETS	(6,494,562)	1,508,500
EQUITY		
Contributed equity	79,727,070	87,730,132
Reserves	341,806	341,806
Accumulated Losses	(86,563,438)	(86,563,438)
TOTAL EQUITY	(6,494,562)	1,508,500

10. MATERIAL CONTRACTS

10.1 Summary of Material Contracts

Set out below is a summary of the material contracts to which the Company is a party that may be material in terms of the Offers for the operation of the business of the Company or otherwise may be relevant to a potential investor in the Company (**Material Contracts**).

The whole of the provisions of the agreements are not repeated in this Prospectus and any intending Applicant who wishes to gain a full knowledge of the content of the Material Contracts should inspect the same at the registered office of the Company.

10.2 Recapitalisation Deed

The Deed Administrator, the Company and the Proponent, entered into a Recapitalisation Deed dated 24 September 2010 to recapitalise the Company.

The principal terms of the Recapitalisation Deed are as follows:

- (a) The Proponent and/or its nominees have agreed to participate in the recapitalisation of the Company.
- (b) The Recapitalisation Deed is conditional on and subject to the following:
 - (i) the ASX confirming the Recapitalisation Deed will not affect the Company retaining its ASX listing;
 - (ii) the Company successfully completing:
 - (A) the capital raising under the DOCA; and
 - (B) the application for, and granting of, securities in the Company to be reinstated to trading on the ASX;
 - (iii) the Shareholders passing the resolutions set out in paragraph (c) below to implement the Proposal;
 - (iv) the Administrator ensuring the Assets of the Company including the Thermodepolymerisation Technology (and the intellectual technical know-how) are and remain in good standing and remain as unencumbered assets of the Company;
 - (v) the Company receiving written unconditional approval from ASX to the Company being reinstated to trading on the Official List of ASX;
 - (vi) the Minimum Subscription being raised under the Prospectus; and
 - (vii) the Proponent paying a deposit of \$75,000 into a trust account nominated by the Administrator, which has been secured by way of a Deposit Loan Note entered into between the Proponent and the Company. Refer to Section 10.5 of this Prospectus.

If the conditions set out above are not satisfied by 31 May 2011 (or such later date as the parties may agree), the Recapitalisation Deed will be at an end and the parties will have no further obligation to each other under the Recapitalisation Deed.

- (c) The Company to convene a meeting of Shareholders to approve:
 - (i) an adoption of the remuneration report and the financial accounts for the period ended 31 December 2010;
 - (ii) a consolidation of the Company's existing issued capital on a 1 for 3 basis;
 - (iii) a reduction in the Company's share capital in conjunction with a portion of the accumulated losses of the Company;
 - (iv) the change in name of the Company from Solverdi Worldwide Limited to SWW Energy Limited;
 - (v) the election of Mr Benjamin Bussell, Mr Gino D'Anna and Mr Darren Olsen as Directors of the Company;
 - (vi) the adoption of a new Company constitution; and
 - (vii) the issue and allotment of the Shares and Options as set out in paragraph (d) below to implement the Recapitalisation Deed.
- (d) The Company will issue and allot the following securities:
 - (i) 60,000,000 Shares to the Proponent and third parties nominated by the Proponent at an issue price of 0.5 cents each;
 - (ii) 35,000,000 Shares to the Proponent and third parties nominated by the Proponent at an issue price of 0.01 cents each;
 - (iii) 220,000,000 Shares at an issue price of 1 cent each;
 - (iv) 80,000,000 Options to the Proponent and third parties nominated by the Proponent exercisable at 1 cent each expiring on 31 December 2014 for nil consideration;
 - (v) 15,000,000 Shares to be issued to the Proponent as repayment of a convertible loan deposit paid to the Company; and
 - (vi) 20,000,000 Shares to be issued to the Proponent and third parties nominated by the Proponent upon successful completion of the above capital raisings and the reinstatement to trading of Shares on ASX in consideration for facilitating the Recapitalisation Proposal.
- (e) Completion under the Recapitalisation Deed requires the following to occur contemporaneously:
 - (i) the Company must:
 - (A) issue the Shares to Applicants under this Prospectus;

- (B) pay the sum of \$705,000 (in addition to the \$75,000 deposit paid by the Proponent) to the Deed Administrator from the proceeds of the Prospectus;
 - (C) pay the Proponent the cash portion of the corporate consulting fee, being \$50,000 in consideration for the provision of corporate advisory services provided in connection with the recapitalisation of the Company.
- (ii) the Proponent must:
- (A) pay the sum of \$705,000 to the Company in consideration of the issue of Shares to the Proponent (or its nominee) via the Placement Offer, the Proponent Share Offer and the Share Offer under this Prospectus, which together with the \$75,000 deposit paid, will satisfy the creditors sum required to be paid under the DOCA;
- (iii) the Administrators must:
- (A) provide all duly executed forms and documents necessary and in full registrable form to effect the full release of all charges, security and any other encumbrances over, affecting or relating to the Company; and
 - (B) terminate the DOCA in accordance with the terms of the DOCA.
- (f) The Proponent must bear the costs relating to the preparation of the Prospectus, convening the Annual General Meeting and preparation of the Meeting Documents, lodgement of statutory accounts and ASIC and ASX fees. In the event that the Shares are reinstated to trading on the ASX, the Company shall reimburse to the Proponent the costs outlined above.

10.3 Deed of Company Arrangement

On 3 September 2010, pursuant to section 439A of the Corporations Act, a meeting of the Company's creditors was held at which it was resolved that the Company execute a Deed of Company Arrangement (**DOCA**). The Company entered into the DOCA with its Creditor's on 24 September 2010.

The DOCA approved by Creditors of the Company provided the following:

- (a) that it is subject to the following conditions (collectively referred to as the **DOCA Conditions**):
 - (i) Shareholders approving the recapitalisation of the Company, including the Offers pursuant to this Prospectus;
 - (ii) the Proponent paying the \$75,000 deposit into a trust account nominated by the Administrator; and
 - (iii) the Proponent paying the balance of \$705,000 to the Trustee to be held as part of the Trust Fund.
- (b) that following satisfaction of the DOCA Conditions:

- (i) the Assets (including patents and technical know-how) will remain with the Company;
 - (ii) a Trust Fund is established for the sole benefit of the Creditors with Geoffrey Reidy to be the trustee; and
 - (iii) the Company shall covenant with the Trustee to use its reasonable endeavours to assist the Trustee to realise and collect any of the Assets to be assigned to the Trust Fund.
- (c) the provable debts of the Company to Creditors are to be extinguished (**Extinguishment**);
- (d) in consideration of the Extinguishment, the Creditors become beneficiaries of the Trust Fund (the **Beneficiaries**);
- (e) the Trust Fund shall receive the following (collectively referred to as the **Contributions**):
 - (i) all the Assets of the Company other than those stated in (b)(a) above; and
 - (ii) the sum of \$780,000 from the proceeds of the issue of the Shares to the Proponent and the proceeds from the Prospectus Offer;
- (f) the Administrators must deliver the Contributions they receive to the respective Trustees once the Trust Funds are established and the DOCA Conditions are satisfied;
- (g) the DOCA will terminate after all of the DOCA Conditions have been satisfied, and the obligations thereunder performed;
- (h) if any of the DOCA Conditions are not satisfied, then the DOCA could terminate and the Company would then proceed into liquidation;
- (i) the Beneficiaries, referred to in point (d) above, will share rateably (where applicable) in the relevant Trust Fund;
- (j) the Trust Fund will terminate when all the Contributions that are to be made to them have been received by the relevant Trustees and distributed to the relevant Beneficiaries; and
- (k) all costs incurred by the Administrators and Deed Administrator and the Trustees will be paid in accordance with the DOCA.

10.4 Creditor's Trust Deed

The Trustees and the Company entered into a Creditor's Trust Deed dated 24 September 2010 in accordance with the terms of the DOCA. The principal terms of the Creditor's Trust Deed are as follows:

- (a) the Trustees were appointed as trustees of the trust created under the Creditor's Trust under the name "Solverdi Worldwide Creditor's Trust".
- (b) the Company is obligated to pay (on or before 31 May 2011) to the Trustees an amount equal to the sum of:

- (i) the whole of the Administrators' costs and expenses and the Trustees' costs incurred in fulfilling their duties and obligations under the Creditor's Trust Deed;
 - (ii) all of the Claims admitted by the Trustee;
 - (iii) any other amounts payable to the Administrators, Deed Administrator and the Trustees under the Creditor's Trust Deed; and
 - (iv) the Trustees' reasonable estimates of amounts that may become payable between the date of payment and Trustees making a final dividend payment in accordance with the Creditor's Trust Deed;
- (c) the Company must on demand from the Trustees (following payment of the amounts referred to in paragraph (b) above) pay such further amounts as may be necessary to enable the Trustees to pay in full, as a final dividend, the whole of amounts referred to in paragraph (b) above;
- (d) the Trustees are obligated to hold:
 - (i) the Assets; and
 - (ii) the amounts received pursuant to paragraphs (b) and (c) above on trust,to be dealt with and distributed in accordance with the terms of the Creditor's Trust Deed; and
- (e) the Creditor's Trust Deed will terminate and the Trustees shall resign 14 days after the Trustees distribute a final dividend.

10.5 Convertible Note Agreement

The Company and the Proponent entered into a Convertible Note Agreement dated 24 September 2010 as an instrument to secure the deposit payment made by the Proponent which was paid to the trust account specified by the Administrator.

The principle terms of the Convertible Note are illustrated below:

- (a) the Proponent is the noteholder of the Convertible Note;
- (b) the face value of the Convertible Note is \$75,000;
- (c) the conversion price of the Convertible Note is \$0.005 per Share;
- (d) the maturity date of the Convertible Note is 31 May 2010;
- (e) the Convertible Note can be converted into Shares either in full or in part in accordance with the conversion terms;
- (f) to the extent that the Convertible Note is repaid or converted, the Convertible Note is automatically cancelled and may not be re-issued;

- (g) the noteholder may at any time and from time to time after the effective date, being the later of reinstatement to trading of Shares on the Official List or completion of the capital raisings, convert all of the principal amount outstanding from time to time into Shares at the conversion price, subject to the conditions of the Convertible Note Agreement;
- (h) the Shares allotted following conversion must rank pari passu and form one class with the other Shares on issue at the allotment date; and
- (i) on the maturity date the Company must repay the principal amount of the Convertible Note remaining unconverted together with any other amounts owing to the noteholder under the conditions of the Convertible Note Agreement.

10.6 Biofuel Toll Processing and Manufacturing Agreement with White Mountain Group LLC

The Company and White Mountain Group LLC (**White Mountain**) entered into a Biofuel Toll Processing and Manufacturing Agreement (**Agreement**) on 2 December 2010 whereby White Mountain would manufacture biofuel on behalf of the Company using the Thermodepolymerisation Technology together with feedstocks purchased by the Company. The toll processing and manufacturing of the biofuel will take place at the White Mountain production facility located in North Las Vegas, Nevada.

White Mountain is in the business of licensing and providing manufacturing supervision of its biofuels technologies. Currently, White Mountain has capacity control of biofuels from feedstock at its licensed biofuel processing facility located in North Las Vegas, Nevada (the **Facility**).

The Company desires to arrange for the purchase and delivery of animal fats and other feedstocks to White Mountain for processing into biofuel pursuant to the toll processing arrangement.

Solverdi agrees to licence its TDP™ Thermodepolymerisation Technology (the **Technology**) to White Mountain for the purpose of enabling production of Biofuel from the Feedstocks delivered to the Facility by Solverdi.

The principle terms of the Biofuel Toll Processing and Manufacturing Agreement are illustrated below:

- (a) **Offers to Deliver Feedstocks for Processing:** Solverdi may offer to deliver Feedstocks to White Mountains' Facility in North Las Vegas, Nevada during the term of this Agreement.
 - (i) **Orders within Facility Commitment:** Solverdi shall order the processing of up to 15 million litres of Feedstocks at the Facility (**Facility Commitment**).
 - (ii) **Offers in Excess of the Facility Commitment:** Solverdi may offer to deliver additional Feedstocks beyond the Facility Commitment, subject to White Mountains' acceptance.
 - (iii) **Licence of Technology:** For the duration of this Agreement, White Mountain grants to Solverdi a license to use the Technology and trade or sell biofuels, produced thereunder for the purpose of enabling production of Biofuel from the

Feedstocks delivered to the Facility by Solverdi. A license fee of US\$0.054 per litre produced shall be included in each accepted order and added to each litre produced for Solverdi.

(b) **Agreement to Process Orders; Consideration of Nominations**

- (i) **Orders within Facility Commitment:** White Mountain agrees to process Feedstocks for all Orders received totalling up to 15 million litres per Production Week
- (ii) **Nominations in Excess of Facility Commitment:** In addition, should Solverdi offer to deliver Feedstocks in excess of such Facility Commitment, White Mountain will consider any such Nomination received, and shall have the right (but not any obligation) to accept Nominations received from Solverdi by notice given during the Offer Period.

- (c) **Toll Fees and Payment:** White Mountain shall be paid a toll fee of US86 cents for every litre of Biofuel at standard temperature and pressure delivered to Solverdi, produced at the Facility from the Feedstocks delivered by Solverdi for all volumes shipped up to 1,000,000 litres in a calendar month.

- (d) **Feedstocks:** The Feedstocks to be delivered to the Facility pursuant to this Agreement shall comply with the specifications of the specific purchase order.

- (e) **Biofuel:** The Biofuel to be produced pursuant to this Agreement shall comply with the specifications outlined below. At Solverdi's request, two (2) - one (1) litre samples of the Biofuel to be delivered to Solverdi by White Mountain shall be made available for testing at Solverdi's cost, prior to Solverdi picking up such Biofuel.

Feedback Group	Analytical Method Feedstock Type	Free Fatty Acid (as Oleic) AOCs Ca 5a-40 wt%	Moisture AOCs Ca 2c-25 wt%	Insoluble Impurities AOCs Ca 3a-4b wt%	Total MIU Calc wt%	Phosphorus AOCs Ca 12-55 ppm	Color (FAC Scale) AOCs Cc 13a-43
Animal Fats	Tallow	<4	<1.0	<0.25	<2.0	<400	Typical
	Poultry Fat/Grease	<8.0	<1.0	<0.25	<2.0	<400	Typical
	Choice White Grease	<4	<1.0	<0.25	<2.0	<400	Typical
	Yellow Grease & UFO	<15	<1.0	<0.25	<2.0	<400	Typical

- (f) **Term:** The term of this Agreement shall be for a period of 2 years and shall commence upon signature by the Parties.

- (g) **Title:** Title to the Feedstocks delivered by Solverdi pursuant to this Agreement and title to the contractual amount of corresponding Biofuel and Co-products produced from such Feedstocks shall at all times be and remain with Solverdi.

- (h) **Risk of Loss and Insurance:** Risk of loss to the Feedstocks and the Biofuel and Co- Products produced there-from shall at all times be borne by Solverdi, and Solverdi will maintain such property insurance on the Feedstocks and the Biofuel produced there-from as Solverdi shall determine, in its sole discretion.
- (i) **Inventory Reports:** White Mountain will provide Solverdi with daily reports showing the receipt, usage and inventory of Feedstocks, and shipments, production and inventory of Biofuel and Co-products produced.
- (j) **Production Costs:** Other than for the cost of the Feedstocks purchased and delivered by Solverdi, White Mountain shall be responsible for all costs of producing the Biofuel required under this Agreement, including without limitation all labor costs and the cost of utilities, chemicals and other consumables used in such production.
- (k) **Testing:** White Mountain shall be responsible for the cost of testing to fully certify the Biofuel meets the specifications identified in the Order or Nomination. All sampling and testing shall be in conformance with BQ-9000 rules and regulations.
- (l) **Freight Costs:** Solverdi will bear the cost of all freight charges for the Feedstocks purchased by Solverdi, and Biofuel and Co-Products to be produced there-from, pursuant to this Agreement.
- (m) **Product Segregation:** White Mountain shall be allowed to add additional Feedstocks owned by White Mountain as needed to meet the quality and yield requirements hereunder, so long as such additional Feedstocks have cold flow characteristics that are capable of meeting the cold flow specifications set out on the applicable Order or Nomination, and the Biofuel to be produced shall in any event meet the specifications required hereunder, as modified by the Order or Nomination and Acceptance applicable.
- (n) **Failure to Process:** If for any reason other than Solverdi's failure to deliver Feedstocks as required under this Agreement (and other than a matter covered by the force majeure provisions of this Agreement) White Mountain fails to process the Feedstocks in to the certified Biofuel within the time frame contemplated by this Agreement, White Mountain will pay to Solverdi the amount determined by first dividing the number of pounds of Feedstocks delivered to White Mountain by the Maximum Feedstock Usage per litre yield and converting to litres to determine the litres of Biofuel which should have been processed ("*Required Litres*"); second, subtracting the actual litres of Biofuel received by Solverdi from the Required Litres to determine the number of litres which White Mountain failed to process ("*Biofuel Shortage*"); and third, multiply the Biofuel Shortage by Solverdi's average market price per litre of Biofuel delivered by White Mountain to Solverdi up to such time of computation (or if none delivered another reasonable method of determining the market value of Biofuel FOB North Las Vegas, Nevada as may be agreed by the Parties, or otherwise determined if the Parties can not so agree).
- (o) **Facility Shutdowns:** White Mountain agrees to notify Solverdi of any scheduled shutdowns a minimum of thirty (30) days in advance.



- (p) **RINs and Biofuel Certificates:** White Mountain and Solverdi shall cooperate with each other to generate Renewable Identification Numbers (RINs) for the litres of Biofuel produced pursuant to this Agreement, with such RINs to be the property of Solverdi.
- (q) **Force Majeure:** Neither Party shall be liable for any delay arising from circumstances beyond its control including acts of God, riot or civil commotion, industrial dispute, fire, flood, drought, act of government, terrorist acts, war, or sabotage (except failures or delays resulting from a lack of a Party's funds), provided that the Party seeking to be excused shall make every reasonable effort to minimize the delay resulting therefrom and shall give prompt written notice of the force majeure event to the other Party.
- (r) **Independent Contractor:** White Mountain will act and its services will be rendered to Solverdi solely as a licensor and independent contractor. Solverdi is not authorized and shall not contract any obligations in the name of White Mountain as a result of the Agreement.

11. RISK FACTORS

11.1 Introduction

An investment in the Company is not risk free and prospective investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities pursuant to this Prospectus.

The financial prospects of any organisation are also sensitive to the underlying nature of its business and the nature and extent of the risks to which the entity is exposed. The Directors are responsible for ensuring that appropriate policies and procedures are in place to identify and monitor the risks faced by the Company from time to time to ensure that such risks are managed within a level determined by the Directors to be prudent. In addition, there are a number of risks specific to the Company and the industry to which it operates.

A summary of the main risk factors relevant to the Company are set out below. The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

11.2 Viability of Business

As indicated earlier in this Prospectus, the Company has been placed into administration and is currently subject to deed of company arrangement.

This has largely come about due to the Company not being able to secure sufficient funding in order to finance its operations.

There is a risk that the new Directors will also not be able to develop the business into a viable model that is self sustaining.

11.3 Reinstatement to trading

The Company's reinstatement to trading is subject to approval from the ASX. There is no guarantee that the ASX will grant this permission.

11.4 Specific Investment Risks

Specific risks impacting the Company and the value of the Securities offered pursuant to this Prospectus include:

11.4.1 Sector Risks

Potential investors should understand that investment in the renewable fuel development industry is a high-risk undertaking.

The Company operates in an industry characterised by dynamic economic change. Companies such as Solverdi seek to take advantage of competitive niches within this dynamic environment. The nature of the market is such that its characteristics can create uncertainty and risk.

The Company is also exposed to a number of other business risks which include higher than anticipated operating costs, an increase in competition or loss or damage to the Company's assets, which may have a material adverse effect on the business and financial position of the Company.

11.4.2 Insurance Risks

The Company intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with the renewable fuel industry is not always available and where available the costs can be prohibitive.

11.4.3 Competition Risk

The industry in which the Company is involved is subject to domestic and global competition. The introduction of new competitors or a more aggressive competitive response from existing participants may affect the operating performance of the Company. Whilst the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

11.4.4 Development Risks

Potential investors should understand there can be no assurance that the Company's development activity, will result in a viable business. Even if an apparently viable business is identified, there can be no guarantee that it can be economically exploited.

11.4.5 Commercialisation Risks

There is no guarantee that the Company will be able to successfully commercialise its products or find viable markets to sell its products to customers to achieve a commercial return.

11.4.6 License Risks

The ability to utilise the Company's Thermodepolymerisation Technology is dependent on the ability to acquire a patent license. The inability to acquire a license is likely to have a material and adverse effect on the Company, its financial performance and the price of its Shares.

11.4.7 Raw Material Risk

The cyclical nature of the various feedstock markets may lead to volatile changes in raw material prices which may adversely affect the earnings of the Company. The business may also be adversely affected by the reduced availability of low cost feedstocks and an upward pressure on feedstock prices reflecting increasing competition for feedstocks from other biodiesel producers, or prevailing environmental conditions. The business may also be affected if there are any shortages of supply of the raw materials required to manufacture biodiesel.

11.4.8 Product Risk

The renewable fuel industry requires the use of advanced and sophisticated technology, which is dynamic in nature and the technology being applied is

constantly changing to meet the demand of the industry. A high level of attention and care must be taken during the manufacturing and shipping of the Company's product to ensure that the product is not damaged.

11.4.9 Technology Risk

The technology applied to the renewable fuel industry is dynamic and constantly changing to adapt to the changes in demand and new developments in efficiencies. The development of such technology can be very costly requiring a significant amount human capital and funding. Shifts in the technology causing previous technology to be rendered redundant can have a substantial impact on the ability of the Company to generate further revenue and achieve new customer contracts. Any improvement in the technology also introduces other risks such as commercialisation risk which can also have a significant effect on the ability of the Company to contain its cost overheads and generate further revenue.

11.4.10 Intellectual Property Risks

The Company regards its trade secrets, know-how and similar intellectual property as critical to its success. The Company relies on trade secret protection to protect its intellectual property rights. While the Company will use all reasonable endeavours to protect these rights, the steps that the Company takes to protect its intellectual property rights may be inadequate. The unauthorised use or disclosure of its proprietary technology and systems may have adverse effects on the operation and financial performance of the Company.

11.4.11 Environmental Risks

The operations and proposed activities of the Company will be subject to relevant laws and regulations concerning the environment in the countries in which the Company operates. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all relevant environmental laws. Nevertheless, there are certain risks inherent in the Company's activities which could subject the Company to extensive liability.

11.4.12 Counterparty Risk

The Company has entered into a number of commercial agreements with third parties. There is a risk that the counterparties may not meet their obligations under those agreements. Commercial consequences are likely to flow from any non-observance of commercial obligations.

11.5 Government Policies and Legislation

Revenue and expenditure of the Company may be affected by changes in international, federal, state or local government laws, regulations or policies, or in taxation legislation.

Government legislation and policies are subject to review and change from time to time. Such changes are likely to be beyond the control of the Company and may affect industry profitability.

11.6 Share Market

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

11.7 Uncertainty of Future Profitability

The Company's ability to operate profitability in the future will depend on its ability to manage its costs, to execute its development and growth strategies, economic conditions in the markets the Company operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability is uncertain. Moreover, the levels of such profitability cannot be predicted.

11.8 Transaction Specific Prospectus

Due to the Company previously being in administration, the Company has not lodged all of the periodic reports required by the Corporations Act and the ASX Listing Rules. In particular, the Company has not lodged its Half Yearly Financial Reports for the period ending 30 June 2010 and as not lodged its Annual Financial Report for the period ending 31 December 2009 by the required dates. The lodgement of these outstanding reports is a condition to the Company's Shares being re-instated to trading on the ASX. The Company intends to lodge these outstanding reports as soon as practicable after completing the capital raisings under this Prospectus.

The Company's failure to provide these periodic reports could result in the ASIC making an order that would prevent the Company issuing a transaction specific prospectus for a 12 month period. If such an order were made before the closing date of this Prospectus, the Company would be unable to proceed with this Prospectus in which case any applications will be dealt with in accordance with the Corporations Act.

11.9 Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised by the Offers. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and reduce its expansion programs as the case may be.

11.10 Reliance on Key Personnel and Need to Attract Qualified Staff

The Company is dependent on its management and technical personnel, the loss of whose services could materially and adversely affect the Company and impede the achievements of its business objectives.

The Company's ability to sell its products and services will depend in part upon its ability to attract and retain suitably qualified management and technical personnel over time.

There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel on a timely basis or retain its key management personnel.

11.11 Currency Risk

Adverse movements in currency exchange rates have the potential to reduce the Company's earnings. Securities in the Company are denominated in Australian dollars while the Company's revenue may be denominated in other currencies as the Company may be selling products internationally. Accordingly, the Company's earnings may be subject to fluctuations between the exchange rate of the Australian dollar and the relevant foreign currency. Such fluctuations may have an adverse effect on the value of the Company's securities.

11.12 Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in complementary companies, products or technologies, although no such acquisitions or investments are currently planned. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies.

11.13 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities carry no guarantee with respect to the payment of dividends, returns of capital or market value.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

12. ADDITIONAL INFORMATION

12.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred

to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of Announcement
23.03.2011	Notice of Annual General Meeting/Proxy Form
15.02.2011	Shareholder and Market Update
29.12.2010	Trading Policy
07.10.2010	Execution of Deed of Company Arrangement
09.09.2010	Report to Shareholders
29.06.2010	Notice to Creditors and Shareholders
24.06.2010	Letter to Shareholders
27.04.2010	Letter to Shareholders
12.04.2010	Letter to Shareholders
29.03.2010	Administrator Appointed
18.03.2010	SUSPENSION FROM OFFICIAL QUOTATION
18.03.2010	Appoints Pinn Deavin Group as Administrator
15.03.2010	Company Secretary Resignation
25.02.2010	Appendix 4E commentary
25.02.2010	Appendix 4E Preliminary Final Report
24.02.2010	Update on tender offer
24.02.2010	SPP – further extension of closing date
22.02.2010	Appendix 3B SPP allotment
17.02.2010	Market Update – tender offer

11.02.2010	Appendix 3B White Mountain Shares
29.01.2010	Appendix 4C – quarterly
28.01.2010	Appendix 3B allotment under SPP
25.01.2010	Release of shares from escrow White Mountain
21.01.2010	Share Purchase Plan extension of offer period
20.01.2010	Market update 4 th quarter results
18.01.2010	Market update – Ridgeline
31.12.2009	Correction to Final Director's Interest Notice W Rogers
31.12.2009	Final Director's Interest Notice W Rogers
31.12.2009	Director Resignation W Rogers
24.12.2009	SPP cleansing notice
24.12.2009	SPP terms and conditions
24.12.2009	SPP letter to shareholders
18.12.2009	Share Purchase Plan announcement
16.12.2009	Final Director's Interest Notice IM
16.12.2009	Director Resignation IM
25.11.2009	Market update – Cyprus
16.11.2009	Website re-construction
16.11.2009	Executive appointment HO
12.11.2009	Operating and Financial Update 2
12.11.2009	Operating and Financial Update 1
09.11.2009	Final Director's Interest Notice C Larson
09.11.2009	Resignation of Director C Larson
30.10.2009	Appendix 4C quarterly
29.10.2009	Change of Registered Office and Principal Place of Business
22.10.2009	CFO resignation
30.09.2009	Amended Appendix 3B
08.09.2009	Correction to earlier market update
02.09.2009	Change in substantial holding

02.09.2009	Appendix 3B
31.08.2009	Half Yearly Report and Accounts
27.08.2009	Initial Director's Interest Notice
27.08.2009	Initial Director's Interest Notice
27.08.2009	Director Appointment/Resignation
26.08.2009	Market Update
31.07.2009	Appendix 3C - quarterly
27.07.2009	Change in substantial holding
27.07.2009	Appendix 3Y
27.07.2009	Appendix 3Y
27.07.2009	Appendix 3B
06.07.2009	Market update
19.06.2009	Sales of assets
19.06.2009	Appointment of CFO
18.06.2009	Details of Company Address
29.05.2009	Results of Meeting
28.05.2009	Market Update
28.05.2009	Market update
30.04.2009	Appendix 4C – quarterly
27.04.2009	Notice of Annual General Meeting/Proxy Form
15.04.2009	Consolidation of capital
14.04.2009	Change of company name
03.04.2009	Reinstatement to Official Quotation

Investors and their professional advisers are able to obtain a copy of the documents referred to above free of charge by contacting the Company at its registered office during normal business hours. These documents are also available by searching ASX's records in relation to the Company.

12.2 Rights Attaching to Securities

12.2.1 Shares

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) **General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend Rights**

Subject to the rights of persons (if any) entitled to Shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) **Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the

Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, Shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other Shares.

(e) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) **Variation of Rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

12.2.2 Options

The material terms of the Options offered pursuant to the Proponent Offer are as follows:

- (a) Each option (**Option**) entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) at an exercise price of 1 cent (**Exercise Price**).
- (b) The Options are exercisable at any time on or before 5.00pm Western Standard Time on 31 December 2014 (**Expiry Date**). Options may only be exercised in multiples of 1,000. Any Options not exercised by the Expiry Date shall lapse.
- (c) Options may not be exercised if the effect of such exercise and subsequent allotment of the Shares would be to create a holding of less than a marketable parcel of Shares unless the allottee is already a shareholder of the Company at the time of exercise.
- (d) Exercise of the Option is effected by completing a notice of exercise of option and delivering it to the registered office of the Company together with payment of 1 cent per Option exercised.
- (e) A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.

- (f) The Options are freely transferable, subject to any offer for sale of the Options complying with section 707 of the Corporations Act (if applicable).
- (g) All Shares issued upon exercise of the Options and payment of the Exercise Price will rank equally in all respects with the Company's then existing Shares. The Company will apply for Official Quotation by ASX of all Shares issued upon exercise of the Options within three days of the issue of the Shares.
- (h) A certificate will not be issued for the Options and an uncertificated holding statement will be provided.
- (i) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new entitlement issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 business days after the Issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (j) If from time to time before the expiry of the Options the Company makes an issue of shares to the holders of ordinary shares by way of capitalisation of profits or reserves (a "bonus issue") other than in lieu of a dividend payment, then upon exercise of a Option the Optionholder will be entitled to have issued to it (in addition to the shares which it is otherwise entitled to have issued to it upon such exercise) additional shares in the Company. The number of additional shares is the number of shares which would have been issued to it under that bonus issue (**bonus shares**) if on the date on which entitlements were calculated it had been registered as the holder of the number of shares which it would have been registered as holder if immediately before that date it had exercised its Options. The bonus shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank pari passu in all respects with the other shares allotted upon exercise of the Options.
- (k) The period during which the Options may be exercised cannot be extended.
- (l) In the event of any reconstruction, including a consolidation, subdivision, reduction or return of the issued capital of the Company prior to the Expiry Date, the number of Options which each holder is entitled or the Exercise Price of the Options or both will be reconstructed as appropriate in a manner which is in accordance with the Listing Rules and will not result in any benefits being conferred on Optionholders which are not conferred on shareholders, subject to such provision with respect to the rounding of entitlements as may be sanctioned by the meeting of shareholders approving the reconstruction of capital, but in all other respects the terms of exercise of the Options will remain unchanged. The rights of an Optionholder may be changed to comply with the Listing rules applying to a reorganisation of capital at the time of the reconstruction.
- (m) Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 14 days after the receipt of a proper

notice and payment of the exercise price in respect of the Options exercised.

- (n) Other than as referred to above, an Option does not confer the right to a change in Exercise Price, or a change to the number of underlying securities over which it can be exercised.

12.3 Disclosure of Interests

Directors are not required under the Company's Constitution to hold any Shares. As at the date of this Prospectus, none of the Directors have a relevant interest in Securities in the Company.

Following the Annual General Meeting to be held on 19 April 2011 and pursuant to their proposed subscriptions under this Prospectus, the maximum numbers of Shares and Options that each Director and/or his Associates may apply for under the Prospectus Offers is anticipated to be as follows:

NAME	SHARES	OPTIONS
Benjamin Bussell ¹	22,500,000	10,000,000
Gino D'Anna ¹	22,500,000	10,000,000
Darren Olsen	22,500,000	10,000,000
Total	67,500,000	30,000,000

1. Gino D'Anna and Benjamin Bussell are employed by Hemisphere Investment Partners Pty Ltd but will not receive any direct or indirect financial benefit as a result of the payments made to Hemisphere in respect of the Offers or the recapitalisation of the Company.

12.4 Remuneration

The Constitution provides that the remuneration of Directors will be not more than the aggregate fixed sum determined by a general meeting to be divided as the Directors determine and in default of agreement, in equal Shares. As at the date of this Prospectus, the Directors have not received any Directors' fees.

It is proposed that each of the Directors will be entitled to a Director's fee of \$3,000 per month, payable after the Company's Shares have been reinstated to trading on ASX and calculated from the date of their appointment, being 24 September 2010.

12.5 Fees and Benefits

Other than as set out in this Prospectus, no:

- (a) Director of the Company;
- (b) person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (c) promoter of the Company,

has, or had within 2 years before lodgement of this Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers under this Prospectus; or
- (iii) the Offers under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a Director of the Company or for services rendered in connection with the formation or promotion of the Company or the Offers under this Prospectus.

12.6 Interests and Fees of Professionals

Other than as set out below or elsewhere in the Prospectus, no expert, promoter, or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with has or has had, within two years before lodgement of the Prospectus with ASIC:

- (a) any interest in the formation or promotion of the Company or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers; and
- (b) not recorded any amounts or benefits or has not agreed to be paid benefits for services rendered by such persons in connection with the formation or promotion of the Company or the Offers.

Steinepreis Paganin has acted as solicitors to the Proponent. Fees payable to Steinepreis Paganin for work done in relation to this Prospectus and in respect of the Offers will be approximately \$20,000. Fees payable to Steinepreis Paganin have been charged in accordance with their normal hourly rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received any fees from the Company.

Hemisphere Investment Partners Pty Ltd (**Hemisphere**) has acted as corporate advisers to the Company. Fees payable to Hemisphere for work done in relation to this Prospectus and in respect of the Offers are approximately \$50,000. Gino D'Anna and Benjamin Bussell are employed by Hemisphere Investment Partners Pty Ltd but will not receive any direct or indirect financial benefit as a result of the payments made to Hemisphere in respect of the Offers or the recapitalisation of the Company. Hemisphere has performed other work in relation to the reconstruction of the Company over the last 12 months including management of the recapitalisation process and preparation of documentation. Fees payable to Hemisphere have been charged in accordance with their normal hourly rates and are on commercial terms.

12.7 Consents

Each of the parties referred to in this **Section 12:**

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this **Section 12**; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this **Section 12**.

Hemisphere Investment Partners Pty Ltd has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as corporate advisor to the Company in the form and context in which it is named, together with all references to it in this Prospectus. Other than as set out in the Recapitalisation Deed (summarised in **Section 10.2** of this Prospectus), Hemisphere Investment Partners has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

Steinepreis Paganin has given its written consent to being named as the solicitor to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC. To the maximum extent permitted by law, Steinepreis Paganin expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with its consent as specified in this section.

Link Market Services Limited has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named, together with all references to it in this Prospectus. Link Market Services Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry. Link Market Services Limited has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

Additionally, each of the following has consented to being named in this Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) Mr. Benjamin Bussell as a Director of the Company;
- (b) Mr. Gino D'Anna as Company Secretary and Director of the Company;
- (c) Mr. Darren Olsen as a Director of the Company;
- (d) Mr. Geoffrey Reidy as Deed Administrator of the DOCA; and
- (e) Rodgers Reidy Chartered Accountants as office of the Deed Administrator

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

12.8 Expenses of the Offers

The expenses of the Offers are expected to comprise the following estimated costs and are exclusive of any GST payable by the Company.

Expenses of the Offers	\$
Legal Fees	20,000
Brokerage on the Share Offer @ 5%	1 10,000
Corporate Advisory fee *	50,000
ASX listing fees	10,000
Expert Report, ASIC, Share Registry, printing and miscellaneous cost	50,000
Total Estimated Expenses	240,000

* Hemisphere Investment Partners will receive corporate advisory fees in connection with advisory services in relation to the Recapitalisation Proposal, the Prospectus and the Offers pursuant to this Prospectus, on standard commercial terms. Further details of fees due to be paid to Hemisphere Investment Partners are contained in **Section 12.6** above.

12.9 Litigation

To the Company's knowledge there is no current, threatened or pending litigation against the Company or its subsidiaries, or initiated by the Company or its subsidiaries.

12.10 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act. As such, the Company is subject to regular reporting and disclosure obligations which require it to disclose to the ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

The Company's Shares are currently suspended and as such no current market price is available. The Shares last traded at 9.2 cents on ASX prior to entering suspension on 18 March 2010. There are no listed Options.

12.11 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Forms. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

12.12 Taxation

The acquisition and disposal of Securities in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

12.13 Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

13. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act each Directors has consented to the lodgement of this Prospectus with ASIC.

Dated the 5th day of April 2011.



Gino D'Anna
Director
For and on behalf of
SOLVERDI WORLDWIDE LIMITED

14. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

A\$ or \$ means an Australian dollar.

Advisor Offer Application Form means the Advisor Offer application form accompanying this Prospectus relating to the Advisor Offer.

Annual General Meeting means the annual general meeting of shareholders to be held on 19 April 2011.

Application Forms means Placement Offer Application Form, Share Offer Application Form or Proponent Offer Application Form and **Application Form** means one of them.

ASIC means Australian Securities & Investments Commission.

Assets means all rights, property and undertakings of whatever kind and wherever situated of the Company, other than the Solverdi Thermodepolymerisation Technology, intellectual property, Frac Water Technology, White Mountain Group LLC Biofuel Toll Processing Agreement and know-how specific to the production of biofuel from waste oils and by-products, as at 18 March 2010 including without limitation claims or choses in action against the former directors of the Company or any other party.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange (as the context requires).

Board means the board of Directors as constituted from time to time.

Business Day has the same meaning as in the ASX Listing Rules.

Closing Date means the closing date for receipt of Application Forms under this Prospectus in respect of the Placement Offer, Option Offer, Share Offer and Proponent Offer, as set out in Section 4.2 of this Prospectus.

Company or **Solverdi** means Solverdi Worldwide Limited (ABN 60 096 687 839) (Subject to Deed of Company Arrangement).

Consolidation means the proposed consolidation of all of the existing Shares on a 1 for 3 basis together with the consolidation of all existing Options in the same ratio as the Shares and otherwise in accordance with ASX Listing Rule 7.22.1.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Corporate Fee means \$50,000 in cash or, at the election of the Proponent, the issue of 10,000,000 Shares at a deemed issue price of 0.5 cents per Share.

Deed Administrator means Geoffrey Reidy.

Deposit Loan Note Offer means the offer of 15,000,000 Shares at an issue price of 0.5 cents each in consideration for a deposit loan in the amount of \$75,000 paid on behalf of the Company in accordance with the terms of the DOCA.

Directors means the directors of the Company.

DOCA means the deed of company arrangement entered into by the Company, Hemisphere Investment Partners Pty Ltd, the Deed Administrator and Geoffrey Reidy on 24 September 2010.

Existing Options means the options to acquire fully paid ordinary shares in the Company as at the date of the Notice of Meeting.

Existing Shares means the fully paid ordinary shares in the Company as at the date of the Notice of Meeting.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

Listing Rules means the official listing rules of ASX.

Notice of Meeting means the notice of meeting and accompanying explanatory statement as announced to ASX on 23 March 2011.

Offers means the offer of Securities pursuant to this Prospectus as outlined in Section 4.

Official List means the Official List of ASX.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Option means an option to subscribe for a Share on the terms and conditions set out in Section 12.2.

Placement Offer means the offer of 80,000,000 Shares at an issue price of 0.5 cents per Share as set out in Section 4.1.

Placement Offer Application Form means the Placement Offer application form accompanying this Prospectus relating to the Placement Offer.

Prospectus means this prospectus.

Proponent means Hemisphere Investment Partners Pty Ltd (or its nominee).

Proponent Offer means the Proponent Share Offer and the Proponent Option Offer.

Proponent Offer Application Form means the Proponent Offer application form accompanying this Prospectus relating to the Proponent Offer.

Proponent Option Offer means the offer of 80,000,000 Options for nil cash consideration as set out in Section 4.1.

Proponent Share Offer means the offer of 35,000,000 Shares at an issue price of 0.01 cents per Share set out in Section 4.1.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Share Offer means the offer of the offer of 220,000,000 Shares at an issue price of 1 cent per Share as set out in Section 4.1.



Share Offer Application Form means the share offer application form accompanying this Prospectus relating to the Share Offer.

Shareholder means a holder of Shares.

Share Registry means the share registry set out in the Corporate Directory.

WST means Western Standard Time.