



ENERGIO LIMITED
ABN 28 001 894 033

Lodged with the ASX under Listing Rule 4.2A

Contents

Appendix 4D - Interim Financial Statement 31 December 2011
and Interim Financial Statement 31 December 2011

Note:

The information contained herein should be read in conjunction with the most recent annual report.

Energio Limited

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Appendix 4D
Half Year ended 31 December 2011

Results for announcement to the Market

Comparison to the previous corresponding period (31 December 2010)

		Change		31 December 2011
		%		\$
Revenue from continuing operations	Down	100%	To	-
Loss after income tax from continuing operations	Up	83%	To	(2,645,662)
Net loss attributable to members (31 Dec 2010 - Loss \$1,444,026)	Up	83%	To	(2,645,662)

No dividends are proposed

Explanation of Revenue

Revenue from continuing operations for the half year ended 31 December 2011 was NIL.

Comments on the operations and the results of those operations

The comments regarding the operations is contained within the Directors Report.

Dividends/Distributions

Energio Limited does not propose to pay any dividends for the half year ended 31 December 2011.

Supplementary Appendix 4D Information

	31 December 2011	31 December 2010
Net tangible assets	2,821,869	1,811,119
Net tangible asset backing per ordinary share	2.28 cents	0.23 cents
Loss of Control of Entities During the Period	-	-
Profit (loss) after income tax of the subsidiary during the current period to the date on which control was lost	-	-
Profit (loss) after income tax of the subsidiary for the whole of the previous corresponding period	N/A	N/A
Contribution to consolidated profit (loss) from sale of interest leading to loss of control	-	-

Appendix 4D
Half Year ended 31 December 2011

Details of controlled entities acquired or disposed of

There were no controlled entities acquired or disposed of during the period.

Details of aggregate share of profits/(losses) of associates and joint venture entities

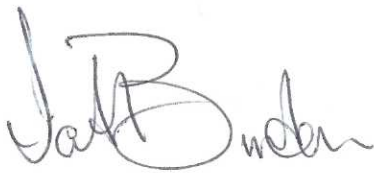
There were no associates or joint venture entities associated with the group for the period.

Accounting Standards

The accounting policies used in this report is the same as those disclosed in the 30th June 2011 accounts.

Audit Disputes or Qualifications

There were no audit disputes or qualifications in relation to this report.

A handwritten signature in black ink, appearing to read 'Ian Burston', with a large, stylized 'B'.

Ian Burston

Chairman

Energio Limited

Interim Financial Statement – 31 December 2011
Directors' Report

Your directors present their report on the entity consisting of Energio Limited at the end of, or during, the half-year ended 31 December 2011.

Directors

The names of persons who were directors of Energio Limited during the whole of the half-year and up to the date of this report are:

Athan Lekkas	Appointed 27 April 2010
Nathan Taylor	Appointed 27 April 2010
Don Carroll	Appointed 2 December 2010
Ian Burston	Appointed 23 December 2010
Kevin Joseph	Appointed 23 December 2010

Review of Operations

The loss after tax for the half year ended 31 December 2011 attributed to the members of the Company was \$2,645,662. The loss for the half year ended 31 December 2011 was mainly attributable to the review and evaluation of projects of interest to the Company.

Corporate

At the beginning of the half year, the Company was listed on the ASX as a Toy and Gaming company. At the Annual General Meeting which was held on 30 November 2011, the Company received approval for a change to its activities from its shareholders to an iron ore explorer and potential producer.

As announced to the market on 4 April 2011, the Company has exercised its call option with TGP to acquire 100% of the fully paid ordinary shares in KCMH Australia from TGP. KCMH Australia holds 75% of the shares in KCM Nigeria which owns of a package of iron ore licences in Kogi State, Nigeria. The balance is held by Bedford, a non-related third party.

KCMH Australia is an Australian privately owned company which has been focussed on acquiring iron ore licences in Nigeria since 2007. KCM Nigeria owns a package of recently granted exploration licences covering iron ore deposits in Kogi State, Nigeria (Licences). These Licences contain magnetite in banded iron formation (BIF) and iron rich oolitic deposits with an exploration target of 1.6 – 2.7 billion tonnes of potential iron mineralisation grading in the range of 48% to 53% iron. The potential quantity and grade is conceptual in nature at this stage as there has been insufficient exploration to define a Mineral Resource under the JORC Code. Further, it is uncertain if further exploration will define a Mineral Resource.

Subsequent to the Put and Call Deed, the Company executed the Share Sale Agreement with Bedford for the purchase of Bedford's shares in KCM Nigeria (being 25% of the total shares on issue). Once completion occurs under the Agreements, the Company will have an effective 100% interest in the Nigerian iron ore projects owned by KCM Nigeria.

At the same Annual General Meeting the Company received approval for the following actions which were required for completion of this transaction:

1. To consolidate the number of shares and options on issue on a 1:10 basis. The Consolidation was required to ensure that the capital structure of the Company is appropriate to list the Company on the official list of ASX. This consolidation was undertaken on 15 December 2011.
2. To issue consideration shares to TGP pursuant to the Put and Call Option Deed, in consideration for the transfer by TGP to the Company of 100% of the shares in KCMH Australia. These shares were issued following completion in February 2012.

Interim Financial Statement – 31 December 2011
Directors' Report

3. To allot and issue Bedford consideration shares in consideration for the acquisition of a 25% interest in KCM Nigeria pursuant to the terms of the Share Sale Agreement. These shares were issued following completion in February 2012.
4. To allot and issue shares pursuant to the prospectus to be issued for the purposes of compliance with Chapters 1 and 2 of the ASX Listing Rules. The prospectus was lodged on 15 December 2011 and was closed in February 2012.

Following the meeting, the Company requested a voluntary suspension on the trading of its securities pending completion of the transaction approved above. The Company is currently moving to finalise re-compliance with Chapters 1 and 2 of the ASX Listing rules as soon as possible.

Operational

Throughout the period the Company continued to review and evaluate the Agbaja Iron Ore Exploration Project located in Kogi State.

To test the content and quality of the iron in the mineralised zones of interest, the Company delineated an area of approximately 1600 Hectares for drilling using a drill grid spacing of 200 metres by 100 metres. In all the Company expects to drill some 700 holes which will total approximately 20,000 metres of drilling, to examine in detail this portion of the mineralised zone of interest which represents only 10% of the entire Agbaja Iron Ore Exploration Project's land area.

Drilling is by Reverse Circulation (RC) and sample material has initially been taken at half metre intervals. Sampling may, depending on JORC requirements, be extended to 1 metre intervals as drilling progresses.

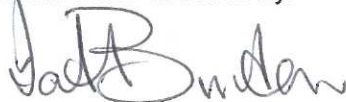
The drill rig and crew arrived at the project in October and have been drill approximately 10 holes per day from that time. The drilling program closed for about three weeks in mid December with about 25% of all planned holes completed.

Drilling samples have then been delivered to ALS (Australian Laboratory Services) in Ghana for preparation, ALS then moved the prepared samples to Perth for final processing and reporting. The Company received its first batch of Assay results in January and released them at that time.

Auditor's Independence Declaration

A copy of the independence declaration by the lead auditor under section 307C is included on page 19 to these half year financial statements.

This report is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:



Ian Burston
Director
Adelaide, South Australia
29 February 2012

Statement of Comprehensive Income
for the Half-Year Ended 31 December 2011

	Note	31 December 2011	31 December 2010
		\$	\$
Revenue		-	39,233
Accounting and auditing fees		(170,888)	(88,364)
Consulting fees		(61,898)	(29,718)
Travel and Accommodation		-	(4,540)
Directors fees		(93,000)	(446,120)
Legal fees		(183,914)	(59,259)
Impairment expense		(2,000,000)	(800,000)
Other expenses		(135,962)	(55,258)
Loss before income tax expense		(2,645,662)	(1,444,026)
Income tax expense		-	-
Loss after tax from continuing operations		(2,645,662)	(1,444,026)
Loss from discontinued operations		-	-
Loss for the half-year		(2,645,662)	(1,444,026)
Other comprehensive income			
Foreign currency translation differences		-	-
Other comprehensive income for the half-year, net of tax		(2,645,662)	(1,444,026)
Total comprehensive income for the half-year		(2,645,662)	(1,444,026)
Loss for the half-year is attributable to:			
Members of the parent entity		(2,645,662)	(1,444,026)
Total comprehensive income for the half-year is attributable to:			
Members of the parent entity		(2,645,662)	(1,444,026)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income
for the Half-Year Ended 31 December 2011

	Note	31 December 2011 Cents	31 December 2010 Cents
Earnings per share for loss from continuing operations attributable to members of Energio Limited			
Basic loss per share		(2.25)	(0.21)
Diluted earnings per share		N/A	N/A
Earnings per share for loss attributable to members of Energio Limited			
Basic loss per share		(2.25)	(0.21)
Diluted earnings per share		N/A	N/A

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
for the Half-Year Ended 31 December 2011

	Note	31 December 2011 \$	30 June 2011 \$
CURRENT ASSETS			
Cash and cash equivalents		2,878,145	4,728,195
Trade and other receivables	3	72,035	63,504
Total Current Assets		2,950,180	4,791,699
TOTAL ASSETS		2,950,180	4,791,699
CURRENT LIABILITIES			
Trade and other payables		128,311	180,261
Total Current Liabilities		128,311	180,261
TOTAL LIABILITIES		128,311	180,261
NET ASSETS		2,821,869	4,611,438
EQUITY			
Contributed equity	4	30,242,595	29,386,502
Reserves		2,685,922	2,685,922
Accumulated losses		(31,106,648)	(27,460,986)
TOTAL EQUITY		2,821,869	4,611,438

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the Half-Year Ended 31 December 2011

	Contributed Equity	Retained Earnings	Reserves	Total
	\$	\$	\$	\$
Company				
At 1 July 2010	19,854,615	(19,092,417)	1,061,867	1,824,065
Loss for the half-year	-	(1,444,026)	-	(1,444,026)
<i>Other comprehensive income</i>	-	-	-	-
Total comprehensive income for the half-year	-	(1,444,026)	-	(1,444,026)
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs	1,051,960	-	-	1,051,960
Share based payments – shares	-	-	240,000	240,000
Share based payments – options	-	-	139,120	139,120
At 31 December 2010	20,906,575	(20,536,443)	1,440,987	1,811,119
Company				
At 1 July 2011	29,386,502	(27,460,986)	2,685,922	4,611,438
Loss for the half-year	-	(2,645,662)	-	(2,645,662)
<i>Other comprehensive income</i>	-	-	-	-
Total comprehensive income for the half-year	-	(2,645,662)	-	(2,645,662)
Transactions with owners in their capacity as owners	-	-	-	-
Contributions of equity, net of transaction costs	856,093	-	-	856,093
Share based payments – options	-	-	-	-
At 31 December 2011	30,242,595	(30,106,648)	2,685,922	2,821,869

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
for the Half-Year Ended 31 December 2011

	31 December 2011 \$	31 December 2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(682,641)	(313,537)
Interest received	-	39,232
Net cash outflow from operating activities	(682,641)	(274,305)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans to other parties	(2,000,000)	(800,000)
Net cash outflow from investing activities	(2,000,000)	(800,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares net of cost	832,592	956,960
Net cash inflow from financing activities	832,592	956,960
NET DECREASE IN CASH HELD	(1,850,049)	(117,345)
Net cash at beginning of period	4,728,195	2,015,128
NET CASH AT END OF PERIOD	2,878,146	1,897,783

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**Notes to the Financial Statements
for the Half-Year Ended 31 December 2011**

Note 1. Basis of Preparation of Half-Year Financial Statements

These general purpose financial statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001.

These financial statements have been prepared under the historical cost convention.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2011 and any public announcements made by Energio Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements.

Note 2. Segment information

The Company has adopted AASB 8 Operating Segments from 1 July 2009 whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision maker (Board of Directors that makes strategic decisions).

The Company engages in principle activity, being iron ore exploration and potential production, activity from which it earns revenues, and its results are analysed as a whole by the chief operating decision maker. Consequently revenue, profit and net assets for the operating segment are reflected in the statement of comprehensive income, statement of financial position and the statement of cash flows.

In comparative periods the Company held investments and operated businesses in the USA, and UK and had determined these to be the reportable segments. The Hong Kong operations were divested on 31st December 2008. The USA and UK operations were divested on 29 June 2010. The Company's principal activities are iron ore exploration and potential production.

Segment information

Segment information provided to the Board of Directors for the half-year ended 31 December 2011 is as follows:

	Australia	Total Continuing Operations	Total
Half-year ended 31 December 2011	\$	\$	\$
Total segment revenue	-	-	-

	Australia	Total Continuing Operations	Total
Half-year ended 31 December 2010	\$	\$	\$
Total segment revenue	-	-	-

**Notes to the Financial Statements
for the Half-Year Ended 31 December 2011**

Total segment assets

31 December 2011	2,950,180	2,950,180	2,950,180
30 June 2011	4,791,699	4,791,699	4,791,699

The executive management committee monitors segment performance based on EBITDA. This measure excludes non-recurring expenditure such as restructuring costs and goodwill impairments and also excludes share-based payment expenses.

Reconciliation of EBITDA to profit before income tax is as follows:

	Half-Year 2011	Half-Year 2010
	\$	\$
Loss before income tax from continuing operations	<u>(2,645,662)</u>	<u>(1,444,026)</u>

Total asset amounts provided to the executive management committee are measured in the same way that they are measured in the financial statements. Segment assets are allocated based on the operations of the segment and the physical location of the assets.

Note 3. Trade and Other Receivables

At 31 December 2011 the Company had loaned funds to KCM Mining Holdings Pty Ltd on an unsecured basis with an interest rate of 5% per annum due to the Company entering into a put and call option deed with TGP in relation to the potential acquisition of KCM Mining Holdings Pty Ltd and in accordance with loan agreement entered into on 7 November 2010.

This loan has been impaired to \$nil as in prior periods.

Notes to the Financial Statements
for the Half-Year Ended 31 December 2011

Note 4. Equity securities issued

	31 December 2011	30 June 2011
	\$	\$
(a) Share Capital:		
Ordinary shares, fully paid	30,018,739	29,162,646
(b) Other equity securities:		
Value of conversion rights – convertible notes	223,856	223,856
Total Contributed Equity	30,242,595	29,386,502

(c) (i) Ordinary Shares

At the beginning of the reporting period	29,162,646	19,630,759
Shares issued during the year	1,445,000	10,043,292
Transaction costs relating to share issues	(588,907)	(511,405)
At the end of the reporting date	30,018,739	29,162,646

(c) (ii) Movements in Ordinary Share Capital

Date	Details	No of shares	Issue price	Value
01/07/2010	Opening balance	623,262,709		20,547,472
19/07/2010	Issue	57,000,000	0.005	285,000
22/12/2010	Issue	80,600,000	0.010	806,000
22/12/2010	Issue	20,000,000	-	-
07/01/2011	Issue	20,000,000	0.010	200,000
31/01/2011	Issue	19,000,000	0.010	190,000
11/02/2011	Issue	37,696,000	0.010	376,960
01/03/2011	Issue	3,900,000	0.010	39,000
01/03/2011	Issue	20,000,000	-	-
11/03/2011	Issue	208,007,776	0.0375	7,800,292
15/03/2011	Issue	12,200,000	0.010	120,000
30/03/2011	Issue	5,800,000	0.010	58,000
11/05/2011	Issue	10,304,000	0.010	103,040
22/06/2011	Issue	1,000,000	0.010	10,000
30/06/2011	Issue	5,500,000	0.010	55,000
30/06/2011	Balance	1,124,270,485		30,590,764
01/07/2011	Opening balance	1,124,270,485		30,590,764
01/08/2011	Issue	29,000,000	0.010	290,000

**Notes to the Financial Statements
for the Half-Year Ended 31 December 2011**

01/08/2011	Issue	20,000,000	0.025	500,000
30/09/2011	Issue	5,050,000	0.010	50,500
12/12/2011	Issue	59,950,000	0.010	599,500
15/12/2011	Issue	500,000	0.010	5,000
15/12/2011	Consolidation of shares	(1,114,893,236)	-	-
31/12/2011	Balance			32,035,764
	Less transaction costs			(2,017,025)
		123,877,249		30,025,928

	31 December 2011 (No)	30 June 2011 (No)
(d) Options		
At the beginning of the reporting period	199,487,599	116,287,599
Options consolidated during the year	(94,488,770)	-
Options lapsed during the period	-	-
Options issued during the year		
During April 2010	-	-
During December 2010	-	100,600,000
During January 2011	-	39,000,000
During March 2011	-	20,000,000
Options exercised during the year:		
During February 2011	-	(37,696,000)
During March 2011	-	(21,900,000)
During May 2011	-	(10,304,000)
During June 2011	-	(6,500,000)
During August 2011	(29,000,000)	-
During September 2011	(5,050,000)	-
During December 2011	(60,450,000)	-
At reporting date	10,498,829	199,487,599

**Notes to the Financial Statements
for the Half-Year Ended 31 December 2011**

Note 5. Share based payments

During the half year ended on 31 December 2011, the Company issued the following share-based payments.

(a) Equity Raising Fees

On 1 August 2011, the Company issued 20,000,000 (pre consolidation) shares to various individuals of the Group. The shares were issued and allotted as consideration for services provided by the individuals in relation to an equity raising.

The shares were issued for nil consideration and were approved at a meeting of shareholders held 26 October 2011. The closing share price on 1 August 2011 was 2.5 cents, and the value of the shares is \$500,000 Based on this 1 August 2011 share price.

Note 6. Contingencies

There have been no changes in contingent liabilities or contingent assets since the end of the previous annual reporting period, 30 June 2011.

Note 7. Events subsequent to the end of the reporting period

On 9 February 2012 the Company successfully closed its prospectus raising with subscriptions received in excess of the 11,250,000 shares (\$2.25m) on offer and the issue of an additional 3,250,000 shares (\$650,000) in oversubscriptions, for a total raising of \$2,900,000.

On 17 February 2012 completion occurred for the purchase by Energio of 100% of the fully paid ordinary shares in KCMH Nigeria, via:

- (a) the purchase from TGP Australia Limited of all of the fully paid shares of KCMH Australia (which owns 75% of the shares in KCM Nigeria); and
- (b) the acquisition of the remaining 25% of the ordinary fully paid shares in KCM Nigeria from Bedford CP Nominees Pty Ltd.

The final consideration for these acquisitions was:

- (a) 85,766,667 ordinary shares in the Company to TGP Australia Ltd as consideration for the sale of KCMH Australia (and its 75% interest in KCM Nigeria) under the terms of the Sale and Purchase Agreement with TGP Australia Ltd; and
- (b) 15,583,067 ordinary shares in the Company to Bedford CP Nominees Pty Ltd as consideration for the sale of its 25% interest in KCM Nigeria under the terms of the Share Sale Agreement with Bedford CP Nominees Pty Ltd.

Declaration by Directors

The Directors of the Company declare that:

- (a) The financial statements and notes set out on pages 1 to 15 are in accordance with the Corporations Act 2001 and:
 - (i) comply with the Corporations Regulations 2001 and other mandatory professional standards; and
 - (ii) give a true and fair view of the Company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.
- (b) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in dark ink, appearing to read 'Ian Burston', is written over the printed name and title.

Ian Burston
Director

Dated this 29th day of February 2012

29 February 2012

The Board of Directors
Energio Limited
21 Teddington Road,
BURSWOOD, WA, 6100

Dear Sirs,

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF ENERGIO LIMITED

As lead auditor for the review of Energio Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Energio Limited during the period.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ENERGIO LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Energio Limited, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the disclosing entity.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Energio Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Energio Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Energio Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the disclosing entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line.

Phillip Murdoch
Director

Perth, Western Australia
Dated this 29th day of February 2012