Enerji Limited

ABN 62 009 423 189

Interim Financial Report
30 June 2009

Enerji Limited

Contents

Enerji Limited

Corporate Directory

ABN 62 009 423 189

Directors

Ross Smith
Guy Le Page
Greg Pennefather

Secretary

Robert Marusco

Registered Office

Level 2, "Spectrum"
100 Railway Road
Subiaco WA 6008

Postal Address:
PO Box 8271
Subiaco WA 6008

Principal place of business

Unit A5
431-435 Roberts Road
Subiaco WA 6008

Share register

Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953

Solicitors

Steinepreis Paganin
Level 4 Next Building
16 Milligan Street
Perth WA 6000

Bankers

Bankwest
108 St Georges Terrace
Perth WA 6000

Auditors

KPMG
Chartered Accountants
235 St George's Terrace
Perth WA 6000

Enerji Limited

Directors' Report

The directors present their report together with the consolidated financial report for the six months ended 30 June 2009 and the review report thereon.

Directors

The directors of the Company at any time during or since the end of the interim period are:

Ross Smith (Appointed 20 March 2009)

Guy Le Page (Appointed 20 March 2009)

Greg Pennefather (Appointed 9 June 2009)

Steve Bamford (Appointed 8 July 2008, resigned 19 June 2009)

Jonathan Asquith (Appointed 10 December 2003, resigned 20 March 2009)

Colin Barboutis (Appointed 20 August 2007, resigned 20 March 2009)

Review of operations

During the financial period the principal activities of the Company were to identify and assess new business opportunities. In this regard the Company identified two opportunities namely a device that produces water by condensing water vapour present in the air, owned by Water Un Ltd and a recovered energy generation business owned by Jamalcom Pty Ltd trading as CoGen ORC Power.

The Company made a loss of $3,189,616 for the period.

Water Un Ltd

On 6 March 2009 Enerji Ltd entered into a heads of agreement with Water Un Ltd that gave the Company a call option to acquire all of the share capital of Water Un Ltd or, failing that, acquire all of its assets. It also gave the shareholders of Water Un Ltd a put option to have the Company purchase all of their shares subject to performance criteria.

Subsequent to the end of the financial period, the Company terminated the heads of agreement with Water Un Ltd as announced on 21 July 2009.

CoGen ORC Power

On 4 June 2009 Enerji Ltd entered into a heads of agreement with Jamalcom Pty Ltd trading as CoGen ORC Power that gave the Company a call option to acquire all of the share capital of CoGen or, failing that, acquire all of its assets. It also gave the shareholders of Jamalcom Pty Ltd trading as CoGen ORC Power a put option to have the Company purchase all of their shares subject to performance criteria.

Jamalcom Pty Ltd trading as CoGen ORC Power has exclusive agreements with Swedish companies Opcon AB and Airec AB for the use of their leading organic Rankine cycle and heat exchanger technologies (respectively) in Australia. These technologies along with Jamalcom Pty Ltd trading as CoGen ORC Power's waste heat recovery concepts and its build own operate business model form the basis of a promising business for the future of the Company.

New Board and Management

On 20 March 2009 two new directors of the company were appointed, namely Mr Ross Smith and Mr Guy Le Page and two of the former directors Mr Jonathan Asquith and Mr Colin Barboutis resigned. Subsequently, on 9 June 2009 Mr Greg Pennefather joined the board and on 16 June 2009 it was announced that the last remaining former director, Mr Steve Bamford, had resigned.

Since the appointment of the new board and management, Enerji Ltd has managed to identify a promising business for the Company, namely Jamalcom Pty Ltd trading as CoGen ORC Power's recovered energy business. Consequently the Company has been able to garner interest from the investment community and raise sufficient capital to continue to fund its activities and loan funds to Jamalcom Pty Ltd trading as CoGen ORC Power to enable the development of its recovered energy business. There has been renewed interest in the trading of the Company's shares during the financial period with the share price rising from as low as $0.004 prior to the new directors being appointed to as high as $0.16 following the appointment of the new directors.

Capital Raisings

In May 2009 the Company issued 12,741,429 Fully Paid Ordinary Shares at $0.007 to raise $89,190 and 12,741,429 December 2016 Unlisted Options exercisable at $0.03 each. At the same time the Company issued 500,000 Convertible Notes with a $1.00 face value. The monies raised were used to enhance the Company's assets as well as for working capital purposes. Subsequently, during the half year, all the Convertible Notes have been converted.

Enerji Limited

Directors' Report

The lead auditor's independence declaration is set out on page 6 and forms part of the directors' report for the six months ended 30 June 2009.

Dated at Perth this 31 day of August 2009.

Signed in accordance with a resolution of the directors:

Greg Pennefather
Director

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Enerji Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Graham Hogg
Partner

Perth

31 August 2009

Enerji Limited

Consolidated statement of financial position

	Notes	Consolidated 30 June 2009 $	Consolidated 31 December 2008 $
Assets			
Property, plant and equipment		**3,524**	5,119
Total non-current assets		**3,524**	5,119
Cash and cash equivalents	5	**845,035**	275,849
Trade and other receivables	6	**686,753**	4,656
Other investments	7	**-**	100,000
Prepayments		**-**	6,519
Total current assets		**1,531,788**	387,024
Total assets		**1,535,312**	392,143
Equity			
Share capital	8	**29,265,608**	28,644,962
Reserves	9	**2,669,938**	380,660
Retained earnings		**(31,866,096)**	(28,676,480)
Total equity		**69,450**	349,142
Liabilities			
Loans and borrowings		**27,500**	-
Trade and other payables	10	**1,187,862**	43,001
Provisions	14(iv)	**250,500**	-
Total current liabilities		**1,465,862**	43,001
Total liabilities		**1,465,862**	43,001
Total equity and liabilities		**1,535,312**	392,143

The notes on pages 12 to 20 are an integral part of these consolidated interim financial statements.

Enerji Limited

Consolidated statement of comprehensive income

For the six months ended 30 June

	Notes	Consolidated 30 June 2009 $	30 June 2008 $
Continuing operations			
Employment costs		**(110,958)**	(743)
Director fees		**(184,609)**	(42,000)
Depreciation and amortisation		**(1,595)**	-
Consulting and professional fees		**(165,837)**	(61,358)
Settlement of obligation	14 (iv)	**(250,500)**	-
Share based payment expense	11	**(2,289,278)**	-
Other expenses		**(187,817)**	(2,429)
Results from operating activities		**(3,190,594)**	(106,530)
Finance income		**978**	17,264
Net finance income		**978**	17,264
Loss before income tax		**(3,189,616)**	(89,266)
Income tax expense		**-**	-
Loss for the period attributable to owners of the company		**(3,189,616)**	(89,266)
Loss per share			
Basic loss per share (cents)		**(3.38)**	(0.13)
Diluted loss per share (cents)		**(3.38)**	(0.13)

The notes on pages 12 to 20 are an integral part of these consolidated interim financial statements.

Enerji Limited

Consolidated statement of changes in equity

For the six months ended 30 June 2008

	Attributable to equity holders of the Company				
	Share Capital	**Options reserve**	**Share based payments reserve**	**Accumulated Losses**	**Total Equity**
	$	**$**	**$**	**$**	**$**
Balance at 1 January 2008	28,382,410	380,660	-	(27,999,949)	763,121
Total comprehensive income for the period					
Loss	-	-	-	(89,266)	(89,266)
Total comprehensive loss for the period	-	-	-	(89,266)	(89,266)
Transactions with owners recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares (net of costs)	162,551	-	-	-	162,551
At 30 June 2008	28,544,961	380,660	-	(28,089,215)	836,406

The notes on pages 12 to 20 are an integral part of these consolidated interim financial statements.

Enerji Limited

Consolidated statement of changes in equity (continued)

For the six months ended 30 June 2009

	Attributable to equity holders of the Company				
	Issued Capital	Options reserve	Share based payments reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
Balance at 1 January 2009	28,644,962	380,660	-	(28,676,480)	349,142
Total comprehensive loss for the period					
Loss	-	-	-	(3,189,616)	(3,189,616)
Total comprehensive loss for the period	-	-	-	(3,189,616)	(3,189,616)
Transactions with owners recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares (net of costs)	620,646	-	-	-	620,646
Share-based payment transactions	-	-	2,289,278	-	2,289,278
Balance at 30 June 2009	29,265,608	380,660	2,289,278	(31,866,096)	69,450

The notes on pages 12 to 20 are an integral part of these consolidated interim financial statements.

Enerji Limited

Consolidated statement of cash flows

For the six months ended 30 June 2009

	Notes	2009 $	2008 $
Cash Flows From Operating Activities			
Loss for the period		**(3,189,616)**	(89,266)
Adjustments for:			
Depreciation		**1,595**	-
Impairment losses on other investments		**100,000**	-
Settlement of obligation		**250,500**	-
Equity-settled share-based payments transactions		**2,289,278**	-
Doubtful debts		**35,262**	-
Net finance income		**(978)**	(17,264)
		(513,959)	(106,530)
Change in trade and other receivables		**(34,201)**	2,490
Change in trade and other payables		**84,618**	22,553
Change in prepayments		**(6,519)**	-
Net cash (used in) operating activities		**(470,061)**	(81,487)
Cash flows from investing activities			
Interest received		**978**	17,264
System two option		**-**	(250,000)
Loans to other related entities		**(355,497)**	-
Net Cash used in investing activities		**(354,519)**	(232,736)
Cash flows from financing activities			
Capital raising costs		**(42,128)**	(32,046)
Proceeds from the issue of convertible notes		**500,000**	-
Proceeds from the issue of share capital		**162,774**	200,000
Net cash from financing activities		**620,646**	167,954
Net decrease in cash and cash equivalents		**(203,934)**	(146,269)
Cash and cash equivalents at 1 January		**275,849**	785,384
Cash and cash equivalents at 30 June	5	**71,915**	639,115

The notes on pages 12 to 20 are an integral part of these consolidated interim financial statements.

Enerji Limited

Notes to the consolidated interim financial statements

1. **Reporting entity**

Enerji Limited is a company domiciled in Australia. The consolidated interim financial statements of the Company as at and for the six months ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The consolidated financial statements of the Group as at and for the year ended 31 December 2008 are available upon request from the Company's registered office at Level 2, "Spectrum", 100 Railway Road, Subiaco WA 6008 or at www.enerji.com.au

2. **Statement of compliance**

Basis of Preparation

These consolidated interim financial statements have been prepared in accordance with AASB 134 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at 31 December 2008.

These consolidated interim financial statements were approved by the Board of Directors on 31 August 2009.

3. **Significant accounting policies**

Except as described below, the accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2008.

(a) **Change in accounting policy**

Presentation of financial statements

The Group applies AASB 101 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these interim financial statements as of and for the six months period ended on 30 June 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(b) ***Accounting policies for new transactions and events***

Accounting for non-vesting conditions in a share-based payment transaction

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market conditions at the vesting date. When a share-based payment arrangement contains a non-vesting condition, the fair value is discounted to reflect such a condition and there is no true-up for differences between expected and actual outcomes.

3. Significant accounting policies (continued)

(c) *Going Concern*

The interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business.

In the period ended 30 June 2009 the Company recorded a net loss of $3,189,616 and a net operating cash outflow of $470,061. The Company has a working capital surplus (net current assets) of $65,926 at 30 June 2009. At 30 June 2009 the Company held cash of $845,035, including $773,120 held in the Share Application Account. Following the end of the period a further $1,226,880 was received in finalisation of the $2,000,000 Capital Raising announced on 4 July 2009.

As at 30 June 2009 the Company had 59,247,790 December 2016 Unlisted options exercisable at $0.03. It is expected that a number of these Options will be exercised within the next 12 months to raise further capital of up to $1,777,434.

In addition, on 7 September 2009 the Company has convened a General Meeting of Shareholders to approve the issue of 225,000,000 Fully Paid Ordinary Shares at $0.01 each to raise $2,137,500 after costs. Following shareholder approval for this issue the funds will be available for working capital purposes. As at the date of this report the placement has been fully subscribed.

In June 2009 the consolidated entity executed a Heads of Agreement to acquire 100% of the issued capital of Jamalcom Pty Ltd trading as CoGen ORC Power the owner of power generation technology rights for $5,000,000, to be settled by a combination of cash and shares in the Company, together with the commitment to fund Jamalcom Pty Ltd trading as CoGen ORC Power to acquire and install power generation equipment in the amount of $1,800,000. The $1,800,000 is to be funded by way of a secured interest free loan. Instalments pursuant to that facility of $579,596 have been loaned prior to 30 June 2009 (refer note 15).

The ability of the Company and the consolidated entity to continue to pay its debts as and when they fall due and successfully complete its plans to acquire and commence a power generation business is dependent upon the Company raising additional share capital.

The Directors believe it is appropriate to prepare these accounts on a going concern basis and are confident that the Company will successfully raise sufficient additional equity funds. However, should adequate funding not be available there is significant uncertainty as to whether the Company and the consolidated entity will continue as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

4. Segment Information

The Group predominately operates in only one segment being investment in power technology in Australia.

5. Cash and cash equivalents

	Consolidated	
	30 June 2009	31 December 2008
Bank balances	71,915	275,849
Share application funds on deposit	773,120	-
	845,035	275,849

Share application funds were received in advance for a private share placement (refer note 14). The funds are restricted until shares issue.

6. Trade and other receivables

	Consolidated	
	30 June 2009	31 December 2008
Goods and services tax receivable	44,283	4,656
Other receivables	32,611	-
	76,894	4,646
Loan to related party	609,859	-
	686,753	4,656

The loan to related party was made to Jamalcom Pty Ltd trading as CoGen ORC Power in accordance with the Heads of Agreement for the purchase of the Opcon Powerbox. The loan is interest free, repayable on 31 May 2011. Security is by way of a charge over the assets of Jamalcom Pty Ltd trading as CoGen ORC Power.

7. Other investments

	Consolidated	
	30 June 2009	31 December 2008
Option fee	100,000	100,000
Impairment loss	(100,000)	-
	-	100,000

The agreement to acquire Water Un Limited terminated in July 2009. The directors have therefore reviewed the carrying amount of this financial asset at balance date and considered that the amount is not recoverable. This impairment loss is recorded in other expenses.

8. Share Capital

	Consolidated	
	30 June 2009 Number	31 December 2008 Number
Fully paid ordinary shares	171,436,294	84,943,879
Fully paid performance shares	15,000,000	-
Total share capital	186,436,294	84,943,879

Movements in ordinary shares on issue:	
On issue at 1 January 2009	84,943,879
Issued for cash	12,741,429
Issued for convertible notes	65,504,770
Granted as a share based payment	7,000,000
Options exercised	1,246,216
On issue at 30 June 2009	171,436,294

Movements in performance shares on issue:	
On issue at 1 January 2009	-
Granted as a share based payment	15,000,000
On issue at 30 June 2009	15,000,000

Terms and Conditions of Contributed Equity

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

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company. Ordinary shares are fully paid and have no par value.

Performance shares were issued in accordance with a Resolution at the Annual General Meeting held on 29 May 2009. The performance shares were converted to fully paid ordinary shares post 30 June 2009.

9. Reserves

	Consolidated		
	Options reserve	Share based payments reserve	Total
	$	$	$
Balance at 1 January 2009	380,660	-	380,660
Share based payment	-	2,289,278	2,289,278
At 30 June 2009	380,660	2,289,278	2,669,938

10. Trade and other payables

	Consolidated	
	30 June 2009	31 December 2008
Trade payables	24,526	-
Other payables and accrued expenses	390,216	43,001
Share application funds received in advance	773,120	-
	1,187,862	43,001

Share application funds were received in advance for a private share placement (refer note 14).

11. Share-based payments

Options

There are no specific option plans. The terms and conditions of the option grants made during the six months ended 30 June 2009 are as follows; all options are to be settled by physical delivery of shares:

Grant date / employees entitled	Number of Instruments	Vesting conditions	Contractual life of the options
Options granted to directors on 29 May 2009 (Maturing 31 December 2016)	15,000,000	The Options vested immediately upon grant	2,773 days
Total share options	15,000,000		

The fair value of services received in return for share options granted is based on the fair value of share options granted, which is measured using a binomial lattice model with the following inputs:

Fair value at grant date	$694,278
Share price at grant date	$0.0725
Exercise price	$0.03
Expected volatility (expressed as weighted average volatility used in the modelling under binomial lattice model)	128%
Predicted Option life (expressed as weighted average life used in the modelling under binomial lattice model)	184 days
Expected dividends	Nil
Risk-free interest rate (based on government bonds)	3%

11. Share-based payments (continued)

Shares

The terms and conditions of share grants made during the six months ended 30 June 2009 are as follows:

Grant date / employees entitled	Number of Instruments	Vesting conditions
Shares granted to directors on 29 May 2009	7,000,000	The Shares vested immediately upon grant
Performance Shares granted to directors on 29 May 2009	15,000,000	The Performance Shares vested immediately upon grant
Total shares	22,000,000	

The fair value of services received in return for ordinary shares granted is based on the 1-day VWAP on the day of grant less any consideration.

Fair value at grant date	$507,500
Share price at grant date	$0.0725
Consideration	Nil

The fair value of services received in return for performance shares granted is based on the fair value of performance options granted, which is measured using a binomial lattice model with the following inputs:

Fair value at grant date	$1,087,500
Share price at grant date	$0.0725
Exercise price	Nil
Expected volatility (expressed as weighted average volatility used in the modelling under binomial lattice model)	128%
Predicted Performance Share life prior to conversion (expressed as weighted average life used in the modelling under binomial lattice model)	184 days
Expected dividends	Nil
Risk-free interest rate (based on government bonds)	3%

Share based payment expense

	Consolidated	
In AUD	**30 June 2009**	**30 June 2008**
Share options granted – directors	694,278	-
Shares granted – directors	1,595,000	-
Total share based expense recognised	2,289,278	-

12. Related Party Disclosure

1) The following Securities were issued to the Directors and/or their nominees following the 29 May 2009 Annual General Meeting:

Mr R Smith:

- 5,000,000 Class A Performance Shares, issued for nil consideration (i)
- 5,000,000 Class B Performance Shares, issued for nil consideration (i)
- 5,000,000 Class C Performance Shares, issued for nil consideration (i)
- 4,000,000 December 2016 Unlisted Options, issued for nil consideration

Mr G Le Page:

- 4,000,000 December 2016 Unlisted Options, issued for nil consideration (ii)

GT Le Page and Associates Pty Ltd (an entity associated with Mr G Le Page):

- 25,000 Convertible Notes, convertible at lower of $0.03 and 85% of VWAP of the Company's shares over the last 5 days on which sales in shares were recorded before the date of conversion. The notes are unsecured and bear no interest rate.

RM Corporate Finance (an entity associated with Mrs D Le Page):

- 7,000,000 Fully Paid Ordinary Shares, issued for nil consideration
- 7,000,000 December 2016 Unlisted Options, issued at nil consideration (i)

(i) The Performance Shares were subsequently converted to Fully Paid Ordinary Shares post 30 June 2009 following the triggering of conversion milestones.

(ii) The December 2016 Unlisted Options are exercisable by 5.00pm (WST) on the 31 December 2016 at an exercise price of 3 cents. As at 30 June 2009 none of the Directors had converted their Option holdings.

2) On 4 June 2009 the Company announced that it had entered into a Heads of Agreement with Jamalcom Pty Ltd trading as CoGen ORC Power, an entity wholly owned by Mr G Pennefather:

Under the terms of the agreement the Company is granted a call option to acquire 100% of the shares in Jamalcom Pty Ltd trading as CoGen ORC Power in exchange for consideration comprising of cash and shares to the value of $5,000,000.

The Call Option may be exercised as follows:

- The Call Option will expire 24 months after the date of the Heads of Agreement, being the Expiry Date;
- Enerji Limited may exercise the Call Option at any time prior to the above date by serving written notice on Jamalcom Pty Ltd trading as CoGen ORC Power; and
- If the Call Option is not exercised prior to the Expiry Date then the Option will lapse.

The Put Option may be exercised as followed:

- The Put Option will expire 24 months after the date of the Heads of Agreement, being the Expiry Date;
- Each Shareholder may exercise the Put Option at any time prior to the above date by serving written notice on Enerji Limited; and
- If the Put Option is not exercised prior to the Expiry Date then the Option will lapse.

12. Related Party Disclosure (continued)

Completion of the acquisition of the Jamalcom Pty Ltd trading as CoGen ORC Power Shares on exercise of either the Call or the Put Option will be conditional upon the satisfaction of the following conditions precedent:

- Enerji Limited obtaining all required regulatory and shareholder approvals to proceed with the acquisition;
- If required by ASX, Enerji Limited re-complying with Chapters 1 and 2 of the ASX Listing Rules as if it were completing a new listing on ASX (including completing a new full form prospectus and undertaking a capital raising pursuant to that prospectus); and
- Enerji Limited raising sufficient cash to discharge its obligations to pay the Cash Consideration to the Shareholders.

During the half year A$609,859 was advanced as part of an overall commitment of USD$770,000 to Jamalcom Pty Ltd trading as CoGen ORC Power as per the Heads of Agreement for the acquisition of an Opcon Powerbox. The loan between Enerji Limited and Jamalcom Pty Ltd trading as CoGen ORC Power is interest free (refer note 6). Jamalcom Pty Ltd trading as CoGen ORC Power is wholly owned by Mr G Pennefather.

The following payments were made to Director's and their associated entities for salaries, fees and services during the period:

Mr R Smith	$ 81,115
Mr G Le Page	$ 42,235
Mr G Pennefather	$ 9,615
Mr S Bamford	$ 14,203
Mr C Barboutis	$175,250
Mr J Asquith	$ 14,152
	$336,570

13. Contingencies

In April 2009 the Company and Goldenwire Investments Pty Ltd as trustee for The Goldenwire Trust ("Goldenwire") entered into a Convertible Note Agreement whereby Goldenwire would apply for the issue of Convertible Notes with a face value of $50,000.

As the director of Goldenwire was a former director of Enerji Limited and therefore a related party of the Company at that time shareholder approval of the Notes was required under the Corporations Act 2001. At the Company's Annual General Meeting on 29 May 2009, the Company did not seek approval for the issue of the Notes to Goldenwire and as a result the Notes were not issued.

The cheque was deposited into the Trust Account of Nissen Kestel Harford, the Company's Accountants and was subsequently returned to Goldenwire during the half year.

Goldenwire believes it has suffered financial loss and damage as a result of this non-issue and has therefore lodged a Writ of Summons dated 1 July 2009 against the Company.

The Company now seeks shareholder approval to issue 6,550,504 Fully Paid Shares and 3,275,252 free attaching Options to Goldenwire at the forthcoming General Meeting of shareholders to be held on 7 September 2009. If the Resolution is passed the Writ will be withdrawn otherwise legal proceedings will continue under the terms of the Writ. No provision has been provided for in the accounts as at 30 June 2009.

Notes to the consolidated interim financial statements

14. Subsequent events

(i) The Company completed a placement to private investors within its 15% capacity and issued 25,000,000 Fully Paid Ordinary Shares at a price of $0.08, which was finalised in July 2009. The $1,900,000 raised after costs is being used for working capital purposes.

(ii) On 21 July 2009 the Company announced that the Heads of Agreement entered into with Water Un Limited in March 2008 had been terminated.

(iii) On 28 July 2009 the Company announced that the Class A, Class B and Class C Performance Shares had been converted into Fully Paid Ordinary Shares following satisfaction of the required performance hurdles.

(iv) On 31 July 2009 the Company paid $150,000 to Jabiru Metals Limited in part settlement with the remaining portion of the settlement to be approved by shareholders at the forthcoming General Meeting.

Enerji Limited has acquired CoGen Power Pty Ltd. Shareholders at the forthcoming General Meeting have been asked to approve the issue of 1,500,000 Shares to Jabiru Metals Ltd as the final instalment of the consideration for the purchase of CoGen Power Pty Ltd.

(v) On 18 August 2009, 25,000 Convertible Notes held by GT Le Page & Associates Ltd, an entity associated with Mr Le Page were converted into Fully Paid Ordinary Shares and free attaching Options. The $25,000 received from the issue of the Notes has been contributed to fund working capital. Refer note 12.

(vi) On 7 September 2009 the Company has convened a General Meeting of Shareholders to approve the issue of 225,000,000 Fully Paid Ordinary shares at $0.01 each to raise $2,250,000. Following shareholder approval for this issue the funds will be available for working capital purposes.

(viii) Other than the above there has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

15. Commitments

Pursuant to the Heads of Agreement the Company has committed $1,800,000 in the form of an interest free loan to be repaid by 31 May 2011 to Jamalcom Pty Ltd trading as CoGen ORC Power.(refer note 6).

There is also a commitment under the Heads of Agreement for Enerji Limited to acquire Jamalcom Pty Ltd trading as CoGen ORC Power (refer note 12).

Enerji Limited

Directors' Declaration

In the opinion of the directors of Enerji Limited ("the Company"):

1. the financial statements and notes set out on pages 7 to 20, are in accordance with the Corporations Act 2001 including:

   (a) giving a true and fair view of the Group's financial position as at 30 June 2009 and of its performance for the six month period ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Perth this 31 day of August 2009.

Signed in accordance with a resolution of the directors:

Greg Pennefather
Director

KPMG

Independent auditor's review report to the members of Enerji Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of Enerji Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2009, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 15 and the directors' declaration set out on page 21 of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Interim and Other Financial Reports Performed by the 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 Group's financial position as at 30 June 2009 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Enerji 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.

KPMG

Independence

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

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 Enerji Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2009 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 3(c) in the financial report setting out matters which indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

KPMG

KPMG

Graham Hogg
Partner

Perth

31 August 2009