APPENDIX 4D
HALF-YEAR STATEMENT
PERIOD ENDED 30 JUNE 2012

ENERJI LIMITED
ABN 62 009 423 189

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current reporting Period: **30 June 2012**
Previous corresponding reporting period: **30 June 2011**

			Current period ($,000)		Previous corresponding period ($,000)
Revenues from ordinary activities *(item 2.1)*	(40)%	To	3	From	5
Profit (loss) from ordinary activities after tax attributable to members (*item 2.2*)	(72)%	To	(2,580)	From	(1,499)
Net profit (loss) for the period attributable to members *(item 2.3)*	(72)%	To	(2,580)	From	(1,499)

Dividends
There are no dividend or distribution reinvestment plans in operation and there have been no dividend or distribution payments during the financial half year ended 30 June 2011.

Comments
During the half-year the consolidated entity's operations centred on the installation of its first waste heat recovery Opcon Powerbox. The company has also progressed with more sales leads for remote power generation.

In January Enerji commenced quotation on the OTCQX market in the US under the code ENJLY. The primary benefit of the OTCQX quotation combined with the ADR program has been to create a broader secondary market for Enerji's securities particularly in North America.

In February Enerji was granted works approval enabling commencement of installation on site of Australia's first Opcon Powerbox. The site is the Carnarvon power station owned by Western Australian government regional power utility Horizon Power. Approval was granted by the WA Department of Environment and Conservation (DEC) and Enerji's staff and contractors were on site a few days later to prepare for civil works.

As Australia's first Opcon Powerbox the installation achieved considerable attention from media, other potential site managers and the company briefed the Western Australia Minister for Energy the Hon Peter Collier.

The list of sales leads is strong. It is the company's determination to finalise a number of new sales as soon as the Carnarvon project is operating and used as a showcase for our new prospective buyers' sites in Queensland, Western Australia and the territories. The company also expects that at this time financing will be much easier and has appointed a leading equipment finance advisor to define optimum commercial models and manage the financing of the capital expenses associated with future orders of the waste heat to power systems.

Enerji has entered the final stages of installation the Opcon Powerbox system at the Carnarvon Power Station. Opcon will soon send out the commissioning team to "fire up" the Opcon Powerbox.

The Opcon Powerbox cogeneration technology transforms waste heat into electricity thereby creating significant energy cost savings and reduced CO_2 emissions. Enerji has exclusive sales and distribution rights for the Opcon Powerbox in Australia. The Opcon Powerbox, manufactured in Sweden by Opcon, represents a strong commercial opportunity with application for industrial, mining and power generation operations. Enerji is endeavouring to generate shareholder returns through long-term power purchase agreements. Additional information is available at www.enerji.com.au.

Net tangible assets per ordinary security	**30 June 2012**	**30 June 2011**
Net tangible assets	$6,994,786	$4,297,986
Number of shares on issue at reporting date	1,096,395,398	692,111,765
Net tangible assets per ordinary security	0.6 cents	0.6 cents

Associates and joint ventures
Not applicable

Foreign Entities Accounting Framework
Not applicable

Audit/Review Status
This Appendix 4D and the attached interim financial report are based on accounts which have been subjected to review. The accounts are not subject to audit dispute or qualification.

The attached interim financial statements for the half-year ended 30 June 2012 form part of this Appendix 4D. This half-year report is to be read in conjunction with the Enerji Limited 2011 annual financial statements and the notes contained therein.

Enerji Limited

ABN 62 009 423 189

Interim Report
30 June 2012

Enerji Limited

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2011 and any public announcements made by Enerji Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Enerji Limited

Directors' report

30 June 2012

Your directors present their report on the consolidated entity consisting of Enerji Limited ("Enerji" or "the Company"), and the entities it controlled at the end of, or during, the half-year ended 30 June 2012.

Directors

The following persons were directors of Enerji Limited during the whole of the half-year and up to the date of this report:

IG Campbell

GD Pennefather

R Hasselström

Review of operations

During the half-year the consolidated entity's operations centred on the installation of its first waste heat recovery Opcon Powerbox. The company has also progressed with more sales leads for remote power generation.

In January Enerji commenced quotation on the OTCQX market in the US under the code ENJLY. The primary benefit of the OTCQX quotation combined with the ADR program has been to create a broader secondary market for Enerji's securities particularly in North America.

In February Enerji was granted works approval enabling commencement of installation on site of Australia's first Opcon Powerbox. The site is the Carnarvon power station owned by Western Australian government regional power utility Horizon Power. Approval was granted by the WA Department of Environment and Conservation (DEC) and Enerji's staff and contractors were on site a few days later to prepare for civil works.

As Australia's first Opcon Powerbox the installation achieved considerable attention from media, other potential site managers and the company briefed the Western Australia Minister for Energy the Hon Peter Collier.

Enerji conducted two small fund raisings over the period with a $650,000 placement in February and a $532,000 placement in June. Both issues granted attaching options. The proceeds are being used to fund the Carnarvon project installation.

The list of sales leads is strong. It is the company's determination to finalise a number of new sales as soon as the Carnarvon project is operating and used as a showcase for our new prospective buyers' sites in Queensland, Western Australia and the territories. The company also expects that at this time financing will be much easier and has appointed a leading equipment finance advisor to define optimum commercial models and manage the financing of the capital expenses associated with future orders of the waste heat to power systems.

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Review of consolidated financial condition

The consolidated entity recorded an operating loss after income tax for the half-year of $2,579,659 (2011: $1,498,985 loss).

The net assets of the consolidated entity were $9,235,265 (2011: $7,940,359).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

This report is made in accordance with a resolution of directors.

GD Pennefather
Director

Perth
Dated 31st August 2012

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

31 August 2012

Enerji Limited
The Board of Directors
Ground Floor, 10 Ord Street
West Perth WA 6005

Dear Sirs,

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF ENERJI LIMITED

As lead auditor for the review of Enerji Limited for the half-year ended 30 June 2012, 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 Enerji Limited and the entities it controlled during the period.

Brad McVeigh
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

Enerji Limited

Consolidated statement of comprehensive income

For the half-year ended 30 June 2012

	Half-year	
	2012	**2011**
Revenue from continuing operations	**-**	-
Other Income	**-**	(48,985)
Employment benefits expense	**(461,306)**	(321,655)
Directors payments	**(257,321)**	(231,547)
Share based payments	**(965,698)**	(10,000)
Depreciation and amortisation	**(693,672)**	(523,126)
Other expenses	**(177,254)**	(555,018)
Finance income	**2,786**	5,033
Finance costs	**(27,194)**	(1,187)
Loss before income tax	**(2,579,659)**	(1,686,485)
Income tax benefit	**-**	(187,500)
Loss from continuing operations	**(2,579,659)**	(1,498,985)
Loss for the period	**(2,579,659)**	(1,498,985)
Other comprehensive income for the period, net of tax	**-**	-
Total comprehensive income for the period	**(2,579,659)**	(1,498,985)
Loss is attributable to:		
Owners of Enerji Limited	**(2,579,659)**	(1,498,985)
Total comprehensive income for the year is attributable to:		
Owners of Enerji Limited	**(2,579,659)**	(1,498,985)
Loss per share		
Basic loss per share	**($0.003)**	($0.002)
Diluted loss per share	**n/a**	n/a

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2012

	Notes	**30 June 2012**	31 December 2011
ASSETS			
Current assets			
Cash and cash equivalents	*4*	**286,409**	327,356
Prepayments and other receivables	*5*	**95,747**	5,807,059
Total current assets		**382,156**	6,134,415
Non-current assets			
Deferred tax assets		**-**	168,258
Prepayments and other receivables	*5*	**5,491,767**	-
Property, plant and equipment	*6*	**4,252,885**	2,948,927
Intangible assets	*7*	**2,527,653**	3,030,972
Total non-current assets		**12,272,305**	6,148,157
Total assets		**12,654,461**	12,282,572
LIABILITIES			
Current Liabilities			
Trade and other payables	*8*	**2,849,374**	3,009,800
Provisions	*9*	**80,433**	65,450
Total current liabilities		**2,929,807**	3,075,250
Non-current Liabilities			
Loans and borrowings	*10*	**282,648**	891,964
Deferred tax liabilities		**206,741**	374,999
Total non-current liabilities		**489,389**	1,266,963
Total liabilities		**3,419,196**	4,342,213
Net assets		**9,235,265**	7,940,359
EQUITY			
Issued capital	*11*	**53,648,935**	50,126,673
Reserves		**5,946,552**	5,594,249
Accumulated losses		**(50,360,222)**	(47,780,563)
Total equity attributable to members of Enerji Limited		**9,235,265**	7,940,359

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

Enerji Limited

Consolidated statement of changes in equity

For the half-year ended 30 June 2012

	Notes	Share capital	Reserve	Accumulated losses	Total equity
		Attributable to owners of Enerji Limited			
Balance at 1 January 2011		**47,760,410**	**5,015,238**	**(45,794,090)**	**6,981,558**
Total comprehensive income for the half-year		**-**	**-**	**(1,498,985)**	**(1,498,985)**
Transactions with owners in their capacity as owners:					
Issue of ordinary shares, net of costs	*11*	864,280	-	-	864,280
Share-based payment transactions		10,000	-	-	10,000
Conversion of convertible notes		250,000	-	-	250,000
		1,124,280	-	-	1,124,280
Balance at 30 June 2011		**48,884,690**	**5,015,238**	**(47,293,075)**	**6,606,853**
Balance at 1 January 2012		**50,126,673**	**5,594,249**	**(47,780,563)**	**7,940,359**
Total comprehensive income for the half-year		**-**	**-**	**(2,579,659)**	**(2,579,659)**
Transactions with owners in their capacity as owners:					
Issue of ordinary shares, net of costs	*11*	2,208,727	-	-	2,208,727
Share-based payment transactions	*11*	613,395	352,303	-	965,698
Share options exercised		140	-	-	140
Conversion of convertible notes	*11*	700,000	-	-	700,000
		3,522,262	352,303	-	3,874,565
Balance at 30 June 2012		**53,648,935**	**5,946,552**	**(50,360,222)**	**9,235,265**

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

Enerji Limited

Consolidated statement of cash flows

For the half-year ended 30 June 2012

	Note	Half-year 2012	Half-year 2011
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of goods and services tax)		**(1,184,528)**	(1,062,715)
Interest paid		**(3,177)**	-
Net cash outflow from operating activities		**(1,187,705)**	(1,062,715)
Cash flows from investing activities			
Interest received		**2,786**	5,033
Payments for property, plant and equipment		**(1,146,600)**	(12,220)
Prepayments for acquisition of property, plant and equipment		**-**	(1,246,852)
Net cash outflow from investing activities		**(1,143,814)**	(1,254,039)
Cash flows from financing activities			
Proceeds from issue of shares		**2,261,561**	932,400
Proceeds from issue of convertible notes		**-**	1,250,000
Proceeds from borrowings		**450,000**	-
Proceeds from exercise of share options		**140**	-
Repayment of borrowings		**(300,000)**	-
Payment of equity transaction costs		**(121,129)**	(68,120)
Net cash inflow from financing activities		**2,290,572**	2,114,280
Net decrease in cash and cash equivalents		**(40,947)**	202,474
Cash and cash equivalents at the beginning of the half-year		**327,356**	484,527
Cash and cash equivalents at end of the half-year	*4*	**286,409**	282,053

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

1. Reporting entity

Enerji Limited (the "Company") is a company domiciled in Australia. The address of the Company's registered office is Ground floor, 10 Ord Street, West Perth WA 6005. The consolidated financial statements of the Company as at and for the half-year ended 30 June 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group primarily is involved in the international marketing of energy recovery and clean energy generation solutions.

2. Basis of preparation

a) Statement of compliance

This consolidated interim financial report for the half-year reporting period ended 30 June 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2011 and any public announcements made by Enerji Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year unless otherwise stated.

c) Going concern

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

The Group has incurred a comprehensive loss after tax for the period ended 30 June 2012 of $2,579,659 (2011: $1,498,985) and experienced net cash outflows from operating activities of $1,187,705 (2011: $1,062,715).

In order to continue to make instalments on further Powerboxes and fund working capital, the Group will be required to raise equity or secure debt funding.

The Directors believe that at the date of signing the financial statements, there are reasonable grounds to believe that having regard to matters set out above, the Group will be able to raise sufficient funds to meet its obligations as and when they fall due. This will be achieved through capital raisings, debt financing and use of the Bond Facility.

3. Segment information

(a) Description of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Group considers the business from an installation type and geographic perspective, which at present is only Australia. Installation types will include mine sites and town sites.

(b) Segment information provided to the chief operating decision maker

The segment information provided to chief operating decision maker for the half-year ended 30 June 2012 is as follows:

Half-year 2012	**Australia**
Total segment revenue	-
Revenue from external customers	-
Net loss before tax	2,579,659
Total segment assets	12,654,461
Total segment liabilities	3,419,196

The segment information provided to chief operating decision maker for the half-year ended 30 June 2011 is as follows:

Half-year 2011	**Australia**
Total segment revenue	-
Revenue from external customers	-
Net loss before tax	1,686,485
Total segment assets	10,705,909
Total segment liabilities	4,099,056

(c) Other segment information

(i) Adjusted EBIT

Management assesses the performance of the operating segment based on a measure of adjusted EBIT. This measurement basis excludes impairments when the impairment is the result of an isolated, non-recurring event. Interest income and expenditure are not allocated to segments, as this type of activity is a function of the group managing the overall cash position.

A reconciliation of adjusted EBIT to operating profit before income tax is provided as follows:

	Half-year	
	2012	2011
Adjusted EBIT	**(2,051,932)**	(1,189,777)
Amortisation of distribution rights	**(503,319)**	(500,554)
Interest revenue	**2,786**	5,033
Interest expenses	**(27,194)**	(1,187)
Loss before tax from continuing operations	**(2,579,659)**	(1,686,485)

(ii) Segment assets

Amounts provided to management with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segments and the physical location of the asset.

Reportable segment assets are reconciled to total assets as follows:

	30 June 2012	31 December 2011
Segment assets	**12,654,461**	12,114,314
Unallocated:		
Deferred tax assets	**-**	168,258
Total assets as per balance sheet	**12,654,461**	12,282,572

(iii) Segment liabilities

Amounts provided to management with respect to total liabilities are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segments and the physical location of the asset.

Reportable segment liabilities are reconciled to total liabilities as follows:

	30 June 2012	31 December 2011
Segment liabilities	**3,419,196**	4,342,213
Unallocated:		
Deferred tax liabilities	**-**	-
Total liabilities as per balance sheet	**3,419,196**	4,342,213

The reporting of only one segment results in no intersegment eliminations.

4. Current assets – Cash and cash equivalents

	30 June 2012	31 December 2011
Cash at bank and in hand	**286,409**	327,356
	286,409	327,356

5. Prepayments and other receivables

	30 June 2012	31 December 2011
Current		
Prepayments – Opcon Powerboxes	-	5,641,559
Other receivables	95,747	165,500
	95,747	5,807,059
Non-current		
Prepayments – Opcon Powerboxes	5,491,767	-
Other receivables	-	-
	5,491,767	-

During the half-year to 30 June 2012, no further prepayments have been made to Opcon AB (December 2011: $1,405,287) for 3rd Generation Powerboxes ordered.

No receivables have been impaired during the period.

6. Non-current assets - Property, plant and equipment

	Construction in progress	Office furniture, fittings and equipment	Total
At 31 December 2011			
Cost or fair value	2,862,411	125,373	2,987,784
Accumulated depreciation	-	(38,857)	(38,857)
Net book amount	2,862,411	86,516	2,948,927
Half-year ended 30 June 2012			
Opening net book amount	2,862,411	86,516	2,948,927
Additions	1,157,690	5,779	1,163,469
Transfers from prepayments	149,792	-	149,792
Depreciation charge	-	(9,303)	(9,303)
Closing net book amount	4,169,893	82,992	4,252,885
At 30 June 2012			
Cost or fair value	4,169,893	131,152	4,301,045
Accumulated depreciation	-	(48,160)	(48,160)
Net book amount	4,169,893	82,992	4,252,885

During the half-year to 30 June 2012, payments totalling $1,146,600 were made for plant and equipment in relation to the first installation at the Carnarvon Power Station.

7. Intangible assets

	Distribution rights
At 31 December 2011	
Cost	8,340,284
Impairment of asset - 2010	(3,340,284)
Accumulated amortisation and impairment	(1,969,028)
Net book amount	3,030,972
Half-year ended 30 June 2012	
Opening net book amount	3,030,972
Amortisation charge	(503,319)
Closing net book amount	2,527,653
At 30 June 2012	
Cost	8,340,284
Impairment of asset - 2010	(3,340,284)
Accumlated amortisation and impairment	(2,472,347)
Net book amount	2,527,653

8. Current liabilities - Trade and other payables

	30 June 2012	31 December 2011
Trade payables - Opcon AB	1,894,617	1,996,059
Trade payables - other	954,757	1,013,741
	2,849,374	3,009,800

9. Current liabilities - Provisions

	30 June 2012	31 December 2011
Employees	80,433	65,450
	80,433	65,450

10. Non-current loans and borrowings

Unsecured	30 June 2012	31 December 2011
Convertible bonds - zero coupon(a)	300,000	1,000,000
Capitalised borrowing costs on bond drawdowns	(17,352)	(108,036)
Total unsecured non-current borrowings	282,648	891,964

(a) Convertible bonds

Convertible Bonds have been issued at a coupon rate of 0% pa. They have a 5 year maturity from issue date, however are convertible during this period at the discretion of the holder. As a result, the effective interest rate on the bonds is also 0% and as such, their carrying value equals their fair value. At point of conversion, they are converted into a variable number of shares, and therefore they do not have any equity portion.

On the 2nd of February 2011 the parent entity issued 100 bonds totalling $1,000,000 to Fortensa Special Opportunities Fund Limited ("Fortensa") under the Bond Facility as approved by shareholders on 17 December 2010. These funds were used to make progress payments on Opcon Powerbox orders, pay expenses of the bond facility and replenish working capital.
On the 16th of March 2011, Fortensa converted 25 bonds into ordinary shares in the parent entity. Based on a conversion price of $0.0211, 11,870,845 ordinary shares were issued.
On the 22nd of March 2011 a further 25 bonds were issued to Fortensa resulting in proceeds of $250,000 to progress the company's works program.
On the 20th February 2012, Fortensa converted 55 bonds into ordinary shares in the parent entity. Based on a conversion price of $0.0117, 47,006,579 ordinary shares were issued.
On the 26th June 2012, 15 bonds were redeemed for ordinary shares in the parent entity. Based on a conversion price of $0.013, 11,538,462 ordinary shares were issued.

Drawdown	Bonds Issued		Bonds Converted / Redeemed	Shares Issued
	#	$	#	#
1	100	1,000,000	25	11,870,845
			55	47,006,579
			15	11,538,462
2	25	250,000		

The above bonds are convertible into ordinary shares of the parent entity, on the option of the holder, or repayable as follows:
2 February 2016 $50,000
22 March 2016 $250,000

The conversion rate is the lesser of:

- 120% of the average of the closing prices per share for the 30 consecutive Trading Days immediately prior to the date the Bond is issued; or
- 90% of the lowest average of the closing prices per share in any 5 consecutive Trading Days during the 30 consecutive Trading Days immediately preceding the conversion date

but are subject to adjustments for reconstructions of equity.

11. Contributed equity

	2012 **Shares**	2011 Shares	**2012** **$**	2011 $
Issues of ordinary shares during the half-year				
Issued for cash, net of costs	232,703,262	51,800,004	2,208,727	864,280
Issued for services	34,973,979	526,500	613,395	10,000
Issued on conversion / redemption of convertible notes	58,545,041	11,870,845	700,000	250,000
Exercise of share options	3,538	-	140	-
	326,225,820	64,197,349	3,522,262	1,124,280

	2012 Options	2011 Options	2012 $	2011 $
Issues of options at $0.03 exercise price expiring 30 June 2015 during the half-year				
Issued for no consideration:				
Issue as bonus options	124,000,444	25,900,002	-	-
Issue for services	133,373,536	-	352,303	-
	257,373,980	25,900,002	352,303	-
Total movement in contributed equity			3,874,565	1,124,280

12. Commitments and contingencies

The company has issued purchase orders to the value of $249,459 for installation costs associated with the Carnarvon Power Station project. No contingencies exist at 30 June 2012.

13. Related party transactions

During the half-year ended 30 June 2012, no new contracts were entered into with related parties.

14. Events occurring after the reporting period

No reportable events occurred post 30 June 2012.

Enerji Limited

Directors' declaration

In the directors' opinion:

a) the financial statements and notes set out on pages are in accordance with the *Corporations Act 2001*, including:

   i) complying with accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and its performance for the half-year ended on that date, and

b) there are reasonable grounds to believe that Enerji Limited 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 directors

G D Pennefather
Director

Perth
31st August 2012.

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Subiaco, WA 6008
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Australia

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

We have reviewed the accompanying half-year financial report of Enerji Limited, which comprises the consolidated statement of financial position as at 30 June 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated 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 consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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 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 30 June 2012 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 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.

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 Enerji Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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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 consolidated entity's financial position as at 30 June 2012 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*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to note 2(c) in the financial statements, where in order for the consolidated entity to continue to make instalments on further Powerboxes and fund working capital, the consolidated entity will be required to raise equity or secure debt funding. If the consolidated entity is unable to obtain additional funding it may indicate the existence of a material uncertainty which may cast significant doubt on 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 at the values stated in these financial statements.

BDO Audit (WA) Pty Ltd

BDO

Brad McVeigh
Director

Perth, Western Australia
Dated this 31st day of August 2012