Ormil Energy Limited

(formerly Golden Tiger Mining NL)
ACN 107 708 305

Consolidated Financial Statements

For the year ended 30 June 2010

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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LETTER FROM THE CHAIRMAN

Dear Shareholder

The last year has been a significant year for your Company.

The Company in accordance with the Shareholders' decision on the 11th March 2009 disposed of its gold exploration interests and joint venture company in China.

A considerable amount of money is due from the Chinese purchaser by way of the remaining amount of the purchase price and the repayment of loans. The Company has not received payment of the amounts outstanding and your Directors' have decided to make a full provision against these amounts and the annual accounts are drawn on the basis that there will be no recovery from China.

Notwithstanding the fact that the Company is unlikely to receive any amount from China the Company will continue to work with its Chinese lawyers to recover the amounts outstanding. The Company does not intend to spend any significant amounts on legal fees.

As announced at the last Annual General Meeting and in the Company's various Quarterly Reports, the Company investigated a number of opportunities in the General Resource area and discarded a number as unsuitable having regard to the Company's financial position and management capabilities.

On 21st December 2009 I was appointed to the Board and on the resignation of Mr Curry I was appointed managing Director on 13th January 2010 whilst Mr Curry remained a director.

The Board continued to review various projects and eventually decided to invest in Apex Energy N.L. and to work with Apex to increase the value of its investment. Apex is an unlisted public company with Coal Seam Gas and Coal Mine Gas interests in the Southern Coalfields of New South Wales and its activities are set out in detail on the Company's web site.

After the decision to invest in Apex the Company made a fully underwritten and successful offer of 1 share for every 5 shares raising $878,166.

In addition to the Company's original interest in Apex the Company acquired a number of additional shares in Apex which required shareholder approval.

At the Extraordinary General meeting of the Company which was held on 18th June 2010 the Company changed from a No Liability Company to a Limited Company, adopted a new Constitution and changed its name to Ormil Energy Limited. Its Stock Exchange code has subsequently been changed to OMX.

The Company's shareholders also approved the issue of 30,350,000 shares to finalise the acquisition of 5,250,000 shares or approximately 6.91% of Apex Energy N.L. On settlement this took the Company's shareholding in Apex Energy N.L. to 7,250,000 shares or approximately 9.54%.

In addition, the Extraordinary General Meeting approved the issue of 50,000,000 new shares at no less than 4 cents a share for a period of 3 months, refreshed the Company's authority to issue up to 15% of its capital without shareholder approval and issued 15,500,000 options to Directors with an exercise price of 6 cents per share, expiring on 30 June 2013.

On 24th August 2010 the Company announced that through its subsidiary Ormil Operations Pty Limited ('Ormil Operations') that it had acquired 20% of Apex's interests in Petroleum

Exploration Licences 442, 444 and 454 and 20% of its interests in agreements with a number of the owners of Coal Mining Leases CCL703, 379, 700, and 740.

The acquisition price of 20% of Apex's Coal Seam Gas ('CSG') and Coal Seam Methane ('CSM') Assets was $1,750,000 and that price will be paid as to $750,000 in cash and the issue of 20,000,000 ordinary shares in the capital of the Company issued at 5 cents per share after the completion of satisfactory Due Diligence.

In addition to the original acquisition price Ormil Operations entered into a joint venture agreement under which it is obliged to spend $3,200,000 in Stage 1 and 2 of a 3 stage joint venture.

In Stage 1 of the joint venture Ormil Operations is obliged to spend $1,600,000 on or before 30 June 2011 and in Stage 2 an additional $1,600,000 on or before 30 June 2012. The spending of those amounts brings the ownership in Apex's CSM and CMM assets of Ormil Operations to 20%.

After spending the $3,200,000 referred to in the preceding paragraph Ormil Operations at its election may earn a further 30% in the Apex CSM and CMM assets by spending $7,000,000 on or before 30th June 2014 in Stage 3 of the joint venture.

With the acquisition of the CSM and CMM assets in the Southern New South Wales coal fields and the appointment of Professor Ian Plimer and Mr Tom Fontaine to the Board the company is well placed to increase its involvement in the CSM and CMM areas and to develop its assets.

Mr Tom Fontaine was appointed Managing Director on 23rd August 2010 and the Company welcomes his appointment. On the same date Mr Hurst retired as a Director and I retired as Managing Director and was appointed Chairman of the Company.

The Board would like to thank Mr R.D. McNeil and Mr G. Hartigan for their service while Directors.

The Directors would particularly like to place on record their appreciation of the work of Mr Graham Hurst who as a Director of the Company and later as Chairman was closely involved in the acquisition of the Company's interest in Apex Energy N.L. and the CSM and CMM assets.

Your directors anticipate that despite the generally unfavourable investment climate at this time the next 12 months will see the Company move forward in measured fashion.

Yours sincerely,

Mr A.A. Davis

Chairman

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

Operations

The principal activities of the consolidated entity during the financial year were;

In the first half of the financial year the Company concentrated its efforts on finalising the sale of the Company's gold mining activities in China and reviewed a number of other possibilities.

During the second half of the financial year the Company decided to invest in Apex Energy N.L. an unlisted public company with interests in Coal Seam Gas (CSG) and Coal Mine Methane (CMM) in the Southern New South Wales coalfields. The Group ultimately acquired 7,250,000 shares in Apex Energy N.L or approximately 9.54%.

Apex holds 100% interests in Petroleum Exploration Licences PEL 442, 444 and 454. Apex is the Operator on all Licences and has agreements in place or under negotiation with a number of coal mine owners in the Southern Sydney Basin.

The eastern assets are located within 100km of the Sydney CBD and in close proximity to established infrastructure.

Apex's CMM interests lie in goafs which are a combination of voids and/or collapsed strata which remain after coal is extracted from an underground mine. Goafs differentiate Apex from other CSG companies and Apex estimates it has more than 32 goafs.

Goafs offer advantages compared to conventional CSG such as easy access to gas reserves and therefore early production, localised permeability increased due to strata relaxation and desorption of free gas and low water production and shallow gas meaning lower drilling and operating costs.

Darkes Forest #1 well was drilled into the abandoned Darkes Forest mine on PEL444. Maximum flow rates of circa 900 – 1,000 Gj/d were recorded in February 2004 and March 2007. Pressure measurements indicate a current replenishment rate of approximately 400 Gj/d.

The reserves and contingent resources set out in the following table were provided by Apex Energy N.L.

Summary of reserves and resources on the tenements held by Apex Energy N.L.
Illawarra and Burragorang Licences

	Reserve Category	**Estimated Volume of Gas in PLacne (Bcf)**	**Estimated Recoverable Gas**
Illawarra Eastern Leases	Possible (2P)	123.8	58.0
Illawarra Eastern Leases	Probable + Possible (3P	453.9	209.8
Illawarra Eastern Leases	Contingent Resources	890.8	494.5
Burragorang Western Lease	Contingent Resources	1638.8	865.4
Total	Contingent Resources	2529.6	1359.9

Operations (continued)

Notes to table:

- "bcf" is equal to one billion cubic feet of gas
- Conversion factor from bcf to PJ was 1.05
- Reserves (58 PJ 2P and 210 PJ 3P) are based on the upper coal seams of the Illawarra
- Contingent Resources (1,101 PJ net to Apex) are based on the lower seams of the Illawarra Formation and all seams of the Burragorang region

Although not capable of immediate quantification as to their monetary value there is likely to be significant value in green credits due to the considerable quantities of methane in the Reserves and resources held by Apex.

The Company at an Extraordinary General Meeting of shareholders held on the 18th June 2010 changed its constitution, converted from a No Liability Company into a Limited Liability Company and changed its name to Ormil Energy Limited.

At the same Extraordinary General Meeting of shareholders the Directors were authorised to issue 30,350,000 shares to acquire additional Apex Energy N.L. shares to take its holding in Apex Energy N.L. to 9.54%.

The shareholders refreshed the Directors' authority to place 15% of the shares in the Company without reference to shareholders and authorised the Directors to issue 50,000,000 further ordinary shares for a period of 3 months at no less than 4 cents a share.

The shareholders also authorised the issue to Directors of 15,500,000 options exercisable on or before the 30th June 2013 at 6 cents per share.

On 24th August 2010 the Company announced that through its subsidiary Ormil Operations Pty Limited ('Ormil Operations') that it had acquired 20% of Apex's interests in Petroleum Exploration Licences 442, 444 and 454 and 20% of its interests in agreements with a number of the owners of Coal Mining Leases CCL703, 379, 700, and 740.

The acquisition price of 20% of Apex's Coal Seam Gas ('CSG') and Coal Seam Methane ('CSM') Assets was $1,750,000 and that price will be paid as to $750,000 in cash and the issue of 20,000,000 ordinary shares in the capital of the Company issued at 5 cents per share after the completion of satisfactory Due Diligence.

In addition to the original acquisition price Ormil Operations entered into a joint venture agreement under which it is obliged to spend $3,200,000 in Stages 1 and 2 of a 3 stage joint venture.

In Stage 1 of the joint venture Ormil Operations is obliged to spend $1,600,000 on or before 30 June 2011 and in Stage 2 an additional $1,600,000 on or before 30 June 2012. The spending of those amounts brings the ownership in Apex's CSM assets of Ormil Operations to 20%.

After spending the $3,200,000 referred to in the preceding paragraph Ormil Operations at its election may earn a further 30% in the Apex. CSM assets by spending $7,000,000 on or before 30th June 2014 in Stage 3 of the joint venture.

Appointments

On 30 November 2009 Mr R.D. McNeil retired as a director of the Company.

On 21 December 2009 Mr. A.A. Davis was appointed as a director of the Company. Mr Davis was appointed Managing Director on 13 January 2010 and retired as Managing Director on 23 August 2010. He was appointed Chairman on 23 August 2010.

On 9 February 2010 Mr G.T.L. Hartigan resigned as a director of the Company.

On 9 February 2010 Mr G.P. Hurst was appointed Chairman of the Company and he resigned as a Director and as Chairman on 23 August 2010.

On 9 February 2010 Professor I.R. Plimer was appointed as a director of the Company.

On 9 February 2010 Mr P.A. Curry resigned as company secretary and Mr Mark Ohlsson was appointed as company secretary.

On 5 August 2010 Mr T. Fontaine was appointed a director of the Company and on 23 August 2010 he was appointed Managing Director.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

This statement outlines the main Corporate Governance practices that were in place throughout the financial year, unless otherwise stated.

ROLE OF THE BOARD OF DIRECTORS (THE "BOARD")

The Directors' are responsible for the direction and supervision of the Company's business and for its overall corporate governance. This includes ensuring that internal controls and reporting procedures are adequate and effective. The Directors' recognise the need to maintain the highest standards of behaviour, ethics and accountability. During the year responsibility for the management of the day-to-day operations and administration is delegated to the Managing Director and responsibility for corporate actions is delegated to the Managing Director and Company Secretary.

The primary functions of the Board include:

- Formulating and approving objectives, strategies and long-term plans for the Company's continued development and operation;
- Monitoring the implementation of these objectives, strategies and long-term plans to ensure the Company, to the best of its ability, delivers shareholder value;
- Approval of capital expenditure;
- Monitoring the Company's overall performance and financial results, including adopting annual budgets and approving the Company's financial statements;
- The management of the treasury function of the Company and approving capital management decisions;
- Ensuring that adequate systems of internal control exist and are appropriately monitored for compliance;
- Selecting and reviewing the performance of the Managing Director;
- Ensuring significant business risks are identified and appropriately managed;
- Ensuring that the Company meets the statutory, regulatory and reporting requirements of the ASX and requirements under the Corporations Act; and
- Reporting to shareholders on performance.

During the year there were a number of changes to the Board of the Company. The Board currently consists of the Non-Executive Chairman, the Managing Director and three Non-Executive Directors. The term of Directors' appointments is governed by the Company's Constitution. At least one third in number of the Directors, other than a Managing Director, must retire and seek re-election at each Annual General Meeting of the Company. In addition, all Directors appointed to the Board during the year must stand for election at the next Annual General Meeting of the Company.

From time to time, the Board may determine to establish specific purpose sub-committees to deal with specific issues. In this regard, the Board has established an Audit Committee, a Remuneration and Nomination Committee and a Safety and Environment Committee.

COMPOSITION OF THE BOARD

The Directors of the Company in office at the date of this statement and details of their skills and experience are detailed in the Directors' Report.

The composition of the Board is determined in accordance with the constitution.

The Board should comprise Directors with a broad range of expertise both nationally and internationally.

Subject to the requirements of the *Corporations Act 2001*, the Board does not subscribe to the principle of retirement age and there is no maximum period for service of a Director.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to the Board duties and physical ability to undertake Board duties and responsibilities.

INDEPENDENT PROFESSIONAL ADVICE

Each Director has the right to seek independent professional advice in the furtherance of their duties as directors at the Company's expense. However, prior approval of the Chairman is required.

All Directors are able to access members of the management team at any time to request information on the activities of the Company.

AUDIT COMMITTEE

The Audit Committee consists of, Mr A.A. Davis, Mr P.A. Curry and Mr M. T. Ohlsson. Mr A.A. Davis is Chairman of this Committee. Audit Committee Meetings are held twice during the year in conjunction with Board's meetings to discuss the half and full year audit work and findings. The roles and responsibilities of the Audit Committee are to:

- Assess the appropriateness of accounting policies, practices and disclosures and whether the quality of financial reporting is adequate;
- Ensure that the appropriate accounting policies and procedures are implemented;
- Review the scope and results of external and compliance audits and the adequacy and quality of the audits;
- Maintain open lines of communication between the Board and external auditors;
- Review and report to the Board on proposed annual reports and financial statements, and the half-yearly financial reports;
- Assess the adequacy of the Company's internal controls and whether they are of a sufficiently high standard to provide timely and accurate information for the proper management of the business;
- Make informed decisions regarding compliance policies, practices and disclosures;
- Assist in monitoring and controlling the financial aspects of the Company's business risks; and
- Nominate the external auditors.

The audit committee has unrestricted access to management.

AUDIT COMMITTEE (Continued)

In accordance with ASX principles, the Managing Director and Chief Financial Officer have provided a statement that the integrity of the financial statements is founded on a sound system of risk management, internal compliance and control, and that this system is operating effectively and efficiently in all material aspects.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee comprises Mr A.A. Davis, Prof. I.R. Plimer and Mr P.A. Curry. The responsibilities of this committee include:

- Advising the Board in relation to the terms and conditions of remuneration for Directors and the Managing Director;
- Reviewing the composition of the Board to ensure it comprises an appropriate mix of skills and experience and, if appropriate, proposing suitable nominees as Directors to the Board; and
- Advising the Board as to general employment policies.

The Committee will assess the performance and recommend the remuneration of the Managing Director.

SAFETY AND ENVIRONMENT COMMITTEE

The Safety and Environment Committee comprises Mr T. Fontaine, Mr A.A. Davis and Prof. I.R Plimer. As the Company is not at present carrying out any field work this Committee, although appointed, has not met. In the event that the Company commences field work the Committee will ensure that the Company follows best practice in this important area.

INTERNAL CONTROL FRAMEWORK

The Board acknowledges that it is responsible for the overall internal control framework but recognises that no cost effective internal control system will preclude all errors and irregularities. The system is based upon appropriate procedures, policies and guidelines, having regard to the size of the Company and its activities.

CODE OF ETHICS

The Company recognises the need for every Director, officer, employee, agent, sub-contractor and consultant of the Company to observe the highest standards of behaviour and business ethics. All are expected to act in accordance with the law and with the highest standard of propriety.

DISCLOSURE OF INFORMATION

Continuous Disclosure to ASX

The continuous disclosure policy requires all executives and Directors to inform the Managing Director of any potentially material information as soon as practicable after they become aware of that information.

Information is material if it is likely that the information would influence investors who commonly acquire securities on ASX in deciding whether to buy, sell or hold the Company's securities.

DISCLOSURE OF INFORMATION (Continued)

The Managing Director is responsible for interpreting and monitoring the Company's disclosure policy and where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX.

THE ROLE OF SHAREHOLDERS

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

The annual report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document). The Board ensures that the annual report includes relevant information about the operations of the consolidated entity during the year, changes in the state of affairs of the consolidated entity and details of future development, in addition to the other disclosures required by the *Corporations Act 2001.*

Half-year financial reports, prepared in accordance with the requirements of Accounting Standards and the *Corporations Act 2001*, are lodged with the Australian Securities and Investment Commission and the Australian Stock Exchange. The half-year financial reports are sent to any shareholder who requests them and quarterly reports are submitted to the Australian Stock Exchange under the requirements of the ASX relating to mining companies.

ROLE OF AUDITOR

The *Corporations Act 2001* requires the auditor to attend the Annual General Meeting and to be available to answer shareholders questions about the conduct of the audit and the preparation and content of the auditor's report.

RISK MANAGEMENT

The Board is responsible for the oversight of the Group's risk management and control framework. Responsibility for control and risk management is delegated to the Managing Director who has ultimate responsibility to the Board for the risk management and control framework of the Group.

INTEGRITY OF FINANCIAL REPORTING

The Company's Managing Director and Company Secretary who is acting as Chief Financial Officer have reported in writing to the Board that:

- The consolidated financial statements of the Company and its entities for the half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- The above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- The Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

REMUNERATION ARRANGEMENTS

The Board remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities. The Board believes that the best way to achieve this is to provide executives or consultants with a remuneration package consisting of fixed components and incentives that reflect the person's responsibilities, duties and personal performance.

The remuneration of Non-Executive Directors is determined by the Board as a whole having regard to the level of fees paid to Non-Executive Directors by other companies of similar size in the industry.

The amount payable to the Company's Non-Executive Directors must not exceed the maximum annual amount approved by the Company's shareholders.

Information on the Remuneration & Nomination committee is contained in a separate heading within this Corporate Governance Statement.

INTERESTS OF OTHER STAKEHOLDERS

The Company's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for the Company to achieve.

ADOPTION OF ASX COPORATE GOVERNANCE RECOMMENDATIONS

The Company has adopted the ASX Corporate Governance Recommendations for all or part of the year, as outlined in the Corporate Governance Statement, with the following exceptions:

Composition of the Board

Council Principal 2: Structure the Board to add Value

Council Recommendation 2.1: A majority of the Board should be Independent Directors.

The Board considers that a majority of the Board are independent in accordance with Recommendation 2.1.

Ethical and Responsible Decision Making

Council Principle 3: Promote ethical and responsible decision-making

Council Recommendation 3.1: Establish a code of conduct to guide the Directors, the Chief Executive Officer (or equivalent), the Chief Financial Officer (or equivalent) and any other key executives as to:

3.1.1 The practices necessary to maintain confidence in the Company's integrity, and
3.1.2 The responsibility and accountability of individuals for reporting and investigating reports of unethical practice.

A code has not been developed at this time as it has not been deemed necessary given the size of the Company and the close manner in which the Board operates on all material decisions and the Managing Director's constant liaison with all major stakeholders. A code of conduct will be considered when the extent of the activities of the Company warrants such consideration.

ADOPTION OF ASX COPORATE GOVERNANCE RECOMMENDATIONS (CONTINUED)

Council Recommendation 3.2: Disclose the policy concerning trading in Company securities by Directors, officers and employees.

The Company does not have a formal policy concerning trading in Company securities however, informally the Board discourages trading in the Company's shares by its Directors and Officers and shareholdings are encouraged only on a long term basis. Decisions on the purchasing and selling of stock is discussed by the relevant Director with the Company Secretary to ensure it is conducted at a time when the market is fully informed of all relevant matters that may otherwise have given that Director an advantage in buying and selling shares.

The relevant Director is then to advise the Company Secretary of any sales and/or acquisitions in timeframes that ensure compliance with the disclosure requirements of the *Corporations Act (2001)* and ASX Listing Rules.

<u>Integrity of Financial Reporting</u>

Council Principle 4: Safeguard integrity in financial reporting

Council Recommendation 4.3: Structure the audit committee so that it consists of:
- Only Non-Executive Directors;
- A majority of Independent Directors;
- An Independent Chairperson, who is not Chairperson of the Board;
- At least three members.

During the year the composition of the Audit Committee changed as changes were made to the Board as a whole. At the conclusion of the year the committee was chaired by the Non-Executive Chairman and comprised one of the Non-Executive Directors, the Managing Director and the Company Secretary, a total of four. The Board considers that given the number and make-up of the Board itself during the financial year that an Audit Committee of such a composition is appropriate.

Council Recommendation 4.4: The audit committee should have a formal charter.

The audit committee does not have a formal charter however its roles and responsibilities are outlined above, along with its composition, and structure. Minutes of meetings are kept within the Board's minutes. There is also no formal reporting mechanism between the Audit Committee and Board due to the duplication of membership and the detailed report tabled by the auditor who attends the Board meeting by invitation.

<u>Risk Management</u>

Council Principle 7: Recognise and Manage Risk

Council Recommendation 7.1: The Board or appropriate Board Committee should establish policies on risk oversight and management.

Policies on risk oversight and management have not been implemented. The Board is of the view that the financial and operational risks arising out of the Company's operations will be readdressed once new operations are commenced and in the meantime are appropriately reviewed by the full Board.

ADOPTION OF ASX COPORATE GOVERNANCE RECOMMENDATIONS (CONTINUED)

Remuneration

Council Principle 8: Remunerate fairly and responsibly

Council Recommendation 8.1: Provide disclosure in relation to the Company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.

Please refer to the content on the Remuneration Arrangements section disclosed above.

Council Recommendation 8.3: Clearly distinguish the structure of Non-Executive Directors' remuneration from that of the executives.

The Board is of the view that all Directors have the potential to influence strategic direction and achievements of the Company for the benefit of shareholders and believe that the granting of options to non-executives is an appropriate method to supplement Non-Executive Directors' cash remuneration, which is relatively low. The issue of Options to Non-Executive Directors which were approved by the Shareholders on 18 June 2010 provided an appropriate additional incentive.

DIRECTORS' REPORT

The directors of Ormil Energy Limited submit herewith the annual financial report of the Company for the financial year ended 30 June 2010. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

INFORMATION ABOUT THE DIRECTORS AND SENIOR MANAGEMENT

The names and particulars of the directors of the company during or since the end of the financial year are:

Graham Perrin Hurst - Non-Executive Director (appointed Chairman 9 February 2010 resigned 23 August 2010)

Graham Hurst has been in the stockbroking industry for 47 years and was a Director of the Sydney Stock Exchange for six years.

Mr Hurst is a director of Somnomed Limited.

Alan Andrew Davis – Chairman (appointed a director 21 December 2009, appointed Chairman 23 August 2010)

Aged 69, Mr Davis originally qualified as a lawyer and has extensive business experience in mineral exploration, oil and gas exploration in Australia and the United States, quarrying, the media industry, the motor vehicle industry and property development.

Peter Anthony Curry B.Com, LL.B, ACA FICD – Non-Executive Director

Peter Curry has over 35 years business and professional experience. He was formerly a partner with a major accounting firm before leaving that firm in 1984 to set up a corporate tax and financial advisory practice. Since that time Mr Curry has been involved in providing a wide variety of investment banking services, including initial public offerings and other capital raisings and corporate advisory assignments. He also has experience as a public company director.

Mr Curry is a director of APAC Resources Limited and Forrest Enterprises Australia Limited.

Brett Montgomery – Non-Executive Director

Brett Montgomery has over 27 years experience in the gold mining industry and management of public companies.

Mr. Montgomery is a director of Eurogold Limited.

Ian Rutherford Plimer – Non-Executive Director (appointed 9 February 2010)

Professor Ian Plimer is a geologist who holds a Bachelor of Science with Honours degree from the University of New South Wales and a Doctor of Philosophy from Macquarie University. He has consulted widely to mining companies and governments in many parts of the world and was Professor of Geology at the School of Earth Sciences at the University of Melbourne from 1991 to 2005. He is currently Professor of Mining Geology at the University of Adelaide. He is an Honorary Fellow of the Geological Society of London, and fellow of the Academy of Technological Sciences and Engineering and the Australian Institute of Geoscientists.

Professor Plimer is a director of CBH Resources Limited and Ivanhoe Australia Limited.

Thomas Fontaine – Managing Director (appointed a director 5 August 2010, appointed Managing Director 23 August 2010)

Tom Fontaine is a professional engineer who has considerable experience in the Oil and Gas Industry including Coal Seam Methane. He was one of the original founders of Pure Energy Resources Limited which was a Coal Seam Methane focussed company which listed on the ASX and was subsequently bought by British Gas.

Geoffrey Thomas Lloyd Hartigan B.Comm, CA, F.FIN GAICD – Non-Executive Director (resigned 9 February 2010)

Geoff Hartigan is a Chartered Accountant with 14 years business and professional experience at Bedford Titley Chartered Accountants, South Pacific Securities Pty Ltd and Deloitte Touche Tohmatsu. He was formerly a manager with Deloitte Corporate Finance where he provided corporate advisory services including financial forecasting for a range of mining clients including Newmont/Normandy Mining, KCGM, Enex Resources, Centennial Coal, Mitsui and Methanex for initial public offerings, capital raisings and other specialist evaluation assignments.

Mr Hartigan is a director of South Pacific Securities Pty Ltd, a member of the Institute of Chartered Accountants in Australia, a member of the Financial Services Institute of Australia and a member of the Australian Institute of Company Directors.

Robert D. McNeil MSc, FAusIMM – Non-Executive Chairman – (retired 30 November 2009)

Robert McNeil has a BSc. MSc. in geology from the University of Tasmania. He has 48 years experience in the mining industry and has amassed extensive managerial, exploration and mining expertise in Australia and overseas.

The above named directors held office during the whole of the financial year and since the end of the financial year except for Robert McNeil who retired on 30 November 2009, Geoffrey Hartigan who resigned on 9 February 2010, Andrew Davis who was appointed on 21 December 2009, Professor Ian Plimer who was appointed on 9 February 2010 and Mr Thomas Fontaine who was appointed on 5 August 2010.

Company Secretary

Mark Ohlsson FCPA has performed the role of Company Secretary since 9 February 2010. He has over 30 years experience as a business consultant and as a director and secretary of a number of private and public companies and is also a Registered Tax Agent.

Directorships of other listed companies

Name	**Company**	**Period of directorship**
Mr P.A. Curry	APAC Resources Limited	Appointed 2010
	Forrest Enterprises Australia Limited	Since 2009
Mr G.P. Hurst	Somnomed Limited	Since 2006
Mr B. Montgomery	Eurogold Limited	Since 1989
Prof. I.R. Plimer	CBH Resources Limited	Since 1998
	Ivanhoe Australia Limited	Since 2007

DIRECTORS' SHAREHOLDINGS

The following table sets out each director's relevant interest in shares and options in shares of the Company as at the date of this report:

Name	Number of shares	Number of options
Mr A.A.Davis	12,251,000	4,000,000
Mr P.A. Curry	10,000	2,500,000
Mr B. Montgomery	Nil	2,500,000
Prof. I.R. Plimer	Nil	2,500,000
Mr T. Fontaine	15,786,395	Nil

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Information about the remuneration of directors and senior management is set out below in the remuneration report which forms part of the Directors' Report.

SHARE OPTIONS GRANTED TO DIRECTORS AND SENIOR MANAGEMENT

15,500,000 options were granted during the year. At the Special General Meeting held on 18 June 2010 resolutions were passed to grant options to the Directors. Full details are set out in Note 27 to the Financial Statements.

PRINCIPAL ACTIVITIES, REVIEW OF OPERATIONS AND CHANGES IN STATE OF AFFAIRS

The principal activities of the consolidated entity during the financial year were;

In the first half of the financial year the Company concentrated its efforts in finalising the sale of the Company's gold mining activities in China and reviewed a number of other possibilities.

During the second half of the financial year the Company decided to invest in Apex Energy N.L. an unlisted public company with interests in Coal Seam Gas in the Southern New South Wales coalfields. The Group ultimately acquired 7,250,000 shares in Apex Energy N.L or approximately 9.54%.

The Company at an Extraordinary General Meeting of shareholders held on the 18th June 2010 changed its constitution, converted from a No Liability Company into a Limited Liability Company and changed its name to Ormil Energy Limited.

At the same Extraordinary General Meeting of shareholders the Directors were authorised to issue 30,350,000 shares to acquire additional Apex Energy N.L. shares to take its holding in Apex Energy N.L. to 9.54%.

The shareholders refreshed the Directors' authority to place 15% of the shares in the Company without reference to shareholders and authorised the Directors to issue 50,000,000 further ordinary shares for a period of 3 months at no less than 4 cents a share.

The shareholders also authorised the issue to Directors of 15,500,000 options exercisable on or before the 30th June 2013 at 6 cents per share.

SUBSEQUENT EVENTS

On 5th August 2010, Mr Thomas Fontaine was appointed a Non-Executive Director of the Company and on 23rd August was appointed Managing Director.

On 23rd August 2010, Mr Graham Hurst resigned as Chairman of the Company and as a Director.

On 23rd August 2010, Mr Andrew Davis retired as Managing Director and was appointed Chairman.

On 24th August 2010 the Company announced that through its subsidiary Ormil Operations Pty Limited that it had acquired 20% of Apex Energy N.L.'s interests in Petroleum Exploration Licences 442,444 and 454 and 20% of its interests in agreements with a number of the owners of Coal Mining Leases CCL703, 379, 700, and 740. These matters are more fully discussed in the Company's Review of Operations earlier in this Annual Report and in the Company's releases to the Australian Stock Exchange.

The acquisition price of 20% of Apex Energy N.L.'s CSM Assets is $1,750,000 and that price will be paid as to $750,000 in cash and the issue of 20,000,000 ordinary shares in the capital of the Company issued at 5 cents per share after the completion of satisfactory due diligence.

In addition to the original acquisition price Ormil Operations entered into a joint venture agreement under which it is obliged to spend $3,200,000 in Stage one and two of a three stage joint venture.

In Stage 1 of the joint venture Ormil Operations Pty Limited is obliged to spend $1,600,000 on or before 30 June 2011 and in Stage 2 an additional $1,600,000 on or before 30 June 2012. The spending of those amounts brings the ownership in Apex's CSM and CMM assets of Ormil Operations Pty Limited to 20%.

After spending the $3,200,000 referred to in the preceding paragraph Ormil Operations Pty Limited at its election may earn a further 30% in the Apex CSM and CMM assets by spending $7,000,000 on or before 30th June 2014 in stage 3 of the joint venture.

FUTURE DEVELOPMENTS

As a result of its equity investment in Apex Energy N.L. and its subsequent acquisition of an interest in its Coal Seam Gas and Coal Mine Gas assets and its joint venture with Apex Energy N.L. which are described in detail in the Company's review of Operation the group will concentrate on developing these assets and increasing the value of its investment in Apex Energy N.L.

DIVIDENDS

No dividend has been declared for the year, and the directors do not recommend the payment of a dividend in respect of the financial year (2009: $nil).

ENVIRONMENTAL REGULATIONS

The operation of the consolidated entity is solely within Australia and due to its current operations is not subject to any specific environmental laws. The Company is not aware of any breach of any environmental regulations during or since the end of the financial year from its activities.

SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

Details of unissued shares or interests under option by Ormil Energy Limited as at the date of this report are:

Expiry date of option	Number of shares under option	Class of shares	Exercise price of option
31 July 2012	250,000	Ordinary	$0.17
31 July 2012	250,000	Ordinary	$0.25
31 July 2012	250,000	Ordinary	$0.30
31 July 2012	250,000	Ordinary	$0.35
31 July 2012	250,000	Ordinary	$0.45
31 July 2012	250,000	Ordinary	$0.50
30 June 2013	15,500,000	Ordinary	$0.06

INDEMNIFICATION OF OFFICERS AND AUDITORS

During or since the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate, except to the extent permitted by law, against a liability incurred as such an officer or auditor. In addition, the Company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a director or committee member). During the financial year, 11 Board meetings, 1 Audit Committee meeting and 1 Remuneration Committee meeting were held:

	Directors' Meetings		Audit Committee Meetings		Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
Mr G.P. Hurst	9	11	1	1	1	1
Mr A.A. Davis	8	8	1	1	-	-
Mr P.A. Curry	9	11	1	1	1	1
Mr G.T.L. Hartigan	5	5	-	-	-	-
Mr B. Montgomery *	7	11	-	-	-	-
Prof. I.R. Plimer	3	6	-	-	1	1
Mr R.D. McNeil	2	2	-	-	-	-

** 2 of the meetings held were attended by Mr P. Gunzberg, a fellow director of Eurogold Ltd, as alternate director for Mr B. Montgomery.*

REMUNERATION REPORT

The following persons acted as directors of the Company during or since the end of the financial year:

Mr G.P. Hurst (Non-Executive Chairman) – appointed Chairman 9 February 2010 – resigned 23 August 2010
Mr R.D. McNeil (Chairman) – retired 30 November 2009
Mr A.A. Davis (Chairman) - appointed a director 21 December 2009 - appointed Chairman 23 August 2010
Mr P.A. Curry (Executive Director) – resigned to Non-Executive Director on 9 February 2010
Mr G.T.L. Hartigan (Non Executive Director) – resigned 9 February 2010
Mr B. Montgomery (Non Executive Director)
Prof. I. R. Plimer (Non-Executive Director) – appointed 9 February 2010
Mr T. Fontaine (Managing Director) – appointed a director 5 August 2010 – appointed Managing Director 23 August 2010

There were no senior executives of the Company or the group during or since the end of the financial year that did not hold a position as a Director of the Company.

The Company's policy for determining the remuneration of Board members and senior executives of the Company is based on a number of factors including length of service, the particular experience of the individual concerned and the overall performance of the Company.

The remuneration policy has been framed with particular regard to the early stage of the Company's operations. At this stage it is not considered appropriate for base remuneration to be dependent upon an individual's performance rated against key performance indicators or the Company's performance as measured by earnings or the Company's share price. Rather, this is indirectly remunerated through the increase in value of the granted share options.

Certain Directors and consultants to the Company have been granted options over unissued ordinary shares in the Company. The details of these options are set out below and also in the Notes to the Financial Statements.

The value of these options is anticipated to increase in accordance with the increase in the price at which the Company's shares are traded and in accordance with an increase in shareholder wealth.

Hedging positions over shares and options over shares or the loaning of shares and options over shares held by Directors or senior management in the Company are not permitted.

As at balance date no service agreements were in place for the directors of the Company other than for the Managing Director Mr Davis.

Mr A.A. Davis Since 1 July 2010 the Company remunerates Mr Davis $15,000 per month as Managing Director. Prior to 1 July 2010 the Company remunerated Mr Davis $10,000 per month from his appointment on 13 January 2010 as Managing Director. Mr Davis was paid a bonus of $20,000 in June 2010. On 23rd August 2010 Mr Davis retired as Managing Director and was appointed Chairman of the Company.

REMUNERATION REPORT (CONTINUED)

Non-executive directors receive remuneration as set out below.

Mr G.P. Hurst The Company remunerated Mr Hurst $2,000 per month commencing 1 February 2010 until his resignation on 23 August 2010.

Mr P.A. Curry The Company remunerates Mr Curry $2,000 per month as a Non-Executive Director. Prior to 1 March 2010 Mr Curry was remunerated $10,000 per month as Executive Director and Company Secretary of the Company.

Mr B. Montgomery The Company remunerates Mr Montgomery $2,000 per month as a Non-Executive Director commencing 1 February 2010.

Prof. I.R. Plimer The Company remunerates Professor Plimer $2,000 per month as a Non-Executive Director commencing 1 February 2010.

Mr G.T.L. Hartigan The Company remunerated Mr Hartigan $1,500 per month as financial accountant and Chairman of the Audit Committee until his resignation on 9 February 2010.

Mr R.D. McNeil The Company remunerated Mr McNeil $927 per month as Chairman of the Company until his retirement on 30 November 2009.

There were no ordinary shares in the Company provided as a result of the exercise of remuneration options to any Director during the year.

Details of remuneration
Details of the remuneration of each Director of the Company including their personally related entities are set out in the following table.

2010	Short-term employee benefits	Post-employment			
Name	**Cash salary and fees $**	**Superannuation $**	**Other Retirement benefits $**	**Options $**	**Total $**
Directors					
Mr G P. Hurst	10,000	-	-	14,740	24,740
Mr A.A. Davis	76,450	-	-	14,740	91,190
Mr P.A. Curry	90,000	-	-	9,212	99,212
Mr B. Montgomery	10,000	-	-	9,212	19,212
Prof. I.R. Plimer	10,000	-	-	9,212	19,212
Mr G.T.L. Hartigan	11,009	991	-	-	12,000
Mr R.D. McNeil	4,250	382	-	-	4,632
TOTAL	211,709	1,373	-	57,116	270,198

REMUNERATION REPORT (CONTINUED)

2009	Short-term employee benefits	Post-employment			
Name	**Cash salary and fees $**	**Superannuation $**	**Other Retirement benefits $**	**Options $**	**Total $**
Directors					
Mr R.D. McNeil	32,280	2,905	-	-	35,185
Mr D.W. Price *	241,033	-	-	5	241,038
Mr P.A. Curry	120,000	-	-	-	120,000
Mr G.T.L. Hartigan	55,816	434	-	-	56,250
Mr G P. Hurst	12,232	1,104	-	-	13,336
Mr B. Montgomery	-	-	-	-	-
TOTAL	461,361	4,443	-	5	465,809

** Mr D.W. Price resigned as Managing Director on 30 June 2009.*

The table below sets out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to 30 June 2010:

	30 June 2010	**30 June 2009**	**30 June 2008**	**30 June 2007**	**30 June 2006**
Revenue	53,547	95,650	136,919	224,396	269,956
Loss attributable to equity holders	(2,735,355)	(3,479,956)	(906,357)	(1,491,915)	(910,966)
Share price at start of year	$0.01	$0.08	$0.12	$0.11	$0.36
Share price at end of year	$0.04	$0.01	$0.08	$0.12	$0.11
Earnings per share (cents)	(2.22)	(3.62)	(1.15)	(2.17)	(1.48)

There have been no dividends paid during the period of analysis.

Options granted to Directors and Executives vested immediately and are exercisable at various dates as set out in detail in the notes to the financial statements. 2,584,795 options have lapsed during the financial year. No options have been exercised in the current financial year. The following table sets out the options that were granted and those that have vested and are exercisable at balance date:

Name	**No. of options granted**	**Grant date**	**Expiry date**	**Grant date fair value $**	**Amount vested & exercisable at 30/06/2010**
Mr G.P Hurst	4,000,000	30/06/2010	30/06/2013	14,740	1,200,000
Mr A.A Davis	4,000,000	30/06/2010	30/06/2013	14,740	1,200,000
Mr P.A Curry	2,500,000	30/06/2010	30/06/2013	9,212	750,000
Mr B. Montgomery	2,500,000	30/06/2010	30/06/2013	9,212	750,000
Prof. I.R Plimer	2,500,000	30/06/2010	30/06/2013	9,213	750,000
	15,500,000			57,117	4,650,000

REMUNERATION REPORT (CONTINUED)

Assumptions for valuation as at 30 June 2010 include the share price: $0.042, expected volatility: 22.9% (being one standard deviation of the trading price during the 2010 financial year), no dividends, and a risk free interest rate of 5.5%.

LOANS TO DIRECTORS AND EXECUTIVES

No loans have been made to Directors or Senior Executives of Ormil Energy Limited, including their personally related entities.

SHARE OPTIONS ISSUED

15,500,000 options were issued to directors during the financial year.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No ordinary shares of Ormil Energy Limited were issued during the year ended 30 June 2010 on the exercise of options.

NON-AUDIT SERVICES

No non-audit services were provided during the year by the auditor.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 23 of the annual report.

This report is made in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

A. A. Davis

Mr A.A. Davis
Chairman

Sydney, 1 September 2010

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
Ormil Energy Limited
Level 24, 56 Pitt Street
SYDNEY NSW 2000

1 September 2010

Dear Board Members

Ormil Energy Limited (formerly Golden Tiger Mining N.L.)

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

As lead audit partner for the audit of the financial statements of Ormil Energy Limited for the financial year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent Auditor's Report to the members of Ormil Energy Limited (formerly Golden Tiger Mining NL)

Report on the Financial Report

We have audited the accompanying financial report of Ormil Energy Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the 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 as set out on pages 27 to 68.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the 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 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. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion:

(a) the financial report of Ormil Energy Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 3.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 23 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Ormil Energy Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants
Sydney, 1 September 2010

DIRECTORS' DECLARATION

The Directors' declare that:

(a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and the consolidated entity;

(c) In the Directors' opinion, the Financial Statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and

(d) The directors have been given the declarations required by s.295A of the *Corporations Act 2001.*

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

On behalf of the Directors

A. A. Davis

Mr A.A. Davis
Chairman

Sydney, 1 September 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	Year ended 30/06/10 $	Year ended 30/06/09 $
Continuing operations			
Other income	5	53,547	90,664
Loss on sale of property, plant and equipment		(6,119)	-
Occupancy expenses		(59,069)	(92,541)
Marketing expenses		-	(9,643)
Administration expenses		(575,684)	(502,920)
Exploration costs		-	(50,463)
Impairment of asset		(2,237,384)	(1,385,660)
Recycling of translation differences on disposal of foreign controlled entity		471,646	-
Other expenses from ordinary activities		-	(1,612)
Loss before tax		(2,353,063)	(1,952,175)
Income tax expense	8	-	-
Loss from continuing operations	6	(2,353,063)	(1,952,175)
Discontinued operations			
Gain/(loss) from discontinued operations	31	89,354	(1,686,106)
LOSS FOR THE YEAR		(2,263,709)	(3,638,281)
Other comprehensive income			
Translation of foreign controlled entity		-	620,099
Recycling of translation differences on disposal of foreign controlled entity		(471,646)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(2,735,355)	(3,018,182)
Loss attributable to:			
Owners of the Company		(2,263,709)	(3,479,956)
Non-controlling interests		-	(158,325)
		(2,263,709)	(3,638,281)
Total comprehensive income attributable to:			
Owners of the Company		(2,735,355)	(3,008,681)
Non-controlling interests		-	(9,501)
		(2,735,355)	(3,018,182)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010 – CONTINUED

Loss per share	**Note**	**Year ended 30/06/10**	**Year ended 30/06/09**
From continuing and discontinued operations			
Basic (cents per share)	20	(2.22)	(3.62)
Diluted (cents per share)	20	(2.22)	(3.62)
From continuing operations			
Basic (cents per share)	20	(1.91)	(2.03)
Diluted (cents per share)	20	(1.91)	(2.03)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	30/06/10 $	30/06/09 $
CURRENT ASSETS			
Cash and cash equivalents	32	1,431,354	922,325
Receivables	9	32,201	7,785
Other financial assets	10	200,000	-
Other current assets	11	2,079	83,216
		1,665,634	1,013,326
Non-current assets classified as held for sale	14	-	3,266,982
TOTAL CURRENT ASSETS		1,665,634	4,280,308
NON-CURRENT ASSETS			
Other financial assets	10	2,011,252	-
Property, plant and equipment	12	-	9,265
Exploration and evaluation assets	13	-	-
TOTAL NON-CURRENT ASSETS		2,011,252	9,265
TOTAL ASSETS		3,676,886	4,289,573
CURRENT LIABILITIES			
Payables	15	55,202	37,277
Liabilities directly associated with non-current assets classified as held for sale	16	-	343,954
TOTAL CURRENT LIABILITIES		55,202	381,231
TOTAL LIABILITIES		55,202	381,231
NET ASSETS		3,621,684	3,908,342
EQUITY			
Issued capital	17	14,240,139	11,791,442
Foreign exchange reserve	18	-	471,646
Accumulated losses	19	(10,618,455)	(8,354,746)
Equity attributable to equity holders of the parent		3,621,684	3,908,342
Non-controlling interests	24	-	-
TOTAL EQUITY		3,621,684	3,908,342

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Share capital $	Accumulated losses $	Foreign currency translation reserve $	Attributable to owners of the parent $	Non-controlling interests $	Total $
Balance at 1 July 2008	**11,791,442**	**(4,874,791)**	**371**	**6,917,022**	**9,501**	**6,926,523**
Loss for the year	-	(3,479,956)	-	(3,479,956)	(158,325)	(3,638,281)
Translation of foreign controlled entity	-	-	471,275	471,275	148,824	620,099
Total comprehensive (loss)/income for the year		**(3,479,956)**	**471,275**	**(3,008,680)**	**(9,501)**	**(3,018,181)**
Balance at 30 June 2009	**11,791,442**	**(8,354,746)**	**471,646**	**3,908,342**	**-**	**3,908,342**
Issue of ordinary shares	2,504,666	-	-	2,504,666	-	2,504,666
Share issue costs	(55,969)	-	-	(55,969)	-	(55,969)
Loss for the year	-	(2,263,709)	-	(2,263,709)	-	(2,263,709)
Recycling of translation differences on disposal of foreign controlled entity	-	-	(471,646)	(471,646)	-	(471,646)
Total comprehensive (loss) for the year	**-**	**(2,263,709)**	**(471,646)**	**(2,735,355)**	**-**	**(2,735,355)**
Balance at 30 June 2010	**14,240,139**	**(10,618,455)**	**-**	**3,621,684**	**-**	**3,621,684**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2010

	Note	Year ended 30/06/10 $	Year ended 30/06/09 $
Cash flows from operating activities			
Interest received		55,087	81,834
Payments to suppliers & employees		(924,179)	(896,181)
Net cash used in operating activities	32	(869,092)	(814,347)
Cash flows from investing activities			
Purchase of property plant & equipment		-	(1,921)
Proceeds from sale of property plant & equipment		3,146	176,518
Proceeds from sale of exploration licence		-	260,329
Proceeds from sale of interest in Guangxi Golden Tiger Mining JV Limited		722,740	-
Purchase of interest in Apex Energy N.L.		(797,252)	-
Loan to Apex Energy N.L.		(200,000)	-
Payments for exploration expenditure		-	(1,020,914)
Net cash used in investing activities		(271,366)	(585,988)
Cash flows from financing activities			
Proceeds from issue of shares		1,260,165	-
Share issue costs		(55,969)	-
Net cash provided by financing activities		1,204,196	-
Net increase/(decrease) in cash held		63,738	(1,400,335)
Cash at beginning of year		1,367,616	2,847,288
Effects of exchange rate changes on the balance of cash held in foreign currencies		-	(79,337)
Cash at end of year	14/32	1,431,354	1,367,616

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2010

NOTE 1: GENERAL INFORMATION

Ormil Energy Limited (the "Company") is a public company listed on the Australian Stock Exchange trading under the symbol 'OMX', incorporated in Australia and operating in Australia.

The Company changed its name from Golden Tiger Mining NL to Ormil Energy Limited at an Extraordinary General Meeting of Shareholders on 18 June 2010. Approval for the name change was granted by the Australian Securities and Investment Commission on 6 August 2010.

Ormil Energy Limited's registered office and its principal place of business are as follows:

Registered office & principal place of business
Level 8
139 Macquarie Street
Sydney NSW 2000
Australia
Tel: (02) 8231 7035

NOTE 2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

2.1 Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in section 2.2.

Standards affecting presentation and disclosure

AASB 101 *Presentation of Financial Statements* (as revised in September 2007), AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* and AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101*	AASB 101(September 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.
AASB 2009-2 *Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments*	The amendments to AASB 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

NOTE 2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

2.2 Standards and Interpretations adopted with no effect on financial statements

Various new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements

2.3 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, numerous Standards and Interpretations have been issued but are not yet effective. The Standards and Interpretations likely to impact the financial statements once adopted are as follows:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* *	1 January 2010	30 June 2011
AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2013	30 June 2014

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

Accounting Standards include *Australian equivalents to International Financial Reporting Standards* ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the company and the Group comply with *International Financial Reporting Standards* ('IFRS'). The financial statements were authorised for issue by the directors on 1 September 2010.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are in Australian dollars, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries) (referred to as 'the Group' in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3(2008) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- Liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 Share-based Payment; and
- Assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

d. Revenue

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e. Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('$'), which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Foreign currencies (continued)

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

f. Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

g. Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 27.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Share-based payments (continued)

The policy described above is applied to all equity-settled share-based payments that were granted after 7 November 2002 and vested after 1 January 2005. No amounts have been recognised in the financial statements in respect of other equity-settled shared-based payments.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

h. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

i. Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Property, plant and equipment (continued)

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

j. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

k. Financial assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

<u>Financial assets at FVTPL</u>

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:
- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:
- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Financial assets (continued)

Financial assets at FVTPL (continued)

- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income. Fair value is determined in the manner described in note 10.

AFS financial assets

Listed shares and listed redeemable notes held by the Group that are traded in an active market are classified as AFS and are stated at fair value. The Group also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value (because the directors consider that fair value can be reliably measured). Fair value is determined in the manner described in note 10. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Financial assets (continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l. Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

m. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

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

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

n. Exploration and evaluation

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable "area of interest". An area of interest may be determined by reference to one or more interest, lease or licence holdings, by geological association or by economic association or dependency.

Exploration and evaluation costs are fully capitalised as incurred so long as the rights to tenure of the area of interest are current and the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operation in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Exploration and evaluation (continued)

Capitalised exploration costs are reviewed each reporting date to determine whether an indication of impairment exists. For each exploration licence, this would involve consideration of an extensive field evaluation that has yielded no expected results. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Accumulated costs (net of any impairment losses) in relation to an abandoned exploration area are written off in full against profit in the year in which the decision to abandon the area is made.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance will be classified to Development. At this point in time the Company does not have any assets in the Development stage.

NOTE 4: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of exploration assets
Determining whether exploration assets require impairment is based on whether the company no longer wishes to hold that exploration licence or whether a detailed exploration programme has been completed across an entire licence that has yielded no results.

NOTE 5: OTHER INCOME	**2010 $**	**2009 $**
OTHER INCOME		
Interest received	53,547	76,050
Rental received	-	14,614
OTHER INCOME	53,547	90,664

NOTE 6: LOSS FOR THE YEAR

	2010 $	2009 $
EXPENSES		
Depreciation of property, plant and equipment	-	49,221
Operating lease rental	59,069	129,421
Loss on disposal of plant & equipment	6,119	10,638
Write down of investment	2,237,384	1,385,660
Other employee benefits expenses	211,709	449,777
Superannuation expenses	1,373	25,008

NOTE 7: SEGMENT NOTE

The Group operates entirely in the mining industry and within the sole geographical area of Australia. The operations comprise the investment in Australian coal seam gas interests and the recovery of a receivable resulting from the sale of interests held in the People's Republic of China which has been impaired to $nil at 30 June 2010.

NOTE 8: INCOME TAX EXPENSE

The expense for the year can be reconciled to the accounting profit as follows:

	Year ended 30/06/10 $	Year ended 30/06/09 $
Loss from continuing operations:	(2,353,063)	(1,952,175)
Income tax income calculated at 30%	(705,919)	(585,653)
Effect of expenses that are not deductible in determining taxable profit	-	217
Effect of previously unrecognised tax losses	(43,914)	-
Effect of gains that are exempt from taxation	(141,494)	
Effect of expenses that are not deductable in determining taxable profit	671,215	415,698
	(220,112)	(169,738)
Less: effect of unused tax losses and temporary differences not recognised as deferred tax assets	220,112	169,738
Total tax expense relating to continuing operations	-	-

NOTE 8: INCOME TAX EXPENSE (CONTINUED)

The tax rate used for the 2010 and 2009 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

Deferred tax assets not recognised at the reporting date:	Year ended 30/06/10 $	Year ended 30/06/09 $
- tax losses (revenue)	988,610	771,208
- tax losses (capital)	1,471,141	-
- temporary differences	9,083	12,111
	2,468,834	783,319

This benefit for tax losses will only be recognised if:

(a) It is probable that the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
(b) The consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and
(c) No changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

At the current stage, the Company is unable to ascertain whether the condition as set in part (a) will eventuate and hence no deferred tax asset is recognised as a result.

NOTE 9: RECEIVABLES

	2010 $	2009 $
CURRENT		
Other receivables	1,212	1,540
Input tax credits receivable	30,989	6,245
TOTAL CURRENT	32,201	7,785

NOTE 10: OTHER FINANCIAL ASSETS

	2010 $	2009 $
INVESTMENTS CARRIED AT COST:		
CURRENT		
Receivable of proceeds from sale of interest in Guangxi Golden Tiger Mining Joint Venture Limited	1,822,034	-
Less: provision for impairment	(1,822,034)	-
	-	-
Loan to Apex Energy N.L.^	172,025	-
Derivative at fair value – Apex Energy N.L. Loan*	27,975	-
	200,000	-
NON-CURRENT		
Available for sale investments carried at fair value		
Investment in Apex Energy N.L.	2,011,252	-
TOTAL	2,211,252	-

^ On 28 June 2010, Ormil Energy Ltd ('Ormil') granted Apex Energy N.L. ('Apex') a loan to the value of $200,000. The loan will be repaid in full without deduction, set-off or counter-claim on 29 November 2010 ('Repayment Date'). The loan will be interest free unless it has not been converted or repaid on the Repayment Date, in which case interest will accrue on the loan from 28 June 2010 until the actual date of repayment at a rate of 10% per annum.
** Ormil may elect to convert all or part of the loan into ordinary shares in the capital of Apex at $0.25 per share. The option to convert has been treated as an embedded derivative, and has been valued as such.*

NOTE 11: OTHER CURRENT ASSETS

	2010 $	2009 $
CURRENT		
Deposits	2,079	83,216
TOTAL	2,079	83,216

NOTE 12: PROPERTY, PLANT & EQUIPMENT

	2010 $	2009 $
Cost	-	22,055
Accumulated depreciation	-	(12,790)
TOTAL	-	9,265

NOTE 12: PROPERTY, PLANT &EQUIPMENT (CONTINUED)

Consolidated

	Fixtures & Fittings at cost $	Office Equipment at cost $	Motor Vehicles at cost $	Buildings at cost $	Leasehold Improvements at cost $	Software at cost $	Total at cost $
Gross carrying amount							
Balance at 30 June 2008	7,394	58,804	156,094	88,377	34,068	17,134	361,871
Additions	-	1,921	-	-	-	-	1,921
Disposals	(2,287)	(36,033)	(156,094)	(88,377)	-	(17,134)	(299,925)
Net forex differences	278	1,196	-	-	6,482	-	7,956
Balance at 1 July 2009	5,385	25,888	-	-	40,550	-	71,823
Less: Assets held for sale	(1,737)	(7,481)	-	-	(40,550)	-	(49,768)
Balance at 30 June 2009 exc. assets held for sale	3,648	18,407	-	-	-	-	22,055
Disposals	(3,648)	(18,407)	-	-	-	-	(22,055)
Balance at 30 June 2010	-	-	-	-	-	-	-

Accumulated depreciation/amortisation and impairment

	Fixtures & Fittings at cost $	Office Equipment at cost $	Motor Vehicles at cost $	Buildings at cost $	Leasehold Improvements at cost $	Software at cost $	Total at cost $
Balance at 1 July 2008	(1,959)	(28,150)	(85,485)	(11,931)	(34,068)	(5,639)	(167,232)
Disposals	1,479	22,727	112,706	16,212	-	11,269	164,393
Depreciation expense	(951)	(11,138)	(27,221)	(4,281)	-	(5,630)	(49,221)
Net forex differences	(85)	(420)	-	-	(6,482)	-	(6,987)
Balance at 30 June 2009	(1,516)	(16,981)	-	-	(40,550)	-	(59,047)
Less: Assets held for sale	1,013	4,694	-	-	40,550	-	46,257
Balance at 30 June 2009 exc. assets held for sale	(503)	(12,287)	-	-	-	-	(12,790)
Disposals	503	12,287	-	-	-	-	12,790
Balance at 30 June 2010	-	-	-	-	-	-	-
Net book value							
As at 30 June 2009	3,145	6,120	-	-	-	-	9,265
As at 30 June 2010	-	-	-	-	-	-	-

NOTE 13: EXPLORATION & EVALUATION ASSETS

	2010 $	2009 $
NON-CURRENT		
Exploration expenditure capitalised	-	3,869,653
Add: Expenditure	-	760,751
Less: Exploration costs expensed	-	(2,377,697)
Foreign currency translation	-	477,511
Assets made available for re-sale	-	(2,730,218)
TOTAL	-	-

NOTE 14: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	2010 $	2009 $
CURRENT		
Cash	-	445,291
Deposits	-	87,965
Fixed assets	-	3,509
Exploration expenditure	-	2,730,217
TOTAL	-	3,266,982

NOTE 15: PAYABLES

	2010 $	2009 $
CURRENT		
Sundry payables and other accruals	55,202	37,277
TOTAL	55,202	37,277

NOTE 16: LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS AS HELD FOR SALE

	2010 $	2009 $
CURRENT		
Accrual for exploration licence fee	-	343,954
TOTAL	-	343,954

NOTE 17: ISSUED CAPITAL

	2010 $	2009 $
162,074,833 (2009: 96,020,694) fully paid ordinary shares	14,240,139	11,791,442

a. ORDINARY SHARES	2010 No.	2010 $	2009 No.	2009 $
At the beginning of reporting period	96,020,694	11,791,442	96,020,694	11,791,442
Shares issued during the year	66,054,139	2,504,666	-	-
Less: Share issue cost	-	(55,969)	-	-
As at 30 June	162,074,833	14,240,139	96,020,694	11,791,442

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The fair value of shares issued for consulting services was determined by reference to the market rate for similar consulting services.

	Number of Options	
	2010	2009
b. SHARE OPTIONS		
Options over ordinary shares in the parent entity	17,000,000	4,084,795

c. SHARE OPTIONS ISSUE

As at 30 June 2010, the company has 17,000,000 share options on issue (2009: 4,084,795), exercisable on a 1:1 basis for 17,000,000 ordinary shares of the company (2009: 4,084,795) at an exercise price between $0.06 and $0.50. The options expire between 31 July 2012 and 30 June 2013 (2009: 24 November 2009 and 31 July 2012), and carry no rights to dividends and no voting rights. The Company issued 15,500,000 options to Directors on 30 June 2010, of which 4,650,000 of these options were exercisable from 30 June 2010. A further 4,650,000 are exercisable from 16 September 2010 and the balance of 6,200,000 are exercisable from a date being the earlier of 30 June 2011 or 90 days after the placement of 50,000,000 shares approved for placement in a resolution passed by shareholders at the Extraordinary General Meeting held on 18 June 2010.

NOTE 17: ISSUED CAPITAL (CONTINUED)

d. SHARE OPTION EXPIRY

2,584,795 options expired during the financial year.

e. SHARE OPTION CANCELLATION

No options were cancelled during the financial year.

NOTE 18: RESERVES

	2010 $	2009 $
Foreign currency translation reserve		
Balance at beginning of financial year	471,646	371
Adjustment taken to profit and loss	(471,646)	-
Translation of foreign operations	-	471,275
Balance at end of financial year	-	471,646

Exchange differences relating to the translation from the functional currencies of the Group's foreign controlled entities into Australian dollars are brought to account by entries made directly to the foreign currency translation reserve.

NOTE 19: ACCUMULATED LOSSES

	2010 $	2009 $
Balance at beginning of financial year	(8,354,746)	(4,874,791)
Net loss attributable to equity holders of the parent entity	(2,263,709)	(3,479,955)
Balance at end of financial year	(10,618,455)	(8,354,746)

NOTE 20: EARNINGS PER SHARE

	2010 $	2009 $
Basic loss per share		
From continuing operations	(1.91)	(2.03)
From discontinued operations	(0.31)	(1.59)
Total basic loss per share	(2.22)	(3.62)
Diluted loss per share		
From continuing operations	(1.91)	(2.03)
From discontinued operations	(0.31)	(1.59)
Total diluted loss per share	(2.22)	(3.62)
Loss used to calculate earnings per share		
From continuing operations	(2,353,063)	(1,952,175)
From discontinued operations	(382,292)	(1,527,781)

Weighted average number of ordinary shares outstanding during the period used in calculating basic loss per share	123,313,721	96,020,694

The dilutive loss per share is the same as the basic loss per share as the consolidated entity is in a loss position

There is no dilution of earnings on the exercise of options as there are no options 'in the money' and the Company is in a loss making position.

NOTE 21: DIVIDENDS

There have been no dividends paid or proposed during the current financial year.

NOTE 22: EVENTS AFTER THE REPORTING DATE AND COMMITMENTS

On 24th August 2010 Ormil Operations Pty Limited entered into a joint venture agreement Apex Energy N.L. under which it is obliged to spend $3,200,000 in the first and second stages of a 3 Stage Joint Venture.

In Stage 1 of the joint venture Ormil Operations Pty Limited is obliged to spend $1,600,000 on or before 30 June 2011 and in Stage 2 an additional $1,600,000 on or before 30 June 2012. The spending of those amounts brings the ownership of Apex's CSM and CMM assets of Ormil Operations Pty Limited to 20%.

After spending the $3,200,000 referred to in the preceding paragraph Ormil Operations Pty Limited at its election may earn a further 30% in the Apex's CSM and CMM assets by spending $7,000,000 on or before 30th June 2014 in Stage 3 of the Joint Venture.

There are no other outstanding commitments as at the balance sheet date.

Operating lease commitment

There are no outstanding operating leases as at the balance sheet date.

Non-cancellable operating lease commitments

	2010 **$**	**2009** **$**
Commitments not later than 12 months	-	58,975
Commitments between 12 months & 5 years	-	-

No contingent rent is stipulated in the agreements, nor is there any right to sub-lease.

At balance date there were no other commitments not otherwise disclosed in these accounts.

NOTE 23: CONTINGENT LIABILITIES

Please refer to Note 31 concerning the situation with the Company's Chinese contract.

If the Contract of Sale was terminated by the Purchaser the Contract provides that the instalments of the purchase consideration already paid are refundable and the shares of GGTMJV are to be transferred back to the Company. At the balance date exchange rate this contingency would amount to a refund of approximately $A805,085. As at the date of this report, the Directors believe this result is unlikely.

Other than this, the directors do not believe there are any contingent liabilities in existence at balance date, not otherwise disclosed in the financial statements.

NOTE 24: NON-CONTROLLING INTERESTS	2010 $	2009 $
INTEREST IN:		
Share capital	-	770,378
Accumulated losses	-	(923,546)
Reserves	-	153,168
	-	-

NOTE 25: SUBSIDIARIES	Country of Incorporation	Percentage Owned (%)*	
		2010	2009
Controlled entities consolidated:			
Parent Entity:			
Ormil Energy Limited	Australia		
Subsidiaries of Ormil Energy Limited:			
Ormil Operations Pty Limited (formerly Goltom Pty Limited)	Australia	100	-
Guangxi Golden Tiger Mining Joint Venture Limited	China	-	76
* *Percentage of voting power is in proportion to ownership*			

The parent company acquired a 50% interest in Ormil Operations Pty Limited (formerly Goltom Pty Limited) on 3 March 2010. It acquired the remaining 50% on 11 June 2010. Ormil Operations Pty Limited owns 2,000,000 shares (approximately 2.63%) of the issued shares of Apex Energy N.L. It is now the Group's operating subsidiary.

NOTE 26: FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through holding cash only to the extent necessary to meet Group commitments and its immediate exploration program. This period is usually less than twelve months. The Group's overall capital strategy remains unchanged from 2009.

The capital structure of the Group consists of cash and cash equivalents, and equity attributable to equity holders of the parent comprising issued capital, reserves and accumulated losses as disclosed in the notes 17, 18, & 19 respectively. The Group operates in Australia and none of the Group's entities are subject to externally imposed capital requirements going forward.

(b) Categories of financial instruments

	2010 $	2009 $
Financial assets		
Cash and cash equivalents	1,431,354	1,367,616
Loans and receivables accounted for at amortised cost	172,025	-
Derivative value – call option	27,975	-
Available for sale investments at fair value	2,011,252	-

At the reporting date the only significant credit risk relates to the receivable relating to the proceeds of the sale of the Company's interest in Guangxi Golden Tiger Mining Joint Venture Limited. This amount has been provided in full on the basis of the Board's uncertainty regarding the recovery of the funds at the date of this report. The Company however continues to pursue its recovery. The carrying amount reflected above represents the Company's and the Group's maximum exposure to credit risk for other loans and receivables.

(c) Financial risk management objectives

The Board monitors and manages financial risks relating to the operations of the Group on an individual case basis. These risks include market risk (including currency risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Group does not use derivatives to manage its exposure nor trade instruments for speculative purposes. On the basis of the uncertainty surrounding the recovery of the receivable in China, no hedging activity has been undertaken on the outstanding balance.

NOTE 26: FINANCIAL INSTRUMENTS (CONTINUED)

(d) Market risk

The Group's current activities do not expose it to market risk. Previously, the Group was exposed to the financial risks of changes in foreign currency exchange rates.

(e) Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group attempts to deal with only creditworthy counterparties and obtain sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Funds are currently held in escrow for the full value of the outstanding receivable amount in China as security until such time as a condition of release has occurred which requires the consent from all counter-parties.

Other than this amount, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Other price risks
The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes.

Equity price sensitivity analysis
The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.
If equity prices had been 5% higher/lower:

- Net profit for the year would have been unaffected as the equity investments are classified as available-for-sale and no investments were disposed of or impaired; and
- Other equity reserves would increase/decrease by $100,562 (2009: increase/decrease by $nil) as a result of the changes in fair value of available-for-sale shares.

(f) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who are informed of current cash burn and all liquidity issues at each board meeting. The Group manages liquidity by continuously monitoring forecast and actual cashflows against cash held.

NOTE 26: FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity and interest risk tables

The following tables detail the Group's and the Company's remaining contractual maturity profile for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows based on the earliest date on which the Group will receive/pay the funds.

2010	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	3 months to 1 year $	Total $
Cash - variable interest rate	3.47	1,431,354	-	-	1,431,354
Receivable – not interest bearing	-	32,201	-	-	32,201
Loan – Apex Energy	-	-	-	200,000	200,000
		1,463,555	-	200,000	1,663,555
Payables – not interest bearing	-	55,202	-	-	55,202
		55,202	-	-	55,202

2009	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	3 months to 1 year $	Total $
Cash - variable interest rate	3.84	1,367,616	-	-	1,367,616
Receivable – not int. bearing	-	-	7,785	-	7,785
		1,367,616	7,785	-	1,375,401
Payables – not int. bearing	-	-	381,231	-	381,231
		-	381,231	-	381,231

NOTE 26: FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurements recognised in the Statement of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 3
Financial assets at fair value through profit or loss (FVTPL)	
Derivative – Apex Energy N.L.	27,975
Available-for-sale financial assets	
Investment in Apex Energy N.L.	2,011,252
Total	2,039,227

Reconciliation of Level 3 fair value measurements of financial assets

	FVTPL	Available for Sale	Total
	Derivative – Apex Energy N.L.	Interest in Apex Energy N.L.	
Opening balance	-	-	-
Purchases	27,795	2,011,252	2,039,227
Closing balance	27,795	2,011,252	2,039,227

Significant assumptions used in determining fair value of financial assets and liabilities

Unlisted shares

The financial statements include holdings in unlisted shares which are measured at fair value (note 10). Fair value is estimated using a discounted cash flow model, which includes some assumptions that are not supportable by observable market prices or rates. If equity prices had been 5% higher/lower then other equity reserves would increase/decrease by $100,562 as a result of the changes in fair value of available-for-sale assets.

NOTE 27: SHARE BASED PAYMENTS

Options to purchase shares have been issued to Directors, and to key consultants of the Company as approved by the Board of Directors and an Extraordinary General Meeting of Shareholders. Each share option converts into one ordinary share of Ormil Energy Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights.

As at 30 June 2010, 6,150,000 options were exercisable. A further 4,650,000 are exercisable from 16 September 2010 and the balance of 6,200,000 are exercisable from a date being the earlier of 30 June 2011 or 90 days after the placement of 50,000,000 shares approved for placement in a resolution passed by shareholders at the Extraordinary General Meeting held on 18 June 2010.

In the opinion of the Board of Directors, the options have been granted in such a quantity and manner to sufficiently incentivise key consultants at the time of grant. The options granted expire on 31 July 2012 and 30 June 2013.

The following share-based payment arrangements were in existence during the current and comparative reporting periods. All options have vested as at balance date.

Options series	Number	Grant date	Expiry date	Exercise price ($)	Fair value at grant ($)	Days prior to expiry
Issued 31 July 2007	250,000	31/07/07	31/07/12	0.17	0.037	761
Issued 31 July 2007	250,000	31/07/07	31/07/12	0.25	0.020	761
Issued 31 July 2007	250,000	31/07/07	31/07/12	0.30	0.014	761
Issued 31 July 2007	250,000	31/07/07	31/07/12	0.35	0.010	761
Issued 31 July 2007	250,000	31/07/07	31/07/12	0.45	0.005	761
Issued 31 July 2007	250,000	31/07/07	31/07/12	0.50	0.004	761
Issued 30 June 2010	15,500,000	30/06/10	30/06/13	0.06	0.004	1,096

NOTE 27: SHARE BASED PAYMENTS (CONTINUED)

	2010		2009	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Options**	**Weighted Average Exercise Price $**
Outstanding at the beginning of the year	4,084,795	0.32	4,084,795	0.32
Granted	15,500,000	0.06	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	2,584,795	0.30	-	-
Outstanding at year-end	17,000,000	0.08	4,084,795	0.32
Exercisable at year-end	6,150,000	0.13	4,084,795	0.32

The options issued in the current year have been valued using a binominal options pricing model utilising the following assumptions: share price $0.042, expected volatility: 23% (being one standard deviation of the trading price during the 2010 financial year), no dividends, and a risk free interest rate of 5.5%.

No options have been exercised during the financial year.

NOTE 28: KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to directors and other members of key management personnel of the company and Group is set out below:

	2010 $	**2009 $**
Short-term employee benefits	211,709	461,361
Post-employment benefits	1,373	4,443
Share based payment	57,116	5
	270,198	465,809

NOTE 29: RELATED PARTY TRANSACTIONS

Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each key management personnel of Ormil Energy Limited, including their personally-related entities, are set out below.

Name	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Mr D.W. Price	1,500,000	-	-	-	1,500,000	1,500,000
Mr G.P. Hurst	-	4,000,000	-	-	4,000,000	1,200,000
Mr A.A. Davis	-	4,000,000	-	-	4,000,000	1,200,000
Mr P.A Curry	600,000	2,500,000	-	(600,000)	2,500,000	750,000
Mr B. Montgomery	-	2,500,000	-	-	2,500,000	750,000
Prof. I.R. Plimer	-	2,500,000	-	-	2,500,000	750,000
Mr R.D. McNeil	750,000	-	-	(750,000)	-	-

Shareholdings

The numbers of shares in the Company held during the financial year by each key management personnel of Ormil Energy Limited, including their personally-related entities, are set out below:

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Mr R.D. McNeil	70,000	-	-	70,000
Mr G.T.L. Hartigan	11,235,546	-	(10,001,000)	1,234,546
Mr P.A. Curry	10,000	-	-	10,000
Mr A.A. Davis	-	-	12,251,000	12,251,000

Loans to Directors and Executives

No loans were made to Directors of Ormil Energy Limited, including their personally-related entities.

NOTE 29: RELATED PARTY TRANSACTIONS (CONTINUED)

Other transactions with Directors

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.	**2010 $**	**2009 $**
Office space provided to an entity associated with P.A. Curry & G.T.L. Hartigan for $1,500 per month	-	14,614
The company has a 6 month Consulting Agreement at $2,500 per month with Avatar Energy Pty Limited a company of which Mr Thomas Fontaine is the sole director	-	-

NOTE 30: AUDITORS' REMUNERATION

	2010 $	**2009 $**
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial report	48,915	46,850
Remuneration of other auditors of subsidiaries for:		
- auditing or reviewing the financial report of subsidiaries	-	1,366
TOTAL	48,915	48,216

NOTE 31: DISCONTINUED OPERATIONS

The Board of directors entered into a sale agreement to dispose of GGTMJV, a company exploring for Gold in Guangxi Province in the People's Republic of China. The shares were transferred to the acquirer on 11 November 2009, on which date control of the business passed to the acquirer.

GGTMJV represented the principal activity of the Company, however ongoing operational and funding issues left the company with little alternative but to realise its position and seek alternative activities.

NOTE 31: DISCONTINUED OPERATIONS (CONTINUED)

As stated in its ASX release dated 1 October, 2009, the Company entered into an Equity and Related Interests Transfer Agreement (Contract) pursuant to which the Company agreed to sell its 76% shareholding in its Chinese joint venture vehicle, Guangxi Golden Tiger Mining Joint Venture Limited (GGTMJVC) to a subsidiary of the Guangxi Non-ferrous Metal Group (Purchaser).

The total consideration payable under the Contract is RMB 15.5m (approx AUD 2,598,265 as at balance date) payable in part for the transfer of the Company's shares in GGTMJVC and in part for the repayment to the Company by the Purchaser of outstanding loans due by GGTMJVC.

The first instalment of the total consideration being RMB 3.1m (AUD 522,182) and a second instalment of RMB 1.65m (AUD 254,049) has been received by the Company in repayment of its loan to GGTMJVC. However, the third instalment of RMB 3.0m (AUD 508,475 at balance date) relating to the purchase of the equity interest in GGTMJVC remains unpaid by the purchaser.

Under the terms of the Contract, payment of the remaining loan repayment of RMB 7.75m (AUD 1,313,559 at balance date) is conditional upon the finalisation of the transfer of 16 exploration licences to GGTMJVC from various geological teams and entities associated with the Guangxi Geological and Mineral Resources Exploration and Development Bureau ("Bureau").

The Purchaser has purported to "suspend" its obligations under the Contract until such time as various annual inspections required as the condition precedent for transferring the relevant licences have been completed. The completion of the various annual inspections is not the responsibility, and is beyond the control, of the Company under the Contract.

The Company's position is that the Purchaser has been responsible for significant delays in the performance of the Contract. Furthermore the Contract does not provide for a "suspension" of the Purchaser's payment obligations. The Company has advised the Purchaser accordingly.

However, under Chinese law, the Purchaser is now the owner of the Company's shareholding in GGTMJVC notwithstanding that the RMB 3.0m payment of the third instalment remains payable and outstanding, the balance of the transfer consideration and loan repayment remains unpaid and the Company's joint venture with the Bureau has been terminated.

NOTE 31: DISCONTINUED OPERATIONS (CONTINUED)

All outstanding instalments under the Contract (AUD 1,822,034 at balance date) have been deposited in a supervisory account with CITIC, an independent Chinese bank. This includes the amount remaining on the transfer price and the amount required to pay the agreed outstanding loans. The current amount held in trust as at 31 December 2009 is RMB 11.34m which includes RMB 480,000 deposited by GGTMJVC to fund the costs associated with the final transfer of licences and RMB 110,000 for other ancillary costs in this process.

At present the Contract can be terminated by either party by giving one month's notice. Upon termination the Contract provides that the instalments of the loan repayment and purchase consideration already paid are refundable and the Purchaser's shares in GGTMJVC are to be transferred back to the Company. In the event the Contract is successfully terminated the amount that would need to be returned to the purchaser would be RMB 4.75m ($805,085 at balance date). This contingency is noted within the consolidated financial statements at Note 23. As at the date of this report, the Directors believe this result is unlikely.

Following a reassessment of the Chinese situation since the half year accounts, including management changes, the passage of time and the change in direction of the activities of the Company, the Board has decided to make a provision in the accounts for the outstanding receivable.

The Company is working closely with its Chinese lawyers to finalise all outstanding matters and bring this matter to a conclusion.

NOTE 31: DISCONTINUED OPERATIONS (CONTINUED)

The results of the discontinued operations for the period of the year until disposal are presented below:

	4 & 1/2 months ended 11 November 2009 $	2009 $
Loss of GGTMJV for the period	(49,077)	(1,686,106)
Gain on disposal of GGTMJV	138,431	-
	89,354	(1,686,106)

The following were the results for GGTMJV for the period

Revenue	506	4,986
Operating expenses	(49,583)	(1,691,092)
Profit before income tax	(49,077)	(1,686,106)
Income tax expense	-	-
Profit after income tax	(49,077)	(1,686,106)

The net assets of GGTMJV at the date of disposal were as follows:

	11 November 2009 $
Net assets disposed of (excluding goodwill)	2,407,909
Attributable goodwill	-
	2,407,909
Gain on disposal	138,431
Total consideration	2,546,340

A gain of $138,431 was recognized on the disposal of GGTMJV. No tax charge or credit arose on the transaction.

NOTE 32: CASH AND CASH EQUIVALENTS

	2010 $	2009 $
Cash at bank and on hand	2,618	43,956
Cash at call	1,428,736	878,369
TOTAL	1,431,354	922,325

Reconciliation of loss for the period to net cash flows from operating activities

	2010 $	2009 $
Loss for the year	(2,263,709)	(3,638,281)
ADJUSTMENTS FOR NON CASH ITEMS		
- Depreciation expense	-	49,221
- Exploration costs	-	399,554
- Loss on disposal of asset	6,119	10,638
- Gain on disposal of subsidiary	(138,431)	-
- Impairment of asset	2,237,384	2,136,470
- Recycling of translation differences on disposal of foreign controlled entity	(471,646)	-
- Share based payment	30,500	-
CHANGES IN WORKING CAPITAL		
- Decrease in receivables and prepayments	56,720	148,096
- (Decrease)/increase in payables & borrowings	(326,029)	69,112
- Foreign exchange translation	-	10,843
Net cash from operating activities	(869,092)	(814,347)

NOTE 33: NON CASH TRANSACTIONS

During the 2010 financial year, the Group entered into the following non-cash investing and financing activities which are not reflected in the statement of cash flows:

Share issue proceeds of $30,500 were received in the form of consulting services as described in Note 17.

NOTE 34: PARENT ENTITY DISCLOSURES

Financial Position

	2010 $	2009 $
Assets		
Current Assets	1,665,634	1,290,196
Non-Current Assets	2,011,252	2,655,123
Total Assets	3,676,886	3,945,319
Liabilities		
Current Liabilities	55,202	37,277
Non-Current Liabilities	-	-
Total Liabilities	55,202	37,277
Equity		
Issued Capital	14,240,139	11,791,442
Retained Earnings	(10,618,455)	(7,883,100)
Reserves	-	-
Total Equity	3,621,684	3,908,342

Financial Performance

Loss for the year	(2,735,355)	291,507
Other Comprehensive Income	-	-
Total Comprehensive Loss	(2,735,355)	291,507

Contingent Liabilities of the Parent Entity

Contingent refund of GGTMJV purchase consideration already paid*	805,085	-
Total Contingent Liabilities	805,085	-

** Please refer to Note 23 and 31 for further information concerning the above contingent liability and situation with the Company's Chinese contract.*

ADDITIONAL INFORMATION

THE FOLLOWING INFORMATION REQUIRED BY AUSTRALIAN STOCK EXCHANGE LIMITED HAS NOT BEEN SHOWN ELSEWHERE IN THIS REPORT:

ANALYSIS OF HOLDINGS AS AT 17th August 2010

a. Security Classes Fully Paid Ordinary

Holdings Ranges	Holders	Total Units	%
1-1,000	8	3,249	0.002
1,001 – 5,000	35	127,630	0.079
5,001 – 10,000	84	708,655	0.437
10,001 – 100,000	182	7,560,082	4.665
100,001 – 9,999,999,999	80	153,675,217	94.817
Totals	**389**	**162,074,833**	**100.0**

b. Number of holders of less than marketable parcels – 130

c. Percentage holding of 20 largest holders – 83.14%

d. Substantial shareholders

Name	No. of ordinary shares held
Eurogold Limited	26,229,708
Avatar Equities Pty Ltd	15,786,395
Sino Gold Limited	15,305,604
Alan Davis Pty Ltd	12,251,000
John Carmody	10,000,000
HHH Group Pty Limited	9,332,801

e. Top 20 Holdings as at 17th August 2010

Holder Name	Balance at 7 July 2010	%
Eurogold Limited	26,229,708	16.18
Avatar Equities Pty Ltd	15,786,395	9.74
Sino Gold Limited	15,305,604	9.44
Alan Davis Pty Limited	12,251,000	7.56
John Carmody	10,000,000	6.17
HHH Group Pty Ltd	9,332,801	5.76
Barry Wright	6,750,000	4.16
Ron Dean	6,750,000	4.16
Sebastien Holdings Pty Ltd	6,250,000	3.86
Gregory Kater	6,201,000	3.85
John Hall	4,250,000	2.62
Jovian Investments Limited	4,000,000	2.47
Dylide Pty Ltd	3,030,000	1.87
Mrs Dimitra Hronis	1,800,000	1.11
Swan Key Pty Ltd	1,320,000	0.81
Dottie Investments Pty Ltd	1,300,000	0.80
Hartigan Super Pty Ltd <Hartigan Super Fund A/C>	1,234,546	0.76
High Australian Investment Corporation Pty Ltd	1,200,000	0.74
Eddagate Pty Limited	1,155,000	0.71
ANZ Nominees Limited	1,110,970	0.69
Total Top 20 shareholders	135,257,024	83.45
Total issued shares	**162,074,833**	

f. Voting rights: Registered holders of ordinary shares in the capital of the Company may attend and vote at general meetings of the Company in person or by proxy and may exercise one vote for each share held. Every person present at a general meeting as an ordinary shareholder shall have one vote on a show of hands.