Oz Brewing Limited
ABN 24 118 159 881

Financial Statements
for the Year Ended 30 June 2012

CORPORATE DIRECTORY

Board of Directors	Mr David Wheeler — Non-Executive Chairman Mr Joe Graziano — Non-Executive Director Mr Michal Safrata — Non-Executive Director
Company Secretary	Ms Paige Exley (appointed 30 January 2012) Ms Nicki Farley (resigned 30 January 2012)
Registered Office	Level 24, St Martin's Tower 44 St George's Terrace Perth WA 6000 Telephone: 61 8 6211 5099 Facsimile: 61 8 9218 8875
Postal Address	Level 24, St Martin's Tower 44 St George's Terrace Perth WA 6000
Auditors	Grant Thornton Audit Pty Ltd Level 1, 10 Kings Park Road West Perth WA 6005
Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153 Telephone: 08 9315 2333 Facsimile: 08 9315 2233
Stock Exchange Listing	Australian Securities Exchange Perth, Western Australia
Website Address	www.ozbrewing.com.au
ASX Code	OZB – ordinary shares OZBO – options expiring 31 December 2012

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CHAIRMAN'S REVIEW

Dear Shareholder

It is my pleasure as Chairman to present to you the Company's Annual Report.

I was appointed to the Board, together with your other two new Board Directors, Michal Safrata and Joe Graziano, on 15 April 2011.

We have joined the Board with the view to the future and we are pleased to note that since we have joined the Board the Company has:

- Raised $400,000 through the issue of Convertible Notes, which have since been converted to shares at ½ cent per share; and
- Concluded a Public Capital Raising of $2,500,000 through the issue of 250 million shares at one cent per share.

The effect of the above two raisings is that they have:

- allowed the Company to pay $300,000 to outstanding creditors through the Deed of Company Arrangement entered into between the Administrator of the Company, Kevin Ernest Judge of Judge Constable, Chartered Accountants, and Trident Capital Pty Ltd effectively removing the Company from Administration;
- provided funds to do all things necessary to achieve reinstatement of the company to the ASX including the preparation of the Prospectus and payment of audit and accounting costs associated with lodging outstanding accounts with the ASX and ASIC; and
- commence the pursuit of business opportunities within the hospitality industry in which the Company operates, including formal commencement of the Oz Brewing Joint Venture with Ironbark Brewery in Caversham, Western Australia.

On behalf of the Board we welcome all new shareholders to the Company and thank all of the original shareholders for their patience with the Company to date. We look forward to keeping you informed about all new activities.

Yours faithfully,

David Wheeler
Chairman

REVIEW OF OPERATIONS

Oz Brewing Limited ("Company") was admitted to the Official List of the ASX in December 2006. The principal activity of the Company was to operate in the boutique brewing industry. It was planning to achieve this outcome initially through the establishment of a micro brewery within a restaurant setting in Fremantle – a brew cafe, The Mad Monk.

There were some delays in the commencement of operations of the Mad Monk Brew Cafe, which commenced trading in October 2007. The delays related to design and fit out activities which saw an increase in costs for the brew cafe, and as a result it commenced trading with a higher capital cost to recover than was originally anticipated.

Through 2008 trading was steady, though the parent company, the Company was running out of capital to support the business through a period where it needed to reach a critical mass.

Ultimately the Company could no longer support Mad Monk, and it entered into an agreement in August 2008 to sell 49% of the operating entity, Mad Monk Pty Ltd, to Emem Management Pty Ltd, for $515,000. It also granted Emem Management Pty Ltd an option to acquire a further 51%, subject to approval by the Company's shareholders.

The Global Financial Crisis of late 2008 then saw the Company with limited opportunities to raise additional capital, and the Company was placed in Administration in September 2008.

A Deed of Company Arrangement ("DOCA") was executed in December 2008 between the Administrator of the Company, Kevin Ernest Judge, and Trident Capital Pty Ltd to restructure and recapitalise the Company and seek reinstatement of the Company on the ASX.

Mad Monk Pty Ltd was placed in liquidation on 5 October 2010.

The Company raised $400,000 in June of 2011 through the issue of convertible notes which have since been converted to ordinary shares at ½ cent per share. The issue of these convertible notes allowed the company to pay $300,000 to the Creditor's Trust in accordance with the terms of the DOCA, thereby allowing for the DOCA to be effectuated.

The DOCA was effectuated in June of 2011, and the control of the Company passed from the Administrator back to the Board of Directors, who had been appointed in April 2011.

Upon reinstatement to the Official List of ASX in November 2011, the Company recommenced the brewing, distribution, marketing and sales of its Mad Monk range of beers. Its approach to this process will be through licensing, joint venture and possibly acquisition of established venues.

The first premises has already been established through a Joint Venture arrangement with the Ironbark Brewery in the Swan Valley who brew the Mad Monk and Oz Brewing beers under license and retail them through their outlet. Ironbark, as part of the Joint Venture arrangements, is in the process of expanding its facilities to provide for more paying customers.

Aside from the Joint Venture activities with Ironbark, the Company will be seeking additional opportunities to sell its beer range, as follows:

- Identifying established beer outlets willing to carry part or all of the Mad Monk and Oz Brewing range of beers through their facility, which would be brewed in the first instance through the Joint Venture in line with a normal supplier/retailer relationship;
- Expansion through acquisition or investment of other boutique breweries, though only after a rigorous examination of the different opportunities;
- Commencing retail sales of its more popular styles through packaged take home beers;
- Considering expansion opportunities through other States and possibly overseas.

REVIEW OF OPERATIONS

The Directors of the Company have experience within the hospitality and beverage industries, as well as a broad set of commercial experiences, and will consider other opportunities for growth as and when they might arise.

In addition, the Company will explore all investment opportunities both within and outside the hospitality and beverage industry.

CORPORATE GOVERANCE STATEMENT

INTRODUCTION

The Company is committed to implementing the highest standards of corporate governance.

This Statement reports on the Company's key governance principles and practices. These principles and practices are reviewed regularly and revised as appropriate by the Company to ensure they comply with changes in the law and reflect developments in Corporate Governance.

The Company is pleased to advise that its practices are largely consistent with the revised ASX Recommendations. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council in place during the reporting period, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations.

Principle 1 – Lay solid foundations for management and oversight

The Board and management have formalised their respective roles and responsibilities and the functions reserved to the Board and management. The Board has established and adopted a Board Charter for this purpose.

The Board is responsible for oversight of the management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of those goals with a view to optimising company performance and the protection and enhancement of long-term shareholder value.

The Board has also established a Nomination and Remuneration Committee Charter which, amongst other functions, guides the Board in its evaluation of the performance of senior executives and encourages an appropriate mix of skills, experience, expertise and diversity on the Board.

The role of management is the efficient and effective operation of the activities of the Company in accordance with the objectives, strategies and policies determined by the Board. The performance of senior management is reviewed annually in a formal process with the executive's performance assessed against the company and personal benchmarks. Benchmarks are agreed with the executives and reviews are based upon the degree of achievement against those benchmarks.

Principle 2 – Structure the Board to add value

The Board has been formed such that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. Directors are appointed based on the specific skills required by the Company and on their experience, decision-making and judgement skills.

The Company has adopted a Nomination and Remuneration Committee Charter which encourages a transparent Board selection process in searching for and selecting new directors to the Board and having regard to any gaps in the skills and experience of the directors of the Board and ensuring that a diverse range of candidates is considered. The Board composition is reviewed on an ongoing basis with regard to the activities of the Company and the skills sets required to support those activities.

A separate nomination committee has not been formed. The role of the nomination committee is carried out by the full Board in accordance with the Nomination and Remuneration Committee Charter. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate committee.

The composition of the Board is determined using the following principles:

- A minimum of three directors, with a broad range of expertise
- Directors should bring characteristics which allow a mix of qualifications, skills, experience, expertise and diversity to the Board

CORPORATE GOVERANCE STATEMENT

The skills, experience, expertise and tenure of each director are disclosed in the Directors' Report within this Annual Report.

As at the date of this report, the Board is comprised of three (3) Directors, all of whom are non-executive Directors.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. The following criteria has been adopted by the Company as a non-prescriptive guide for independence:

An Independent Director is a Non-Executive Director and:

(a) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
(b) within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
(c) within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member. Or an employee materially associated with the service provided;
(d) is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
(e) has no material contractual relationship with the Company or other group member other than as a Director of the Company;
(f) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
(g) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Board considers the existing structure and skill sets of the directors' appropriate given the small scale of the Company's enterprise and the associated economic restrictions the scale of operations places on the Company. The existing structure is aimed at maximising the financial position of the Company by keeping its operating costs to a minimum.

Independent Professional Advice
The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

Principle 3 – Promote ethical and responsible decision making

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. The Board has established a Code of Conduct to guide the Directors, managers, employees and officers of the Company with respect to matters relevant to the Company's legal and ethical obligations and the expectations of stakeholders.

The Code of Conduct requires officers and employees to avoid or ensure proper management of conflicts of interest, to not use confidential information for personal gain and to act in fair, honest and respectful manner. The Board has procedures in place for reporting any matters that give rise to unethical practices or conflicts between the interests of a director or senior executive and those of the Company.

Diversity Policy

The Board has also established a Diversity Policy which affirms the Company's commitment to promoting a corporate culture that is supportive of diversity and outlines strategies that the Board can undertake to encourage and promote a diverse working environment.

The Company does not select candidates based on gender or ethnicity, rather the recruitment process chooses candidates from a diverse group after widely canvassing the market and by selecting the most appropriate candidate based on merit and suitability for the role.

CORPORATE GOVERANCE STATEMENT

Currently the company has no employees as the operations are run by a joint venture partner and the administration of the Company is outsourced to a management company. As the operations grow, the Board has developed the following objectives regarding gender diversity and aims to achieve these objectives over the next few years as director and senior executive positions become vacant and appropriate candidates become available:

	2012		***2013-2014***	
	No.	%	No.	%
Women on the Board	0	0	1	33
Women in senior management roles	0	0	1	50
Women employees in the company	0	0	1	50

Share Trading Policy

The Board encourages directors and employees to hold shares in the Company to align their interest with the interests of all Shareholders. The Company has adopted a Securities Trading Policy which guides directors, employees or contractors in trading the Company's securities in accordance with ASX Listing Rules. Trading the Company's shares is prohibited under certain circumstances and a director, employee or contractor must not deal in the Company's securities at any time when he or she is in possession of information which, if generally available, may affect the price of the Company's shares.

The Policy sets out the following information:

(a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;

(b) trading in the Company's securities which is not subject to the Company's Trading Policy; and

(c) the procedures for obtaining written clearance for trading in exceptional circumstances.

Principle 4 – Safeguard integrity in financial reporting

The Directors require the Managing Director and external company auditors to state in writing to the Board, that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

A separate audit committee has not been formed. However, the Company has adopted an Audit Committee Charter. The role of the audit committee is carried out by the full Board in accordance with the Audit Committee Charter. The Board considers that given its size, no efficiencies or other benefits would be gained by establishing a separate audit committee.

Principle 5 – Make timely and balanced disclosure

The Directors are committed to keeping the market fully informed of material developments to ensure compliance with the ASX Listing Rules and the Corporations Act. The Directors have established a written policy and procedure to ensure compliance with the disclosure requirements of the ASX Listing Rules. At each meeting of the directors, consideration is given as to whether notice of material information concerning the Company, including its financial position, performance, ownership and governance has been made to all investors.

Under the policy the Company's employees and contractors must disclose any relevant information which comes to their attention and is believed to potentially be material to the Company Secretary or Executive Director.

Principle 6 – Respect the rights of Shareholders

The Directors have established a communications strategy to promote effective communication with Shareholders and encourage effective participation at general meetings. As well as ensuring timely and appropriate access to information for all investors via announcements to the ASX, the Company will also ensure that all relevant documents are released on the Company's website.

Communication with Shareholders is achieved through the distribution of the following information:

- The Annual Report is distributed to Shareholders;

CORPORATE GOVERANCE STATEMENT

- The Half Yearly Report is available on the Company's website
- Regular reports and announcements are released through the ASX
- The Annual General Meeting and other meetings called by the Company to obtain Shareholder approval as appropriate
- Investor information released through the Company's website

Principle 7 – Recognise and manage risk

The Board is responsible for overseeing the risk management function and ensuring that risks and opportunities are identified on a timely basis. The Directors have established a Risk Management Policy regarding the oversight and management of material business risks.

Responsibility for the control and risk management is delegated to the appropriate level of management within the Company, with the Executive Director having ultimate responsibility to the Board for monitoring the risk management and control framework. Risk analysis and evaluation occurs on an ongoing basis in the course of the activities of the Company. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies.

The Executive Director reports on a regular basis to the Board on the areas of their responsibility, including material business risks and provides an annual written report to the Board summarising the effectiveness of the Company's management of material business risks.

Principle 8 – Remunerate fairly and responsibly

A separate remuneration committee has not been formed. However, the Company has adopted a Nomination and Remuneration Committee Charter. The role of the remuneration committee is carried out by the full Board in accordance with the Nomination and Remuneration Committee charter. The charter details how the Board fulfils its duties in regards to the Company's remuneration plans, policies and practices, including the compensation of non-executive directors, executive directors and management. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate committee.

The Board has provided disclosure within this Annual Report in relation to Directors' remuneration and remuneration policies in accordance with the ASX Listing Rules and the Corporations Act. There are no retirement schemes or retirement benefits other than statutory benefits for non-executive directors.

The Company has a policy to prohibit its directors and employees, who participate in an equity-based incentive plan of the Company, from entering into transactions which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in the Company's securities. Directors and employees are encouraged to take sufficient professional advice in relation to their individual financial position.

CORPORATE GOVERANCE STATEMENT

Corporate Governance Compliance
Oz Brewing Limited is in compliance with each of the Corporate Governance Principles and the corresponding Best Practice Recommendations, other than in relation to the matters specified below:

Principal No	Recommendation	Compliance	Reason for Non-compliance
2.4	The Board should establish a nomination committee.	The Company currently does not have a separate Remuneration and Nomination Committee. The roles and responsibilities of a Remuneration and Nomination Committee are currently undertaken by the full Board.	Given the size and nature of the Company the Board considers the composition of the Board is appropriate at this stage.
4.2	The audit committee should be structured so that it: • consists only of Non-Executive Directors; • consists of a majority of independent Directors; • is chaired by an independent chair, who is not chair of the Board; • has at least three members.	The Company currently does not have a separate Audit Committee. The roles and responsibilities of an Audit Committee are currently undertaken by the full Board.	Given the size and nature of the Company the Board considers the composition of the Board is appropriate at this stage.
8.1	The Board should establish a remuneration committee.	The Company has not established a separate remuneration committee. The roles and responsibilities of a Remuneration and Nomination Committee are currently undertaken by the full Board.	Given the size and nature of the Company, the Board considers the composition of the Remuneration and Nomination Committee is appropriate at this stage.
8.2	The Remuneration Committee should be structured so that it: • consists of a majority of independent directors; • is chaired by an independent director; and • has at least three members.	The Company has not established a separate remuneration committee. The roles and responsibilities of a Remuneration and Nomination Committee are currently undertaken by the full Board.	Given the size and nature of the Company, the Board considers the composition of the Remuneration and Nomination Committee is appropriate at this stage.

DIRECTORS' REPORT

The Directors present their report on Oz Brewing Limited for the year ended 30 June 2012 (the Company). In order to comply with the provision of the Corporations Act 2001, the directors report as follows:

These Financial Statements cover the period from 1 July 2011 to 30 June 2012. On 17 September 2008 the Company appointed Kevin Judge of Judge Constable, Chartered Accountants, as Administrator of the Company. The Company was subject to a Deed of Company Arrangement (DOCA), which has the effect of extinguishing the current debts and facilitate the Company being recapitalized and reinstated to quotation on the Australian Securities Exchange (ASX). That DOCA has been effectuated and the recapitalization of the Company has occurred. The Company was reinstated to the official list of the ASX in November 2011.

Directors
The names and details of the Directors of Oz Brewing Limited during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

David Wheeler
Non -Executive Chairman, age – 54
Mr Wheeler has more than 30 years of executive management experience, through general management, CEO and managing director roles across a range of companies and industries.

He has worked on business projects in the USA, UK, Europe, New Zealand, China, Malaysia, and the Middle East (Iran). David has been a Fellow of the Australian Institute of Company Directors (FAICD) since 1990. He has experience on public and private company boards.

Joe Graziano
Non-Executive Director, age – 46
Mr Graziano has 22 years' experience providing a wide range of business, financial and taxation advice to small cap unlisted and listed public companies and privately owned businesses in Western Australia's resource-driven industries, particularly mining, banking and finance, professional services and logistics.

He has the knowledge and experience in corporate advisory and strategic planning with corporations and private businesses going through a growth phase and restructuring those businesses to assist with the next phase of their growth strategy.

He has specific expertise in the mining services and resource exploration sectors, as well as in banking, finance, professional services businesses and privately owned businesses. Mr Graziano is currently a principal of Crowe Horwath Perth in Business Advisory Services.

Michal Safrata
Non-Executive Director, age – 36
Mr Safrata is a businessman who has over ten years of experience in the hospitality industry. He is a non- executive director of the following ASX listed entities;

- Oroya Mining Limited December 2010 - July 2012
- NuWorld Solutions Limited September 2011 - Current

and Mammoth Resources Limited, an unlisted public company engaged in the mineral resources sector.

Company Secretary
Paige Exley, age - 32 (appointed 30 January 2012)
Ms Exley holds a Bachelor of Commerce in Accounting and Business Law from Curtin University and has over 10 years of experience in accounting. Ms Exley has also held a number of company secretarial roles for ASX listed companies and unlisted entities, and is a certificated member of Chartered Secretaries Australia.

DIRECTORS' REPORT

Nicki Farley, age - 35 (appointed 8 June 2011 – resigned 30 January 2012)
Ms Farley holds a Bachelor of Laws and Arts from the University of Western Australia and has over 10 years of experience working within the corporate advisory area providing advice in relation to capital raisings, corporate and securities laws, mergers and acquisitions and general commercial transactions. Ms Farley has also held a number of company secretarial roles for ASX listed companies.

Directors' Interests
As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	*Directors' Interests in Ordinary Shares*	*Directors' Interests in Options*
D Wheeler	2,500,000	2,000,000
J Graziano	714,286	2,000,000
M Safrata	944,344	2,000,000

Directors' Meetings
The number of meetings of the Company's Directors held during the year ended 30 June 2012, whilst each director was in office, and the number of meetings attended by each Director, were:

Director	*Board of Directors' Meetings*	
	No. eligible to attend	*No. attended*
D Wheeler (appointed 15 April 2011)	4	4
J Graziano (appointed 15 April 2011)	4	4
M Safrata (appointed 15 April 2011)	4	4

Principal Activities
The principal activities of the Company during the financial year consisted of the brewing, distribution, marketing and sales of beer in Western Australia.

Results of Operations
The net loss after income tax for the financial year was $ 825,298 (2011: Profit of $649,110).

Dividends
No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

Review of Activities

Operations

On 17 September 2008 the Board appointed Kevin Ernest Judge as Administrator of the Company. On 8 December 2008 the Company entered into a Deed of Company Arrangement (DOCA) and appointed Mr Judge as the Deed Administrator. During the term of the DOCA until fully effectuated on 3 June 2011 the Company did not trade and investigated other micro-brewing opportunities.

On 14 October 2011 the Company commenced its Joint Venture (JV) activities with the Ironbark Brewing Joint Venture, as the first instalment of $100,000 was paid to Ironbark to commence its JV activities.

On 4 November 2011 the Company was successfully reinstated on the ASX following the capital raising of $2.5 million, comprising of 250 million shares at $0.01 per share on 30 September 2011 pursuant to the Company's prospectus dated 5 August 2011. Upon reinstatement, the Company recommenced the brewing, distribution, marketing and sales of its Mad Monk and Oz Brewing range of beers.

DIRECTORS' REPORT

On 31 January 2012 the Company entered into a Heads of Agreement with Volcan Australia Corporation Pty Ltd (VOL) to acquire 2 wholly owned subsidiaries which had a 100% interest in certain bauxite exploration licenses in New South Wales for which an initial payment of $400,000 was made to VOL.

On 10 April 2012 the Company issued VOL with a Notice of Termination of the Heads of Agreement and has commenced legal action and is making a claim against VOL under the Heads of Agreement.

On 13 April 2012 the Company announced that the resource transaction was not proceeding and refocused activities on the existing operations.

The Company continues to explore investment opportunities both within the hospitality and beverage industry and outside these industries.

Financial Position

At the end of the financial year the Company had $875,352 (2011: $38,032) in cash and at call deposits.

Financial Performance

The $825,298 loss for the year (2011: Profit of $649,110) mainly comprised of costs relating to the administration, recapitalisation, restructuring and reinstatement activities that saw the Company successfully reinstated on the ASX.

Significant Changes in the State of Affairs
Significant changes in the state of affairs of the Company during the financial year were as follows:

- During the year the Company undertook capital raising activities and raised $2.5 million by the issue of 250 million shares at $0.01 per share.
- On 4 November 2011 the Company was reinstated to the Official List of the ASX.

Options Over Unissued Capital

Unlisted Options
During the financial year the Company granted nil options over unissued shares and issued nil ordinary fully paid shares on the exercise of options. During the financial year nil options lapsed unexercised.

As at the date of this report unissued ordinary shares of the Company under option are:

Number of Options Granted	*Exercise Price*	*Expiry Date*
13,415,372 (listed)	$0.40	31 December 2012
11,000,000 (unlisted)	$0.01	31 December 2014

All options on issue at the date of this report are vested and able to be exercised.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate. The holders of options are not entitled to any voting rights until the options are exercised into ordinary shares.

Matters Subsequent to the End of the Financial Year
There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

DIRECTORS' REPORT

Likely Developments and Expected Results of Operations
Likely developments in the operations of the Company are included elsewhere in this Annual Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Company and is dependent upon the future operations.

Environmental Regulation and Performance
So far as the Directors are aware, all activities have been undertaken in compliance with all relevant environmental regulations.

Remuneration Report (Audited)

Remuneration Policy
The remuneration policy of Oz Brewing Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates.

The Company's policy for determining the nature and the amount of remuneration for directors, officers and executives is as follows:

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. Executives are entitled to receive a base salary and superannuation, which is based on factors such as length of service and experience. The Board's policy is to review executive packages on an annual basis by reference to the economic entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives would also be entitled to participate in employee share and option arrangements. Executive directors and executives would receive a superannuation guarantee contribution required by the government, which is currently 9%, and would not receive any other retirement benefits. All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black and Scholes method.

It is the Board's policy to remunerate non-executive directors at market rates for comparable companies both locally and internationally for time, commitment and responsibilities. The board determines payment to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is to be sought when required, however has not been sought during this reporting period.

The maximum aggregate amount of fees that can be paid to non-executive directors is $150,000 as approved by shareholders at the Annual General Meeting on 30 November 2007. Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in an employee option plan.

At the date of this report the Company has not entered into any agreements with directors or senior executives which include performance based components.

Refer also to the Corporate Governance Statement for the Board's policy in this area.

Directors' fees
A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside of the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

DIRECTORS' REPORT

Bonuses
No bonuses were given to key management personnel during the 2011 and 2012 years.

Performance based remuneration
The company has no performance-based remuneration component built into director and executive remuneration packages given that the Company is currently in a re-establishment phase.

Company performance, shareholder wealth and director's and executive's remuneration
The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. In considering the Company's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years.

	30 June 2012	30 June 2011	30 June 2010	30 June 2009	30 June 2008
EPS (cents)	(0.236)	3.383	(0.015)*	(1.63)*	(8.88)*
Revenue	39,086	689,433	-	24,298	2,101,639
Net Profit /(Loss)	(825,298)	649,110	(5,825)	(614,743)	(3,346,093)
Share price	1.0c	0.66c	0.66c*	0.66c*	0.45c*

*Share prices for the 2010 financial year and earlier are based on the shares prior to the 1 for 2 consolidation approved at the general meeting held on 01 June 2011 and effect on 16 June 2011.

The Company's securities were suspended from trading from 10th September 2008 to 4th November 2011

Remuneration of Key Management Personnel
During the year there were no other Senior Executives, other than where stated, which were employed by the Company for whom disclosure is required.

Details of the remuneration of each Director of the Group are as follows:

2012	***Short Term***		***Post Employment***	***Share Based Payments***		
Directors	***Salary & Fees $***	***Other Benefits $***	***Superannuation Contributions $***	***Value of Options $***	***Total $***	***% of remuneration which is options***
D Wheeler [1]	43,333	-	-	13,700	57,033	24%
M Safrata [2]	39,000	-	-	13,700	52,700	26%
J Graziano [3]	39,000	-	-	13,700	52,700	26%
Total	**121,333**	**-**	**-**	**41,100**	**162,433**	

[1] David Wheeler was not in receipt of any remuneration or any other fees from Oz Brewing Limited during the 2012 financial year. Mr Wheeler is a director and shareholder of Pathways Capital Pty Ltd, to which Oz Brewing Limited paid director's fees. For more information, refer to Note 4 and 16.

[2] Michal Safrata was not in receipt of any remuneration or any other fees from Oz Brewing Limited during the 2012 financial year. Mr Safrata is a director and shareholder of Pulpart Pty Ltd, to which Oz Brewing Limited paid director's fees. For more information, refer to Note 4 and 16.

[3] Joe Graziano was not in receipt of any remuneration or any other fees from Oz Brewing Limited during the 2012 financial year. Mr Graziano is a principal Crowe Horwarth Perth and a shareholder of WHK Ltd a listed entity which owns the accounting practice, to which Oz Brewing Limited paid director's fees. For more information, refer to Note 4 and 16.

DIRECTORS' REPORT

2011	*Short Term*		*Post-Employment*	*Share Based Payments*		*% of remuneration which is options*
Directors	*Salary & Fees $*	*Other Benefits $*	*Superannuation Contributions $*	*Value of Options $*	*Total $*	
R Roget	-	-	-	-	-	-
A Roujae	-	-	-	-	-	-
D Wheeler	-	-	-	-	-	-
M Safrata	-	-	-	-	-	-
J Graziano	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	

Compensation options granted and exercised during the year ended 30 June 2012

During the period 6 million options exercisable at 1 cent with an expiry date of 31 December 2014 were issued to directors on 30 September 2011 under the Company's prospectus dated 5 August 2011 for nil consideration. The options may only be exercised following 1 year from the date of issue, and the options expire 3 years from the date of issue.

The options were issued to the directors to provide remuneration that is linked to the performance of the Company, whilst providing incentive to the Directors to join and remain with the Company. Mr Michal Safrata, Mr David Wheeler and Mr Joe Graziano did not receive any financial benefit from the Company in the previous financial year.

2012

Directors	*Number granted*	*Grant date*	*Value per option at grant date $*	*Number Vested*	*Number lapsed*	*Exercise Price $*	*First Exercise date*	*Last Exercise date*	*% of remuneration which is options*
D Wheeler	2,000,000	30/9/2011	0.00685	-	-	0.01	30/9/2012	31/12/2014	24%
M Safrata	2,000,000	30/9/2011	0.00685	-	-	0.01	30/9/2012	31/12/2014	26%
J Graziano	2,000,000	30/9/2011	0.00685	-	-	0.01	30/9/2012	31/12/2014	26%

Hedging of securities

In accordance with the Company's Share trading policy, directors, officers and employees are prohibited from engaging in hedging arrangements over unvested securities issued by the Company.

Diversity

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Board has also established a Diversity Policy which affirms the Company's commitment to promoting a corporate culture that is supportive of diversity and outlines strategies that the Board can undertake to encourage and promote a diverse working environment. A copy of the Company's diversity policy can be found on the Company's website

Currently the company has no employees as the operations are run by a joint venture partner and the administration of the Company is outsourced to a management company. As the operations grow, the Board has developed the following objectives regarding gender diversity and aims to achieve these objectives over the next few years as director and senior executive positions become vacant and appropriate candidates become available:

	2012		*2013-2014*	
	No.	%	No.	%
Women on the Board	0	0	1	33
Women in senior management roles	0	0	1	50
Women employees in the company	0	0	1	50

DIRECTORS' REPORT

Voting and comments made at the Company's 2011 Annual General Meeting
The Company received more than 99% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2011 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Remuneration Report (Audited)

Officers' Indemnities and Insurance
During the year the Company paid insurance premiums of $14,224 to insure any officers of the Company.

The Company has not provided any insurance for an auditor of the Company.

Proceedings on Behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Corporate Governance
The Directors recognise the need for the highest standards of corporate behaviour and accountability. The Company's corporate governance statement is contained in the annual report.

Non-Audit Services
During the year Grant Thornton Audit Pty Ltd, the Company's auditor, has not performed non-audit services in addition to their statutory duties.

	2012 $	2011 $
Audit and review of the Group's financial statements	46,540	21,091
	46,540	**21,091**

Auditor's Independence Declaration
A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 14.

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

DATED at Perth this 28th day of September 2012.

David Wheeler
Chairman

Grant Thornton Audit Pty Ltd
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Auditor's Independence Declaration
To the Directors of Oz Brewing Ltd

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Oz Brewing Ltd for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P W Warr
Partner- Audit & Assurance

Perth, 28 September 2012

STATEMENT OF COMPREHESIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Note	2012 $	2011 $
Revenue		-	-
Other income	2	39,086	689,433
Directors and company secretarial fees		(173,333)	-
Administration expenses		(75,908)	(4,031)
Accounting and audit fees		(95,161)	(21,091)
Consultants fees		(239,250)	-
Legal fees		(132,931)	(18,181)
Administrator's expenses		-	2,980
Share based payments		(41,100)	-
Share of loss for equity accounted joint venture	9	(22,451)	-
Deed of Company Arrangement settlement costs		(84,250)	-
Profit / (Loss) from continuing operations before income tax		(825,298)	649,110
Income tax expense	3	-	-
Profit / (Loss) from continuing operations		(825,298)	649,110
Other comprehensive income for the year		-	-
Total comprehensive Profit / (Loss) for the year		(825,298)	649,110
Earnings per share for loss attributable to the ordinary equity holders of the company			
		Cents	Cents
Basic earnings/(loss) per share	18	(0.236)	3.383
Diluted earnings/(loss) per share	18	(0.236)	3.383

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	2012	2011
		$	$
Current assets			
Cash and cash equivalents	6	875,352	38,032
Trade and other receivables	7	488,398	6,716
Total current assets		1,363,750	44,748
Non-current assets			
Investments – accounted for using the equity method	9	152,549	-
Total non-current assets		152,549	-
Total assets		1,516,299	44,748
Current liabilities			
Trade and other payables	10	41,776	28,095
Total current liabilities		41,776	28,095
Total liabilities		41,776	28,095
Net assets		1,474,523	16,653
Equity			
Issued capital	11	6,007,768	3,799,950
Equity compensation reserve	12	130,762	55,412
Accumulated Losses		(4,664,007)	(3,838,709)
Total equity		1,474,523	16,653

The above statement of financial position should be read in conjunction with the accompanying noted

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Share Capital $	Equity Compensation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2010	2,899,950	55,412	(4,487,819)	(1,532,457)
Shares issued during the year	900,000	-	-	900,000
Profit / (Loss) for the year	-	-	649,110	649,110
Sub-total	900,000	-	649,110	(1,549,110)
Dividends paid or provided for	-	-	-	-
Balance at 30 June 2011	3,799,950	55,412	(3,838,709)	16,653
Shares issued during the period	2,650,000	-	-	2,650,000
Transaction costs of equity issued	(442,182)	-	-	(442,182)
Equity settled payments	-	75,350		75,350
Profit / (Loss) for the year	-	-	(825,298)	(825,298)
Sub-total	2,207,818	75,350	(825,298)	1,457,870
Dividends paid or provided for	-	-	-	-
Balance at 30 June 2012	6,007,768	130,762	(4,664,007)	1,474,523

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Note	2012 $	2011 $
Cash flows from operating activities		-	-
Receipts from customers		-	-
Payments to suppliers and employees		(683,970)	(368,110)
Interest received		39,086	-
Finance costs		(614)	-
Income tax paid		-	-
Net cash provided by (used in) operating activities	14a	(645,498)	(368,110)
Cash flows from investing activities			
Payments for joint venture contributions		(175,000)	-
Payment for asset acquisition		(400,000)	
Net cash provided by (used in) investing activities		(575,000)	-
Cash flows from financing activities			
Proceeds from issue of convertible notes		-	400,000
Proceeds from issue of shares		2,500,000	-
Payments for share issue costs		(442,182)	-
Net cash provided by (used in) financing activities		2,057,818	400,000
Net change in cash and cash equivalents held		837,320	31,890
Cash and cash equivalents at beginning of the financial year		38,032	6,142
Cash and cash equivalents at end of financial year	6	875,352	38,032

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1 Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Oz Brewing Limited is a company limited by shares, incorporated and domiciled in Australia.

Statement of compliance

Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the directors on 28 September 2012.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars which is the Company's functional and presentation currency, unless otherwise noted.

Adoption of new and revised accounting standards

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

The adoption of these standards has impacted the recognition measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Oz Brewing Limited.

Adoption of AASBs and improvements to AASBs 2011 – AASB 1054 and AASB 2011-1

The AASB has issued AASB 1054 Australian Additional Disclosures and AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project and made several minor amendments to a number of AASBs. These standards eliminate a large portion of the differences between the Australian and New Zealand accounting standards and IFRS and retain only additional disclosures considered necessary. These changes simplify some current disclosures for Australian entities and removes others.

Standards and interpretations not yet effective and have not been early adopted by Oz Brewing Limited

At the date of authorisation of the financial report, the following Australian Accounting Standards / Accounting Interpretations have been issued or amended and are applicable to the company but are not yet effective and have not been adopted in preparation of the financial statements.

(i) AASB 9 *Financial Instruments,* AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The Company has not yet decided when to adopt AASB 9.

(ii) AASB 10 *Consolidated Financial Statements* (effective from 1 January 2013)
AASB 10 Introduces a single 'control model' for all entities, including special purpose entities (SPEs), whereby all of the following conditions must be present:

- Power over investee (whether or not power used in practice)
- Exposure, or rights, to variable returns from investee
- Ability to use power over investee to affect the [Entity]'s returns from investee
- Introduces the concept of 'defacto' control for entities with less than 50% ownership interest in an entity, but which have a large shareholding compared to other shareholders. This could result in more instances of control and more entities being consolidated

When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the Company does not have any special purpose entities.

(iii) AASB 11 *Joint Arrangements* (effective from 1 January 2013)
Joint arrangements will be classified as either 'joint operations' (where parties with joint control have rights to assets and obligations for liabilities) or 'joint ventures' (where parties with joint control have rights to the net assets of the arrangement). The Company intends to apply the amendment from 1 July 2013.

(iv) AASB 12 *Disclosure of Interests in Other Entities* (effective from 1 January 2013)
AASB 12 combines existing disclosures from AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 *Interests in Joint Ventures*. AASB 12 introduces new disclosure requirements for interests in associates and joint arrangements, as well as new requirements for unconsolidated structured entities.

As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities

(v) AASB 13 *Fair Value Measurement* (effective for annual reporting periods beginning on or after 1 July 2013)
AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements.

Additional disclosures required for items measured at fair value in the statement of financial position, as well as items merely disclosed at fair value in the notes to the financial statements.

Extensive additional disclosure requirements for items measured at fair value that are 'level 3' valuations in the fair value hierarchy that are not financial instruments

When this standard is adopted for the first time for the year ended 30 June 2014, additional disclosures will be required about fair values.

(vi) AASB 128 *Investments in Associates and Joint Ventures (*effective from 31 December 2013)
Once an entity (using AASB 11) has determined that it has an interest in a joint venture, it accounts for it using the equity method in accordance with AASB 128 (Revised). The mechanics of equity accounting set out in the revised version of AASB 128 remain the same as in the previous version.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

(vii) AASB 119 *Employee Benefits (*effective from 1 July 2013)
In Employee benefits expected to be settled (as opposed to due to settled under current standard) wholly within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used wholly within 12 months of end of reporting period will in future be discounted when calculating leave liability.

When this standard is first adopted for 30 June 2014 year end, annual leave liabilities will be recalculated on 1 July 2012 as long-term benefits because they are not expected to be settled wholly within 12 months after the end of the reporting period. This will result in a reduction of the annual leave liabilities recognised on 1 July 2012, and a corresponding increase in retained earnings at that date.

(viii) AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (*effective from 1 July 2013)
Amendments to remove individual key management personnel (KMP) disclosure requirements from AASB 124 to eliminate duplicated information required under the Corporation Act 2001.

When this standard is first adopted for the year ended 30 June 2014 the Group will show reduced disclosures under Key Management Personnel note to the financial statements.

(ix) AASB 2011-9 *Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income (*effective from 1 July 2012)
Amendments are to align the presentation of items of other comprehensive income (OCI), with US GAAP.
Various name changes of statements in AASB 101 as follows:

- 1 statement of comprehensive income – to be referred to as 'statement of profit or loss and other comprehensive income'
- 2 statements – to be referred to as 'statement of profit or loss' and 'statement of comprehensive income'.
- OCI items must be grouped together into two sections: those that could subsequently be reclassified into profit or loss and those that cannot.

When this standard is first adopted for the year ended 30 June 2013, there will be no impact on amounts recognised for transactions and balances for 30 June 2013 (and comparatives).

(x) AASB 2012-5 Annual Improvements to Australian Accounting Standards 2009-2011 Cycle (effective from 1 July 2013)Non-urgent but necessary changes to IFRSs (IAS1, IAS 16 & IAS 32)

The Directors have considered new pronouncements and amendments to the Accounting Standards which are issued, but not yet effective and are not aware of any that will have a material impact on the Company's financial statements.

Management anticipate that all new pronouncements and amendments will be adopted in the company's financial statements for the first period beginning after the effective date of the pronouncement, with none being early adopted.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Significant accounting Policies
a. Principles of Consolidation
A controlled entity is any entity that Oz Brewing Limited has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

b. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest income

Interest income is recognised as it accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

d. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

e. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Valuations are performed whenever the directors believe there has been a material movement in the value of the assets.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the related revaluation reserve directly in equity; all other decreases are charged to the income statement.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Each year the difference between depreciation based on the re-valued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Plant and equipment

Plant and equipment are measured at cost less depreciation and impairment losses.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and equipment	5–25%
Motor vehicles	25%
Leased plant and equipment	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

g. Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instrument classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Classification and subsequent measurement

Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly in equity.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of financial assets

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

With the exception of available-for-sale 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 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 available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Financial Guarantees
Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118 Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using the probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year's period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

h. Impairment of Non-Financial Assets
At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

i. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

j. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of amounts required to settle the obligation at balance date.

k. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value..

Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

l. Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

o. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

p. Jointly controlled entities

A jointly controlled entity is a corporation, partnership or other entity in which each venturer holds an interest.

A jointly controlled entity operates in the same way as other entities, except that a contractual arrangement establishes joint control. A jointly controlled entity controls the assets of the joint venture, earns its own income and incurs its own liabilities and expenses. Interests in jointly controlled entities are accounted for using the equity method.

Under the equity method, the investment in the joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the joint venture. Where there has been a change recognised directly in other comprehensive income or equity of the joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statement of comprehensive income or the statement of changes in equity, as appropriate. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The share of the joint venture's net profit/(loss) is shown on the face of profit or loss. This is the profit/(loss) attributable to venturers in the joint venture.

The financial statements of the jointly controlled entity is prepared for the same reporting period as the venturer. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

q. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

current trends and economic data, obtained both externally and within the company. 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.

i Key estimates

Impairment

The company assesses impairment at each reporting date by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

ii Significant judgments

Receivables

Included in the receivables at 30 June 2012 is an amount receivable of $400,000 which is a deposit paid to a vendor for the purchase of an asset during the financial year. The purchase of the asset did not go ahead, the contract between the parties was terminated and the Company is now seeking to recover costs associated with the terminated contract through the court. The Company also advises that the vendor has lodged a counter claim in the matter which is disclosed as a contingent liability that is contingent on whether the claim against the vendor of the asset is successful in court. The litigation matter is currently being pursued by the Company's lawyers and the counter claim will be aggressively defended.

Option valuation

The options issued during the period were valued using a Black-Scholes model. Some of the components of the input data in the model contains underlying assumptions, where judgements have been made as to the volatility of the Company's share price and the expectation of when the options are likely to be exercised.

Investment in Joint Venture

The Joint Venture with Iron Bark Brewery is currently in a development phase, as the Company has recommenced operating during the period. The Company will work with the Joint Venture operator to increase levels of production and the Joint Venture facilities will expand to increase the profitability of the operations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

2 Revenue

	2012 $	2011 $
Non-operating activities		
Interest Income	39,086	-
Debts forgiven	-	689,433
Other Income	39,086	689,433

3 Income Tax Expense

	Company	
	2012 $	2011 $
a. The components of tax expense comprise:		
Current income tax		
Current income tax charge (benefit)	-	-
Current income tax not recognised	-	-
Deferred income tax	-	-
	Nil	Nil
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Profit / (Loss) from continuing operations before income tax expense	(825,298)	649,110
Prima facie tax payable on profit from ordinary activities before income tax at 30%	(247,598)	194,733
Tax effect of permanent differences:		
Non-assessable income	247,598	(194,733)
- Net deferred tax asset not brought to account		
Income tax expense	-	-
The applicable weighted average effective tax rates are as follows:	0%	0%

Due to the Company's period in Administration and the subsequent recapitalisation of the Company, the availability of prior year losses has not been determined.

c. Deferred tax

Net deferred tax assets and liabilities have not been brought to account as the benefits will not be realised as the conditions for deductibility set out in note 1(b) will not occur:

All unused tax losses were incurred by Australian entities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

4 Key Management Personnel Compensation

The key management personnel compensation included within employee expenses is:

	Short-term benefits	**Termination benefits**	**Post - employment benefit**	**Other long-term benefits**	**Share based payment**	**Total**
2012	**$**	**$**	**$**	**$**	**$**	**$**
D Wheeler[1]	43,333	-	-	-	13,700	57,033
M Safrata[2]	39,000	-	-	-	13,700	52,700
J Graziano[3]	39,000	-	-	-	13,700	52,700
Total compensation	121,333	-	-	-	41,100	162,433
2011						
Total compensation	Nil	Nil	Nil	Nil	Nil	Nil

[1] David Wheeler was not in receipt of any remuneration or any other fees from Oz Brewing Limited during the 2012 financial year. Mr Wheeler is a director and shareholder of Pathways Capital Pty Ltd, to which Oz Brewing Limited paid director's fees. For more information, refer to Note 16.

[2] Michal Safrata was not in receipt of any remuneration or any other fees from Oz Brewing Limited during the 2012 financial year. Mr Safrata is a director and shareholder of Pulpart Pty Ltd, to which Oz Brewing Limited paid director's fees. For more information, refer to Note 16.

[3] Joe Graziano was not in receipt of any remuneration or any other fees from Oz Brewing Limited during the 2012 financial year. Mr Graziano is a principal Crowe Horwarth Perth and a shareholder of WHK Ltd a listed entity which owns the accounting practice, to which Oz Brewing Limited paid director's fees. For more information, refer to Note 16.

Options and rights holdings

Details of options and rights held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

2012

Directors	***Balance at 1 July 2011***	***Options exercised***	***Options expired***	***Options granted as Compensation***	***Balance at 30 June 2012***
D Wheeler	-	-	-	2,000,000	2,000,000
M Safrata	-	-	-	2,000,000	2,000,000
J Graziano	-	-	-	2,000,000	2,000,000
Total	**-**	**-**	**-**	**6,000,000**	**6,000,000**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

2011

Directors	*Balance at 1 July 2010*	*Options exercised*	*Options expired*	*Options granted as Compensation*	*Balance at 30 June 2011*
D Wheeler	-	-	-	-	-
M Safrata	-	-	-	-	-
J Graziano	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Shareholdings
Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

2012

Directors	*Balance at 1 July 2011*	*Granted as Compensation*	*Other changes*	*Balance at 30 June 2012*	*Balance held nominally*
D Wheeler	-	-	2,000,000	2,000,000	2,000,000
M Safrata	-	-	-	-	-
J Graziano	-	-	714,286	714,286	714,286
Total	**-**	**-**	**2,714,286**	**2,714,286**	**2,714,286**

2011

Directors	*Balance at 1 July 2010*	*Granted as Compensation*	*Other changes*	*Balance at 30 June 2011*	*Balance held nominally*
D Wheeler	-	-	-	-	-
M Safrata	-	-	-	-	-
J Graziano	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

* Subsequent to the reporting date, 12 July 2012, Mr David Wheeler purchased 500,000 shares in the Company. Subsequent to the reporting date, Mr Michal Safrata also purchased 2 parcels of shares in the Company on 25 July 2012 700,000 shares were acquired and on 31 August 2012 244,334 shares were acquired.

Loans from/to key management personnel
No loans were made from or to key management personnel of the Company during the 2011 and 2012 financial years.

5 Auditors' Remuneration

	2012 **$**	**2011** **$**
Remuneration of the auditor of the company (Grant Thornton Audit Pty Ltd) for:		
- auditing or reviewing the financial report	46,540	21,091
Total auditor's remuneration	46,540	21,091

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

6 Cash and Cash Equivalents

	2012 $	2011 $
Cash at bank	875,352	38,032
	875,352	38,032

Reconciliation of cash
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	875,352	38,032
	875,352	38,032

7 Trade and Other Receivables

	2012 $	2011 $
Current		
GST Input Tax Credits	81,656	6,716
Prepayments	6,742	-
Other receivable	400,000	-
Total current other receivables	488,398	6,716

The carrying value of trade and other receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The other receivable amount relates to an initial payment made for an acquisition under a Heads of Agreement that is under litigation. Refer to note 13 for more information on the matter.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. The company does not hold any collateral as security over any receivable balance, nor does it hold any restrictions of title.

Refer to note 17 for more information on the risk management policy of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

8 Intangible Assets

	2012 $	2011 $
Liquor licence costs	-	-
Brand design costs	-	-
Net carrying value	-	-
Reconciliation		
Liquor licence costs		
Balance at the beginning of year	3,754	3,754
Impairment charge against assets	(3,754)	(3,754)
Carrying value at end of financial year	-	-
Brand design costs		
Balance at the beginning of year	28,200	28,200
Additions	-	-
Impairment charge against assets	(28,200)	(28,200)
Carrying value at end of financial year	-	-

The liquor licence asset relates to costs incurred in securing the liquor licence for the Company's operations and is amortised over the term of the leases where the licence is to remain with the venue, or carried indefinitely where the benefit of the licence remains with the Company. Brand design costs are carried indefinitely until as such time the asset derived from the costs are of no benefit to the Company, when the costs are expensed through the income statement.

The above acquired intangible assets are amortised on a straight line basis over the relevant period, and are subject to an impairment review annually and when an indicator of impairment exists. An impairment loss was recognised during the 2009 financial year, due to the loss making activities of the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

9 Investment - Interests in Joint Ventures

The Group has a 50% interest in an unincorporated joint venture with Ironbark Brewery in the Swan Valley who will, as the operator of the joint venture, brew the Mad Monk and Oz Brewing beers under license and retail them through their outlet.

The voting power held by Oz Brewing Limited is 50%

The interest in this joint venture is accounted using the equity accounting method.

	2012 $	2011 $
Current assets		
Cash at Bank	130,017	-
Total current assets	130,017	-
Revenues	18,720	-
Expenses	(63,621)	-
Profit / (loss) before income tax	(44,901)	-
Income tax expense	-	-
Profit / (loss) after income tax	(44,901)	-
Share of loss from equity accounted joint venture for the period	(22,451)	-

The interest in this joint venture is accounted using the equity accounting method.

Opening balance		
Contribution to the joint venture during the period	175,000	
Share of loss from equity accounted joint venture for the period	(22,451)	-
Closing balance of the investment in joint venture	152,549	-

Under the Heads of Agreement which established the Iron Bark Brewery Joint Venture (JV), Oz Brewing Limited is able to earn a 50% interest in the JV by contributing $100,000, which the Company made upon reinstatement to the ASX in November 2011. The Company can elect to contribute $100,000 each year in equal instalments on a quarterly basis in advance, to maintain a 50% interest in the JV. Any additional contributions, to the annual contribution of $100,000, are to be made on a pro rata basis in accordance with the parties' interest in the JV.

Oz Brewing Ltd may also elect not to make a subsequent annual contribution whereby the Company's interest in the JV will be diluted to a 10% interest. Further non-payment of the annual contribution will result in a dilution to a nil interest in the JV.

During July 2012, the Company withdrew unutilised funds of the JV in the amount of $75,000. These funds had been called to permit the expansion of the Iron Bark Brewery facilities, however building approval of the expansion is still pending. Oz Brewing Limited remains committed to the Joint Venture, which the directors view as a future profitable operation and based on this current assessment will continue to meet the required contributions to maintain a 50% interest.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

10 Trade and Other Payables

	2012 $	2011 $
Current		
Trade payables and accruals	41,776	16,095
Other payables and accruals	-	12,000
	41,776	28,095

11 Issued Capital

a **Share capital**	2012 Number	2011 Number	2012 $	2011 $
Ordinary shares fully paid	413,830,742	148,830,742	6,007,768	3,799,950

The company does not have a limited amount of authorised capital and issued shares do not have a par value.

b **Share movements during the year**	2012 Number	2011 Number	2012 $	2011 $
At the beginning of the year	148,830,742	37,661,501	3,799,950	2,899,950
Shares reconstructed at 1 for 2	-	(18,830,759)	-	-
Shares issued during year	265,000,000	130,000,000	2,650,000	900,000
Less; costs related to shares issued	-	-	(442,182)	-
At the end of the year	413,830,742	148,830,742	6,007,768	3,799,950

c **Ordinary shares**

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia.

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amount paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

By resolution of Shareholders dated 1 June 2011 the existing securities in the Company were consolidated on a 1 for 2 basis on 7 June 2011. The consolidation reduced the number of fully paid ordinary shares on issue to 18,830,758 and did not result in any change to the substantive rights and obligations of existing shareholders.

By resolution of Shareholders dated 1 June 2011, the Company issued 50 million shares on the conversion of the 2008 secured convertible notes on 30 June 2011.

NOTES TO THE FINANCIAL STATEMENTS
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By resolution of Shareholders dated 1 June 2011, the Company issued 80 million shares on the conversion of the 2011 unsecured convertible notes on 30 June 2011.

By resolution of Shareholders dated 1 June 2011, the Company issued 10 million shares to a consultant for general accounting and corporate advisory services for nil consideration on 3 August 2011.

By resolution of Shareholders dated 1 June 2011, the Company issued 5 million shares and 5 million options to a creditor, Mr Tony Grego, for nil consideration on 31 August 2011.

By resolution of Shareholders dated 1 June 2011, the Company issued 250 million shares at an issue price of $0.01 on 30 September 2011, raising $2.5 million pursuant to the Company's prospectus dated 5 August 2011.

d **Capital Management**

Management controls the capital of the company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the company can fund its operations and continue as a going concern.

The company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

In the prior years the Company's strategy was to ensure that the company's gearing ratio remains between 40% and 60%. However due to a change in capital structure of the Company, the gearing ratios for the year ended 30 June 2012 and 30 June 2011 are as follows:

	2012 $	**2011 $**
Total borrowings	-	-
Trade and other payables	41,776	16,095
Less cash and cash equivalents	(875,352)	(38,032)
Net debt	(833,576)	(21,937)
Total equity	6,007,768	3,799,950
Total capital	5,174,192	3,778,013
Gearing ratio	0.00%	0.00%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

e **Options**

The options are granted free of charge and are exercisable at a fixed price in accordance with the terms of the grant.

i) Options issued, granted and lapsed during the year
During the financial year the Company granted the following options over unissued shares:

On 31 August 2011, 5,000,000 options were issued to a creditor, Mr Tony Grego, for nil consideration with an exercise price of $0.01 and an expiry date of 31 December 2014.

On 30 September 2011, 6,000,000 options were issued to Directors for nil consideration with an exercise price of $0.01 and an expiry date of 31 December 2014. The options are not exercisable for a 12 month period to 30 September 2012.

During the year no options over unissued shares were exercised.

During the year no options over unissued shares lapsed unexercised.

ii) Option pricing model

The fair value of the equity settled share options granted during the year is estimated as at the date of grant using a Black-Scholes Model.

The following table lists the inputs to the model used for the year ended 30 June 2012.

Grant date	31 August 2011	30 September 2011
Dividend yield (%)	-	-
Expected volatility (%)	80%	80%
Risk-free interest rate (%)	6.25%	6.25%
Expected life of options (years)	3.33	3.33
Options exercise price ($)	$0.01	$0.01
Weighted average share price at grant date ($)	$0.01	$0.01
Fair value of the options	$34,250	$41,100

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time. No special features inherent to the options were incorporated into the measurement of fair value.

A total of $41,100 (2011: Nil) of employee remuneration expense has been included in Share based payments in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

iii) Options on issue at the balance date
The number of options outstanding over unissued ordinary shares at 30 June 2012 is 24,415,372 (2011: 13,415,372).

The terms of these options are as follows:

Number of Options Outstanding	*Exercise Price*	*Expiry Date*
13,415,372	40 cents	31 December 2012
11,000,000	1 cent	31 December 2014

iii) Subsequent to the balance date

No options over unissued ordinary shares were issued between the end of the financial year and the date of this report.

vi) Reconciliation of movement of options over unissued shares during the period including weighted average exercise price (WAEP)

	2012		**2011**	
	No.	**WAEP (cents)**	**No.**	**WAEP (cents)**
Options outstanding at the start of the year	**13,415,372**	**40**	27,330,750	20
Options granted during the year	**11,000,000**	**1**	-	-
Options reconstructed on 1 for 2 basis	**-**	**-**	(13,665,378)	20
Options exercised during the year	**-**	**-**	-	-
Options expiring unexercised during the year	**-**	**-**	-	-
Options outstanding at the end of the year	**24,415,372**	**22**	13,415,372	40

12 Reserves

Equity Compensation Reserve

The equity compensation reserve is used to recognise the fair value of options issued but not exercised.

	2012 **$**	**2011** **$**
Equity compensation reserve	130,762	55,412
Total	130,762	55,412

NOTES TO THE FINANCIAL STATEMENTS
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Movements in the equity compensation reserve during the period;

	2012 $	2011 $
At the beginning of the period 1 July	55,412	55,412
On 31 August 2011, 5,000,000 options were issued to a creditor, Mr Tony Grego, with an expiry date of 31 December 2014. The options were valued using the Black - Scholes Model.	34,250	-
On 30 September 2011, 6,000,000 options were issued to directors with an expiry date of 31 December 2014. The options were valued using the Black - Scholes Model.	41,100	-
Total as at 30 June	130,762	55,412

The options issued to Mr Grego were vested at grant date and are able to be exercised. The options issued to directors are not able to be exercised for a 12 month period to 30 September 2012.

13 Contingent Liabilities and Contingent Assets

(i) Contingent liabilities

Litigation:

On 31 January 2012 the Company entered into a Heads of Agreement with Volcan Australia Corporation Pty Ltd (VOL) to acquire 2 wholly owned subsidiaries which had a 100% interest in certain bauxite exploration licenses in New South Wales for which an initial payment of $400,000 was made to VOL.

On 10 April 2012 the Company issued VOL with a Notice of Termination of the Heads of Agreement and has commenced legal action and is making a claim against VOL under the Heads of Agreement.

The Company has recognised the initial acquisition payment as a receivable amount of $400,000 which is considered recoverable by the Directors, a contingent liability may arise if the Company's claim against VOL is unsuccessful and a counter claim made by VOL is successful. The litigation matter is currently being pursued by the Company's lawyers and the counter claim will be aggressively defended.

Refer to Note 7 regarding the receivable amount.

(ii) Contingent assets

There were no material contingent assets not provided for in the financial statements of the Company as at 30 June 2012.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

14 Cash Flow Information

	2012 $	2011 $
a Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit / (Loss) after income tax	(825,298)	649,110
Non cash transactions		
- Share based payments	41,100	-
- Consultant fees	100,000	
- Share of loss from equity accounted joint ventures	22,451	-
- Deed of Company Arrangement settlement costs	84,250	-
Changes in assets and liabilities		
- (Increase)/decrease in receivables	(81,682)	
- Increase/(decrease) in payables		(1,029,220)
- Increase/(decrease) in accrued expenses	13,681	12,000
Net cash outflow from operating activities	(645,498)	(368,110)

15 Events After the Balance Sheet Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material nature, that has occurred and not been disclosed.

16 Related Party Transactions

Parent entity
The parent entity is Oz Brewing Limited. Oz Brewing Limited is the ultimate parent entity and ultimate controlling entity.

The parent entity sold of 49% of Mad Monk Pty Ltd to Emem Management Pty Ltd on 18 August 2008 and transferred control of the day to day management of Mad Monk Pty Ltd to Emem Management Pty Ltd. From that date, the Company no longer considers Mad Monk Pty Ltd a subsidiary or a controlled entity. On 5 October 2010 Mad Monk Pty Ltd was placed into liquidation.

NOTES TO THE FINANCIAL STATEMENTS
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Key management personnel
Mr David Wheeler is a director and shareholder of Pathways Capital Pty Ltd, to which Oz Brewing Limited paid director's fees.

Mr Michal Safrata is a director and shareholder of Pulpart Pty Ltd, to which Oz Brewing Limited paid director's fees. For more information, refer to Note 4.

Mr Graziano is a principal Crowe Horwarth Perth and a shareholder of WHK Ltd a listed entity which owns the accounting practice, to which Oz Brewing Limited paid director's fees. For more information, refer to Note 4.

Directors fees paid during the period	2012 $	2011 $
Pathways Capital Pty Ltd	43,333	-
Pulpart Pty Ltd	39,000	-
Crowe Horwarth Perth	39,000	-
Total	121,333	-

Other transactions with related parties
There are no other related party transactions during the year.

17 Financial Instrument Risk Management

The company is exposed to a variety of financial risks through its use of financial instruments.

This note discloses the company's objectives, policies and processes for managing and measuring these risks.

The company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below:

Specific risks
- Market risk - cash flow interest rate risk and price risk
- Credit risk
- Liquidity risk

Financial instruments used
The principal categories of financial instrument used by Oz Brewing Limited are:
- Trade and other receivables
- Cash at bank
- Trade and other payables
- Financial liabilities

Objectives, policies and processes
Risk management is carried out by the Company's finance function under policies and objectives which have been approved by the Board of Directors. The Company Secretary has been delegated the authority for designing and implementing processes which follow the objectives and policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

The Board receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Specific information regarding the mitigation of each financial risk to which the company is exposed is provided below.

a. Market risk

Cash flow interest rate sensitivity

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments which primarily expose the Company to interest rate risk are borrowings and cash and cash equivalents. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. During 2011, the company was exposed to changes in market interest rates through its convertible note borrowings, which are subject to fixed interest rates. As in the prior year, all other financial assets and liabilities have fixed rates.

The Company is exposed to movements in market interest rates on short term deposits. The directors monitor the Company's cash position relative to the expected cash requirements. Where appropriate, surplus funds are placed on deposit earning higher interest. The Company does not have short or long term debt in the current period, and therefore this risk is minimal.

The Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table;

2012	Floating Rates	< 1 year	1-5 years	> 5 years	Non interest bearing	Total
	$	$	$	$	$	$
Financial assets						
Cash and cash equivalents	875,352	-	-	-	-	875,352
Trade and other receivables	-	-	-	-	488,398	488,398
	875,352	-	-	-	488,398	1,363,750
Weighted average interest rate	4.67%	-	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	41,776	41,776
	-	-	-	-	41,776	41,776
Weighted average interest rate	-	-	-	-	-	-

2011	Floating Rates	< 1 year	1-5 years	> 5 years	Non interest bearing	Total
	$	$	$	$	$	$
Financial assets						
Cash and cash equivalents	38,032	-	-	-	-	38,032
Trade and other receivables	-	-	-	-	6,716	6,715
	38,032	-	-	-	6,716	44,748

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Weighted average interest rate	-	-	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	28,095	28,095
	-	-	-	-	28,095	28,095
Weighted average interest rate					-	-

Company sensitivity

At 30 June 2012, if interest rates had changed by -/+ 50 basis points from the year end rates with all other variables held constant, pre-tax losses would have increased / decreased by $4,377 (2011: change of 50 basis points; $19 lower / higher).

b. Credit risk analysis

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in a financial loss to the Company.

The company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

The company's management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

None of Oz Brewing Limited's financial assets are secured by collateral or other credit enhancements.

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved board policy. Such policy requires that surplus funds are invested with counterparties with a rating of at least AA-. The following table provides information regarding the credit risk relating to cash and cash equivalents based on credit ratings.

	2012	2011
Cash and cash equivalents		
- AAA rated	875,352	38,032
	875,352	38,032

c. Liquidity risk analysis

Liquidity risk arises from the company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The company manages its liquidity needs by carefully monitoring the cash-outflows due on day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

At the balance sheet date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

As at 30 June 2012, the company does not have any liabilities which have contractual maturities.

d. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade and other receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade and other receivables and payables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

18 Earnings per share

	2012 Cents	2011 Cents
a) Basic earnings per share		
Profit / (Loss) attributable to ordinary equity holders of the company	(0.236)	3.383
b) Diluted earnings per share		
Profit / (Loss) attributable to ordinary equity holders of the company	(0.236)	3.383
c) Profit / (Loss) used in calculation of basic and diluted loss per share		
Profit / (Loss) after tax from continuing operations	825,298	649,110
d) Weighted average number of shares used as denominator		
Weighted average number of shares used as denominator in calculating basic and diluted earnings per share	349,762,249	19,186,914

There are on issue 24,415,372 (2011:13,415,372) options at 30 June 2012 which are not considered to be dilutive

e) Information concerning the classification of securities

Options

Options to acquire ordinary shares granted by the company and not exercised at the reporting date are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share

19 Operating Segments

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments. The Company remains focused on brewing, distribution, marketing and sales of beer in Western Australia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

20 Company Details

The registered office of the company is:
Oz Brewing Limited
Level 24, St Martin's Tower
44 St George's Terrace
Perth WA 6000

The principal place of business is:
Oz Brewing Limited
Level 24, St Martin's Tower
44 St George's Terrace
Perth WA 6000

DIRECTOR'S DECLARATION

The directors of the company declare that:

1. The accompanying financial statements and notes are in accordance with the Corporations Act 2001:

   a comply with Accounting Standards and the Corporations Regulations 2001; and

   b give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the company and

   c complies with International Financial Reporting Standards as disclosed in Note 1

2. 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.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2012.

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

David Wheeler
Chairman

Dated this 28th day of September 2012

Grant Thornton

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Independent Auditor's Report
To the Members of Oz Brewing Ltd

Report on the financial report

We have audited the accompanying financial report of Oz Brewing Ltd (the "Company"), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company .

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply 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. Those standards require us to 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 Company's preparation of the financial report that gives a true and fair view 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 Company'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.

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

Bases for qualified auditor's opinion
The following scope limitations occurred during the course of our audit:

Trade and other receivables

As disclosed in Note 7 to the financial statements, the Consolidated Entity has included in trade and other receivables an amount of $400,000 (the 'Asset'), relating to an initial payment made for an acquisition under a Heads of Agreement that is under litigation.

As set out in Note 1 (q) (ii) and Note 13, the recoverability of the Asset is dependent on successful outcome of the litigation matter. Australian Accounting Standard AASB 139 Financial Instruments: Recognition and Measurement requires an entity to measure financial assets at their fair values after initial recognition. We have been unable to obtain sufficient appropriate audit evidence to support the director's assessment of the recoverable amount of the Asset and its classification as a current asset. Accordingly, we have been unable to determine whether the recoverable amount of the asset is equal to its fair value, or when it will be paid. In the event that the carrying value of the Asset exceeds its fair value, it would be necessary for the carrying value of the Asset to be written down to its recoverable amount.

Limitation of scope on comparative balances

Our audit for the year ended 30 June 2011 included a disclaimer of opinion in relation to the following matter:

The Company was placed into voluntary administration on 17 September 2008 and the administrators became deed administrators of the Company pursuant to a Deed of Company Arrangement (DOCA) executed on 8 December 2008.

On 3 June 2011 the DOCA was fully effectuated and all outstanding provable debts of the Company were extinguished. To the extent that liabilities brought forward from prior periods were forgiven this has been recognised as other income in the statement of comprehensive income for the year ended 30 June 2011.

Due to the above matters and the resultant the unavailability of certain books and records of the Company and its subsidiaries, we were unable to obtain sufficient and appropriate audit evidence to enable us to carry out our audit procedures in accordance with Australian Auditing Standards.

The above matter has an impact upon the brought forward balances at 1 July 2010. Opening balances affect the determination of the performance of the Company for the year ended 30 June 2011.

As a result of this matter we have been unable to carry out our audit procedures on comparative balances in the statement of comprehensive income, statement of changes in equity and statement of cash flows in accordance with Australian Auditing Standards.

Qualified Auditor's opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the matters giving rise to the qualification described in the preceding paragraph:

a the financial report of Oz Brewing Ltd is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 12 to 15 of the directors' report for the year ended 30 June 2012. 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 on the remuneration report

In our opinion, the remuneration report of Oz Brewing Ltd for the year ended 30 June 2012, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr.

P W Warr
Partner - Audit & Assurance

Perth, 28 September 2012

ASX ADDITIONAL INFORMATION

Pursuant to the Listing Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as at 27 September 2012.

A. Distribution of Equity Securities

Analysis of numbers of security holders by size of holding:

Distribution	Number of shareholders	Number of Option Holders
1 – 1,000	3	3
1,001 – 5,000	199	191
5,001 – 10,000	55	18
10,001- 100,000	79	29
More than 100,000	177	27
Totals	**513**	**268**

There were 339 shareholders holding less than a marketable parcel of ordinary shares. There were 268 option holders holding less than a marketable parcel of options over unissued shares.

B. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

	Issued Ordinary Shares	
Shareholder Name	**Number of shares**	**Percentage of shares**
Jason + Lisa Peterson <J&L Peterson S/F> and Celtic Capital Pty Ltd <Celtic Capital A/C>	44,833,266	10.83%

C. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

	Listed Ordinary Shares	
Shareholder Name	**Number**	**Percentage Quoted**
Jason + Lisa Peterson <J&L Peterson S/F>	24,666,600	5.96%
Celtic Capital Pty Ltd <Celtic Capital A/C>	20,166,666	4.87%
Brijohn Nominees Pty Ltd <Nelsonio A/C>	13,800,000	3.33%
Trident Capital Pty Ltd	13,500,000	3.26%
Robert Raymond Roget	12,256,306	2.96%
Dolphin Technologies Pty Ltd	11,479,600	2.77%
John Della Bosca <JA&JG Della Bosca Fund>	10,000,000	2.42%
Chung Ching	9,800,000	2.37%
Kathleen Mary Eddington	9,000,000	2.17%
NEFCO Nominees	7,462,500	1.80%
Interwest Group Pty Ltd	6,520,400	1.58%
Milwal Pty Ltd	6,200,000	1.50%
IML Holdings Pty Ltd	6,200,000	1.50%
Spinaway Gardens Pty Ltd <Judge S/F A/C>	6,000,000	1.45%
Dalext Super PL <Dalext S/F A/C>	6,000,000	1.45%
Kate McDermott <Warrior A/C>	5,000,000	1.21%

ASX ADDITIONAL INFORMATION

Profit Resource Management Pty Ltd	5,000,000	1.21%
Cunningham Peterson Sharbanee	5,000,000	1.21%
Granton Pty Ltd	5,000,000	1.21%
Ranchland Holdings Pty Ltd <RC Steinpreis FT>	5,000,000	1.21%
Top 20 Total	**186,052,072**	**45.44%**

D. Twenty Largest Option Holders

The names of the twenty largest holders of options are listed below:

	Listed Options	
Option Holder Name	**Number**	**Percentage Quoted**
Colbern Fiduciary Nominees Pty Ltd	2,750,000	20.50%
Interwest Group Pty Ltd	1,219,150	9.09%
Intercorp Pty Ltd	703,441	5.24%
Kings Park Nominees Pty Ltd <Watson S/F A/C>	666,666	4.97%
Santino Nominees Pty Ltd <Santino Family A/C>	666,666	4.97%
Z Corp International Pty Ltd <CPA Inv A/C>	600,000	4.47%
Intercorp Pty Ltd <Intercorp A/C>	537,500	4.01%
Kings Park Nominees Pty Ltd <Watson No 1 A/C>	458,333	3.42%
Kingspark Nominees Pty Ltd	375,000	2.80%
Jennifer Lyn Creasey <Terjen A/C>	333,333	2.48%
Gazump Res Pty Ltd	327,000	2.44%
Topcoast Holdings Pty Ltd <Green Pension Fund>	325,000	2.42%
Paul Cummings <Patlah Family A/C>	315,625	2.35%
Geo Super Pty Ltd <Geo S/F A/C>	300,000	2.24%
Allan Furman	256,250	1.91%
Steven Pugh	250,000	1.86%
R&M Roget <Lilybrook S/F A/C>	250,000	1.86%
Chigwell Pty Ltd	187,500	1.40%
M Roget & J Wellisch	153,808	1.15%
Bond Street Custodians Ltd	150,125	1.12%
Top 20 Total	**10,825,397**	**80.70%**

E. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person (or representing a corporation who is a member) shall have one vote and upon a poll, each share will have one vote.

F. Restricted Securities

There are currently no restricted securities.