curcas energy limited

AND CONTROLLED ENTITIES

ABN 25 115 635 035

Financial Report at 30 June 2009

COMPANY PARTICULARS

DIRECTORS

Bruno G. Camarri	Non-Executive
George H. C. White	Executive Director
Colin J. Agnew	Non-Executive

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Suite 5
29 Hood Street
SUBIACO WA 6008
Western Australia
Telephone: +61 8 9388 8071
Facsimile: +61 8 9388 8047
Email: admin@curcasenergy.com

COMPANY SECRETARY

Peter Newcomb FCA

AUDITORS

Ernst & Young
11 Mounts Bay Road
PERTH
WA 6000

SOLICITORS

Freehills
QV.1 Building
250 St Georges Terrace
Perth
WA 6000

BANKERS

Commonwealth Bank
432 Hay Street
SUBIACO
WA 6008

DIRECTORS' REPORT

Your directors present their report on the Company for the year ended 30 June 2009.

Directors

The names and details of directors in office at any time during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Bruno G. Camarri	Non-Executive, Chairman
George H. C. White	Executive Director
Colin J. Agnew	Non-Executive Director

Information on Directors

Bruno G. Camarri (Non-Executive Chairman)

Bruno Camarri was a partner of Freehills from 1973 to 2003 and is a senior member of Freehills National Energy and Resources team.

Currently he is Deputy Chairman of United Group Limited, a director of LinQ Capital Limited and Australian representative director of the Australian subsidiaries of Nippon Oil and Agrium Inc.

Bruno has extensive experience at Board level in the management of both industrial and resource companies, including former positions as a director of Bristile Limited, Doral Resources NL and Doral Mineral Industries Limited.

George H.C. White (Executive Director)

George White has wide ranging management experience in mining, minerals and energy processing.

He is currently a director of Doral Mineral Sands Pty Ltd, Australian Fused Materials Pty Ltd, and Diatreme Resources Limited.

Colin J. Agnew (Non- Executive Director)

Colin Agnew was until recently the Director of Alumina Business Development for BHP Billiton Limited.

He has a history of managing complex chemical processing plants, and achieving substantial increases in profitability. He has held the top management position in a series of mining companies including Worsley Alumina Pty Ltd, Nabalco Pty Limited and Bond Gold Australian Pty Ltd, where he was responsible for the start of the super pit in Kalgoorlie.

Colin is a mining engineer by profession, having graduated from the University of Queensland in 1967 with a Bachelor of Engineering (Mining). He also holds a Master of Business Administration from Sloan School, Massachusetts Institute of Technology.

DIRECTORS' REPORT (CONTINUED)

Company Secretary

Peter Newcomb FCA

Peter Newcomb is a Fellow of the Institute of Chartered Accountants in England and Wales and member of the Institute of Chartered Accountants in Australia.

He has held roles of Financial Controller, Company Secretary and Finance Director of companies in Australia, United Kingdom and Asia. He specialises in financial systems design and implementation.

Directors' Interests in the shares of the Company

The relevant interest of each Director in the share capital of the Company held directly and indirectly as at the date of this report was:

	Number of Options	Number of ordinary shares
Bruno G. Camarri	2,750,000	5,625,000
George H.C. White	250,000	10,700,000
Colin J. Agnew	-	1,125,000
	3,000,000	17,450,000

Meetings of Directors

The following table sets out the number of meetings of directors held during the year, and the number of meetings attended by each Director.

Number of meetings held	Number entitled to attend	Number attended
Bruno G. Camarri	3	3
George H.C. White	3	3
Colin J. Agnew	3	3

Dividends

No dividends have been paid during the year ended 30 June 2009, nor have the directors recommended paying a dividend for this period.

Principal Activities

Curcas Energy Limited's principal activities are the contract farming of Jatropha curcas and the intended extraction and sale of oil from the seeds.

At present the Jatropha planting is confined to Thailand where the Company plans to build its first oil extraction factory. In future the business model could be applied to other countries in the region.

Jatropha oil is an excellent feedstock for the production of biodiesel and has the additional advantage of being inedible. The Jatropha tree grows on marginal soils not suitable for intensive agriculture and is drought resistant.

DIRECTORS' REPORT (CONTINUED)

Operating and Financial Review

Operating Results

The net loss of the group from continuing operations for the year to 30 June 2009 was $1,915,931 (2008 net loss of $1,337,425).

Liquidity

The cash flow statement shows cash and cash equivalents on hand at 30 June 2009 as $88,394. Cash inflows amounted to $1,710,000 from the issue of shares with cash outflows amounting to $1,858,672.

Shares issued during the period

The Company has 13,250,000 issued fully paid shares for a net consideration of $1,679,000 in the year ended 30 June 2009.

Risk Management

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include:

- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, and the establishment and monitoring of KPIs of both a financial and non-financial nature.
- Continuous reporting on specific business risks, including for example, such matters as environmental issues and concerns and occupational health and safety.
- Continuous reporting to the Board regarding the Board's responsibility to manage the Company's financial risks. In this regard the Board receives representations on such matters as the Company's liquidity, currency and interest rate exposures and monitors management's actions to ensure the Company has sufficient liquidity to meet its on-going requirements.

Indemnification and Insurance of Directors and Officers

The company has agreed to indemnify each of the directors and executive officers for any breach of environmental or discrimination laws by the company, for which they may be held personally liable.

During or since the financial year, the company has paid premiums in respect of a contract insuring all the directors and officers of Curcas Energy Limited against legal costs incurred in defending proceedings for conduct involving:

- the liability for costs and expenses incurred by the director or officer in defending proceedings, as permitted by section 199B of the Corporations Act 2001.
- a wilful breach of duty; or
- a contravention of sections 182 or 183 of the Corporations Act 2001, as permitted by section 199B of the Corporations Act 2001

DIRECTORS' REPORT (CONTINUED)

Remuneration Report

This report outlines the remuneration arrangements in place for directors and executives of the Company.

The performance of the company depends upon the quality of its directors and executives. To prosper, the company must attract, motivate and retain highly skilled directors and executives. To this end, the company embodies the following principles in its remuneration framework:
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- Link executive rewards to shareholder value;
- Provide competitive rewards to attract high calibre executives;
- Establish performance hurdles for variable executive remuneration; and
- Performance benchmarks.

The Board of Directors of the company is responsible for determining and reviewing compensation arrangements for the directors, the Managing Director and the senior management team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Executive Director's remuneration policy

The Company aims to reward executives with a level of remuneration commensurate with their position and responsibilities within the Company in accordance with the overall remuneration policy.

Directors remuneration during the year ended 30 June 2009 was as follows :

	2009 $	2008 $
B Camarri	-	-
G White	28,000	58,860
C Agnew	-	-
	28,000	58,860

Non-executive director's remuneration policy

The Constitution of the Company specifies that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting.

The non-executive directors of the company in office during the financial year received no remuneration in either the year ended 30 June 2008 or the year ended 30 June 2009.

Performance-based remuneration policy

The company does not pay any performance-based component of salaries.

DIRECTORS' REPORT (CONTINUED)

Likely developments and expected results

The company is endeavouring in a very difficult financial environment to raise further equity funds to enable the continued planting of Jatropha Curcas in Thailand, and to establish oil extraction facilities.

Environmental regulations

The company aims to ensure a high standard of environmental care is achieved and, as a minimum, to comply with relevant environmental regulations. There have been no known breaches of any of the environmental conditions.

Share options

At the date of this report, the unissued ordinary shares of Curcas Energy Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
30 June 2008	30 June 2013	$0.20	5,000,000
20 August 2008	30 June 2013	$0.20	2,500,000
17 November 2008	30 June 2013	$0.20	375,000
2 December 2008	30 June 2013	$0.20	250,000
22 December 2008	30 June 2013	$0.20	250,000
29 December 2008	30 June 2013	$0.20	1,600,000
30 December 2008	30 June 2013	$0.20	250,000
22 January 2009	30 June 2013	$0.20	250,000
23 February 2009	30 June 2013	$0.20	250,000
			10,725,000

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of the Company or any other body corporate.

Auditor's Independence Declaration

Our auditor, Ernst & Young have provided the Board of Directors with an independence declaration in accordance with Section 307C of the Corporations Act 2001. The independence declaration is included on page 41.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Curcas Energy Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Curcas Energy Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. Curcas Energy Limited's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

Principle 1. Lay solid foundations for management and oversight
Principle 2. Structure the board to add value
Principle 3. Promote ethical and responsible decision making
Principle 4. Safeguard integrity in financial reporting
Principle 5. Make timely and balanced disclosure
Principle 6. Respect the rights of shareholders
Principle 7. Recognise and manage risk
Principle 8. Remunerate fairly and responsibly

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report. Directors of Curcas Energy Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment.

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of Curcas Energy Limited are considered to be independent:

Bruno G. Camarri	Chairman, non-executive
Colin J. Agnew	Non-executive

There are procedures in place, agreed by the Board, to enable directors in furtherance of their duties, to seek independent professional advice at the company's expense.

DIRECTORS' REPORT (CONTINUED)

Remuneration

It is the company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration Committee links the nature and amount of executive directors' and officers' emoluments to the company's financial and operational performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key executives;
- attraction of high quality management to the company; and
- performance incentives that allow executives to share the success of Curcas Energy Limited.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors. The Board is responsible for determining and reviewing compensation arrangements for the directors themselves and the chief executive officer and executive team.

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

Chairman

Dated at Perth this 18th day of March 2010.

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	Group 2009 $	Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Revenue	3	5,375	13,011	365,330	373,009
Expenditure					
Administration expenses	3	(1,070,773)	(887,230)	(690,883)	(812,230)
Depreciation and amortisation	3	(16,848)	(6,990)	(7,963)	(6,315)
Other expenses	3	(833,685)	(456,216)	(1,499,987)	(829,196)
Net loss before income tax		(1,915,931)	(1,337,425)	(1,833,503)	(1,274,732)
Income tax expense	4	-	-	-	-
Net loss for the year attributable to members of Curcas Energy Limited		(1,915,931)	(1,337,425)	(1,833,503)	(1,274,732)
Basic loss per share (cents)	5	(4)	(4)		
Diluted loss per share (cents)	5	(4)	(4)		

The above income statement sheet should be read in conjunction with the accompanying notes.

BALANCE SHEET AS AT 30 JUNE 2009

	Note	Group 2009 $	Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
ASSETS					
Current Assets					
Cash and cash equivalents	6	88,394	243,239	49,062	235,227
Other receivables	8	39,377	35,086	22,389	24,325
Total Current Assets		127,771	278,325	71,451	259,552
Non-current Assets					
Plant and equipment	9	73,878	20,874	8,506	13,254
Loans receivable	10	-	29,695	31,333	29,695
Investment in subsidiary	17	-	-	-	16,501
Total Non Current Assets		73,878	50,569	39,839	59,450
TOTAL ASSETS		201,649	328,894	111,290	319,002
LIABILITIES					
Current Liabilities					
Trade and other payables	11	159,145	131,887	68,786	121,995
Total Current Liabilities		159,145	131,887	68,786	121,995
NET ASSETS		42,504	197,007	42,504	197,007
EQUITY					
Contributed equity	12	5,870,750	4,191,750	5,870,750	4,191,750
Accumulated losses		(5,973,367)	(4,057,436)	(5,828,246)	(3,994,743)
Reserves		145,121	62,693	-	-
TOTAL EQUITY		42,504	197,007	42,504	197,007

The above balance sheet should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	Group 2009 $	Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash flows from operating activities					
Payments to suppliers and employees		(1,788,036)	(1,002,239)	(768,390)	(909,876)
Interest received	3	5,375	13,011	5,330	13,009
Net Cash flows used in operating activities	7	(1,782,661)	(989,228)	(763,060)	(896,867)
Cash flows used in investing activities					
Investment in related entities		-	-	-	(34,483)
Cash acquired in business combination		20,751		-	
Proceeds from disposal of fixed assets		-	101,288	-	107,613
Loans to other entities		(82,398)	(269,822)	(82,398)	(269,822)
Loans to related entities		-	-	(1,016,492)	(91,170)
Purchase of fixed assets		(14,364)	(1,970)	(3,215)	-
Net Cash flows used in investing activities		(76,011)	(170,504)	(1,102,105)	(287,862)
Cash flows from financing activities					
Proceeds from issue of shares		1,710,000	1,025,000	1,710,000	1,025,000
Transaction costs on issue of shares		(31,000)	(10,000)	(31,000)	(10,000)
Net cash flows from financing activities		1,679,000	1,015,000	1,679,000	1,015,000
Net decrease in cash and cash equivalents		(179,672)	(144,732)	(186,165)	(169,729)
Net foreign exchange differences		24,827	(16,985)	-	-
Cash and cash equivalents at beginning of period		243,239	404,956	235,227	404,956
Cash and cash equivalents at end of period		88,394	243,239	49,062	235,227

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

Group

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserves	Total
	$	$	$	$
Balance at 1 July 2007	3,176,750	(2,720,011)	-	456,739
Shares issued	1,025,000	-	-	1,025,000
Transaction costs on share issue	(10,000)	-	-	(10,000)
Net loss for the year	-	(1,337,425)	-	(1,337,425)
Exchange difference arising on translation of foreign operations	-	-	62,693	62,693
Balance at 30 June 2008	4,191,750	(4,057,436)	62,693	197,007
Balance at 1 July 2008	4,191,750	(4,057,436)	62,693	197,007
Shares issued	1,710,000	-	-	1,710,000
Transaction costs on share issue	(31,000)	-	-	(31,000)
Net loss for the year	-	(1,915,931)	-	(1,915,931)
Exchange difference arising on translation of foreign operations	-	-	82,428	82,428
Balance at 30 June 2009	5,870,750	(5,973,367)	145,121	42,504

Parent Entity

	Issued Capital	Accumulated Losses	Total
	$	$	$
Balance at 1 July 2007	3,176,750	(2,720,011)	456,739
Shares issued	1,025,000	-	1,025,000
Transaction costs on share issue	(10,000)	-	(10,000)
Net Loss for the year	-	(1,274,732)	(1,274,732)
Balance at 30 June 2008	4,191,750	(3,994,743)	197,007
Balance at 1 July 2008	4,191,750	(3,994,743)	197,007
Shares issued	1,710,000	-	1,710,000
Transaction costs on share issue	(31,000)	-	(31,000)
Net Loss for the year	-	(1,833,503)	(1,833,503)
Balance at 30 June 2009	5,870,750	5,828,246	42,504

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2009

1 CORPORATE OVERVIEW

The financial report of Curcas Energy Limited for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on xx March 2010. Curcas Energy Limited is a company limited by shares and incorporated in Australia. The nature of the operations and principal activities of the company are described in the Directors' Report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except where noted otherwise.

The financial report is presented in Australian dollars.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective have not been adopted for the annual reporting year ended 30 June 2008.

AASB 8 and AASB 2007-3

Application date of Standard 1 January 2009
Application date for group 1 July 2009

Title	Summary	Impact on group financial report
Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements.

AASB 101 (Revised) and AASB 2007-8

Application date of Standard 1 January 2009
Application date for group 1 July 2009

Title	Summary	Impact on group financial report
Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	These amendments are only expected to affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Group has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2009

AASB 3 (Revised)

Application date of Standard 1 January 2009
Application date for group 1 July 2009

Title	Summary	Impact on group financial report
Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively	The Group may enter into some business combinations during the next financial year and may therefore consider early adopting the revised standard. The Group has not yet assessed the impact of early adoption, including which accounting policy to adopt.

AASB 127 (Revised)

Application date of Standard 1 January 2009
Application date for group 1 July 2009

Title	Summary	Impact on group financial report
Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	If the Group changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the Group's income statement.

AASB 2008-3

Application date of Standard 1 January 2009
Application date for group 1 July 2009

Title	Summary	Impact on group financial report
Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	Refer to AASB 3 (Revised) and AASB 127 (Revised) above.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2009

Amendments to International Financial Reporting Standards

Application date of Standard 1 January 2009
Application date for group 1 July 2009

Title	Summary	Impact on group financial report
Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance to Australian entities are those made to IAS 27 deleting the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.	Recognising all dividends received from subsidiaries, jointly controlled entities and associates as income will likely give rise to greater income being recognised by the parent entity after adoption of these amendments. In addition, if the Group enters into any group reorganisation establishing new parent entities, an assessment will need to be made to determine if the reorganisation meets the conditions imposed to be effectively accounted for on a 'carry-over basis' rather than at fair value.

Amendments to International Financial Reporting Standards

Application date of Standard 1 January 2009 – except for amendments to IFRS 5, effective from 1 July 2009.
Application date for group 1 July 2009

Title	Summary	Impact on group financial report
Improvements to IFRSs	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	The Group has not yet determined the extent of the impact of the amendments, if any.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Curcas Energy Limited and its subsidiaries (as outlined in note 17) as at 30 June each year (the Group).

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(d) Significant accounting judgement, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Significant accounting judgements

Impairment of non-financial assets other than goodwill

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product and manufacturing performance, technology, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. Management do not consider that the triggers for impairment testing have been significant enough and as such these assets have not been tested for impairment in this financial period.

Taxation

The Group's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, restoration costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the income statement.

Significant accounting estimates and assumptions

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience, lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(e) Going Concern

The company and the group have incurred operating losses after income tax of $1,915,931 and $1,833,503 respectively (2008: $1,337,427 and $1,274,732) for the year ended 30 June 2009.

The Directors are of the opinion that at the date of signing the financial report, there are reasonable grounds to believe that the Company and the Group can continue as going concerns having regard to the following matters:

- the directors are actively seeking further funding to allow the Company and the Group to continue to operate. As at the date of this report, the directors have raised $1,509,640 in private placement funding since 30 June 2009;
- the directors are actively seeking a placement of $2 million
- the directors intend to raise between $10 and $20 million at an Initial Public Offering and apply for listing on the ASX, targeting completion in 2010.

The ability of the Company and the Group to continue as going concerns, including the ability to pay their debts as and when they fall due is dependent upon their ability to:

- raise funding in the short term to sustain the current overhead costs and investment needed to further its planting of Jatropha curcas in Thailand and construct an oil extraction facility for processing the oil seed in Khon Kaen in Thailand; and
- develop and successfully commercialise the above projects to generate positive cash flows.

Should the Directors not be able to raise sufficient additional funds, there is significant uncertainty whether the Company and Group will be able to continue as going concerns and therefore whether the Company and the Group will be able to pay their debts as and when they fall due and realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the company and the group not be able to continue as going concerns.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognized as interest accrues using the effective interest method.

(g) Leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(h) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(i) Other receivables

Other receivables pertain to amounts reclaimable from the Australian Tax Office for GST, deposits paid for the purchase of freehold property and deposits by way of security bond under lease agreements.

(j) Foreign currency translation

Both the functional and presentation currency of Curcas Energy Limited is Australian dollars ($). The Thailand subsidiary's functional currency is Thai Baht which is translated to presentation currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The results of the Thailand subsidiary are translated into Australian Dollars as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at balance date.

Exchange variations resulting from the translation are recognized in the foreign currency translation reserve in equity.

(k) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

(l) Other taxes

Expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2009

(m) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Furniture	– over 3 years
Computers and office equipment	– over 4 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. 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 an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

Any impairment loss will be recognised in the income statement.

(n) Trade and other payables

Trade payables and other payables are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the group prior to the end of the financial year that are unpaid and arise when the group becomes obliged to make future payments in respect of the purchase of these goods and services. These amounts are unsecured and are usually paid within 30 days of recognition.

(o) Employee leave benefits

Liabilities for wages, salaries, annual leave and sick leave, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in employee provisions which are in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(p) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Loss per share

Basic loss per share is calculated as net loss attributable to members of the parent, divided by the weighted average number of ordinary shares on issue at 30 June 2009.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2009

(r) Comparative figures

Profit and Loss Comparatives have been re-classified to current year categories of expenditure.

3 CORPORATE OVERVIEW

Revenue and Expenses

(a) Revenue

	Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Interest	5,375	13,011	5,330	13,009
Management fee	-	-	360,000	360,000
	5,375	13,011	365,330	373,009

(b) Administration expenses

Included in administrative expenses:

	Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Salaries	334,802	95,496	162,595	76,655
Other employee costs	106,822	72,488	69,225	72,138
Travel and accommodation	201,515	154,008	172,401	148,529
Communications	15,921	7,484	9,992	7,082
Legal and professional	181,059	414,291	156,245	405,927
Financial	66,253	33,195	63,581	32,096
Establishment costs	96,604	52,332	37,280	40,641
Office costs	67,797	57,936	19,564	29,612
	1,070,773	887,230	690,883	812,230

(c) Depreciation and amortisation

Included in depreciation and amortisation:

	Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Furniture	2,454	787	-	-
Office equipment	13,046	6,203	7,963	6,315
Buildings	1,348	-	-	-
	16,848	6,990	7,963	6,315

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2009

(d) Other expenses

Included in other expenses:

	Group 2009 $	Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Field Operations	694,062	-	-	-
Impairment of loans and investments	112,093	240,127	1,473,751	640,391
Exchange variations	-1,159	115,639	-1,159	88,355
Overseas development expenses	27,395	100,450	27,395	100,450
Loss on disposal of Fixed Assets	1,294	-	-	-
	833,685	456,216	1,499,987	829,196

4 INCOME TAX

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the company's applicable income tax rate is as follows:

Profit and Loss	Group 2009 $	Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Accounting loss before tax	1,915,931	1,337,425	1,833,503	1,274,732
Prima facie income tax benefit at 30%	574,780	401,228	550,051	382,420
Expenditure not allowed for income tax purposes	(9,196)	(56,132)	(9,196)	28,655
Adjustments in respect of current income tax of previous years	(6,398)	-	(6,398)	-
Impairment losses not recognised	(33,628)	(393,099)	(442,126)	(170,381)
Other deferred tax movements not brought to account	-	48,003	-	(183,884)
Income tax benefit adjusted for permanent differences	525,558	-	92,331	56,810
Income tax benefit not brought to account	525,558	-	(92,331)	(56,810)
Income tax expense reported in the income statement	-	-	-	-

No deferred tax assets have been recognised as it is not probable that sufficient taxable profit will be derived in future years to allow the deferred tax asset to be utilised.

The company has tax losses of $2,592,153 (2008: $2,066,595) not recognised due to the uncertainty of sufficient taxable profit will be derived in future years to allow the deferred tax asset to be utilised.

Deferred tax asset will only be recognised if:

(a) future assessable income is derived of a nature and of an amount sufficient to enable the asset to be realised;
(b) the conditions for deductability imposed by tax legislation continue to be complied with; and
(c) no changes in tax legislation adversely affect the company in realising the asset.

5 LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

For basic loss per share	2009 $	2008 $
Net loss for the period	(1,915,931)	(1,337,425)
Weighted average number of shares on issue	43,031,712	34,770,929
Net loss per share	($0.04)	($0.04)

There is no impact of dilutive ordinary shares as the group made a loss for the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2009

6 CASH AND CASH EQUIVALENTS

	Note	Group 2009 $	Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash at bank and in hand		88,394	243,239	49,062	235,227

Cash at bank earns interest at floating rates based on daily bank deposit rates.

7 RECONCILIATION OF NET LOSS TO CASH FLOW FROM OPERATIONS

	Group 2009 $	Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Net loss	(1,915,931)	(1,337,425)	(1,833,503)	(1,274,732)
Adjustments for :				
Depreciation	16,848	6,990	7,963	6,315
Loss on disposal of Fixed Assets	1,294	-	-	-
Currency variation	(1,159)	79,678	-	-
Management fee income	-	-	(360,000)	(360,000)
Impairment of loans	112,093	240,127	1,457,250	691,297
Impairment of investments	-	-	16,501	17,982
Changes in assets and liabilities				
Increase/(decrease) in other receivables	(3,653)	(6,265)	1,937	4,496
(Increase)/decrease in trade payables	7,847	27,667	(53,209)	17,775
Net cash from operating activities	(1,782,661)	(989,228)	(763,061)	(896,867)

8 OTHER RECEIVABLES

	Group 2009 $	Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Rental deposits	9,537	9,537	9,537	9,537
GST recoverable	-	12,985	-	12,985
Other receivables	29,840	12,564	12,852	1,803
	39,377	35,086	22,389	24,325

Fair Values

Due to the short term nature of receivables, their carrying value is assumed to be their fair value.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2009

Credit Risk

The maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each class of receivables. No collateral is held as security.

9 PLANT AND EQUIPMENT

Group

	Furniture	Office Equipment	Buildings	Total
Cost				
Opening Balance at 30 June 2007	2,936	32,626	-	35,562
Additions	1,161	809	-	1,970
Disposals	-	-	-	-
Closing Balance at 30 June 2008	4,097	33,435	-	37,532
Opening Balance at 30 June 2008	4,097	33,435	-	37,532
Additions	12,883	45,850	12,413	71,146
Disposals	(1,211)	(1,019)	-	(2,230)
Closing Balance at 30 June 2009	15,769	78,266	12,413	106,448
Accumulated depreciation				
Opening Balance at 30 June 2007	835	8,833	-	9,668
Additions	787	6,203	-	6,990
Disposals	-	-	-	-
Closing Balance at 30 June 2008	1,622	15,036	-	16,658
Opening Balance at 30 June 2008	1,622	15,036	-	16,658
Charge for the year	2,454	13,046	1,348	16,848
Disposals	(508)	(428)	-	(936)
Closing Balance at 30 June 2009	3,568	27,654	1,348	32,570
Net book value				
At 30 June 2008	2,475	18,399	-	20,874
At 30 June 2009	12,201	50,612	11,066	73,878

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2009

Parent Entity

	Furniture	Office Equipment	Total
Cost			
Opening Balance at 30 June 2007	2,936	32,626	35,562
Additions	-	-	-
Disposals	(2,936)	(3,987)	(6,923)
Closing Balance at 30 June 2008	-	28,639	28,639
Opening Balance at 30 June 2008	-	28,639	28,639
Additions	-	3,215	3,215
Disposals	-	-	-
Closing Balance at 30 June 2009	-	31,854	31,854
Accumulated depreciation			
Opening Balance at 30 June 2007	835	8,833	9,668
Additions	-	6,315	6,315
Disposals	(835)	237	(598)
Closing Balance at 30 June 2008	-	15,385	15,385
Opening Balance at 30 June 2008	-	15,385	15,385
Charge for the year	-	7,963	7,963
Disposals	-	-	-
Closing Balance at 30 June 2009	-	23,348	23,348
Net book value			
At 30 June 2008	-	13,254	13,254
At 30 June 2009	-	8,506	8,506

The useful life of assets was estimated as follows at 30 June 2009:

Buildings	5 years
Furniture	4 years
Office equipment	3 years

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2009

10 LOANS RECEIVABLE

	Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Loans to related entities	-	-	2,067,787	451,170
Loans to other entities	112,093	269,822	112,093	269,822
	-	269,822	2,179,880	720,992
Provision for impairment loss	(112,093)	(240,127)	(2,148,547)	(691,297)
	-	29,695	31,333	29,695

Loans are interest free and will be repaid when mutually agreeable by the parties.

11 TRADE AND OTHER PAYABLES

	Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Trade Creditors	110,933	67,372	20,574	63,767
Accrued expenses	47,360	63,027	47,360	56,740
PAYG withholdings payable	852	1,488	852	1,488
	159,145	131,887	68,786	121,995

Trade creditors are non-interest bearing and are normally settled on 30-day terms.

Fair Value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Liquidity Risk

Information regarding liquidity risk exposure is set out in note 15.

12 CONTRIBUTED EQUITY

	Number	**$**
Movement in ordinary shares on issue		
At 1 July 2007	33,010,000	3,176,750
Share issue	5,125,000	1,025,000
Transaction costs	-	(10,000)
At 1 July 2008	38,135,000	4,191,750
Share issue	13,250,000	1,710,000
Transaction costs	-	(31,000)
At 30 June 2009	51,385,000	5,870,750

There are issued and fully paid ordinary shares as at 30 June 2009.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Capital Management Risk

Management controls the capital of the group in order to maximize the return to shareholders and ensure that the group can fund its operations and continue as a going concern.

Management effectively manages the group's capital by assessing the group'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 expenditure and debt levels and share and option issues.

There have been no changes in the strategy adopted by management to control capital of the group since the prior year.

13 ACCUMULATED LOSSES

	Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Balance at 1 July	4,057,436	2,720,011	3,994,743	2,720,011
Net loss	1,915,931	1,337,425	1,833,503	1,274,732
Balance at 30 June	5,973,367	4,057,436	5,828,246	3,994,743

14 SEGMENT INFORMATION

The group's primary segment reporting format is geographical segments as the group's risks and rates of return are affected predominantly by location of the operation.

Geographical Segments

	Australia		Thailand	
	2009	2008	2009	2008
	$	$	$	$
Operating expenses	726,241	918,995	1,081,372	75,675
Assets	111,290	319,002	90,359	9,892
Liabilities	68,786	121,995	90,359	9,892
Net Cash Inflows / (Outflows)	(186,165)	(169,729)	34,237	24,997

Industry segments

The operations and assets of Curcas Energy Limited and its controlled entities are predominantly employed in the establishment of Jatropha Curcas sources as a feedstock for the production of Jatropha Oil.

15 FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, other receivables, accounts payable and loans.

The Board's overall risk management strategy seeks to assist the group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The group has developed a framework for a risk management policy and internal compliance and control systems that covers the organisational, financial and operational aspects of the group's affairs. The Managing Director is responsible for ensuring the maintenance of, and compliance with, appropriate systems.

Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

Interest Rate Risk

The Group's policy is to manage its finance costs and will continue to monitor its interest rate exposure. The Group has minimal exposure to interest rate risk and hence the Group does not have a policy of actively mitigating this potential exposure.

The Group's exposure to variable interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of change in the market, interest rate and the effective weighted average interest rate on these financial assets, is as follows:

	Weighted Average Effective Interest Rate %		Floating Interest Rate $	
	2009	2008	2009	2008
Financial Assets				
- Cash and deposits at call	4%	6%	88,394	243,239
Total Financial Assets			88,394	243,239

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2009

Interest Rate Sensitivity Analysis

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in these risks.

At 30 June 2009 the effect on the loss after tax and equity as a result of changes in the interest rate is as follows:

	$ 2009	$ 2008
Change in Loss		
Increase in interest by 2%	(2,665)	(4,337)
Decrease in interest by 2%	2,665	4,337
Change in Equity		
Increase in interest by 2%	2,665	4,337
Decrease in interest by 2%	(2,665)	(4,337)

Foreign Currency Risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	Assets		Liabilities	
Currency	2009 $	2008 $	2009 $	2008 $
Net monetary assets	56,321	46,803	90,359	9,902

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2009

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Maturity analysis based on management's expectation

The risk implied from the values shown in the table below reflects a balanced view of undiscounted cash inflows and outflows.

	≤ 6 months $	1-5 years $	Total $
Consolidated			
Financial assets			
Cash	88,394	-	88,394
Trade and other receivables	39,377	-	39,377
	127,771	-	127,771
Financial liabilities			
Trade and other payables	159,145	-	159,145
		-	
Net maturity	(31,374)		(31,374)
Parent entity			
Financial assets			
Cash	49,062	-	49,062
Trade and other receivables	22,389	-	8,930
Loans receivable	-	31,334	31,334
	71,451	31,334	89,326
Financial liabilities			
Trade and other payables	68,786	-	68,786
		-	
Net maturity	2,665	31,334	20,540

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statement.

The credit risk arising from cash and cash equivalents is minimised by depositing with recognised financial intermediaries such as banks, subject to Australian Prudential Regulation Authority Supervision.

The Group does not have any material risk exposure to any single debtor or group of debtors under financial instruments entered into by it.

Net Fair Values

For financial assets and liabilities, the net fair value approximates their carrying value. The Group has no financial assets or liabilities that are readily traded on organised markets at balance date and has no financial assets where the carrying amount exceeds net fair values at balance date.

16 COMMITMENTS

Operating lease commitments

Premises	Group 2009 $	Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Within one year	51,071	33,947	31,052	32,467
Between one and five years	31,639	57,564	20,003	57,564

Office equipment	Group 2009 $	Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Within one year	1,868	8,104	-	6,624
Between one and five years	2,957	2,343	-	-

Motor Vehicles	Group 2009 $	Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Within one year	48,873	-	-	-
Between one and five years	-	-	-	-

17 INVESTMENT IN CONTROLLED ENTITIES

	Registered Number	Country of Incorporation	Interest Held		Value of Investment	
Parent			2009	2008	2009	2008
Curcas Energy Limited	25 115 635 035	Australia				
Subsidiary						
Curcas Energy (Thailand) Co., Ltd	0105549146770	Thailand	100%	100%	-	16,501
Subsidiaries of Subsidiary						
Energy Tree Research Co., Ltd	0405551001021	Thailand	60%	-	-	-
Jatropha Energy and Biomass Co., Ltd	0105550083093	Thailand	51%	-	-	-

Energy Tree Research Co., Ltd was formed during the year.

The principal activity of the subsidiaries is the contract farming of Jatropha curcas and the extraction and sale of oil from the seeds.

The value of investment is shown net of provision for permanent diminution in value of $34,483 (2008: $17,982).

18 AUDITORS’ REMUNERATION

The auditor of Curcas Energy Limited is Ernst & Young. Amounts received or due and receivable by Ernst & Young (Australia) for the audit of the financial report is $35,000 (2008: $30,385)

19 DIRECTORS’ REMUNERATION

a) Directors

The names and positions of Directors in office during the financial year are:

Bruno G. Camarri	Non-Executive, Chairman
George H. C. White	Executive Director
Colin J. Agnew	Non-Executive Director

b) Remuneration Policies

Remuneration policies are disclosed in the Remuneration Report which is contained in the Directors, Report.

c) Directors Remuneration

The directors of the company in office during the financial year received remuneration as follows :

	2009 $	2008 $
B Camarri	-	-
G White	28,000	58,860
C Agnew	-	-
	28,000	58,860

d) Shareholdings

Ordinary Shares

	Balance 1 July 2008	Received as remuneration	Shares Purchased	Balance 30 June 2009
B Camarri	2,875,000	-	2,750,000	5,625,000
G White	7,750,000	-	2,950,000	10,700,000
C Agnew	625,000	-	500,000	1,125,000
	11,250,000	-	6,200,000	17,450,000

Share options

	Balance 1 July 2008	Free attaching options issued	Balance 30 June 2009
B Camarri	2,500,000	250,000	2,750,000
G White	-	250,000	250,000
C Agnew	-	-	-
	2,500,000	500,000	3,000,000

20 ACQUISITION OF SUBSIDIARY

During the year it was agreed between the shareholders of Jatropha Energy and Biomass Company Limited (JEaB) and the Directors of the wholly owned subsidiary Curcas Energy (Thailand) that Curcas Energy (Thailand) acquire an effective 51% interest in JEaB for a consideration of ฿510,000 ($20,400). The acquisition is effective from 1 January 2009. Based on the audited accounts of JEaB at 31 December 2008, this consideration approximates to fair value of the net assets of JEaB.

The fair value of 51% of the identifiable assets and liabilities of JEaB as at the date of acquisition were.

	Recognised on acquisition	Carrying value
	$	$
Plant and equipment	28,956	28,956
Cash and cash equivalents	10,583	10,583
Receivables	326	326
Capitalised Grower Contracts	-	235,531
	39,865	275,396
Trade Payables	(9,803)	(9,803)
Other payables	(97)	(97)
Loans	(361,039)	(361,039)
	(370,939)	(370,939)
Fair value of identifiable net liabilities	(331,074)	
Goodwill arising on acquisition	351,474	
	20,400	

Cost of combination

Loan conversion	20,400

The goodwill has been fully impaired subsequent to acquisition.

21 CONTINGENCIES

The Company has entered into contracts with farmers whereby the farmer agrees to sell their crop to the Company, and the Company agrees to purchase the crop. It is not practical to estimate the value or quantity of the crop at this stage in the project.

22 SUBSEQUENT EVENTS

Share Issues

Since the end of the financial year the following shares and options have been issued:

	Number	$
Ordinary Shares		
Share issue	50,482,000	1,009,640
Transaction costs	-	
	50,482,000	1,009,640

Agreements

On 8 December 2009 the company entered into an agreement with Caiami & Company to assist in raising venture capital. The agreement is for professional fees of $25,000 and proportional success fee of up to $30,000 for “in principle” agreement with an investor.

An additional success fee of 6% on the full sum raised is payable when funds are received.

23 RELATED PARTY DISCLOSURES

(a) Subsidiaries

The consolidated financial statements include the financial statements of Curcas Energy Limited and the subsidiaries listed in Note 17.

(b) Ultimate Parent Entity

Curcas Energy Limited is the ultimate parent entity.

(c) Key management personnel

Details relating to key management personnel including remuneration paid are included in Note 19.

(d) Transactions with related parties

Curcas Energy Limited has charged Curcas Energy Thailand a management fee of $360,000 for the year.

(e) Loans to related parties

Interest free loans to be repaid when mutually agreeable by the parties have been made by Curcas Energy Limited to Curcas Energy Thailand :

Opening Balance at 1 July 2008	691,297
Cash Advances made during the year	1,016,491
Management charge	360,000
Closing Balance at 30 June 2009	2,067,788

These loans are not subject to any contract.

For the year ended 30 June 2009 the company has made an allowance for impairment loss relating to amounts owed by related parties as they currently not in a financial position to make full repayments.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Curcas Energy Limited, I state that:

1. In the opinion of the directors:

   (a) the financial statements and notes of the company are 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 2009 and of the performance for the year ended on that date; and

      (ii) complying with Accounting Standards and Corporations Regulations 2001; and

   (b) at the date of this declaration, subject to the matters disclosed in note 1(c), there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Bruno G. Camarri
Chairman

Perth

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Auditor's Independence Declaration to the Directors of Curcas Energy Limited

In relation to our audit of the financial report of Curcas Energy Limited for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

P McIver
Partner
Perth
18 March 2010

PM:MB:CURCUS:016

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Independent auditor's report to the members of Curcas Energy Limited

Report on the Financial Report

We have audited the accompanying financial report of Curcas Energy Limited, which comprises the statement of financial position as at 30 June 2009, and the income statement, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 and International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Auditor's Opinion

In our opinion:

1. the financial report of Curcas Energy Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the financial position of Curcas Energy Limited and the consolidated entity at 30 June 2009 and of their performance for the year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualifying our audit, we draw attention to Note 2(e) of the financial report. There is significant uncertainty whether the consolidated entity and the company will be able to continue as going concerns and therefore whether they will be able to pay their debts as and when they become due and payable and realise their assets and extinguish their liabilities in the normal course of operations and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity and the company not continue as going concerns.

Ernst + Young

Ernst & Young

P McIver
Partner
Perth
18 March 2010