

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

AUSTRALIAN POWER AND GAS COMPANY LIMITED

ABN

96 077 206 583

Quarter ended ("current quarter")

31 December 2010

### Consolidated statement of cash flows

		Current quarter (3 months) \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from customers	53,737	104,226
1.2	Payments for		
	(a) staff costs	(2,082)	(5,185)
	(b) advertising and marketing	(632)	(932)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(52,966)	(102,375)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	327	450
1.5	Interest and other costs of finance paid	(3,430)	(4,873)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
<b>Net operating cash flows</b>		<b>(4,779)</b>	<b>(8,689)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter (3 months) \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(4,779)</b>	<b>(8,689)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(481)	(534)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other - restricted cash	-	-
- deposits	(238)	(888)
<b>Net investing cash flows</b>	<b>(719)</b>	<b>(1,422)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(5,498)</b>	<b>(10,111)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc	15,518	15,518
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	7,700
1.18 Repayment of borrowings	(3,513)	(3,513)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	(900)	(900)
<b>Net financing cash flows</b>	<b>11,105</b>	<b>18,805</b>
<b>Net increase in cash held</b>	<b>5,607</b>	<b>8,694</b>
1.21 Cash at beginning of quarter/year to date	8,550	5,463
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	<b>14,157</b>	<b>14,157</b>
<b>Cash at end of quarter excludes cash on deposit of \$4,131,000 held as security for bank guarantees issued.</b>		

+ See chapter 19 for defined terms.

## **Payments to directors of the entity and associates of the directors**

## **Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	3,605
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Aggregate amount of loans from the parties included in item 1.17	-
1.26	Explanation necessary for an understanding of the transactions	
	<p>Item 1.2 includes:</p> <ul style="list-style-type: none"> <li>- \$2,806,000 paid to related entities of The Cobra Group Pty Limited, an entity with a 21.29% interest in the share capital of the company, for services rendered in relation to customer acquisition in accordance with their contract of service.</li> <li>- \$799,500 (plus GST) paid to Arthur Phillip Pty Limited, a related entity of Mr Richard Poole a director of the company, for the provision of financial advisory services in accordance with their contract of service. The fees were paid for: <ul style="list-style-type: none"> <li>- sole arranger of \$18.9 million convertible note facility \$529,500</li> <li>- arrangement of \$15 million ordinary share placement \$150,000</li> <li>- general advisory services \$120,000</li> </ul> </li> </ul>	

## **Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- Not applicable
- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest
- n/a

## **Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
- convertible note	4,000	4,000
- revolving debt facility (1)	31,800	31,800
- loan	2,700	2,700

(1) Refer to ASX release dated 22 June 2007 in relation to a secured debt facility. The facility has a limit of \$50,000,000. The available balance is calculated in relation to outstanding receivables from customers. The amount that can be drawn is limited to a maximum of 90% of the balance owed, after deduction of allowances for overdue debts and other contingencies.

+ See chapter 19 for defined terms.

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	14,157	8,550
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)		14,157	8,550
Cash at end of quarter excludes cash held on deposit of \$4,131,000 held as security for bank guarantees issued.			

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement gives a true and fair view of the matters disclosed.

28/1/11

David Franks  
Company Secretary

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