

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Algae. Tec Limited

ABN

16 124 544 190

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (12 months) \$A
1.1 Receipts from customers	-	14,441
1.2 Payments for (a) staff costs	-585,464	-3,003,919
(b) advertising and marketing	-14,728	-282,095
(c) research and development	-124,843	-917,911
(d) leased assets	-	-
(e) other working capital	-226,086	-2,608,269
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2,393	8,200
1.5 Interest and other costs of finance paid	-93,854	-235,375
1.6 Income taxes paid	88,348	1,666,841
1.7 Other (provide details if material)	79,786	112,670
Net operating cash flows	-874,448	-5,245,417

+ See chapter 19 for defined terms.

For personal use only

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

	Current quarter \$A	Year to date (12 months) \$A
1.8 Net operating cash flows (carried forward)	-874,448	-5,245,417
Cash flows related to investing activities		
1.9 Payment for acquisition of:	-	-
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	-2,221	-33,490
(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	26,963	69,770
(e) other non-current assets		
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
	24,742	36,280
Net investing cash flows		
1.14 Total operating and investing cash flows	-849,706	-5,209,137
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	200,000	1,217,000
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	646,508	4,866,702
1.18 Repayment of borrowings	-14,975	-2,264,257
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
	831,533	3,819,445
Net financing cash flows		
Net increase (decrease) in cash held	-18,173	-1,389,692
1.21 Cash at beginning of quarter/year to date	255,268	1,626,787
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	237,095	237,095

+ 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
1.24	Aggregate amount of payments to the parties included in item 1.2	113,578
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Item 1.2: As a result of elimination in the consolidation of the accounts of Algae.Tec Limited and Algae Energy Inc., allocated research and development costs from Algae Energy Inc. appear within their specific payment categories (a, b and e) rather than the research and development category (c).

Item 1.6: This represents a refund from the Australian Taxation Office in relation to Australian Research and Development expenditure for the 2012 Financial Year.

Item 1.17: This includes funding by Macquarie Bank in relation to Research and Development expenditure for the 2013 financial year

Item 1.24: Payments to Directors consist of Directors' salaries and the Directors' fees paid during the quarter, including superannuation.

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

The Convertible Note with La Jolla Cove Subscribers Inc. was terminated during the quarter. This resulted in the derivative being converted into a current liability.

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

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

Amount available \$A	Amount used \$A

+ See chapter 19 for defined terms.

For personal use only

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

3.1	Loan facilities	3,000,000	2,380,652
3.2	Credit standby arrangements	Nil	Nil

On 6 September 2012, the Company entered into a facility agreement of A\$2,000,000 with Macquarie Bank Limited. This facility was increased to A\$3,000,000 on 19th April 2013 and provides for advance funding of the Research and Development Tax Incentive. At 31 March an amount of \$2,380,652 had been drawn down in respect of 2013 financial year Australian eligible Research and Development expenditure.

A Share Purchase Plan was instigated in July 2013 and this raised \$724,400

During the quarter Algae.Tec Limited agreed a placement of shares to the GFR Group in the amount of \$1,000,000. An initial payment of \$200,000 was received in June 2013 with the balance to be paid in the next quarter.

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	Previous quarter \$A
4.1	Cash on hand and at bank	237,095	255,268
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		237,095	255,268

Acquisitions and disposals of business entities

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

+ See chapter 19 for defined terms.

For personal use only

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 does give a true and fair view of the matters disclosed.



Sign here: Date: 31/07/2013
(Director/Company secretary)

Print name: Peter Hatfull

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.

For personal use only