



FINANCIAL MANAGEMENT

CO2CRC has met all the financial reporting requirements and all cash and in-kind contributions described and agreed to in the Commonwealth Agreement. Over the life of the CRC there were a total for 36 participants at various stages, with 15 participants supporting the CRC right from the beginning in 2003 up until the present.

Most essential participants remained active during the tenure of the current CO2CRC and as the company goes into its new phase the core participants are in negotiations to draw up new agreements.

In addition to the cash contributions by the Commonwealth and participants, CO2CRC was able to obtain additional cash in the last four years amounting to \$18.87 million which is 22 per cent above the levels contracted in Commonwealth and Participants agreements. The additional funding has allowed CO2CRC to complete its program of work under the current funding agreements and start preliminary work for the next phase of CO2CRC research activities.

The six months to 31 December 2014 was the sixth year of the funding of CO2CRC after the signing of the Commonwealth Agreement at the commencement of the 2009–10 year. This period was in part funded by a \$5 million grant from the Australian Government to provide the essential support needed to allow CO2CRC to continue operating until December

2014. In addition, CO2CRC signed a \$25 million agreement with the Australian Government for research at the Otway Project site during this period. During the five years and six months the CRC has attracted total cash contributions of \$84.7 million compared to that committed in the Commonwealth Agreement of \$67.3 million. An overall increase of 26%.

In addition, total in-kind staff was full-time equivalent (FTE) 424.6 compared to that committed in the Commonwealth Agreement of FTE 212.6.

The independent auditor's report to the members of CO2CRC for the financial period ended 31 December 2014 has expressed the opinion that the financial tables of CO2CRC have been prepared in accordance with Australian Accounting Standards and that the financial statements present fairly that contributions, both cash and in-kind, have been made and recorded in accordance with the budget as specified in Schedule 4 and in accordance with the terms of the Commonwealth Agreement.

The overall financial performance of CO2CRC for the six months ended 31 December 2014 was in keeping with budgeted predictions. No issues were experienced that would require additional strategies to be implemented.

FINAL ANNUAL REPORT — EXIT FROM THE CRC PROGRAM

An updated transition/wind-up plan and exit report have been submitted to the Commonwealth, as required by the CRC Program and acknowledged as complete. The performance of CO2CRC has been measured within an Outcome/Output Framework and has met or exceeded various elements of its Commonwealth Agreement commitments.

There has not been any deviation from this wind-up plan.

Following the Board's decision, the commercialisation arm of the company CO2TECH was liquidated in December 2014.

All future commercialisation activities and consultancy work will be undertaken by CO2CRC Ltd. Likewise, any new patents will be held in CO2CRC Ltd.

As detailed in CO2CRC Transition Plan Year 4, in conjunction with its Participants and Stakeholders, CO2CRC has developed a value proposition for CCS R&D in Australia and a national CCS R&D strategy. In "CCS Technology for the 2020s" CO2CRC has set out the intended direction of its future R&D program. There is an expectation that this will vary as Board priorities and member needs change.

As the company moves into a new phase, the assets held by the company will be utilised in meeting its objectives.