

7<sup>th</sup> January 2014

Mr Ian Craig  
National Stock Exchange of Australia  
Suite 1.2  
415 Riversdale Road  
Hawthorn East VIC 3123

Dear Sir,

**Re: Letter of Application to the National Stock Exchange of Australia ("NSX")**

On behalf of the Endless Solar Corporation Ltd ("ESC") Board of Directors I write to request the listing of ESC securities on the NSX. ESC has two classes of securities issued: 1) Full Voting ordinary shares with 1 vote per share (these are not to be listed); and 2) Limited Voting ordinary shares with 1 vote per parcel (these are to be listed. All shares are fully paid).

We propose to list these securities on the NSX via a compliance listing.

As at 31<sup>st</sup> December 2013, the market capitalisation of the Limited Voting securities is approximately \$3,700,000 (Appendix 1).

There is no proposed issue, as such there is no estimate of net proceeds.

None of ESC's securities are listed or traded on any other stock exchange.

We note that ESC was incorporated in Australia on 16 November 2006.

Remaining pertinent information as required is detailed further below:

**Share capital and ownership**

Please refer to the attached Appendices:

**Appendix 1:** A list in tabular form of:

- (i) the designation or title of each class of share;
- (ii) the number of shares issued;
- (iii) the voting rights attached to each share;
- (iv) the amount of fully paid up shares;

- (v) the shareholdings of the *directors* of the *issuer*; and
- (vi) so far as is known, or can be ascertained after reasonable enquiry, the names of all shareholders of the *issuer* who own five percent (5%) or more of the shares of the *issuer* and their respective shareholdings.

**Appendix 2:** A list in tabular form of top 20 Limited Voting Ordinary Shareholders of ESC and the number of share's that are held.

## Securities

An outline of the principal terms of the securities the applicant wishes to list is contained in Section 5 of the ESC Constitution:

### 5. Limited Voting Ordinary Shares

- 5.1 Subject to the Corporations Act and the Listing Rules, the Company may issue Limited Voting Ordinary Shares.
- 5.2 Limited Voting Ordinary Shares confer on their registered holders the following rights, powers and privileges:
  - (a) **Voting:** the right to exercise one vote at general meetings of the Company (on both a show of hands and on a poll), irrespective of the number of fully paid Limited Voting Ordinary Shares held;
  - (b) **Attendance and reporting:** the same rights as holders of ordinary Shares to receive notices, reports and accounts and to attend general meetings of the Company;
  - (c) **Dividends:** on any declaration of dividends in respect of Shares, the right to receive a premium of \$A0.01 over any dividend apportioned and paid in respect of any ordinary Share; and
  - (d) **Other:** in all other respects (including participation in any assets of the Company on a winding up or return of capital), Limited Voting Ordinary Shares shall rank *pari passu* with ordinary Shares."

## History and nature of business

Please also refer to attached Annual Reports (provided to the NSX).

Endless Solar is an Australian owned and operated company, supplying and custom designing, award winning, high quality solar hot water systems for both residential and commercial buildings.

Incorporated in 2006 and with offices in Melbourne and Sydney, the company is at the forefront of solar thermal technology and provides a range of world-class and cost effective

solar heating solutions. Endless Solar uses the Australian design Evacuated Tube technology to deliver highly efficient solar hot water and reduce the building's overall energy consumption. Endless Solar is also an innovative leader in solar thermal cooling technologies using highly efficient Evacuated Tubes.

The Australian Federal Government, Clean Energy Regulator (CER) has listed over 2000 Endless Solar commercial grade products that qualify for Small-scale Technology Certificates (STCs).

### **How do Endless Solar's Evacuated Tubes Work?**

Each Evacuated Tube consists of 2 layers of Borosilicate glass with a vacuum between these 2 layers. This 'Evacuated' layer in the tubes performs much like a thermos flask. The secured insulation provided by the vacuum catches and keeps about 97% of the energy absorbed from the sun. The solar energy absorbed is then transferred to the water being pumped through the collector.

### **Endless Solar Hot Water Systems**

- Provide significant, long-term cost savings. For example, an average \$5K Endless Solar evacuated tube system can return an estimated \$43K over a 20 year period\*.
- Provide high performance and exceptional energy savings
- Can be installed on any roof
- Are frost tolerant and freeze resistant
- Are lightweight, simple to install and low maintenance

\*Assuming a 10% increase in electricity prices per annum.

Endless Solar also has specialised computer modelling capabilities using the **TRNSYS** (**TRaNsient SYstem Simulation**) modelling software. Endless Solar can evaluate and design any types of commercial solar hot water to confirm the expected performance before the system is installed. This places Endless Solar in a unique position:

- Few companies use this recent version of **TRNSYS**
- All design options can be evaluated immediately with high accuracy
- Value added services for large customers
- Ability to quickly respond where customisation is needed
- Full control over the lodgement of designs with the appropriate government authorities for

Renewable Energy Certificates and other rebates (where appropriate).

### **Innovation for the Future**

Endless Solar is expanding its operations through innovative projects which will progress the practical applications and affordability of solar thermal systems.

In 2012, in conjunction with the Australian National University and partly funded by the Australian Federal Government, Endless Solar completed its research project "CoolSolar". As a result of the project, Endless Solar has successfully developed a technology to provide solar air-conditioning using Evacuated Tube systems. The technology is currently in the process of being commercialised.

For more information on "CoolSolar" please refer to the "CoolSolar" information page on our website at [www.endless-solar.com.au/coolSolar.htm](http://www.endless-solar.com.au/coolSolar.htm).

### **Recent Financial Performance**

Endless Solar's consolidated turnover for the past three financial years is included in 'Summary of earnings'. The current year's turnover up to 31/12/2013 is \$ 344,013.

### **Summary of earnings**

Please refer to Appendix 3.

### **Tabulation of balance sheet**

Please refer to Appendix 4.

### **Employees**

The Endless Solar Group currently employs eight full-time staff.

### **Child entities**

<b>Child Entity Name</b>	<b>Nature of child entity business and relationship to the operations of the entire enterprise</b>	<b>Share Capital amount issued</b>	<b>% owned by holding entity</b>
Endless Solar Operations Pty Ltd	The operating entity of the Group with regards to the purchase and sale of solar hot water systems.	\$100.00	100%
Renewable Energy Exchange Pty Ltd	Currently dormant entity.	\$2.00	100%

Endless Solar Technology Pty Ltd	This company is involved in research and development activities relating to the Group's solar hot water systems.	\$100.00	100%
Endless Energy Solutions Pty Ltd	Currently dormant entity.	\$1,000.00	60%

### Dividend record

No dividends have been paid by Endless Solar Corporation Ltd or any of its subsidiaries since incorporation.

### Properties

The company owns no property but leases the following:

	1 – Melbourne office	2 – Sydney office
Location	Level 10 406 Collins Street Melbourne VIC 3000	Unit 1 340 Chisholm Road Auburn NSW 2144
Land area	N/A	N/A
Number of buildings	N/A	N/A
Owned/leased	Leased	Leased
Rental paid	30 June 2013: \$41,925 30 June 2012: \$7,500 30 June 2011: \$26,667 Average: \$25,364	30 June 2013: \$65,789 30 June 2012: \$76,546 30 June 2011: \$73,196 Average: \$71,844

### Litigation

No litigation or claims of material importance have been made against any member of the *group* in the last five (5) years or which is pending or threatened against any member of the *group*, or an appropriate negative statement.

## **Management**

### **David Harold Allen Craig (Executive Director)**

Address: 11 Martin Street Brighton, VIC 3186

Qualifications and Expertise: Bachelor of Economics and Politics (Monash University). Current Memberships: Securities Institute of Australia (FINSIA); Prior memberships: Australian Society of Accountants; Australian Stock Exchange Limited. David has over 30 years experience in management of property and investment companies.

Past 5 years experience: Actively involvement in the management of Endless Solar and Authorised Investment Fund. For further details, refer to the ESC Annual Reports attached.

Other current directorships in publicly listed companies: Authorised Investment Fund Ltd (AIY).

### **Kevin Thomas (Executive Director)**

Address: 9 Scott Court, Mirboo North, VIC 3871

Qualifications and Expertise: Certified Practicing Accountant (CPA), Associate, Australian Society of Practising Accountants. Kevin has depth of experience in financial and corporate management in companies of varying size. He has a broad industry background comprising timber, forestry, tissue and paper, packaging plastics, food services, clothing, road construction and solar.

Past 5 years experience:

- Endless Solar Corporation Limited: Current Director & Company Secretary
- Masport Australia Pty Ltd: Current Director
- Alto Holdings Limited: 2001 - 2009 acted as Director/Company Secretary
- Fulton Hogan Pty Ltd: 2004 - 2012 acted as a consultant to CFO of this trans- Tasman group on significant issues (restructures, acquisition, reporting, taxation)

Other current directorships in publicly listed companies: Authorised Investment Fund Ltd (AIY).

### **Chris Baring-Gould (Non-executive Director)**

Address: 60 Belgrave Avenue, Mont Albert, VIC 3129

Qualifications and Expertise: Bachelor of Business Accounting (RMIT), Masters of Business Administration (Monash), Certified Practising Accountant (CPA). Chris's professional experience is diverse. He has served as Group Financial Controller at JB Were & Son, General Manager of a stockbroking subsidiary of the Equity and Property Investment Group and since 1999 has served as Chief Finance Officer at Anglicare Victoria.

Past 5 years experience:

- Chief Financial Officer at Anglicare Victoria, the state's largest welfare not-for-profit organization. Responsible for Financial operations, Management accounting, Internal Audit, Risk Management & Compliance, and Property/Fleet management.
- Non-executive Director of Endless Solar Corporation Ltd
- Independent member of Funds-in-Court Audit Committee (Victorian Supreme Court)

Other current directorships in publicly listed companies: N/A

**In addition we note that:**

There are no family relationships between the persons mentioned above.

No Director has, in any jurisdiction, been convicted in any criminal proceeding or has had a bankruptcy petition filed against him or her or any partnership in which he was a partner or any body corporate of which he was a director or has been sanctioned or otherwise disciplined by any self regulatory securities association of which he or she is or has been a member or any securities supervisory or regulatory body or any such event is pending.

**13. Sponsors, bankers, etc.**

See Directors above regarding Nominated Advisor function.

Share registrar: An application to Boardroom Group is in the process of being completed.

Company Lawyer: Mr Doug Goodman, Special Counsel, Gadens Lawyers

Company Auditor: Mr. John Wheller (B.Eco, F.C.A), TWB Chartered Accountants

1190 Dandenong Road, Murrumbeena, VIC 3163.

**Statement of non-compliance**

Not applicable - all requirements of the *Listing Rules* can be met by ESC.

## Declaration

I hereby declare that, to the best of my knowledge, information and belief that:

- (1) save as specified in the application letter, all the qualifications for *listing* set out in Chapter 3 of Section IIA of the *Listing Rules* have, in so far as applicable and required to be met and fulfilled prior to application, been met or fulfilled in relation to ESC and the securities of ESC the subject of the application;
- (2) all information required to be included in the *disclosure document* pursuant to Rule 4.8 and the *Corporations Act* will be included; and
- (3) there are no other facts bearing on this application for *listing* which, in ESC's opinion, should be disclosed to the *Exchange*.

Yours sincerely,



David H.A. Craig

Director, Endless Solar Corporation Ltd.



## **APPENDICES**

### **Appendix 1 – Share capital and ownership as at 31<sup>st</sup> December 2013**

	<b>Full Voting Rights Ordinary Shares</b>	<b>Limited Voting Rights Ordinary Shares</b>
<b>No of Shares issued</b>	1,699,074	36,896,022
<b>Voting rights</b>	1 vote <b>per share</b>	1 vote <b>per parcel</b>
<b>Amount of fully paid shares</b>	1,699,074	36,896,022
<b>Shareholdings of Directors and Officers</b>		
David Craig	189,000	889,200
Chris Baring-Gould	160,821	1,436,400
Kevin Thomas	108,000	180,000

<b>Names of all shareholders with 5% or more holding (in terms of voting rights)</b>
Endless Solar Pty Ltd Harvard Nominees Pty Ltd Lion Corporate Services Pty Ltd David Craig Collins Court Corporation Ltd Chris Baring-Gould Super Fund Thomas Super Fund Stephen Standish

## Appendix 2 – List of top 20 Limited Voting Ordinary Shareholders

<b>Endless Solar Corporation Limited</b> A.C.N 122 708 061 Level 10, 406 Collins Street, Melbourne VIC 3000  <b>Top 20 LVO Shareholders</b>			
<b>NO</b>	<b>Shareholder</b>	<b>%</b>	<b>Shares As At 31 /12/2013</b>
1	Endless Solar Pty Ltd	21.92%	8,086,848
2	Lion Corporate Services P/L	20.49%	7,559,896
3	Harvard Nominees Pty Ltd	15.37%	5,672,057
4	Authorised Investment Fund Ltd	9.11%	3,360,001
5	Vardale Pty Ltd atf Pocket Kings Investment Trust	4.65%	1,715,014
6	Koay Baring-Gould Superannuation Fund	3.89%	1,436,400
7	Collins Court Corporation Ltd	2.60%	957,600
8	Stephen Standish	2.55%	940,409
9	David Craig	2.41%	889,200
10	Pethol (VIC) Pty Ltd A/C Macdy No 5 Superannuation Fund	1.08%	400,000
11	Gorden Walsh as Trustee for TJW Discretionary Trust	1.01%	371,640
12	Pocket Kings Investment ITF Pocket Kings Superannuation Fund	0.99%	367,080
13	Mr Lingke Ni	0.68%	250,000
14	DBA Management Consultants Pty Ltd	0.65%	240,000
15	Linnells Pty Ltd	0.65%	240,000
16	Spoon Holdings Pty Ltd	0.65%	240,000
17	Donald E Ross Pty Ltd Superannuation Fund	0.65%	239,582
18	HBSF Pty Ltd Trustee for Hugo Blair Super Fund	0.57%	210,001
19	McKie-Hamlyn Private Superannuation Fund	0.54%	200,000
20	Thomas Super Fund	0.49%	180,000
	<b>Total Top 20</b>	<b>90.95%</b>	<b>33,555,728</b>
	<b>Total All Shareholders</b>	<b>100.00%</b>	<b>36,896,022</b>

### Appendix 3 – Summary of Earnings 2011 – 2013

	<b>2013</b> <b>\$</b>	<b>2012</b> <b>\$</b>	<b>2011</b> <b>\$</b>
Sales Revenue	540,719	642,523	1,503,496
Cost of Sales	(321,885)	(472,226)	(942,271)
<b>Gross Profit</b>	<b>218,834</b>	<b>170,297</b>	<b>561,225</b>
Other income	522,633	138,283	294,556
Administration expenses	(488,701)	(533,613)	(548,054)
Other expenses	-	(1,914)	-
Net losses on financial assets - held for trading	-	-	(14,784)
<b>Earnings before depreciation, interest and income tax</b>	<b>252,766</b>	<b>(226,947)</b>	<b>292,943</b>
Depreciation expense	(14,682)	(10,096)	(16,073)
Finance costs	(1,733)	(5,796)	(699)
<b>Net (Loss)/Profit before income tax</b>	<b>236,352</b>	<b>(242,839)</b>	<b>276,171</b>
Income tax benefit / (expense)	(85,369)	19,153	79,845
<b>Net (Loss) / Profit for the year</b>	<b>150,983</b>	<b>(223,686)</b>	<b>356,016</b>
<b>Other comprehensive income:</b>			
<b>Other comprehensive income for the year, net of tax</b>	114,000	-	-
<b>Total comprehensive income for the year</b>	<b>264,983</b>	<b>(223,686)</b>	<b>356,016</b>

#### Appendix 4 – Tabulation of Balance Sheet as at 30<sup>th</sup> June 2011 – 2013

	<b>2013</b> <b>\$</b>	<b>2012</b> <b>\$</b>	<b>2011</b> <b>\$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	333,413	344,722	349,395
Trade and other receivables	253,429	65,256	46,193
Inventories	142,165	143,370	125,751
Other assets	17,275	44,294	18,418
<b>TOTAL CURRENT ASSETS</b>	<b>746,282</b>	<b>597,642</b>	<b>539,757</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	69,344	69,345	40,143
Other financial assets	503,560	389,560	370,891
Property, plant and equipment	63,404	34,715	32,920
Deferred tax assets	21,910	107,278	85,388
Intangible assets	1,467,872	1,009,646	606,883
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,126,090</b>	<b>1,610,543</b>	<b>1,136,225</b>
<b>TOTAL ASSETS</b>	<b>2,872,372</b>	<b>2,208,185</b>	<b>1,675,982</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	217,907	106,183	230,605
Borrowings	17,133	13,212	-
Current tax liabilities	-	5,770	60,150
Provisions	66,532	44,701	50,798
<b>TOTAL CURRENT LIABILITIES</b>	<b>301,572</b>	<b>169,867</b>	<b>341,553</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>301,572</b>	<b>169,867</b>	<b>341,553</b>
<b>NET ASSETS</b>	<b>2,570,800</b>	<b>2,038,318</b>	<b>1,334,429</b>
<b>EQUITY</b>			
Issued capital	1,771,775	1,504,274	576,700
Reserves	265,812	265,812	265,812
Retained earnings	533,213	268,232	491,917
<b>TOTAL EQUITY</b>	<b>2,570,800</b>	<b>2,038,318</b>	<b>1,334,429</b>
<b>Total number of securities</b>	<b>32,162,579</b>	<b>32,162,579</b>	<b>17,515,000</b>
<b>Net asset value per security</b>	<b>0.07993</b>	<b>0.06338</b>	<b>0.07619</b>