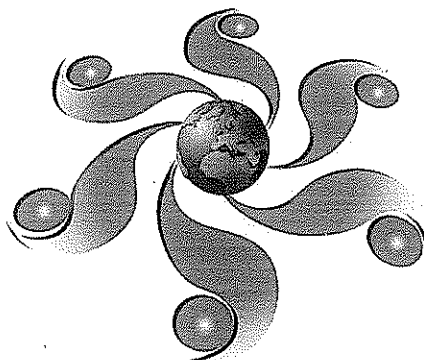


ULTIMATE POWER AND ENERGY LIMITED

ACN 159 476 892



***“INNOVATION FOR APPLICATION, PROGRESS WITH
INTEGRITY”***

Information Memorandum

for the offer to apply for 3,000,000 fully paid ordinary Shares in the capital of ULTIMATE POWER AND ENERGY LIMITED at \$0.20 each raising \$600,000 with over subscriptions of a further 500,000 Shares to raise a total of \$700,000.

Acceptances

This Offer may only be accepted by persons who are sophisticated investors within the meaning of s.708(8) of the Corporations Act 2001, persons to whom the Offer is made through a Financial Services Licensee in accordance with s.708(10) of the Corporations Act 2001 or other persons to whom the Issuer considers offers can be made under s.708 of the Corporations Act 2001 without the need for disclosure under Part 2D.2 of the Corporations Act 2001.

This Information Memorandum is an important document and should be read in its entirety. **The securities offered by this Information Memorandum are of a speculative nature.**

Corporate Directory

DIRECTORS

Zeming (Michael) Yang Executive Chairman
Khing Yean Wong Non-Executive Director
Bin Jin Non-Executive Director

COMPANY SECRETARY

Khing Yean Wong

COMPANY REGISTERED OFFICE

45 Callaghan Avenue
GLEN WAVERLEY VIC 3150

WEBSITE

www.wupenergy.com

Advisors to the Company

SOLICITORS

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Level 12
77 King Street
Sydney NSW 2000
Telephone: +61 2 9239 4500
Facsimile: +61 2 9239 4555

AUDITOR

Nexia Court & Co
Level 29
Australia Square Tower
29/264 George Street
SYDNEY NSW 2000
Telephone: (02) 9251 4600
Facsimile: (02) 9251 7138

SHARE REGISTRY

Boardroom Pty Limited
Level 7
207 Kent Street
SYDNEY NSW 2000
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664

IMPORTANT INFORMATION

This Information Memorandum for ULTIMATE POWER AND ENERGY Limited, referred to in this Information Memorandum as "UPE", or "the Company" is dated 28 September 2012. It has not been lodged with the Australian Securities and Investments Commission ("ASIC").

The SIM Venture Securities Exchange Limited ("**SIM VSE**") takes no responsibility for the contents of this Information Memorandum, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Information Memorandum.

This Information Memorandum is not a prospectus and as such information disclosures contained in it may be of a lower level than required for a prospectus prepared in accordance with the Corporations Act.

Application will be made for listing of the Shares offered by this Information Memorandum by SIM VSE. The fact that SIM VSE may list the Shares is not to be taken in any way as an indication of the merits of the Company or the listed securities.

Important Notice

This Information Memorandum is not a disclosure document lodged with ASIC under Part 6D.2 of the Corporations Act. As no formal disclosure document (within the meaning of the Corporations Act) will be lodged with ASIC in connection with the Offer, the Offer is only made to investors in circumstances which permit an offer of securities to be made without disclosure to investors as outlined in section 708 of the Corporations Act. By accepting a copy of this Information Memorandum, the recipient warrants that the Recipient is a person to whom section 708 of the Corporations Act applies. Applications for Shares will not be accepted from persons to whom section 708 of the Corporations Act does not apply.

If a person who is issued with Shares or any subsequent holder of Shares, on-sells the Shares within 12 months of the date of issue of the Shares, any such sale must be through an offer that does not require disclosure to investors as outlined in Chapter 6D.2 of the Corporations Act.

ASIC

No copy of this Information Memorandum has been lodged with the Australian Securities and Investments Commission ("ASIC"). This Information Memorandum is not a Prospectus nor is it an Offer Information Statement, both of which are disclosure documents under the Corporations Act 2001 (the "Act") and which must be lodged with ASIC. Consequently this Information Memorandum should be regarded as having a lower level of disclosure than a Prospectus or an Offer Information Statement. Neither ASIC or SIM VSE takes responsibility for the contents of this Information Memorandum.

Disclosure of Information

This Information Memorandum does not contain the information that would be contained in a Prospectus or other disclosure document prepared under the Act. While this Information Memorandum should be read in its entirety, it does not purport to contain all the information that a prospective investor may require in investigating the Offer detailed in this Information Memorandum. Recipients should note the information may have changed since the date of preparation of this Information Memorandum. This Information Memorandum is not intended to form the basis of any investment decision by a prospective investor. Prospective investors should carry out their own independent investigations and analysis of the Company and the information referred to in this Information Memorandum and other matters that may be relevant to it in considering whether to apply for Shares.

No person has authority to give any information or make any representation in connection with the Offer that is not contained in the Information Memorandum. Any information not incorporated by express reference or set out in this Information Memorandum may not be relied upon as having been authorized by the Company in connection with the Offer.

Each prospective investor considering an investment in the Shares must make, and will be taken to have made, its own independent investigation and analysis of the information in this Information Memorandum and should consult their own advisors before proceeding with any offer to invest in the Company.

Prospective investors may contact the Company to obtain a copy of the Company's Constitution.

Indicative Dates

Opening Date	28 September 2012
Closing Date	12 October 2012
Expected dispatch date for Statements of Shareholding	16 October 2012
Expected date for quotation on SIM VSE	23 October 2012

Application for Listing

The Company will apply to SIM VSE to be admitted to the Official List and for quotation of the Shares on SIM VSE. If granted, Official Quotation will commence as soon as practicable after the allotment of the subscribed Shares. The fact that SIM VSE may list the securities of the Company is not to be taken in any way as an indication of the merits of the Company or the listed securities. SIM VSE takes no responsibility for the contents of the Information Memorandum, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of the content of the Information Memorandum. It is expected that trading of the Shares on the stock market conducted by SIM VSE will commence as soon as practical after approval for admission to the Official List of SIM VSE is granted and all conditions (if any) applicable thereto have been satisfied for Official Quotation.

Foreign Jurisdiction

This Information Memorandum does not constitute an offer or invitation to buy or sell shares or other marketable securities of the Company, whether in Australia or in any other jurisdiction.

Important Considerations for applicants

Before deciding to invest in the Company, potential investors should read the entire Information Memorandum and in particular the risk factors identified in Section 4 herein.

Applicants for Shares should understand that investment in UPE is inherently more speculative than investment in a company carrying on an established business where the assets or business can be subjected to independent scrutiny by independent experts whose reports form part of the Information Memorandum.

Applicants should consider the information contained in this Information Memorandum in the light of their personal circumstances (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional

advisor before deciding to invest in any Securities the subject of this Information Memorandum. They should understand that any investment is both speculative and subject to a wide range of risks and that, unless the Company achieves its investment objectives, they may lose the entire value of their investment.

Forward Looking Statements

Various statements in this Information Memorandum constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements involving known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed herein.

Photographs and Diagrams

Items and undertakings depicted in photographs and diagrams in this Information Memorandum are not assets of the Company, unless otherwise stated. Diagrams appearing in this Information Memorandum are illustrative only and may not be drawn to scale.

Definitions

Throughout this Information Memorandum abbreviations and defined terms are used. Abbreviations and legal terms are contained in the Glossary in section 8 of this Information Memorandum (defined terms are generally identified by the uppercase first letter).

Suitability of Investment and Risk Factors

Before deciding to invest in the Company by purchase of Shares on market, following admission of the Company to the Official List of SIM VSE, prospective investors should read this entire Information Memorandum.

Prospective investors should carefully consider all factors in the light of their personal circumstances (including financial and taxation issues) and seek professional advice from their accountant, stockbroker lawyer or other professional adviser before deciding to invest. The Company is unable to advise any prospective investor on the suitability or otherwise of an investment in the Company. For such advice each prospective investor must contact their own independent professional adviser(s).

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1 Chairman's Letter

Dear Investor,

Ultimate Power & Energy Limited is a newly established company in the green and emerging energy sector. The Company holds the Intellectual Property rights to the UPE System which is a system designed to utilise wind power which results from moving motor vehicles converting it into electricity.

The UPE System has been designed so that it can be adapted and used in a wide variety of situations including the family home, offices and industrial sites, caravans and mobile homes and in remote locations.

As the UPE System harnesses essentially wasted energy it offers the opportunity to reduce overall energy costs and reduce greenhouse emissions.

The UPE System has been designed with a maximum capacity of 8 to 9 kilowatts (KW) or approximately 50% of the average Australian daily household electricity consumption. The Company plans to develop other eco-friendly systems and has initial plans for a second system capable of generating and storing around 20KW of electricity.

The Company is in an initial start-up and development phase and will use the funds raised to improve current product design, install, test and develop a prototype of the UPE system and then installing 70 test units to assist development, commercialisation and marketing of the UPE System. The Company will then look to appoint distributors of the UPE System and to be selling the UPE System in Australia approximately 12 months after listing. The Company will then either sell directly or license rights to the UPE System overseas.

I believe Ultimate Power and Energy will be able to achieve its initial goals set out in the Information Memorandum and become an established system provider in the green and emerging energy market in Australia and overseas.

The Company's motto "Innovation for Application, Progress with Integrity" reflects our drive to develop the UPE System and future products for the green and emerging energy sector.

I look forward to welcoming you as a shareholder.

Yours faithfully

Zeming (Michael) Yang
Chairman

2 Executive Summary

The information set out in this section is an executive summary of the investment offering only. It is not intended to be comprehensive and should be read in conjunction with the full text of this Information Memorandum.

2.1 Mission Statement

Ultimate Power & Energy Limited has been established to explore and develop new methods of generating power from sources of green energy. Its motto is "Innovation for Application, Progress with Integrity".

2.2 UPE System

The first product the Company intends to bring to market is the UPE System.

The UPE System was conceived and designed by the Company's Chairman, Mr Zeming (Michael) Yang. Mr Zeming (Michael) Yang emigrated to Australia two years ago under the Distinguished Talent Migration Scheme. Prior to emigrating he obtained a Masters of Business Administration and established and ran several businesses in China.

The UPE System is designed to convert wind energy generated from a moving vehicle into electricity which is stored in batteries and which in turn can be used in domestic or commercial applications. The first generation of the UPE System has been designed to produce and store up to 8 to 9 kilowatts of power, sufficient to supply approximately 50% of the daily electricity usage of an average Australian home.

The Company has sourced components from various suppliers that meet its design specifications and achieve expected power output. It will move to build the first prototype of the UPE System using these components approximately one month after listing. Following testing and development of the prototype, the Company will look to install and test 70 units in order to undertake broader tests of the UPE System as well as identifying and gaining markets for the UPE System.

Prior to the establishment of the Company, Zeming (Michael) Yang conducted tests of various components of the UPE System to determine the final design specifications, which have been provided to component suppliers. As a result of these tests, the Company expects the UPE System, using the sourced components, will generate electric power at the levels for which it was designed. However, as at the date of this Information Memorandum, the Company has yet to operate a working UPE System.

2.3 Investment highlights and risks

Prospective investors should read this Information Memorandum in its entirety and, in particular, consider the risk factors set out in Section 4, before deciding whether to apply for Shares under this Information Memorandum.

A summary of the key investment highlights and risks is set out below.

Key investment highlights include:

- Opportunity to invest in a start-up company in the green and emerging energy sector.
- UPE has a "first mover" advantage over potential rival systems and has applied for an Australian Patent and will apply for overseas patents.
- UPE System is designed to be able to be adapted to most motor vehicles giving it worldwide application.
- UPE Systems could provide clean energy in domestic and commercial applications.
- UPE Systems could assist in reducing overall green-house gas emissions.
- Directors have experience in start-up businesses, engineering and building brand recognition and marketing.

Key risks include:

- The Company has not operated a complete UPE System and it may not operate as expected
- As a start up the Company has no track record
- UPE System has yet to be manufactured or commercialised
- Company may not sell a sufficient number of systems to generate profits
- None of the Directors have experience as public company directors
- Patent yet to be granted in Australia and overseas
- Competitors in the renewable energy space are well established

Given the inherent uncertainties in ascertaining the future revenue of Ultimate Power and Energy, the Company has not made any forecasts as to its profitability or otherwise.

As the Company is in a startup phase, an investment in the Company's shares should be considered speculative.

2.4 Summary of the Offer

This Offer may only be accepted by persons who are Sophisticated Investors within the meaning of s.708(8) of the Corporations Act, persons to whom the Offer is made through a Financial Services Licensee in accordance with s.708(10) of the Corporations Act or other persons to whom the Issuer considers offers can be made under s.708 of the Corporations Act without the need for disclosure under Part 2D.2 of the Corporations Act.

With this Information Memorandum, the Company invites investors to apply for the issue of a minimum 3,000,000 Shares at an issue price of \$0.20 per Share to raise \$600,000. The Company may also accept subscriptions for up to a further 500,000 Shares at an issue price of \$0.20 so that a maximum of \$700,000 could be raised under this Information Memorandum.

	Minimum Subscription	Maximum Subscription
Shares on issue at the date of the Information Memorandum	9,000,000	9,000,000
Number of new Shares offered under this Information Memorandum	3,000,000	3,500,000
Total Shares on issue after this Offer	12,000,000	12,500,000
Offer price per Share	\$0.20	\$0.20
Amount to be raised under this Information Memorandum	\$600,000	\$700,000
Market capitalisation at completion of the Issue (based on issue price)	A\$2,400,000	\$2,500,000

The 9,000,000 Shares on issue as at the date of this Information Memorandum are held by the Chairman, Zeming (Michael) Yang. They were issued in consideration for the transfer of the Intellectual Property comprising the UPE System on the establishment of the Company, assets used in testing aspects of the design including a motor vehicle and for cash to be used to acquire the UPE trade mark. Mr Yang will hold between 75% (assuming minimum subscription) and 72% (assuming maximum subscription) of the Shares in the Company upon the Offer closing successfully.

As such assuming minimum subscription Mr Yang will be in a position to pass ordinary and special resolutions, including resolutions to appoint or remove Directors and amending the Constitution. If more than minimum subscription is raised Mr Yang will be able to pass ordinary resolutions and prevent the passage of special resolutions including resolutions to amend the Constitution of the Company.

The Shares are to be issued as new fully paid Ordinary Shares in the capital of the Company. The Shares offered under this Information Memorandum will rank equally with the existing Shares already on issue in the Company, and entitle the holder to one vote per Share held.

For more information regarding the rights attaching to the Shares, prospective investors are asked to read Section 6.6 "Rights and Obligations Attaching to Shares".

The Company intends to list on SIM VSE. SIM VSE is a licensed securities exchange committed to leadership in innovation. SIM VSE is focused on driving investment in the clean technology, renewable energy, biological science and related technology and service industries. Based on the Asian time zone, SIM VSE has a global outlook with a particular emphasis on China, providing opportunity for both global investors and issuers, to access and participate in the market.

This Offer is not underwritten.

The table below sets out an indicative timetable for the offer.

Opening Date	28 September 2012
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Closing Date (5.00 p.m. Sydney time)	12 October 2012
Dispatch of Holding Statements	16 October 2012
Expected date for listing on SIM VSE	23 October 2012

Note: The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

See Section 5 for details of "How to Invest".

2.5 Purpose of the Issue and Use of Funds

The planned use of the proceeds from this Offer are as follows:

Item	Minimum Subscription \$	Maximum Subscription \$
• Install and test prototype, research and development	100,000	130,000*
• 70 trial installations	105,000	105,000
• Product marketing	40,000	75,000
• Office and warehouse establishment	40,000	40,000
• Salaries and wages and Directors fees	148,550	148,550
• Patent and Intellectual Property registration	56,000	56,000
• Administration and ongoing compliance	50,000	50,000
• Initial 25 Sale Units	31,750	31,750
• General Working Capital	28,700	63,700
TOTAL	600,000	700,000

* Assuming the Maximum Subscription is achieved the Company intends to spend up to an additional \$30,000 on research and development. This may include adapting the first generation UPE System for large commercial vehicles, the mobile home and caravan market as well as utilizing the UPE System for generating power to be fed into the electrical grid system depending upon what is considered to be the best use of funds. Alternatively the Company may consider bringing forward the development of a 20KW system which is in the early design phase.

Zeming (Michael) Yang has agreed to lend the Company up to \$200,000 in respect of the costs incurred in raising the funds and listing the Company. This loan is unsecured and interest free and

repayable only upon the Company raising a minimum of \$500,000 in additional capital at some time in the future.

On completion of the Offer, the Directors believe that the proceeds of the Offer will provide sufficient working capital to carry out the stated objectives of the Company.

The Company intends to declare dividends from time to time as appropriate based upon available profits and available cash, and the future funding commitments and capital requirements of the Company. The Directors give no assurance regarding the likelihood of future dividend payments, revenue, profit or cashflows of the Company, which are dependent on a number of factors, including testing of the UPE System market acceptance and reaction of market competitors.

2.6 Directors and Management

The Board consists of one Executive Director and two non-executive Directors and the Chairman.

The Board of Directors of the Company comprises:

Chairman - Executive Director

Zeming (Michael) Yang

Mr Zeming (Michael) Yang is 49 years of age. He was born in China and emigrated to Australia under the Distinguished Talent Migration Scheme in 2010. Mr Yang was a pilot in the Chinese Air Force before commencing his business career. He has a Masters of Business Administration from the BI Norwegian School of Management Fundon University in Shanghai. His business career in China included television advertising, establishing a profitable brand of liquor and establishing a chain of Taekwando training schools. Mr Yang has also been a boxing promoter, manager and trainer. Two of Mr Yang's students were holders of middle weight female titles of the World Boxing Council (WBC) and Women's International Boxing Association (WIBA).

Director – Non- Executive

Khing Yean Wong

Ms Wong is 39 years of age. She has had a number of business development roles in the financial services industry including most recently as a Senior Business Development Manager for the Commonwealth Bank of Australia. She has a Bachelor of Commerce degree from Monash University, a Masters of Finance from RMIT University and a Masters of Business Systems from Monash University. Ms Wong is a member of the Company's Audit, Risk and Compliance Committee.

Director - Non-Executive

Bin Jin

Mr Jin is 38 years of age. He is an electrical engineer specialising in automation and control systems. He has an engineering degree from Harbin University, a Masters of Business Administration from the University of Honolulu (Malaysian campus) and a Masters of Business Administration from BI Norwegian School of Management Fundon University in Shanghai. Mr Jin is a member of the Company's Audit, Risk and Compliance Committee.

A Director is generally considered as "independent" where they are free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgment. In accordance with this definition, the Board considers, Mr Jin is independent.

The Company considers knowledge of the UPE System and experience in establishing new businesses, brand development and advertising to be important attributes of its Board members

and that it is appropriate for the current Directors to serve as members of the Board given the size and development of the Company at the present time. The Company will give consideration to the appointment of experienced non-executive Directors at an appropriate time in its development.

Management

Zeming (Michael) Yang will be the Executive Chairman of the Company and be responsible for the overall business operations.

Khing Yean Wong will be acting as Company Secretary.

The Company has agreed to appoint April Zhang of Aznash & Partners as its Chief Financial Officer. Ms Zhang is a Partner of Aznash & Partners specialising in private client services. She works with small and medium size businesses providing advice in all areas of tax and business services. She holds a Bachelor of Arts and Business Accounting (Monash University) and is a member of the Institute of Chartered Accountants in Australia. She holds a certificate of Public Practice and is a member of the Taxation Institute of Australia.

2.7 Interests of the Directors

Except as disclosed in this Information Memorandum, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contact entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Information Memorandum, any interest in:

- The formation or promotion of the Company; or
- Property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of Shares; or
- The Offer of the Shares.

Except as disclosed in this Information Memorandum, no amounts of any kind (whether cash, shares, options, or otherwise) have been paid or given or agreed to be paid or given to any Director or to any company or firm with which a Director is associated to induce him or her to become, or qualify as, a Director or otherwise for services rendered by him or her or any company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer of the Shares.

Director	Shares
Zeming (Michael) Yang	9,000,000
Khing Yean Wong	Nil
Bin Jin	Nil

Zeming (Michael) Yang transferred the Intellectual Property to the Company on its establishment. In consideration he was issued with 9,000,000 fully paid Ordinary Shares at an issue price of \$0.007227 per share. The total issue price was equivalent to the amount paid by Zeming (Michael) Yang for developing the Intellectual Property up to the date of its transfer and the cost of acquisition of the UPE Trade Mark. Further details of the arrangement for the transfer of the Intellectual Property can be found in Section 6.1.5.

Zeming (Michael) Yang has agreed to lend the Company up to \$200,000 in respect of the costs incurred in raising the funds and listing the Company. This loan is unsecured and interest free and repayable only upon the Company raising a minimum of \$500,000 in additional capital at some time in the future.

The 9,000,000 Shares held by Zeming (Michael) Yang will be escrowed for a period of one (1) year from the date of Listing and classified as restricted securities.

Please see Sections 2.8 and 6.1.4 for details of the remuneration of the Directors.

2.8 Directors' Remuneration

The remuneration of Executive Directors will be determined from time to time by the Board of Directors having regard to the nature and extent of their responsibilities.

The shareholder of Ultimate Power & Energy Limited has resolved that the remuneration of non-executive Directors must not exceed a maximum amount fixed in general meeting for that purpose (currently fixed at \$150,000). Non-executive Directors are currently entitled to an annual fee of \$25,000 each. These fees are contingent upon the listing of the Company on the SIM VSE and accrue from the date of listing.

Non-executive Directors, may also be remunerated for additional specialised services performed at the request of the Board, and reimbursed for reasonable expenses incurred by Directors on Company business. Non-executive Directors may also receive consultancy fees for additional work performed for the Company outside normal Directors' duties. All specialised services and consultancy fees will be at normal commercial rates.

Zeming (Michael) Yang is Executive Chairman of the Company and as such responsible for the day to day operations of the Company. He will be paid an annual salary of \$90,000 together with other entitlements. Please see Section 6.1.4 for details of Zeming (Michael) Yang's Employment Agreement.

2.9 Corporate Governance

The Board of the Company supports where appropriate the Principles of Good Corporate Governance and Best Practice Recommendations published by the ASX Corporate Governance Council and the corporate governance principles published by the Australian Institute of Company Directors.

The Company's Board Charter and the Charter of the Audit, Risk and Compliance Committee are listed on the Company's website, www.wupenergy.com.

3 Company Overview and Business Strategy

3.1 The UPE System

The UPE System is designed as a system for the generation of electricity that can be installed in almost any motor vehicle. The UPE System combines three main components, a wind powered electricity generator, storage batteries and a power converter. The UPE System harnesses wind energy resulting from a motor vehicle's movement to generate an electric current. The electricity produced is then stored in batteries located in the vehicle.

Once the vehicle is stationary and the batteries charged, the batteries are then connected via a lead from the motor vehicle to the power converter and then to a building's electricity circuit. The converter then regulates the flow of electric current so that at low power usage (eg. lighting, television, computers) power is drawn from the batteries. When greater power demands occur (eg. air conditioning or washing machines) or the batteries are depleted, power is drawn from the electricity grid. The converter will need to be installed by a licensed electrician.

The first generation of the UPE System has been designed so that it easily fits into a standard Australian family car. A typical system configuration is expected to be that the wind generators would be mounted in the front engine compartment and the batteries located in a vehicle's boot compartment. Total weight of the vehicle components of the system is approximately 21 kilograms. It has been designed so that after a vehicle travels at between 60 to 80kmph for 3 hours the batteries will be fully charged. The capacity of the batteries is 8 to 9 KW or approximately half the daily electricity usage for the average Australian home.

The UPE System has been designed so that it will start producing electricity at speeds of 40kmph.

Since the UPE System was conceived and designed by Zeming (Michael) Yang, he has sourced the components of the system that meet his design specification. These components are currently being manufactured and tested by the suppliers prior to shipment to Australia. The next step is for the Company to install and test the components together as a prototype of the UPE System to establish the optimal system configuration.

Following tests of the prototype UPE System, the Company will move to install and test 70 units in various situations to fully test the system and its capabilities as well as developing and gaining market opportunities for the system.

The initial target market is expected to be the domestic electricity market derived from green energy sources. The Company then plans to adapt the UPE System so that it can be used in commercial vehicles and situations as well as in caravans and mobile homes.

3.2 The Market

The market for the UPE System is the emerging and green energy sector. The sector has been increasing in prominence since global warming was accepted by the wider community. The Company believes that this will continue into the future.

In Australia the size of this market sector was US\$683m in 2011 and it is forecast to grow with approximately \$20 billion of investment in renewable energy by 2020 in today's dollars.¹ It is also

¹ Australian Government, *Securing a Clean Energy Future* (2012) Clean Energy Future

forecast that 20% of Australia's electricity will be generated from renewable energy sources by 2020.²

Worldwide the size of this market was \$260 billion in 2011 and the forecast growth of the renewable energy sector will lead to it having a share of 20% to 35% of the worldwide electricity market by 2020 and could be as high as 50% to 80% by 2050.³

In Australia there were approximately 15,689,593 motor vehicles in 2011, excluding motorcycles.⁴

Worldwide, there are at least 600 million vehicles on the road today and by 2050, this could increase to 2.5 billion vehicles.⁵

The UPE System is designed to be able to be adapted to most motor vehicles. The expected cost of a UPE System is relatively low when compared to alternatives such as solar power producing the same output. Accordingly UPE expects that the UPE System will be an attractive product in both the Australian and international markets for green and emerging energy.

The Company believes that other companies will increasingly look for ways to reduce their greenhouse emissions; particularly with the introduction of schemes which price carbon emissions such as that recently introduced in Australia and as carbon trading schemes emerge. The Company believes the UPE System will offer opportunities for companies to reduce their overall green-house gas emissions.

The Company does not expect to make significant sales of the UPE System for up to 12 months after listing. During this time it will test and commence marketing of the UPE System and appoint distributors.

Initially the Company expects to generate sales in Australia and that these will initially be relatively small scale. As the UPE System becomes more widely recognised and accepted as a viable system, arrangements can be made for greater production and supply of the UPE System.

While the Company sees its biggest market to be in the domestic green energy sector examples of other potential applications are:

- the caravan and mobile home market where a caravan or mobile home could be supplied with almost all of its electrical needs; and
- commercial enterprises such as the truck or bus industry where fleets of vehicles would be used to supplement a company's electrical usage and reduce its carbon footprint. There may also be opportunities for companies to supply stored power into the electrical grid.

<<http://www.cleanenergyfuture.gov.au/clean-energy-future/securing-a-clean-energy-future>>
Australia All-Energy, *Australia All- Energy News 2012: Issue 1, March 2012* (March 2012) Australia All-Energy

<http://www.all-energy.com.au/userfiles/file/AEaus2012_0021_news1-6pageARTlores.pdf>

² Australian Government, *Securing a Clean Energy Future* (2012) Clean Energy Future

<<http://www.cleanenergyfuture.gov.au/clean-energy-future/securing-a-clean-energy-future>>

³ Eric Martinot et al 'Renewable Energy Futures: Targets, Scenarios, and Pathways' (2007) *32 Annual Review of Environment and Resources* 205

⁴ Australian Bureau of Statistics, *9309.0 - Motor Vehicle Census* (28 July 2011) Australian Bureau of Statistics

<<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/9309.0Main+Features131%20Jan%202011?OpenDocument>>

⁵ Carlos Ghosn, *Message*, Nissan Global

<<http://www.nissan-global.com/EN/COMPANY/MESSAGE/MESSAGE>>

The fact that the UPE System is in effect mobile allows a degree of flexibility that is not available to static sources of energy such as traditional solar panels and wind turbines. This potentially could allow the Company to develop markets in remote locations.

3.3 Business Plan

Period from Listing

- | | | |
|----------------|---|--|
| 0-6 months | - | install and test prototype UPE System to optimise system configuration |
| | - | lodge an International Patent Application and then lodge patent applications in countries and areas such as North America, Asia and Europe |
| 6-12 months | - | installation of 70 trial units |
| | - | run trials on the 70 units |
| | - | develop marketing strategy and materials |
| 12-18 months | - | commence sales in Australia and appoint distributors |
| | - | international promotion and discussion with vehicle manufacturers |
| 24 months plus | - | finalise designs and develop 20KW System |

Initially the Company will move to install a prototype UPE System using the components sourced to date. The testing will aim to optimise the system configuration and identify any vehicle modification requirements to maximise the system's effectiveness. The Company plans to test the prototype system initially in a vehicle with no vehicle panels so that the wind generators are totally exposed to test that the generators work as expected. Then the panels will be replaced to determine the best location for the generators within the engine compartment.

The Company will also test the converters by installing it in the electrical system of a house to ensure it works as designed in regulating the flow of power from either the battery or the electricity grid.

Following prototype trials the Company intends to conduct a trial of 70 units. The 70 trial units will be installed in a variety of vehicles and in targeted situations. The Company will look to trial the units in vehicles of home owners in a variety of localities and situations such as inner-city residents and long distance commuters. In this way the company can test the performance of the system in different vehicle types and ascertain how best they be installed in different vehicles.

The Company will also seek as part of these tests to have units installed in government and commercial vehicles and buildings to broaden the exposure of the UPE System.

The installations will be undertaken free of charge. The trials will be used to test and prove:

- efficiency of operation;
- power generation and storage capacity in a variety of situations;

- levels of reduction of electricity consumption from the electricity grid;
- production methods and installation process; and
- costs of production and installation.

The Company will also use the tests of the 70 units to identify and gain markets for the UPE System.

In conjunction with the trials of the 70 units the Company will develop its initial marketing campaign for promotion of the UPE System and source potential distribution channels.

The trials of the prototype system, the 70 installed units and initial marketing campaign are expected to take up to 12 months from listing.

Following the trials of the 70 units the Company will look to commence commercial sales.

Around 12 months after listing, the Company will look to expand its marketing campaign to the expected major markets of North America, Asia and Europe. In addition the Company will look to commence discussions with major motor vehicle manufacturers in respect of the installation of the UPE System in new vehicles.

Each step in the Company's business plan will be dependent and influenced by the successful completion of the previous step. If results of prototype or testing of 70 systems do not meet current expectations the Company may have to adjust its planned development and marketing of the system.

Australian manufacturing and distributing will be conducted through Ultimate Power and Energy Operations Pty Ltd and the international distribution and licensing of the UPE System by Ultimate Power and Energy International Pty Ltd.

3.4 Business Model

The Company is in early stage development of the UPE System. Its initial aim is to build the prototype UPE System and test the prototype in order to see that the components perform to the specifications and to determine the optimal positioning of components in vehicles.

Once satisfied with the prototype the Company will order components for the planned testing of 70 systems. These tests will occur over an expected period of 6 months. The Company expects each complete UPE System will cost it around \$1,200 and around \$300 to install.

On completion of the tests of 70 systems the Company will look to undertake sales. The Company expects that the UPE System will be attractive to domestic users as:

- it will have relatively low cost when compared to other domestic power systems such as solar panels with similar power capacity assuming the Company can continue to source components at current costs;
- final retail costs of the UPE System have not yet been determined but the Company will look to ensure the UPE System is attractive to potential purchasers;
- the system should assist in reducing costs of electricity used in a household by reducing demands for power from the grid system; and

- the systems relatively small size should not result in major increases in vehicle fuel consumption.

Determining the best initial areas for targeted marketing will be assisted by having the UPE System tested in vehicles that are operated in various locations and situations.

The Company will, if funding permits and opportunities arise, look to develop other versions of the UPE System for use other than in domestic situations.

Ultimately the Company aims to introduce the UPE System to vehicle manufacturers so that systems can be incorporated into new vehicles with the vehicles being designed to allow optimum use of the system. The Company anticipates acceptance of the UPE System concept by vehicle manufacturers will depend upon the results of the 70 test systems and initial market acceptance of the UPE System.

3.5 Competitors

The Company will compete with providers of renewable energy sources, primarily wind and solar providers.

Given the microgeneration characteristics of the UPE System the Company sees that the main competitors with the UPE System will primarily be domestic solar panel installations. The Company sees the UPE System as having a number of advantages over solar panels including:

- the installed cost of the UPE System is estimated to be around half the price of solar panel installations with the same generation capacity;
- no need to utilize roof space for installations;
- portability; and
- not impacted by the weather.

The Company believes it has a first mover advantage over other potential producers, but it cannot rule out rival products being brought to market. The Company will seek to protect its market position through:

- the development of new products and systems;
- the adaptation of products to new uses to open additional markets
- the enforcement of its patent rights; and
- developing strategic partnerships with major vehicle manufacturers for installation of the UPE System in new vehicles.

3.6 Intellectual Property

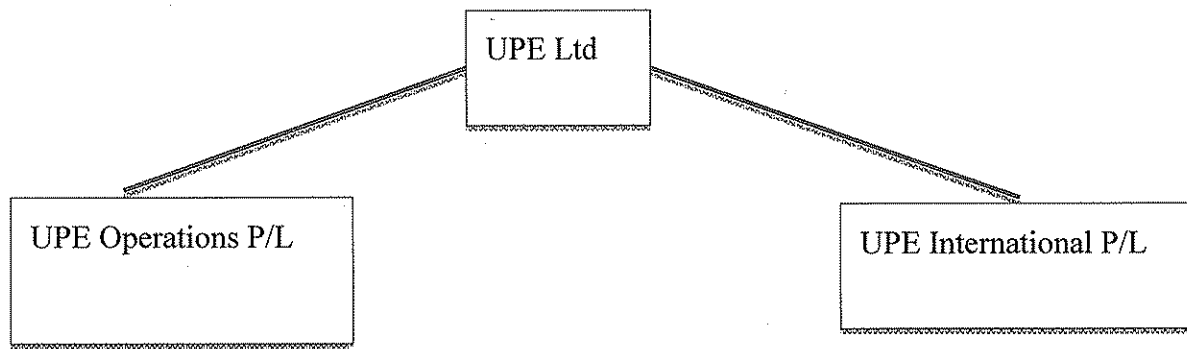
Ultimate Power and Energy acquired the rights to the Intellectual Property for the UPE System from the Company's Chairman, Zeming (Michael) Yang, who is the inventor. The Intellectual Property consisted of the Australian Patent Application 2012901299 for the UPE System, all designs, specifications and drawings and an animated concept video. The Company's trademark was acquired from a company associated with Mr Yang using funding subscribed by him on incorporation.

The consideration provided by the Company for the Intellectual Property was the issue of 9,000,000 fully paid Shares in the Company for an issue price of \$0.007227 per Share. The issue price for the Shares was equivalent to the then costs incurred in designing, testing components (including acquiring a vehicle as a test bed) and developing the UPE System, applying for the patent and trademark protecting the Intellectual Property and producing the animated video demonstrating the concept behind the project. The 9,000,000 Shares were the initial Shares issued in the Company.

Following listing the Company intends to lodge Patent applications covering the UPE System in its expected major markets of North America, Asia and Europe to protect its rights in the UPE System.

3.7 Corporate Structure

The UPE Corporate Structure is set out below.



Ultimate Power and Energy Ltd is the group's holding company and holds the Intellectual Property.

UPE Operations will be licensed to use the Intellectual Property in Australia and is the Company's Australian trading arm and will appoint distributors in Australia.

UPE International Pty Ltd will hold a license for Ultimate Power and Energy Ltd for the exploitation of the Intellectual Property outside Australia. UPE International will have the right to grant sub-licenses of the Intellectual Property. It is expected UPE International will derive license fees and royalty income as opposed to direct sales income.

4 Risk Factors

4.1 Introduction

An investment in the Company is not risk free and prospective investors should consider the risk factors set out below.

Numerous risk factors could potentially impact upon the future operations and financial performance of the Company, the achievement of its objectives or its share price. The risks relate to both the Company and the general business and local and worldwide economic climate. Therefore, some risks are within the control of the Company and some are outside the control of the Company.

Investors should read the whole of this Information Memorandum in order to fully appreciate the risks involved in investing in the Company and the manner in which the Company intends to operate before any decision is made to subscribe for Shares. Neither the Company, nor its Directors, nor any of its professional advisers give any guarantee as to future dividends, return of capital or the price at which the Shares might trade on SIM VSE.

4.2 General Economic and Share Market Climate

Numerous widespread risks are associated with investing in any form of business and with investing in the stock market generally. Returns from an investment in the Company will depend upon general stock market activity, general economic conditions, movements in interest and inflation rates and currency exchange rates as well as the specific performance of the Company.

There is no guarantee of profitability, dividends, return of capital, or the price at which the Shares might trade on SIM VSE. Nor can there be a guarantee that an active market in the Shares will develop.

4.3 Government and Regulatory Policies, Legislation and Regulation

The market for the UPE System is the green and emerging energy sector. These industries are highly regulated in Australia and overseas. The Company cannot guarantee that legislation and regulatory policies in relation to the industries for example, changes to incentives in relation to renewable energy, will not change or have a deleterious effect on the Company's operations.

4.4 The Company

The Company is subject to all usual risks encountered by developing organisations including:

- capital adequacy;
- cashflow and revenue generation;
- gaining market share;
- market growth; and
- continuity of core personnel.

4.5 Design Risk

The company has not operated a complete UPE System. As a result the UPE System may not operate as expected. Tests have, however, been undertaken to determine final design specifications that have been provided to component suppliers. As a result of these tests, the Company expects the UPE System to work as envisaged.

4.6 Start Up Technology Business

The Company is a start-up technology business and there is no guarantee of market acceptance of the Company's products. The Company may not derive sufficient sales of the UPE System to generate profits. The Company intends, following testing of the prototype system to undertake a significant trial of 70 units to demonstrate the capabilities of the UPE System as well as a targeted marketing campaign to promote the UPE System in order to reduce this risk.

4.7 Manufacturing and Commercial Risks

The UPE System has not been commercialised nor manufactured on a large scale. The UPE System may not gain market recognition sufficient to generate profits or to a sufficient level of production to develop economies of scale and lower manufacturing costs which may make the UPE System uncompetitive.

4.8 Intellectual Property

The UPE System is the subject of a patent application in Australia. The Company will be seeking to register an International Patent Application and seek patent protection in respect of several major potential markets, notably North America, Asia and Europe. There is no guarantee the patents will be granted although the Company knows of no reason why they should not. If ultimately the patent is not granted the Company estimates it will have a first mover advantage of up to 2 years before competitors can develop similar products and gain a market share.

4.9 Competition and Industry Risks

The Company is in the startup phase in the green energy market and will be competing with established operators in this market. The Company believes its product is sufficiently different to products already in that market to enable it to establish its business (see Section 3.4).

While the Company believes that it will provide effective competition to its competitors, no assurance can be given that competition will not intensify, either by way of further competitors with similar quality products and aggressive marketing by competitors, or that the competitive nature of the industry will not materially affect the Company's business, operating results and financial condition.

4.10 Supply Contracts

The Company may be dependent upon due performance of a number of contracts in relation to the supply of components. The Company will look to source components for the UPE System from major providers. Several components such as batteries can be sourced from multiple suppliers. As such the Company does not expect supply problems to disrupt its production of the UPE System.

4.11 Key Management

The Company may be dependent upon individuals engaged by the Company and its subsidiaries, such as the Chairman. There may be some risk of a detrimental impact on the Company if such key management personnel were to resign and people with at least comparable attributes were not available to replace them. As such the Company's prospects therefore could depend on the performance and ability of its executive Directors and executive officers to properly operate and grow the Company and its business according to its stated objectives.

4.12 Public Company Experience

While the Directors are highly qualified and have experience relevant to the Company's future development, none of the Directors have any experience as a director of a public company. The Company will look to recruit suitably experienced non-executive Directors at an appropriate time in the Company's development.

4.13 International Business

The Company expects to conduct a significant proportion of its business in international jurisdictions. There are certain risks inherent in doing business in international jurisdictions, such as unexpected changes in regulatory requirements (including legislative, regulatory and taxation), problems in collecting accounts receivable, fluctuations in currency exchange, foreign exchange controls which restrict or prohibit repatriation of funds, and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's international operations.

There is no assurance that one or more of these factors will not have a materially adverse effect on the Company's business operations and operating results and financial position.

4.14 Speculative Investment

Investment in the Shares offered in this Information Memorandum should be considered speculative.

You should carefully consider the risks discussed above before deciding to invest in the Company. In particular, you should consider your own personal circumstances (including financial and taxation issues and the present nature of your investment portfolio) and seek professional advice from your accountant, stockbroker, lawyer, or other professional adviser before deciding whether to make an investment.

5. HOW TO INVEST

5.1 How to Invest

Applications to subscribe for Shares can only be made by completing and lodging an Application Form attached to this Information Memorandum.

Instructions on how to apply are set out below and in the Application Form attached to this Information Memorandum. Applications must be for at least 10,000 Shares (\$2,000). Applications for more than 10,000 Shares must be in multiples of 5,000 Shares (\$1,000).

All Shares are to be issued at a price of \$0.20 per Share payable in full on Application.

No brokerage or stamp duty is payable by Applicants.

Applications for Shares pursuant to this Information Memorandum must be made using an Application Form attached to this Information Memorandum.

Payment for the Shares must be made in full at the issue price of \$0.20 per Share. Applications for Shares must be for a minimum of 10,000 Shares (\$2,000) and thereafter in multiples of 5,000 Shares (\$1,000).

Completed Application Forms and accompanying cheques must be either mailed or delivered to: Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW 2000 or GPO Box 3993 Sydney NSW 2001 by 12 October 2012. Applications must be received by 5 pm (Sydney time) on 12 October 2012 unless the Closing Date is extended.

Cheques should be made payable to "Ultimate Power and Energy Ltd - Share Application Account" and crossed "Not Negotiable". Completed Application Forms must reach the Company by no later than the Closing Date.

5.2 Allotment and Issue

Allotment and issue of the Shares offered by this Information Memorandum will take place as soon as practicable after the Closing Date and in compliance with the Corporations Act. Prior to the allotment of Shares pursuant to this Information Memorandum, all application monies shall be held by the Company on trust.

The Directors reserve the right to allot Shares in full for any Application or allot any lesser number or to decline any Application. Where the number of Shares allotted is less than the number applied for, or where no allotment is made, the surplus Application monies (excluding interest) will be returned by cheque to the Applicant within seven (7) days of the allotment date.

Applicants must not assume that Shares, or any number of Shares, will be issued to them in response to their Application. The Company reserves the right to reject Applications or to scale back the number of Shares offered in respect of an Application. Before purporting to deal with any Shares in anticipation of issue to the Applicant, each Applicant must satisfy themselves as to the number of Shares to which they have become entitled.

5.3 Minimum Subscription

The minimum amount to be raised under this Information Memorandum is \$600,000. Oversubscriptions may be accepted and could raise up to a further \$100,000.

If \$600,000 has not been raised within 4 months after the date of issue of this Information Memorandum, the Company shall repay (without interest) as soon as practicable all money received from Applicants for the Shares or the Company will issue a supplementary or replacement Information Memorandum and give Applicants one month to withdraw and be repaid their application monies (without interest).

5.4 Opening and Closing Dates

Submission of Applications may be made on or after the Opening Date. Application Forms duly completed with full payment of Application monies must be received by 5.00 p.m. Sydney time on the Closing Date. The Company reserves the right to close the Offer early or extend the Closing Date at its discretion without notice, provided that the Closing Date will not be a date more than 13 months from the date of the Information Memorandum.

5.5 SIM VSE Listing

Application will be made to the SIM VSE, not later than seven (7) days after the date of this Information Memorandum, for official quotation of the Company's Shares to be issued under this Information Memorandum on the Official List of the SIM VSE. No Shares will be issued pursuant to this Information Memorandum unless such permission is obtained from the SIM VSE.

If application to list on the SIM VSE is not made, or if the Shares issued pursuant to this Information Memorandum, are not listed for quotation within three months after the date of this Information Memorandum, all application monies will be refunded (without interest) as soon as practicable or the Company will issue a supplementary or replacement Information Memorandum and give Applicants a period of one month to withdraw their applications and be repaid their application monies (without interest) in accordance with the Corporations Act.

If the SIM VSE admits Ultimate Power and Energy Ltd to the Official List, that fact is not to be taken in any way as an indication of the merits of Ultimate Power and Energy Ltd or of the Shares now offered for subscription. The SIM VSE, its officers and employees, take no responsibility for the contents of this Information Memorandum

5.6 CHESS – Clearing House Electronic Sub-Register System

The Company will apply for admission to participate in the Clearing House Electronic Sub-Register System (CHESS) in accordance with the Listing Rules and ASX Settlement Operating Rules (Settlement Rules). CHESS is operated by the ASX Settlement Pty Ltd (ASXS), a wholly owned subsidiary of Australian Securities Exchange Ltd, in accordance with the Listing Rules and the Settlement Rules. On admission to CHESS, the Company will operate an electronic issuer sponsored sub-register and electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue Share certificates to Shareholders. Instead, Shareholders will receive a holding statement, which sets out the number of Shares they hold in the Company. If the Shareholder is broker sponsored, ASXS will send a CHESS statement.

A holding statement (whether issued by the Company or CHESS) will also provide details of a Shareholder's Holder Identification Number (HIN) (in the case of a holding on the CHESS sub-register) or Securityholder Reference Number (in the case of a holding on the issuer-sponsored sub-register).

Following distribution of these initial holding statements to all Shareholders, a holding statement will only routinely be provided to a Shareholder at the end of any subsequent month during which the balance of the Shareholder's holding of Shares changes.

5.7 Privacy Act

If you complete an Application Form, please note you are providing personal information to the Company, either directly or via the share registry. The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder, facilitate distribution of payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the Share register, bidders for your Shares in the context of takeovers, regulatory bodies, such as the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

Please note you can access, correct and update the personal information that we hold about you or an associated entity. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Information Memorandum.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the Settlement Rules. Please note also that if you do not provide the information required on the Application form, the Company may not be able to accept or process your Application.

6 Additional Information

6.1 Material Contracts

The descriptions of the Material Contracts in this sub-section do not purport to be complete and are qualified in their entirety by reference to the full terms of the Material Contracts. Apart from the matters mentioned below there are no contractual arrangements considered to be material for the purposes of this Information Memorandum and the Offer.

A summary of the material terms of each of the above contracts is set out hereunder:

6.1.1 Sinopoly Battery International Ltd

Sinopoly Battery International Ltd (Sinopoly) is a Hong-Kong based manufacturer of lithium-ion batteries and related products. The Company has entered into an agreement with Sinopoly for the supply and purchase of lithium-ion batteries for the Company's products.

6.1.2 Shenzhen Effsun Wind Power Co Ltd (Effsun)

Effsun is a company based in Shenzhen, China, who specialises in the manufacturing of small and medium-sized wind turbines; off-grid wind turbines, wind and solar products; controller; inverter and low-speed permanent magnet three-phase generators. The Company has entered into an initial agreement with Effsun for the development and production of 6 wind turbine units with an output of 1.5KW to be used in the prototype the UPE System. The Agreement also allows for the development of 2KW units which would allow the UPE System to generate more power than the current designs.

6.1.3 Shanghai Libang Hi-Tech Development Co Ltd (Libang)

Libang specialises in the research and development of a variety of electronic control systems. It focuses on product-oriented designs that are commissioned by clients in their developments of new innovations. The Company has entered into an agreement with Libang for the development of converters and switches allowing stored power to be converted from Direct Current to Alternating Current and regulate power flows from the storage batteries and the electricity grid. The switches and converters are required to meet the current UPE System design specifications. The Agreement also provides that the companies will work together to further improve and refine the efficiency and effectiveness of the UPE system.

6.1.4 Executive Contracts

The Company has executed an executive service agreement with Zeming (Michael) Yang to carry out the role of Executive Chairman and Chief Executive Officer. His duties include the overall day to day management of the Company and development of the UPE System and other products. The commencement date of employment is the 1 August 2012 for an initial period of 2 years. Mr Yang's base salary is \$90 000 inclusive of superannuation contributions required by law. The Company will reimburse Mr Yang for any travel, hotel, entertainment and other out-of-pocket expenses properly and reasonably incurred in the course of employment with the Company. There will be a remuneration and performance review once a year. The agreement with Mr Yang contains a restraint period of up to two (2) years.

6.1.5 Assignment of Intellectual Property from Michael Yang

On 12 July 2012, the Company entered into an agreement whereby Zeming (Michael) Yang assigned all his rights to the patent application in respect of the UPE System and all other Intellectual Property and other assets including a motor vehicle used in preliminary testing in consideration for the issue of 9,000,000 Shares at an issue price of \$0.007227 per share. The total issue price for the 9,000,000 Shares was equal to the amount paid by Mr Yang in respect of the development of the UPE System to the date of Agreement and \$11,990 in cash which is equal to the amount paid by the Company for the rights to the Trade Mark. In accordance with the agreement Mr Yang has formally assigned the Intellectual Property other than the trademark to the Company following the Company's registration.

6.1.6 Assignment of Trade Mark

On 13 July 2012 the Company entered into a Deed of Assignment of the UPE Trade Mark with Ultimate Petrol Energy Pty Ltd a company associated with the Chairman, Mr Yang. The Company agreed to pay \$11,990 for the rights to the Trade mark which equated to the costs incurred by Ultimate Petrol Energy Pty Ltd in relation to the trade mark.

6.1.7 Deeds of Access and Indemnity

Each Director has entered into a Deed of Appointment with the Company under which each party is given access to documentation and in addition is:

- Indemnified by Ultimate Power & Energy Limited to the full extent permitted by law against all liabilities sustained or incurred through acting as a Director or Company Secretary (under the Corporations Act the indemnity does not extend to a liability owed to Ultimate Power & Energy Limited or its related bodies corporate, or which arises out of conduct involving a lack of good faith, or is for a pecuniary penalty order under section 1317G of the Corporations Act or a compensation order under section 1317H of the Corporations Act);
- Indemnified by Ultimate Power & Energy Limited to the full extent permitted by law against legal costs and expenses incurred in defending an action for a liability incurred as an officer of Ultimate Power & Energy Limited (under the Corporations Act the indemnity does not extend to costs incurred in circumstances where the Director is found to have a liability for which the Director cannot be indemnified, or costs of defending or resisting criminal proceedings in which the Director is found guilty or defending proceedings brought by ASIC or a liquidator for a court order where the court holds that the grounds for making the order are established, or costs in respect of proceedings seeking relief for the Director under the Corporations Act where the court denies relief); and
- Entitled to have Ultimate Power & Energy Limited maintain and pay premiums in respect of Directors' and officers' insurance to the extent permitted by the law.

6.1.8 Loan from Zeming (Michael) Yang

Zeming (Michael) Yang has agreed to lend the Company up to \$200,000 in respect of the costs incurred in raising the funds and listing the Company. This loan is unsecured and interest free and repayable only upon the Company raising a minimum of \$500,000 in additional capital at some time in the future.

6.2 Restriction Agreements

Ultimate Power & Energy Limited has entered into a restriction agreement in the form set out in the SIM VSE Listing Rules as per the requirements of the SIM VSE with Zeming (Michael) Yang in respect of 9,000,000 Shares.

The restriction agreement provides that the shareholder will not apply for the Shares held by him to be traded on the SIM VSE for a period of 12 months after the date of listing.

Further restriction agreements may also be entered into by any other persons or entities as may be determined appropriate by the SIM VSE. The terms of such agreements are entirely at the discretion of the SIM VSE and similarly any Shares the subject of such restriction agreements will not be traded on the SIM VSE for such period as may be determined appropriate by the SIM VSE in its discretion.

6.3 Documents Available for Inspection

The original or verified copies of the Company's Constitution consents and the material contracts set out in this sub-section shall be deposited at the registered office of the Company promptly after the lodgement of this Information Memorandum with ASIC and kept there for such period as may be required by law from that date for inspection by any person without charge during normal business hours.

A copy of the Company's Constitution is available for inspection by Shareholders and prospective investors at the Company's registered office. Alternatively, the Company will forward a copy to Shareholders and prospective investors, free of charge, upon request.

The documents set out below are available for inspection without charge during normal business hours at the registered office of Ultimate Power & Energy Limited:

- (a) this Information Memorandum
- (b) Ultimate Power & Energy Limited's Constitution
- (c) the material contracts listed in Section 6.1 of this Information Memorandum, including the executive contracts.

6.6 Rights and Obligations Attaching to Shares

Shares

The Shares to be issued pursuant to this Information Memorandum will rank equally in all respects with the Company's existing Shares.

The rights, privileges, liabilities and restrictions attaching to Shares are set out in the Constitution of the Company.

Share Capital

The share capital in the Company consists of ordinary shares. All existing issued Shares and Shares to be issued pursuant to this Information Memorandum are of the same class and rank equally in all respects.

Voting Rights

Subject to any rights for the time being attached to any class or classes of shares and provided no amount due and payable in respect of a call is unpaid, (at present there are no partly paid shares or unpaid calls) at a general meeting of the Company every holder of Shares present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote per Share.

Dividend Rights

Subject to the rights of holders of shares issued with any special preferential or qualified rights, the profits of the Company which the Directors of the Company may from time to time determine to distribute by way of dividend will be declared and paid according to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited), on the shares in respect of which the dividend is paid. Any amount paid up on a Share during the period in respect of which a dividend is declared only entitles the holder of that Share to an apportioned amount of that dividend as from the date of payment.

Rights on Winding-up

Subject to the Company's Constitution and any special rights attaching to any class of Shares, Shareholders will be entitled in a winding up to share in any surplus assets of the Company in proportion to the Shares held by them.

Transfer of Shares

Subject to the Company's Constitution and the Corporations Act, the Company's Shares are freely transferable.

Creation and Issue of Further Shares

The allotment and issue of any new shares is at the discretion of the Board. Subject to any restrictions on the allotment of shares imposed by the Company's Constitution, or the Corporations Act, the Board may issue those new Shares on such terms and conditions, and with rights and privileges, as the Board from time to time may determine.

Variation of Rights

At present the Company has only ordinary shares on issue. If shares of another class are issued, the rights, privileges and restrictions attaching to the shares may be altered with the sanction of a special resolution passed at a separate general meeting of the holders of the shares, or with the written consent of at least three quarters of the holders of the shares.

General Meetings

Each holder of shares is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

Buy Back

The Company may buy shares in itself in accordance with the Corporations Act on the terms and at the times determined by the Board.

Calls on Shares

Where shares are issued as partly paid (at present there are none) the Directors may make calls upon the holders of those shares to pay the whole of or a portion of the balance of the issue price. If a shareholder fails to pay a call or instalment of a call, then subject to the Corporations Act and the Listing Rules the shares in respect of the call may be forfeited in accordance with the Company's Constitution.

Unmarketable parcels

Subject to certain conditions the company may sell unmarketable parcels on issue as agent for the holders of those parcels. Shareholders will be provided with 6 weeks notice enabling them to elect to retain their shares, the shares may be sold and the proceeds held in trust on behalf of the Shareholder.

6.7 Litigation


The Company is not currently involved in any litigation or arbitration and is not aware of any threatened litigation or pending arbitration by or against it that is material.

7 Approval of Information Memorandum

This document has been approved by a resolution passed by the directors of ULTIMATE POWER AND ENERGY LIMITED on 28 September 2012

Signed by Zeming (Michael) Yang
Chairman of ULTIMATE POWER AND ENERGY LIMITED.

Dated 28 September 2012

28/09/2012 

Zeming (Michael) Yang

8 GLOSSARY

In this Information Memorandum the following terms and abbreviations have the following meanings, unless the context otherwise requires:

\$ means dollars in the lawful currency of Australia (unless otherwise specifically stated);

Applicant means any person or entity applying for Shares under this Offer.

Application means a valid application to subscribe for Shares.

Application Form means an application form attached to and forming part of this Information Memorandum.

ASIC means the Australian Securities and Investments Commission.

Auditors means Nexia Court & Co.

Board means the Board of Directors of the Company.

Business Day means a day on which SIM VSE is open for the transaction of business.

CHESS means Clearing House Electronic Sub-register System.

Closing Date means 12 October 2012 or such other date by which Applications will be accepted as the Directors may determine.

Company, Ultimate Power and Energy or UPE means Ultimate Power & Energy Limited ACN 159 476 892.

Constitution means the Constitution of the Company.

Directors means the directors of the Company at the date of this Information Memorandum.

Intellectual Property means Australian Patent Application No. 2012901299 in respect of the UPE System, all drawings designs and specifications for the UPE System, a concept video and all other intellectual property in respect of the UPE System.

KW means kilowatt.

Listing means the listing of Ultimate Power & Energy Limited on the SIM VSE.

Listing Rules means the Official Listing Rules of the SIM VSE.

Material Contracts means those agreements and arrangements referred to and summarised in Section 6 of this Information Memorandum.

Offer or Issue means the invitation to make Applications in the terms of this Information Memorandum and where appropriate, includes the allotment and issue of Shares.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Offer Price means A\$0.20 per Share

Official List means the Official List of SIM VSE.

Opening Date means 28 September 2012 or such later Applications may be received.

Ordinary Share means a fully paid ordinary share in the capital of the Company.

Information Memorandum means this document.

Securities means Shares or Options.

Securityholder means a person who holds Shares or Options in the Company.

Share Registrar or Share Registry means Boardroom Pty Limited ACN 003 209 836.

Share or Shares means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of Shares registered in the Company's records.

SIM VSE means SIM Venture Securities Exchange Ltd (ACN 087 708 898).

UPE Group or Group means the Company and its subsidiaries

UPE System means a system designed to generate electricity through utilising wind generation by a moving motor vehicle.

References in this Information Memorandum to Sections are to Sections of this Information Memorandum.

References in this Information Memorandum to currency are, unless stated otherwise, to the currency of Australia.

Guide to the Application Form

YOU SHOULD READ THE INFORMATION MEMORANDUM CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item A (not less than 10,000 and then in multiples of 5,000). Multiply by \$0.20 AUD to calculate the total for Shares and enter the **\$amount** at B.
- C. Write your **full name**. Initials are not acceptable for first names.
- D. Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
NB: your registration details provided must match your CHESS account exactly.
- F. Enter your Australian **tax file number** ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- G. Complete **cheque details** as requested. Make your cheque payable to **Ultimate Power & Energy Limited Share Application Account**, cross it and mark it "**Not negotiable**". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- H. Enter your **contact details** so we may contact you regarding your Application Form or Application Monies.
- I. Enter your **email address** so we may contact you regarding your Application Form or Application Monies or other correspondence.

Correct Forms of Registrable Title

Note that **ONLY** legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgement

Mail your completed Application Form with cheque(s) attached to the following address:

Mailing address:

Ultimate Power & Energy Limited
C/- Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Delivery address:

Ultimate Power & Energy Limited
C/- Boardroom Pty Limited
Level 7
207 Kent Street
SYDNEY NSW 2000

It is not necessary to sign or otherwise execute the Application Form.

Privacy Statement:

Ultimate Power & Energy Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website (<http://www.upenergy.com>).