

Quarterly Activities Report & Appendix 5B

June 2010



CLEAN
GLOBAL
ENERGY

Corporate Details

Clean Global Energy Limited | ABN 90 118 710 508 | And its controlled entities.

Quarterly Report for the period ended 30 June 2010

DIRECTORS

Mr. John Harkins – Chairman and CEO
Dr. Michael Green – Technical Director
Mr. Domenic Martino – Non Executive Director
Ms. Alison Coutts – Non Executive Director
Mr. Paul Hubbard – Non Executive Director

COMPANY SECRETARY & GENERAL COUNSEL

Mr. Andrew Whitten

CHIEF FINANCIAL OFFICER

Mr. Wayne Rossiter

REGISTERED AND PRINCIPAL OFFICE

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Highlights for the Quarter

Corporate Highlights

1. China Update

Clean Global Energy has continued to progress its China Joint Venture this quarter. After an extensive review and advice on the listing rules for the Hong Kong Stock Exchange, AuSino Energy plans to undertake a pre-listing private capital raising of US\$30 million to fund the construction of a commercial, enriched air, 7PJ Syngas plant in Inner Mongolia with a proposed off-take agreement with a nearby state-owned power station (subject to negotiations). Expansion of this commercial plant to 30PJ would be partially funded by an Initial Public Offering of AuSino Energy Shares on the Hong Kong Stock Exchange and bank funding.

Strong interest has been shown in funding the China joint venture and we have received a Letter of Intent from a China based investment group to provide the US\$30million private funding. This Letter of Intent also includes a proposal to potentially fund the purchase of a substantial coal lease in Inner Mongolia.

The events surrounding UCG Projects in Queensland have not affected the proposed funding for the Inner Mongolian Project. Following recent discussions, the investment group have indicated they will now move forward and commence their due diligence process in respect to the project.

AuSino Energy is also currently reviewing an opportunity to acquire its own coal lease in Inner Mongolia. A detailed analysis and extensive geological and hydrology data has been provided to Clean Global Energy by the vendor coal company. This potential acquisition will also form part of the China based investment groups due diligence.

2. Greenpower Limited

Clean Global Energy has now independently applied for and been granted Exploration License EL5270 by the Victorian government in the Gippsland coal basin.

Clean Global Energy is focussing its Victorian exploration activities on EL5270 however Clean Global Energy is continuing its discussions with Greepower Energy Limited about advancing the Joint Venture on their Victorian coal tenements, in particular EL4500.

3. Liberty Resources Limited (ASX:LBY)

Clean Global Energy has advised Liberty Resources that Clean Global Energy will not be proceeding under the original Heads of Agreement as it has effectively lapsed in its present form. Both companies are continuing discussions.

4. Executive Appointments

Clean Global Energy filled two key positions with the appointment of Wayne Rossiter as Chief Financial Officer and Carl D'Silva as Exploration and Mining Manager.

These appointments represent an important step for Clean Global Energy in building its executive team for the delivery to market of its suite of energy solutions using Underground Coal Gasification technologies.

Operations

1. Coal Tenements

Clean Global Energy continued to expand its coal interests with the granting of EL5270 in the Gippsland Basin, Victoria and application over new tenements in Queensland.

A summary of Clean Global Energy's coal tenements are as follows:-

Tenure Type	Tenure Number	Status	Square KM's
EL	5270	GRANTED	938
EPC	1864	GRANTED	682
EPC	1751	GRANTED	148
EPC	1507	GRANTED	490
EPC	1508	GRANTED	429
EPC	1539	GRANTED	48
EPC	1506	GRANTED	458
EPC	1745	NATIVE TITLE	166
EPCA	1637	APPLICATION	192
EPCA	1592	APPLICATION	119
EPCA	1612	APPLICATION	77
EPCA	1748	APPLICATION	336
EPCA	1861	APPLICATION	183
EPCA	1973	APPLICATION	48

EPCA	1978	APPLICATION	61
EPCA	1982	APPLICATION	90
EPCA	1986	APPLICATION	147
EPCA	2004	APPLICATION	202
EPCA	2006	APPLICATION	55
EPCA	2009	APPLICATION	61
EPCA	2027	APPLICATION	147
EPCA	2029	APPLICATION	381
EPCA	2091	APPLICATION	51
EPCA	2094	APPLICATION	48
EPCA	2059	APPLICATION	55
EPCA	2110	APPLICATION	532
ELA	5282	APPLICATION	108
TOTAL			6,252

On 15 February Clean Global Energy lodged notices with the Queensland Department of Mines and Energy nominating its EPC's and EPCA's for designation as mineral "F" for future Underground Coal Gasification as required under the Queensland Government's UCG Policy.

2. Drilling Update

Stage 1 of the exploration drilling program on CGE's EPC1506 tenement in Queensland has confirmed the company's initial opinion that the coal seams appear suitable for Underground Coal Gasification.

Stage 1 drilling activities are nearing completion and will prove up the extent of coal and the quality of the black coal intersected within the Walloon Coal Measures. Drilling to date has been a combination of core and chip holes. .

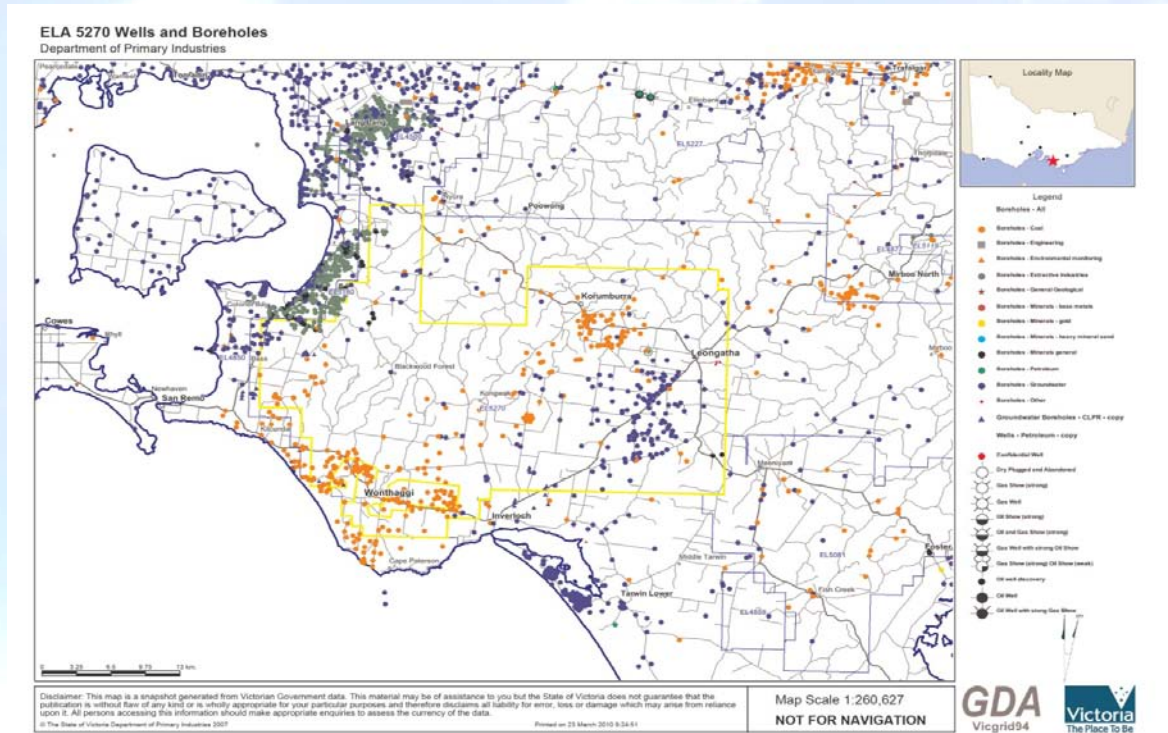
The core samples have been sent for quality testing and analysis and the results are comparable to some UCG sites in the former Soviet Union, which have been running successfully since the mid-1950s in similarly thick coal seams

With the results obtained thus far CGE is now working towards an announcement of a maiden JORC resource.

Once this resource is established Clean Global Energy will apply for a Mineral Development Lease over the EPC. Given the recent events in Queensland, we believe the approval process for the Mineral Development Lease may take some time, however, we remain confident that Underground Coal Gasification and our Mineral Development Lease will receive approval in Queensland.

3. New Exploration Licence

During the quarter CGE was granted EL 5270 in Gippsland, Victoria. EL5270 is approximately 900 square kilometers and contains numerous exploration and other wells.



Initial review of this area indicates black coal formations that appear suitable for UCG occur within this lease area. A detailed review of existing mining and borehole data is underway in preparation of designing a drilling program expected to be conducted in 2H10.



EL5270 represents a strategic position in the Victorian energy corridor being in close proximity to power generators and other potential clients and Syngas customers.

4. Underground Coal Gasification Plant

Clean Global Energy has now substantially completed the initial design and layout of a modular Underground Coal Gasification plant, including Syngas processing that could provide a range of Syngas products suitable for multiple markets. However, our primary market is the power generation industry.

This modular design will form the basis of the configuration of customised site specific layouts which can be applied to any UCG project. This design work covers the Linear CRIP UCG Reactors, above ground plant and equipment, including compressors, laboratories, control room, Syngas clean up process, site offices, amenities, pipelines, and various other components. Clean Global Energy is currently seeking advice on the potential to patent the entire process.

Financial

1. Expenditure

Key expenditure for the quarter was on exploration and evaluation (\$1,083,000), development (\$265,000) and administration (\$468,000). Cash at the end of the quarter was \$3.1m.

2. Proposed Commitments

Capital commitments for the next quarter are focused on completion of the 1st Stage drilling program, initial work on our Victorian EL5270 and China Joint Venture expenditure which is estimated at A\$700,000.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CLEAN GLOBAL ENERGY LIMITED

ABN

90 118 710 508

Quarter ended ("current quarter")

30 JUNE 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (...12.... months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for		
	(a) exploration and evaluation	(1,083)	(1,434)
	(b) development	(265)	(278)
	(c) production	-	(75)
	(d) administration	(468)	(1,370)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	40	138
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	10
Net Operating Cash Flows		(1,776)	(3,009)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	(77)	(81)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	764	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		687	(768)
1.13	Total operating and investing cash flows (carried forward)	(1,089)	(3,090)

	Total operating and investing cash flows (brought forward)	(1,089)	(3,090)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	5,918
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	5,918
	Net increase (decrease) in cash held	(1,089)	2,828
1.20	Cash at beginning of quarter/year to date	4,182	274
1.21	Exchange rate adjustments to item 1.20	-	(9)
1.22	Cash at end of quarter	3,093	3,093

Payments to directors of the entity and associates of the directors

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	190
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.2 includes one off costs relate to establishment of the corporate office and development and costs for China attributable to our US\$350,000 commitment.

1.11 relates to funds lend to a subsidiary in prior quarters but utilised on exploration and development expenditure in the current quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400
4.2 Development	300
Total	700

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	13	84
5.2 Deposits at call	3,061	4,079
5.3 Bank overdraft	-	-
5.4 Other		
- Funds received pursuant to supplementary prospectus dated 24 September 2009 but shares not yet issued	-	-
- Security bond	19	19
Total: cash at end of quarter (item 1.22)	3,093	4,182

Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A		

6.2 Interests in mining tenements acquired or increased

EL5270	Granted 938km ²	0%	100%
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	140,727,964	85,300,150		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7 Options <i>(description and conversion factor)</i>	2,735,417 791,667 125,000 125,000 1,250,000 375,000	- - - - - -	<i>Exercise price</i> \$0.40 \$0.40 \$0.60 \$0.80 \$1.00 \$1.00	<i>Expiry date</i> 30/11/2011 30/11/2011 30/11/2011 30/11/2011 31/08/2011 30/11/2011

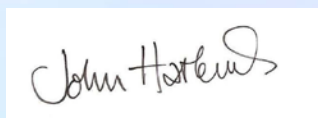
7.8	Issued during quarter	-			
7.9	Exercised during quarter	-			
7.10	Expired during quarter	-			
7.11	Debentures <i>(totals only)</i>	-			
7.12	Unsecured notes <i>(totals only)</i>	-			

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

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

Sign here:



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(Managing Director)

Date: 30 July 2010

Print name: John Harkins

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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