



ASIC
Australian Securities & Investments Commission

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08-163 ASIC launches action in relation to fuel technology company

Monday 21 July 2008

ASIC has today commenced civil proceedings in the Federal Court of Australia against parties associated with fuel technology company, Firepower Holdings Group Ltd (Firepower BVI).

ASIC's proceedings name the following individuals and companies as defendants:

- [Firepower Investments Pte Ltd \(Firepower Investments\) \(a company incorporated in Malaysia\);](#)
- [Owston Nominees No 2 Pty Ltd;](#)
- [Sattvic Pty Ltd;](#)
- [Axis International Management Pty Ltd \(Axis\);](#)
- [Seaswan Holdings Pty Ltd;](#)
- [Mr Timothy Francis Johnston \(Chairman and director of Firepower BVI\); and](#)
- [Mr Quentin Ward \(director of Axis\).](#)

ASIC alleges that these individuals and companies were associated with Firepower BVI, a company registered in the British Virgin Islands, raised funds from investors in Australia in breach of the Corporations Act (the Act). ASIC alleges a prospectus or disclosure document was not provided to investors as is required under the Act so investors or their professional advisers have all the information they need to reasonably make an informed investment decision about the company and its shares.

The commencement of proceedings follows an ASIC investigation into the sale of over 80 million shares in Firepower BVI (by persons and companies associated with it) to approximately 1400 Australian investors from mid 2005. These investors collectively paid in the order of \$60 million for the shares. ASIC's claim focuses on certain sales that took place between August 2005 and August 2006. It appears to ASIC that Firepower BVI shares ceased to be promoted from early 2007.

ASIC commenced its investigation in March 2007. This was prompted by inquiries it made in the latter part of 2006 and early 2007. In May 2007, Firepower parties (Firepower Operations Pty Ltd, Firepower Holdings Pty Ltd, Timothy Johnston and John Finnin), challenged ASIC's section 30 notices that had been served. A section 30 notice requires those named to produce books and records about a company or entity be made available to ASIC for review. The challenges were resolved in October 2007 and ASIC continued its investigations.

ASIC alleges that:

1. Owston Nominees No 2 Pty Ltd, Sattvic Pty Ltd, Seaswan Holdings Pty Ltd, Axis and Green Triton Ltd (another company incorporated in the British Virgin Islands), were shareholders in Firepower BVI on, or soon after, the initial incorporation of the company in the British Virgin Islands on 2 June 2005;
2. these shareholders subsequently on-sold significant amounts of shares to Australian retail investors without providing the investors with a disclosure document as required by the Act and, in doing so, breached the Act;
3. Firepower Investments Pte Limited also on-sold shares received from Green Triton Limited to Australian retail investors, and did so without a disclosure document in breach of the Act;
4. these secondary sales required a disclosure document because each offer or sale happened within 12 months of the issue of the securities and therefore amounted to an indirect issue of securities (section 707(3), Corporations Act);
5. Mr Johnston was a director or officer of Green Triton Limited and Firepower Investments Pte Limited at the time of the contraventions by those companies; and
6. Axis and Mr Ward (the sole director of that company) acted as intermediaries and unlawfully distributed application forms to Australian retail investors for the sale of nearly two million shares in Firepower BVI for a total price of more than \$1 million without the necessary disclosure document.

ASIC is seeking the following orders from the Court:

- [Declarations that the conduct of the defendants contravened the Corporations Act.](#)
- [Orders banning Mr Johnston and Mr Ward from managing a company in Australia.](#)

- Additional disclosure to investors so that investors can assess any rights they may have to redeem their money or to pursue other compensation actions which may be open to them.

ASIC will assess potential claims for compensation for investors as part of these proceedings or fresh proceedings. ASIC's investigation is continuing in relation to Firepower BVI.

The matter will be set down for a directions hearing (at a date to be advised by the Court).

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