

**Revetec Holdings Limited**  
**and its controlled entities**  
**A.C.N 115 621 317**

Interim Financial Report  
31 December 2008

**REVETEC HOLDINGS LIMITED  
AND ITS CONTROLLED ENTITIES  
A.C.N. 115 621 317**

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**REVETEC HOLDINGS LIMITED  
AND ITS CONTROLLED ENTITIES  
A.C.N. 115 621 317**

**DIRECTORS' REPORT**

The Directors present their report together with the financial report of Revetec Holdings Limited ("the Company" or "Revetec Holdings") and its controlled entities, for the half-year ended 31 December 2008 and the review report thereon.

**Directors**

The Directors of the Company in office at any time during or since the period end are:

- Bradley David Howell-Smith                      Appointed 4 August 2005
- Paul Rudolf Moitzi                                      Appointed 4 August 2005                      Resigned 1 December 2008
- Lan Wai Lee    Appointed 26 September 2007
- Steven Valtas    Appointed 1 December 2008

**Review of operations**

For the half-year ended 31 December 2008, the Company recorded a net operating loss after income tax of \$132,034 (\$169,737 for the half-year ended to 31 December 2007).

The entity's focus for the period has been on:

- Strengthening its intellectual property and its protection in international and domestic markets
- Designing, producing, modifying and in-house testing the latest Prototype engine.
- Arranging and performing independent testing of the engine.
- Building stronger relationships in commercial markets in China, Europe and the United States and the rest of the world
- The evaluation of further strategies for continued expansion in the Company's product development plans including an increase in capital

During the interim period, the Company signed an agreement with a Chinese group to fund a further independent testing program with a German institution, and if completed satisfactorily, the Chinese Group is planning to secure manufacturing agreements with two of the top ten automotive manufacturers in China.

The X4v2 engine is undergoing modification and final testing in Germany. The satisfactory completion of the testing will enable further progression of the licensing to the Chinese automotive manufacturers.

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**DIRECTORS' REPORT (CONTINUED)**

**Events subsequent to period end**

On 9 February 2009, the company received \$31,662 (GST exclusive) from the Commercial Ready Grant scheme. This grant instalment was paid in advance and represents 50% of the forecast eligible expenses for the quarter ending 31 March 2009 adjusted for any overpayments in previous instalments.

On 10 February 2009, the Group executed a deed of variation to amend the convertible note agreement dated 27 July 2006. The new terms of the note provide that \$122,036 of funds is able to be drawn down over the next 6 months, with specific terms of receipt an initial payment of \$32,036 in February 2009 and \$15,000 per month after February 2009 and for the 5 months thereafter. Subsequent to the half year-end, an amount of \$32,036 was received under the varied convertible note facility resulting in the issue of an additional 1,601,800 shares to the note holder on 19 February 2009.

Other than the matter discussed above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

**Corporate Governance**

The board has the responsibility of ensuring the Company is properly managed so as to protect and enhance shareholders interests in a manner that is consistent with the Company's responsibility to meet its obligations to all parties with which it interacts. To this end, the board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and nature of activities.

***Roles and Functions of the Board***

The main functions and responsibilities of the board are:

- Oversight of the company;
- Implementing systems to ensure risk is controlled and internal and external compliance and legal obligations are met;
- Approving and monitoring financial and other reporting.

***Structure of the Board and Establishment of Committees***

The objective of the board is to maintain a balanced mix of finance, business and legal skills in its composition. The size and nature of Revetec Holdings does not warrant the establishment of a nomination and an audit or compliance committee.

A remuneration committee has not been established. This is due mainly to the relatively small size of the operations, and the board consults regularly on remuneration issues concerning the Directors of the Company.

***Risk Management***

The board is responsible for the Company's system of internal controls. The board constantly monitors the operational and financial aspects of the Company's activities and considers the recommendations and advice of the auditors and other external advisers on the operational and financial risks that face the Company.

The board ensures that recommendations made by the auditors and other external advisers are considered and, where thought necessary, appropriate action is taken to ensure that the Company has an effective internal control environment in place to manage the key risks identified.

**REVETEC HOLDINGS LIMITED  
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**DIRECTORS' REPORT (CONTINUED)**

**Lead auditor's independence declaration under Section 307C of the Corporations Act 2001**

The lead auditor's independence declaration is set out on page 4 and forms part of the directors' report for the period ended 31 December 2008.

Dated at Gold Coast this 13<sup>th</sup> day of March 2009.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'B.D. Howell-Smith', with a stylized flourish at the end.

Bradley David Howell-Smith  
*Chairperson*



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**LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACTS 2001**

To: the directors of Revetec Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2008, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature of 'KPMG' in black ink.

KPMG

A handwritten signature of 'P G Steer' in black ink.

P G Steer

*Partner*

Gold Coast

13 March 2009

**REVETEC HOLDINGS LIMITED  
AND ITS CONTROLLED ENTITIES  
A.C.N. 115 621 317**

**CONSOLIDATED INTERIM INCOME STATEMENT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008**

	<b>31 December 2008 \$</b>	<b>31 December 2007 \$</b>
Revenue	-	-
Other income	176,938	196,706
	<hr/>	<hr/>
Depreciation expenses	7,313	20,353
Directors fees	27,604	51,216
Management fees	40,391	71,855
Employee benefits	73,747	142,163
Materials and supplies	177,079	45,212
Impairment of property, plant and equipment	-	-
Other expenses	89,646	125,313
<b>Loss from operating activities</b>	<hr/> (238,842) <hr/>	<hr/> (259,406) <hr/>
Financial income	2,651	1,299
Financial expenses	(3)	-
<b>Net financing costs</b>	<hr/> 2,648 <hr/>	<hr/> 1,299 <hr/>
<b>Loss before tax</b>	(236,194)	(258,107)
Income tax (expense)/benefit	104,160	88,370
<b>Loss for the period</b>	<hr/> (132,034) <hr/>	<hr/> (169,737) <hr/>
 <b>Loss per share</b>		
Basic loss per share -cents	(0.0010)	(0.0008)
Diluted loss per share- cents	(0.0010)	(0.0008)

*The consolidated interim income statement is to be read in conjunction with the notes  
to and forming part of the financial statements.*

**REVETEC HOLDINGS LIMITED  
AND ITS CONTROLLED ENTITIES  
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**CONSOLIDATED INTERIM STATEMENT OF  
RECOGNISED INCOME AND EXPENSE  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008**

	<b>31 December 2008 \$</b>	<b>31 December 2007 \$</b>
Loss for the half-year	(132,034)	(169,737)
<b>Total recognised income and expense for the half-year</b>	<b>(132,034)</b>	<b>(169,737)</b>

*The consolidated interim statement of recognised income and expense is to be read in conjunction with the notes to and forming part of the financial statements.*



**REVETEC HOLDINGS LIMITED  
AND ITS CONTROLLED ENTITIES  
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**CONSOLIDATED INTERIM BALANCE SHEET**

**AS AT 31 DECEMBER 2008**

	Note	31 December 2008 \$	30 June 2008 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		83,950	16,883
Trade and other receivables		7,639	7,989
<b>Total current assets</b>		<u>91,589</u>	<u>24,872</u>
<b>Non-current assets</b>			
Property, plant and equipment		9,354	60,624
<b>Total non-current assets</b>		<u>9,354</u>	<u>60,624</u>
<b>Total assets</b>		<u>100,943</u>	<u>85,496</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		217,202	154,616
Deferred income		98,920	202,093
<b>Total current liabilities</b>		<u>316,122</u>	<u>356,709</u>
<b>Total liabilities</b>		<u>316,122</u>	<u>356,709</u>
<b>Net assets/(deficiency)</b>		<u>(215,179)</u>	<u>(271,213)</u>
<b>Equity</b>			
Issued capital	6	14,490,884	14,300,420
Accumulated losses	6	<u>(14,706,063)</u>	<u>(14,571,633)</u>
<b>Total equity/(deficiency)</b>		<u>(215,179)</u>	<u>(271,213)</u>

*The consolidated interim balance sheet is to be read in conjunction with the notes to  
and forming part of the financial statements.*

**REVETEC HOLDINGS LIMITED  
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**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008**

	<b>31 December 2008</b>	<b>31 December 2007</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Cash paid to suppliers and employees	(337,930)	(416,399)
Commercial ready grant funds received	69,862	205,403
R&D concession refund – income tax benefit	104,160	88,370
Deposits paid	-	-
Interest received	2,651	1,298
Interest paid	(3)	-
<b>Net cash from operating activities</b>	<u>(161,260)</u>	<u>(121,328)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant & equipment	47,863	-
<b>Net cash from investing activities</b>	<u>47,863</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of share capital	180,464	-
Shareholder contribution	-	56,131
<b>Net cash from financing activities</b>	<u>180,464</u>	<u>56,131</u>
Net increase/(decrease) in cash and cash equivalents	67,067	(65,197)
Cash and cash equivalents at 1 July	16,883	84,093
<b>Cash and cash equivalents at 31 December</b>	<u>83,950</u>	<u>18,896</u>

*The condensed consolidated interim statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements.*

**REVETEC HOLDINGS LIMITED  
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**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

**1. Reporting entity**

Revetec Holdings Limited (the “Company” or “Revetec Holdings”) is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2008 comprises the Company and its subsidiaries (together referred to as the “Group”).

The consolidated annual financial report of the Group as at and for the year ended 30 June 2008 is available upon request from the Company’s registered office at Suite 5, 2 Elliot Street Bundall QLD or at [www.revetec.com.au](http://www.revetec.com.au).

**2. Statement of compliance**

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reports and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2008.

This consolidated interim financial report was approved by the Board of Directors on 12 March 2009.

**REVETEC HOLDINGS LIMITED  
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**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

**3. Going concern**

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the six months ended 31 December 2008, the Group had incurred an operating loss of \$132,034 and had negative cash flows from operations of \$161,260. At 31 December 2008 the Group had trade and other payables of \$217,202, net liabilities of \$215,179 and had minimal cash reserves. These conditions give rise to a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

The Group is continuing its research and development for the refinement of its technology and prototype engines. The Group's current activities are in the testing phase to enable future commercialisation of the technology.

The Group has prepared cash flow projections indicating that over the next 12 months the Group can pay its debts as and when they fall due, taking into account the following assumptions:

- Deferral of trade and other payables as at 31 December 2008 of \$191,500 over the 8-month period to 31 October 2009;
- The Group continues to receive the funding under the Commercial Ready Grant scheme;
- The net cash flow arising from costs on the planned prototype testing, which commenced October 2008, are minimal as these costs are planned to be reimbursed by an alliance partner;
- Successful completion of prototype testing to enable the technology to be licensed;
- The Group securing license fees from major Chinese car companies to a total value of \$700,000 from September 2009 or a significant reduction in operating costs if these fees are not received; and
- The Group continues to receive the funding available under the convertible loan facility and other sources to enable the immediate ongoing operations to continue. As at 31 December 2008, \$367,964 had been drawn down using this facility and subsequently converted to equity. Subsequent to half-year end, on 10 February 2009, the Group executed a deed of variation to the amended convertible note agreement dated 27 July 2006. The new terms of the note provide that \$122,036 of funds is able to be drawn down over the next 6 months, with specific terms of receipt including \$32,036 in February 2009, and \$15,000 per month February inclusive and for the 5 months thereafter. Subsequent to half-year end, an amount of \$32,036 was received under the varied convertible note facility resulting in the issue of an additional 1,601,800 shares to the note holder on 19 February 2009.

Accordingly, the Directors are of the opinion that the going concern basis is appropriate for the preparation of the consolidated financial report. If the Group does not receive the funding remaining from the Commercial Ready Grant scheme and/or from the convertible note facility; cannot defer trade and other payables over a 8-month period; is unable to obtain reimbursement for a significant portion of the prototype testing costs and/or the results of the testing are unfavourable; and/or fails to secure license fees from car companies, there is no certainty as to whether the Group may realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in this financial report.

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**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

**3. Going concern (continued)**

The financial statements do not include any adjustments relating to the recoverability and classification of the asset carrying amounts or the amount of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due.

**4. Significant accounting policies**

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2008.

*New accounting policy*

**Share-based payments**

Goods or services received or acquired in a share-based payment transaction are recognised when the Group obtains the goods or as the services are received. The Group recognises a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

For equity-settled share-based payment transactions, the Group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

**5. Segment reporting**

The Group comprises one main business segment being engine development. This incorporates the research and design of petrol and diesel application engines.

The Group's business segment operates in Australia.

**REVETEC HOLDINGS LIMITED  
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**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

**6. Capital and reserves**

<b>Reconciliation of movement in capital and reserves attributable to equity holders of the parent</b>	<b>Share capital \$</b>	<b>Retained earnings/ (accumulated losses) \$</b>	<b>Total \$</b>
Balance at 1 July 2007	14,209,498	(14,151,495)	58,003
Total recognised income and expense	-	(420,138)	(420,138)
Shareholder contribution	90,922	-	90,922
Shares issued	-	-	-
Balance at 30 June 2008	14,300,420	(14,571,633)	(271,213)
Balance at 1 July 2008	14,300,420	(14,571,633)	(271,213)
Total recognised income and expense	-	(132,034)	(132,034)
Shares issued	190,464	-	190,464
Other	-	(2,396)	(2,396)
Balance at 31 December 2008	14,490,884	(14,706,063)	(215,179)

***Ordinary shares***

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Group ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

***Share-based payments***

During the half-year ended 31 December 2008, the Company entered into an agreement with consultant company SNV Enterprises Pty Ltd to exchange the provision of services for shares in the Company.

The fair value of the share-based payment was measured by reference to the fair value of the services to be provided (\$10,000) and was recognised as an expense with a corresponding increase in issued share capital (1,000,000 shares at 1 cent per share) on 21 July 2008, within two weeks of entering the agreement on 17 July 2008 in accordance with the terms of the agreement.

***Convertible notes***

Subsequent to year-end, on 10 February 2009, the Company entered a deed of variation to the convertible note agreement, last amended 27 July 2006, with Douglas John Lomas (the note holder), as Trustee for the Centre Management Trust.

**REVETEC HOLDINGS LIMITED  
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**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

**6. Capital and reserves (continued)**

*Convertible notes (continued)*

The amended facility provides additional funding to a maximum of \$90,000, after the acknowledged receipt of an initial outlay of \$32,036, to draw down at amounts specified and convert into ordinary shares at 2 cents per share upon receipt as follows:

- \$15,000 in the last fortnight of each month (i.e. 16<sup>th</sup> to last day of month) from February to July 2009.

An amount of \$32,036 was received subsequent to year end under to previsions facility prior to this assessment. The deed of variation also provides that the note holder will be released from obligations under the convertible note instrument dated 9 November 2005, and all subsequent variations and addendums, upon the Company receiving all advances of funds within the periods stipulated above.

*Dividends*

No dividends were paid during the half-year to 31 December 2008 (31 December 2007: 0) and no dividends are currently proposed.

**7. Related parties**

On 1 December 2008, Paul Moitzi resigned as a director of Revetec Holdings Limited. Accordingly, Paul Moitzi is no longer a related party of Revetec Holdings Limited and transactions from 1 December 2008 between Revetec Holdings Limited and entities related to Paul Moitzi are not required to be disclosed.

Prior to his appointment as director of Revetec Holdings Limited on 1 December 2008, Steven Valtas entered an agreement with the Company representing his consulting company, SNV Enterprises Pty Ltd trading as Butlers Law Group, to provide services to the value of \$10,000 in exchange for the allotment of 1,000,000 shares. Refer to details of this share-based payment transaction in Note 6 above.

With the exception of the above matters, arrangements with related parties continue to be in place. For details of these arrangements, refer to the 30 June 2008 annual financial report.

**8. Contingent liabilities**

The Group had no contingent liabilities as at 31 December 2008 (Nil: 30 June 2008).

**REVETEC HOLDINGS LIMITED  
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**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

**9. Subsequent events**

On 9 February 2009, the company received \$31,662 (GST exclusive) from the Commercial Ready Grant scheme. This grant instalment was paid in advance and represents 50% of the forecast eligible expenses for the quarter ending 31 March 2009 adjusted for any overpayments in the previous instalment.

On 10 February 2009, the Group executed a deed of variation to amend the convertible note agreement dated 27 July 2006. The new terms of the note provide that \$122,036 of funds are able to be drawn down over the next 6 months, with specific terms of receipt including \$32,036 in February 2009 and \$15,000 per month from February. Subsequent to the half year-end, an amount of \$32,036 was received under the varied convertible note facility resulting in the issue of an additional 1,601,800 shares to the note holder on 19 February 2009.

Other than the matters discussed above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.



**REVETEC HOLDINGS LIMITED  
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**DIRECTORS' DECLARATION**

In the opinion of the directors of Revetec Holdings Limited:

1. the financial statements and notes, set out on pages 5 to 13, are in accordance with the Corporations Act 2001, including;
  - a) giving a true and fair view of the Group's financial position as at 31 December 2008 and of its performance for the six month period ended on that date; and
  - b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Gold Coast this 13th day of March 2009.

Signed in accordance with a resolution of the directors:



*Bradley David Howell-Smith*  
Chairperson

**REVETEC HOLDINGS LIMITED  
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**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF REVETEC  
HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES**

We have reviewed the accompanying interim financial report of Revetec Holdings Limited, which comprises the interim consolidated balance sheet as at 31 December 2008, income statement, statement of recognised income and expense and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes 1 to 9 and the directors' declaration set out on pages 5 to 14 of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

***Directors' Responsibility for the Financial Report***

The directors of the Company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor's Responsibility***

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Revetec Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

REVETEC HOLDINGS LIMITED  
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**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Revetec Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Material Uncertainty Regarding Continuation as a Going Concern**

Without qualifying our conclusion, we draw attention to Note 3 in the financial report which indicates that the Group incurred a net loss of \$132,034 during the period ended 31 December 2008 and, as of that date, the Group's current liabilities exceeded its total assets by \$215,179. These conditions, along with other matters as set forth in Note 3, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern, and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'P G Steer'.

P G Steer  
*Partner*

Gold Coast

13 March 2009