

WESTERN AREAS NL



ABN 68 091 049 357

AUDITED INTERIM FINANCIAL REPORT

**FOR THE SIX MONTHS ENDED
31 DECEMBER 2011**

TABLE OF CONTENTS

	Page
CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
REVIEW OF OPERATIONS	5
CONSOLIDATED INCOME STATEMENT	7
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
CONSOLIDATED STATEMENT OF CASH FLOWS	11
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	12
AUDITORS INDEPENDENCE DECLARATION	14
INDEPENDENT AUDITOR'S REPORT	15
DIRECTORS' DECLARATION	16

CORPORATE DIRECTORY

Directors

Terry Streeter (Chairman)
Robin Dunbar
Julian Hanna
David Southam
Daniel Lougher
Richard Yeates
Ian Macliver (Appointed 1 October 2011)

Company Secretary

Joseph Belladonna

Auditors

Crowe Horwath Perth
256 St Georges Terrace
Perth WA 6000

Bankers

ANZ Banking Group Limited
77 St Georges Terrace
Perth WA 6000

Share Registry

Australia

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth WA 6000

Canada

Computershare Investor Services INC
100 University Ave, Suite 800
Toronto Ontario M5J 2Y1

Stock Exchange

Australian Stock Exchange Limited &
Toronto Stock Exchange Group
Code : WSA

Registered Office

Level 2
2 Kings Park Road
West Perth WA 6005
Phone (08) 9334 7777
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Solicitors

Allion Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Treasury Advisers

Oakvale Capital Ltd
Level 3, 50 Colin Street
West Perth WA 6005

Risk Advisers

CKA Risk Solutions Pty Ltd
Level 5, 22 Delhi Street
West Perth WA 6005

INTERIM FINANCIAL REPORT**DIRECTORS' REPORT**

The directors submit the financial report of the consolidated entity for the six months ended 31 December 2011.

The consolidated financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001, AASB 134 "Interim Financial Reporting", Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report be read in conjunction with the 30 June 2011 annual financial report and any other public announcements made by Western Areas NL during the year in accordance with continuous disclosure requirements arising under the Corporations Act 2001. The financial report covers Western Areas NL and its controlled entities (the "Consolidated Entity"). Western Areas NL is a listed public company, incorporated and domiciled in Australia. The accounting policies adopted are consistent with those of the previous financial year.

The effective date of this report is 14 February 2012.

All amounts in this discussion are expressed in Australian dollars unless otherwise identified.

Auditor's Declaration

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 14 for the half-year ended 31 December 2011.

Forward Looking Statements

The following Directors report may contain forward-looking statements that involve numerous risks and uncertainties. Actual results of the Company could differ materially from those discussed in such forward-looking statements as a result of the risks and uncertainties inherent in the business.

The Company disclaims any intention or obligation to update or revise the forward looking statements whether as a result of new information or change in business circumstance.

Directors

The names of the Company's directors in office during the six months ended and until the date of this report are as below. Unless noted, directors were in office for this entire period.

Terence Streeter	Non Executive Chairman
Daniel Lougher	Managing Director and CEO (Appointed 1 February 2012)
David Southam	Finance Director
Robin Dunbar	Non Executive Director
Richard J Yeates	Non Executive Director
Ian Macliver	Non Executive Director (Appointed 1 October 2011)
Julian Hanna	Non Executive Director (Stepped down as Managing Director and CEO on 31 January 2012)
David Cooper	Non Executive Director (Retired on 30 September 2011)

Company Secretary

Joseph Belladonna

REVIEW OF OPERATIONS

The first half of 2011/2012 financial year was another outstanding period with record production at low cash costs from the Flying Fox and Spotted Quoll mines. Combined production from these mines was 16,230 tonnes of nickel in ore confirming the high quality of these assets. Following a competitive tender process, Western Areas entered into a new agreement to sell 15,000 tonnes of nickel in concentrate over a 12 month period to Jinchuan Group, China's largest nickel smelting and refining company.

During the half, first ore was produced from the Spotted Quoll underground mine which will replace open pit production during the second half. In addition, drilling below the Stage One underground mine has resulted in a 78% increase in contained nickel in total mineral resources at Spotted Quoll. Total contained nickel estimated in high grade mineral resources at Spotted Quoll has now been revised to 179,000 tonnes nickel. This excellent result is well above the Company's expectations and confirms the exceptional continuity of the deposit which remains open at depth and along strike.

Cash costs for the half at the Forrestania Operations were well below guidance of US\$2.50, at US\$2.23 /lb nickel in concentrate. This places Western Areas well into the lower cost quartile of nickel sulphide producers.

On 7th November 2011, Managing Director Mr Julian Hanna announced he will be stepping down at the end of January. Mr Hanna will become a non executive director of the Company and part time consultant to assist in developing Western Areas' substantial base metal assets in Finland. On 3rd January, the Company announced that following a rigorous and competitive process to find a suitable candidate, Western Areas' Operations Director Mr Daniel Lougher was appointed as the new Managing Director of the Company effective 1 February 2012. Mr Lougher has been with Western Areas for almost six years and has considerable executive experience in mining and project development.

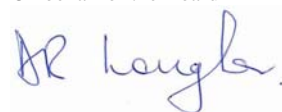
OPERATIONAL HIGHLIGHTS

1. Production from Flying Fox mine for the half year was 196,294 tonnes mined at 4.7% nickel for 9,178 tonnes (20.2M lbs) contained nickel.
2. Production from the Tim King Pit at Spotted Quoll for the half year was 131,361 tonnes mined at 5.2% nickel for 6,855 tonnes (15.1M lbs) contained nickel.
3. 272,773 ore tonnes were milled to produce 13,045 tonnes (28.8M lbs) nickel in concentrate for the half year. The average plant recovery was 93%.
4. Total nickel sales during the half were 78,250 tonnes of nickel concentrate containing approximately 11,230 tonnes (24.8M lbs) nickel
5. Cash costs (before smelting/refining charges) for the half year were US\$2.23/lb nickel, 11% below the long term guidance target of US\$2.50/lb nickel.
6. Stockpiles at 31 December 2011 contain an estimated 9,300 tonnes (20.5M lbs) nickel in ore and concentrate which should contribute to ongoing strong sales.
7. Mineral Resources at the Spotted Quoll mine increased 78% to a total 3,054,900 tonnes at an average grade of 5.9% nickel, containing 179,000 tonnes nickel.
8. Scoping studies are reviewing potential to increase production at Spotted Quoll up to 15,000tpa nickel and increase capacity of the nickel concentrator.
9. Major exploration drilling programs are underway or planned in the second half of the year at Forrestania, regional Western Australia, East Bull Lake in Canada and in Finland.
10. FinnAust Mining (WSA 79%) acquired historic Hammaslahti copper/zinc mine and expanded holdings for Gabbro hosted nickel/copper deposits in Finland.

FLYING FOX & SPOTTED QUOLL MINES and COSMIC BOY MILL PRODUCTION

Tonnes Mined		2010/2011		2011/2012		FYTD Total
		Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	
Flying Fox						
Ore Tonnes Mined	Tn's	77,205	88,873	95,647	100,647	196,294
Grade	Ni %	5.4%	4.8%	4.5%	4.9%	4.7%
Ni Tonnes Mined	Tn's	4,132	4,236	4,258	4,920	9,178
Spotted Quoll - Tim King Pit						
Ore Tonnes Mined	Tn's	53,819	69,133	59,955	71,406	131,361
Grade	Ni %	6.1%	6.3%	5.7%	4.8%	5.2%
Ni Tonnes Mined	Tn's	3,268	4,325	3,400	3,455	6,855
Spotted Quoll - Underground						
Ore Tonnes Mined	Tn's	-	-	-	5,996	5,996
Grade	Ni %	0.0%	0.0%	0.0%	3.3%	3.3%
Ni Tonnes Mined	Tn's	-	-	-	197	197
Total - Ore Tonnes Mined	Tn's	131,024	158,006	155,602	178,049	333,651
Grade	Ni %	5.6%	5.4%	4.9%	4.8%	4.9%
Total Ni Tonnes Mined	Tn's	7,400	8,561	7,658	8,572	16,230
Tonnes Milled and Sold		Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Total
Ore Processed	Tns	126,383	138,513	134,413	138,360	272,773
Grade	%	5.4%	5.3%	5.1%	5.2%	5.1%
Ave. Recovery	%	92%	93%	93%	92%	93%
Ni Tonnes in Concentrate	Tns	6,226	6,783	6,413	6,632	13,045
Ni Tonnes in Concentrate Sold	Tns	6,813	6,497	4,751	6,479	11,230
Ni Tonnes in Ore Sold	Tns	119	830	357	-	357
Total Nickel Sold	Tns	6,932	7,327	5,108	6,479	11,587
Stockpiles				Sep Qtr	Dec Qtr	
Ore	Tns	91,599	97,334	109,969	146,109	
Grade	%	4.8%	5.1%	4.8%	4.5%	
Concentrate	Tns	7,047	8,653	19,903	19,375	
Grade	%	14.0%	14.1%	14.3%	14.1%	
Contained Ni in Stockpiles	Tns	5,418	6,169	8,132	9,300	
Financial Statistics		Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Total
Group Production Cost/lb						
Mining Cost (*)	A\$/lb	1.66	1.72	1.60	1.54	1.57
Haulage	A\$/lb	0.09	0.08	0.09	0.09	0.09
Milling	A\$/lb	0.33	0.39	0.35	0.35	0.35
Admin	A\$/lb	0.17	0.14	0.18	0.19	0.18
By Product Credits	A\$/lb	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Cash Cost Ni in Con (***)	A\$/lb	2.23	2.31	2.20	2.15	2.17
Cash Cost Ni in Con/lb (***)	US\$/lb (**)	2.24	2.45	2.29	2.18	2.23
Exchange Rate US\$ / A\$		1.00	1.06	1.05	1.01	1.03
(*) Mining Costs are net of deferred waste costs and inventory stockpile movements						
(**) US\$ FX for Relevant Quarter is RBA ave daily rate (Dec Qtr = A\$1:US\$1.01)						
(***) Payable terms are not disclosed due to confidentiality conditions of the offtake agreements. Cash costs exclude royalties.						
Note. Grade and recovery estimates are subject to change until the final assay data are received.						
Note. All reported numbers in this table exclude Lounge Lizard.						

On behalf of the Board



Daniel Lougher
Director

Dated 14 February 2012

CONSOLIDATED INCOME STATEMENT
For The Six Months Ended 31 December 2011

	Six months ended 31 December	
	2011 \$'000	2010 \$'000
Sales	149,106	230,873
Cost of sales	(95,745)	(101,664)
Gross profit	53,361	129,209
Other income	5,095	2,622
Finance costs	(18,086)	(18,116)
Administration expenses	(3,533)	(2,684)
Employee benefits expenses	(4,496)	(4,209)
Foreign exchange gain / (loss)	1,081	(2,335)
Share based payments	(173)	(2,081)
Unrealised movement in market value of derivatives	(1,351)	(2,244)
Realised movement in market value of derivatives	2,909	(95)
Impairment of exploration expenditure	(79)	(1,026)
Profit before income tax	34,728	99,041
Income tax expense	(10,626)	(31,877)
Profit for the period	24,102	67,164
Earnings per share		
Basic earnings per share (cents per share)	13.4	37.6
Diluted earnings per share (cents per share)	13.4	37.6

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Six Months Ended 31 December 2011

	Six months ended 31 December	
	2011 \$'000	2010 \$'000
Profit for the period	24,102	67,164
Other comprehensive income, net of tax		
Net profit on mark to market valuation of hedging instruments	5,090	895
Net gain / (loss) on revaluation of available for sale financial assets	(2,444)	647
Convertible note reserve	-	1,207
Exchange differences on translation of foreign controlled entities	(336)	(95)
Total comprehensive income for the period	26,412	69,818
Profit attributable to:		
Members of the parent entity	24,205	67,164
Non controlling interest	(103)	-
	24,102	67,164
Comprehensive income attributable to:		
Members of the parent entity	26,515	69,818
Non controlling interest	(103)	-
	26,412	69,818

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As AT 31 December 2011

	Notes	31 Dec 2011 \$'000	30 Jun 2011 \$'000
Current Assets			
Cash and cash equivalents		160,856	208,948
Trade and other receivables		28,971	27,719
Inventories		50,841	30,942
Other financial assets		5,669	4,739
Total Current Assets		246,337	272,348
Non-Current Assets			
Property, plant & equipment		106,932	111,683
Intangible asset		521	521
Exploration & evaluation expenditure		106,660	91,875
Mine development		247,401	209,454
Other financial assets		4,275	6,445
Total Non-Current Assets		465,789	419,978
Total Assets		712,126	692,326
Current Liabilities			
Trade and other payables		60,415	55,608
Short term borrowings	6	103,449	61
Short term provisions		2,858	1,344
Current tax liabilities		7,025	-
Other financial liabilities		30	2,839
Total Current Liabilities		173,777	59,852
Non-Current Liabilities			
Long term borrowings	6	204,334	301,825
Long term provisions		6,264	6,122
Deferred tax liabilities		39,670	36,069
Total Non-Current Liabilities		250,268	344,016
Total Liabilities		424,045	403,868
Net Assets		288,081	288,458
Equity			
Issued capital		202,611	202,611
Reserves		81,047	78,564
Accumulated profit		4,180	6,937
Parent Entity Interest		287,838	288,112
Non Controlling Interest		243	346
Total Equity		288,081	288,458

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Six Months Ended 31 December 2011

	Issued Capital	Capital Raising Expenses	Option Reserve	Hedge Reserve	Investment Reserve	Convertible Note Reserve	Foreign Exchange Reserve	Accumulated Profit / (Losses)	Sub-Total	Non- Controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total Equity at 1 July 2010	212,833	(10,222)	15,585	12	(5,305)	63,885	-	(104,706)	172,082	-	172,082
Comprehensive Income											
Profit for the period								67,164	67,164		67,164
Other comprehensive income for the period				895	647	1,207	(95)		2,654		2,654
Total comprehensive income for the period				895	647	1,207	(95)	67,164	69,818	-	69,818
Transactions with owners , in their capacity as owners, and other transfers											
Share based payments expense			2,081						2,081		2,081
Dividends paid								(5,391)	(5,391)		(5,391)
Total Equity at 31 December 2010	212,833	(10,222)	17,666	907	(4,658)	65,092	(95)	(42,933)	238,590	-	238,590
Total Equity at 1 July 2011	212,833	(10,222)	16,159	-	(2,695)	65,090	10	6,937	288,112	346	288,458
Comprehensive Income											
Profit for the period								24,205	24,205	(103)	24,102
Other comprehensive income for the period				5,090	(2,444)		(336)		2,310		2,310
Total comprehensive income for the period				5,090	(2,444)		(336)	24,205	26,515	(103)	26,412
Transactions with owners , in their capacity as owners, and other transfers											
Share based payments expense			173						173		173
Dividends paid								(26,962)	(26,962)		(26,962)
Total Equity at 31 December 2011	212,833	(10,222)	16,332	5,090	(5,139)	65,090	(326)	4,180	287,838	243	288,081

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
For The Six Months Ended 31 December 2011

	Six Months Ended 31 December	
	2011 \$'000	2010 \$'000
Cash Flows From Operating Activities		
Receipts from customers	152,416	192,103
Payments to suppliers & employees	(73,317)	(54,661)
Royalties paid	(10,035)	(8,547)
Interest received	4,442	1,015
Finance costs	(11,780)	(13,084)
Other receipts	160	(2)
Derivative settlement	2,526	(1,084)
Net Cash Provided by Operating Activities	64,412	115,740
Cash Flows From Investing Activities		
Purchase of property, plant & equipment	(8,087)	(3,714)
Payment for termination of royalty agreement	(14,926)	-
Mine development expenditure	(38,506)	(32,299)
Exploration & evaluation expenditure	(23,430)	(11,491)
Acquisition of available for sale financial assets	(274)	(50)
Net Cash Used in Investing Activities	(85,223)	(47,554)
Cash Flows From Financing Activities		
Proceeds from share issues for non controlling interest	-	380
Finance lease repayments	(34)	(76)
Borrowing costs paid	(285)	(3,392)
Dividends paid	(26,962)	(5,391)
Net Cash Used In Financing Activities	(27,281)	(8,479)
Net (decrease) / increase in cash and cash equivalents	(48,092)	59,707
Cash and cash equivalents at beginning of financial period	208,948	65,368
Cash and cash equivalents at the end of the financial period	160,856	125,075

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Six Months Ended 31 December 2011

Note 1: Statement of compliance and Basis of preparation

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made during the half year.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets. All amounts are presented in Australian dollars, unless otherwise noted.

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report have been rounded to the nearest \$1,000.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2011 annual financial report for the financial year ended 30 June 2011, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior periods.

Note 2: Dividends

	Consolidated Entity	
	Six Months Ended	
	31 December	
	2011	2010
	\$'000	\$'000
Dividends paid		
Final unfranked ordinary dividend of 15 cents per share for the 2011 half year (2010: 3 cents unfranked)	26,962	5,391
Dividends proposed		
On 14 February 2012, the directors declared a fully unfranked interim dividend of 5 cents per share (2011: 10 cents unfranked) to the holders of fully paid ordinary shares in respect of the half year ended 31 December 2011, to be paid on 4 April 2012. This dividend has not been included as a liability in the financial statements.	8,987	17,974

Note 3: Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Six Months Ended 31 December 2011

Note 4: Subsequent Events

There are no events or circumstances that have arisen since the half year ended 31 December 2011 that have significantly affected or may significantly affect the operation of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in the subsequent financial years.

Note 5: Statement of Operations by Segments

Identification of reportable segment

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group operates primarily in nickel mining and exploration in Australia and exploration in Finland. The financial information in relation to the operations in Finland is not reported separately to the chief operating decision maker and as a result, the financial information presented in the income statement, statement of comprehensive income and statement of financial position is the same as that presented to chief operating decision maker.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Note 6: Borrowings

	Six Months Ended	
	31 December	
Current	2011	2010
	\$'000	\$'000
Lease liability	39	61
Convertible bonds	104,500	-
Convertible bond borrowing costs	(1,090)	-
	103,449	61
Non-Current		
Convertible bonds	209,908	309,980
Convertible bond borrowing costs	(5,251)	(8,155)
Corporate loan facility borrowing cost	(361)	-
Lease liability	38	-
	204,334	301,825

During the half year, the company renegotiated the ANZ Corporate Facility from \$30M to \$125M available to 30 June 2014. As at the date of this report, the facility remains undrawn.

AUDITORS INDEPENDENCE DECLARATION



AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Western Areas NL for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads "Sean McGurk".

CROWE HORWATH PERTH

A handwritten signature in black ink that reads "Sean McGurk".

SEAN MCGURK
Partner

Signed at Perth, 14 February 2012

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF WESTERN AREAS NL AND ITS CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REPORT****Report on the Financial Report**

We have audited the accompanying interim financial report of Western Areas NL which comprises the consolidated statement of financial position as at 31 December 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Opinion

In our opinion, the financial report of Western Areas NL and its controlled entities is in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

A handwritten signature in blue ink, appearing to read "Sam MCGURK".

CROWE HORWATH PERTH

A handwritten signature in blue ink, appearing to read "Sam MCGURK".

**SEAN MCGURK
Partner****Signed at Perth, 14 February 2012**

Crowe Horwath Perth is a WHK Group Firm and a member of Crowe Horwath International, a Swiss Verein.
Each member firm of Crowe Horwath is a separate and independent legal entity.

DIRECTORS' DECLARATION

The directors of the Company declare that:

- 1) The financial statements and notes, as set out on pages 7 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting";
- 2) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board

A handwritten signature in blue ink, appearing to read "DL Lougher", is written over a light blue rectangular background.

Daniel Lougher
Director

Dated 14 February 2012