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**RAWSON RESOURCES LIMITED**  
**ABN 69 082 752 985**

**HALF-YEAR FINANCIAL REPORT– 31 DECEMBER 2010**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by South American Iron & Steel Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## DIRECTORS' REPORT

The Directors of Rawson Resources Limited ('the company') present their report together with the financial report of Rawson Resources Limited and its subsidiaries ('the group') for the half-year ended 31<sup>st</sup> December 2010.

### *Directors*

The names of the directors of the company during or since the end of the half-year are:

John Robert Conolly  
John Addison Doughty  
Nicholas Paul Adams  
Keith Skipper

No other person was a director during the period. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### *Review of Operations*

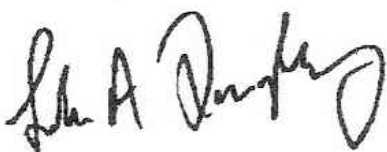
Rawson continues to be actively involved in Oil and Gas exploration in its permits in the Otway, Surat, Pedirka, Cooper Basins and in the Canterbury Basin in New Zealand.

For further details please refer to our quarterly exploration reports lodged with the ASX.

### *Lead Auditor's Independence Declaration*

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 forms part of the directors' report and is set out on page 2 of the financial report for the half-year ended 31 December 2010.

This report is signed in accordance with a resolution of the Board of Directors:



John Addison Doughty  
Director

Dated

11 March 2011

11 March 2011

Dear Board Members

**Auditor's Independence Declaration under section 307C of the Corporations Act 2001**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Rawson Resources Limited.

As lead audit partner for the review of the financial statements of Rawson Resources Limited for the half year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely



**Andrew S Hoffmann**  
*Partner*

*Nexia Court & Co*

**Nexia Court & Co**  
*Chartered Accountants*

Dated: 11 March 2011



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE  
 HALF-YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**

	Note	Consolidated 2010 \$	2009 \$
<b>Continuing operations</b>			
Interest revenue		21,061	16,814
Consulting Revenue		-	100,000
Gain on the sale of exploration interests		-	145,020
		<u>21,061</u>	<u>261,834</u>
Administration expenses		(152,333)	(116,186)
Directors' remuneration		(90,000)	(74,681)
Exploration costs		(141,889)	(110,937)
		<u>(384,222)</u>	<u>(301,804)</u>
<b>Loss before income tax expense</b>		<b>(363,161)</b>	<b>(39,970)</b>
Income tax expense		-	-
<b>Loss attributable to owners of the company</b>		<b>(363,161)</b>	<b>(39,970)</b>
Other comprehensive income for the year net of income tax:			
Loss on available for sale financial asset	9	(1,138,984)	-
<b>Total comprehensive income attributable to owners of the company</b>		<b><u>(1,502,145)</u></b>	<b><u>(39,970)</u></b>
<b>Overall Operations:</b>			
		<b>Cents</b>	<b>Cents</b>
Basic loss per share		<u>(0.5)</u>	<u>(0.1)</u>
Diluted loss per share		<u>(0.5)</u>	<u>(0.1)</u>

*The accompanying notes form part of these financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
 31<sup>ST</sup> DECEMBER 2010**

	Note	Consolidated 31 <sup>st</sup> December 2010 \$	30 <sup>th</sup> June 2010 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	<b>963,444</b>	1,027,578
Receivables	8	<b>224,192</b>	159,447
<b>TOTAL CURRENT ASSETS</b>		<b>1,187,636</b>	1,187,025
<b>NON-CURRENT ASSETS</b>			
Other assets		<b>12,000</b>	12,000
Financial instruments	9	<b>5,568,552</b>	6,707,536
Plant and equipment		<b>274</b>	393
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,580,826</b>	6,719,929
<b>TOTAL ASSETS</b>		<b>6,768,462</b>	7,906,954
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>30,102</b>	63,674
<b>TOTAL CURRENT LIABILITIES</b>		<b>30,102</b>	63,674
<b>TOTAL LIABILITIES</b>		<b>30,102</b>	63,674
<b>NET ASSETS</b>		<b>6,738,360</b>	7,843,280
<b>EQUITY</b>			
Share capital	10	<b>9,050,481</b>	8,653,256
Accumulated losses		<b>(7,531,021)</b>	(7,167,860)
Reserves		<b>5,218,900</b>	6,357,884
<b>TOTAL EQUITY</b>		<b>6,738,360</b>	7,843,280

*The accompanying notes form part of these financial statements.*

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**

Consolidated	Note	Share Capital \$	Accumulated Losses \$	Fair Value Reserve \$	Total Equity \$
Balance at 1 <sup>st</sup> July 2009		8,045,180	(6,798,827)	-	<b>1,246,353</b>
Total comprehensive loss attributable to owners of the company		-	(39,970)	-	<b>(39,970)</b>
Balance at 31 <sup>st</sup> December 2009		<u>8,045,180</u>	<u>(6,838,797)</u>	-	<b><u>1,206,383</u></b>
Balance at 1 <sup>st</sup> July 2010		8,653,256	(7,167,860)	6,357,884	<b>7,843,280</b>
Total comprehensive loss attributable to owners of the company		-	(1,502,145)	-	<b>(1,502,145)</b>
Shares issued during the period	10	397,225	-	-	<b>397,225</b>
Loss on available for sale financial asset, net of tax	9	-	1,138,984	(1,138,984)	-
Balance at 31 <sup>st</sup> December 2010		<u>9,050,481</u>	<u>(7,531,021)</u>	<u>5,218,900</u>	<b><u>6,738,360</u></b>

*The accompanying notes form part of these financial statements.*

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR  
 ENDED 31<sup>ST</sup> DECEMBER 2010**

	Note	Consolidated 2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		<b>20,663</b>	16,223
Receipts from customers		-	100,000
Payments to suppliers		<b>(418,272)</b>	(328,101)
Net cash used in operating activities		<b>(397,609)</b>	(211,878)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loans Advanced		<b>(63,750)</b>	-
Net cash used in investing activities		<b>(63,750)</b>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		<b>397,225</b>	-
Net cash provided by financing activities		<b>397,225</b>	-
Net decrease in cash and cash equivalents held		<b>(64,134)</b>	(211,878)
Cash and cash equivalents at beginning of period		<b>1,027,578</b>	1,033,292
Cash and cash equivalents at end of period	7	<b>963,444</b>	821,414

*The accompanying notes form part of these financial statements.*

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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### 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 shall be read in conjunction with the most recent annual financial report.

#### Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australia dollars, unless otherwise noted.

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 2010 annual financial report for the financial year ended 30<sup>th</sup> June 2010, 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.

### 2. ESTIMATES

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30<sup>th</sup> June 2010.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**3. SEGMENT REPORTING**

The group has applied AASB 8 Operating Segments from 1<sup>st</sup> July 2009. AASB 8 requires a management approach under which segment information is presented on the same bases as that used for internal reporting purposes. The group consists of one business segment being exploration of oil and gas permits, operating in three geographically different segments being Australia, New Zealand and the United States of America (USA). It is in this manner that internal reporting is provided to the chief operating decision maker of the group, being the board of Rawson Resources Limited. Revenue and results of the different geographical segments are detailed below:

	Australia		New Zealand		USA		Total	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
<b>Segment Revenue</b>	<b>21,061</b>	116,814	-	145,020	-	-	<b>21,061</b>	261,834
<b>Segment Result</b>	<b>(357,185)</b>	(177,154)	<b>(5,976)</b>	144,220	-	(7,036)	<b>(363,161)</b>	(39,970)

**4. CONTINGENT LIABILITIES**

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

**5. EVENTS SUBSEQUENT TO REPORTING DATE**

On the 9th March 2011, Rawson Resources Limited (Rawson) signed and announced agreement with Kea Petroleum Limited, where Kea will contribute up to \$4,000,000 towards the drilling of three commitment wells in PEL 155 and ATP837P. Rawson also announced, subject to shareholder approval, a fully subscribed placement of \$1,250,000, to cover the balance of expenditure in these permits. Please refer to ASX announcements for further details.

**6. DIVIDENDS**

No dividends have been paid or proposed during the half-year (2009 \$Nil).

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

	Note	Consolidated 31 December 2010	30 June 2010
		\$	\$
<b>7. CASH AND CASH EQUIVALENTS</b>			
Cash at bank		<u>963,444</u>	<u>1,027,578</u>
<b>8. CURRENT RECEIVABLES</b>			
Loan to associate	13 (c)	206,293	142,005
Other receivables		<u>17,899</u>	<u>17,442</u>
		<u>224,192</u>	<u>159,447</u>
<b>9. FINANCIAL INSTRUMENTS</b>			
<b>Held-to-maturity investment</b>			
Term Deposits		<u>224,000</u>	<u>224,000</u>
		<u>224,000</u>	<u>224,000</u>
The term deposits are held as security for the bank guarantees required for the exploration leases and permits. Refer Note 13.			
<b>Available-for-sale financial asset</b>			
<b>Investment in KEA Petroleum Plc</b>			
Opening Balance		6,483,536	-
Acquisition at cost		-	125,652
Gain for the year ended 30 <sup>th</sup> June 2010 on available for sale financial asset, net of tax		-	6,357,884
Loss for the half year ended 31 <sup>st</sup> December 2010 on available for sale financial asset, net of tax		<u>(1,138,984)</u>	<u>-</u>
Closing Balance		<u>5,344,552</u>	<u>6,483,536</u>
		<u>5,568,552</u>	<u>6,707,536</u>

In September 2009 the company reached an agreement with its joint venture partners in New Zealand, Kea Petroleum Ltd and Hardie Oceanic Pty Ltd to merge their joint venture interests into a new company Kea Petroleum Holdings Limited (KPH).

In November 2009 KPH merged with Kea Petroleum Plc (KPP), an Alternative Investment Market (AIM) listed company.

At 31<sup>st</sup> December 2010, the company controlled 27,307,692 shares representing 5.4 % ownership of KPP. These shares are currently listed on AIM. KPP's share price at 31<sup>st</sup> December 2010 was GBP 13.25 pence (AUD 19.5716 cents).

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10. SHARE CAPITAL

	Consolidated			
	2010 Number of Shares	\$	2009 Number of Shares	\$
Ordinary Shares and partly paid employee shares Opening balance				
Balance 1 July	77,497,150	8,653,256	72,317,150	8,045,180
Issue of ordinary shares	5,000,000	397,225	-	-
Balance 31 December	<b>82,497,150</b>	<b>9,050,481</b>	72,317,150	8,045,180
Consisting of:				
Ordinary shares	81,747,150	9,049,731	71,567,150	8,044,430
Employee shares	750,000	750	750,000	750
	<b>82,497,150</b>	<b>9,050,481</b>	72,317,150	8,045,180

11. LOSS PER SHARE

The calculation of basic earnings per share for the half year ended 31<sup>st</sup> December 2010 is as follows:

	Consolidated	
	2010 \$	2009 \$
Loss attributable to ordinary shareholders	<b>(363,161)</b>	(39,970)
	<b>Number of shares</b>	Number of shares
Total ordinary shares on issue at 1 July	76,747,150	71,567,150
Effect of shares issued for the half year to 31 December	679,348	-
Weighted average number of ordinary shares at 31 December	<b>77,426,498</b>	71,567,150
	<b>Cents</b>	Cents
Basic and diluted loss per share attributable to ordinary equity holders	<b>(0.5)</b>	(0.1)

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**12. EQUITY ACCOUNTED INVESTEE**

During the half year ended 31<sup>st</sup> December 2010 the Group did not receive dividends from its investment in an equity accounted investee.

Name	Principal activities	Date of Incorporation	Country of incorporation	Reporting date	Ownership interest	
					31 <sup>ST</sup> December 2010	30 <sup>th</sup> June 2010
Otway Energy Limited	Oil and gas exploration in the Otway Basin, South Australia	16 <sup>th</sup> March 2010	Australia	30 <sup>th</sup> June	37.5%	-%

In the financial statements of the Company, investments in associates are accounted for at fair value. At 31 December 2010 fair value of the associate is \$nil (2009: \$377).

Otway Energy Limited has a net asset deficiency, but the Company has no further commitment to invest in Otway Energy Limited. The Company has provided a loan facility commitment to Otway Energy Limited (refer Note 13 (c) ) and made a loan under this facility (refer Note 8).

**13. COMMITMENTS**

**(a) Bank Guarantees**

	Consolidated 2010 \$	2009 \$
Westpac has bank guarantees given by the company for exploration permits , as follows:		
EP97	50,000	50,000
PEL154	50,000	50,000
PEL155	50,000	50,000
ATP837	40,000	40,000
ATP893	12,000	12,000
ATP901	12,000	12,000
Total	<u>214,000</u>	<u>214,000</u>

These guarantees are secured by company term deposits totaling \$224,000 (30 June 2010: \$224,000)

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

13. COMMITMENTS (continued)

(b) Exploration Lease Commitments

At 31<sup>st</sup> December 2010 material expenditure commitments existed in relation to exploration leases and permits. The commitments are tabulated below. The actual expenditure may be more or less than the amounts indicated and will depend on, amongst other factors, actual costs at the time the expenditure becomes payable, foreign exchange rates, any variations to the terms of exploration leases granted by lessors, whether or not the entity relinquishes its right to hold any lease, any decrease in interest of the entity in any lease or the sale or farm-out of any lease. Failure to meet any or part of the expenditure commitments in relation to an exploration permit or lease is likely to result in the cancellation of the subject exploration permit or exploration lease.

Consolidated	31 <sup>st</sup> December 2010 \$	30 <sup>th</sup> June 2010 \$
<b>(i) Exploration Lease ATP837</b>		
Exploration costs payable within one year	1,000,000	-
Exploration costs payable after one year and no later than five years	-	1,000,000
<b>(ii) Exploration Lease ATP873</b>		
Exploration costs payable within one year	15,500	-
Exploration costs payable after one year and no later than five years	45,000	450,000
<b>(iii) Exploration Lease ATP893</b>		
Exploration costs payable within one year	4,500,000	-
Exploration costs payable after one year and no later than five years		4,500,000
<b>(iv) Exploration Lease ATP901</b>		
Exploration costs payable within one year	4,500,000	-
Exploration costs payable after one year and no later than five years		4,500,000
<b>(vi) Exploration Lease PEP52589</b>		
Exploration costs payable within one year	106,000	-
Exploration costs payable after one year and no later than five years	-	-
<b>Total expenditure commitments arising from interest in joint ventures and exploration leases</b>	<b>10,166,500</b>	<b>10,450,000</b>
Within one year	10,121,500	
After one year and no later than five years	45,000	10,450,000
	<b>10,166,500</b>	<b>10,450,000</b>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

13. COMMITMENTS (continued)

(c) Undrawn Loan Facility

On 4<sup>th</sup> August 2010, the Company agreed to increase the non-interest bearing non-recourse loan facility held by the Company's associate Otway Energy Limited from \$187,500 to \$309,375.

	Note	Consolidated 31 <sup>st</sup> December 2010 \$	30 <sup>th</sup> June 2010 \$
Loan drawn down	8	206,293	142,005
Loan facility undrawn		103,082	45,495
Total loan facility		<u>309,375</u>	<u>187,500</u>

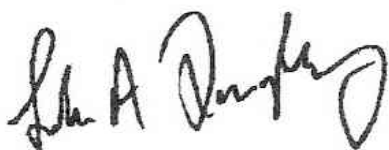
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**DIRECTORS' DECLARATION**

In the opinion of the directors of Rawson Resources Limited (the 'Company'):

- a. The financial statements and notes set out on pages 3 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 2010 and of its performance for the financial half-year ended on that date; and
  - ii. complying with Australian Accounting Standard AASB 134 *'Interim Financial Reporting'* and the Corporations Regulations 2001; and
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



**John Addison Doughty**  
Director

Dated: 11 March 2011

## Independent Auditor's Review Report

**Rawson Resources Limited**  
**ABN 69 082 752 985 and Subsidiaries**

To the members of Rawson Resources Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Rawson Resources Limited, which comprises the condensed statement of financial position as at 31 December 2010, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report 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 financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Rawson Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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.



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**Independent Auditor's Review Report  
To the members of Rawson Resources Limited  
(continued)**

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rawson Resources Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2010 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.



**Andrew Hoffmann**  
*Partner*



**Nexia Court & Co**  
*Chartered Accountants*

**Dated: 11 March 2011**