

Annual Results for Announcement to the Market

	2011 \$000	2010 \$000	Movement %
Revenues from ordinary activities	52	257	(80)
Losses before income tax	(1,266)	(369)	243
Income tax benefit	-	-	-
Loss attributable to owners of the Company	(1,266)	(369)	243
Other comprehensive income for the year, net of income tax	(2,349)	6,358	(137)
Total comprehensive (loss) / income attributable to owners of the Company	(3,615)	5,989	(160)
Cash and cash equivalents	1,874	1,028	82
Net assets	5,874	7,843	(25)
	Cents	Cents	
Net Tangible Assets per share (NTA Backing)	6.2	10.2	(39)
Loss per share – basic	(1.6)	(0.5)	220
Loss per share – diluted	(1.6)	(0.5)	220

Dividends	Amount per security	Franked amount per security at 30%
2011 interim dividend	-	-
2010 final dividend paid	-	-
Record date for determining entitlements to the interim dividend:	N/A	-

Brief explanation of any figures reported above or other items of importance not previously reported to the market:

Refer to the Directors' Report included in the annual financial report for explanations.

Discussion and Analysis of the results for the year ended 30th June 2011:

Refer to the Directors' Report included in the annual financial report for commentary.

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RAWSON RESOURCES LIMITED
ABN 69 082 752 985
and its controlled entities

ANNUAL REPORT
FOR THE YEAR ENDED
30th JUNE 2011

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CHAIRMAN'S LETTER

Dear Shareholder,

Rawson Resources Limited (the Company or Rawson) has successfully completed another year of operations.

The Company has continued to expand its exploration activities in four core areas: the Surat Basin, Otway and Pedirka Basins, and onshore in New Zealand.

The Company maintained its:

- 5.4% shareholding in Kea Petroleum Plc., a company registered in the United Kingdom and listed on the UK Alternative Investment Market (AIM); and
- 37.5% shareholding in Otway Energy Limited, an Australian public company formed to raise funds to explore the Otway Basin.

During the year ended 30th June 2011:

- The Company raised \$1,650,000 cash with the issue of 17,500,000 ordinary fully paid shares. At 30th June 2011 the Company had 94,247,150 ordinary fully paid shares on issue.
- Rawson and its joint venture partner Central Petroleum Limited (ASX: CTP) have been granted a permit renewal for EP 97, for a further five year term. This renewal includes a commitment to drill another well in the Pedirka Basin acreage.
- Rawson signed in August 2010 a farm-out agreement for Central Petroleum Limited to acquire 100 kilometres of 2-D seismic and drill one well in the newly designated Pellinor farm-out Block of EP 97.
- Central Petroleum Limited completed the acquisition of 165 km of seismic in the Simpson Block of EP97. The seismic is being processed, prior to drilling another well in the permit. Central's initial conclusion was that conspicuous structural features observed on the newly acquired seismic lines in the Pedirka Basin have been interpreted as Devonian reefal complexes.
- Rawson and its 50% joint venture partner Zeanco Pty. Ltd. were awarded their first New Zealand permit PEP 52589. The permit covers a total of 4,700 square kilometres onshore and offshore in the Canterbury Basin on the east coast of New Zealand's South Island.
- Rawson and Zeanco Pty. Ltd. conducted a soil gas geochemical and preliminary geological survey in the onshore portion of PEP 52589 .
- Rawson and its partner Zeanco Pty. Ltd. also applied for two additional exploration permits in onshore New Zealand.
- Rawson concluded a farm-in agreement with Kea Petroleum Plc for a two well drilling program in the Surat Basin at ATP 837P. Kea Petroleum also concluded a farm-in agreement with Otway Energy Limited for a one well drilling program in the Otway Basin at PEL 155. Both these areas have drilling targets defined by 3-D seismic surveys.
- Under this agreement the drilling of Hoadleys-1 at ATP 837P Surat Basin Queensland commenced. The Jurassic Precipice sandstone target was found to contain water, so the well was cased and suspended for later deepening to evaluate potential Permian reservoirs.

Chairman's Letter (continued)

The Company has a 10% interest in the Udacha Gas Field at PEL 106/107 in the Cooper Basin, South Australia. Negotiations are continuing with Drillsearch and Beach Energy to commercialise this gas field.

The Company has some coal seam gas potential at ATP837 P in the Surat Basin. The coal seam gas potential here is at depths greater than 1,000m, which could become commercially viable with increasing gas demand.

Rawson is guided by an experienced exploration team with an extensive database. In addition, the Company is participating in new joint ventures with highly experienced technical operators such as Central Petroleum in the Simpson Desert Northern Territory, Kea Petroleum in the Taranaki Basin New Zealand and Otway Energy in the Otway Basin South Australia.

Following initial low cost exploration in new areas, Rawson funds by farm-out to industry partners more expensive seismic and drilling phases. This is an ongoing business plan, which leaves the Company with residual interests that are still large enough to make an economic and material impact on discovery.

Any discovery made from drilling wells during 2011 to 2012 in our permits in Australia and New Zealand would add significant value to the Company.

Yours sincerely



John Conolly

DIRECTORS' REPORT

The Directors present their report together with the financial report of Rawson Resources Limited (the Company) and of the consolidated entity, being the Company and its controlled entities for the financial year ended 30th June 2011, and the Auditor's report thereon.

Directors

The following persons held office of director during and subsequent to the financial year:

John Robert Conolly
John Addison Doughty
Nicholas Paul Adams
Keith Skipper

No other person was a Director during and subsequent to the financial year.

Company Secretary

Mr Ian Morgan held the position of Company Secretary during and subsequent to the financial year.

Net Loss after Income Tax

Total comprehensive loss for the financial year and attributable to owners of the Company was \$3,615,597 (2010 profit of \$5,988,851).

Principal Activity

The principal activity of the Consolidated Entity during the course of the financial year was exploration for oil and gas in Australia.

There were no significant changes in the nature of the Consolidated Entity's principal activity during the financial year.

Operating and Financial Review

Rawson is currently exploring for oil and gas in four core areas, the Surat Basin, the Otway Basin, the Pedirka Basin in Australia, and the Taranaki Basin in New Zealand. Further details of the Company's operations are included in the Chairman's letter attached to this report.

New Applications

The Company continues to review opportunities and has made applications for new exploration permits that fit its overall business plan

Directors' Report (continued)

Future Developments

The Company will continue to work on its other permits and review new opportunities as and when they arise.

Environmental Issues

The Company's operations comply with the environmental regulation under the laws of the Commonwealth of Australia, or an Australian State or Territory, and New Zealand.

State of Affairs

No significant changes in the state of affairs of the Consolidated Entity occurred during the financial year.

Dividends

There were no dividends or distributions paid to members since the end of the previous financial year.

There were no dividends or distributions recommended or declared for payment to members, but not paid since the end of the previous financial year.

Subsequent Events

There are no matters or circumstances that have arisen since the end of the financial year which significantly affect, or may significantly affect, the operations, results, state of affairs of the economic entity that have not otherwise been disclosed elsewhere in this report, excepting:

At the date of this report, Rawson Taranaki Limited controlled 27,307,692 shares representing 5.4% ownership of KEA Petroleum Plc (KPP). These shares are currently listed on AIM.

KPP's latest available share price at the date of this report is GBP 4.88 pence or AUD 7.70 cents per share.

KPP's share price at 30th June 2011 was GBP 10.39 pence or AUD 15.14 cents per share (2010 GBP 13.5 pence or AUD 23.74 cents per share).

The Company presently has no intention to sell the KPP shares, they are held as a long term investment. Directors do not expect a permanent diminution in this investment.

Options

During or since the end of the financial year the following options were granted for no consideration over unissued shares of the Company.

These options were granted with a share placement, granting one option for no consideration for every two shares issued to placement investors. The placement was approved by members at the Company's extraordinary general meeting held 18th April 2011.

Number of Options Granted	Exercise price per share	Expiry Date
6,250,000	15 cents	1 st June 2012

Directors' Report (continued)

The terms of each option also include:

- (a) The right to acquire one ordinary fully paid share; and
- (b) Exercisable any time between the grant date (9th May 2011) and Expiry Date.

All options were granted during the financial year. No options have been granted since the end of the financial year.

Indemnities Granted

There have been no indemnities granted or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

Actions

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

The Company was not a party to any such proceedings during the year.

Information on Directors

Dr John Conolly, the executive chairman of the Company, has 30 years of experience in the oil and gas industry in Australian and international arenas. Between 1980 and 1988 he was an executive director of Sydney Oil Company Limited which participated in the discovery of new oil fields including the South Pepper-North Herald trend on the North West Shelf and the Fairymount, Bodalla South and Nockatunga trends in Queensland. Since 1988, he has been an independent consultant creating new ventures in the North West Shelf and other basins in Australia. His early academic career included a Postdoctoral Fulbright Grant to study at Columbia University, New York; a Queen Elizabeth II Postdoctoral Fellowship at the University of Sydney; a visiting Professor of Geology at Louisiana State University, and Professor at the University of South Carolina where he specialised in sedimentary basins and marine geology. He has a Bachelor of Science from the University of Sydney and MSc and PhD degrees from the University of New South Wales. He is a member of the American Association of Petroleum Geologists and the Petroleum Exploration Society of Australia; and an associate of the Energy & Geoscience Institute at the University of Utah's College of Engineering. Throughout his career he has published widely and has consulted to Australian Government agencies and the oil industry. Other than Rawson Resources Limited, he is a director of KEA Petroleum Plc (commenced 15th February 2010) .

Mr Paul Adams is Director of the Company with over 30 years experience in the oil and gas industry, working for a variety of companies in Australia and the United Kingdom. Since 1987 he has provided drafting, digital mapping and database services to the oil and gas industry. He has a Certificate in Cartography from Oxford Polytechnic. He is a member of the Petroleum Exploration Society of Australia and the Australian Society of Exploration Geophysicists and is an associate member of the Mapping Sciences Institute of Australia. Other than Rawson Resources Limited, he has not been a director of any other listed company in the past three years.

Mr John Doughty is a Director and General Manager of the Company with 22 years experience in the stock broking industry in Australia. He has independently participated in four oil exploration wells in Queensland. Mr Doughty has presented at the Australian Securities Exchange on oil and gas investments. He has assisted in raising funds for oil companies in Australia. He is a member of Petroleum Exploration Society of Australia. Other than Rawson Resources Limited, he has not been a director of any other listed company in the past three years.

Mr Keith Skipper is a seasoned and successful global explorationist, company executive and corporate non-executive director with over 30 years of diverse industry experiences. He holds a B.Sc. (Hons) degree in geology from Reading University (U.K.) and a M.Sc. (Geology) from McMaster University (Ontario, Canada).

Directors' Report (continued)

He is an Australian citizen who began his career with AMOCO Canada in Calgary, Alberta with subsequent technical and management appointments in AMOCO's domestic and international operations. Early in 1982, Mr Skipper was appointed Exploration Manager of Bridge Oil Limited in Sydney, Australia and involved with that company's growth during the 1980's.

He returned to Calgary in 1992 as part of a core team to build an international portfolio for PanCanadian Petroleum Limited, now part of EnCana; and became General Manager Eastern Hemisphere, which included the United Kingdom, North Africa and the Middle East.

Since 1998, Mr Skipper's subsequent appointments have been: Antrim Energy Inc, latterly as Executive Vice President; and non-executive director of Hedong Energy Inc and Avery Resources Limited. Since November 2005 he has been the managing director of NorthStar Energy Limited, an unlisted public company and co-founder of Petrosedex Pty Limited. He is also the owner of Petrosedex Energy International Inc, an oil and gas company registered in Alberta, Canada. Other than Rawson Resources Limited, he is currently a director of the publicly listed company Samson Oil and Gas Limited (appointed 10 September 2008). During the last 5 years, he has also served as a director of RedSky Energy Limited (resigned December 2009) and Circumpacific Energy Corporation (resigned November 2010). Mr Skipper advises and consults to various academic, financial and corporate entities on oil and gas exploration, including coalseam gas ("CSG") and shale resource projects.

Mr Skipper is a member of the Australian Institute of Company Directors, member of the American Association of Petroleum Geologists, the Petroleum Exploration Society of Australia and a registered Professional Geologist in Alberta, Canada.

Information on Company Secretary

Mr Ian Morgan B Bus, M Comm Law, CA, ACIS, MAICD, F Fin, is a Chartered Accountant and Chartered Company Secretary with over 25 years experience. He provides secretarial and advisory services to a range of companies, and is company secretary of other publicly listed companies.

Directors' Report (continued)

Remuneration Report

Key Management Personnel Compensation

- (a) Names and positions held of the Company's key management personnel in office at any time during the financial year are:

Name	Position
Dr John Conolly	Executive Chairman
Mr John Doughty	Director and General Manager
Mr Paul Adams	Non Executive Director
Mr Keith Skipper	Non Executive Director

- (b) Compensation Practices

The Company's policy for determining the nature and amount of remuneration of Board members is as follows:

The remuneration structure for Directors is based on a number of factors including: length of service, particular experience of the individual concerned, and overall performance of the Company. Currently, due to the financial position of the Consolidated Entity and the Company's start up position, the Directors are paid only a fixed remuneration component. The Board expects that performance based remunerations, which will more closely align the interests of the Board and the shareholders will be implemented as the operations of the Company become more solid. Upon retirement, specified Directors are paid employee benefit entitlements accrued to date of retirement. No options are held by the Directors or Executives.

The remuneration for each Director during the year was as follows:

2011	Salary and Directors fees	Superannuation Contributions	Consulting Fees	Total
	\$	\$	\$	\$
Dr J.R. Conolly	-	26,160	120,000	146,160
Mr J.A. Doughty	144,000	12,960	-	156,960
Mr N.P. Adams	-	26,160	132,300	158,460
Mr K. Skipper	18,000	21,240	-	39,240
	162,000	86,520	252,300	500,820
2010				
Dr J.R. Conolly	-	26,160	90,000	116,160
Mr J.A. Doughty	120,000	10,800	-	130,800
Mr N.P. Adams	-	26,160	82,000	108,160
Mr K. Skipper	26,668	2,579	-	29,247
	146,668	65,699	172,000	384,367

Dr J R Conolly and Mr J A Doughty are the specified executives of the Company. Their remuneration details are displayed above.

Other than as reported in this Directors' Report, Directors of the Company do not receive any performance based or share based payments.

(c) Consequences of performance on shareholders' wealth

During the 2011 financial year the Company raised \$1,650,000 by the issue of 17,500,000 ordinary fully paid shares. At 30th June 2011 the Company had 94,247,150 ordinary fully paid shares on issue. The net assets of the Group have decreased from \$7,843,280 at 30th June 2010 to \$5,873,558 at 30th June 2011. The Company's working capital, being current assets less current liabilities, has increased from \$1,123,351 at 30th June 2010 to \$1,501,020 at 30th June 2011.

At the date of this report the Group has sufficient funds to finance its operations and exploration activities.

During the 2011 financial year, the following significant changes in the state of affairs occurred for the Group:

September 2010 Quarter

- An agreement with Central Petroleum in August for Central to acquire 100 kilometres of 2-D seismic and drill one well in EP 97 in the newly designated Pellinor farmout Block.
- Application, by tender, for two new Authorities to Prospect in the Surat Basin in the bidding round which closed on the 27th September 2010.
- Rawson has a 5.4% shareholding in Kea, which now operates five permits in New Zealand and has an active seismic acquisition and drilling program. Kea Petroleum Plc. as operator successfully applied for two new Petroleum Exploration Permits in the Taranaki Basin. These are PEP 52333 (the 'Mercury' permit) and PEP52200 (the 'Manta' permit).
- Rawson with its joint venture partners actively pursuing farminees for its drilling program in the Otway Basin PEL's 154 & 155 and in the Surat Basin in ATP 837P. Both these areas have drilling targets defined by 3-D seismic surveys.

December 2010 Quarter

- Rawson and its 50% joint venture partner Zeanco Pty. Ltd. were awarded their first New Zealand permit PEP 52589. The permit covers a total of 4,700 square kilometres onshore and offshore in the Canterbury Basin on the east coast of New Zealand's South Island.
- An independent reserves review upgraded the potential of the shut in Udacha gas discovery in the Cooper Basin, planning is underway for the development of this wet gas discovery. Rawson has a 10% working interest in the Udacha area.
- Central Petroleum Limited (ASX code CTP) completed acquiring 165 km of seismic in EP97, which is currently being processed prior to the drilling of another well in this permit. Central's initial conclusion was that conspicuous structural features observed on the newly acquired seismic lines in the Pedirka Basin have been interpreted as Devonian reefal complexes.
- Rawson with its joint venture partners are talking to potential new partners for its 2011 drilling program in the Otway Basin PEL's 154 & 155 and in the Surat Basin in ATP 837P. Both these areas have drilling targets defined by 3-D seismic surveys.

(d)

March 2011 Quarter

- Rawson concluded a farm agreement with Kea Petroleum Plc for a two well drilling program in the Surat Basin in ATP 837P and for a one well drilling program in the Otway Basin in PEL 155; both these areas have drilling targets defined by 3-D seismic surveys.
- Rawson and its 50% partner Zeanco Pty. Ltd. conducted a soil gas geochemical and preliminary geological survey in the onshore portion of PEP 52589 of the Canterbury Basin on the east coast of New Zealand's South Island.

Directors' Report (continued)

Remuneration Report (continued)

- In EP 97 Rawson and its joint venture partner Central Petroleum Limited have been granted a renewal for a further five year term. This renewal includes the commitment drill of another well in the Pedirka Basin acreage.

June 2011 Quarter

- Drilling and suspension of the exploration well, Hoadleys -1, in the Surat Basin to evaluate the Jurassic Precipice sandstone. The well was suspended for later deepening to evaluate potential Permian reservoirs.
- In the Cooper Basin, studies continue by the joint venture partners to commercialise the Udacha gas field with further drilling possible later in the year.
- Rawson and its 50% partner Zeanco Pty. Ltd. have applied for an additional Permit in New Zealand PEP53674 on New Zealand's North Island adjacent Cook Strait.
- In EP 97 Rawson's joint venture partner Central Petroleum Limited outlined two prospects for possible drilling the Madigan Prospect and the Simpson East Prospect.

(e) Strategic cost review

Prior to the date of this report, the Company's Directors made an internal strategic review of the Company's costs. Following this review, it was resolved to reduce total salary, fees and superannuation effective 1st October 2011 for each of Dr Conolly and Messrs Doughty and Adams to \$4,360 per month including statutory superannuation, and for Mr Skipper to \$2,750 per month including statutory superannuation.

Directors' Report (continued)

Directors' Interests

2011	Security	Held at 1 st July 2010 Number	Sold on Market Number	Held at 30 th June 2011 Number
Mr N.P. Adams	Ordinary fully paid shares	3,480,000	-	3,480,000
Dr J.R. Conolly	Ordinary fully paid shares	6,730,000	-	6,730,000
Mr J.A. Doughty	Ordinary fully paid shares	4,590,000	200,000	4,390,000
Mr K Skipper	Ordinary fully paid shares	20,000	-	20,000
Mr K Skipper	Partly paid ordinary unlisted 20.0 cent shares. 0.1 cents per share paid.	250,000	-	250,000
		<hr/>		<hr/>
2010	Security		Held at 1 st July 2009 Number	Held at 30 th June 2010 Number
Mr N.P. Adams	Ordinary fully paid shares		3,480,000	3,480,000
Dr J.R. Conolly	Ordinary fully paid shares		6,730,000	6,730,000
Mr J.A. Doughty	Ordinary fully paid shares		4,590,000	4,590,000
Mr K Skipper	Ordinary fully paid shares		20,000	20,000
Mr K Skipper	Partly paid ordinary unlisted 20.0 cent shares. 0.1 cents per share paid.		250,000	250,000
		<hr/>		<hr/>

Meetings of Directors

	Board meetings		Audit Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
Dr J.R. Conolly	8	7	-	-
Mr J.A. Doughty	8	8	1	1
Mr N.P. Adams	8	8	-	-
Mr K. Skipper	8	7	1	1

Indemnification and Insurance of Officers and Auditors

(a) Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

(b) Insurance Premiums

During the financial year the Consolidated Entity has not paid premiums in respect of Directors' and Officers' liability insurance contracts for the year ended 30th June 2011 (2010 \$Nil)

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 13 and forms part of the Directors' Report for the financial year ended 30th June 2011.

Directors' Report (continued)

Non-Audit Services

Details of amounts paid to the Auditor for non Audit services provided during the year are set out in Note 7 of these financial statements. The Directors are satisfied that the provision of these non Audit services is compatible with the general standard of independence for the auditors imposed by the Corporations Act 2001 because:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board by:



John Doughty

Director

Sydney

30th September 2011

The Board of Directors
Rawson Resources Limited
PO Box R1868
Royal Exchange NSW 1225

30th September 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 audit of the financial statements of Rawson Resources Limited for the financial year ended 30 June 2011, 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 audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Nexia Court & Co
Chartered Accountants



Robert Mayberry
Partner



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CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30th June 2011. The Company is a small company with limited operations. Accordingly the Board considers that many of the corporate governance guidelines intended to apply to larger companies are not practical for the Company.

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Principle 1			
Principle 1 – Lay solid foundations for management and oversight. Companies should establish and disclose the respective roles and responsibilities of board and management.			
Recommendation 1.1: Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Comply	<p>The Board is accountable to shareholders for the performance of the Company and has overall responsibility for its operations.</p> <p>The Board's primary objective is to protect and enhance shareholder value within a defined, informed structure which protects the rights and interests of shareholders and other stakeholders by ensuring that the Company and its controlled entities are properly managed. The Board, together with senior management, is responsible to shareholders and other stakeholders for the Company's total business performance.</p> <p>Management of the business of the Company is conducted by the General Manager as designated by the Board and by officers and consultants to whom the management function is delegated by the General Manager.</p>	Not Applicable
Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.	Comply	The General Manager reviews the performance of consultants.	Not Applicable
Recommendation 1.3: Companies should provide the information indicated in the Guide to reporting on Principle 1.	Comply		Not Applicable

Corporate Governance Statement (continued)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Principle 2			
Principle 2 – Structure the board to add value Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.			
Recommendation 2.1: A majority of the board should be independent directors.	Does not comply	The Board is composed of four Directors, of which the Chairman and General Manager are executive Directors: There is not a majority of independent directors.	The Board considers that the Board's structure is still appropriate to the Company's size; and each Director-independent or not- brings an independent judgement to bear on Board decisions. Directors may obtain independent professional advice at the Company's expense, subject to prior agreement and direction by the Board, on matters arising in the course of Company business. Directors also have access to senior Company managers and Company documents at all times.
Recommendation 2.2: The chair should be an independent director.	Does not comply	The Chairman is an executive Director and not independent.	The Company is a small company with limited operations. Accordingly, the Board considers that maintaining an executive Chairman who is not independent is appropriate to the Company's size.
Recommendation 2.3: The roles of chair and chief executive officer should not be exercised by the same individual.	Comply	The Chairman and General Manager are different individuals.	Not Applicable
Recommendation 2.4: The board should establish a nomination committee.	Does not comply		The size of the Company does not warrant the formation of a Nomination or Remuneration Committee at this time. Appointments have been considered by the full Board.

Corporate Governance Statement (continued)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
<p>Recommendation 2.5: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.</p>	<p>Comply</p>	<p>The Board reviews the performance of the General Manager.</p> <p>Details of Directors' qualifications, experience, term of office and special responsibilities are in the Directors Report included in this Annual Report.</p> <p>Potential nominations to the Board are assessed by the full Board. The Board may appoint a nominations or remuneration committee.</p> <p>The Board undertakes self assessment of its collective performance. Individual performance is evaluated by the full Board.</p>	<p>Not Applicable</p>
<p>Recommendation 2.6: Companies should provide the information indicated in the Guide to reporting on Principle 2.</p>	<p>Comply</p>		<p>Not Applicable</p>
<p>Principle 3</p>			
<p>Principle 3 – Promote ethical and responsible decision-making. Companies should actively promote ethical and responsible decision-making.</p>			
<p>Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	<p>Does not comply</p>		<p>The Company does not have a formal code of conduct, reflecting the Company's small size and close interaction of the small number of individuals throughout the organisation.</p>

Corporate Governance Statement (continued)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	Comply	The Company intends to make each staff appointment after consideration of each candidate's qualifications, experience and proven competence, whilst conscientiously avoiding any discrimination on the basis of, but not limited to, race, creed, colour, gender, age, marital status, religion or physical impairment.	Not applicable
Recommendation 3.3: Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Does not comply		The Company will apply its best endeavours to disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.
Recommendation 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Comply	The Company has no women employees.	Not Applicable
Recommendation 3.5: Companies should provide the information indicated in the Guide to reporting on Principle 3.	Comply		Not Applicable
Principle 4			
Principle 4 – Safeguard integrity in financial reporting Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.			
Recommendation 4.1: The board should establish an audit committee.	Comply		Not Applicable

Corporate Governance Statement (continued)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Recommendation 4.2: The audit committee should be structured so that it: <ul style="list-style-type: none"> • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members. 	Does not comply	The Company is a small company with limited operations. Accordingly, the Board considers that maintaining an Audit Committee constituting the General Manager and a non-executive Director is appropriate to the Company's size.	This Audit Committee structure is considered to be commercially cost effective.
Recommendation 4.3: The audit committee should have a formal charter.	Does not comply	The Company does not have a formal audit committee charter, reflecting the Company's small size and close interaction of the small number of individuals throughout the organisation.	The primary role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by monitoring and reviewing, on behalf of the Board, the effectiveness of the Company's control environment in the areas of operational risk, legal compliance, regulatory compliance and financial reporting.
Recommendation 4.4: Companies should provide the information indicated in the Guide to reporting on Principle 4.	Comply		Not Applicable
Principle 5			
Principle 5 – Make timely and balanced disclosure. Companies should promote timely and balanced disclosure of all material matters concerning the company.			

Corporate Governance Statement (continued)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
<p>Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.</p>	<p>Comply</p>	<p>The Board's policy is that shareholders are informed of all material developments that impact on the Company. Detailed continuous disclosure policy is intended to maintain the market integrity and market efficiency of the Company's shares listed on the ASX. This policy sets out the requirements to report to the General Manager, any matter that may require disclosure under the Company's continuous disclosure obligations. The General Manager is also required to report at each Board meeting on this issue. The continuous disclosure process ensures compliance with the Company's continuous disclosure and reporting obligations, consistent with the Australian Securities Exchange Listing Rules, and the Corporations Act 2001 (<i>Cth</i>).</p>	<p>Not Applicable</p>
<p>Recommendation 5.2: Companies should provide the information indicated in the Guide to reporting on Principle 5.</p>	<p>Comply</p>		<p>Not Applicable</p>
<p>Principle 6</p>			
<p>Principle 6 – Respect the rights of shareholders. Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.</p>			

Corporate Governance Statement (continued)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
<p>Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.</p>	<p>Comply</p>	<p>The Company aims to convey to its shareholders pertinent information in a detailed, regular, factual and timely manner.</p> <p>The Board ensures that the annual report includes relevant information about the operations of the Company during the year, and changes in the state of affairs of the Company, in addition to the other disclosures required by the Corporations Act 2001.</p> <p>Information is communicated to shareholders by the Company through:</p> <ol style="list-style-type: none"> 1. Placement of market announcements on the Company's web-site http://www.rawsonresources.com; 2. The annual and interim financial reports (for those shareholders who have requested a copy); 3. Disclosures to the Australia Securities Exchange; 4. Notices and explanatory memoranda of annual general meetings; and 5. All Shareholders are invited to attend and raise questions at the Annual General Meeting. <p>All shareholders are welcome to communicate directly with the Company.</p>	<p>Not Applicable</p>
<p>Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6.</p>	<p>Comply</p>		<p>Not Applicable</p>
<p>Principle 7</p>			
<p>Principle 7 – Recognise and manage risk Companies should establish a sound system of risk oversight and management and internal control.</p>			

Corporate Governance Statement (continued)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
<p>Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.</p>	<p>Comply</p>	<p>The Board meets regularly to evaluate, control, review and implement the Company's operations and objectives.</p> <p>Regular controls established by the Board include:</p> <ul style="list-style-type: none"> • Delegated authority to the General Manager to ensure approval of expenditure; and • Procedures allowing Directors to seek independent professional advice by utilising various external technical consultants. <p>The Board recognises the need to identify areas of significant business risk and to develop and implement strategies to investigate these risks.</p>	<p>Not Applicable</p>
<p>Recommendation 7.2: The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.</p>	<p>Comply</p>	<p>The General Manager manages the Company's material business risks and reports to the Board.</p> <p>Materiality thresholds</p> <p>The Company regularly reviews procedures, and ensures timely identification of disclosure material and materiality thresholds.</p> <p>Materiality judgments can only be made on a case by case basis, when all the facts are available. The Board would consider an amount which is:</p> <ol style="list-style-type: none"> 1. Equal to or greater than 10 per cent of the appropriate base amount as material, unless there is evidence or convincing argument to the contrary; and 2. Equal to or less than 5 per cent of the appropriate base amount not to be material unless there is evidence, or convincing argument, to the contrary. 	<p>Not Applicable</p>

Corporate Governance Statement (continued)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Recommendation 7.3: The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Comply	The Company requires that these statements are certified by the General Manager, as chief executive officer and chief financial officer.	Not Applicable
Recommendation 7.4: Companies should provide the information indicated in the Guide to reporting on Principle 7.	Comply		Not Applicable
Principle 8			
Principle 8 – Remunerate fairly and responsibly. Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.			
• Recommendation 8.1: The board should establish a remuneration committee.	Does not comply		The full Board would act as a Remuneration Committee, as required.
Recommendation 8.2: The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members.	Does not comply		The Board would operate as a remuneration committee, as required. This structure is considered to be commercially cost effective, and appropriate to the Company's size and structure.

Corporate Governance Statement (continued)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
<p>• Recommendation 8.3: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.</p>	<p>Comply</p>	<p>Non-executive Directors' fees are determined by the Board within the aggregate amount approved by shareholders.</p> <p>Any structure for equity based executive remuneration must be commercially cost effective, and appropriate to the Company's size and structure.</p> <p>The Board has regard in the performance of the duties set out herein to any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share option schemes which the Board considers relevant or appropriate.</p> <p>Fees for non-executive directors reflect the demands on and responsibilities of our Directors.</p> <p>Non-executive Directors are remunerated by way of base fees and statutory superannuation contributions and do not participate in schemes designed for the remuneration of executives. Non-executive directors do not receive any bonus payments nor are they provided with retirement benefits other than statutory superannuation.</p> <p>There are no schemes for retirement benefits, other than statutory superannuation, for non-executive directors.</p>	<p>Not Applicable</p>
<p>• Recommendation 8.4: Companies should provide the information indicated in the Guide to reporting on Principle 8.</p>	<p>Comply</p>		<p>Not Applicable</p>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30th June 2011

	Note	2011 \$	2010 \$
Revenue			
Revenue from continuing activities	5	51,624	256,948
		<u>51,624</u>	<u>256,948</u>
Expenses			
Administration expenses		(203,709)	(190,528)
Directors' remuneration expense		(253,181)	(212,367)
Exploration expenditure written off	6	(626,762)	(222,709)
Impairment loss	6, 10	(234,418)	-
Investment written off	6	-	(377)
		<u>(1,318,070)</u>	<u>(625,981)</u>
Loss before income tax		(1,266,446)	(369,033)
Income tax benefit	16	-	-
Loss attributable to owners of the Company		<u>(1,266,446)</u>	<u>(369,033)</u>
Other comprehensive income for the year, net of income tax			
Revaluation (decrement) / increment for available for sale financial assets		(2,349,151)	6,357,884
Total comprehensive (loss) / income attributable to owners of the Company		<u>(3,615,597)</u>	<u>5,988,851</u>
		Cents per Share	Cents per Share
Basic and diluted loss per share attributable to ordinary equity holders	8	<u>(1.6)</u>	<u>(0.5)</u>

The accompanying notes form part of these financial statements.

These financial statements should be read in conjunction with the attached Auditor's Report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	1,873,857	1,027,578
Receivables	10	19,902	159,447
TOTAL CURRENT ASSETS		1,893,759	1,187,025
NON-CURRENT ASSETS			
Other assets	11	12,000	12,000
Financial Instruments	12	4,360,324	6,707,536
Plant and equipment	13	214	393
TOTAL NON-CURRENT ASSETS		4,372,538	6,719,929
TOTAL ASSETS		6,266,297	7,906,954
CURRENT LIABILITIES			
Trade and other payables	14	388,078	63,674
Provision	15	4,661	-
TOTAL CURRENT LIABILITIES		392,739	63,674
TOTAL LIABILITIES		392,739	63,674
NET ASSETS		5,873,558	7,843,280
EQUITY			
Share capital	17	10,299,131	8,653,256
Accumulated losses		(8,434,306)	(7,167,860)
Reserves	18	4,008,733	6,357,884
TOTAL EQUITY		5,873,558	7,843,280

The accompanying notes form part of these financial statements.

These financial statements should be read in conjunction with the attached Auditor's Report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June 2011

	Share Capital Ordinary	Accumulated Losses	Fair Value Reserve	Total
	\$	\$	\$	\$
Balance at 1 st July 2009	8,045,180	(6,798,827)	-	1,246,353
Total comprehensive income attributable to owners of the Company	-	5,988,851	-	5,988,851
Shares issued during the year	608,076	-	-	608,076
Net change in fair value of available-for-sale financial assets, net of tax	-	(6,357,884)	6,357,884	-
Balance at 30 th June 2010	<u>8,653,256</u>	<u>(7,167,860)</u>	<u>6,357,884</u>	<u>7,843,280</u>
Balance at 1 st July 2010	8,653,256	(7,167,860)	6,357,884	7,843,280
Total comprehensive income attributable to owners of the Company	-	(3,615,597)	-	(3,615,597)
Shares issued during the year	1,645,875	-	-	1,645,875
Net change in fair value of available-for-sale financial assets, net of tax	-	2,349,151	(2,349,151)	-
Balance at 30 th June 2011	<u>10,299,131</u>	<u>(8,434,306)</u>	<u>4,008,733</u>	<u>5,873,558</u>

The accompanying notes form part of these financial statements.

These financial statements should be read in conjunction with the attached Auditor's Report.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30th June 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		50,897	30,586
Receipts from customers		-	100,000
Payments to suppliers			
Exploration costs		(297,389)	(172,749)
Other costs		(459,290)	(433,565)
Net cash used in operating activities	20	<u>(705,782)</u>	<u>(475,728)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans advanced		(91,875)	(142,005)
Payments for acquisition of investments		(1,939)	-
Proceeds from investments		-	3,943
Net cash used in investing activities		<u>(93,814)</u>	<u>(138,062)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,645,875	608,076
Net cash provided by financing activities		<u>1,645,875</u>	<u>608,076</u>
Net increase/(decrease) in cash held		846,279	(5,714)
Cash and cash equivalents at beginning of financial year		1,027,578	1,033,292
Cash and cash equivalents at end of financial year	9	<u>1,873,857</u>	<u>1,027,578</u>

The accompanying notes form part of these financial statements.

These financial statements should be read in conjunction with the attached Auditor's Report.

PARENT ENTITY DISCLOSURES

For the year ended 30th June 2011, the parent company of the Consolidated Entity was Rawson Resources Limited.

	The Company	
	2011	2010
	\$	\$
Results of the parent entity		
Loss attributable to members of the Parent Entity	(1,187,111)	(509,462)
Total comprehensive income for the period	<u>(1,187,111)</u>	<u>(509,462)</u>
Financial position of parent entity at year end		
Current assets	2,093,178	1,315,212
Non-current assets	<u>238,153</u>	<u>236,770</u>
Total assets	<u>2,331,331</u>	<u>1,551,982</u>
Current liabilities	<u>384,636</u>	<u>63,674</u>
Total liabilities	<u>384,636</u>	<u>63,674</u>
Net Assets	<u>1,946,695</u>	<u>1,488,308</u>
Total equity of the parent entity comprising of:		
Share capital	10,299,131	8,653,256
Accumulated Losses	<u>(8,352,436)</u>	<u>(7,164,948)</u>
Total Equity	<u>1,946,695</u>	<u>1,488,308</u>

The accompanying notes form part of these financial statements.

These financial statements should be read in conjunction with the attached Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2011

1. Reporting entity

Rawson Resources Limited (the Company) is a company domiciled in Australia. The address of the Company's registered office is Suite 2 163 Burns Bay Road, Lane Cove NSW 2066. The consolidated financial statements of the Company for the year ended 30th June 2011 comprise the Company and subsidiaries (together referred to as the "Consolidated Entity" or "Group") and the Consolidated Entity's interest in associates and jointly controlled entities. The Consolidated Entity is primarily involved in the exploration for oil and gas in Australia and New Zealand.

2. Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The consolidated financial report of the Consolidated Entity and the financial report of the Company also complies with the IFRSs and interpretations adopted by the International Accounting Standards Board.

The financial statements were approved by the Board of Directors on 30th September 2011.

(b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except where otherwise indicated.

(c) Going Concern

Notwithstanding the Company's operating loss for the year, negative cash flows from operations and historical performance, the financial report has been prepared on a going concern basis. This assessment is based on the cash on hand balance at year end and outstanding payables. If required, the Company does have the ability to raise extra funds through a placement. However, should sufficient and appropriate capital not be available on a timely basis to the Company, the Directors would require the cessation of operational activities and a further reduction in expenditure. The business would, under this scenario, continue to operate with existing cash reserves. The Directors are satisfied that the Company would be able to continue on a going concern basis.

(d) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the functional currency of the Consolidated Entity.

(e) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Notes to the Financial Statements (continued)

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Consolidated Entity.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Company's financial statements, investments in subsidiaries are carried at cost.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Consolidated Entity's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised when the contributed assets are consumed or sold by the equity accounted investees or, if not consumed or sold by the equity accounted investee, when the Consolidated Entity's interest in such entities is disposed.

(iii) Investments in associates and jointly controlled entities (equity accounted investees)

Investments in associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. In the Company's financial statements, investments in associates are classified as non-financial assets (Refer Note 3 (d)(ii)).

In the Company's financial statements, investments in jointly controlled entities are carried at cost.

(iv) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are

3. Significant accounting policies (continued)

measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation (see Note 3 (a) (vi) below), or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(v) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Australian dollars at exchange rates at the dates of the transactions.

The income and expenses of foreign operations in hyperinflationary economies are translated to Australian dollars at the exchange rate at the reporting date. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current period are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the reporting date.

Foreign currency differences are recognised in other comprehensive income. Since 1 July 2004, the Group's date of transition to AASBs, such differences have been recognised in the foreign currency translation reserve (translation reserve, or FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.

(vi) Hedge of net investment in foreign operation

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the parent entity's functional currency (AUD), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income to the extent that the hedge is effective, and are presented within equity in the FCTR. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged part of a net investment is disposed of, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

(b) Financial Instruments

(i) Non-derivative financial instruments

3. Significant accounting policies (continued)

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Consolidated Entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Consolidated Entity's contractual rights to the cash flows from the financial assets expire or if the Consolidated Entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Consolidated Entity commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Consolidated Entity's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Consolidated Entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Held-to-maturity investments

If the Consolidated Entity has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

(iii) Share capital

Ordinary shares

Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit.

(c) Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

3. Significant accounting policies (continued)

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Depreciation

Useful lives

All plant and equipment has limited useful lives and is depreciated using the diminishing value method over their estimated useful lives.

Assets are depreciated from the date of acquisition.

Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is expensed.

The depreciation rates used for each class of asset are as follows:

	Depreciation Rates		Depreciation Method
	2011	2010	
Plant and equipment	5% - 33%	5% - 33%	Diminishing Value

(d) Impairment

(i) Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

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3. Significant accounting policies (continued)

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non Financial Assets

The carrying amounts of the Consolidated Entity's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered to balance date by employees. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

3. Significant accounting policies (continued)

(f) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Interest Revenue

Interest revenue is recognised as it accrues.

Other Income

Income from other sources is recognised when the fee in respect of other products or service provided is receivable.

(g) Income Tax

Income tax expense or benefit comprises current and deferred tax. Income tax expense or benefit is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The charge or credit for current income tax expense or benefit is based on the result for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

3. Significant accounting policies (continued)

(h) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the statement of financial position. Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(i) Segment Reporting

A segment is a distinguishable component of the Consolidated Entity that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Consolidated Entity's primary format for segment reporting is based on business segments.

(j) Exploration, Concession and Development Expenditure

Exploration, concession, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(k) Determination of fair values

A number of the Consolidated Entity's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(l) New Standards & Interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application.

Notes to the Financial Statements (continued)

3. Significant accounting policies (continued)

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2010, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except for AASB 9 *Financial Instruments*, which becomes mandatory for the Group's 2014 consolidated financial statements and could change the classification and measurement of financial assets. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

(i) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(ii) Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, but including any service concession receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purpose or when acquired in a business combination.

(iii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined by reference to similar lease agreements.

4. Financial Risk Management

(a) Financial Risk Management Policies

The Consolidated Entity's financial instruments consist mainly of deposits with banks and accounts payable.

Treasury Risk Management

The Board regularly analyses financial risk exposure and evaluates treasury management strategies in the context of prevailing economic conditions and forecasts.

The overall risk management strategy seeks to maintain a sufficient capital whilst minimising potential adverse effects on financial performance.

Risk management issues are considered by the Board on a regular basis, including future cash flow requirements.

4. Financial Risk Management (continued)

(b) Financial Risks

The main risks the Consolidated Entity is exposed to through its financial instruments are interest rate risk and liquidity risk.

(i) Interest rate risk

Interest rate risk arises from the potential for change in interest rates to have an adverse effect on the net earnings of the Consolidated Entity. The Consolidated Entity has no borrowings and monitors interest rates on its cash balances.

The Consolidated Entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in Note 27. For interest rates applicable to each class of asset or liability, refer to individual notes to the financial statements. Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Consolidated Entity intends to hold fixed rate assets and liabilities to maturity.

Refer to Note 27 (c) for a sensitivity analysis of the Company's exposure to interest rate risk

(ii) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due.

The Consolidated Entity's approach to managing risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation. The Consolidated Entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash and access to cash is maintained

(iii) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Consolidated Entity's income. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(iv) Foreign currency risk

The Consolidated Entity is exposed to fluctuations in foreign currencies arising from exploration costs in currencies other than the Consolidated Entity's measurement currency.

Notes to the Financial Statements (continued)

5. Revenue from continuing activities

	2011	2010
	\$	\$
Interest received-other persons	51,624	31,293
Gains on disposal of tenements	-	125,655
Consulting fees	-	100,000
	<u>51,624</u>	<u>256,948</u>

6. Expenses

Exploration expenditure written off	626,762	222,709
Depreciation expense	179	337
Superannuation expense	86,520	65,699
Impairment loss	234,418	-
Investment in associate written off	-	377
	<u>-</u>	<u>377</u>

7. Auditors' remuneration

Amounts paid/payable to Nexia Court & Co for audit or review of the financial report for the entity or any entity in the Group	33,494	35,322
Amounts paid/payable to Nexia Court & Co for non-audit taxation services performed for the entity or any entity in the Group:	3,000	-
Amounts paid/payable to subsidiary auditors who are un-related to Nexia Court & Co for audit or review of the financial report for the entity or any entity in the Group	3,044	1,010
	<u>39,538</u>	<u>36,332</u>

8. Basic Loss per share

The calculation of basic earnings per share for the year ended 30th June 2011 is as follows:

Loss attributable to ordinary shareholders	<u>(1,266,446)</u>	<u>(369,033)</u>
	Number of shares	Number of shares
Issued ordinary shares at 1 st July 2010	76,747,150	71,567,150
Effect of shares issued to 30 th June 2011	4,602,740	212,877
Weighted average number of ordinary shares at 30 th June 2011	<u>81,349,890</u>	<u>71,780,027</u>
	Cents per Share	Cents per Share
Basic and diluted loss per share attributed to ordinary equity holders – continuing operations	<u>(1.6)</u>	<u>(0.5)</u>

9. Cash and Cash Equivalents

	2011	2010
	\$	\$
Cash at bank	<u>1,873,857</u>	<u>1,027,578</u>

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Notes to the Financial Statements (continued)

10. Receivables - Current

	Note	2011 \$	2010 \$
Loan to associate	19 (c), 22	234,418	142,005
Impairment loss	6	(234,418)	-
		-	142,005
Other receivables		4,232	3,467
GST receivable		15,670	13,975
		<u>19,902</u>	<u>159,447</u>

11. Other Assets – Non Current

Deposits		12,000	12,000
		<u>12,000</u>	<u>12,000</u>

12. Financial Instruments

Held to maturity investments

Term deposits		225,939	224,000
		<u>225,939</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 19 (a).

Available for sale financial assets

Investment in KEA Petroleum Plc (KPP)			
Cost		125,652	125,652
Revaluation increment to fair value		4,008,733	6,357,884
		<u>4,134,385</u>	<u>6,483,536</u>
		<u>4,360,324</u>	<u>6,707,536</u>

At 30th June 2011, Rawson Taranaki Limited controlled 27,307,692 shares representing 5.4% ownership of KPP. These shares are currently listed on AIM.

KPP's share price at 30th June 2011 was GBP 10.39 pence or AUD 15.14 cents (2010 GBP 13.5 pence or AUD 23.74 cents).

For further details of the Company's transaction with Rawson Taranaki Limited and Kea Petroleum Ltd, refer Note 24.

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Notes to the Financial Statements (continued)

13. Plant and Equipment

	2011 \$	2010 \$
At cost	2,299	2,299
Less: Accumulated depreciation	(2,085)	(1,906)
	<u>214</u>	<u>393</u>
Movement in Carrying Amounts		
Plant and equipment:		
Balance at the beginning of the year	393	730
Depreciation expense	(179)	(337)
Balance at the end of the year	<u>214</u>	<u>393</u>

14. Trade and Other Payables

Trade payables	25,747	39,548
Sundry payables and accruals	362,331	24,126
	<u>388,078</u>	<u>63,674</u>

15. Provision

Provision for long service leave	<u>4,661</u>	-
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16. Income Tax

Numerical reconciliation between tax benefit and pre-tax net loss

Loss before income tax	<u>(1,266,446)</u>	<u>(369,033)</u>
The prima facie tax on loss before income tax is reconciled to income tax expense as follows :		
Prima facie tax benefit on loss before income tax at 30% (2010: 30%)	<u>379,934</u>	110,710
	379,934	110,710
Add tax effect of:		
Impairment loss	(70,325)	-
Increase provision for long service leave	(1,398)	-
Entertainment	(343)	-
Write downs	-	(113)
Less tax effect of:		
Change in un-recognised temporary differences	11,960	34,879
Current year deferred tax asset not brought to account	<u>(319,828)</u>	<u>(145,476)</u>
Income tax attributable to parent entity	<u>-</u>	<u>-</u>

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 3 (g) occur:

- tax losses:		
- operating losses	2,457,376	2,274,192
- capital losses	-	2,378
	<u>2,457,376</u>	<u>2,276,570</u>

17. Issued Capital

		2011 \$	2010 \$
Ordinary fully paid shares			
1 st July	76,747,150 shares on issue (2010: 71,567,150)	8,652,506	8,044,430
15 th June 2010	5,180,000 shares issued	-	621,600
7 th December 2010	5,000,000 shares issued	400,000	-
9 th May 2011	12,500,000 shares issued	1,250,000	-
		<u>10,302,506</u>	<u>8,666,030</u>
	Less capital raising costs	(4,125)	(13,524)
30 th June	94,247,150 shares on issue (2010: 76,747,150)	<u>10,298,381</u>	<u>8,652,506</u>
Partly paid ordinary unlisted 20.0 cent employee shares with 19.9 cents per share unpaid			
1 st July	750,000 shares on issue (2010 750,000)	750	750
30 th June	750,000 shares on issue (2010 750,000)	<u>750</u>	<u>750</u>
Unlisted Options with a strike price 15c per shares - expiring 1st June 2012			
1 st July		-	-
9 th May 2011	6,250,000 free attaching options granted to placement investors - one option for every two shares issued.	-	-
30 th June	6,250,000 options	<u>-</u>	<u>-</u>
		<u>10,299,131</u>	<u>8,653,256</u>

18. Fair Value Reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

19. Commitments

(a) Bank Guarantees

	Consolidated		Company	
	2011 \$	2010 \$	2011 \$	2010 \$
Westpac holds bank guarantees on behalf of the Company, as follows:				
Guarantee in respect of EP97	50,000	50,000	50,000	50,000
Guarantee in respect of ATP 837	40,000	40,000	40,000	40,000
Guarantee in respect of ATP 893	12,000	12,000	12,000	12,000
Guarantee in respect of ATP 901	12,000	12,000	12,000	12,000
Guarantee in respect of PEL 154/155	100,000	-	100,000	-
	<u>214,000</u>	<u>114,000</u>	<u>214,000</u>	<u>114,000</u>

These guarantees are secured by Company's term deposits totalling \$225,939 (2010 \$224,000) Refer Note 12.

Notes to the Financial Statements (continued)

19. Commitments (continued)

At 30th June 2011, 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.

(b) Commitments

		Consolidated		Parent Entity	
		2011	2010	2011	2010
	Interest	\$	\$	\$	\$
(i) Exploration Lease EP97	100.0%				
Exploration costs payable with one year		-	-	-	-
Exploration costs payable after one year and no later than five years		900,000	-	900,000	-
(ii) Exploration Lease ATP837	50.0%				
Exploration costs payable with one year		1,000,000	-	1,000,000	-
Exploration costs payable after one year and no later than five years		-	1,000,000	-	1,000,000
(iii) Exploration Lease ATP873	15.0%				
Exploration costs payable with one year		15,500	-	15,500	-
Exploration costs payable after one year and no later than five years		45,000	450,000	45,000	450,000
(iv) Exploration Lease ATP893	25.0%				
Exploration costs payable with one year		4,500,000	-	4,500,000	-
Exploration costs payable after one year and no later than five years		-	4,500,000	-	4,500,000
(v) Exploration Lease ATP901	25.0%				
Exploration costs payable with one year		4,500,000	-	4,500,000	-
Exploration costs payable after one year and no later than five years		-	4,500,000	-	4,500,000
(vi) Exploration Lease PEP 52589	25.0%				
Exploration costs payable with one year		108,033	-	108,033	-
Exploration costs payable after one year and no later than five years		3,314,299	-	3,314,299	-

Total Expenditure commitments arising from interest in joint ventures and exploration leases:

Within one year	<u>10,123,533</u>	-	<u>10,123,533</u>	-
After one year and no later than five years	<u>4,259,299</u>	10,450,000	<u>4,259,299</u>	10,450,000

19. Commitments (continued)

(c) Loan Facility provided to Associate

On 4th May 2010, the Company agreed to provide a non-interest bearing non-recourse loan facility totalling \$187,500 to the Company's associate Otway Energy Limited. On 4th August 2010 this facility was increased by \$121,875 to \$309,375.

	Note	2011 \$	2010 \$
Loan drawn down at 30 th June	10	234,418	142,005
Loan facility undrawn at 30 th June		74,957	45,495
Total loan facility at 30 th June		<u>309,375</u>	<u>187,500</u>

20. Reconciliation of Loss to Net Cash used in Operating Activities

Loss attributable to members of the Parent Entity	(1,266,446)	(369,033)
Depreciation expense	179	337
Increase in payables	324,404	22,639
Increase in provision	4,661	
Decrease / (Increase) in receivables	231,420	(4,393)
Proceeds from sale of investments	-	(125,655)
Investment written off	-	377
Net cash used in operating activities	<u>(705,782)</u>	<u>(475,728)</u>

21. Controlled Entities

Company		Ownership by the Company		Place of incorporation	Date of Incorporation
		2011 %	2010 %		
Rawson Resources Limited	Parent Entity	-	-	Australia	27 th May 1998
Lonman Pty Ltd	Subsidiary	100	100	Australia	14 th October 1983
Rawson Uranium Pty Ltd	Subsidiary	100	100	Australia	3 rd August 2007
Rawson Taranaki Ltd	Subsidiary	100	100	New Zealand	13 th May 2008
Rawson Otway Pty Ltd	Subsidiary	-	-	Australia	9 th April 2010

22. Equity Accounted Investee

On 4th May 2010, the Company's wholly owned subsidiary Rawson Otway Pty Ltd (incorporated on 9th April 2010 in Australia) was assigned the Company's 37.5% interests in petroleum exploration licences in the Otway Basin, South Australia (PEL 154 and PEL 155). On 6th May 2010, the Company transferred all the ordinary shares it owned in Rawson Otway Pty Ltd to Otway Energy Limited. Consideration for this share transfer, also received on 6th May 2010 by the Company, was 37.5% share ownership in Otway Energy Limited.

Notes to the Financial Statements (continued)

22. Equity Accounted Investee (continued)

During the years ended 30th June 2011 and 30th June 2010 the Company and 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	
					2011	2010
Otway Energy Limited	Oil and gas exploration in the Otway Basin, South Australia	16 th March 2010	Australia	30 th June	37.5%	37.5%

Summary financial information for equity accounted investee, not adjusted for the percentage ownership held by the Group:

In the financial statements of the Company, investments in associates are accounted for at fair value.

	Note	2011 \$	2010 \$
Investment in associate at 1 st July		-	-
Investment in associate at cost		-	377
Investment in associate written off to fair value	6	-	(377)
Investment in associate at 30 th June		-	-

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 19 (c)) and made a loan under this facility (refer Note 10).

23. Business Details

As at 30th June 2011 the Consolidated Entity's principal place of business was:

Rawson Resources Limited
31 Centennial Rd
Bowral NSW 2576

As at 30th June 2011 the principal activities of the Consolidated Entity were exploration for oil and gas energy resources.

Notes to the Financial Statements (continued)

24. Related Party Disclosures

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties. The following transactions with related entities occurred during the financial year:

1. Consultancy fees totalling \$120,000 (2010 \$90,000) were paid to Petrofocus Consulting Pty Ltd, a company controlled by Dr J.R. Conolly.
2. Consultancy fees totalling \$132,300 (2010 \$82,000) were paid to Oil on Film Pty Ltd, a company controlled by Mr N. P. Adams.

Company	Transaction value year ended 30 th June		Balance outstanding as at 30 th June	
	2011	2010	2011	2010
	\$	\$	\$	\$
Amounts receivable from a wholly owned subsidiaries:				
Rawson Taranaki Limited	71,877	(15,487)	199,419	127,542
Lonman Pty Ltd	438	497	10,007	9,569
Rawson Uranium Pty Ltd	438	432	982	544
	<u>72,753</u>	<u>(14,558)</u>	<u>210,408</u>	<u>137,655</u>

The amount receivable from a wholly owned subsidiary is a loan by the Company to Rawson Taranaki Limited. This loan is a cash advance paid direct to Kea Petroleum Limited (a co-joint venturer with the Consolidated Entity) for petroleum exploration licenses and funding of those licenses on behalf of Rawson Taranaki Limited. Terms of this loan are:

- (a) Principal \$199,419 (2010 \$127,542);
- (b) Unsecured;
- (c) Interest rate Nil% (2010 Nil%); and
- (d) Payable on demand on or before the end of a 10 year period commencing 2009.

For further details of the Company's transaction with Rawson Taranaki Limited and Kea Petroleum Ltd, refer Note 12.

25. Contingent Liabilities

There were no contingent liabilities at 30th June 2011 (2010 \$Nil).

26. Subsequent Events

There are no matters or circumstances that have arisen since the end of the financial year which significantly affect, or may significantly affect, the operations, results, state of affairs of the economic entity that have not otherwise been disclosed elsewhere in this report, excepting:

At the date of this report, Rawson Taranaki Limited controlled 27,307,692 shares representing 5.4% ownership of KEA Petroleum Plc (KPP). These shares are currently listed on AIM.

KPP's latest available share price at the date of this report is GBP 4.88 pence or AUD 7.70 cents per share.

KPP's share price at 30th June 2011 was GBP 10.39 pence or AUD 15.14 cents per share (2010 GBP 13.5 pence or AUD 23.74 cents per share).

The Company presently has no intention to sell the KPP shares, they are held as a long term investment. Directors do not expect a permanent diminution in this investment.

27. Financial Risk Management

(a) Financial Instrument Composition and Maturity Analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest – Maturing within one year		Non-interest Bearing		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash and cash equivalents	4.84	3.88	1,873,875	1,027,578	-	-	-	-	1,873,875	1,027,578
Financial instruments	-	-	-	-	225,939	224,000	-	-	225,939	224,000
Available for sale financial assets	-	-	-	-	-	-	4,134,385	6,483,536	4,134,385	6,483,536
Financial Liabilities										
Trade and sundry creditors	-	-	-	-	-	-	388,078	63,674	388,078	63,674

(b) Net Fair Values

The carrying amounts of all financial assets and financial liabilities approximate their fair value.

(c) Sensitivity Analysis

The Consolidated Entity has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current financial year results and equity which could result from a change in these risks.

As at 30th June 2011, the estimated effect on loss and equity as a result of changes in the interest rate with all other variables remaining constant would be as follows:

	2011	2010
	\$	\$
Change in loss		
Increase in interest rate by 1%	+20,998	+12,516
Decrease in interest rate by 1%	-20,998	-12,516
Change in equity		
Increase in interest rate by 1%	+20,998	+12,516
Decrease in interest rate by 1%	-20,998	-12,516

28. Segment Reporting

Primary Reporting - Geographical Segments	Australia \$	New Zealand \$	USA \$	Total \$
2011				
Revenue from continuing activities	51,624	-	-	51,624
Total revenue	51,624	-	-	51,624
Administration expenses	(198,407)	(5,302)	-	(203,709)
Directors' remuneration expense	(253,181)	-	-	(253,181)
Exploration expenditure written off	(550,485)	(76,277)	-	(626,762)
Impairment loss	(234,418)	-	-	(234,418)
Expenses	(1,236,491)	(81,579)	-	(1,318,070)
Loss before income tax expense	(1,184,867)	(81,579)	-	(1,266,446)
Income tax expense				-
Net loss				(1,266,446)
Segment assets	2,131,912	4,134,385	-	6,266,297
Segment liabilities	(384,636)	(8,103)	-	(392,739)
Net Assets	1,747,276	4,126,282	-	5,873,558
Depreciation and amortisation of segment assets	179	-	-	179
2010				
Revenue from continuing activities	131,296	125,652	-	256,948
Total revenue	131,296	125,652	-	256,948
Administration expenses	(188,637)	(1,891)	-	(190,528)
Directors' remuneration expense	(212,367)	-	-	(212,367)
Exploration expenditure written off	(233,150)	17,477	(7,036)	(222,709)
Investment written off	(377)	-	-	(377)
Expenses	(634,531)	15,586	(7,036)	(625,981)
(Loss) / profit before income tax expense	(503,235)	141,238	(7,036)	(369,033)
Income tax expense				-
Net loss				(369,033)
Segment assets	1,199,418	6,707,536	-	7,906,954
Segment liabilities	(63,674)	-	-	(63,674)
Net Assets	1,135,744	6,707,536	-	7,843,280
Depreciation and amortisation of segment assets	337	-	-	337

DIRECTORS' DECLARATION

For the year ended 30th June 2011

The directors of the Company declare that:

1. in the Directors' opinion, the financial statements and accompanying notes set out on pages 24 to 48 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Company's financial position as at 30th June 2011 and of its performance for the year ended on that date;
2. note 2 confirms that the financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
3. 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;
4. the remuneration disclosures included in pages 8 to 10 of the directors' report (as part of the audited Remuneration Report), for the year ended 30th June 2011, comply with section 300A of the Corporations Act 2001; and

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 295(4) of the Corporations Act 2001 and is signed for and on behalf of the directors by:



John Doughty

Director

Sydney

30th September 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAWSON RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Rawson Resources Limited, which comprises the statement of financial position as at 30 June 2011, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the 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. In note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial report 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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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



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Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion:

- (a) the financial report of Rawson Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the disclosing entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 10 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Rawson Resources Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.



Nexia Court & Co
Chartered Accountants



Robert Mayberry
Partner

Sydney
30th September 2011

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ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE 2011

SHAREHOLDER INFORMATION

For the year ended 30th June 2011

At 16th September 2011 issued capital was 94,247,150 ordinary shares held by 519 holders.

Subject to the Listing Rules, the Company's constitution and any special rights or restrictions attached to a share, at a meeting of shareholders:

- (a) on a show of hands, each shareholder present (in person, by proxy, attorney or representative) has one vote; and
- (b) on a poll, each shareholder present (in person, by proxy, attorney or representative) has:
 - i one vote for each fully paid share they hold; and
 - ii a fraction of a vote for each partly paid share they hold. The fraction must be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored.

20 Largest Holders of Ordinary Shares and their Holdings at 16th September 2011.

	NUMBER	% OF TOTAL
1 HARDIE OCEANIC PTY LTD <HARDIE SUPER FUND A/C>	12,036,039	12.8
2 UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	9,770,000	10.4
3 HARDIE ENERGY PTY LTD	5,704,073	6.1
4 RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <MLCI A/C>	4,764,566	5.1
5 DIXSON TRUST PTY LIMITED	2,800,000	3.0
6 MR WILLIAM RICHARD TREUREN	2,679,300	2.8
7 MR ROSS DI BARTOLO	2,187,736	2.3
8 MR JOHN ROBERT CONOLLY	2,115,000	2.2
9 MR LEONARD DIEKMAN	2,005,000	2.1
10 HARDIE ENERGY PTY LTD	2,000,000	2.1
11 MS WENDY RUTH CONOLLY	1,855,000	2.0
12 BELL POTTER NOMINEES LTD <2272984 A/C>	1,837,143	1.9
13 MRS VICKI ANNE DIEKMAN	1,725,000	1.8
14 MRS PENELOPE JANE DOUGHTY	1,650,000	1.8
15 MR NICHOLAS PAUL ADAMS	1,533,334	1.6
16 QUAYPORT TRUSTEES LIMITED <DAVID LEES FAMILY A/C> MR CHRISTOPHER BECK & MRS BARBARA JOY BECK <THE DYNAMIC SUPER	1,500,000	1.6
17 FUND A/C>	1,100,000	1.2
18 J P MORGAN NOMINEES AUSTRALIA LIMITED	1,050,000	1.1
19 JERD PTY LTD	1,000,000	1.1
20 ARRAS PTY LTD & 50 LONG PTY LTD <ARRAS AND EDWARD STREET A/C>	1,000,000	1.1
21 JURG MARQUARD	1,000,000	1.1
22 RTR HOLDINGS PTY LTD <RTR SUPER A/C>	1,000,000	1.1
23 MR WILLIAM TREUREN	1,000,000	1.1
	63,312,191	67.4

Shareholder Information (continued)

Distribution of Holders and Holdings at 16th September 2011

Holdings Ranges	NUMBER OF HOLDERS	ORDINARY SHARES HELD	% OF TOTAL
1-1,000	7	2,483	0.0
1,001-5,000	41	156,927	0.2
5,001-10,000	113	1,042,726	1.1
10,001-100,000	196	7,526,594	8.0
100,001-9,999,999,999	109	85,518,420	90.7
Totals	466	94,247,150	100.0

Holdings of less than a marketable parcel:	52	180,862	0.19
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Substantial shareholders at 16th September 2011

	Number of Shares	Proportion of Issued Shares
DUNCAN JOHN HARDIE	13,722,887	17.88%
THORNABY LIMITED	9,750,000	10.3%
JOHN ROBERT CONOLLY	6,730,000	7.1%

Unquoted Securities

Employee Scheme Shares

At 16th September 2011, a total of 750,000 unquoted ordinary partly paid shares were on issue. Each of these shares is partly paid to 0.1 cents and 19.9 cents is unpaid. These shares are issued to Mr K Skipper (250,000), Shorewash Pty Ltd (250,000) and Mr RS Moffitt (250,000).

Unquoted 15c Options expiring 1st June 2012

At 16th September 2011, a total of 6,250,000 unquoted options were outstanding, each to acquire one ordinary fully paid share for 15 cents and expiring 1st June 2012. Option holders with 20% or more were:

	Number of Options	%
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	2,875,000	46.0
HARDIE OCEANIC PTY LTD <HARDIE SUPER FUND A/C>	1,250,000	20.0

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Shareholder Information (continued)

Petroleum Tenements

The Company holds the following petroleum licences:

	Interest %
EP 97 Block 1	20
EP 97 Remainder	100
ATP 837P	50
ATP 873P	15
ATP 893P	25
ATP 901P	25
Udacha Unit Area in PEL 91 and PEL 106	10
PEP 52589	50

Securities Exchange Listing

The Company's ordinary shares are listed on the Australian Securities Exchange.

On-Market Buy Back

There is no on-market buy-back.

Share Registrar

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Web site: www.rawsonresources.com

Auditor

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