



ACCLAIM EXPLORATION NL
ACN 009 076 233

HALF-YEAR FINANCIAL REPORT

FOR HALF-YEAR ENDED

31 December 2008

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DIRECTORS' REPORT

Your directors present the financial report of the consolidated entity for the half-year ended 31 December 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names of the directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Andrew Waller – Non-Executive Chairman
Ralph Bagirathi – Managing Director
Craig Willis – Non-Executive Director

REVIEW OF OPERATIONS

The net loss for the half-year attributable to members of Acclaim Exploration NL was \$8,882,268. The loss for the period includes exploration and evaluation write offs of \$6,682,742 and loss or impairment on available for sale investments of \$1,783,083.

Denny Dalton Project

During the half-year, the company has been having ongoing discussion with the Department of Minerals and Energy (DME) for the granting of license applications lodged on the farms to the east of the initial drilling program. The company has engaged solicitors in South Africa in an attempt to finalise the grant of licenses. Once these licenses have been authorised it is the company's intention to expand the drilling campaign on these adjoining properties. At the date of this report the DME has not provided the company solicitors with a likely date for a decision on these licences.

The company is in ongoing discussion with potential joint venture partners on the Denny Dalton Project. As a result, the company has deferred a proposed RC drilling program in and around the old mine site (in close spacing to the previous holes reported to the market) pending an outcome of these discussions.

Corporate

At the annual general meeting of shareholders held on 27 November 2008, shareholders approved the acquisition all of the issued share capital of Benelux Developments Limited ("Benelux"), inclusive of all rights, title and interest in or to the Leases comprising the Benelux oil and gas prospects; or at the sole discretion of Acclaim, direct interest in the Leases by way of assignment or such other means as shall deliver good title. In the event that Acclaim is not satisfied with the terms of contractual documents evidencing the respective leasehold and working interests of one or more of the prospects, it may by mutual agreement with the Vendors enter into a farm-in agreement over an alternative prospect in substitution thereof.

The company has been unable to satisfy itself of being delivered good title in respect to all of the oil and gas prospects and has therefore not proceeded to settlement. The company is continuing discussion with Benelux to satisfy all conditions or to present alternative prospects for consideration. All costs to date incurred in respect to the Benelux transaction have been written off.



CHANGES IN STATE OF AFFAIRS

During the half-year ended 31 December 2008 there was no significant change in the entity's state of affairs other than that referred to in the half-year financial statements or notes thereto.

AUDITOR'S DECLARATION OF INDEPENDENCE

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2008.

Signed in accordance with a resolution of Directors.

C Willis
Director

PERTH, Western Australia
Dated: 16 March 2009

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Auditor's Independence Declaration

As lead auditor for the review of the financial report of Acclaim Exploration NL for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of Acclaim Exploration NL.



Perth, Western Australia
16 March 2009

W M CLARK
Partner, HLB Mann Judd

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**CONDENSED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Consolidated	
	2008 \$	2007 \$
Revenue	280,715	61,600
Depreciation expense	(4,036)	(2,788)
Carrying value of non-current assets disposed	(930,416)	-
Impairment of available for sale investments	(1,118,161)	-
Exploration and evaluation expenses written off	(6,682,742)	-
Administrative expenses	(427,628)	(526,590)
Loss before income tax expense	(8,882,268)	(467,778)
Income tax expense	-	-
Net loss attributable to members of Acclaim Exploration NL	(8,882,268)	(467,778)
Basic loss per share (cents per share)	(1.21)	(0.07)
Diluted loss per share (cents per share)	(1.21)	(0.07)

The accompanying notes form part of these financial statements



**CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Consolidated	
	31 Dec 2008	30 June 2008
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	219,377	1,277,941
Trade and other receivables	152,644	42,288
Total Current Assets	372,021	1,320,229
Non-Current Assets		
Available for sale investments	1,989,756	8,200,840
Property, plant and equipment	26,986	31,021
Deferred exploration expenditure	2,600,000	9,156,350
Total Non-Current Assets	4,616,742	17,388,211
Total Assets	4,988,763	18,708,440
LIABILITIES		
Current Liabilities		
Trade and other payables	153,322	111,491
Total Current Liabilities	153,322	111,491
Total Liabilities	153,322	111,491
Net Assets	4,835,441	18,596,949
EQUITY		
Issued capital	36,988,648	36,988,648
Reserves	968,849	5,848,089
Accumulated losses	(33,122,056)	(24,239,788)
Total Equity	4,835,441	18,596,949

The accompanying notes form part of these financial statements



**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	Issued Capital	Accumulated Losses	Unrealised Gains Reserve	Option Reserve	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2007	36,133,648	(23,453,326)	5,023,100	968,849	18,672,271
Fair value adjustment to available for sale investments	-	-	(811,900)	-	(811,900)
Loss attributable to members of the parent entity	-	(467,778)	-	-	(467,778)
At 31 December 2007	36,133,648	(23,921,104)	4,211,200	968,849	17,392,593
At 1 July 2008	36,988,648	(24,239,788)	4,879,240	968,849	18,596,949
Fair value adjustment to available for sale investments	-	-	(4,879,240)	-	(4,879,240)
Loss attributable to members of the parent entity	-	(8,882,268)	-	-	(8,882,268)
At 31 December 2008	36,988,648	(33,122,056)	-	968,849	4,835,441

The above statement should be read in conjunction with the accompanying notes.



**CONDENSED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Consolidated	
	2008	2007
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(364,678)	(656,372)
Interest received	6,480	70,086
Other revenue	8,741	-
Net cash used in operating activities	(349,457)	(586,286)
Cash flows from investing activities		
Exploration expenditure	(126,916)	(105,386)
Proceeds on sale of non-current assets	217,698	-
Purchase of available for sale investments	(708,900)	-
Loans to other entities	(106,562)	(132,290)
Repayment of advances to other entities	15,573	-
Payments for plant and equipment	-	(27,675)
Net cash used in investing activities	(709,107)	(265,351)
Net decrease in cash held	(1,058,564)	(851,637)
Cash at beginning of the half-year	1,277,941	2,057,616
Cash at end of the half-year	219,377	1,205,979

The accompanying notes form part of these financial statements



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the half year ended 31 December 2008**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Acclaim Exploration NL and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The half-year report has been prepared on a historical cost basis, except for financial assets which are measured at fair value. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

Going Concern

As disclosed in the financial report, the consolidated entity recorded an operating loss of \$8,882,268 and a cash outflow from operating activities of \$349,457 for the half-year ended 31 December 2008 and at balance date, had net current assets of \$218,699. These factors indicate significant uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Board considers that the consolidated entity is a going concern and recognises that additional funding is required to ensure that it can continue to fund the consolidated entity's operations for the 12 month period from the date of this financial report.

The Directors believe after consideration of the above matters, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable and is a going concern because of the following factors:

- The ability to issue additional shares under the Corporations Act 2001;
- The Company holds available for sale investments with a fair value of \$1,989,756 which can be realised in the normal course of business; and/or
- The Company's commitment to exploration expenditure is discretionary and expenditure requirements are minimal.

Accordingly, the Directors believe that the consolidated entity will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of this half-year financial report.

The financial report does not contain any adjustments to the amounts or classification of recorded assets or liabilities that might be necessary if the company does not continue as a going concern.



Significant accounting judgements and key estimates

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

In preparing this half-year report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2008.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2008, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2008.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

2. DEFERRED EXPLORATION EXPENDITURE

Costs carried forward in respect of areas of interest in the following phases:

	31 Dec 2008 \$	30 June 2008 \$
Exploration and evaluation phase – at cost	<u>2,600,000</u>	<u>9,156,350</u>
Movement:		
Balance at beginning of period	9,156,350	
Expenditure incurred	126,392	
Expenditure written off	<u>(6,682,742)</u>	
Balance at end of period	<u>2,600,000</u>	

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the relevant areas of interest, at amounts at least equal to book value.

3. NON CASH FINANCING AND INVESTING ACTIVITIES

There were no transactions or events during the half-year which affected assets and liabilities and did not result in cash flows.

4. ISSUED CAPITAL

	31 December 2008 \$	30 June 2008 \$
Issued Capital		
Ordinary shares – fully paid	33,788,648	33,788,648
Ordinary shares – partly paid	<u>3,200,000</u>	<u>3,200,000</u>
	<u>36,988,648</u>	<u>36,988,648</u>



4. ISSUED CAPITAL (Cont.)

Movement in shares on issue	Number	\$
(i) Ordinary shares – fully paid		
Balance at beginning of period	<u>700,871,353</u>	<u>33,788,648</u>
Balance at end of period	<u>700,871,353</u>	<u>33,788,648</u>
(ii) Ordinary shares – partly paid		
Balance at beginning of period	<u>40,000,000</u>	<u>3,200,000</u>
Balance at end of period	<u>40,000,000</u>	<u>3,200,000</u>
Total issued and paid up shares	<u><u>740,871,353</u></u>	<u><u>36,988,648</u></u>

During the half year, the company issued 90,000,000 unlisted options exercisable at 4 cents each on or before 30 June 2010, such options being free attaching to the issue of 90,00,000 ordinary fully paid shares allotted on 21 May 2008. The options were issued pursuant to shareholder approval on 27 November 2008.

5. SEGMENT REPORTING

The Company has one business segment, namely the acquisition and exploration of uranium/gold properties. The Company's primary geographical segment is the Republic of South Africa.

6. SUBSEQUENT EVENTS

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

7. CONTINGENT LIABILITIES

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



DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes as set out on pages 5 to 11:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

C Willis
Director

PERTH, Western Australia

Dated: 16 March 2009

INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of
ACCLAIM EXPLORATION NL**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report, which comprises the condensed balance sheet as at 31 December 2008, the condensed income statement, condensed statement of changes in equity, condensed cash flow statement and notes to the financial statements for the half-year ended on that date, and the directors' declaration, of Acclaim Exploration NL and the entities it controlled during the half-year ended 31 December 2008 ("consolidated entity").

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* has been provided to the directors of Acclaim Exploration NL on 16 March 2009.

Conclusion

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

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



HLB MANN JUDD
Chartered Accountants



W M CLARK
Partner

Perth, Western Australia
16 March 2009

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