

INCOME STATEMENTS

for the year ended 30 June 2009

	Note	Consolidated		The Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Revenue	2	590,262	821,473	-	-
Cost of sales	3	(240,763)	(212,635)	-	-
Gross profit		349,499	608,838	-	-
Other income	4	25,827	-	138,033	55,750
Exploration and evaluation expenses		(66,321)	(80,474)	-	-
Administration expenses		(19,020)	(7,076)	(2,997)	(1,780)
Share of loss of associates		(2,401)	-	-	-
Impairment of oil and gas assets		(44,172)	-	-	-
Impairment of investment in equity accounted investment		(9,913)	-	-	-
Impairment of available for sale investments		(8,196)	-	-	-
Other expenses	5	(16,087)	(17,733)	(1,464)	(2,136)
Results from operating activities		209,216	503,555	133,572	51,834
Financial income		11,705	8,220	948	513
Financial expenses		(7,856)	(7,804)	-	-
Net financing income	6	3,849	416	948	513
Profit before taxation		213,065	503,971	134,520	52,347
Taxation (expense)/benefit	7	(124,487)	(239,616)	12,805	8,361
Profit for the year		88,578	264,355	147,325	60,708
Profit for the year attributable to equity holders of the parent		88,578	264,355	147,325	60,708
Basic earnings per ordinary share (cents)	8	17.36	58.78		
Diluted earnings per ordinary share (cents)	8	17.26	56.82		

The income statements are to be read in conjunction with the notes to the financial statements set out on pages 63 to 99.

BALANCE SHEETS

as at 30 June 2009

	Note	Consolidated		The Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current assets					
Cash and cash equivalents	11	356,066	339,190	3,273	18,097
Trade and other receivables	12	52,985	112,277	389,437	71,035
Taxation receivable	23	–	–	1,757	–
Inventory	13	8,280	3,302	–	–
Total current assets		417,331	454,769	394,467	89,132
Non-current assets					
Available for sale financial assets	14	4,356	–	–	–
Equity accounted investment	14	3,111	–	–	–
Investments	14	–	–	487,028	487,028
Exploration and evaluation assets	15	160,368	22,363	2,143	3,146
Oil and gas assets	16	761,837	489,659	–	–
Other property, plant and equipment	17	2,006	461	–	–
Intangible assets	18	844	963	–	–
Deferred tax assets	24	–	–	32,818	13,981
Total non-current assets		932,522	513,446	521,989	504,155
Total assets		1,349,853	968,215	916,456	593,287
Current liabilities					
Trade and other payables	19	60,099	42,418	705	2,651
Employee benefits	21	1,352	666	–	–
Taxation payable	23	75,089	84,015	–	8,551
Total current liabilities		136,540	127,099	705	11,202
Non-current liabilities					
Employee benefits	21	429	349	–	–
Provisions	22	56,084	31,740	–	–
Deferred tax liabilities	24	58,971	19,322	–	–
Total non-current liabilities		115,484	51,411	–	–
Total liabilities		252,024	178,510	705	11,202
Net assets		1,097,829	789,705	915,751	582,085
Equity					
Issued capital	26	770,345	533,386	770,345	533,386
Reserves	26	14,492	(20,177)	6,238	4,774
Retained earnings		312,992	276,496	139,168	43,925
Total equity		1,097,829	789,705	915,751	582,085

The balance sheets are to be read in conjunction with the notes to the financial statements set out on pages 63 to 99.

CASH FLOW STATEMENTS

for the year ended 30 June 2009

	Note	Consolidated		The Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Cash flows from operating activities					
Cash receipts in the course of operations		704,381	752,403	-	-
Cash payments in the course of operations		(158,870)	(107,892)	(2,437)	(1,398)
Interest received		11,984	7,862	978	501
Borrowing costs paid		(1,402)	(5,211)	-	-
Settlement of condensate forward contracts		-	(9,381)	-	-
Income taxes paid		(164,016)	(128,302)	(9,277)	-
Dividend received – related parties		-	-	138,025	31,075
Contribution received/(advance from) controlled entities under a tax funding agreement		-	-	(7,063)	21,753
Net cash provided by operating activities	30	392,077	509,479	120,226	51,931
Cash flows from investing activities					
Acquisition of Arc Energy Limited (including transaction costs and net of cash acquired)		(108,367)	-	-	-
Payments for:					
Exploration, evaluation and development		(131,648)	(115,870)	1,014	(3,146)
Other plant and equipment and intangibles		(1,297)	(432)	-	-
Net cash (used in)/provided by investing activities		(241,312)	(116,302)	1,014	(3,146)
Cash flows from financing activities					
Proceeds from issue of share capital		80	4,888	80	4,888
Payments for costs of equity raising		(184)	(28)	(184)	(28)
Close out of Arc Energy Limited oil hedges		(31,908)	-	-	-
Repayment of borrowings		(70,867)	(110,209)	-	-
Dividend paid		(52,082)	-	(52,082)	-
Advances to controlled entities		-	-	(83,886)	(40,834)
Net cash used in financing activities		(154,961)	(105,349)	(136,072)	(35,974)
Net (decrease)/increase in cash held		(4,196)	287,828	(14,832)	12,811
Cash at the beginning of the financial year		339,190	65,650	18,097	5,394
Effect of exchange rate fluctuations on the balances of cash held in foreign currencies		21,072	(14,288)	8	(108)
Cash at the end of the financial year	11	356,066	339,190	3,273	18,097

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 63 to 99.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2009

Consolidated	Share Capital \$'000	Equity Compen- sation Reserve \$'000	Translation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2007	528,526	2,855	(8,773)	12,141	534,749
Shares issued	4,888	–	–	–	4,888
Transaction costs arising from the issue of shares	(28)	–	–	–	(28)
Foreign exchange translation differences	–	–	(16,178)	–	(16,178)
Share option plan	–	1,919	–	–	1,919
Profit for the year	–	–	–	264,355	264,355
Balance at 30 June 2008	533,386	4,774	(24,951)	276,496	789,705
Shares issued	237,143	–	–	–	237,143
Transaction costs arising from the issue of shares	(184)	–	–	–	(184)
Foreign exchange translation differences	–	–	33,205	–	33,205
Share option plan	–	1,464	–	–	1,464
Profit for the year	–	–	–	88,578	88,578
Dividend to equity holders	–	–	–	(52,082)	(52,082)
Balance at 30 June 2009	770,345	6,238	8,254	312,992	1,097,829

The Company	Share Capital \$'000	Equity Compen- sation Reserve \$'000	Translation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2007	528,526	2,855	–	(16,783)	514,598
Shares issued	4,888	–	–	–	4,888
Transaction costs arising from the issue of shares	(28)	–	–	–	(28)
Share option plan	–	1,919	–	–	1,919
Profit for the year	–	–	–	60,708	60,708
Balance at 30 June 2008	533,386	4,774	–	43,925	582,085
Shares issued	237,143	–	–	–	237,143
Transaction costs arising from the issue of shares	(184)	–	–	–	(184)
Share option plan	–	1,464	–	–	1,464
Profit for the year	–	–	–	147,325	147,325
Dividend to equity holders	–	–	–	(52,082)	(52,082)
Balance at 30 June 2009	770,345	6,238	–	139,168	915,751

The statements of changes in equity are to be read in conjunction with the notes to the financial statements set out on pages 63 to 99.