



Financial Report

Period ended 30 June 2008

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CORPORATE DIRECTORY

This period report covers Riviera Resources Limited (“the Company” or “Riviera Resources”) during the period ended the 30 June 2008. The Company’s functional and presentation currency is AUD (\$)

OFFICERS

Mr Mark Foster	(Chairman)
Mr Philip Re	(Executive Director/Secretary)
Mr Paul Lloyd	(Non-Executive Director)
Mr Nicholas Revell	(Non-Executive Director)

REGISTERED OFFICE

C/Parkinson Corporate Pty Ltd
Level 1 322 Hay Street
SUBIACO WA 6008

SOLICITORS

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

AUDITORS

Bentleys
Level 1, 12 Kings Park Road
WEST PERTH WA 6005

SHARE REGISTRY

Advanced Share Registry Ltd
Unit 2 150 Stirling Highway
NEDLANDS WA 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871

PRINCIPAL PLACE OF BUSINESS

Level 1 322 Hay Street
SUBIACO WA 6008
Telephone: (08) 9388 9744
Facsimile: (08) 9388 9755

WEBSITE

www.rivieraresources.com.au

ASX CODE

RVE

CORPORATE GOVERNANCE STATEMENT



ABN: 27 128 806 977

The board of Directors is responsible for the corporate governance of the Company. The Board guides and monitors business activities and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with company's needs. The Corporate Governance Statement has been structured with reference to ASX Corporate Governance Council's ("council") "Principles of Good Corporate Governance and Best Practise Recommendations" to the extent that they are applicable to the Company.

Information about the Company's corporate governance practises are set out below.

Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the director's report.

The names of the independent director of the company are Paul Lloyd and Nicholas Revell.

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

- less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- none of the directors' income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the company's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the company.

The names of the members of the nomination committee and their attendance at meetings of the committee are detailed in the directors' report.

Trading Policy

The company's policy regarding directors and employees trading in its securities is set in the Corporate Governance Policies. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Performance Evaluation

Due to the changes in Board positions a performance evaluation was not necessary.

Remuneration Policies

All Directors receive a director fee and standard superannuation payment post official quotation on ASX.

There were no other management personnel at this point in time receiving remuneration.

CORPORATE GOVERNANCE STATEMENT



ABN: 27 128 806 977

Statement of compliance with best practice recommendations set by the ASX Corporate Governance Council

	ASX Principle	Reference /Comment
2	Structure of the Board to add value	
2.1	A majority of the Board should be independent Directors	The company's Board consist two independent and two non independent Directors. Persons have been selected as Directors to bring specific skills and industry experience relevant to the company. The board believes that alignment of the interest of director's with shareholders implements a high level of protection of shareholders interest. The Board believes that this is most appropriate and acceptable at this stage of the company's development.
2.2	The Chairman should be an independent Director	Mr Foster is not an independent Director. The board believes that alignment of the interest of director's with shareholders implements a high level of protection of shareholders interest. The Board believes that this is most appropriate and acceptable at this stage of the company's development.
2.6	Companies should provide the information indicated in the guide to reporting on principle 2	Given the present size of the Company the Board has decided that a separate nomination and remuneration committee is not warranted. The Board itself is an appropriate forum to deal with this function.
4	Safeguard integrity in financial reporting	
4.1, 4.2, 4.3	The Board should establish an audit committee.	The Company does not have an audit committee. Given the present size of the company, the Board has decided that an audit committee is not warranted. The Board itself is an appropriate forum to deal with this function.
8	Remunerate fairly and responsibly	
8.1	The Board should establish a remuneration committee.	Given the current size of the board, the Company does not have a remuneration committee. The board as a whole reviews remuneration levels on an individual basis, making individual assessment more appropriate than formal remuneration policies. In doing so, the Board seeks to retain professional services as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary.

Other Information

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's web site at www.rivieraresources.com.au.

DIRECTOR'S REPORT

Your directors present their report on the company and its controlled entities for the financial period ended 30 June 2008.

Directors

The names of directors in office at any time during or since the end of the period are:

Mark Foster (Non-Executive Director / Chairman) (Appointed 06/12/2007)

Philip Re (Executive Director) (Appointed 06/12/2007)

Benjamin Giustiniano (Non-Executive Director) (Appointed 06/12/2007) (Retired 19/06/2008)

Paul Lloyd (Non-Executive Director) (Appointed 19/06/2008)

Nicholas Revell (Appointed 24/6/2008)

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Company Secretary

Mr Philip Re held the position of company secretary at the end of the financial period:

Mr Philip Re was appointed company secretary on 06/12/2007.

Principal Activities

The principal activities of the Company during the financial period were:

The Company was incorporated on the 6th December 2007.

Riviera entered into a sale and purchase agreement on the 19th December 2007 for the purchase of the Three Sisters Project.

On the 1st July 2008 the Company lodged a prospectus to raise \$2,500,000 @ \$0.20.

The Company was officially admitted to the ASX on the 8th September 2008 and commenced trading on the 10th September 2008.

Riviera Resources commenced exploration of its 100% owned Three Sisters Project located in Queensland. The results are not yet available at the time of this report.

There were no other significant changes in the nature of the Company's principal activities during the financial period.

Operating Results

The loss of the company after providing for income tax amounted to \$6,748.

Dividends Paid or Recommended

No Dividends were paid or declared for payment are as follows:

DIRECTOR'S REPORT



ABN: 27 128 806 977

Financial Position

The net assets of the Company have increased to \$206,418 in 2008. This increase has largely resulted from the following factors:

- Capital Raising from information memorandum dated 8 April 2008 to raise \$300,000.

The directors believe the company is in a strong and stable financial position to expand and grow its current operations.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the company occurred during the financial period:

- On 06th December 2007 the company issued 9,300,000 ordinary shares at \$ 0.001
- On 24th June 2008 the company issued 3,000,000 ordinary shares at \$ 0.10

After Balance Date Events

On the 28th August the company settled on the sale and purchase agreement for the purchase of EPM 15577 and EPM 14588 with Greenland Minerals and Energy Limited. As part of the settlement Greenland Minerals and Energy Limited were issued 1,200,000 shares and the balance of the settlement to the amount of \$130,000.00 was paid.

On the 10th September 2008 Riviera Resources Limited listed on the ASX after successfully raising \$2,500,000.

Environmental Issues

The Directors believe that the Company has, in all material respects complied with all particular and significant environmental regulations relevant to its operations.

The company's operations will be subject to significant environmental regulation under the law of the Commonwealth and State.

The majority of the activities will involve low level disturbance associated with exploration programs. Approvals, licenses and leasings and other regulatory requirements are performed by the operators of each permit or lease on behalf of the Company.

Information on Directors

Mark Foster — Chairman

Qualifications — Mr Foster has practised as a corporate lawyer since 1996 having graduated from the University of Western Australia with a Bachelor of Laws and Commerce (majoring in accounting).

Experience He is currently a partner with corporate law firm Steinepreis Paganin.

Mr Foster has significant experience in corporate and resources law having advised on numerous initial public offers and secondary capital raisings, all forms of acquisition and mergers (including takeovers and schemes of arrangement) and project acquisition and divestments generally.

Mr Foster is also a member of FINSIA (formerly the Securities Institute of Australia).

Interest in Shares and Options — 641,000 Ordinary Shares in Riviera Resources Limited

Directorships held in other None

DIRECTOR'S REPORT

listed entities

Philip Re	—	Managing Director
Qualifications	—	Mr Re holds a Bachelor of Business, is a Chartered Accountant, a Chartered Secretary and holds a Certificate of Public Practice. Mr Re has also completed a Graduate Diploma in Company Secretarial Practice.
Experience		<p>In recent years Mr Re has been involved as a director and company secretary for a number of public companies involving transactions in the mining exploration industry. Recently Mr Re was a director and the company secretary for Bellevue Resources Limited, and is currently the company secretary for Promesa Limited. Mr Re previously held the role as company secretary for Transit Holdings Limited.</p> <p>Mr Re is one of the founders of the charity organisation "The Better Life Foundation WA", where he currently acts as Chairman.</p> <p>Mr Re is also a director of Parkinson Chartered Accountants.</p>
Interest in Shares and Options	—	1,670,000 Ordinary Shares in Riviera Resources Limited
Directorships held in other listed entities	—	None
Paul Lloyd	—	Non-Executive Director
Qualifications	—	Paul Lloyd is a Chartered Accountant with over 20 years' commercial experience.
Experience	—	Mr Lloyd operates his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. After commencing his career with an international accounting firm, he was employed for approximately 10 years as the General Manager of Finance for a Western Australian based international drilling contractor working extensively in Asia and Africa.
Interest in Shares and Options	—	950,000 Ordinary Shares in Riviera Resources Limited
Directorships held in other listed entities	—	In 2006, Mr. Lloyd is a Director of ASX listed Beacon Minerals Limited and Target Energy Limited.
Nicholas Revell	—	Non-Executive Director
Qualifications	—	Nicholas Revell has 18 years' experience in mine and exploration geology.
Experience		He established an independent consultancy 6 years ago and specialises in mine development, due diligence and property valuation at all stages of development. He has wide experience in a

DIRECTOR'S REPORT

number of commodities including gold, base metals and iron ore and qualifies as a Competent Person as defined by the VALMIN Code and JORC Code.

Mr. Revell is Chief Geologist at Macarthur Minerals Limited and International Gold Mining Limited, both of which are companies listed on the Toronto Stock Exchange. Previously Nick was the chief geologist at Fortescue Metals Group and worked for Crescent Gold Limited (formerly Apollo Gold Mining Limited), Auriongold Limited (formerly Goldfields Limited), North Limited, Renison Goldfields Limited and St Barbara Limited (formerly St Barbara Mines Limited).

Interest in Shares and Options	—	400,000 Ordinary Shares in Riviera Resources Limited
Directorships held in other listed entities	—	Macarthur Minerals limited and International Gold Mining Limited (both TSX listed companies)

Benjamin Giustiniano

Qualifications		Bachelor of Commerce degree from Murdoch University and is a qualified Chartered Accountant, Tax Agent and member of the Taxation Institute of Australia.
Experience		Ben gained his CA qualification with Ernst & Young as a Senior Tax Consultant specialising in Corporate Taxation in the Mining & Resources and Oil & Gas areas. Ben is currently a Senior Tax Adviser with Chevron in their Finance Division where he has worked for 6 years. Mr Giustiniano also holds a seat on the APPEA Fiscal Committee.
		He has extensive experience in corporate taxation advice, mergers and acquisitions and cash management and has worked on a number of projects from their infancy to development and production. His experience in the taxation industry provides invaluable structuring, planning and financing opportunities to the company. Ben is also a Director of the Better Life Foundation, a not-for profit charitable organization.
Interest in Shares and Options		3,965,000 Ordinary Shares in Riviera Resources Limited
Directorships held in other listed entities		None

DIRECTOR'S REPORT



ABN: 27 128 806 977

REMUNERATION REPORT

The information provided in the remuneration report includes remuneration disclosures that are required under Accounting Standard AASB 124 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited.

Principles used to determine the nature and amount of remuneration

The Board determines the appropriate nature and amount of remuneration. The Board ensures that the executive reward satisfies the following criteria for good reward governance practice:

- competitiveness and reasonableness;
- acceptability to shareholders;
- alignment of executive remuneration to performance;
- transparency; and
- capital management.

The framework provides a mix of fixed and variable pay.

Non-executive Directors and executive Director

Fees and payments to non-executive directors and the executive Director reflect the demands which are made on, and the responsibilities of, the directors. Non executive directors' fees and payments are reviewed annually by the Board.

Directors' fees

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum pool limit currently stands at \$300,000 per annum and will be approved at the next Annual General Meeting.

Retirement allowances

Superannuation contributions required under the Australian superannuation guarantee Legislation are deducted from the directors' overall fee entitlements

Key Management Personnel Remuneration Policy

The board's policy for determining the nature and amount of remuneration of key management for the company is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future.

The employment conditions of the managing director, Philip Re and other key management personnel are formalised in letters of employment. Other than the managing director, all other key management personnel are the other Directors of Riviera Resources Limited, Mark Foster, Paul Lloyd and Nicholas Revell.

The letter of employments of the Non-Executive and Executives Directors formalise the appointment, independence and remuneration terms

DIRECTOR'S REPORT

ABN: 27 128 806 977

Key Management Personnel Remuneration

2008

Key Management Person	Short-term Benefits				Post-employment Benefits
	Cash, salary and commissions	Cash profit share	Non-cash benefit	Other (accrual)	Super-annuation
	\$	\$	\$	\$	\$
Philip Re	-	-	-	-	-
Mark Foster	-	-	-	-	-
Paul Lloyd	-	-	-	-	-
Nicholas Revell	-	-	-	-	-
Benjamin Giustiniano (Retired 19/06/2008)	-	-	-	-	-
	-	-	-	-	-

DIRECTORS' REPORT

2008 (continued)

Key Management Person	Other Long-term Benefits	Share-based Payment		Total	Performance Related
	Other	Equity	Options	\$	%
	\$	\$	\$	\$	%
Philip Re	-	-	-	-	-
Mark Foster	-	-	-	-	-
Paul Lloyd	-	-	-	-	-
Nicholas Revell	-	-	-	-	-
Benjamin Giustiniano (Retired 19/06/2008)	-	-	-	-	-
	-	-	-	-	-

Performance income as a proportion of total remuneration

Executive directors and executives were not paid performance based bonuses.

Options issued as part of remuneration for the period ended 30 June 2008

No options were issued to directors and executives as part of their remuneration.

DIRECTOR'S REPORT

ABN: 27 128 806 977

Meetings of Directors

During the financial period, 5 meetings of directors (including committees of directors) were held. Attendances by each director during the period were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mark Foster	5	5
Philip Re	5	5
Paul Lloyd (Appointed 19/06/2008)	2	2
Nicholas Revell (Appointed 24/6/2008)	1	1
Benjamin Giustiniano(Retired 19/06/2008)	4	4

Indemnifying Officers or Auditor

During or since the end of the financial period the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the following current and former directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$6,655 for all directors.

Mark Foster

Philip Re

Paul Lloyd

Nicholas Revell

Benjamin Giustiniano

Options

At the date of this report, the unissued ordinary shares of Riviera Resources Limited under option are nil.

During the period ended 30 June 2008, no ordinary shares of Riviera Resources Limited were issued on the exercise of options granted under the Riviera Resources Limited Employee Option Plan.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on Behalf of Company

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 those proceedings.

The company was not a party to any such proceedings during the period.

Likely Developments

The Company will commence exploration activities at the Three Sisters Project during the September 2008 quarter, with results expected in the December 2008 quarter.

DIRECTOR'S REPORT

Non-audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the period ended 30 June 2008:

	\$
Due diligence investigations (IAR report)	7,000
	<hr/>
	7,000

Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 30 June 2008 has been received and can be found on page 14 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.

Philip Re
Executive Director



Dated this 25th day of September 2008

To The Board of Directors

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

This declaration is made in connection with our audit of the financial report of Riviera Resources Limited for the period ended 30 June 2008 and in accordance with the provisions of the Corporations Act 2001.


We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- no contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the audit.

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants



CHRIS WATTS
Director

DATED at PERTH this 25th day of September 2008

FINANCIAL REPORTS

INCOME STATEMENT FOR PERIOD ENDED 30 JUNE 2008

	Note	6 December 2007 to 30 June 2008 \$
Revenue		
Other income	2	123
Auditing		(6,000)
Bank charges		(174)
Formation Costs		(697)
Loss before income tax	3	(6,748)
Income tax expense	4	-
Loss from continuing operations		(6,748)
Overall Operations		
Basic earnings per share (cents per share)	7	(.07)

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BALANCE SHEET AS AT 30 JUNE 2008

	Note	6 December 2007 to 30 June 2008 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	8	250,972
Trade and other receivables	9	57
TOTAL CURRENT ASSETS		<u>251,029</u>
NON-CURRENT ASSETS		
Exploration and evaluation expenditure	10	<u>20,000</u>
TOTAL NON-CURRENT ASSETS		<u>20,000</u>
TOTAL ASSETS		<u>271,029</u>
CURRENT LIABILITIES		
Trade and other payables	11	<u>64,611</u>
TOTAL CURRENT LIABILITIES		<u>64,611</u>
TOTAL LIABILITIES		<u>64,611</u>
NET ASSETS		<u>206,418</u>
EQUITY		
Issued capital	12	213,166
Accumulated losses		<u>(6,748)</u>
TOTAL EQUITY		<u>206,418</u>

FINANCIAL REPORTS

STATEMENT OF CHANGES IN EQUITY FOR PERIOD ENDED 30 JUNE 2008

	Note	Share Capital		Total
		Ordinary	Accumulated losses	
		\$	\$	\$
Shares issued during the period	12	309,300	-	309,300
Capital Raising Costs		(96,134)	-	(96,134)
Current Period Loss		-	(6,748)	(6,748)
Balance at 30 June 2008		213,166	(6,748)	206,418

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CASH FLOW STATEMENT FOR PERIOD ENDED 30 JUNE 2008

	Note	6 December 2007 to 30 June 2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		(871)
Interest received		123
Net cash provided by (used in) operating activities	13	<u>(748)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of prospects		<u>(20,000)</u>
Net cash provided by (used in) investing activities		<u>(20,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		309,300
Other		<u>(37,580)</u>
Net cash provided by (used in) financing activities		<u>271,720</u>
Net increase in cash held		250,972
Cash at beginning of financial period		-
Cash at end of financial period	8	<u><u>250,972</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the financial statements and notes of Riviera Resources Limited.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

b. **Exploration and Development Expenditure**

Exploration, 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 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.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

c. **Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Company, are classified as finance leases.

d. **Financial Instruments**

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

i. *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii. *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

e. **Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

f. **Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

g. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

h. **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

All revenue is stated net of the amount of goods and services tax (GST)

i. **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

j. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k. **Comparative Figures**

This is the first financial report prepared by the Company which was incorporated on 6 December 2007.

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Key Estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Estimates — Exploration and evaluation costs

Acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

The financial report was authorised for issue on 25th September 2008 by the board of directors.

NOTE 2: REVENUE

	Note	6 December 2007 to 30 June 2008 \$
Other revenue		
— interest received	2a	123
Total Revenue		123
a. Interest revenue from:		
— other persons		123
Total interest revenue		123

NOTE 3: LOSS FOR THE PERIOD

	6 December 2007 to 30 June 2008 \$
Significant expenses :	
Audit Fees	6,000
Formation Cost	697
Bank Charges	174

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 4: INCOME TAX EXPENSE

	6 December 2007 to 30 June 2008 \$
The components of tax expense comprise:	
Current tax	-
Deferred tax	-
Recoupment of prior year tax losses	-
Under provision in respect of prior years	-
	-
The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:	
Accounting Loss before income tax	(6,748)
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	
— Company	(2,024)
Add:	
Tax effect of:	
— other non-allowable items	1,967
	1,967
Less:	
Tax effect of:	
— Capital Raising Cost	(3,061)
Tax losses not provided into account	3,118
Income tax benefit attributable to entity	-
The applicable weighted average effective tax rates are as follows:	
	0%
(b) Unrecognised deferred tax assets	
Deductible temporary differences	1,967
Tax revenue losses	(10,393)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

Names and positions held of Company key management personnel in office at any time during the financial period are:

Key Management Person	Position
Mark Foster	Non Executive Director / Chairman
Philip Re	Executive Director
Paul Lloyd	Non Executive Director
Nicholas Revell	Non Executive Director
Benjamin Giustiniano	Non Executive Director

Number of Options Held by Key Management Personnel

	Balance 30.6.2008	Total Vested 30.6.2008	Total Exercisable 30.6.2008	Total Unexercisable 30.6.2008
Mark Foster	-	-	-	-
Philip Re	-	-	-	-
Paul Lloyd	-	-	-	-
Nicholas Revell	-	-	-	-
Benjamin Giustiniano	-	-	-	-
Total	-	-	-	-

Number of Shares Held by Key Management Personnel

(Directly and indirectly)

	Balance 1.7.2007	Received as Compensation	Options Exercised	Net Change Other	Balance 30.6.2008
Mark Foster	-	-	-	500,000	500,000
Philip Re	-	-	-	1,000,000	1,000,000
Paul Lloyd	-	-	-	950,000	950,000
Nicholas Revell	-	-	-	300,000	300,000
Benjamin Giustiniano	-	-	-	3,475,000	3,475,000
Total	-	-	-	6,225,000	6,225,000

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 6: AUDITORS' REMUNERATION

	6 December 2007 to 30 June 2008 \$
Remuneration of the auditor for:	
— auditing or reviewing the financial report	6,000
— Independent Accountant Report	7,000

NOTE 7: EARNINGS PER SHARE

	6 December 2007 to 30 June 2008 \$
a. Reconciliation of earnings to profit or loss	
Earnings used to calculate basic EPS	(6,748)
	No.
b. Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	9,180,569
Weighted average number of ordinary shares outstanding during the period used in calculating dilutive EPS	9,180,569

NOTE 8: CASH AND CASH EQUIVALENTS

	Note	6 December 2007 to 30 June 2008 \$
Cash at bank and in hand		90,825
Short-term bank deposits		160,147
		250,972

The effective interest rate on short-term bank deposits was varying between 6.55% to 7.05%.

Reconciliation of cash

Cash at the end of the financial period as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	250,972
	250,972

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 9: TRADE AND OTHER RECEIVABLES

	6 December 2007 to 30 June 2008 \$
CURRENT	
GST receivable	57

NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE

	6 December 2007 to 30 June 2008 \$
Exploration expenditure capitalised	
— Deposit on tenement	20,000
	20,000

The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Company's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

NOTE 11: TRADE AND OTHER PAYABLES

	Note	6 December 2007 to 30 June 2008 \$
CURRENT		
Trade payables		13,491
		51,120
Sundry payables and accrued expenses		64,611

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 12: ISSUED CAPITAL

	6 December 2007 to 30 June 2008 \$
12,300,000 fully paid ordinary shares	309,300
Less Capital Raising Costs	(96,134)
	<u>213,166</u>

The company has issued share capital amounting to 12,300,000 ordinary shares of no par value.

a. Ordinary shares

At the beginning of reporting period	0
Shares issued during the period	
— 06 December 2007	9,300,000
— 24 June 2008	3,000,000
At reporting date	<u>12,300,000</u>

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options

There were no Options issued at balance date

c. Capital Management

Management controls the capital of the company in order to maintain a good level of cash reserves, provide the shareholders with adequate returns and ensure that the company can fund its operations and continue as a going concern.

There are no externally imposed capital requirements.

Management effectively manages the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of cash reserves, distributions to shareholders and share issues.

NOTE 13: CASH FLOW INFORMATION

	6 December 2007 to 30 June 2008 \$
a. Reconciliation of Cash Flow from Operations with Loss after Income Tax	
Loss after income tax	(6,748)
Cash flows excluded from loss attributable to operating activities	
Changes in assets and liabilities	
Increase/(decrease) in trade payables and accruals	6,000
Cash flow from operations	<u>(748)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 14: EVENTS AFTER THE BALANCE SHEET DATE

On the 28th August the company settled on the sale and purchase agreement for the purchase of EPM 15577 and EPM 14588 with Greenland Minerals and Energy Limited. As part of the settlement Greenland Minerals and Energy Limited were issued 1,200,000 shares and the balance of the settlement to the amount of \$130,000.00 was paid.

On 10th September 2008, The company successfully listed on the ASX limited.

The Company raised \$2,500,000 through the issue of 12,500,000 fully paid shares.

The new equity is now as follows

9,300,000 Fully paid (\$0.001)	9,300
3,000,000 Fully paid shares (\$0.10)	300,000
1,200,000 Fully paid shares (\$0.20)	240,000
12,500,000 Fully paid shares (\$0.20)	2,500,000
Total	3,049,300

NOTE 15: RELATED PARTY TRANSACTIONS

<u>Transactions with related parties:</u>	6 December 2007 to 30 June 2008 \$
Company secretarial and accounting fees accrued to Parkinson Corporate Pty Ltd. Philip Re is a director of Parkinson Corporate Pty Ltd and has an interest in the Company.	30,000
Legal fees to Steinepreis Paganin accrued. Mark Foster has an interest in Steinepreis Paganin.	20,643

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 16: SEGMENT REPORTING

Riviera Resources Limited operates in one business and geographical segment being the mining and exploration segment in Australia.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 17: COMMITMENTS

Tenement Expenditure Commitments:

The Company will be required to maintain current rights of tenure for tenements, which require outlay of expenditure.

The company did not settle on the tenements 14588 and 15517 until the 5th September 2008.

Commitments on EPM 14588 and 15517 will be as follows:

Rent Payable:

– not later than 12 months	4,485
– between 12 months and 5 years	6,355
– greater than 5 years	-
	10,840

Program of work for EPM 14588 and 15517 required by the exploration Permit:

Program of work expenditure:

– not later than 12 months	170,000
– between 12 months and 5 years	500,000
– greater than 5 years	-
	670,000

NOTE 18: CONTINGENCIES

There are no contingent assets or liabilities as at balance date.

NOTE 19 : FINANCIAL RISK MANAGEMENT

a. **Financial Risk Management Policies**

The company financial instruments consist mainly of deposits with banks.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The Company does not speculate in the trading of derivative instruments.

i. **Treasury Risk Management**

The board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The board's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 19 : FINANCIAL RISK MANAGEMENT (continued)

ii. Financial Risk Exposures and Management

Interest rate risk

The company exposure to financial risk is limited to interest rate risk arising from assets and liabilities bearing variable interest rates. The weighed average interest rate on cash holdings is 7% at the 30 June 2008. All other assets and liabilities are non interest bearing. The net fair value of the company 's financial assets and liabilities approximate their carrying value.

The company holds cash deposits with Australian banking financial institutions, namely the Commonwealth bank. The Commonwealth bank has an AA rating with Standard & Pools.

Liquidity risk

The board manages liquidity risk by monitoring forecast cash flows against actual liquidity level on a regular basis.

There are no unused borrowing facilities from any financial institution.

Credit risk

There no material amounts of collateral held as security at balance date.

Credit risk is reviewed regularly by the board. It arises through deposits with financial institutions.

The board monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

— only banks and financial institutions with an 'A' rating are utilised;

The company only invests in listed available-for-sale financial assets that have a minimum 'A' credit rating. Unlisted available-for-sale financial assets are not rated by external credit agencies. These are reviewed regularly by the company to ensure that credit exposure is minimised.

The credit risk for counterparties included in trade and other receivables at balance date is nil.

The company holds cash deposits with Australian banking financial institutions, namely the Commonwealth bank. The Commonwealth bank has an AA rating with Standard & Pools.

Price risk

The company is not exposed to commodity price risk as it is still operating at the exploration level.

b. Financial Instruments

i. Derivative Financial Instruments

Derivative financial instruments are not used by the company.

The company does not enter into swap contracts.

ii. Financial instrument composition and maturity analysis:

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity. The Financial instruments are all classified as current.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

	Weighted Average Effective Interest Rate 2008 %	Floating Interest Rate 6 December 2007 to 30 June 2008 \$
Financial Assets:		
Cash and cash equivalents	7%	250,972
Total Financial Assets		<u>250,972</u>
Financial Liabilities:		
Trade and sundry payables	-	64,611
Total Financial Liabilities		<u>64,611</u>

iii. **Net Fair Values**

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

iv. **Sensitivity Analysis**

Interest Rate Risk

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

Interest Rate Sensitivity Analysis

At 30 June 2008, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	6 December 2007 to 30 June 2008 \$
Change in loss	
— Increase in interest rate of 0.7 of a percent	12
— Decrease in interest rate of 0.7 of a percent	(12)
Change in Equity	
— Increase in interest rate of 0.7 of a percent	12
— Decrease in interest rate of 0.7 of a percent	(12)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

NOTE 20: CHANGE OF STANDARDS

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2007-3 Amendments to Australian Accounting Standards	AASB 6 AASB 107 AASB 127 AASB 134 AASB 136 AASB 1023	Exploration for and Evaluation of Mineral Cash Flow Statements Consolidated and Separate Financial Statements Interim Financial Reporting Impairment of Assets General Insurance Contracts	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report	1.1.2009 1.7.2009
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1 AASB 101 AASB 107 AASB 116 AASB 138	First time adoption of AIFRS Presentation of Financial Statements Cash Flow Statements Property, Plant and Equipment Intangible Assets	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalise borrowing costs related to qualifying assets.	1.1.2009 1.7.2009
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs	As above	1.1.2009 1.7.2009
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	1.1.2009 1.7.2009
AASB 101	AASB 101	Presentation of Financial Statements	As above	1.1.2009 1.7.2009

DIRECTOR'S DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 15 to 33 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2008 and of the performance for the period ended on that date of the company ;
2. The Chief Executive Officer and Chief Finance Officer have each declared that:
 - a. the financial records of the company for the financial period have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial period comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial period give a true and fair view;
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.

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

Director:

Philip Re

Executive Director



Dated this 25th day of September 2008

Independent Audit Report

To the Members of Riviera Resources Limited

We have audited the accompanying financial report of Riviera Resources Limited (the company), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the period ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives (remuneration disclosures), required by Accounting Standard AASB 124: Related Party Disclosures, under the heading 'Remuneration Report' in pages 10 to 11 of the directors' report and not in the financial report.

Directors Responsibility for the Financial Report

The directors of the company 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 control 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 1, the directors also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

The directors also are responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

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 judgment, 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 and the remuneration disclosures in the directors' report.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Auditor's Opinion

In our opinion:

- a. The financial report of Riviera Resources Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the period 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 1
- c. the remuneration disclosures that are contained in pages 10 to 11 of the directors' report comply with Accounting Standard AASB 124.



BENTLEYS
Chartered Accountants



CHRIS WATTS
Director

DATED at PERTH this 25th day of September 2008

ADDITIONAL INFORMATION FOR LISTED COMPANIES

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

1. Shareholding

a. Distribution of Shareholders	Number Holders	Number Ordinary
Category (size of holding)		
1 – 1,000		
1,001 – 5,000		
5,001 – 10,000	233	2,329,000
10,001 – 100,000	149	6,667,500
100,001 – and over	40	17,003,500
	422	26,000,000

b. The number of shareholdings held in less than marketable parcels is nil.

c. The names of the substantial shareholders listed in the holding company's register as at 22 September 2008 are:

	Shareholder	Number	
		Ordinary	%
1	Benjamin Giustiniano	3,965,000	15.25
2	Philip Re	1,670,000	6.42
3	Pareto Nominees Pty Ltd < the Damelle A/C>	1,690,000	6.50

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Redeemable and converting preference shares

- These shares have no voting rights.

e. 20 Largest Shareholders — Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	Traditional securities group Pty Ltd < LPR Family account>	1,500,000	5.769
2	Bench growth Pty Ltd < BCG family A/C>	1,325,000	5.096
3	Greenland minerals and energy limited	1,200,000	4.615
4	Pareto nominees Pty Ltd < The Damelle A/C>	1,050,000	4.038
5	Lakecrest nominees Pty Ltd	1,000,000	3.846
6	Mr Paul Geoffrey Lloyd & Mrs Sharon Marie Lloyd < Lloyd super	950,000	3.654

ADDITIONAL INFORMATION FOR LISTED COMPANIES

e. 20 Largest Shareholders — Ordinary Shares

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
fund A/C>		
7 Giustiniano Nominees Pty Ltd < Giustiniano Family A/C>	700,000	2.692
8 Lakecrest Nominees Pty Ltd	700,000	2.692
9 Fairfield capital Pty Ltd < Fairfield capital A/C>	640,000	2.462
10 Pareto nominees Pty Ltd < The Damelle A/C>	630,000	2.423
11 Mimososa fund Pty Ltd < ING family A/C>	525,000	2.019
12 Rivergrade Pty Ltd < Rivergrade A/C>	525,000	2.019
13 Miss Meleisha Foster	500,000	1.923
14 Benjamin Pty Ltd < Benjamin super fund A/C>	500,000	1.923
15 Benjamin Pty Ltd < Benjamin superfund A/C>	437,500	1.683
16 Kioraku Pty Ltd < Kioraku A/C>	400,000	1.538
17 Helen Lewis	375,000	1.442
18 Nicholas Revell	300,000	1.154
19 Woodlands asset management Pty Ltd	250,000	0.962
20 Jevgold Pty Ltd < the giorgi super fund A/C>	250,000	0.962
	13,757,500	52.913

2. The name of the company secretary is Mr. Philip Re

3. The address of the principal registered office in Australia is.

C/- Parkinson Corporate Pty Ltd
Level 1
322 Hay Street
SUBIACO WA 6008
Telephone 08 9388 9744

4. Registers of securities are held at the following addresses

Western Australia Unit 2 150 Stirling Hwy
NEDLANDS
WA 6009
Australia

5. Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

6. Unquoted Securities

There are no Options over Unissued Shares