

ASX RELEASE

27 February 2009

FIRST HALF 2008/2009 FINANCIAL YEAR RESULTS AND OPERATIONS UPDATE

The Directors of Lycopodium are pleased to announce another successful period with the first half of the 2008/2009 financial year delivering \$84.8 million of revenue and net profit after tax of \$8.0 million. This result was driven by growth in design and study work combined with a peak in construction activity during the period.

Though the market for Lycopodium's services has softened, the forecast revenue for the 2008/2009 financial year is \$139.0 million with an expected after tax profit of \$14.7 million including \$2.1 million of abnormal profit. This abnormal profit is expected to accrue during the second half of the financial year from the sale of the Belmont, Perth properties for which Lycopodium has received a conditional offer. Both the half year actual and the full year forecast represent growth over the previous corresponding periods.

The global financial crisis has created an environment where existing projects are being delayed or cancelled as clients wait for an indication that the tide has turned before committing capital. In such an environment the Board remains committed to its low risk strategy of focusing on long term and major clients. It is our experience that the major mining companies have a need for Lycopodium's services at existing operations and in evaluating and developing replacement production capacity both in Australia and offshore. It is the Board's opinion that this approach, combined with our reputation for delivering projects that meet the client's needs, will see Lycopodium well placed when conditions improve.

The Directors have resolved to pay an interim dividend of 5 cents per share fully franked payable on 15 April 2009 with a record date of 1 April 2009.

Further detail on Lycopodium's financial results during the first half can be found in the attached ASX Half Year Information.

The following is a brief summary of major activities during the period:

Of utmost importance, Lycopodium strives to deliver projects in a safe and environmentally responsible manner and once again good performance has been achieved in this area.

Lycopodium continues with work for Rio Tinto Iron Ore although at a markedly lower pace than previously experienced in line with Rio's announcements of significantly reduced project development. The Hope Downs Stage 2 project nears completion with plant commissioning complete and finalisation of ancillary works for the project due over the next few months. Some further study work is being carried out for Rio Tinto.

Lycopodium completed project work at BHP Billiton's Leinster and Mount Keith operations and, although the previous level of anticipated activity in the nickel sector has reduced, Lycopodium remains active with BHP Billiton at their Mount Keith Operation.

Lycopodium has progressed with the EPCM contract for the Buzwagi gold project in Tanzania for Barrick and site activities have increased in the lead up to commissioning. Of particular note on this project is the achievement during February 2009 of 6 million man-hours without a lost time injury. The other project previously underway for Barrick in Papua New Guinea was completed successfully late 2008.

Lycopodium has continued with the design work on the KMT copper/cobalt project at Kolwezi in the DRC for First Quantum Minerals in line with the extended schedule and site construction progress continues. Study work continues on the new metals plant at Kolwezi.

Construction is nearing completion on the Masbate gold project for CGA Mining / Leighton Contractors in the Philippines with front end commissioning activities underway.

Lycopodium continued with the Tropicana Gold Study for AngloGold Ashanti with work progressing according to schedule. Concentrated Solar Power remains under development as an alternative energy source and further progress has been made on this initiative both with Tropicana and other potential projects.

Design and construction activities on the Chirano Gold Project in Ghana for Red Back Mining are well underway.

Lycopodium continued to ramp up the work on the recently awarded Lihir Gold's Million Ounce Upgrade Project and a further extension to this original work has been secured.

Orica's hypochlorite plant project in Perth has been successfully commissioned. Work continues on projects for Rio Tinto's Yarwun operation, Yakult, and other industrial clients.

On behalf of the Board of Directors I would like to extend our appreciation to Lycopodium's management and staff for their contribution to the company's success.

For further information:

MARK WARD
MANAGING DIRECTOR

Telephone: +61 (0)8 6210 5222

Lycopodium Limited

ASX Half-year information - 31 December 2008

Lodged with the ASX under Listing Rule 4.2A.
This information should be read in conjunction with the
31 December 2008 Interim financial report

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Lycopodium Limited
For the half-year ended 31 December 2008

Results for Announcement to the Market

				\$
Revenue from ordinary activities <i>(Appendix 4D item 2.1)</i>	up	51.7 %	to	84,863,089
Profit / (loss) from ordinary activities after tax attributable to members <i>(Appendix 4D item 2.2)</i>	up	65.6 %	to	8,015,806
Net profit / (loss) for the period attributable to members <i>for the period attributable to members</i>	up	65.6 %	to	8,015,806

Dividends / distributions <i>(Appendix 4D item 2.4)</i>	Amount per security	Franked amount per security
Final dividend <i>(Prior year)</i>	20.0	20.0
Interim dividend recommended but not provided for	5.0	5.0

Key Ratios	2008	2007
	December	December
Net tangible assets per ordinary share (cents)	79	59

Record date for determining entitlements to the interim dividend

1 April 2009

The Directors have recommended the payment of the interim dividend of 5 cents per fully paid ordinary share, fully franked based on a tax paid at 30% to be paid on the 15 April 2009.

Lycopodium Limited
Interim financial report

ABN 83 098 556 159

for the half-year ended 31 December
2008

Lycopodium Limited ABN 83 098 556 159
Interim financial report - 31 December 2008

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Directors' report

Your directors present their report on the consolidated entity ("the Group") consisting of Lycopodium Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

Directors

The following persons were directors of Lycopodium Limited during the whole of the half-year and up to the date of this report:

Bruno Ruggiero
 Lawrence William Marshall
 Mark Bambury Ward
 Michael John Caratti
 Peter De Leo
 Robert Joseph Osmetti
 Rodney Lloyd Leonard

On 1 July 2008 Mr Ward was appointed Managing Director after the retirement of Mr Marshall from this position. As of 1 July 2008 Mr Marshall holds office as a non executive director of Lycopodium Ltd.

Review of operations

A summary of consolidated revenues and results for the financial period by significant industry segments is set out below:

	Segment revenues		Segment results	
	2008	2007	2008	2007
	\$	\$	\$	\$
EPCM	49,753,298	31,173,399	9,075,956	6,768,770
Design & construct (lump sum)	1,103,853	9,141,799	132,106	872,556
Study services	17,496,654	10,778,776	2,752,104	2,278,574
Project services	15,745,441	4,069,292	2,823,598	818,271
	84,099,246	55,163,266	14,783,764	10,738,171
Unallocated revenue	763,843	772,368	-	-
	84,863,089	55,935,634	14,783,764	10,738,171
Unallocated revenue less unallocated expenses			(2,610,618)	(3,647,105)
Profit before income tax expense			12,173,146	7,091,066
Income tax expense			(3,928,543)	(2,352,166)
Profit for the half-year			8,244,603	4,738,900
Less: Profit attributable to minority interest			(228,797)	101,395
Profit attributable to members of Lycopodium Limited			8,015,806	4,840,295

Comments on the operations and the results of those operations are set out below:

- (a) *Engineering, Procurement and Construction Management (EPCM)*
 This industry segment comprises assignments for delivery of the full suite of project delivery services comprising project management, all disciplines of engineering, drafting, procurement, construction management and commissioning. EPCM services are provided on either hourly rates or fixed fee basis.
- (b) *Design and Construct (Lump Sum)*
 This industry segment comprises the delivery of turn key projects comprising EPCM services together with supply and installation of the plant and equipment. Turn key projects are provided on a fixed lump sum basis.

Review of operations (continued)

(c) *Study Services*

This industry segment comprises the delivery of the services required to prepare project studies. These project studies range from concept studies through to definitive feasibility studies and require delivery of a wide range of services comprising study management, all disciplines of engineering, drafting, procurement, estimating, financial modelling and secretarial. Study services are provided on either an hourly rates or fixed fee basis.

(d) *Project Services*

This industry segment comprises the delivery of selected project services required to assist others with the delivery of a project. These project services range from providing superintendent services through to preparation of complete design packages and therefore comprise selected EPCM services. Project services are provided on either hourly rates or fixed fee basis.

Significant changes in the state of affairs

During the half-year to 31 December 2008, there were no significant changes to the state of affairs of the Group.

Matters subsequent to the end of the financial period

In February 2009 the Company became party to a conditional contract for the sale of its land and buildings that were classified as held for sale in the Balance Sheet as at 31 December 2008. Settlement is expected to occur in March 2009.

Estimated cash proceeds from the sale, net of commissions, are expected to be approximately \$5.0 million, and the transaction will result in an after tax profit of approximately \$2.1 million. This profit has not been included in the results of the Group for the six months ended 31 December 2008 as set out in the Income Statement on page 7.

Apart from the above, there is no matter or circumstance that has arisen since 31 December 2008 that has significantly affected or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in the future financial periods.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors.



M B Ward
Director

Perth
26 February 2009

PricewaterhouseCoopers
ABN 52 780 433 757

QV1
250 St Georges Terrace
PERTH WA 6000
GPO Box D198
PERTH WA 6840
DX 77 Perth
Australia
Telephone +61 8 9238 3000
Facsimile +61 8 9238 3999
www.pwc.com/au

Auditor's Independence Declaration

As lead auditor for the review of Lycopodium Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Lycopodium Limited and the entities it controlled during the period.



Peter Buchholz
Partner
PricewaterhouseCoopers

Perth
26 February 2009

Lycopodium Limited
Income statement
For the half-year ended 31 December 2008

	Notes	Half-year ended 2008 \$	2007 \$
Revenue from operations	2	84,863,089	55,935,634
Other income		175,062	56,578
Employee benefits expense		(34,423,424)	(21,724,827)
Depreciation and amortisation expense		(906,217)	(725,124)
Other project expenses		(3,063,156)	(1,862,534)
Equipment and materials used		(212,262)	(23,953)
Contractors		(27,929,308)	(18,769,429)
Administration and management costs		(6,143,363)	(5,835,837)
Loss on disposal of asset		(1,974)	(115)
Finance costs		(201,185)	(97,143)
Share of net profits of associates and joint venture partnership accounted for using the equity method		15,884	137,816
Profit before income tax		12,173,146	7,091,066
Income tax expense		(3,928,543)	(2,352,166)
Profit for the half-year		8,244,603	4,738,900
(Profit) / Loss attributable to minority interest		(228,797)	101,395
Profit attributable to members of Lycopodium Limited		8,015,806	4,840,295
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share		21.2	12.8
Diluted earnings per share		21.2	12.8

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

Lycopodium Limited
Balance sheet
As at 31 December 2008

	31 December	30 June
Notes	2008	2008
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	8,306,369	9,987,106
Trade and other receivables	39,924,016	31,342,277
Other current assets	1,892,942	1,314,998
Non-current assets classified as held for sale	<u>2,078,180</u>	<u>2,078,180</u>
Total current assets	<u>52,201,507</u>	<u>44,722,561</u>
Non-current assets		
Investments accounted for using the equity method	362,732	346,848
Available-for-sale financial assets	50,000	99,000
Property, plant and equipment	4,231,062	3,788,669
Deferred tax assets	2,874,313	2,514,477
Intangible assets	<u>5,269,532</u>	<u>5,484,053</u>
Total non-current assets	<u>12,787,639</u>	<u>12,233,047</u>
Total assets	<u>64,989,146</u>	<u>56,955,608</u>
LIABILITIES		
Current liabilities		
Trade and other payables	20,141,557	14,561,054
Borrowings	2,635,355	2,113,375
Current tax liabilities	3,171,447	3,196,357
Provisions	<u>700,451</u>	<u>396,000</u>
Total current liabilities	<u>26,648,810</u>	<u>20,266,786</u>
Non-current liabilities		
Borrowings	2,358,841	2,500,372
Provisions	<u>810,533</u>	<u>338,750</u>
Total non-current liabilities	<u>3,169,374</u>	<u>2,839,122</u>
Total liabilities	<u>29,818,184</u>	<u>23,105,908</u>
Net assets	<u>35,170,962</u>	<u>33,849,700</u>
EQUITY		
Contributed equity	17,656,497	17,656,497
Reserves	(73,829)	(718,488)
Retained profits	<u>17,359,912</u>	<u>16,912,106</u>
	34,942,580	33,850,115
Minority interest	<u>228,382</u>	<u>(415)</u>
Total equity	<u>35,170,962</u>	<u>33,849,700</u>

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

Lycopodium Limited
Statement of changes in equity
For the half-year ended 31 December 2008

	Half-year	
Notes	2008 \$	2007 \$
Total equity at the beginning of the half-year	33,849,700	28,306,868
Changes in the fair value of available-for-sale financial assets, net of tax	(34,300)	-
Exchange differences on translation of foreign operations	434,277	(138,474)
Net income recognised directly in equity	399,977	(138,474)
Profit for the half-year	8,244,603	4,738,900
Total recognised income and expense for the half-year	8,644,580	4,600,426
Transactions with equity holders in their capacity as equity holders:		
Contributions of equity, net of transaction costs	-	60,000
Dividends provided for or paid	3 (7,568,000)	(4,722,500)
Director performance share reserve	244,682	-
Total changes in minority interest	-	35
	(7,323,318)	(4,662,465)
Total equity at the end of the half-year	35,170,962	28,244,829
Total recognised income and expense for the half-year is attributable to:		
Members of Lycopodium Limited	8,415,783	4,701,821
Minority interest	228,797	(101,395)
	8,644,580	4,600,426

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

Lycopodium Limited
Cash flow statement
For the half-year ended 31 December 2008

	Half-year	
Notes	2008	2007
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	80,350,510	60,381,033
Payments to suppliers and employees (inclusive of goods and services tax)	<u>(69,347,066)</u>	<u>(53,566,601)</u>
	11,003,444	6,814,432
Interest received	373,578	388,452
Interest paid	(59,063)	(58,722)
Income taxes paid	<u>(4,261,683)</u>	<u>(3,050,279)</u>
Net cash inflow from operating activities	<u>7,056,276</u>	<u>4,093,883</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(706,908)	(801,691)
Payments for intangible assets	<u>(135,651)</u>	<u>(97,345)</u>
Net cash (outflow) from investing activities	<u>(842,559)</u>	<u>(899,036)</u>
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	-	60,035
Repayment of hire purchase and lease liabilities	(535,192)	(140,456)
Repayment of borrowings	(424,421)	-
Dividends paid to company's shareholders	<u>(7,568,000)</u>	<u>(4,722,500)</u>
Net cash (outflow) from financing activities	<u>(8,527,613)</u>	<u>(4,802,921)</u>
Net (decrease) in cash and cash equivalents	(2,313,896)	(1,608,074)
Cash and cash equivalents at the beginning of the half-year	9,987,106	13,405,517
Effects of exchange rate changes on cash and cash equivalents	<u>633,159</u>	<u>(61,895)</u>
Cash and cash equivalents at end of the half-year	<u>8,306,369</u>	<u>11,735,548</u>

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

1 Summary of significant accounting policies

This general purpose financial report for the interim half year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Lycopodium Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2 Segment information

(a) Description of segments

Business segments

The consolidated entity is organised into the following divisions by product and service type.

Engineering, Procurement and Construction Management (EPCM)

This industry segment comprises assignments for delivery of the full suite of project delivery services comprising project management, all disciplines of engineering, drafting, procurement, construction management and commissioning. EPCM services are provided on either an hourly rates or fixed fee basis.

Design and Construct (Lump Sum)

This industry segment comprises the delivery of turn key projects comprising EPCM services together with supply and installation of the plant and equipment. Turn key projects are provided on a fixed lump sum basis.

Study Services

This industry segment comprises the delivery of the services required to prepare project studies. These project studies range from concept studies through to definitive feasibility studies and require delivery of a wide range of services comprising study management, all disciplines of engineering, drafting, procurement, estimating, financial modelling and secretarial. Study services are provided on either an hourly rates or fixed fee basis.

Project Services

This industry segment comprises the delivery of selected project services required to assist others with the delivery of a project. These project services range from providing superintendent services through to preparation of complete design packages and therefore comprise selected EPCM services. Project services are provided on either an hourly rates or fixed fee basis.

2 Segment information (continued)

(b) Primary reporting format - business segments

Half-year 2008	EPCM \$	Design and Construct (Lump Sum) \$	Study Services \$	Project Services \$	Inter- segment eliminations/ unallocated \$	Consolidated \$
Total segment revenue	49,753,298	1,103,853	17,496,654	15,745,441	-	84,099,246
Share of net profits of associates and joint venture partnership	-	-	-	-	15,884	15,884
Unallocated revenue	-	-	-	-	747,959	747,959
Revenue from operations	<u>49,753,298</u>	<u>1,103,853</u>	<u>17,496,654</u>	<u>15,745,441</u>	<u>763,843</u>	<u>84,863,089</u>
Segment result	<u>9,075,956</u>	<u>132,106</u>	<u>2,752,104</u>	<u>2,823,598</u>	-	14,783,764
Unallocated revenue less unallocated expenses						<u>(2,610,618)</u>
Profit before income tax						12,173,146
Income tax expense						<u>(3,928,543)</u>
Profit for the period						<u>8,244,603</u>
Half-year 2007	EPCM \$	Design and Construct (Lump Sum) \$	Study Services \$	Project Services \$	Inter- segment eliminations/ unallocated \$	Consolidated \$
Total segment revenue	31,173,399	9,141,799	10,778,776	4,069,292	-	55,163,266
Share of net profits of associates and joint venture partnership	-	-	-	-	137,816	137,816
Unallocated revenue	-	-	-	-	634,552	634,552
Revenue from operations	<u>31,173,399</u>	<u>9,141,799</u>	<u>10,778,776</u>	<u>4,069,292</u>	<u>772,368</u>	<u>55,935,634</u>
Segment result	<u>6,768,770</u>	<u>872,556</u>	<u>2,278,574</u>	<u>818,271</u>	-	10,738,171
Unallocated revenue less unallocated expenses						<u>(3,647,105)</u>
Profit before income tax						7,091,066
Income tax expense						<u>(2,352,166)</u>
Profit for the period						<u>4,738,900</u>

3 Dividends

	Half-year	
	2008	2007
	\$	\$
(a) Ordinary shares		
Dividends provided for or paid during the half-year	7,568,000	4,722,500
(b) Dividends not recognised at the end of the half-year		
In addition to the above dividends, since the end of the half-year the directors have recommended the payment of an interim dividend of 5 cents per fully paid ordinary share (2007 - 5 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 15 April 2009 out of Group retained profits at 31 December 2008, but not recognised as a liability at year end, is	1,892,000	1,892,000

4 Contingencies

Contingent liabilities

The parent entity and consolidated entity had contingent liabilities at 31 December 2008 in respect of:

Claims

A claim exists in respect of unfair preference, as advised by the liquidators of a client, with the amount in dispute totalling \$361,135. The company has disclaimed liability and will defend any actions brought against it arising from this claim.

A claim for damages against the company in relation to project management services has been lodged. Liability is limited to the \$150,000 excess payable under the company's insurance cover which the company has fully expended at the date of this report.

Guarantees

Guarantees are given in respect of a rental bond for \$573,301 (2007 \$573,301).

These guarantees may give rise to liabilities in the event that the company defaults on its obligations under the terms of the lease agreement for its premises at 1 Adelaide Terrace, East Perth and 163 Wharf Street, Spring Hill.

No material losses are anticipated in respect of any of the above contingent liabilities.

5 Events occurring after the balance sheet date

In February 2009 the Company became party to a conditional contract for the sale of its land and buildings that were classified as held for sale in the Balance Sheet as at 31 December 2008. Settlement is expected to occur in March 2009.

Estimated cash proceeds from the sale, net of commissions, are expected to be approximately \$5.0 million, and the transaction will result in an after tax profit of approximately \$2.1 million. This profit has not been included in the results of the Group for the six months ended 31 December 2008 as set out in the Income Statement on page 7.

Apart from the above, there is no matter or circumstance that has arisen since 31 December 2008 that has significantly affected or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in the future financial periods.

In the directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2008 and of its performance, as represented by the results of their operations, changes in equity and their cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



M B Ward
Director

Perth
26 February 2009

Independent auditor's review report to the members of Lycopodium Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lycopodium Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Lycopodium Limited Group (the consolidated entity). The consolidated entity comprises both Lycopodium Limited (the company) and the entities it controlled during that half-year.

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 establishing and maintaining internal control 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 an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the 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 Lycopodium Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

**Independent auditor's review report to the members of
Lycopodium Limited (continued)**

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the Company for the half-year ended 31 December 2008 included on Lycopodium Limited's web site. The company's directors are responsible for the integrity of the Lycopodium Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Independence

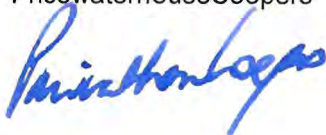
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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 Lycopodium Limited 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 *Corporations Regulations 2001*.

PricewaterhouseCoopers



Peter Buchholz
Partner

Perth
26 February 2009