

ALLSTATE EXPLORATIONS NL

ALLSTATE EXPLORATIONS NL AND CONTROLLED ENTITIES

**ASX APPENDIX 4D AND FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2008**

ABN 27 000 679 023

ASX CODE: ALX

Table of Contents

ASX APPENDIX 4D – RESULTS FOR ANNOUNCEMENT TO THE MARKET	1
CORPORATE INFORMATION	2
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	7
INCOME STATEMENT	8
BALANCE SHEET	9
CASH FLOW STATEMENT	10
STATEMENT OF CHANGES IN EQUITY	11
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS	12
DIRECTORS' DECLARATION.....	16
INDEPENDENT REVIEW REPORT	17

ASX APPENDIX 4D

HALF-YEAR FINANCIAL REPORT TO 31 DECEMBER 2008

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 December 2008 \$'000	31 December 2007 \$'000	Percentage increase/ (decrease)
Revenue from ordinary activities	20,588	6,235	230.2
EBITDA	2,257	(11,974)	
Net loss after tax attributable to members	(1,303)	(13,200)	90.3

Dividends

No dividends were declared or paid during the half year ended 31 December 2007 and 31 December 2008

Explanation of Result

In summary for the half-year ended 31 December 2008:

The net loss after tax attributable to members for the half-year was \$1.303 million. (31 December 2007 half-year: loss of \$13.200 million).

The improved performance compared to the December 2007 half-year mainly reflects increased gold production from the Beaconsfield mine of 35,424 ounces (Allstate share 18,247 ounces) compared to 12,843 ounces (Allstate share 6,615 ounces) in the December 2007 half year as the Beaconsfield mine returned to full production, and higher gold prices. The average gold price realised for the current period of A\$1,073 per ounce was 30% higher than for the same period last year.

Beaconsfield Gold is continuing to advance funds to the Company to meet its share of mine costs and corporate obligations.

Refer to the commentary in the Directors' Report for more information.

CORPORATE INFORMATION

ABN 27 000 679 023 ASX CODE ALX

Directors

Denis E Clarke	Non-Executive Chairman
Michael W Trumbull	Non-Executive Director
William Tsingos	Non-Executive Director
Kevin J Perrin	Non-Executive Director

Chief Executive Officer

William T Colvin

Company Secretary

Brian D Coulter

Registered Office and Principal Place of Business

Level 7, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000

Telephone: (03) 9909 7401
Facsimile: (03) 9909 7402
E-mail: enquiries@beaconsfieldgold.com.au

Mine Site Office

5 West Street
Beaconsfield TAS 7270

Telephone: (03) 6383 6500
Facsimile: (03) 6383 6590

Share Registry

Registries Limited
PO Box R67
Royal Exchange
Sydney NSW 1223

Telephone: (02) 9290 9600
Facsimile: (02) 9279 0664

Auditor

RSM Bird Cameron Partners
Level 8, Rialto South Tower
525 Collins Street
Melbourne, VIC 3000

Banker

National Australia Bank Limited
46 St John Street
Launceston TAS 7250

ALLSTATE EXPLORATIONS NL
HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2008

Your directors submit their report for the half-year ended 31 December 2008.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

D E Clarke – Chairman

M W Trumbull

K J Perrin

W Tsingos

PRINCIPAL ACTIVITIES

The principal activity of the Company during the half-year was to manage the Beaconsfield Mine Joint Venture ("BMJV"), which operates the Beaconsfield Gold Mine in north-east Tasmania, and to produce gold from the Beaconsfield Gold Mine through the participation of two of its controlled entities in the BMJV.

There have been no significant changes in the nature of those activities during the period.

The participants in the unincorporated BMJV are the Allstate group with a 51.51% interest and the Beaconsfield Gold NL group. Beaconsfield Gold NL is the parent entity of the Company, with a 90.06% interest based on voting rights (88.82% based on total shares on issue).

CONSOLIDATED RESULT

The consolidated loss for the half-year after income tax was \$1.303 million (31 December 2007 half-year: loss of \$13.200 million). This was after providing \$1.997 million for depreciation and amortisation and \$1.672 million for finance costs.

The improved performance compared to the December 2007 half-year mainly reflects increased gold production from the Beaconsfield mine of 35,424 ounces (Allstate share 18,247 ounces) compared to 12,843 ounces (Allstate share 6,615 ounces) in the December 2007 half year as the Beaconsfield mine returned to full production, and higher gold prices. The average gold price realised for the current period of A\$1,073 per ounce was 30% higher than for the same period last year.

Deficiency in net assets at 31 December 2008 was \$71.837 million (30 June 2008: \$70.534 million deficiency).

REVIEW OF FINANCIAL RESULTS

The financial results for the 31 December 2008 half-year for Allstate Explorations NL are summarised in the following table:

	31 Dec 2008 \$'000	31 Dec 2007 \$'000
Gold and silver sales revenue	20,094	5,877
Other revenue (excluding interest)	385	260
Total revenue (excluding interest)	20,479	6,137
EBITDA	2,257	(11,974)
Net loss after tax	(1,303)	(13,200)
Basic loss per share (cents)	(1.8)	(17.9)
Net tangible assets (\$ per share)	(0.97)	(0.96)

REVIEW OF OPERATIONS

1. Beaconsfield Mine

The Beaconsfield Mine operated at full production throughout the half year with 135,146 tonnes of ore mined, equivalent to 268,000 tonnes per annum.

Gold production for the period of 35,424 ounces was below expectations, despite the high level of ore production, due mainly to a lower than scheduled average gold grade in the December quarter resulting from the deferral of a number of higher grade stopes into the March 2009 quarter. This deferral followed changes made to the mining schedule to reduce the geotechnical risk of the planned extraction sequence of one of the high grade stoping blocks. As expected, gold production improved significantly in January to 7,699 ounces, and the mine is forecast to produce 80,000 ounces in the 2009 financial year.

The use of remote mining from footwall drives is continuing to prove to be a safe and effective mining method. It represents a significant departure from previous mining methods used at Beaconsfield and is a key component of the "multiple lines of defence" now employed to manage seismicity under the Cases for Safety accepted by Workplace Standards Tasmania. Footwall driving removes the need for any personnel to enter the western zone of the orebody during the stoping phase and allows drilling and charging activities to be carried out remotely from within much stronger and less seismically prone footwall rocks. Loading of trucks and backfilling of stopes is carried out using tele-remote (unmanned) loaders, with the operator located a considerable distance from the stope.

Other measures introduced recently under the Cases for Safety include the installation of sophisticated instrumentation clusters in each stoping block to continuously measure the impact of mining on ground conditions, and a ground support system that is designed to protect against all expected ground failure mechanisms. A review of actual mining data confirmed that the installed ground support has performed as designed and that the actual stress levels monitored during mining are lower than factored in the Case for Safety.

Delivery was taken of a new Elphinstone R1600G loader (early January) and tele-remote equipment was successfully commissioned on the existing Elphinstone R1600 loader fleet. These larger loaders will offer a productivity improvement of up to 50% for the bogging and backfilling cycle in some parts of the mine.

Waste development activities during the period were focussed on completing the three footwall drives in the 1020W stoping block and opening up that block for stope production. Good progress was also made on establishing the 1080W stoping block, as well as advancing the decline and establishing further production levels deeper in the mine.

The ore treatment plant processed 134,131 tonnes of ore during the December half year, equivalent to 266,000 tonnes per annum. The plant has operated well throughout the period and has consistently demonstrated its ability to process in excess of 1,000 tonnes per day.

Construction of a new, fully-lined tailings dam at a budgeted cost of \$1.6 million has commenced and is scheduled for completion in the March quarter.

2. BMJV Expenditure

Cost of production for the half year for the mine as a whole totalled \$32.882 million (ALX share: \$16.938 million). Mine operating expenditure of \$22.454 million (ALX share: \$11.715 million) in the December 2007 half year included care and maintenance and recommissioning expenses.

Cash costs (calculated in accordance with the Gold Institute production cost standard for by-product costing) were \$924 per ounce, \$149 per ounce (14%) below the average selling price for the half year of A\$1,073 per ounce. Cash costs per ounce are forecast to reduce significantly in the June half year as production improves with access to higher grade stopes.

3. Allstate Explorations Revenue

Total revenue from gold and by-product silver sales for the December 2008 half year was \$20.094 million (31 December 2007: \$5.877 million). The significant increase over the previous corresponding half year reflects the combined impact of increased gold production and higher realised gold price of A\$1,073 per ounce (2007: A\$822 per ounce).

4. BMJV Ore Reserves/Resources

An updated Resource and Reserve Statement was released in January 2009. The reported Identified Mineral Resource for the Tasmania Reef at Beaconsfield, Tasmania as at 31 December 2008 was:

Measured Resource	321,000t @ 14.3g/t Au (148,000 ounces contained gold)
Indicated Resource	481,000t @ 13.5g/t Au (209,000 ounces contained gold)
Inferred Resource	177,000t @ 10.4g/t Au (59,000 ounces contained gold)
Total Resource	979,000t @ 13.2g/t Au (416,000 ounces contained gold)

The previous Total Resource (dated 30 Nov 2007) contained 446,000 ounces and, incorporating mining depletion of 79,000 ounces since that time, a net increase of 49,000 ounces (13%) is shown.

The Ore Reserve for the Tasmania Reef at the Beaconsfield Mine as at 31 December 2008 was estimated as:

Proved Reserve	270,000t @ 11.9g/t Au (103,000 ounces contained gold)
Probable Reserve	518,000t @ 9.7g/t Au (162,000 ounces contained gold)
Total Reserve	787,000t @ 10.5g/t Au (265,000 ounces contained gold)

The previous Total Reserve as at 30 November 2007 was estimated as 1,095,000 tonnes at 9.8g/t Au (346,000 ounces contained gold).

5. Exploration

5.1 Beaconsfield Mine Resource Extension

Underground diamond drilling to extend mine resources and reserves for the Tasmania Reef progressed during the half year with significant mineralisation reported from six of the seven holes completed. These results demonstrate continuity of mineralisation with depth. The intention of this drilling is to further extend resources and reserves to 1590 RL and increase mine life by a further three years.

5.2 Beaconsfield Regional Exploration

Exploration for satellite gold deposits within 10km of the Beaconsfield mine will continue through 2009, principally using soil sampling, surface RC (reverse circulation) drilling and diamond drilling. This drilling is in addition to underground resource extension diamond drilling which will continue during 2009 to drill for depth extensions beyond the current resource.

6. Gold Hedging for Allstate Explorations

The Allstate Group remains completely unhedged and all production from the Beaconsfield Mine is available for delivery at the spot price. The average gold price received during the half year was A\$1,073 per ounce.

7. Coronial Inquest

The Coronial Inquiry into the death of Larry Knight was finalised on 11 November 2008, and the Coroner, in his findings handed down on 26 February 2009, concluded that no person, corporation or other entity directly contributed to Mr Knight's death.

8. BBR Claim

The previously reported claim against the BBR Companies has been settled before going to court. Net proceeds to the Allstate group are expected to be in the order of \$0.7 million.

9. Claim Against Blake Dawson

A number of Beaconsfield Gold group companies (which includes the ALX group) commenced proceedings in 2004 in the Supreme Court of Western Australia against Blake Dawson for damages for professional negligence and breach of contract arising from legal services provided to Allstate by Blake Dawson in 1998. The claim relates to advice concerning certain insurance and risk management issues associated with the contract for construction of the treatment plant at the Beaconsfield Mine.

A court ordered mediation held on 31 July 2008 failed to resolve this matter. The Beaconsfield Gold group is continuing to pursue the action.

ROUNDING

The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the company under Australian Securities and Investments Commission (ASIC) Class Order 98/0100, dated 10 July 1998 (amended by ASIC 05/641) and issued pursuant to section 341(1) of the Corporations Act 2001. The Company is an entity to which the Class Order applies.

AUDITOR'S INDEPENDENCE DECLARATION

A declaration of independence has been provided by our auditors, RSM Bird Cameron Partners, and is attached at page 7.

Signed in accordance with a resolution of the directors.



D E Clarke
Director

27 February 2009

RSM Bird Cameron Partners

Chartered Accountants

Level 8 Rialto South Tower
525 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007
T +61 3 9286 1800 F +61 3 9286 1999
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

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

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

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

Jason Croall

J S CROALL
Partner

Melbourne
27 February 2009

INCOME STATEMENT

HALF-YEAR ENDED 31 DECEMBER 2008

	Notes	CONSOLIDATED	
		31 Dec 2008 \$'000	31 Dec 2007 \$'000
Revenue	3(a)	20,588	6,235
Cost of production *		(16,938)	(11,715)
Depreciation and amortisation expenses		(1,997)	(609)
Finance costs	3(b)	(1,672)	(715)
Other expenses	3(c)	(1,848)	(1,296)
Other income	3(d)	564	49
Net derivative gains/(losses)	3(e)	-	(5,149)
Loss before income tax expense		(1,303)	(13,200)
Income tax expense		-	-
Loss after tax		(1,303)	(13,200)

* The 31 December 2007 cost of production included care and maintenance and mine reopening expenses.

EARNING PER SHARE (EPS)

Basic loss per share (cents)	(1.8)	(17.9)
Diluted loss per share (cents)	(1.8)	(17.9)
Dividend per share (cents)	-	-

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	CONSOLIDATED	
		AS AT 31 DECEMBER 2008 \$'000	AS AT 30 JUNE 2008 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		1,816	1,633
Trade & other receivables		1,186	1,114
Prepayments		165	242
Inventories		1,783	1,964
Total Current Assets		4,950	4,953
Non-Current Assets			
Cash and cash equivalents		767	825
Property, plant & equipment		12,055	12,498
Exploration, evaluation & development		4,869	4,435
Other		306	301
Total Non-Current Assets		17,997	18,059
TOTAL ASSETS		22,947	23,012
LIABILITIES			
Current Liabilities			
Trade & other payables	4	53,855	52,412
Interest-bearing loans & borrowings	5	33,701	33,773
Provisions		1,288	1,111
Other		258	303
Total Current Liabilities		89,102	87,599
Non-Current Liabilities			
Payables	4	1,533	1,943
Interest-bearing loans & borrowings	5	505	380
Provisions		3,001	2,904
Other		643	720
Total Non-Current Liabilities		5,682	5,947
TOTAL LIABILITIES		94,784	93,546
DEFICIENCY IN NET ASSETS		(71,837)	(70,534)
EQUITY			
Share capital	6	49,688	49,688
Accumulated losses		(121,525)	(120,222)
TOTAL EQUITY DEFICIENCY		(71,837)	(70,534)

CASH FLOW STATEMENT

HALF-YEAR ENDED 31 DECEMBER 2008

	Notes	CONSOLIDATED	
		31 Dec 2008 \$'000	31 Dec 2007 \$'000
Cash Flows from Operating Activities			
Receipts from customers		20,474	5,539
Receipt of government grant		-	723
Payments to close out hedge book		-	(10,491)
Payments to suppliers & employees		(17,310)	(12,201)
Net Cash Flows from/(used) in Operating Activities		3,164	(16,430)
Cash Flows from Investing Activities			
Interest received		104	80
Proceeds from sale of fixed assets		5	8
Purchase of plant & equipment		(524)	(225)
Mine development expenditure		(1,262)	(965)
Net Cash Flows (used in)/from Investing Activities		(1,677)	(1,102)
Cash Flows from Financing Activities			
Advances received from parent entity		-	18,441
Repayment of parent loan		(1,593)	-
Repayment of indemnity		(115)	(3,852)
Proceeds from call under indemnity		459	268
Proceeds from borrowings		-	2,400
Interest paid		-	-
Repayment of lease principal		(113)	(319)
Net Cash Flows (used in)/from Financing Activities		(1,362)	16,938
Net Increase/(Decrease) in Cash		125	(594)
Cash at Beginning of the Financial Period		2,458	2,954
Cash at End of the Financial Period	10	2,583	2,360

STATEMENT OF CHANGES IN EQUITY

HALF-YEAR ENDED 31 DECEMBER 2008

	Issued Capital \$'000	Accumulated Losses \$'000	Total Deficiency \$'000
At 1 July 2007	49,688	(100,009)	(50,321)
Loss for the period	-	(13,200)	(13,200)
At 31 December 2007	49,688	(113,209)	(63,521)
At 1 July 2008	49,688	(120,222)	(70,534)
Loss for the period	-	(1,303)	(1,303)
At 31 December 2008	49,688	(121,525)	(71,837)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

This general purpose financial report for the half year ended 31 December 2008 has been prepared in accordance with applicable accounting standards including AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2008 and considered together with any public announcements made by Allstate Explorations NL during the half-year ended 31 December 2008 and up to the date of signing these accounts in accordance with the continuous disclosure obligations of the *Corporations Act 2001* and the *ASX listing rules*.

Apart from the changes in accounting policy and disclosures noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

(b) Going Concern

Despite a net asset deficiency at 31 December 2008 and negative operating cash flow for the six months ended 31 December 2008, the half-year consolidated financial statements have been prepared on a going concern basis after taking into account the following factors: -

- (i) At the date of this report Beaconsfield Gold NL ("BGNL") the parent entity of the Company continued to fund the operations of the Company and its subsidiaries;
- (ii) the Beaconsfield Mine has now returned to full production levels and is cash positive, with all gold delivered into the spot market. Strong cash flow from the mine in January and February reflects strong mine production and the historically high A\$ gold price; and
- (iii) BGNL has advised the Company it will not require repayment of loans owed to BGNL as at February 2008 until such time as the company is capable of repaying these loans without any adverse consequences in relation to solvency. BGNL has undertaken not to withdraw this financial support for a period of at least 12 months from the date of signing this financial report.

In the event that any of the above factors did not eventuate there would be a significant uncertainty as to whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the entity not continue as a going concern.

2. PRIOR PERIOD ADJUSTMENT

Cash held on deposit as security for Beaconsfield Mine employee entitlements, totaling \$4.559 million at 30 June 2008 (ALX share \$2.348 million), has previously been disclosed as a current asset. This account can be used only for the payment of employee entitlements. Given the restriction on the operation of this bank account there is a portion of this asset that does not meet the definition of a current asset and accordingly should be classed as a non-current asset. A prior period adjustment has therefore been made to the 30 June 2008 balance sheet to correct this disclosure. The adjustment has had the effect of decreasing cash (current asset) by \$0.825 million and increasing cash (non-current asset) by \$0.825 million at 30 June 2008.

ALLSTATE EXPLORATIONS NL
HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2008

CONSOLIDATED
31 Dec 2008 31 Dec 2007
\$'000 \$'000

3. REVENUE AND EXPENSES

Loss before income tax expense includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Consolidated Entity:

(a) **Revenue**

Revenue from sale of gold & silver	20,094	5,877
Interest received	109	98
Other revenue	385	260
	20,588	6,235

(b) **Finance costs**

Interest expenses	(1,399)	(551)
Borrowing costs	(176)	(73)
Unwind of rehabilitation provision discount	(97)	(91)
	(1,672)	(715)

(c) **Other expenses**

Royalties	(286)	(76)
Administration	(1,562)	(1,092)
Adjustment to debt owed to former Allstate banker	-	(128)
	(1,848)	(1,296)

(d) **Other income**

Beaconsfield Community Fund grant income	121	41
Adjustment to debt owed to former Allstate banker	443	-
Profit on sale of fixed assets	-	8
	564	49

(e) **Net derivatives gains / (losses)**

Loss on close out of gold forward sales contracts during the period	-	(10,491)
Reversal of previously recognised loss on ineffective gold forward sales contracts closed out during the period	-	5,342
	-	(5,149)

ALLSTATE EXPLORATIONS NL
HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2008

		CONSOLIDATED	
		31 Dec 2008	30 June 2008
		\$'000	\$'000
4.	TRADE & OTHER PAYABLES		
	Current		
	Trade and sundry creditors	4,833	3,699
	Owing to Beaconsfield Gold NL	48,000	48,000
	Amounts paid under indemnity by the Consolidated entity's banker	1,022	713
		53,855	52,412
	Non-Current		
	Amounts paid under indemnity by the Consolidated entity's banker	1,533	1,943
5.	INTEREST BEARING LOANS & BORROWINGS		
	Current		
	Owing to Beaconsfield Gold NL	33,534	33,571
	Lease Liabilities	167	202
		33,701	33,773
	Non-Current		
	Lease Liabilities	505	380
6.	ISSUED CAPITAL		
	Issued and paid up capital		
	62,818,175 (30 June 2007: 62,818,175) ordinary shares fully paid	44,801	44,801
	10,859,452 (30 June 2007: 10,859,452) partly paid ordinary shares issued at \$0.75 and partly paid to \$0.45	4,887	4,887
		49,688	49,688
7.	CONTINGENT ASSETS AND LIABILITIES		
	Since the last annual reporting date, there has been no material change in any contingent liability or contingent asset other than: -		
	Allstate Former Banker (Contingent Liability)		
	The amount repayable to the Company's former banker which is contingent on an increase in recoverable reserves at the Beaconsfield Mine (\$1.229 million at 30 June 2008) increased to \$1.768 million at 31 December 2008 due principally to further payments by the former banker in accordance with an indemnity agreement.		

8. EVENTS AFTER THE BALANCE SHEET DATE

BBR Claim

The previously reported claim against the BBR Companies has been settled before going to court. Net proceeds to the Allstate group are expected to be in the order of \$0.7 million.

9. SEGMENT INFORMATION

The group operates within the gold mining industry in Australia. Its principal activities are the production of gold at the Beaconsfield Gold Mine through its participation in the Beaconsfield Mine Joint Venture.

Seasonality

The Consolidated Entity's operations are not affected by cyclical or seasonal changes

10. CASH AND CASH EQUIVALENTS

Reconciliation of Cash

For the purposes of the Cash Flow Statement, cash and cash equivalents comprised the following at 31 December:

	CONSOLIDATED	
	31 Dec 2008 \$'000	31 Dec 2007 \$'000
Cash at bank & in hand (current asset and non-current asset portion)	2,583	2,360

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Allstate Exploration NL, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001* including:
 - (i) Giving a true and fair view of the financial position as at 31 December 2008 and the performance for the half-year ended on that date of the Consolidated Entity; and
 - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; 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.

On behalf of the Board



D E Clarke
Director

27 February 2009

RSM Bird Cameron Partners

Chartered Accountants

Level 8 Rialto South Tower
525 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007
T +61 3 9286 1800 F +61 3 9286 1999
www.rsmi.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

ALLSTATE EXPLORATIONS NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Allstate Explorations NL 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, accompanying notes to the financial statements and the directors' declaration. The consolidated entity comprises both Allstate Explorations NL (the company) and the entities it controlled during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity 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 controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of 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 Allstate Explorations NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Auditor's Responsibility (cont.)

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

Independence

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

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 Allstate Explorations NL is not in accordance with the *Corporations Act 2001* including:

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

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the half-year financial report which alludes to the significant net liability position of the Allstate Explorations NL and the reliance of the consolidated entity on the continued support of Beaconsfield Gold NL to enable Allstate Explorations NL to meet its debts as and when they fall due. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

Jason Croall
J S CROALL
Partner

Melbourne
27 February 2009