



## NuSep Announces a Significantly improved Half year Financial Results

**SYDNEY, AUSTRALIA – 27<sup>th</sup> February, 2009** – NuSep (ASX: NSP) wishes to announce a significantly improved half year financial results to 31 December 2008. These results **do not** include the financials of NxGen Pharmaceuticals and reflect the improved trading of the current NuSep business.

- **Revenue up 60%** to \$1,140,596 (2007 revenue of \$712,450)
- **Gross profit is up 264%** to \$505,299 (2007 gross loss of \$308,625)
- **Net loss is down 23%** to \$1,951,873 (2007 loss of \$2,550,019)
- **EBITDA loss down 25%** for the period to \$1,710,248 (Improvement to the 2007 EBITDA loss of \$2,282,077).

The company has focused on improving the gel manufacturing process and increasing gels sales, which has been reflected in the marked improvement in revenue and reduction in costs for the period. In addition the Company has confirmed forward sales orders. Sales of the MF10 units commenced in late 2008, but were hampered by component issues with initial production units. These problems have now been identified and with positive customer feedback the Company expects to ramp up sales in the fourth quarter of this financial year.

Attached is the Appendix 4D and Half-year financial report to 31 December 2008. These results are for the present NuSep business/ divisions and **do not** include the financials for the NxGen Pharmaceuticals business which will not be consolidated into the NuSep results until the acquisition transaction is completed post the extraordinary general meeting to be held on 13 March 2009.

The Board strongly urges each shareholder of the Company to review the Notice of Meeting for the forthcoming EGM dated 13 March 2009 and other recent market updates in detail.




### About NuSep

NuSep (ASX: NSP) is a publicly listed life sciences company that sells products into the global bioseparations market. The company has offices in both Sydney, Australia and Atlanta, USA.

With a 30 year heritage in biological separations, NuSep has forged a world class reputation for its innovative yet simple biological separation techniques including the world's first IVF sperm separation device. In short NuSep has redefined the BioSeparations market through innovation and simplification.

NuSep's world renowned research team has developed an extensive portfolio of patented products. In all, NuSep currently manufactures, distributes and sells 55 products to customers in the USA, Europe, Asia and Australia.

#### NuSep Products:

-  **Gels** – NuSep manufactures and sells precast gels. The recent introduction of NuView (patent pending) technology plus our innovative iGels, with a 2 year shelf life will further extend our competitive advantage.
-  **Separation Instruments** – NuSep has developed two unique biological separation instruments. The first instrument released in 2008 can separate biological samples into 8 fractions for use in the proteomic market. The second instrument separates sperm for fertility treatments such as IVF and is presently undergoing clinical trials.
-  **Biological Products** – NuSep supplies research grade biological products manufactured using its unique separation technologies. These products include human IgG and Albumin.

For more information about NuSep please visit the company's website [www.NuSep.com](http://www.NuSep.com)

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## Appendix 4D

### Half year report

Name of entity

NuSep Ltd

ABN

33 120 047 556

Financial half year ended:

31 DECEMBER 2008

#### For announcement to the market

\$A'000

\$11000

Revenues from ordinary activities	Up	60%	to	1,141
Gross Profit	Up	264%	to	505
Loss from ordinary activities after tax attributable to members	Down	23%	to	(1,952)
Net loss for the period attributable to members	Down	23%	to	(1,952)

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Previous corresponding period	Nil	Nil

Record date for determining entitlements to the dividend,	N/A
Brief explanation of any of the figures reported above:	
Refer attached press release and notes to the accounts.	

NTA backing	31 December 2008
Net tangible asset backing per ordinary security	(2.0)cents

**NuSep Ltd  
and its Controlled Entities  
ABN 33 120 047 556**

**Financial Report  
for the half-year ended 31 December 2008**

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## NuSep Ltd and its Controlled Entities

### Directors' Report

The Directors submit their report for the consolidated entity consisting of NuSep Ltd and its controlled entities for the half-year ended 31 December 2008.

#### Directors

Unless indicated otherwise, the following persons were Directors of NuSep Ltd during the whole of the half-year and until the date of this report:

John Manusu	(Chairman)
Dr. Hari Nair	(Managing Director)
Iain Howard Sorrell	(Non-executive Director)
Nicholas Caré	(Resigned 17 September 2008)
Dr. Choon H. Lee	(Resigned 30 July 2008)

#### REVIEW OF OPERATIONS

For the half-year to 31 December 2008 the consolidated entity has reported revenues of \$1,140,596 (a 60% improvement to the 2007 revenue of \$712,450), gross profit of \$505,299 (a 264% improvement to the 2007 gross loss of \$308,625) and a net loss of \$1,951,873 (a 23% improvement to the 2007 net loss of \$2,550,019). The consolidated entity has focused on improving the gel manufacturing process and increasing gels sales, which has been reflected in the marked improvement in revenue and reduction in costs for the period. In addition the consolidated entity has strong forward sales orders. Sales of the MF10 units commenced in late 2008. The consolidated entity has had to address a number of initial MF10 production issues and anticipates significant growth as these issues are resolved. While the initial MF10 unit sales are important it should be remembered that each unit will generate an ongoing consumables sales stream.

On 28 November 2008 the consolidated entity signed a definitive binding agreement to acquire NxGen Pharmaceutical Ltd. The agreement was subject to completion of due diligence and final approval by NuSep shareholders at a extraordinary general meeting to be held on 13 March 2009.

#### AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 13 for the half-year ended 31 December 2008.

This report is signed in accordance with a resolution of the Board of Directors.



John Manusu  
Chairman

Sydney  
27 February 2009

NuSep Ltd and its Controlled Entities

**Consolidated Income Statement**  
**For the half-year ended 31 December 2008**

	CONSOLIDATED	CONSOLIDATED
	Half-year December 2008	Half-year December 2007
	\$	\$
<b>Continuing operations</b>		
<b>Revenue</b>	<b>1,105,016</b>	<b>652,684</b>
Cost of sales	(599,717)	(961,309)
<b>Gross Profit</b>	<b>505,299</b>	<b>(308,625)</b>
Other income	35,580	59,766
Marketing expenses	(383,474)	(419,861)
General and administration expenses	(966,667)	(1,368,401)
Research and development expenses	(1,068,213)	(494,248)
Finance cost expenses	(74,398)	(18,650)
<b>Loss before income tax</b>	<b>(1,951,873)</b>	<b>(2,550,019)</b>
Income tax expense	-	-
<b>Loss after tax from continuing operations</b>	<b>(1,951,873)</b>	<b>(2,550,019)</b>
<b>Net loss for the period</b>	<b>(1,951,873)</b>	<b>(2,550,019)</b>
<b>Net loss attributable to members of parent</b>	<b>(1,951,873)</b>	<b>(2,550,019)</b>
<b>Earnings per share</b>	<b>Cents</b>	<b>Cents</b>
– basic for loss for the year	(4.71)	(15.5)
– diluted for loss for the year	(4.71)	(15.5)

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

# NuSep Ltd and its Controlled Entities

## Consolidated Balance Sheet

As at 31 December 2008

	Notes	CONSOLIDATED As at 31 December 2008 \$	CONSOLIDATED As at 30 June 2008 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		213,733	695,560
Trade and other receivables		183,874	444,971
Inventories		399,363	374,491
Other assets		13,251	32,886
<b>TOTAL CURRENT ASSETS</b>		<b>810,221</b>	<b>1,547,908</b>
<b>NON-CURRENT ASSETS</b>			
Cash and cash equivalents		734,572	867,286
Financial assets		855,000	855,000
Property, plant and equipment		1,584,495	1,785,590
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,174,067</b>	<b>3,507,876</b>
<b>TOTAL ASSETS</b>		<b>3,984,288</b>	<b>5,055,784</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,873,122	2,091,674
Other current liabilities		164,383	164,383
Short-term financial liabilities	4	-	305,000
Short-term provisions		155,240	154,265
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,192,745</b>	<b>2,715,322</b>
<b>NON-CURRENT LIABILITIES</b>			
Other non-current liabilities		589,042	671,233
Long-term financial liabilities	4	995,221	521,554
Long-term provisions		67,008	46,318
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,651,271</b>	<b>1,239,105</b>
<b>TOTAL LIABILITIES</b>		<b>4,844,016</b>	<b>3,954,427</b>
<b>NET ASSETS</b>		<b>(859,728)</b>	<b>1,101,357</b>
<b>EQUITY</b>			
Issued capital	3	10,587,798	10,602,240
Reserves		732,237	727,007
Retained losses		(12,179,763)	(10,227,890)
<b>TOTAL EQUITY</b>		<b>(859,728)</b>	<b>1,101,357</b>

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



# NuSep Ltd and its Controlled Entities

## Consolidated Statement of Changes in Equity For the half-year ended 31 December 2008

### Consolidated

#### Balance 30 June 2007

Transaction costs on share issue

Currency translation difference

Total income and expense for the period recognised directly in equity

Loss for the period

Total income and expense for the period

Issue of share capital

Cost of share based payment

**Balance 31 December 2007** as reported in financial report for half year ended 31 December 2007

Adjustment relating to AASB 121 (and refer to Note 6)

**Restated balance at 31 December 2007**

	Issued Capital \$	Foreign currency translation Reserve \$	Share options Reserve \$	Financial Assets Reserve \$	Accumulated Losses \$	Total Equity \$
Balance 30 June 2007	6,619,971	50,313	77,390	-	(4,947,228)	1,800,446
Transaction costs on share issue	(211,848)	-	-	-	-	(211,848)
Currency translation difference	-	39,750	-	-	-	39,750
Total income and expense for the period recognised directly in equity	6,408,123	90,063	77,390	-	(4,947,228)	1,628,348
Loss for the period	-	-	-	-	(2,594,137)	(2,594,137)
Total income and expense for the period	6,408,123	90,063	77,390	-	(7,541,365)	(965,789)
Issue of share capital	2,772,100	-	-	-	-	2,772,100
Cost of share based payment	-	-	31,316	-	-	31,316
<b>Balance 31 December 2007</b> as reported in financial report for half year ended 31 December 2007	9,180,223	90,063	108,706	-	(7,541,365)	1,837,627
Adjustment relating to AASB 121 (and refer to Note 6)	-	(44,118)	-	-	44,118	-
<b>Restated balance at 31 December 2007</b>	9,180,223	45,945	108,706	-	(7,497,247)	1,837,627

### Consolidated

**Balance 30 June 2008** as reported in financial report for year ended 30 June 2008

Adjustment relating to AASB 121 (and refer to Note 6)

**Restated balance at 30 June 2008**

Transaction costs on share issue

Currency translation difference

Total income and expense for the period recognised directly in equity

Loss for the period

Total income and expense for the period

Issue of share capital

Cost of share based payment

**Balance 31 December 2008**

	Issued Capital \$	Foreign currency translation Reserve \$	Share options Reserve \$	Financial Assets Reserve \$	Accumulated Losses \$	Total Equity \$
Balance 30 June 2008 as reported in financial report for year ended 30 June 2008	10,602,240	217,358	170,177	555,000	(10,443,418)	1,101,357
Adjustment relating to AASB 121 (and refer to Note 6)	-	(215,528)	-	-	215,528	-
<b>Restated balance at 30 June 2008</b>	10,602,240	1,830	170,177	555,000	(10,227,890)	1,101,357
Transaction costs on share issue	(237,446)	-	-	-	-	(237,446)
Currency translation difference	-	(60,210)	-	-	-	(60,210)
Total income and expense for the period recognised directly in equity	10,364,794	(58,380)	170,177	555,000	(10,227,890)	803,701
Loss for the period	-	-	-	-	(1,951,873)	(1,951,873)
Total income and expense for the period	10,364,794	(58,380)	170,177	555,000	(12,179,763)	(1,148,172)
Issue of share capital	223,004	-	-	-	-	223,004
Cost of share based payment	-	-	65,440	-	-	65,440
<b>Balance 31 December 2008</b>	10,587,798	(58,380)	235,617	555,000	(12,179,763)	(859,728)

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

**NuSep Ltd and its Controlled Entities**

**Consolidated Cash Flow Statement  
For the half-year ended 31 December 2008**

	<b>CONSOLIDATED</b>	<b>CONSOLIDATED</b>
	<b>Half-year</b>	<b>Half-year</b>
	<b>31 December 2008</b>	<b>31 December 2007</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	818,998	458,323
Payments to suppliers and employees	(2,062,041)	(3,064,102)
Government grants	320,196	555,468
Interest received	38,909	58,918
Finance costs	(10,160)	(18,651)
<b>Net cash flows used in operating activities</b>	<b>(894,098)</b>	<b>(2,010,044)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,852)	(48,097)
Redemption of term deposit	132,714	-
<b>Net cash flows used in investing activities</b>	<b>125,862</b>	<b>(48,097)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	430,064	2,772,100
Share issue costs	(86,441)	(211,848)
Proceeds from borrowings	62,786	-
Repayment of borrowings	(120,000)	-
<b>Net cash flows from financing activities</b>	<b>286,409</b>	<b>2,560,252</b>
Net increase(decrease) in cash and cash equivalents	(481,827)	502,111
Cash and cash equivalents at beginning of period	695,560	208,627
<b>Cash and cash equivalents at end of the half-year</b>	<b>213,733</b>	<b>710,738</b>

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

**1. Basis of preparation**

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by NuSep Ltd and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated entity and are consistent with those in the June 2008 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

*Reporting Basis and Conventions*

The half year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

*Going Concern*

This financial report has been prepared on a going concern basis. For the half year the consolidated entity has reported revenues of \$1,140,596, gross profit of \$505,299, a net loss of \$1,951,873 and total net liabilities of \$859,728. The ability of the consolidated entity to continue as a going concern is dependent on ongoing business operations, and the approval of the acquisition of the NxGen Pharmaceuticals Ltd business which is scheduled for a shareholders extraordinary general meeting to be held on 13 March 2009 as well as the successful completion of additional capital raising. The acquisition of NxGen Pharmaceuticals Ltd and related funding including the capital raising under the prospectus will provide positive cash flow for the consolidated entity.

The Directors regularly monitor the consolidated entity's cash position and on an on-going basis consider and implement a number of strategic and operational plans to ensure that adequate funding continues to be available for the consolidated entity to meet its business objectives. Based on the above, this financial report is prepared on a going concern basis as the Directors consider that the consolidated entity will have access to sufficient cash resources to enable it to continue as a going concern including, if required, additional loans from Directors.

However, should losses continue and / or the proposed restructure relating to the acquisition of NxGen Pharmaceuticals Ltd not occur or proposed capital raisings not be successful, or not at an amount and timing necessary to meet future operational plans or it is unable to successfully exploit its intellectual property, the consolidated entity may be unable to continue as a going concern and continue to realise its assets and discharge its liabilities in the normal course of business. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

## **Accounting Policies**

### **a) Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by NuSep Ltd as at 31 December 2008 and the results of all controlled entities for the period then ended. NuSep Ltd and its controlled entities together are referred to in this financial report as the Group.

A controlled entity is any entity over which NuSep Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

## **2. Segment Reporting**

### **Primary reporting format - Business segments**

<b>Half-year ended 31 December 2007</b>	<b>Consumable products</b>	<b>Separations</b>	<b>Corporate &amp; Shared Services</b>	<b>Consolidated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Segment revenue	466,672	186,860	58,918	<b>712,450</b>
Segment Profit/(Loss)	(892,702)	(332,366)	(1,324,951)	<b>(2,550,019)</b>
<b>Half-year ended 31 December 2008</b>	<b>Consumable products</b>	<b>Separations</b>	<b>Corporate &amp; Shared Services</b>	<b>Consolidated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Segment revenue	817,698	287,318	35,580	<b>1,140,596</b>
Segment Profit/(Loss)	65,860	(1,014,279)	(1,003,454)	<b>(1,951,873)</b>

**NuSep Ltd and its Controlled Entities**  
**Notes to Financial statements**  
**For the half-year ended 31 December 2008**

**3. Issued Capital**

	<b>Half-year 31 December 2008 Shares</b>	<b>Full-year 30 June 2008 Shares</b>	<b>Half-year 31 December 2008 \$</b>	<b>Full-year 30 June 2008 \$</b>
(a) Share Capital				
Ordinary Shares – fully paid	<b>43,815,467</b>	41,134,165	<b>10,587,798</b>	10,602,240

(b) Movements in ordinary share capital of the company during the period were as follows:

	<b>31 December 2008 \$</b>	<b>30 June 2008 \$</b>
Balance at 1 July	<b>10,602,240</b>	6,619,971
Share issue under share placement/ offer	<b>72,000</b>	4,323,086
Share issue in lieu of fees	<b>151,004</b>	-
	<b>10,825,244</b>	10,943,057
Less - transaction costs arising on share issues	<b>(237,446)</b>	(340,817)
Balance at 31 December	<b>10,587,798</b>	10,602,240
	<b>31 December 2008 Number of Shares</b>	<b>30 June 2008 Number of Shares</b>
Balance at 1 July	<b>41,134,165</b>	10,658,440
Share issue under share placement/ offer	<b>900,000</b>	30,475,725
Share issue in lieu of fees	<b>1,781,302</b>	-
Balance at 31 December	<b>43,815,467</b>	41,134,165

**4. Long-term financial liabilities**

The Directors have extended a line of personal credit to the Company, this line of credit has been extended in return for a fixed and floating charge over the Company's unencumbered assets for all future and existing loans provided by the current Directors.

**5. Events subsequent to reporting date.**

The following events occurred subsequent to 31 December 2008:

- The Company on 13 February 2009 issued a Notice of Meeting for an extraordinary general meeting to be held on 13 March 2009 to approve among other motions the acquisition of NxGen Pharmaceuticals Ltd. The Company has also announced that subject to shareholder approval the Company intends to spin off the assets and liabilities of the current NuSep business into the new entity Prime BioSeparations Ltd. This spin off is likely to occur prior to June 2009
- The Company intends to issue a prospectus to raise up to \$5m in early March 2009.

**6. Contingent liabilities**

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

**7. Prior period adjustment**

The following prior period adjustments relate to exchange differences arising at period end in relation to the foreign currency intercompany loans receivable from its overseas subsidiary which are more correctly included as part of the Parent Entity's net investment in foreign operations consequently in accordance with AASB 121. Such foreign exchange differences are recognised separately in equity on consolidation.

At 31 December 2007 an unrealised foreign exchange loss of \$44,118 was incorrectly recognised in the Income Statement. This resulted in the foreign currency translation reserve being overstated by \$44,118 and conversely the retained earnings attributable to members of the parent entity was understated by \$44,118. This adjustment has resulted in loss after tax at 31 December 2007 decreasing by \$44,118 to \$2,550,019. Due to this adjustment, basic and diluted earnings per share at 31 December 2007 have increased from (15.8) cents per share to (15.5) cents per share.

At 30 June 2008 an unrealised foreign exchange loss of \$215,528 was incorrectly recognised in the Income Statement. This resulted in the foreign currency translation reserve being overstated by \$215,528 and conversely the retained earnings attributable to members of the parent entity was understated by \$215,528. This adjustment has resulted in the loss after tax at 30 June 2008 decreasing by \$215,528 to \$5,280,662. Due to this adjustment, basic and diluted earnings per share at 30 June 2008 have increased from (28.7) cents per share to (27.6) cents per share.

## **Directors' Declaration**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 11:
  - (a). comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
  - (b). give a true and fair view of the economic entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date.
2. In the directors' opinion and as mentioned in Note 1 to the accounts 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.

John Manus  
Chairman

Sydney  
27 February 2009

# RSM Bird Cameron Partners

Chartered Accountants

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## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of NuSep Ltd and Controlled Entities 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**  
Chartered Accountants

  
**W E Beauman**  
Partner

Sydney, NSW  
Dated: 27<sup>th</sup> February 2009

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scheme approved under  
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Major Offices in:  
Perth, Sydney, Melbourne,  
Adelaide and Canberra  
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## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF

### NUSEP LTD

#### *Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report of NuSep Ltd and Controlled Entities ("the consolidated entity") 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 NuSep Ltd as the parent entity 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 NuSep Ltd and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### *Independence*

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

#### *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 NuSep Ltd and Controlled Entities 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*.

#### *Inherent Uncertainty Regarding Continuation of Going Concern*

Without qualification to the conclusion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1 'Basis of preparation – Going concern' to the financial report, there is significant uncertainty whether the consolidated entity will be able 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. 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 necessary should the consolidated entity not continue as a going concern.

  
**RSM BIRD CAMERON PARTNERS**  
Chartered Accountants

  
**W E Beauman**  
Partner

Sydney, NSW  
Dated: 27<sup>th</sup> February 2009

## **Corporate Directory**

**NuSep Ltd**  
**ABN 33 120 047 556**

### **Directors**

John Manusu	(Chairman)
Dr Hari Nair	(Managing Director)
Iain Howard Sorrell	(Non-executive Director)

### **Company Secretary**

Prakash Patel

### **Registered Office**

22 Rodborough Road  
Frenchs Forest, NSW 2086  
Australia

Tel: 61 2 8977 9000

Fax: 61 2 8977 9099

Email: [info@nusep.com](mailto:info@nusep.com)

Website: [www.nusep.com](http://www.nusep.com)

### **Share Registry**

Registries Limited  
Level 7, 207 Kent Street  
Sydney, NSW 2000

### **Solicitors**

David Landa Stewart  
86 Bay Street  
Broadway, NSW 2007

### **Auditors**

RSM Bird Cameron Partners  
Level 12, 60 Castlereagh Street  
Sydney, NSW 2000