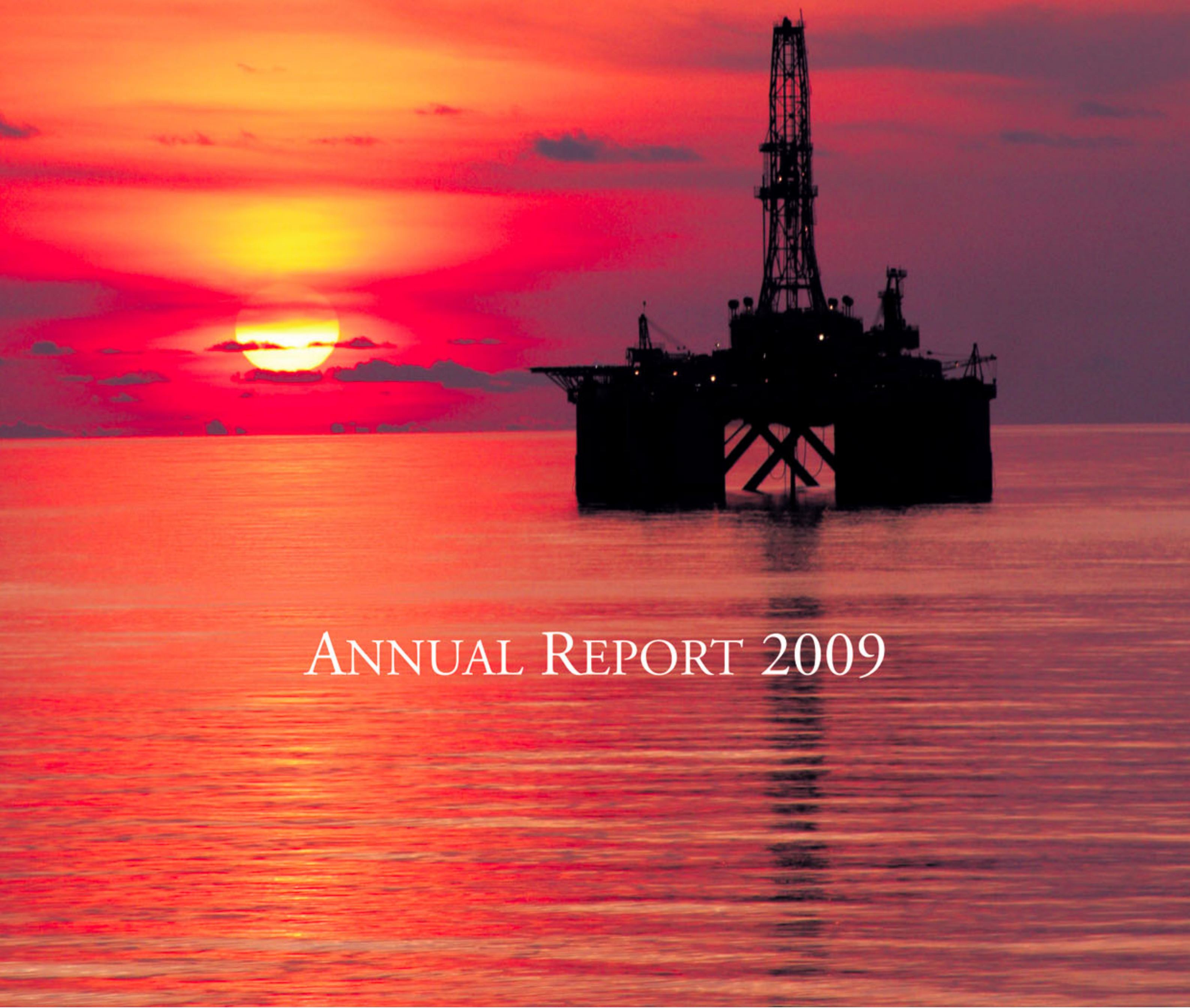
AUDAX RESOURCES LTD

ABN 50 009 058 646



ANNUAL REPORT 2009

AuDAX Resources Ltd

ABN 50 009 058 646

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Highlights

2008 – 2009 ACHIEVEMENTS

- Secured funding despite adverse market conditions
- Continued the transformation of AuDAX to an active oil industry operator with a team of highly experienced professionals and proven oil finders.
- Completed the acquisition of large Exploration and Appraisal Portfolio with excellent growth potential in Tunisia and Italy with AuDAX as the operator.
- New partner for Romanian AMI (Area of Mutual Interest), agreement signed with New Zealand Oil & Gas. AuDAX is the operator. This joint venture is aiming to secure further mid-term growth potential in Romania and the Black Sea area.
- AuDAX as the new operator of the South Australian Cooper Basin permit PEL 182 succeeded to improve work program and extend permit timing.

2009 and 2010 ACTIVITY OUTLOOK

TUNISIA & ITALY

- Complete preparations for drilling of the 3,000 metre Sambuca well in offshore Tunisia with a most likely recoverable resource potential of 270 mmboe.
- Complete the farm out activities on the Tunisian offshore Kerkouane and Italian Pantelleria (G.R15.PU) blocks and obtain government approval to acquire seismic and to drill as planned in 2010.

AUSTRALIA

- Maximise value of the Cooper Basin discoveries as the new operator of PEL 182.

ROMANIA

- Identify growth opportunities together with new partner in the Romanian AMI with AuDAX as operator.
- Participate in the next bidding round for exploration acreage in Romania.

SECURING OUR ASSET BASE AND OPERATORSHIP FOR GROWTH

✓ **Offshore Sicily: Title and operatorship of Kerkouane block (Tunisia) and G.R15.PU block (Italy)**

✓ **Onshore Tunisia: Sales & Purchase agreement for Chorbane block**

✓ **Onshore Australia: Operatorship of PEL 182**

✓ **Romania AMI with Nexus Energy and New Zealand Oil & Gas for further growth**

Chairman's Review

Gary Roper
Non-Executive Chairman
Director since 1985

Dear Shareholder,

Since my 2008 annual review the world entered the well publicised economic downturn and despite everyone's best endeavours, progress has been slower and more cautious than was predicted. This slow down has however enabled AuDAX to consolidate its position in relation to its prospects and prepare for dramatic future development.

The Company re-acquired 100% of the highly prospective offshore Pantelleria (Italy) and the adjoining Kerkouane (Tunisia) oil and gas exploration areas which contain many leads and include the exciting Sambuca prospect and Dougga discovery. A MOU was signed with PGS (a world leader in seismic technology) to carry out a significant 3D seismic survey using the very latest technology over these areas. Negotiations to formalise this arrangement are progressing well.

Drilling of Sambuca, one of the largest undrilled structures in the Mediterranean Sea is becoming a reality with tenders called and the necessary engineering studies well underway.

A recently completed independent reserves evaluation and development design study for the Dougga gas condensate field in the Tunisian Kerkouane license demonstrated the technical and commercial viability of a development which most likely contains 74.5 MMBOE of contingent resources. This includes 42 MMBLS of liquids. The independent evaluation also resulted in an increase of previously reported P90 (low estimate) contingent resources. It is now a significant asset of your company.

Onshore in Tunisia AuDAX retains a 100% equity in the Chorbane project and has met all the requirements of the Tunisian Government in relation to this permit including the posting of a US$1m bond.

The Romanian AMI study continued with New Zealand Oil and Gas joining AuDAX and Nexus. The research work here has progressed well and areas of interest have been identified. AuDAX and its partners are well placed for the bidding rounds expected this year.

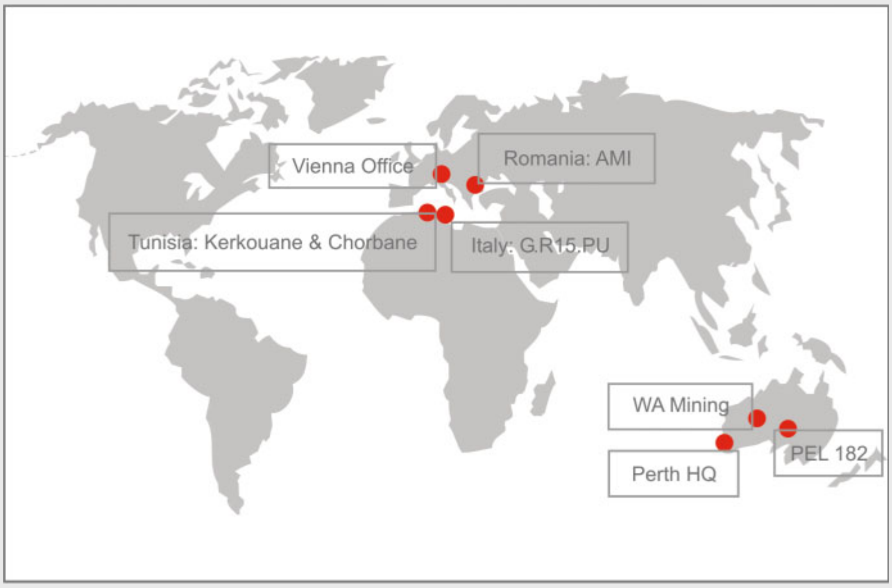
Managing Director Wolfgang Zimmer and Technical Director Paul Fink together with all members of the Company's staff have worked diligently over the past year and achieved significant progress towards the growth of your Company. I believe we are now well placed to benefit from their efforts and I anticipate exciting developments to be achieved this year.

I wish to pass on my personal thanks for their efforts and I am sure all shareholders will join with me in that regard. I wish also to thank shareholders for their ongoing support and look forward to a very successful year.

Please take your time to read the exciting annual technical review.

GARY ROPER

CHAIRMAN



STRATEGY: TWO PRONGED APPROACH

- ✓ Grow the European and Northern African Oil & Gas business and so expose shareholders to lucrative European energy markets
- ✓ Promote the existing Australian energy, gold and base metal portfolio and capitalise on the high commodity price environment

Managing Director's Review

Dr Wolfgang Zimmer

Executive Managing Director

Director since December 2007

INTRODUCTION

I am very proud to report to our shareholders that during the last year AuDAX has weathered most adverse economic conditions and managed to complete the anticipated acquisitions in Europe and North Africa. The replacement of some business partners with financially strong companies has strengthened our Joint Ventures and we are looking forward to reap the benefits of last year's hard work. Despite a slightly improved outlook on world economy and an encouraging oil price development I believe that conservative handling of our financial resources is required to be prepared for a challenging business environment over the next twelve months.

Our mid to long term business outlook for the oil and gas industry is very positive. The major drivers of price increases namely supply insecurity and a limited resources base will become ever more dominant over the years. Future reserve replacement ratios of the world's major producers will fall behind production, demand will reach 85 million barrels per day yet again and will continue to increase. 85 million per day equals the consumption of a giant oil field per week. In comparison only about 3 giant oilfields are discovered on average per year. Gas demand in Europe will increase further as companies and countries are trying to replace oil with gas also driven by environmental concerns. The ongoing competition for building gas pipelines from the east to the European market is fierce and it remains to be seen if and from where the large published volumes of gas supply will finally come.

This year I will focus on some of the most important highlights of our activities on a quarterly basis.

FIRST QUARTER

In July 2008 the 100% interest acquisition of the Kerkouane permit located offshore Tunisia was completed by Alpine Oil and Gas Pty Ltd, a 100% affiliate of AuDAX. In addition, AuDAX sold a 30% interest in the permit to Kairiki Energy Limited.

Also in July the Italian authorities approved the transfer of the title of the G.R15.PU permit from Stratic to AuDAX and a suspension of the permit term until the start of the drilling operation. A new subsidiary, AuDAX Energy Srl was incorporated in Italy as the operating affiliate of AuDAX Resources Ltd.

AuDAX has at that time secured both onshore and offshore presence in Tunisia. The Kerkouane and Chorbane permits are strategically located adjacent to the burgeoning North African and European oil and gas markets. The combination of our globally competitive fiscal terms, stable government and a large prospect and lead inventory makes Tunisia a key part of AuDAX's growth strategy.

In Australia, AuDAX's request for suspension of the South Australian onshore Cooper Basin petroleum exploration licence (PEL) 182 was granted and a variation to the work programme approved by PIRSA. AuDAX holds a 49.9% interest and operatorship in the permit. The new AuDAX work program reflects a cost efficient and focussed approach to exploration and appraisal activities of the licence, in addition to a significant reduction in financial exposure.

SECOND QUARTER

The acquisition of the G.R15.PU (Pantelleria) permit in Italian waters was completed in October 2008. AuDAX was the operator and held a 70% interest and Kairiki held a 30% interest. This permit holds part of the multi target Sambuca prospect which straddles the Tunisian-Italian border and has an upside potential of 1.1 billion barrels of oil equivalent (un-rsiked P50 recoverable resources). The opportunity is a potential company maker and in a success case would be the largest discovery in the region in recent times.

In the Chorbane permit, onshore Tunisia, AuDAX regained 100% interest and control after Kairiki elected not to complete the acquisition in October 2008.

THIRD QUARTER

In February 2009 AuDAX signed a Memorandum of Understanding with PGS Overseas AS on the Sicily Channel Permits in the Mediterranean Sea. PGS is an industry recognised, highly regarded, global seismic contractor with state-of-the-art seismic acquisition and processing capabilities. PGS would earn a 15% interest in the Permits by paying 30% of a significant future exploration work program.

In March New Zealand Oil & Gas joined AuDAX' operated AMI for Romania replacing a previous partner.

NZOG is a diversified upstream energy company with production, development and exploration in New Zealand and a market capitalisation of approximately $NZ 500 million. With NZOG and Nexus Energy as partners participating in the AMI, AuDAX is in a very strong position to successfully compete for highly prospective Romanian exploration and development acreage in the upcoming large and historically unique relinquishment of existing exploration acreage.

In March AuDAX executed agreements to unwind the sale of a 30% interest in Sicily Channel Permits to Kairiki, regaining full control of both permits.

FOURTH QUARTER

In April AuDAX farmed out 40% interest for a full carry on 23 million US$ drilling cost in the Sambuca prospect in the Sicily Channel Permits and executed the respective Joint Venture Agreements with WEH (World Energy Holding) a private investment group.

In June 2009 AuDAX posted 1 million US$ bond with the Tunisian government for the Chorbane permit.

WOLFGANG ZIMMER

MANAGING DIRECTOR

PUTTING THE STRATEGY INTO ACTION

- ✓ Drill Sambuca company maker, the largest undrilled prospect in the Mediterranean
- ✓ Shoot 3D seismic programme offshore Tunisia and Italy
- ✓ Reprocess 1000km of 2D seismic in Chorbane and drill best prospect in 2010
- ✓ Reprocess existing and acquire new 2D seismic in Australian permit

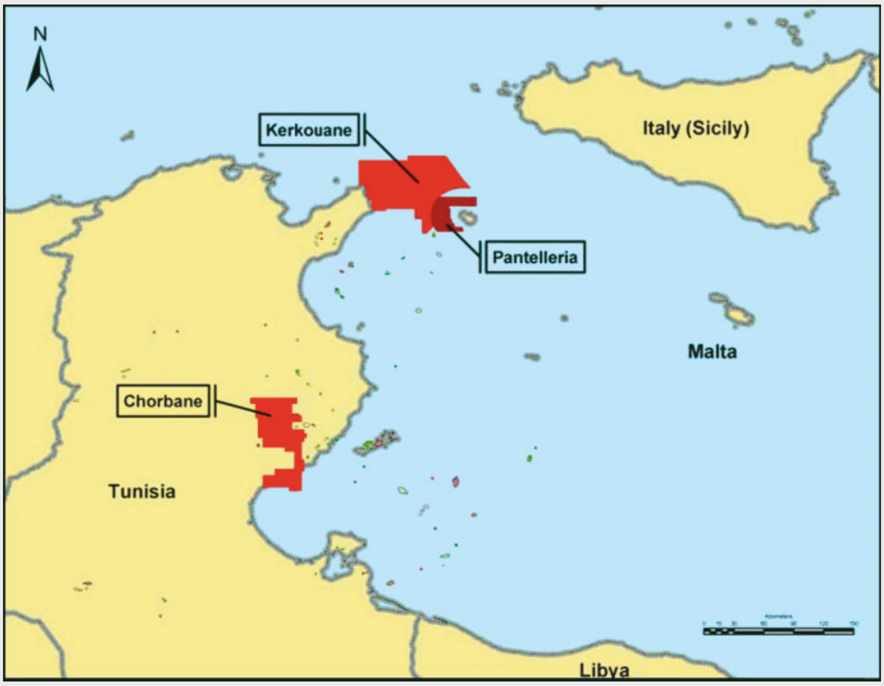
Operations Review

Paul Fink

Executive Technical Director

Director since February 2008

TUNISIA & ITALY



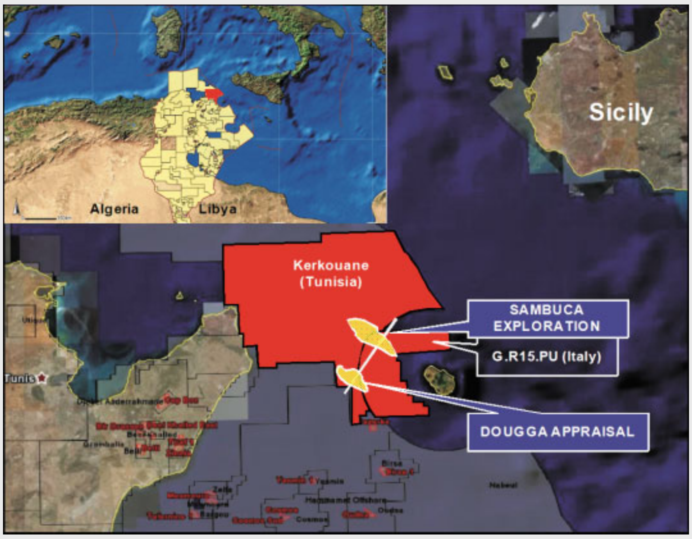
Kerkouane and Pantelleria Licenses
Operator: AuDAX
Interest: 60% interest in Sambuca Prospect Area, 100% in remaining license areas

The permits are contiguous across Italy and Tunisia and comprise an area of 4504 km^2 (Kerkouane - 3847 km^2; G.R15.PU (Pantelleria – 657 km^2). Both Italy and Tunisia offer attractive fiscal terms within a politically stable region and a producing hydrocarbon province.

During the year we continued to mature the prospect portfolio and further substantiated the large resource potential which is in now excess of one billion barrels of oil equivalent (un-risked P50 recoverable resources). This also includes the Dougga-1 gas condensate discovery for which we have undertaken a detailed development concept and costing study and a competent person's review. The independent evaluation was carried out by Tracs International – a leading UK based reserves evaluation company. The conclusions are that the most likely sales gas and condensate resources are 75 mmboe with an upside of 117 mmboe and liquids contents of 42 mmbbls and 65 mmbbls, respectively. Project NPV(10) for the most likely resources is 1.123 Billion USD assuming 80 USD/bbl of condensate price in 2014.

Operations Review (continued)

Whilst these results have confirmed our enthusiasm for a future Dougga appraisal well and field development, our operational focus during the year was on the Sambuca exploration prospect.



The Sambuca prospect is a multi-target prospect with over 60 km^2 of structural closure that results in P-50 resources of 270 million barrels of oil equivalent and an upside of 640 million barrels for both the Tertiary and Cretaceous targets.

Whilst the primary target is a Tertiary age oil reservoir with very high flow rates seen in nearby wells (+20,000 bbls/day), Sambuca also has the same Cretaceous target as found in Dougga with the potential of another large gas condensate discovery. This would then prove together with Dougga a most likely gas resource in the order of 1 Tcf and 70 mmbbls of condensate. Dougga is located only 15 kilometres from Sambuca.

We have signed a MoU with PGS – a leading offshore 3D seismic contractor – with the objective to cover Sambuca, Dougga and a number of close by prospects with 3D Geostreamer seismic – a leading edge technology usually not available to smaller companies. The objective of the MoU is to conclude a farm – in where PGS (Ventures) will pay a promote for the 3D seismic program and fund a share of the Sambuca well in exchange for 15% equity. This approach adds substantial shareholder value through risk reduction and identification and quantification of new prospects. This exciting technical and commercial possibility was the reason for replacing a 2D survey.

A large part of our technical activities revolved around the drilling of the Sambuca well. Whilst the world economic crisis did not allow us to secure a semi submersible rig for 2009 we have continued our detailed drilling preparations for the Sambuca well. As a result of the economic downturn we however expect a reduction of rig rates. We have completed the selection of a well location on the Tunisian side of Sambuca in order to limit our exposure to only one commitment well. Environmental studies and a detailed well design program have been completed. The AuDAX drilling management team has established a base in Tunisia and sent out the semi-submersible rig tenders to 15 companies in late July 2009.

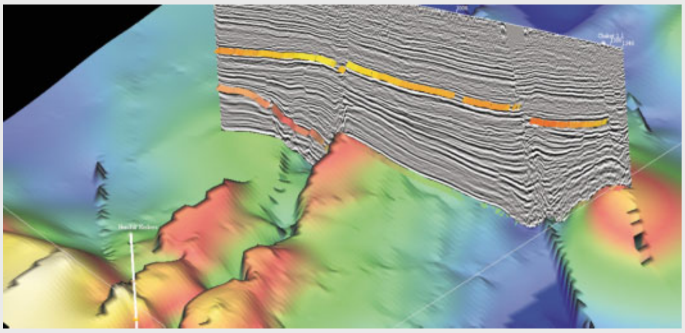
DELIVERING SHAREHOLDER VALUE

- ✓ MoU with PGS – Ventures: Apply leading edge 3D seismic technology and secure funding in exchange for equity
- ✓ Drilling preparations for Sambuca prospect in Tunisia well advanced
- ✓ Dougga gas condensate discovery competent person’s report with 75 mmboe of resources and an upside of 117 mmboe.

Chorbane License
Operator: AuDAX
Interest: 100%

The Tunisian Chorbane block is on trend with the Jurassic through Tertiary proven petroleum systems and lies immediately west of a number of producing fields and discoveries. The resulting excellent infrastructure in and around Chorbane will allow a discovery to be tied into existing facilities very quickly.

Eight wells have been drilled on the property which clearly established the presence of reservoirs and hydrocarbons, however, modern seismic suggest that the well were not optimally located or not drilled to a depth adequate to test all prospective targets. The detailed exploration history study undertaken during the year has further decreased the play risk for Chorbane.



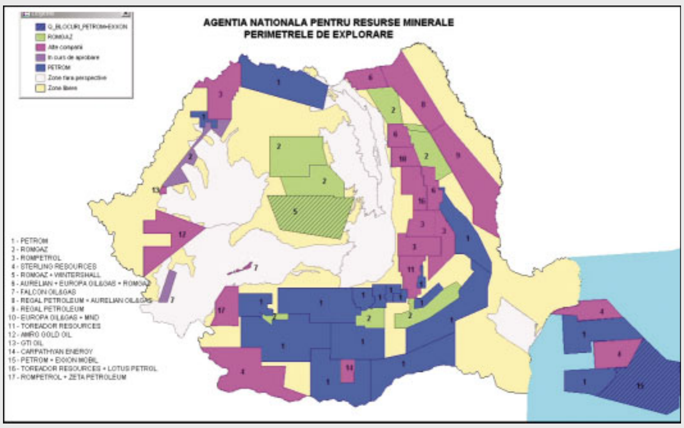
Due to the exit of a joint venture partner at the end of 2008 we have regained full control and commenced farmout activities in 2009. A favourable PSC (Production Sharing Contract) with the Tunisian government was negotiated and is now awaiting the official signing ceremony.

We have further progressed the technical work on the prospectivity evaluation and 2D seismic data reprocessing preparations. Whilst the shallow oil potential remains the primary exploration target we now also have identified and mapped a number of large deeper gas exploration and appraisal prospects which carry moderate exploration risk and have increased in value because of a maturing Tunisian local gas market, where the 135 kilometres offshore Miskar gas field (British Gas operated) is the only substantial domestic supply of gas.

The Sidi Daher prospect (shown with 2D seismic above) with several reservoir targets remains the leading drilling candidate amongst several other drillable prospects. It has a P50 resource potential of 55 million barrels of oil and 112 bcf of gas. Given the moderate onshore drilling cost the Chorbane block has an outstanding reward/risk ratio.

Romania AMI
Operator: AuDAX
Interest: 33.33%

During the year we have continued our technical evaluation of the most promising petroleum provinces of Romania and focus in detail on areas which are anticipated to become available in the near future through a large Petrom relinquishment. Whilst we also reviewed a number of producing assets the focus was on the significant overlooked and remaining exploration potential. In the first half of 2009 NAMR (The Romanian National Agency for Resources) published the relinquished areas, which form the basis for new bidding rounds.



We were very pleased to see that the relinquished exploration licenses (shown in yellow in the above NAMR map) coincide with the areas we had focused to work on during the year.

Operations Review (continued)

In addition to the anticipated Petrom relinquishment Romgas which is a partly state owned E&P company, also relinquished large exploration properties in their core area, the Transylvanian Basin which holds several multi-Tcf gas fields. We have reacted to this by complementing our international technical team with local Romanian personnel experienced in Transylvania.

On the corporate side we were very pleased to see NZOG (New Zealand Oil and Gas) taking a 33.33% share in the AMI. NZOG brings both financial and technical resources with previous Romanian experience to the AMI.

AUSTRALIA

PEL 182 – South Australia – Cooper Basin
Operator: AuDAX
Interest: 49.9%

PEL 182 is a largely under explored block in the Cooper Basin on trend with oil and gas discoveries.

Since AuDAX took over operatorship in May 2008 we have successfully negotiated a technically justifiable and optimised work commitment and achieved a permit suspension with PIRSA.

The suspension period has allowed AuDAX to focus exploration efforts and determine the value of the Vanessa gas condensate discovery and the nearby satellite structures which have been identified through a re-interpretation of the area. In addition to the gas resource potential the under explored oil potential has been evaluated and a number of new prospects identified. Since the upside oil resource potential is limited, we have invested in risk reduction. To that end we have successfully undertaken a detailed seismic data reprocessing study which delivered excellent results and significantly improved the structural confidence level. Following a positive feedback from PIRSA we are now looking forward to apply the new processing philosophy and sequence to a large part of the existing 2D seismic. We are confident that this will enhance the value of the asset through risk reduction, new prospects and ultimately result in increased shareholder value.

Mining Tenements – Western Australia
Operator: AuDAX, View Resources, Gondwana Resources, St Barbara Ltd, Strategic Energy, Enterprise Gold Mines

AuDAX continued to maintain its prospective gold and base metal projects. Our commercial focus during the year was on the Milrose and Marymia gold prospects where we reviewed options for new joint ventures and asset sale offers. We will continue to do so during the upcoming year.

PAUL FINK

TECHNICAL DIRECTOR

FOCUS & CONTROL

- ✓ **All oil & gas assets are operated**
- ✓ **AuDAX can implement its strategy and high technical standards through asset control and a strong international technical team**
- ✓ **Operatorship ensures cost control and efficiency**
- ✓ **Strong technical and commercial local country presence**

Corporate Governance Statement

This statement outlines the main corporate governance practices that were in place for the financial year. These corporate governance practices comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

Board of Directors

The Board operates in accordance with the broad principles set out in its charter, which is available from the corporate governance information section of the Company website at www.audax.com.au.

Role and Responsibilities of the Board

The Board is responsible for ensuring that the Company is managed in a manner which protects and enhances the interests of its shareholders and takes into account the interests of all stakeholders. This includes setting the strategic directions for the company, establishing goals for management and monitoring the achievement of these goals.

A summary of the key responsibilities of the Board include:

1. **Strategy** - Providing strategic guidance to the Group, including contributing to the development of and approving the corporate strategy;
2. **Financial performance** - Approving budgets, monitoring management and financial performance;
3. **Financial reporting and audits** - Monitoring financial performance including approval of the annual and half-year financial reports and liaison with the external auditors;
4. **Leadership selection and performance** - Appointment, performance assessment and removal of the Managing Director. Ratifying the appointment and/or removal of other senior management, including the Company Secretary and other Board members;
5. **Remuneration** - Management of the remuneration and reward systems and structures for Executive management and staff;
6. **Risk management** - Ensuring that appropriate risk management systems and internal controls are in place; and
7. **Relationships with the exchanges, regulators and continuous disclosure** - Ensuring that the capital markets are kept informed of all relevant and material matters and ensuring effective communications with shareholders.

The Board has delegated to management responsibility for:

- Strategies - Assisting in developing and implementing corporate strategies and making recommendations where necessary;
- Leadership selection and performance - Appointing management where applicable and setting terms of appointment and evaluating performance;
- Budgets - Developing the annual budget and managing day-to-day operations within budget;
- Risk Management - Maintaining risk management frameworks; and
- Communication - Keeping the Board and market informed of material events.

Composition of the Board

The names, skills, experiences and period of office of the Directors of the Company in office at the date of this Statement are set out in the Director's Report.

The composition of the Board is determined using the following principles:

- Persons nominated as Non-executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations. Persons nominated as Executive Directors must be of sufficient stature and security of employment to express independent views on any matter.
- The Chairperson should ideally be independent, but in any case be Non-executive and be elected by the Board based on his/her suitability for the position.
- The roles of Chairperson and Managing Director should not be held by the same individual.
- All Non-executive Directors are expected voluntarily to review their membership of the Board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and programme, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the Company.
- The Company considers that the Board should have at least three Directors (minimum required under the Company's Constitution) and strives to have a majority of independent Directors but acknowledges that this may not be possible at all times due to the size of the Company. Currently the Board has three Directors, none who are independent. The number of Directors is maintained at a level which will enable effective spreading of workload and efficient decision making.

The Board has accepted the following definition of an independent Director:

"An independent Director is a Director who is not a member of management (a Non-executive Director) and who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an Executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Company or another group member;
- is not a significant consultant, supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Company or another group member other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company."

AuDAX considers a significant consultant, supplier or customer to be material if the total of their annual invoices amounts to more than 5% of the Company's total expenditure in that category.

Independent Professional Advice and Access to Company Information

Each Director has the right of access to all relevant Company information and to the Company's Executives and, subject to prior consultation with the Chairperson, may seek independent professional advice at the Company's expense. A copy of advice received by the Director is made available to all other members of the Board.

Nomination Committee / Appointment of New Directors

Because of the size of the Company and the size of the Board, the Directors do not believe it is appropriate to establish a separate Nomination Committee. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the web.

The composition of the Board is reviewed on an annual basis to ensure the Board has the appropriate mix of expertise and experience. Where a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board determines the selection criteria for the position based on the skills deemed necessary for the Board to best carry out its responsibilities and then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

Term of Office

Under the Company's Constitution, the minimum number of Directors is three. At each Annual General Meeting, one third of the Directors (excluding the Managing Director) must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election.

Performance of Directors and Managing Director

The performance of all Directors, the Board as a whole and the Managing Director is reviewed annually.

The Board meets once a year with the specific purpose of conducting a review of its composition and performance. This review includes:

- Determining the appropriate balance of skills and experience required to suit the Company's current and future strategies;
- Comparing the requirements above against the skills and experience of current Directors and Executives;
- Assessing the independence of each Director;
- Measuring the contribution and performance of each Director;
- Assessing any education requirements or opportunities; and
- Recommending any changes to Board procedures, Committees or the Board composition.

A review was undertaken during the year ended 30 June 2009.

Performance of Senior Executives

The Board meets at least annually to review the performance of senior Executives, considerations include the following:

- The performance of the senior Executive in supplying the Board with information in a form, timeframe and quality that enables the Board to effectively discharge its duties;
- Feedback from other senior Executives; and
- Any particular concerns regarding the senior Executive.

There were no senior executives during the year, so no review was held.

Conflict of Interest

In accordance with the Corporations Act 2001 and the Company's constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the Board meeting whilst the item is considered. Details of Directors related entity transactions with the Company and Group are set out in the related parties note in the financial statements.

Remuneration

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre Executives;
- Link Executive rewards to shareholder value; and
- Establish appropriate performance hurdles in relation to variable Executive remuneration.

A full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and Executives in the current period is included in the remuneration report, which is contained within the Report of the Directors.

There are no schemes for retirement benefits for Non-executive Directors, other than superannuation.

Board Remuneration Committee

Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered efficient for AuDAX. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and payments are provided to shareholders in the remuneration report in the Directors Report and on the web.

Risk Oversight and Management

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

A summary of the risks recognised by the Board can be found in the corporate governance information section of the Company website at www.audax.com.au.

Considerable importance is placed on maintaining a strong control environment. The Board actively promotes a culture of quality and integrity.

Control procedures cover management accounting, financial reporting, compliance and other risk management issues.

The Board encourages management accountability for the Company's financial reports by ensuring ongoing financial reporting during the year to the Board. Annually, the Company Secretary (who is responsible for preparing the financial reports) and the Managing Director are required to state in writing to the Board that in all material respects:

Declaration required under s295A of the Corporations Act 2001 –

- the financial records of the Group for the financial year have been properly maintained;

- the financial statements and notes comply with the accounting standards;
- the financial statements and notes for the financial year give a true and fair view; and
- any other matters that are prescribed by the Corporations Act regulations as they relate to the financial statements and notes for the financial year are satisfied.

Additional declaration required as part of corporate governance –

- the risk management and internal compliance and control systems in relation to financial risks are sound, appropriate and operating efficiently and effectively.

These declarations were received for the June 2009 financial year.

Audit Committee

Due to the limited size of the Company and of its operations and financial affairs, the use of a separate audit committee is not considered appropriate for AuDAX. In addition to management's accountability, the Board assures integrity of the financial statements by:

(a) reviewing the Company's statutory financial statements to ensure the reliability of the financial information presented and compliance with current laws, relevant regulations and accounting standards;

(b) monitoring compliance of the accounting records and procedures, in conjunction with the Company's auditor, on matters overseen by the Australian Securities and Investments Commission, Australian Stock Exchange Limited ("ASX") and Australian Taxation Office;

(c) ensuring that management reporting procedures, and the system of internal control, are of a sufficient standard to provide timely, accurate and relevant information as a sound basis for management of the Group's business;

(d) reviewing audit reports and management letters to ensure prompt action is taken by the Company's management; and

(e) when required, nominating the external auditor and at least annually reviewing the external auditor in terms of their independence and performance in relation to the adequacy of the scope and quality of the annual statutory audit and half-year review and the fees charged.

Code of Conduct

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

The Code of Conduct embraces the values of:

- Integrity
- Excellence
- Commercial Discipline

The Board encourages all stakeholders to report unlawful/unethical behaviour and actively promotes ethical behaviour and protection for those who report potential violations in good faith.

Trading in AuDAX Securities by Directors, Officers and Employees

The Board has adopted a specific policy in relation to Directors and officers, employees and other potential insiders buying and selling shares.

Directors, officers, consultants, management and other employees are prohibited from trading in the Company's shares, options and other securities in the following circumstances:

- if they are in possession of price-sensitive information; and
- speculative trading for a short term gain.

The Code and the Company's trading policy are discussed with each new employee as part of their induction training.

The Code requires employees who are aware of unethical practices within the Company or breaches of the Company's trading policy to report these to the Company Secretary, Managing Director or Chairperson. This can be done anonymously.

The Directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

Market Disclosure Policies

The Board has a Market Disclosure Policy to ensure the compliance of the Company with the various laws and ASX Listing Rule obligations in relation to disclosure of information to the market. The Managing Director is responsible for ensuring that all employees are familiar with and comply with the policy.

AuDAX is committed to:

(a) ensuring that shareholders and the market are provided with timely and balanced information about its activities;

(b) complying with the general and continuous disclosure principles contained in the Australian Stock Exchange Limited ("ASX") Listing Rules and the Corporations Act 2001; and

(c) ensuring that all market participants have equal opportunities to receive externally available information issued by AuDAX.

Communication with Shareholders

The Company places significant importance on effective communication with shareholders.

Information is communicated to shareholders through the distribution of the annual and half yearly financial reports, quarterly reports on activities, announcements through the Australian Stock Exchange and the media, on the Company's web site and through the Chairman's address at the annual general meeting.

In addition, news announcements and other information are sent by email to all persons who have requested their name to be added to the email list. If requested, the Company will provide general information by email, facsimile or post.

The Company will, wherever practicable, take advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

Company Website

AuDAX has made available details of all its corporate governance principles, which can be found in the corporate governance information section of the Company website at www.audax.com.au.

Directors' Report

Your Directors present their report for the year ended 30 June 2009.

DIRECTORS

The names and particulars of the Directors of the Company in office during the financial year and up to the date of this report were as follows. Directors were in office for the entire year unless otherwise stated.

Gary Roper

Chairman (Appointed 10 December 2007)

Managing Director (Resigned 10 December 2007)

Director since 1985

Mr Roper has extensive administrative experience in both government and commerce, principally in the areas of tenement management and co-ordination of exploration staff and programmes. He was a founding Director of AuDAX and was Managing Director from 1987 to 2007.

Other directorships of listed companies in the last three years: Nil

Wolfgang Zimmer

PhD – Geology and Petrology

Executive Managing Director (Appointed 10 December 2007)

Dr Wolfgang Zimmer has 29 years experience in the oil and gas Industry. He received his Ph.D from the University of Vienna in Geology and Petrology. His career began with Mobil Oil in Vienna where he worked for 11 years primarily in Europe and the USA in oil and gas exploration and production.

In 1991 he joined OMV, the Austrian oil company, and fulfilled a variety of senior management roles for the next 15 years. He established OMV's Exploration and Production business in Australia and New Zealand and was its Managing Director for five years. He also has significant experience in North Africa having been the director of OMV's onshore and offshore production operations in Tunisia. Most recently he was the CEO of Grove Energy, a Canadian and UK listed oil and gas explorer which he successfully merged with another exploration company in 2007.

Other directorships of listed companies in the last three years: Nil

Paul Fink

MSc (Geophysics)

Executive Technical Director (Appointed 25 February 2008)

Mr Paul Fink is based in Vienna and has 18 years of petroleum exploration and production industry experience in technical and management positions. Mr Fink is a graduate from the Mining University of Leoben, Austria. He started his career as a processing geophysicist and then worked predominantly on international exploration and development projects and assignments in Austria, Libya, Bulgaria, UK, Australia and finally in Pakistan as Exploration and Reservoir Manager for OMV.

In 2005 he started his own petroleum consultancy business, which also allowed him to work on projects in Romania. Most recently he was working as the acting Vice President (Exploration) for Focus Energy, leading their highly successful exploration campaign in India, which included two discoveries, reserves certification, field development planning, successful petroleum licence bidding and an IPO on AIMS (London).

Other directorships of listed companies in the last three years: Nil

Gillian Evans

B Comm, CA (Canada)

Non-executive Director (Appointed 25 February 2008. Resigned 14 October 2008)

Ms Gillian Evans is based in Perth and is a chartered accountant, with extensive experience providing financial and commercial advice to international oil and gas companies over the past 20 years in Canada and Australia. Ms Evans has had significant experience in working with capital markets in a variety of countries and is experienced in communicating and liaising with investors, institutions, banks and analysts.

COMPANY SECRETARY

Peter Ironside B.Com, CA

Mr Ironside is a chartered accountant and business consultant with over 20 years experience in the exploration and mining industry. He has been a director and/or company secretary of several ASX listed companies.

Mr Ironside is a director of Ironside Pty Ltd, a corporate services company. Mr Ironside brings a significant level of accounting, compliance and corporate governance experience to the Board, together with support in the areas of corporate initiatives and capital raisings. Mr Ironside has been a director of listed companies, Integra Mining Limited, since 21 December 2000, and Atticus Resources Limited since 5 April 2007.

MEETINGS OF DIRECTORS

During the financial year, three meetings of directors were held. The number of meetings attended by each director during the year is as follows:

	Meetings Held [1]	Meetings Attended
G Roper	3	3
W Zimmer	3	3
P Fink	3	3
G Evans	1	1

[1] Number of meetings held during term of office.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

The following table sets out each director's relevant interest in shares and options in shares of the Company as at the date of this report.

Name of Director	Number of Shares	Number of Options
G Roper	8,692,232	1,000,000
W Zimmer	7,942,655	5,000,000
P Fink	1,900,000	3,500,000

CORPORATE INFORMATION

Corporate Structure

AuDAX Resources Ltd is a limited liability company that is incorporated and domiciled in Australia. AuDAX Resources Ltd has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

AuDAX Resources Ltd	–	parent entity
Alpine Oil & Gas Pty Ltd	–	100% owned Australian controlled entity
AuDAX Energy GmbH	–	100% owned Austrian controlled entity
AuDAX Energy Srl	–	100% owned Italian controlled entity

Principal Activity

The principal activities of the Group during the year were oil and gas exploration and mineral exploration. There were no significant changes in the nature of the principal activities during the year.

Financial summary

The net loss of the Group for the year, after provision for income tax, amounted to $3,115,750 (2008: $3,808,277).

The net loss includes an exploration writedown of $1,001,384 (2008: $2,588,966) relating to exploration costs for the Cooper Basin and on mining tenements.

During the year, AuDAX has invested in the acquisitions of the following oil and gas permits:

- In July 2008, the Company completed the acquisition of the Kerkouane permit in Tunisia and in October 2008, the acquisition of the Pantelleria G.R15.PU permit in Italy was completed. Acquisition costs totalled $1,882,728; and
- In June 2009, the acquisition of Chorbane was completed with the payment of a letter of credit to the Tunisian government in the amount of US$1,000,000.

Summary of financial position

AuDAX's cash reserves at 30 June 2009 were $942,236 (2008: $1,723,502). During the year, equity was injected into the Company with the following issues of shares:

- In August 2008, 22,222,222 shares at an issue price of 9 cents per share raising $2,000,000;
- In March 2009, 7,391,973 shares were issued as a Share Purchase Plan to shareholders at 3.24 cents raising $239,500;
- In April 2009, 17,600,000 shares were issued to sophisticated investors at an issue price of 5 cents raising $880,000 before costs;
- In June 2009, 10,000,000 shares were issued to institutional investors at an issue price of 11 cents raising $1,100,000 before costs.

Proceeds from the various capital raisings and option exercises were used to fund the permit acquisitions for Kerkouane and Pantelleria, the Chorbane letter of credit to the Tunisian government, Cooper Basin seismic program, exploration in Italy, Romania and Tunisia and for general working capital purposes.

REVIEW OF OPERATIONS

Information on the operations of the company during the year and the results of those operations are set out on pages 8 to 11.

DIVIDENDS

No dividends were paid or declared during the year. The Directors do not recommend payment of a dividend.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial year are detailed in the Operations Review and Financial Summary in this report.

FUTURE DEVELOPMENTS

The Company intends to continue its exploration programme on its existing permits, and to acquire further suitable permits for exploration and development. Additional comments on likely developments is included in the Operations Review.

ENVIRONMENTAL ISSUES

The Company's environmental obligations are regulated by the laws of the countries in which AuDAX has operations. The Company has a policy to either meet or where possible, exceed its environmental obligations. No environmental breaches have been notified by any governmental agency as at the date of this report.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director and Executive of AuDAX Resources Ltd. The information provided in the remuneration report includes remuneration disclosures that are audited as required by section 308(3C) of the Corporations Act 2001.

For the purposes of this report key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the parent company, and includes five Executives in the parent group receiving the highest remuneration.

For the purposes of this report the term "Executive" includes those key management personnel who are not directors.

Remuneration Committee

Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered efficient for AuDAX. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and payments are provided to shareholders in the annual report and on the web. The Board has adopted the following policies for Directors' and executives' remuneration.

A. Principles Used to Determine the Nature and Amount of Remuneration

Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre Executives;
- link Executive rewards to shareholder value; and
- establish appropriate, demanding performance hurdles in relation to variable Executive remuneration.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

Non-Executive directors' remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

Non-executive Directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act as at the time of the Director's retirement or termination. Non-executive Directors' remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which may be subject to shareholder approval in accordance with ASX listing rules. The option incentive portion is targeted to add to shareholder value by having a strike price considerably greater than the market price at the time of granting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers the amount of Director fees being paid by comparable companies with similar responsibilities and the experience of the Non-executive Directors when undertaking the annual review process.

Executive Director Remuneration

Objective

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward Executives for company, and individual performance;
- ensure continued availability of experienced and effective management; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of Executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable Executive roles.

Remuneration consists of a fixed remuneration and a long term incentive portion as considered appropriate.

Fixed Remuneration – Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board and the process consists of a review of Company and individual performance, and relevant comparative remuneration in the market. As noted above, the Board may engage an external consultant to provide independent advice.

Fixed Remuneration – Structure

The fixed remuneration is a base salary or monthly consulting fee.

Variable Pay — Long Term Incentives – Objective

The objective of long term incentives is to reward Executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the Executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

Variable Pay — Long Term Incentives – Structure

Long term incentives granted to Executives are delivered in the form of options. The option incentives granted are aimed to motivate Executives to pursue the long term growth and success of the Company within an appropriate control framework and demonstrate a clear relationship between key Executive performance and remuneration. Director options are granted at the discretion of the Board and approved by shareholders. Other key management employees may be granted options under AuDAX's employee incentive scheme. Performance hurdles are not attached to vesting periods, however the Board determines appropriate vesting periods to provide rewards over a period of time to key management personnel.

During 2009 there were no performance related payments made.

B. Service Agreements

Executive director employment contracts

The Managing Director, Wolfgang Zimmer, and the Technical Director, Paul Fink, are employed under contract. These contracts have an initial period of 36 months, from December 2007 for Wolfgang Zimmer, and January

2008 for Paul Fink. Either the Director or the Company may terminate the contract with three months written notice.

C. Details of Remuneration

Directors

The following persons were directors of AuDAX Resources Ltd during the financial year:

Gary Roper	—	Chairman
Wolfgang Zimmer	—	Managing Director
Paul Fink	—	Technical Director
Gillian Evan	—	Director. Resigned 14 October 2008

Other Key Management Personnel (employees and consultants)

The following person was a key management person of AuDAX Resources Ltd during the financial year:

Peter Ironside	—	Company Secretary

There were no other persons that fulfilled the role of a key management person, other than those disclosed as Executive Directors.

Details of the remuneration of each Director and named executive officer of the Company, including their personally-related entities, during the year was as follows:

		Primary Benefits		Post Employment		Share Based			
	Year	Cash salary and consulting fees $	Motor vehicle $	Super-annuation $	Other $	Shares $	Options $	Total $	Remuneration consisting of options during the year
Directors									
G Roper	**2009**	**95,000**	**22,884**	**5,850**	**4,469**	–	**32,250**	**160,453**	**20.1%**
	2008	130,000	49,907	11,700	–	–	10,750	202,357	**5.3%**
W Zimmer (1)	**2009**	**295,070**	–	–	–	–	**139,500**	**434,570**	**32.1%**
	2008	245,830	–	–	–	–	40,250	286,080	14.1%
P Fink (2)	**2009**	**250,106**	–	–	–	–	**97,650**	**347,756**	**28.1%**
	2008	166,664	–	–	–	–	28,175	194,839	14.5%
G Evans (3)	**2009**	**15,000**	–	–	–	–	–	**15,000**	–
	2008	20,000	–	–	–	–	28,175	48,175	58.5%
L Beal (4)	**2009**	**–**	–	–	–	–	–	–	–
	2008	74,625	–	1,755	78,933 (5)	–	–	155,313	–
P Barber (4)	**2009**	**–**	–	–	–	–	–	–	–
	2008	41,683	–	–	–	–	45,879	87,562	52.4%
Other Key Management Personnel									
P Ironside	**2009**	**18,000**	–	–	–	**18,000**	**3,367**	**39,367**	**8.6%**
	2008	30,120	–	–	–	–	–	30,120	–

(1) Appointed 10 December 2007. Remuneration for 2008 includes consulting fees prior to becoming a Director.

(2) Appointed 25 February 2008. Remuneration for 2008 includes consulting fees prior to becoming a Director.

(3) Appointed 25 February 2008. Resigned 14 October 2008.

(4) Resigned 25 February 2008.

(5) Other post employment benefits paid to L Beal in 2008 was a motor vehicle gifted in consideration for the 19 years of service Mr Beal had given AuDAX.

There were no performance related payments made during the year. Performance hurdles are not attached to remuneration options, however the Board determines appropriate vesting periods to provide rewards over a period of time to key management personnel.

D. Share-Based Compensation

The following options were granted as equity compensation benefits to Directors and Executives during the year. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the Company at various exercise prices with various expiry dates.

	Terms and Conditions of Each Grant						
2009	**Number of Granted Options for Year that Vested During Year**	**Granted Number**	**Grant Date**	**Value per Option at Grant Date $**	**Exercise Price $**	**First Exercise Date**	**Last Exercise Date**
Directors							
Nil granted							
Other Key Management Personnel							
P Ironside	–	750,000	22/06/09	0.064	0.20	30/06/10	01/07/11
P Ironside	–	500,000	22/06/09	0.074	0.25	30/06/11	01/07/12
P Ironside	–	500,000	22/06/09	0.083	0.30	30/06/12	01/07/13
TOTAL	–	1,750,000					

2008							
Directors							
G Roper	–	1,000,000	18/04/08	0.043	0.30	22/04/09	22/04/10
W Zimmer	–	2,000,000	18/04/08	0.043	0.30	22/04/09	22/04/10
W Zimmer	–	1,500,000	18/04/08	0.056	0.35	22/04/10	22/04/11
W Zimmer	–	1,500,000	18/04/08	0.066	0.40	22/04/11	22/04/12
P Fink	–	1,400,000	18/04/08	0.043	0.30	22/04/09	22/04/10
P Fink	–	1,050,000	18/04/08	0.056	0.35	22/04/10	22/04/11
P Fink	–	1,050,000	18/04/08	0.066	0.40	22/04/11	22/04/12
G Evans	–	1,400,000	18/04/08	0.043	0.30	22/04/09	22/04/10
G Evans	–	1,050,000	18/04/08	0.056	0.35	22/04/10	22/04/11
G Evans	–	1,050,000	18/04/08	0.066	0.40	22/04/11	22/04/12
TOTAL	–	13,000,000					

The Black-Scholes Option Pricing Model was used to value the options issued as share-based payments. Refer to note 23 'Share based payments' in the notes to the financial statements for variables used in the models.

3,500,000 options granted to G Evans were forfeited during the year upon her resignation as a Director. No other key management personnel options lapsed or were forfeited during the year (2008: nil).

Shares issued to Key Management Personnel on exercise of compensation options

During 2009, there were no compensation options exercised by Directors or other Key Management Personnel.

During 2008 the following compensation options were exercised by Key Management Personnel:

2008	Shares Issued Number	Paid per Share $	Intrinsic Value per Exercised Option ($)
Directors			
P Barber	1,000,000	0.10	0.08
P Barber	1,000,000	0.15	0.03
Other Key Management Personnel			
P Ironside	400,000	0.15	0.11
	2,400,000		

Indemnification and Insurance of Officers

The Company has paid a premium to insure the Directors and Officers of the Company and its controlled entities. Details of the premium are subject to a confidentiality clause under the contract of insurance.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group.

Shares Under Option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

	Number	Exercise Price	Exercise Date
Unlisted Options	1,250,000	15 cents	On or before 31/12/2010
Unlisted Options	5,800,000	30 cents	Between 22/04/2009 and 21/04/2010
Unlisted Options	3,600,000	35 cents	Between 22/04/2010 and 21/04/2011
Unlisted Options	3,600,000	40 cents	Between 22/04/2011 and 21/04/2012
Unlisted Options	700,000	30 cents	Between 13/05/2009 and 13/05/2010
Unlisted Options	525,000	35 cents	Between 13/05/2010 and 13/05/2011
Unlisted Options	525,000	40 cents	Between 13/05/2011 and 13/05/2012
Unlisted Options	2,250,000	20 cents	Between 30/06/2010 and 01/07/2011
Unlisted Options	1,500,000	25 cents	Between 30/06/2011 and 01/07/2012
Unlisted Options	1,500,000	30 cents	Between 30/06/2012 and 01/07/2013
	21,250,000		

No option holder has any right under the options to participate in any other share issue of the Company or any other related entity.

No share options were exercised by employees or Key Management Personnel during the year.

Subsequent Events

The following events occurred after the balance sheet date:

In August 2009, AuDAX announced a placement of 25,160,000 shares at an issue price of 10 cents per share to raise $2,516,000. Funds raised from this issue will be utilised for the Company's working capital and the placement of a bond with the Tunisian Government for the Kerkouane licence as the next step towards the drilling of the Sambuca Prospect proposed for the first half of next year.

Subsequent Events (continued)

On 4 September 2009, AuDAX announced it had signed a term sheet to secure a A$20million facility with Trafalgar Capital Specialised Investment Fund ("Trafalgar"). Subject to certain terms and conditions, AuDAX may, at its discretion, issue shares to Trafalgar at any time over the next 30 months. The term sheet is subject to execution of the formal agreement.

Audit Independence and Non-Audit Services

Auditors' independence – section 307C

The following is a copy of a letter received from the Company's auditors:

> "Dear Sirs,
>
> In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:
>
> i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2009 annual financial statements; and
>
> ii) no contraventions of any applicable code of professional conduct in relation to the audit.
>
> Frank Vrachas (Lead auditor)
>
> Rothsay Chartered Accountants"

The Company's auditors received, or are due to receive, the following amounts for the provision of audit and non-audit services.

	2009	2008
	$	$
Auditors' remuneration		
• auditing the accounts	30,500	28,000
• taxation services	5,000	2,800

The Board is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of AuDAX Resources Ltd support and adhere to the principles of corporate governance. The Company's Corporate Governance Statement is contained in this annual report.

Signed in accordance with a resolution of Directors.

Wolfgang Zimmer

Managing Director

Dated this 4th day of September 2009

Directors' Declaration

1. In the opinion of the directors:

   a) The financial statements and notes are in accordance with the Corporations Act 2001, including:

      i) giving a true and fair view of the Company's and Group's financial position as at 30 June 2009 and of their performance for the year then ended; and

      ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) 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.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2009.

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

Wolfgang Zimmer
Managing Director

Dated this 4th day of September 2009

Income Statement

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Revenue and Income					
Interest revenue		51,904	76,189	51,423	75,027
Other income	2(a)	31,777	1,300,767	2,921	1,294,988
		83,681	1,376,956	54,344	1,370,015
Expenses					
Administration and corporate expenses, net of recoveries from exploration projects	2(b)	624,270	1,230,632	541,290	1,032,718
Exploration expensed	2(b)	2,527,517	3,768,026	1,223,336	2,588,966
Finance costs – interest		–	1,404	–	1,404
Other	2(b)	47,182	185,171	1,615,915	1,554,042
Total expenses		3,198,969	5,185,233	3,380,541	5,177,130
Loss before income tax		**(3,115,288)**	**(3,808,277)**	**(3,326,197)**	**(3,807,115)**
Income tax expense	3	462	–	–	–
Loss after income tax attributable to members of AuDAX Resources Ltd		**(3,115,750)**	**(3,808,277)**	**(3,326,197)**	**(3,807,115)**

		Cents per Share	Cents per Share
Basic loss per share	4	(1.60)	(2.51)

Balance Sheet

AS AT 30 JUNE 2009

		Consolidated		Company	
	Note	2009 $	2008 $	2009 $	2008 $
ASSETS					
Current Assets					
Cash and cash equivalents	5	942,236	1,723,502	801,256	1,488,003
Trade and other receivables	6	185,332	510,437	127,993	453,764
Other financial assets at fair value	7	13,913	61,095	13,913	61,095
Other current assets	8	70,773	155,700	–	–
Total Current Assets		1,212,254	2,450,734	943,162	2,002,862
Non-Current Assets					
Receivables	6	1,267,113	34,076	5,073,658	722,227
Other financial assets	9	–	–	–	1,538,036
Property, plant and equipment	10	119,719	91,028	9,915	12,415
Deferred exploration expenditure	11	6,157,815	3,242,737	2,505,038	3,242,737
Intangible assets	12	–	1,770,000	–	–
Total Non-Current Assets		7,544,647	5,137,841	7,588,611	5,515,415
Total Assets		8,756,901	7,588,575	8,531,773	7,518,277
LIABILITIES					
Current Liabilities					
Trade and other payables	13	371,162	306,992	213,572	242,353
Interest-bearing liabilities	14	–	58,982	–	58,982
Provisions	15	6,346	27,053	6,346	27,053
Total Current Liabilities		377,508	393,027	219,918	328,388
Non-Current Liabilities					
Provisions	15	12,146	–	12,146	–
Total Non-Current Liabilities		12,146	–	12,146	–
Total Liabilities		389,654	393,027	232,064	328,388
Net Assets		**8,367,247**	**7,195,548**	**8,299,709**	**7,189,889**
Equity					
Issued capital	16	41,493,509	37,444,507	41,493,509	37,444,507
Reserves	17	3,776,284	3,537,837	3,918,031	3,531,016
Accumulated losses		(36,902,546)	(33,786,796)	(37,111,831)	(33,785,634)
Total Equity		**8,367,247**	**7,195,548**	**8,299,709**	**7,189,889**

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2009

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
CONSOLIDATED				
At 30 June 2007	**29,400,807**	**3,205,262**	**(29,978,519)**	**2,627,550**
Total income and expenses for the year	–	–	(3,808,277)	(3,808,277)
Issue of share capital, net of transaction costs	8,043,700	–	–	8,043,700
Share based payments	–	325,754	–	325,754
Currency translation differences	–	6,821	–	6,821
At 30 June 2008	**37,444,507**	**3,537,837**	**(33,786,796)**	**7,195,548**
Total income and expenses for the year	–	–	(3,115,750)	(3,115,750)
Issue of share capital, net of transaction costs	4,049,002	–	–	4,049,002
Share based payments	–	387,015	–	387,015
Currency translation differences	–	(148,568)	–	(148,568)
At 30 June 2009	**41,493,509**	**3,776,284**	**(36,902,546)**	**8,367,247**

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
COMPANY				
At 30 June 2007	**29,400,807**	**3,205,262**	**(29,978,519)**	**2,627,550**
Total income and expenses for the year	–	–	(3,807,115)	(3,807,115)
Issue of share capital, net of transaction costs	8,043,700	–	–	8,043,700
Share based payments	–	325,754	–	325,754
At 30 June 2008	**37,444,507**	**3,531,016**	**(33,785,634)**	**7,189,889**
Total income and expenses for the year	–	–	(3,326,197)	(3,326,197)
Issue of share capital, net of transaction costs	4,049,002	–	–	4,049,002
Share based payments	–	387,015	–	387,015
At 30 June 2009	**41,493,509**	**3,918,031**	**(37,111,831)**	**8,299,709**

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Cash flows from operating activities					
Receipts in the ordinary course of activities		45,206	17,898	45,206	12,119
Payments to suppliers & employees, including for exploration expensed		(1,752,832)	(1,206,001)	(347,222)	(757,008)
Interest received		51,904	76,189	51,423	75,027
Interest paid		–	(1,404)	–	(1,404)
Net cash flows used in operating activities	5(i)	(1,655,722)	(1,113,318)	(250,593)	(671,266)
Cash flows from investing activities					
Proceeds from sale of equity investments		–	320,310	–	320,310
Proceeds from sale of property, plant and equipment		–	998,113	–	998,113
Payments for plant and equipment		(4,235)	(102,146)	–	–
Payments for exploration expenditure capitalised		(2,187,351)	(3,962,679)	(232,963)	(3,962,679)
Receipts from exploration refunds		122,289	–	122,289	–
Payments made on behalf of joint venture partners and ventures		(815,330)	(1,094,829)	(451,594)	–
Receipts from exploration partners and ventures		1,012,966	1,159,467	520,868	–
Payments for bonds		(1,247,505)	(54,076)	–	(37,000)
Cash held by subsidiary at acquisition		–	9,567	–	–
Acquisition of subsidiary		–	(30,696)	–	(30,696)
Incorporation of subsidiary		–	–	–	(17,340)
Loans to subsidiaries		–	–	(4,382,128)	(705,228)
Net cash flows used in investing activities		(3,119,166)	(2,756,969)	(4,423,528)	(3,434,520)
Cash flows from financing activities					
Proceeds from issue of shares and options		4,219,485	5,436,481	4,219,485	5,436,481
Payment of share issue costs		(173,129)	(227,106)	(173,129)	(227,106)
Hire purchase repayments		(58,982)	(14,220)	(58,982)	(14,220)
Net cash flows from financing activities		3,987,374	5,195,155	3,987,374	5,195,155
Net increase/(decrease) in cash and cash equivalents held		(787,514)	1,324,868	(686,747)	1,089,369
Net foreign exchange differences		6,248	–	–	–
Add opening cash and cash equivalents brought forward		1,723,502	398,634	1,488,003	398,634
Closing cash and cash equivalents carried forward	5	**942,236**	**1,723,502**	**801,256**	1,488,003

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, with the exception of derivative financial instruments which have been measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

(c) Adoption of new and revised standards

The Group has reviewed all of the Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2009. It has been determined by the Group that there is no material impact of the new and revised Standards and Interpretations on its business.

- AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8. This now requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. This is not expected to be significantly different from current disclosures.

- Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements.

- AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations. These amendments to AASB 2 amend the definition of vesting conditions. To date AuDAX has not issued any options with non-vesting conditions and as such there will be no significant impact.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of AuDAX Resources Ltd ("Company" or "Parent Entity") and its subsidiaries as at 30 June each year (the Group).

The financial statements of the subsidiaries are prepared for the same period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Note 1 – Summary of Significant Accounting Policies (continued)

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

(e) Business combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange, adjusted for any conditions imposed on those shares. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

All identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

(f) Foreign currency translation

Both the functional and presentation currency of AuDAX Resources Ltd and its Australian subsidiaries is Australian Dollars, while for the subsidiaries with operations overseas, namely Alpine Oil & Gas Pty Ltd, AuDAX Energy GmbH and AuDAX Energy Srl it is Euros.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date.

As at the reporting date the assets and liabilities of the subsidiaries operating overseas are translated into the presentation currency of AuDAX Resources Ltd at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period.

The exchange differences arising on the retranslation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

(g) Interest in a jointly controlled operation

The Group has an interest in a joint venture that is a jointly controlled operation. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Group recognises its interest in the jointly controlled operation by recognising its interest in the assets and the liabilities of the joint venture. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operation.

Note 1 – Summary of Significant Accounting Policies (continued)

(h) Significant accounting estimates and judgments

Significant accounting judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Exploration assets

The Group's accounting policy for exploration expenditure is set out at Note 1(m). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(ii) Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

(iii) Commitments – Exploration

The Group has certain minimum exploration commitments to maintain its right of tenure to exploration permits. These commitments require estimates of the cost to perform exploration work required under these permits.

(i) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

Note 1 – Summary of Significant Accounting Policies (continued)

(j) Trade and other receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months. Cash on deposit is not due for settlement until rights of tenure are forfeited or performance obligations are met.

(k) Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

(l) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – 2 to 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(m) Exploration and evaluation expenditure

Costs related to the acquisition of properties that contain resources are allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined.

Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest.

Such costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations are continuing. Accumulated costs in relation to an abandoned area are written off to the income statement in the period in which the decision to abandon the area is made.

The Directors review the carrying value of each area of interest as at the balance date and any exploration expenditure which no longer satisfies the above policy is written off.

Once an area of interest enters the development phase, all capitalised acquisition, exploration and evaluation expenditures will be transferred to mineral development or oil and gas properties, as appropriate.

Note 1 – Summary of Significant Accounting Policies (continued)

(n) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

(o) Investments and other financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in profit or loss. The fair values of quoted investments are based on last trade prices. If the market for financial assets is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques.

(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. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Note 1 – Summary of Significant Accounting Policies (continued)

(p) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level consistent with the methodology outlined for goodwill above. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

(q) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(s) Employee leave benefits

(i) Wages, salaries and, annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave and expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Note 1 – Summary of Significant Accounting Policies (continued)

(t) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(v) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to executive directors, employees and consultants of the Group in the form of share-based payments, whereby those individuals render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with these individuals is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of AuDAX Resources Ltd (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant individuals become fully entitled to the award (the vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the grant date fair value of the award;

(ii) the extent to which the vesting period has expired; and

(iii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest taking into account such factors as the likelihood of non-market performance conditions being met.

This opinion is formed based on the best available information at balance date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. If an equity-settled award is forfeited, any expense previously recognised for the award is reversed. However, if a new award is substituted for a cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(w) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(x) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation

Note 1 – Summary of Significant Accounting Policies (continued)

authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(y) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(z) Segment reporting

A business segment is a distinguishable component that the entity undertakes. Management has determined that the AuDAX group has two industry segments being petroleum exploration and mineral exploration. A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. Geographically, the consolidated entity operates in Europe/Africa (Romania, Italy and Tunisia, considered as one area due to their relative close proximity) and Australia.

		Consolidated		Company	
		2009	2008	2009	2008
		$	$	$	$
Note 2 – Revenue and Expenses					
(a) Other Income					
Net gain on sale of property, plant and equipment		–	954,604	–	954,604
Gain on farm-out of tenement		–	330,000	–	330,000
Other		31,777	16,163	2,921	10,384
		31,777	1,300,767	2,921	1,294,988
(b) Expenses					
Administration and corporate expenses include:					
Depreciation		28,772	51,551	2,500	27,935
Operating lease rental expense		104,223	38,120	33,733	38,120
Share based payments – options	23	289,365	280,079	289,365	280,079
Share based payments – shares	23	50,296	–	50,296	–
Net expense from movement in provision for employee entitlements		(8,561)	2,848	(8,561)	2,848
Exploration expenses include:					
Impairment of deferred exploration	11	1,001,384	2,588,966	1,001,384	2,588,966
Amortisation of deferred assets	8	84,927	363,300	–	–
Impairment of deferred assets	12	–	590,000	–	–
Share based payment – shares	23	50,000	–	50,000	–
Other expenses include:					
Impairment of financial assets – shares		47,182	137,742	47,182	137,742
Impairment of intercompany investments	9	–	–	1,568,733	1,390,000
Loss on sale of financial assets – shares		–	26,300	–	26,300
Impairment of goodwill	9(b)	–	21,129	–	–

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Note 3 – Income Tax Expense				
(a) Income Tax Expense				
The reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable income tax rate is as follows:				
Loss for year	(3,115,288)	(3,808,277)	(3,326,197)	(3,807,115)
Prima facie income tax (benefit) @ 30%	(934,586)	(1,142,483)	(997,859)	(1,142,134)
Tax effect on non-deductible items	117,450	84,024	561,629	501,024
Tax differential	(1,963)	–	–	–
Deferred tax assets not brought to account	819,561	1,058,459	436,230	641,110
Income tax attributable to operating loss	462	–	–	–
(b) Deferred tax assets not recognised relate to the following:				
Tax losses	9,366,420	8,708,504	8,845,972	8,293,152
Other Timing Differences	5,548	–	5,548	–
	9,371,968	8,708,504	8,851,520	8,293,152

These deferred tax assets have not been brought to account as it is not probable that tax profits will be available against which deductible differences can be utilised.

(c) Franking Credits

The franking account balance at year end was $nil (2008: $nil).

(d) Tax Consolidation Legislation

AuDax Resources Ltd and its 100% owned Australian subsidiaries have not formed a tax consolidated group.

	Consolidated	
	2009	2008
Note 4 – Earnings per share	Cents	Cents
Basic loss per share	(1.60)	(2.51)
	$	$
Net loss used to calculate basic loss per share	(3,115,750)	(3,808,277)
	Number of shares	Number of shares
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	194,308,624	151,776,742

Diluted earnings per share is not disclosed because potential ordinary shares, being options granted, are not dilutive and their conversion to ordinary shares would not demonstrate an inferior view of the earnings performance of the Company.

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Note 5 – Cash and Cash Equivalents				
Cash at bank and on hand	942,236	322,640	801,256	87,141
Short term deposits	–	1,400,862	–	1,400,862
Total cash and cash equivalents	942,236	1,723,502	801,256	1,488,003
(i) Reconciliation of loss for the year to net cash flows used in operating activities				
Loss after income tax	(3,115,750)	(3,808,277)	(3,326,197)	(3,807,115)
Non-Cash Items:				
Depreciation	28,772	51,551	2,500	27,935
Share-based payments expensed – options	289,365	280,079	289,365	280,079
Share-based payments expensed – shares	100,296	–	100,296	–
Diminution in value of shares	47,182	137,742	47,182	137,742
Net gain on sale of investments	–	(303,700)	–	(303,700)
Net gain on sale of property, plant and equipment	–	(954,604)	–	(954,604)
Impairment of exploration assets	1,001,384	2,588,966	1,001,384	2,588,966
Impaired intangible asset	–	590,000	–	–
Amortisation of deferred costs	84,927	363,300	–	
Goodwill impairment on acquisition of subsidiary	–	21,129	–	
Foreign exchange gains	–	(7,654)	–	–
Exploration	(146,967)	–	–	–
Impairment on intercompany investment	–	–	1,568,733	1,390,000
Change in assets and liabilities:				
(Increase)/decrease in receivables	20,811	(86,534)	(47,798)	(30,861)
Increase/(decrease) in payables	42,819	11,836	122,503	(2,556)
Increase in provisions	(8,561)	2,848	(8,561)	2,848
Net cash flows used in operating activities	(1,655,722)	(1,113,318)	(250,593)	(671,266)

(ii) Non-Cash Financing and Investing Activities

During the current year, there were no non-cash financing or investing activities.

In the prior year, the following non-cash financing and investing activities occurred:

- 16,000,000 shares were issued in consideration for the acquisition of a 100% controlled entity ($2,880,000). Refer note 9.
- AuDAX entered into a farm-out agreement with View Resources Limited. Consideration included the issuance of 1,000,000 View Resource shares to AuDAX ($330,000).

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Note 6 – Trade and Other Receivables				
Current				
Cash held by joint venture	53,280	317,692	53,280	317,692
Cash on deposit – security bonds	20,000	20,000	20,000	20,000
GST refundable	29,473	–	25,221	–
Other	82,579	172,745	29,492	116,072
Total current receivables	185,332	510,437	127,993	453,764
Non-Current				
Cash on deposit – security bonds	1,248,958	17,000	17,000	17,000
Loan to controlled entities	–	–	5,056,658	705,227
Other	18,155	17,076	–	–
Total non-current receivables	1,267,113	34,076	5,073,658	722,227

Fair Value and Risk Exposures:

(i) Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

(ii) The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security.

(iii) Details regarding interest rate risk exposure are disclosed in note 26.

(iv) Other receivables generally have repayments between 30 and 90 days.

(v) Transactions between AuDAX and its subsidiaries consist of intercompany loans, upon which no interest is charged and no repayment schedule exists. These loans are payable on demand. The fair value approximates the carrying value of the receivable.

Receivables do not contain past due or impaired assets as at 30 June 2009 (2008: none).

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Note 7 – Other Current Financial Assets at Fair Value through Profit and Loss				
Current				
Listed equity securities held for trading	13,913	61,095	13,913	61,095

The fair value of listed securities has been determined by reference to published price quotations in an active market.

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Note 8 – Other Current Assets				
Deferred expenditure	519,000	519,000	–	–
Accumulated amortisation	(448,227)	(363,300)	–	–
	70,773	155,700	–	–

The deferred expenditure above relates to the acquisition of controlled entity, Alpine Oil & Gas Pty Ltd (note 9) and its interest in a Joint Study and Bidding Agreement ("JSBA") in Romania. This expenditure is being amortised over the period of the JSBA.

Note 9 – Other Financial Assets

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Non-Current				
Investment in unlisted controlled entities – at cost	–	–	2,958,733	2,928,036
Less provisions for impairment	–	–	(2,958,733)	(1,390,000)
	–	–	–	1,538,036
Movements in allowance for impairment:				
As at beginning of the year	–	–	1,390,000	–
Less allowance for impairment	–	–	1,568,733	1,390,000
	–	–	2,958,733	1,390,000

All allowance for impairment loss was recognised as there was objective evidence that the inter-company investments were impaired.

Name of Controlled Entity	Class of Share	Place of Incorporation	% Held by Parent Entity 2009	% Held by Parent Entity 2008
Alpine Oil & Gas Pty Ltd	Ordinary	Australia	100%	100%
AuDAX Energy GmbH	Ordinary	Austria	100%	100%
AuDAX Energy Srl	Ordinary	Italy	100%	100%

(a) In November 2007, AuDAX Resources Ltd acquired 100% of the shares of Alpine Oil & Gas Pty Ltd ("Alpine"), an unlisted company. Alpine's assets include a 33.33% free carried interest in a 1 million Euro (A$1.6m) Joint Study and Bidding Agreement ("JSBA") in Romania, a 33.33% participating interest in an Area of Mutual Interest ("AMI") to investigate and acquire oil and gas projects in Romania and a 33.33% participating interest in an AMI to investigate and acquire oil and gas projects in Tunisia.

The fair value of the identifiable assets of Alpine is as follows:

Assets acquired	**Note**	**$**
Shares in Alpine		1,000
Deferred current expenditure – JSBA	8	519,000
Intangible asset – AMI Romania	12	590,000
Intangible asset – AMI Tunisia	12	1,770,000
		2,880,000
Consideration		
16,000,000 shares in AuDAX Resources Ltd	16(b)	2,880,000

Note 9 – Other Financial Assets (continued)

(b) On 8 March 2008, AuDAX Resources Ltd acquired 100% of the shares of AuDAX Energy GmbH (previously ALP Energy GmbH), an unlisted company in Austria. Consideration paid was 17,500 Euro (A$30,696).

Assets acquired	**2008**
	$
Cash	9,567
Goodwill – written off	21,129
	30,696
Consideration	
Cash	30,696

(c) On 9 May 2008, AuDAX Resources Ltd incorporated a 100% owned subsidiary, AuDAX Energy Srl in Italy. The issued capital was 10,000 Euro (A$17,340).

	Consolidated		**Company**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Note 10 – Property, Plant and Equipment				
Motor vehicles, under hire purchase – at cost	124,157	124,157	124,157	124,157
Less: Accumulated depreciation	(114,242)	(111,742)	(114,242)	(111,742)
	9,915	12,415	9,915	12,415
Plant and equipment – at cost	161,926	102,147	–	–
Less: Accumulated depreciation	(52,122)	(23,534)	–	–
	109,804	78,613	–	–
Total property, plant and equipment	119,719	91,028	9,915	12,415
Reconciliation of property, plant and equipment:				
Land and Buildings				
Carrying amount at beginning of year	–	43,509	–	43,509
Disposals	–	(43,509)	–	(43,509)
Carrying amount at end of year	–	–	–	–
Motor Vehicle				
Carrying amount at beginning of year	12,415	40,350	12,415	40,350
Depreciation	(2,500)	(27,935)	(2,500)	(27,935)
Carrying amount at end of year	9,915	12,415	9,915	12,415

Note 10 – Property, Plant and Equipment (continued)

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Plant and Equipment				
Carrying amount at beginning of year	78,613	–	–	–
Additions	53,328	102,147	–	–
Depreciation	(26,772)	(23,534)	–	–
Currency translation differences	4,635	–	–	–
Carrying amount at end of year	109,804	78,613	–	–

Note 11 – Deferred Exploration Expenditure

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Deferred exploration costs brought forward	3,242,737	1,997,071	3,242,737	1,997,071
Capitalised expenditure incurred during the year	2,146,462	3,834,632	263,685	3,834,632
Costs transferred from intangible assets	1,770,000	–	–	–
Expenditure written off during the year	(1,001,384)	(2,588,966)	(1,001,384)	(2,588,966)
Deferred exploration costs carried forward	6,157,815	3,242,737	2,505,038	3,242,737

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas.

Impairment

Exploration and evaluation expenditure written off during the year relates to the oil and gas permits and mineral tenements. This is due to the low level of current and planned activity to assess the existence of economically recoverable reserves of the tenements.

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Note 12 – Intangible Assets				
Intangible asset – AMI Romania	–	590,000	–	–
Impairment of intangible asset	–	(590,000)	–	–
Intangible asset – AMI Tunisia	1,770,000	1,770,000	–	–
Transferred to deferred exploration expenditure upon acquisition of permit	(1,770,000)	–	–	–
	–	1,770,000	–	–

The intangible assets above relates to the acquisition of controlled entity, Alpine Oil & Gas Pty Ltd (note 9) and its interest in Areas of Mutual Interest ("AMI") to investigate and acquire oil and gas projects in Romania and Tunisia. During the prior year $590,000 was written off as the Company elected to terminate a potential acquisition of an interest in a permit in Romania.

During the current year, the remainder of the intangible assets were transferred to deferred exploration as the acquisition of the permits was finalised.

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Note 13 – Payables				
Trade creditors and accruals	371,162	306,992	213,572	242,353

Fair Value and Risk Exposures

(i) Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

(ii) Trade and other payables are unsecured and usually paid within 60 days of recognition.

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Note 14 – Interest Bearing Liabilities				
Current				
Hire purchase commitment	–	58,982	–	58,982

These commitments relate to a motor vehicle under hire purchase over 5 years at a rate of 8.95%. During the year this hire purchase was extinguished.

Note 15 – Provisions				
Current				
Employee entitlements	6,346	27,053	6,346	27,053
Non-current				
Employee entitlements	12,146	–	12,146	–

Note 16 – Issued Capital

(a) Issued Capital				
Ordinary shares fully paid	41,493,509	37,444,507	41,493,509	37,444,507

(b) Movements in Ordinary Share Capital

Number of Shares	Summary of Movements	Issue Price	$
120,678,060	Opening balance at 1 July 2007		29,400,807
17,350,000	Placement on 24 July 2007	7 cents	1,214,500
	Costs of placement		(6,705)
16,000,000	Shares issued to acquire controlled entity, refer note 9	18 cents	2,880,000
12,469,930	Placement on 22 January 2008	30 cents	3,740,980
200,000	Placement on 25 January 2008	30 cents	60,000
270,000	Placement on 5 February 2008	30 cents	81,000
	Costs of placements – cash		(220,400)
	Costs of placements – non cash (options granted)		(45,675)
2,600,000	Options exercised during the year	10 - 15 cents	340,000
169,567,990	Closing Balance at 30 June 2008		37,444,507

Note 16 – Issued Capital (continued)

(b) Movements in Ordinary Share Capital (continued)

Number of Shares	Summary of Movements	Issue Price	$
169,567,990	Opening balance at 1 July 2008		37,444,507
22,222,222	Placement on 8 September 2008	9 cents	1,999,992
	Costs of placement		(87,800)
7,391,973	Share placement plan	3.24 cents	239,492
	Costs of share placement plan		(21,728)
2,013,982	Shares issued in lieu of services on 9 April 2009	4.98 cents	100,296
17,600,000	Placement on 16 April 2009	5 cents	880,000
	Costs of placement		(5,600)
10,000,000	Placement on 2 June 2009	11 cents	1,100,000
	Costs of placement		(58,000)
	Costs of placement – non cash (prior year options granted)		(97,650)
228,796,167	Closing Balance at 30 June 2009		41,493,509

(c) Options on issue

	Number	Issue Price of Shares	Exercise Date
Unlisted Options	1,250,000	15 cents	On or before 31/12/2010
Unlisted Options	5,800,000	30 cents	Between 22/04/2009 and 21/04/2010
Unlisted Options	3,600,000	35 cents	Between 22/04/2010 and 21/04/2011
Unlisted Options	3,600,000	40 cents	Between 22/04/2011 and 21/04/2012
Unlisted Options	700,000	30 cents	Between 13/05/2009 and 13/05/2010
Unlisted Options	525,000	35 cents	Between 13/05/2010 and 13/05/2011
Unlisted Options	525,000	40 cents	Between 13/05/2011 and 13/05/2012
Unlisted Options	2,250,000	20 cents	Between 30/06/2010 and 01/07/2011
Unlisted Options	1,500,000	25 cents	Between 30/06/2011 and 01/07/2012
Unlisted Options	1,500,000	30 cents	Between 30/06/2012 and 01/07/2013
	21,250,000		

During the year:

(i) 5,250,000 unlisted options were granted as share-based payments (2008: 21,750,000);

(ii) 7,000,000 unlisted options were forfeited (2008: 1,000,000);

(iii) 27,630,047 listed options expired (2008: nil);

(iv) 3,000,000 unlisted options expired (2008: nil); and

(v) No options were exercised (2008: 2,600,000).

(d) Terms and conditions of contributed equity

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors are fully entitled to any proceeds of liquidations.

(e) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as maintains optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Note 16 – Issued Capital (continued)

(e) Capital management (continued)

Management may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. Management has no current plans to adjust the capital structure. There are no plans to distribute dividends in the next year.

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Note 17 – Reserves				
Share-based payments reserve	752,489	365,474	752,489	365,474
Option premium reserve	2,915,542	2,915,542	2,915,542	2,915,542
Asset revaluation reserve	250,000	250,000	250,000	250,000
Foreign currency translation reserve	(141,747)	6,821	–	–
	3,776,284	3,537,837	3,918,031	3,531,016
Share-based payments reserve				
Balance at the beginning of the year	365,474	39,720	365,474	39,720
Share-based payments	387,015	325,754	387,015	325,754
Balance at the end of the year	752,489	365,474	752,489	365,474

Nature and purpose of the reserve:

The Share-based payments reserve is used to recognise the fair value of options issued but not exercised.

Option premium reserve				
Option premium reserve	2,915,542	2,915,542	2,915,542	2,915,542

Nature and purpose of the reserve:

The option premium reserve is used to accumulate proceeds received from the issuing of options.

Asset revaluation reserve				
Asset revaluation reserve	250,000	250,000	250,000	250,000

Nature and purpose of the reserve:

The asset revaluation reserve is used to record increments and decrements in the value of non-current assets. This reserve can only be used to pay dividends in limited circumstances.

Foreign currency translation reserve				
Balance at the beginning of the year	6,821	–	–	–
Currency translation differences	(148,568)	6,821	–	–
Balance at the end of the year	(141,747)	6,821	–	–

Nature and purpose of the reserve:

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Note 18 – Contingencies

It is possible that native title, as defined in the Native Title Act 1993, might exist over land in which the Company has an interest in Australia. It is impossible at this stage to quantify the impact (if any) that the existence of native title may have on the operations of the Company.

Note 19 – Commitments

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
(a) Operating leases (non-cancellable):				
Within one year	117,224	71,924	15,000	–
More than one year but not later than five years	58,528	119,873	–	–
	175,752	191,797	15,000	–

These non-cancellable operating leases are primarily for office premises.

(b) Exploration commitments – Australia:

In order to maintain current rights of tenure to exploration tenements the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the relevant governments. These expenditure commitments may be varied as a result of renegotiations, relinquishments, farm-outs or sales.

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Within one year	700,000	1,200,000	700,000	1,200,000
More than one year but not later than five years	7,500,000	7,500,000	7,500,000	7,500,000
	8,200,000	8,700,000	8,200,000	8,700,000

(c) Commitments and Contingencies for Tunisian and Italian exploration permits

The Kerkouane permit held by AuDAX has a two year exploration period from 22 February 2008. Acquisition of 400 km 2D seismic and the drilling of one well is required in the two year period. A letter of credit is required by the Tunisian Ministry in the amount of US$1.5 million until commencement of drilling. As at 30 June 2009, this letter of credit has not yet been provided.

A US$1 million letter of credit was provided to the Tunisian Ministry for the Chorbane permit in June 2009. This bond is included in non-current receivables in this 2009 financial report. AuDAX is required to drill on the Chorbane permit prior to its expiry of 12 July 2010, or receive an extension of the expiry date to ensure the bond is recovered.

The Pantelleria permit requires AuDAX to drill or forfeit by the expiration date which is currently suspended until the spud date of the well.

Summary of commitments for Tunisia and Italy:

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Within one year	6,300,000	3,000,000	–	–
More than one year but not later than five years	7,700,000	–	–	–
	14,000,000	3,000,000	–	–

(d) Conditional commitments to previous partner

In March 2009, AuDAX entered agreements with a previous partner to acquire that partners' 30% interest in each of the Sicily Channel exploration permits, Pantelleria and Kerkouane. As consideration, AuDAX will pay US$280,000 cash for each permit if and when AuDAX disposes of an interest in those permits.

Note 20 – Interest in Joint Ventures

Joint Venture	Principal Activities	AuDAX Group % Interest	
		2009	2008
Pantelleria – Italy	Exploration	100%	70%
Kerkouane – Tunisia	Exploration	100%	70%
Chorbane – Tunisia	Exploration	100%	50%
Sambuca – Tunisia/Italy *	Exploration	100%	–
AMI – Romania	Exploration	33.3%	33.3%
AMI – Tunisia. Finished December 2008.	Exploration	–	33.3%
Dulcie Joint Venture	Exploration	20%	20%
Cooper Basin PEL 182 Joint Venture	Exploration	49.9%	49.9%
Cheritons JV – Free Carried Interest	Exploration	10%	10%
Gindalbie JV	Exploration	30%	30%
Eucalyptus Joint Venture – Royalty interest in nickel only	Exploration	–	–

The Joint Ventures are not separate legal entities. They are contractual arrangements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit. The joint ventures do not hold any assets and accordingly the Company's share of exploration evaluation and development expenditure is accounted for in accordance with the policy set out in note 1.

* A farmin agreement was signed with a party to farmout 40% of AuDAX's interest.

Note 21 – Key Management Personnel Disclosures

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
(a) Compensation of Key Management Personnel				
Short-term employment benefits	696,060	758,829	696,060	758,829
Post-employment benefits	10,319	92,388	10,319	92,388
Share-based payment	290,767	153,229	290,767	153,229
	997,146	1,004,446	997,146	1,004,446

(b) Option holdings of Key Management Personnel

2009	Balance at beginning of the year	Granted as remuneration	Options exercised	Options expired or forfeited	Change due to appointment/ (resignation)	Balance at end of the year	Not exercisable	Exercisable
Directors								
G Roper	2,453,342	–	–	(1,453,342)	–	1,000,000	–	1,000,000
W Zimmer	5,000,000	–	–	–	–	5,000,000	3,000,000	2,000,000
P Fink	3,500,000	–	–	–	–	3,500,000	2,100,000	1,400,000
G Evans	3,500,000	–	–	(3,500,000)	–	–	–	–
Other KMP								
P Ironside	1,745,192	1,750,000	–	(995,192)	–	2,500,000	1,750,000	750,000
	16,198,534	1,750,000	–	(5,948,534)	–	12,000,000	6,850,000	5,150,000

Note 21 – Key Management Personnel Disclosures (continued)

(b) Option holdings of Key Management Personnel (continued)

2008	Balance at beginning of the year	Granted as remuneration	Options exercised	Options expired or forfeited	Change due to appointment/ (resignation)	Balance at end of the year	Not exercisable	Exercisable
Directors								
G Roper	1,453,342	1,000,000	–	–	–	2,453,342	1,000,000	1,453,342
W Zimmer	–	5,000,000	–	–	–	5,000,000	5,000,000	–
P Fink	–	3,500,000	–	–	–	3,500,000	3,500,000	–
G Evans	–	3,500,000	–	–	–	3,500,000	3,500,000	–
L Beal	1,056,875	–	–	–	(1,056,875)	–	–	–
P Barber	3,000,000	–	(2,000,000)	(1,000,000)	–	–	–	–
Other KMP								
P Ironside	2,145,192	–	(400,000)	–	–	1,745,192	–	1,745,192
	7,655,409	13,000,000	(2,400,000)	(1,000,000)	(1,056,875)	16,198,534	13,000,000	3,198,534

(c) Shareholdings of Key Management Personnel

2009	Balance at beginning of the year	Options exercised	Granted as remuneration	Net change Other	Change due to appointments/ (resignation)	Balance at end of the year
Directors						
G Roper	8,628,732	–	–	63,500	–	8,692,232
W Zimmer	7,788,334	–	–	154,321	–	7,942,655
P Fink	1,900,000	–	–	–	–	1,900,000
G Evans	125,988	–	–	–	(125,988)	–
Other KMP						
P Ironside	1,585,192	–	361,446	2,008,488	–	3,955,126
	20,028,246	–	361,446	2,226,309	(125,988)	22,490,013
2008						
Directors						
G Roper	8,428,732	–	–	200,000	–	8,628,732
W Zimmer	–	–	–	(32,000)	7,820,334	7,788,334
P Fink	–	–	–	–	1,900,000	1,900,000
G Evans	–	–	–	–	125,988	125,988
L Beal	8,326,010	–	–	–	(8,326,010)	–
P Barber	–	–	–	–	–	–
Other KMP						
P Ironside	1,175,192	400,000	–	10,000	–	1,585,192
	17,929,934	400,000	–	178,000	1,520,312	20,028,246

All equity transactions with Key Management Personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arms-length.

Note 21 – Key Management Personnel Disclosures (continued)

(d) Other transactions and balances with Key Management Personnel

2009

There were no other transactions with Key Management Personnel during the year.

2008

In November 2007, AuDAX Resources Ltd acquired 100% of Alpine Oil & Gas Pty Ltd, refer note 9(a). Dr Zimmer was a director and shareholder of an entity, Vasse Group Ltd, which held 45% of the shares in Alpine Oil & Gas Pty Ltd. The consideration received by Vasse Group Ltd was 7,200,000 shares in AuDAX ($1,296,000). Dr Zimmer was also a director and shareholder of an entity, ALP Energy GmbH, which held 0.2% of the shares in Alpine Oil & Gas Pty Ltd. The consideration received by ALP Energy GmbH was 32,000 shares in AuDAX ($5,760).

In March 2008, AuDAX Resources Ltd acquired 100% of the shares of AuDAX Energy GmbH (previously ALP Energy GmbH), an unlisted company in Austria, which was owned by Dr Zimmer. Dr Zimmer was reimbursed 17,500 Euro (A$30,696) for the original set up costs of the company.

The Directors consider these transactions to be based on arms length pricing.

Note 22 – Other Related Party Transactions

Parent entity and subsidiaries

The ultimate parent entity within the Group is AuDAX Resources Ltd. Interests in subsidiaries are set out in Note 9.

Key management personnel

Disclosures relating to key management personnel are set out in Note 21.

Transactions with related parties

The only transaction between the parent entity and its subsidiaries was the provision of loan funds during the financial year. Further information is disclosed in Note 6.

Note 23 – Share-Based Payments

(a) Value of share based payments in the financial statements

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Expensed in the profit and loss:				
Share-based payments – options	289,365	280,079	289,365	280,079
Share based payments – shares	100,296	–	100,296	–
	389,661	280,079	389,661	280,079
Included in equity:				
Share based payments – options	97,650	45,675	97,650	45,675

(b) Summary of share-based payments granted during the year:

The following share-based payments were made during the year:

2009

Granted to an employee, consultant and the Company Secretary on 22 June 2009:

- 2,250,000 options expiring 1 July 2011, exercisable at 20 cents each, vesting 12 months after issue; and
- 1,500,000 options expiring 1 July 2012, exercisable at 25 cents each, vesting 24 months after issue; and
- 1,500,000 options expiring 1 July 2013, exercisable at 30 cents each, vesting 36 months after issue.

Note 23 – Share-Based Payments (continued)

(b) Summary of share-based payments granted during the year (continued)

Grant date	22/6/09	22/6/09	22/6/09
Option exercise price ($)	0.20	0.25	0.30
Expected life of options (yrs)	2	3	4
Dividend yield (%)	–	–	–
Expected volatility (%)	100	100	100
Risk-free interest rate (%)	5.75	5.75	6.50
Underlying share price ($)	0.14	0.14	0.14
Value of Option ($)	0.0644	0.0743	0.0834

In April 2009, 2,013,982 shares ($100,296) were issued in lieu of payments for salaries and consulting fees. The fair value was based on the market value for those services.

2008

Granted to Directors and a consultant and approved by shareholders on 18 April 2008:

- 7,200,000 options expiring 22 April 2010, exercisable at 30 cents each, vesting 12 months after issue; and
- 4,650,000 options expiring 22 April 2011, exercisable at 35 cents each, vesting 24 months after issue; and
- 4,650,000 options expiring 22 April 2012, exercisable at 40 cents each, vesting 36 months after issue.

Granted to employees on 15 May 2008:

- 2,100,000 options expiring 13 May 2010, exercisable at 30 cents each, vesting 12 months after issue; and 1,575,000 options expiring 13 May 2011, exercisable at 35 cents each, vesting 24 months after issue; and 1,575,000 options expiring 13 May 2012, exercisable at 40 cents each, vesting 36 months after issue.

The assessed fair values of the unlisted options were determined using a Black-Scholes option pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

Grant date	18/4/2008	18/4/2008	18/4/2008	13/5/2008	13/5/2008	13/5/2008
Option exercise price ($)	0.30	0.35	0.40	0.30	0.35	0.40
Expected life of options (yrs)	2	3	4	2	3	4
Dividend yield (%)	–	–	–	–	–	–
Expected volatility (%)	100	100	100	100	100	100
Risk-free interest rate (%)	6.30	6.30	6.30	6.30	6.30	6.30
Underlying share price ($)	0.125	0.125	0.125	0.18	0.18	0.18
Value of Option ($)	0.043	0.056	0.066	0.0448	0.0695	0.0874

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

(c) Weighted average fair value

The weighted average fair value of share based payment options during the year was $0.0743 (2008: $0.054).

Note 23 – Share-Based Payments (continued)

(d) Weighted average exercise price

The following table shows the number and weighted average exercise price of share options.

	2009 Number	2009 WAEP	2008 Number	2008 WAEP
Outstanding at the beginning of year	26,500,000	0.308	8,350,000	0.149
Granted during the year	5,250,000	0.243	21,750,000	0.343
Forfeited during the year	(7,000,000)	0.345	(1,000,000)	0.200
Exercised during the year	–	–	(2,600,000)	0.131
Expired during the year	(3,500,000)	0.149	–	–
Outstanding at the end of the year	21,250,000	0.306	26,500,000	0.308
Exercisable at year end	7,750,000	0.276	4,750,000	0.149

The weighted average share price for options exercised during the year was nil (2008: 19.8 cents).

(e) Range of exercise price

The range of exercise price for options granted as share based payments outstanding at the end of the year was $0.15 to $0.40 (2008: $0.12 to $0.40).

(f) Weighted average remaining contractual life

The weighted average remaining contractual life of share based payment options that were outstanding as at 30 June 2009 was 1.86 years (2008: 2.41 years).

Note 24 – Auditors' Remuneration

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Amount received or due and receivable by the auditor for:				
Auditing the financial statements, including audit review – current year audits	30,500	28,000	30,500	28,000
Other services – taxation services	5,000	2,800	5,000	2,800
Total remuneration of auditors	35,500	30,800	35,500	30,800

Note 25 – Segmental Information

During the financial year the consolidated entity operated in two industry segments, being petroleum exploration and mineral exploration. Geographically, the consolidated entity operates in Europe/Africa (Romania, Italy and Tunisia, considered as one area due to their relative close proximity) and Australia.

Note 25 – Segmental Information (continued)

	2009			2008		
Geographic Segments	**Europe/ Africa $**	**Australia $**	**Total $**	**Europe/ Africa $**	**Australia $**	**Total $**
Revenue and Income						
Interest revenue	481	51,423	51,904	1,162	75,027	76,189
Other revenue	28,856	2,921	31,777	5,779	1,294,988	1,300,767
Total revenue and income			83,681			1,376,956
Result						
Profit/(loss) before income tax	(1,357,823)	(1,757,465)	(3,115,288)	(1,391,163)	(2,417,114)	(3,808,277)
Income tax expense	462	–	462	–	–	–
Net loss for year			(3,115,750)			(3,808,277)
Assets and Liabilities						
Segment assets	5,281,327	3,475,574	8,756,901	2,313,559	5,275,016	7,588,575
Segment liabilities	157,590	232,064	389,654	64,638	328,389	393,027
Other segment information						
Plant and equipment capitalised	53,328	–	53,328	102,147	–	102,147
Exploration and evaluation expenditure capitalised	1,882,777	263,685	2,146,462	–	3,834,632	3,834,632
Non-cash expenses:						
Depreciation	26,272	2,500	28,772	23,616	27,935	51,551
Share-based payments expensed	–	389,661	389,661	–	280,079	280,079
Impairment of exploration deferred	–	1,001,384	1,001,384	–	2,588,966	2,588,966
Other non-cash expenses	84,927	47,182	132,109	974,429	137,742	1,112,171

Note 26 – Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and short-term deposits. The main purpose of these financial instruments is to provide working capital for the Group's operations.

The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken, except for share investments which are considered immaterial.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and foreign currency risk. The Board reviews and agrees on policies for managing each of these risks and they are summarised below.

Note 26 – Financial Risk Management Objectives and Policies (continued)

Interest rate risk

At balance date the Group's exposure to market risk for changes in interest rates relates primarily to the Company's short-term cash deposits. The Group constantly analyses its exposure to interest rates, with consideration given to potential renewal of existing positions, the mix of fixed and variable interest rates and the period to which deposits may be fixed.

At balance date, the Group had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Financial Assets:				
Cash and cash equivalents	940,884	1,723,302	801,056	1,487,803
Trade and other receivables	73,280	337,692	73,280	337,692
Receivables – non current	1,248,958	17,000	17,000	17,000
Net exposure	2,263,122	2,077,994	891,336	1,842,495

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. The 0.5% sensitivity is based on reasonably possible changes, over a financial year, using an observed range of historical LIBOR movements over the last 3 years.

At 30 June 2009, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Judgements of reasonably possible movements:				
Post tax profit – higher / (lower)				
+ 0.5%	11,314	10,275	4,456	9,212
– 0.5%	(11,870)	(10,275)	(5,463)	(9,212)
Equity – higher / (lower)				
+ 0.5%	11,314	10,275	4,456	9,212
– 0.5%	(11,870)	(10,275)	(5,463)	(9,212)

The sensitivity in 2009 is larger than in 2008, due to a higher average cash balance and bonds for 2009.

Liquidity risk

The Group has no significant exposure to liquidity risk as there is effectively no debt. The Group manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis.

Significant cash deposits are only with AAA (Moodys) rated financial institutions. The US$1 million letter of credit is with Societe Tunisienne de Banque, which has a credit rating of Baa2/P-2, which is considered stable.

Note 26 – Financial Risk Management Objectives and Policies (continued)

The Company does not have any other significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

Foreign currency risk

As a result of oil and gas exploration operations in Europe being denominated in Euro, the Group's balance sheet can be affected by movements in the Euro/A$ exchange rates. The Company does not hedge this exposure.

The Group manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained in Euros and USD, to meet current operational commitments.

At 30 June 2009, the Group had the following exposures to Euros foreign currency that is not designated in cash flow hedges:

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Financial Assets:				
Cash and cash equivalents	171,142	235,498	35,374	–
Trade and other receivables – current	53,721	17,076	–	–
Receivables – non current	1,250,113	–	–	–
Financial Liabilities:				
Trade and other payables	157,590	64,638	–	–
Net exposure	1,317,386	187,936	35,374	–

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the balance sheet date. The 15% sensitivity (2008: 5%) is based on reasonably possible changes, over a financial year, using an observed range of actual historical rate movements over the previous year.

At 30 June 2009, if the Australian dollar had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Judgements of reasonably possible movements:				
Post tax profit – higher / (lower)				
+ 15% (2008: 5%)	(171,833)	(8,949)	(4,614)	–
–15% (2008: –5%)	232,480	9,892	6,242	–
Equity – higher / (lower)				
+ 15% (2008: 5%)	(171,833)	(8,949)	(4,614)	–
–15% (2008: –5%)	232,480	9,892	6,242	–

The sensitivity in 2009 is larger than in 2008, due to the increased exposure to foreign currencies through increased activity in Europe/Africa.

Management believes the balance date risk exposures are representative of the risk exposure inherent in financial instruments.

Commodity price risk

The Group's exposure to price risk is minimal given the Group is still in an exploration phase.

Fair value

The methods of estimating fair value are outlined in the relevant notes to the financial statements.

NOTE 27 - Subsequent Events

The following events occurred after the balance sheet date:

In August 2009, AuDAX announced a placement of 25,160,000 shares at an issue price of 10 cents per share to raise $2,516,000. Funds raised from this issue will be utilised for the Company's working capital and the placement of a bond with the Tunisian Government for the Kerkouane licence as the next step towards the drilling of the Sambuca Prospect proposed for the first half of next year.

On 4 September 2009, AuDAX announced it had signed a term sheet to secure a A$20million facility with Trafalgar Capital Specialised Investment Fund ("Trafalgar"). Subject to certain terms and conditions, AuDAX may, at its discretion, issue shares to Trafalgar at any time over the next 30 months. The term sheet is subject to execution of the formal agreement.

ROTHSAY

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUDAX RESOURCES LIMITED

We have audited the accompanying financial report of AuDAX Resources Limited (the "Company") which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

The Company has disclosed information as required by Australian Accounting Standard AASB 124 Related Party Disclosures ("remuneration disclosures") under the heading "Remuneration Report" in the directors' report as permitted by the Corporations Regulations 2001.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

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 as to whether the financial report is free of material misstatement and the remuneration disclosures in the Directors' report comply with AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in 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 contained in the directors' report.

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

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the Corporations Act 2001.

Chartered Accountants

Audit opinion

In our opinion, the financial report of AuDAX Resources Ltd is in accordance with the Corporations Act 2001, including:

(a) (i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the consolidated financial report also complies with International Financial Reporting Standards.

(c) the remuneration disclosures in the Directors' report comply with AASB 124

Rothsay

Frank Vrachas

Partner

Dated: 4th September 2009

The liability of Rothsay Chartered Accountants is limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

Securities Information

Shareholdings as at 1 September 2009:

(a) Substantial Shareholders (who have lodged notices with AuDAX)

Name	Number of Ordinary Shares	Percentage of Issued Capital
Mr Andrew Childs	9,670,564	3.88
Runyon Pty Ltd<Super Fund Account>	8,326,010	3.34
Vasse Group Ltd	7,354,321	2.95

(b) Shareholder Distribution Schedule

Size of Holding	Number of Shareholders	Number of Ordinary Shares	Percentage of Issued Capital
1 - 1,000	124	86,351	0.04
1,001 - 5,000	597	1,970,074	0.86
5,001 - 10,000	453	3,794,516	1.65
10,001- 100,000	1,142	45,306,798	19.76
100,000 and over	337	178,150,608	77.81
Total Shareholders	2,653	229,308,347	100.00
Number of shareholders holding less than a marketable parcel	484		

(c) Voting Rights

(i) at meetings of members entitled to vote each member may vote in person or by proxy or attorney, or in the case of a member which is a body corporate, by representative duly appointed under section 250D;

(ii) on a show of hands every member entitled to vote and present in person or by proxy or attorney or representative duly authorised shall have one (1) vote;

(iii) on a poll every member entitled to vote and present in person or by proxy or attorney or representative duly authorised shall have one (1) vote for each fully paid share of which he is the holder and in the case of contributing shares until fully paid shall have voting rights pro rata to the amount paid up or credited as paid up on each such share; and

(iv) a member shall not be entitled to vote at general meeting or be reckoned in a quorum in respect of any shares upon which any call or other sum presently payable by him is unpaid.

Shareholder Information as at 1 September 2009 (continued)

(d) Twenty largest holders of quoted equity securities hold 32.58% of the total shares issued:

	Name	Number of Ordinary Shares	Percentage of Issued Capital
1	Mr Andrew Childs	9,120,564	3.98
2	Runyon Pty Ltd <Super Fund Account>	8,326,010	3.63
3	Vasse Group Limited	7,354,321	3.21
4	Mr Gary James Roper	7,342,232	3.20
5	HSBC Custody Nominees (Australia) Limited – Account 3	6,500,000	2.83
6	Nefco Nominees Pty Limited	4,400,000	1.92
7	Newmont Exploration Pty Ltd	4,315,000	1.88
8	Kenlow (1982) Pty Ltd <Super Fund Account>	3,500,000	1.53
9	Petroleum Ventures Pty Ltd	3,052,518	1.33
10	Caverndale Pty Ltd <Caverndale Super Fund Account>	3,000,000	1.31
11	Mr Bryce & Mrs Helen Martin <Ambria Account>	2,700,000	1.18
12	Mr Stanley John Fields	2,000,000	0.87
13	Mr Victor Miasi & Mr Joseph Miasi <Victor Miasi Super Account>	2,000,000	0.87
14	Mr Paul Fink	1,900,000	0.83
15	Bluefirm Pty Ltd	1,838,005	0.80
16	Ironside Pty Ltd <Ironside Super Fund Account>	1,666,667	0.73
17	Mrs Deborah Lee Collins-Corps	1,650,000	0.72
18	Puffin Agencies	1,448,584	0.63
19	Mr Edward John Valle +	1,325,000	0.58
20	Zob Pty Ltd <SJB Family Account>	1,271,428	0.55
	Totals: Top 20 holders of ORDINARY SHARES (GROUPED)	74,710,329	32.58%
	Total Remaining Holders Balance	154,598,018	67.42%

(e) Unlisted Options issued under the Employee Option Scheme

Unlisted Options	2,250,000	20 cents	Between 22/06/2010 and 01/07/2011
Unlisted Options	1,500,000	25 cents	Between 22/06/2011 and 01/07/2012
Unlisted Options	1,500,000	30 cents	Between 22/06/2012 and 01/07/2013
Unlisted Options	1,250,000	15 cents	On or before 31/12/2010
Unlisted Options	700,000	30 cents	Between 13/05/2009 and 13/05/2010
Unlisted Options	525,000	35 cents	Between 13/05/2010 and 13/05/2011
Unlisted Options	525,000	40 cents	Between 13/05/2011 and 13/05/2012

Securities Information (continued)

Shareholder Information as at 1 September 2009 (continued)

(f) Other Unlisted Options

Name	21/04/2010 30 cents	21/04/2011 35 cents	21/04/2012 40 cents	Total
Director:				
W Zimmer	2,000,000	1,500,000	1,500,000	5,000,000
G Roper	1,000,000	–	–	1,000,000
P Fink	1,400,000	1,050,000	1,050,000	3,500,000
Consultant:				
A Childs	1,400,000	1,050,000	1,050,000	3,500,000
	5,800,000	3,600,000	3,600,000	13,000,000

Tenement Schedule

OIL AND GAS ASSETS
Europe and North Africa

Project	**Tenement**	**AuDAX Interest (%)**	**Operator**
Pantelleria – Italy	G.R15.PU	100%	AuDAX
Kerkouane – Tunisia	Kerkouane	100%	AuDAX
Chorbane – Tunisia	Chorbane	100%	AuDAX

South Australia

Project	**Tenement**	**AuDAX Interest (%)**	**Operator**
Cooper Basin	PEL182	49.9%	AuDAX

MINING ASSETS
Western Australia

Project	**Tenement**	**AuDAX Interest (%)**	**Operator**
Bronzewing South	E36/215	80% (1)	View Resources
	E(A)36/623	80% (1)	View Resources
	M(A)36/669/672	80% (1)	View Resources
Cheritons Find	E77/697	10% Free Carried	St Barbara Ltd
Dulcie	E77/351	20%	Gondwana Resources
	M(A)77/807	20% (2)	Gondwana Resources
	P77/3727	20% (2)	Gondwana Resources
	P77/3728	20% (2)	Gondwana Resources
	P77/3729	20% (2)	Gondwana Resources
Eucalyptus	E39/480	(3)	Enterprise Gold Mines
Marymia North	E(A)52/1803	100% (2)	AuDAX
Marymia West	E52/1960	100%	AuDAX
Millrose	E(A)53/1304	100% (2)	AuDAX
	E(A)53/1305	100% (2)	AuDAX
West Yandal	E36/404	Royalty interest	View Resources
	M36/615	Royalty interest	View Resources
Yandal (Karra)	E36/509	100%	View Resources
	P36/1505	100%	View Resources
	P36/1506	100%	View Resources
	P36/1507	100%	View Resources
	P36/1508	100%	View Resources

(1) View to earn a 64% interest.
(2) Not yet approved.
(3) Gold rights only plus royalty on nickel.

Corporate Directory

Directors
Gary Roper (Chairman)
Wolfgang Zimmer (Managing Director)
Paul Fink (Technical Director)

Company Secretary
Peter Ironside

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Notes