

AuDAX Resources Ltd

ABN 50 009 058 646

**HALF-YEAR FINANCIAL REPORT
FOR THE PERIOD ENDED
31 DECEMBER 2009**

AUDAX RESOURCES LTD

CORPORATE DIRECTORY

Directors

Ian Tchacos (Non-Executive Chairman)
Wolfgang Zimmer (Managing Director)
Paul Fink (Technical Director)
Andrew Childs (Non-Executive Director)

Company Secretary

Peter Ironside

Registered and Principal Office

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Share Registry

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Telephone: +61 8 9323 2001
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Solicitors

Freehills
250 St George's Terrace
Perth, Western Australia 6000

Bankers

National Australia Bank
50 St George's Terrace
Perth, Western Australia 6000

Stock Exchange Listing

Australian Stock Exchange
2 The Esplanade
Perth, Western Australia 6000
ASX Code: ADX

Auditors

Rothsay Chartered Accountants
96 Parry St
Perth, Western Australia 6000

AUDAX RESOURCES LTD

DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2009.

DIRECTORS

The names of Directors of the Company during or since the half-year and up to the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Name	Position
Mr Ian Tchacos	Non-Executive Chairman – appointed 2 March 2010
Dr Wolfgang Zimmer	Executive-Managing Director
Mr Paul Fink	Technical Director
Mr Andrew Childs	Non-Executive Director – appointed 11 November 2009
Mr Gary Roper	Non-Executive Chairman – resigned 2 March 2010

REVIEW AND RESULTS OF OPERATIONS

The review of the Company's operations during the half-year ended 31 December 2009 is as follows:

The net loss for the half-year ended 31 December 2009 was \$867,644 (2008: \$1,913,427).

Italy and Tunisia

Activities at AuDAX's offshore Sicily Channel Kerkouane and Pantelleria licenses (100% interest and operated) included the signing of a rig tender contract with Atwood Southern Cross to drill the Sambuca prospect which has P50 estimated resources of 270 million barrel of oil equivalent. Drilling is planned to commence between June and September 2010. An approximately 680 km² leading edge Geostreamer technology 3D seismic program covering the Sambuca and Dugga prospects was planned and tendered to upgrade technical evaluation and finalise the location of the Sambuca #1 wildcat well in the Kerkouane license. The 3D survey will also provide additional detail on other Kerkouane and Pantelleria prospects. If successful the total P50 prospective recoverable resources for the licenses are approximately one billion barrels of oil equivalent.

The onshore Chorbane permit Production Sharing Contract and Convention, which officially awards 100% interest in the permit to Alpine Oil & Gas Pty Ltd (a wholly owned subsidiary of AuDAX Resources Ltd), was signed on 18 September 2009. In October, DNO International ASA (a Norwegian independent oil company) executed a letter of intent to farm into the permit, fully funding the first 5 million US\$ well cost to earn 50% equity. In addition, there are ongoing discussions with other interested companies. A technical evaluation has identified a Direct Hydrocarbon Indicator (DHI) over the Sidi Daher prospect significantly increases the confidence that hydrocarbons will be encountered and as a result the prospect has been upgraded to ready to drill status. The multi-target prospect has estimated resources of 175 billion cubic feet of recoverable gas at the Metlaoui level and 44 million of oil for the Abiod Formation. Additional targets include the Douleb and Bireno Members of the Aleg Formation that produce oil and gas immediately east of the permit and the perspective Zebbag Formation. Year end activity focused on the preparation for the drilling of the Sidi Daher exploration well with a planned spud in the second half of 2010.

Romania

AuDAX compiled a comprehensive database and prospectivity analysis for the Pannonian Basin area on behalf of its AMI partners in preparation for the Romanian 10th Bid Round which offers approximately 18,000 km² for tender. Bids are due in May 2010.

The regional evaluation has identified several areas of interest which are not currently leased. AuDAX applied for and was awarded by NAMR eight Prospecting (8) Licenses. Detailed technical work is ongoing to identify and quantify the oil and gas potential and rank the areas for future drilling.

Farm-in and acquisition evaluations are ongoing and are part of the strategy to successfully bid for and acquire prospective exploration and development acreage within the European community.

AUDAX RESOURCES LTD

DIRECTORS' REPORT

Cooper Basin

AuDAX has a 49.9% interest in the PEL 182 permit. Since AuDAX has taken over operatorship of the PEL 182 permit in the Cooper Basin, it has refocused the exploration activity and the corresponding work program.

Permit years 2 and 3 have been combined to allow time for the acquisition of prospect oriented 2D seismic data and reprocessing of existing data.

A technical evaluation of the Vanessa gas condensate discovery was completed and showed a significant resource potential. Gas marketing remains a challenge.

The reprocessing tests undertaken by AuDAX resulted in significant improvement in data quality and hence risk reduction on existing prospects and leads. Also, a large commitment reprocessing exercise of approximately 1000km will use the newly developed seismic data processing sequence and should result in further risk reduction and assist in optimising the seismic acquisition of 300 km of 2D in 2010.

Mineral Interests - Australia

During the half-year the Company continued to maintain its various hard rock exploration projects – which include Millrose and Mt. Webb and non managed joint ventures at Bronzewing South, Kara, Dulcie, Prophry and West Yandal. AuDAX is planning to spin-off its portfolio of gold and base metal assets into a new listed company. This new structure will enable shareholders to realise the full value for these assets and enable these prospective projects to attract the necessary capital required to achieve their potential.

Corporate Activities

Significant corporate activities were as follows:

In August 2009 AuDAX issued 25,160,000 shares at an issue price of 10 cents per share raising gross proceeds of \$2,515,992.

In September 2009, AuDAX placed the payment of a letter of credit to the Tunisian government in the amount of US\$1,500,000 as a bond for the Kerkouane permit.

In October 2009 AuDAX issued 28,571,428 shares at an issue price of 10.5 cents per share raising gross proceeds of \$3,000,500.

In October 2009, AuDAX completed the acquisition of the Chorbane permit in Tunisia with a final payment of US\$1,204,778 (A\$1,303,449).

AUDAX RESOURCES LTD

DIRECTORS' REPORT

SUBSEQUENT EVENTS

The following events have occurred since 31 December 2009:

- In January 2010, AuDAX signed a contract for drilling rig services for the deep water Sambuca prospect in the Kerkouane permit to the value of US\$20 million (A\$22,650,000).

No other matter or circumstance has arisen since 31 December 2009 that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in subsequent financial years.

AUDITOR'S INDEPENDENCE DECLARATION

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

"Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To: The Directors of AuDAX Resources Ltd

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2009, there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

Graham Swan
Lead Auditor
Rothsay Chartered Accountants"

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



Wolfgang Zimmer
Managing Director
PERTH, 16 March 2010

ROTHSAY

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Independent Review Report to the Members of AuDAX Resources Ltd

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for AuDAX Resources Ltd for the half-year ended 31 December 2009.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* 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.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2009 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of AuDAX Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

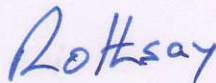
Independence

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

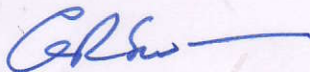
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of AuDAX Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2009 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Rothsay



Graham R Swan
Partner

Dated 16 March 2010



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

AUDAX RESOURCES LTD
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of AuDAX Resources Ltd, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (1) giving a true and fair view of the financial position as at 31 December 2009 and the performance for the half-year ended on that date of the consolidated entity; and
 - (2) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Wolfgang Zimmer
Managing Director

PERTH, 16 March 2010

AUDAX RESOURCES LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Note	Consolidated Half-year ended 31 Dec 2009 \$	Consolidated Half-year ended 31 Dec 2008 \$
Continuing Operations			
Revenue and Income			
Interest Revenue		21,252	37,950
Other revenue		806	9,067
		22,058	47,017
Expenses			
Administration and corporate expenses, net of recoveries from exploration projects	3	534,722	645,119
Exploration expensed	3	354,980	1,264,086
Other	3	-	51,239
		889,702	1,960,444
Loss before income tax		(867,644)	(1,913,427)
Income tax expense		-	-
Net loss for the half-year		(867,644)	(1,913,427)
Other Comprehensive Income/(Loss)			
Exchange differences on translation of foreign operations		(408,605)	343,370
Income tax relating to items of other comprehensive income/(loss)		-	-
Other comprehensive income/(loss) for the period, net of tax		(408,605)	343,370
Total comprehensive income/(loss) for the period		(1,276,249)	(1,570,057)
		Cents Per Share	Cents Per Share
Basic loss per share	2	(0.33)	(1.04)

AUDAX RESOURCES LTD

BALANCE SHEET AS AT 31 DECEMBER 2009

	Note	Consolidated As at 31 Dec 2009 \$	Consolidated As at 30 June 2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,681,898	942,236
Trade and other receivables		503,066	185,332
Other financial assets at fair value		15,170	13,913
Other current assets		-	70,773
Total Current Assets		2,200,134	1,212,254
Non-Current Assets			
Receivables	5	2,857,665	1,267,113
Property, plant and equipment		122,699	119,719
Deferred exploration expenditure	6	8,334,867	6,157,815
Intangible assets	7	-	-
Total Non-Current Assets		11,315,231	7,544,647
Total Assets		13,515,365	8,756,901
LIABILITIES			
Current Liabilities			
Trade and other payables		806,654	371,162
Provisions		22,287	6,346
Total Current Liabilities		828,941	377,508
Non-Current Liabilities			
Provisions		-	12,146
Total Non-Current Liabilities		-	12,146
Total Liabilities		828,941	389,654
Net Assets		12,686,424	8,367,247
EQUITY			
Contributed equity	8	46,865,993	41,493,509
Reserves		3,590,621	3,776,284
Accumulated losses		(37,770,190)	(36,902,546)
Total Equity		12,686,424	8,367,247

AUDAX RESOURCES LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Contributed Equity	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
CONSOLIDATED				
At 1 July 2008	37,444,507	3,537,837	(33,786,796)	7,195,548
Loss for the period	-	-	(1,913,427)	(1,913,427)
Exchange differences on translation of foreign operations	-	343,370	-	343,370
Total comprehensive loss for the period, net of tax	-	343,370	(1,913,427)	(1,570,057)
Transactions with owners in their capacity as owners:				
Issue of share capital, net of transaction costs	1,858,852	-	-	1,858,852
Share based payments	-	271,403	-	271,403
	1,858,852	271,403	-	2,130,255
At 31 December 2008	39,303,359	4,152,610	(35,700,223)	7,755,746
Loss for the period	-	-	(1,202,323)	(1,202,323)
Exchange differences on translation of foreign operations	-	(491,938)	-	(491,938)
Total comprehensive loss for the period, net of tax	-	(491,938)	(1,202,323)	(1,694,261)
Transactions with owners in their capacity as owners:				
Issue of share capital, net of transaction costs	2,190,150	-	-	2,190,150
Share based payments	-	115,612	-	115,612
	2,190,150	115,612	-	2,305,762
At 30 June 2009	41,493,509	3,776,284	(36,902,546)	8,367,247
Loss for the period	-	-	(867,644)	(867,644)
Exchange differences on translation of foreign operations	-	(408,605)	-	(408,605)
Total comprehensive loss for the period, net of tax	-	(408,605)	(867,644)	(1,276,249)
Transactions with owners in their capacity as owners:				
Issue of share capital, net of transaction costs	5,372,484	-	-	5,372,484
Share based payments	-	222,942	-	222,942
	5,372,484	222,942	-	5,595,426
At 31 December 2009	46,865,993	3,590,621	(37,770,190)	12,686,424

AUDAX RESOURCES LTD
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

CONSOLIDATED	Half-year ended 31 Dec 2009 \$	Half-year ended 31 Dec 2008 \$
Cash Flows from Operating Activities		
Receipts in the ordinary course of activities	170,450	202,311
Payments to suppliers and employees	(720,028)	(800,206)
Interest received	21,252	37,950
Net Operating Cash Flows	(528,326)	(559,945)
Cash Flows from Investing Activities		
Payments for plant and equipment	(28,595)	(4,235)
Payments for capitalised exploration expenditure	(2,454,883)	(1,972,314)
Payments for exploration bonds	(1,754,912)	-
Receipts from exploration partners	244,818	229,767
Payments made on behalf of joint venture partners	(119,961)	(585,357)
Receipts from exploration refunds	94,330	-
Other payments	(20,618)	-
Net Investing Cash Flows	(4,039,821)	(2,332,139)
Cash Flows from Financing Activities		
Proceeds from issue of shares	5,516,491	1,999,992
Payment of share issue costs	(181,862)	(87,800)
Hire purchase repayments	-	(58,982)
Net Financing Cash Flows	5,334,629	1,853,210
Net Increase/(Decrease) In Cash and Cash Equivalents		
Cash and Cash Equivalents at beginning of half-year	942,236	1,723,502
Effect of foreign exchange rates	(26,820)	3,257
Cash and Cash Equivalents at End of Half-Year	1,681,898	687,885

AUDAX RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

1. Basis of Preparation of Half-Year Financial Statements

This general purpose financial report for the half-year ended 31 December 2009 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

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

The half-year financial report should be read in conjunction with the annual financial report for the year ended 30 June 2009 and any public announcements made by AuDAX Resources Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Significant Accounting Policies

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

Changes in Accounting Policy

Since 1 July 2009 the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2008. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

The following amending standards have been adopted from 1 July 2009:

- AASB 8 – *Operating Segments*
- AASB 101 – *Revised Presentation of Financial Statements*

The Group has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the board of directors that makes strategic decisions.

The following amending standards have also been adopted from 1 July 2009:

- AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8.
- AASB 2007-8 Amendment to Australian Accounting Standards arising from AASB 101.
- AASB 2008-1 Amendment to Australian Accounting Standards Share-based Payments: Vesting Conditions and Cancellations.
- AASB 2008-5 Amendment to Australian Accounting Standards arising from the Annual Improvements Project.
- AASB 2008-6 Amendment to Australian Accounting Standards arising from the Annual Improvements Project.
- AASB 2008-7 Amendment to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.
- AASB 2009-2 Amendments to Australian Accounting Standards arising from AASB 4, AASB 7, AASB 1023 and AASB 1038.

The Group has not elected to early adopt any new standards or amendments.

Basis of Consolidation

The half year consolidated financial statements comprise the financial statements of AuDAX Resources Ltd and its subsidiaries ("Group") as at 31 December 2009.

AUDAX RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

2. Earnings Per Share

The Company's potential ordinary shares, being its options granted, have been excluded in the determination of diluted earnings per share as they are considered to be anti-dilutive for the periods presented.

	Consolidated	
	31 December 2009	31 December 2008
	\$	\$
3. Expenses		
Administration and corporate expenses include:		
Depreciation	22,018	36,853
Operating lease rental expense	51,854	50,014
Share based payments – options	198,161	218,063
Share based payments – shares	51,218	-
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Exploration expenses include:		
Impairment of deferred exploration	13,638	628,357
Amortisation of deferred assets	70,773	50,000
Share based payments – shares	11,417	-
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Other expenses include:		
Impairment of financial assets - shares	-	47,182
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	Consolidated	
	31 December 2009	30 June 2009
	\$	\$
4. Reconciliation of Cash		
For the purpose of the half-year cash flow statement, cash and cash equivalents are comprised of the following:		
Cash on hand and at bank	1,681,898	942,236
Deposits at call	-	-
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	1,681,898	942,236
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AUDAX RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Consolidated	
	31 December 2009	30 June 2009
	\$	\$
5. Receivables – Non Current		
Cash on deposit – security bonds	2,840,970	1,248,958
Other	16,695	18,155
	2,857,665	1,267,113

During the period to 31 December 2009, the Group paid US\$1.5 million (A\$1,754,912) as a bond for the Kerkouane permit.

6. Deferred Exploration Expenditure

Deferred exploration and evaluation costs brought forward	6,157,815	3,242,737
Deferred exploration and evaluation costs this period	2,190,690	2,146,462
Costs transferred from intangible assets	-	1,770,000
Exploration costs previously deferred, now written off	(13,638)	(1,001,384)
Deferred exploration and evaluation costs carried forward	8,334,867	6,157,815

7. Intangible Assets

Intangible assets brought forward	-	1,770,000
Transfer to deferred exploration expenditure upon acquisition of permit	-	(1,770,000)
Deferred exploration and evaluation costs carried forward	-	-

8. Contributed Equity

Number of Shares	Summary of Movements	Issue Price	\$
228,796,167	Opening balance 1 July 2009		41,493,509
512,180	Shares issued in lieu of consulting fees	10 cents	51,218
25,160,000	Placement on 27 August 2009	10 cents	2,515,992
1,100,000	Placement fee	10 cents	110,000
	Costs of placement – non cash (shares issued)		(110,000)
	Costs of placement - cash		(33,287)
5,000,000	Equity facility fee	12 cents	600,000
	Costs of equity facility – non cash (shares issued)		(600,000)
	Costs of equity facility – cash		(48,450)
90,611	Shares issued in lieu of consulting fees	12.6 cents	11,417
28,571,428	Placement on 23 October 2009	10.5 cents	3,000,500
	Costs of placement - cash		(100,127)
	Costs of 2008 placements – non cash (options granted)		(24,780)
289,230,386	Closing Balance at 31 December 2009		46,865,992

AUDAX RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

9. Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the exploration type. Discrete financial information about each of these operating businesses is reported to the Board on at least a quarterly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of activity type and phase of operations, as these are the sources of the Group's major risks and have the most effect on the rates of return.

Reportable Operating Segments Identified

For management purposes, the Group has organised its operating segments into two reportable segments as follows:

- Minerals Exploration and Evaluation Segment: This segment includes assets and activities that are associated with mineral exploration.
- Oil and Gas Exploration and Evaluation Segment: This segment includes assets and activities that are associated with oil and gas exploration.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, the Group's financing (including finance income) is managed on a group basis and are not allocated to operating segments.

Accounting Policies

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 1 to the accounts.

There have been no inter-segment transactions.

It is the Group's policy that if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are also not allocated to segments. This is to avoid asymmetrical allocations within segments which management believe would be inconsistent.

The following items are not allocated to segments as they are not considered part of core operations of any segment and are managed on a Group basis.

- Interest revenue
- Foreign currency gains/(losses)
- Corporate costs

AUDAX RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

9. Operating Segments - continued

Operating Segments	Minerals	Oil and Gas	Total Operations
	\$	\$	\$
<u>Six Months ended 31 December 2009</u>			
Revenue	-	-	-
Total segment revenue			-
Result			
Segment result	(13,638)	(487,859)	(501,497)
Reconciliation of segment loss after tax to net loss after tax:			
Foreign currency losses			(39,962)
Unallocated revenue and income			17,708
Unallocated expenditure			(343,893)
Net loss after tax			(867,644)
Assets			
Segment assets	1,183,333	10,745,508	11,928,841
Reconciliation of segment assets:			
Cash held by parent			1,480,985
Other financial assets at fair value			15,170
Other receivables			79,383
Plant and equipment held by parent			10,986
Total assets			13,515,365
<u>Six Months ended 31 December 2008</u>			
Revenue	-	-	-
Total segment revenue			-
Result			
Segment result	(628,357)	(737,158)	(1,365,515)
Reconciliation of segment loss after tax to net loss after tax:			
Foreign currency gains			-
Unallocated revenue and income			47,017
Unallocated expenditure			(594,929)
Net loss after tax			(1,913,427)
Assets			
Segment assets	1,240,977	6,295,624	7,536,601
Reconciliation of segment assets:			
Cash held by parent			553,379
Other financial assets at fair value			9,856
Other receivables			42,670
Plant and equipment held by parent			10,414
Total assets			8,152,920

AUDAX RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

10. Commitments and Contingencies

Since the last annual reporting date, there has been no change of any commitments or contingent liabilities, except for the following:

The Kerkouane permit held by AuDAX had 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. In the six months to December 2009, AuDAX was granted an extension of this period to 22 February 2011. In September 2009, a letter of credit was provided to the Tunisian Ministry in the amount of US\$1.5 million. This bond will be released one week after commencement of drilling. This bond is included in non-current receivables in this financial report.

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 financial report. AuDAX was required to drill on the Chorbane permit prior to its expiry of 12 July 2010, however, in the six months to December 2009, AuDAX requested an extension of the expiry date to ensure the bond is recovered.

In December 2009, AuDAX ordered long-lead drilling inventories to the value of US\$1.2 million (A\$1,434,500). Subsequent to year end, in January 2010, AuDAX signed a contract for drilling rig services for the deep water Sambuca prospect in the Kerkouane permit to the value of US\$20 million (A\$22,650,000).

11. Equity Facility

In October 2009, AuDAX Resources Ltd executed a Committed Equity Facility Agreement to secure an A\$20,000,000 facility with Trafalgar Capital Specialised Investment Fund, Luxembourg (Trafalgar). Subject to terms and conditions of the facility, AuDAX Resources Limited may, at its discretion, issue shares to Trafalgar at any time over the next 30 months. Shares issued to Trafalgar will be priced at 95% of the lowest of the daily volume weighted average price ("VWAP") of the Ordinary Shares on ASX as quoted by Bloomberg during the prior five consecutive trading day period.

As at 31 December 2009, the equity facility has not been utilised.

12. Share Based Payments

There were no new options granted as share based payments in the six months ended 31 December 2009.

During the six months to 31 December 2009, 602,791 shares (\$62,635) were issued in lieu of payments for consulting fees. The fair value was based on the market value for those services.

In September 2009, 1,100,000 shares (\$110,000) were issued as consideration for a placement fee. Also in September 2009, 5,000,000 shares were issued as a facility fee paid to Trafalgar Capital Specialised Investment Fund (refer note 11).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

13. Subsequent Events

The following events have occurred since 31 December 2009:

- In January 2010, AuDAX signed a contract for drilling rig services for the deep water Sambuca prospect in the Kerkouane permit to the value of A\$22,650,000.

No other matter or circumstance has arisen since 31 December 2009 that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in subsequent financial years.