HILLCREST LITIGATION SERVICES LIMITED

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Stock Exchange Release:

Release Date: 16 March 2006
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RE: Half Year Report - Results for Announcement to the Market

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Please find to follow the "Appendix 4D Half Year Report for a period ending after 30 June 2003".

The following information is given to ASX under listing rule 4.2A.3.

IAN ALLEN
COMPANY SECRETARY

Hillcrest Litigation Services Limited
ABN: 63 060 094 742

Appendix 4D
Financial Half-Year Ended
31 December 2005

RESULTS FOR ANNOUNCEMENT TO MARKET

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1. Details of the reporting period and the previous corresponding period.

This information relates to the half year ended 31 December 2005. The previous corresponding period relates to the financial year ended 31 December 2004 (unless otherwise stated).

2. Key information in relation to the following. This information must be identified as ***"Results for announcement to the market"***.

2.1 The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.

Revenues from ordinary activities	up	3,450 %	to $ 506,718

Increase in revenue from ordinary activities is a result of the successful settlement of the first case being funded by Hillcrest in its new litigation funding business. The case settled out of court on 1 December 2005. Hillcrest received a profit of approximately $480,000 from the case.

2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.

Profit from ordinary activities after tax attributable to members	up	117.8 %	to $ 49,148

Hillcrest has posted a profit at the half year (last year comparatives was a loss position). This profit is attributable to the settlement of the case discussed above.

2.3 The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.

Net Loss for the period attributable to members	up	117.8 %	to $ 49,148

2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.

No dividends have been declared for the half year ended 31 December 2005.

2.5 The record date for determining entitlements to the dividends (if any).

No dividends have been declared for the half year ended 31 December 2005.

2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

No other significant items.

3. Net tangible assets per security with the comparative figure for the previous corresponding period

	2005	2004
Net Assets per security	3.75cents	1.57 cents
Note: Calculated as Net Assets divided by shares on issue.		

4. Details of entities over which control has been gained or lost during the period, including the following.

   4.1 Name of the entity.

Cuprifex Mining NL. The Company was a wholly owned subsidiary and was wound up following liquidation during the period.

   4.2 The date of the gain or loss of control.

Cuprifex Mining NL was formally deregistered with ASIC on 21 September 2005.

   4.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

Cuprifex Mining NL is not material to the consolidated group. The parent entity now recognises a $50,000 provision for the restoration for the Waroo mine in Queensland. The funds are secured by a bank guarantee payable when called.

5. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.

No dividends have been declared for the half year period ended 31 December 2005.

6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

No dividends have been declared for the half year period ended 31 December 2005.

7. Details of associates and joint venture entities including the name of the association or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report- aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Not applicable, the Company has no associates or interests in Joint Ventures at 31 December 2005.

8. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

The Consolidated entity is domiciled in Australia and the report has been prepared in accordance with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards.

9. For all entities, if the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.

Not applicable. The unqualified review opinion of the Company's auditors, Ernst & Young, is provided with the full half year accounts and does not highlight any areas of dispute.

10. Financial Summary

10.1 Condensed Income Statement

	Consolidated	
	2005	**2004**
	$	**$**
Net gain on settlement of litigation contracts	483,449	-
Interest Revenue	23,269	**14,273**
Total Income	506,718	**14,273**
Other expenses	457,570	**290,132**
Profit/(loss) before income tax expense	49,148	**(275,859)**
Income tax expense	-	-
Profit/(loss) after income tax expense	49,148	**(275,859)**
Net profit/(loss) attributable to members of the parent entity	49,148	**(275,859)**
Earnings per share (cents per share)		
Basic profit/(loss) for the half year	0.12	**(0.36)**
Diluted profit/(loss) for the half year	0.12	**(0.36)**

10.2 Condensed Balance Sheet

	Consolidated	
	31 December 2005	30 June 2005
	$	$
ASSETS		
Current Assets		
Cash and Cash equivalents	309,582	**1,288,322**
Trade and other receivables	1,134,763	**21,056**
Prepayments	25,740	**4,553**
Litigation Contracts	562,579	**195,518**
Total Current Assets	2,032,664	**1,509,449**
Non-Current Assets		
Litigation Contracts	48,878	**84,152**
Available for sale financial assets	1,880	**1,650**
Plant & equipment	34,388	**27,908**
Total Non-Current Assets	85,146	**113,710**
TOTAL ASSETS	2,117,810	**1,623,159**
LIABILITIES		
Current Liabilities		
Trade and other payables	532,565	**104,879**
Provisions	72,681	**54,864**
Total Current Liabilities	605,246	**159,743**
TOTAL LIABILITIES	605,246	**159,743**
NET ASSETS	1,512,564	**1,463,416**
Equity		
Issued Capital	16,385,358	**16,385,358**
Accumulated losses	(14,872,794)	**(14,921,942)**
TOTAL EQUITY	1,512,564	**1,463,416**

10.3 Condensed Statement of Cash Flow

	Consolidated	
	2005	**2004**
	$	**$**
Cash flows from operating activities		
Payments to suppliers and employees	(117,394)	**(260,477)**
Interest received	26,050	**18,008**
Payments for Litigation Funding	(876,796)	**(45,040)**
Net cash flows from / (used in) operating activities	(968,140)	**(287,509)**
Cash flows from investing activities		
Loans to controlled entities	-	-
Loans to others	-	-
Proceeds from loans repaid	-	**194,251**
Payments for investments	-	-
Proceeds from sale of investments	-	-
Payments for plant & equipment	(10,600)	-
Net cash flows from / (used in) investing activities	(10,600)	**194,251**
Cash flows from financing activities		
Proceeds from issue of shares	-	**280,000**
Payment for share issue expenses	-	**(74,600)**
Net cash flows from financing activities	-	**205,400**
	(978,740)	**112,142**
Net increase / (decrease) in cash held		
Cash at the beginning of the period	1,288,322	**433,019**
Cash at the end of the half-year	309,582	**545,161**