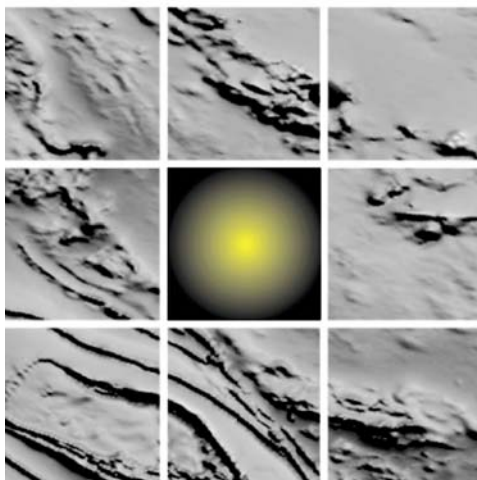


IMAGE RESOURCES NL

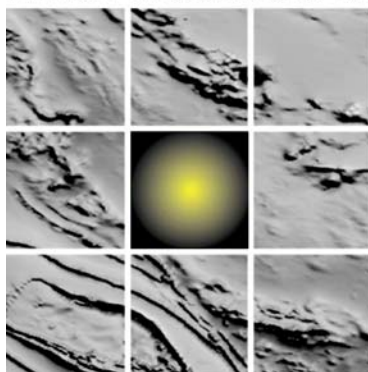


ABN 57 063 977 579

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2008

IMAGE RESOURCES NL

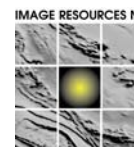


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HALF-YEAR FINANCIAL REPORT

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DIRECTORS' REPORT



Your directors submit the financial report of the Company for the half-year ended 31 December 2008.

DIRECTORS

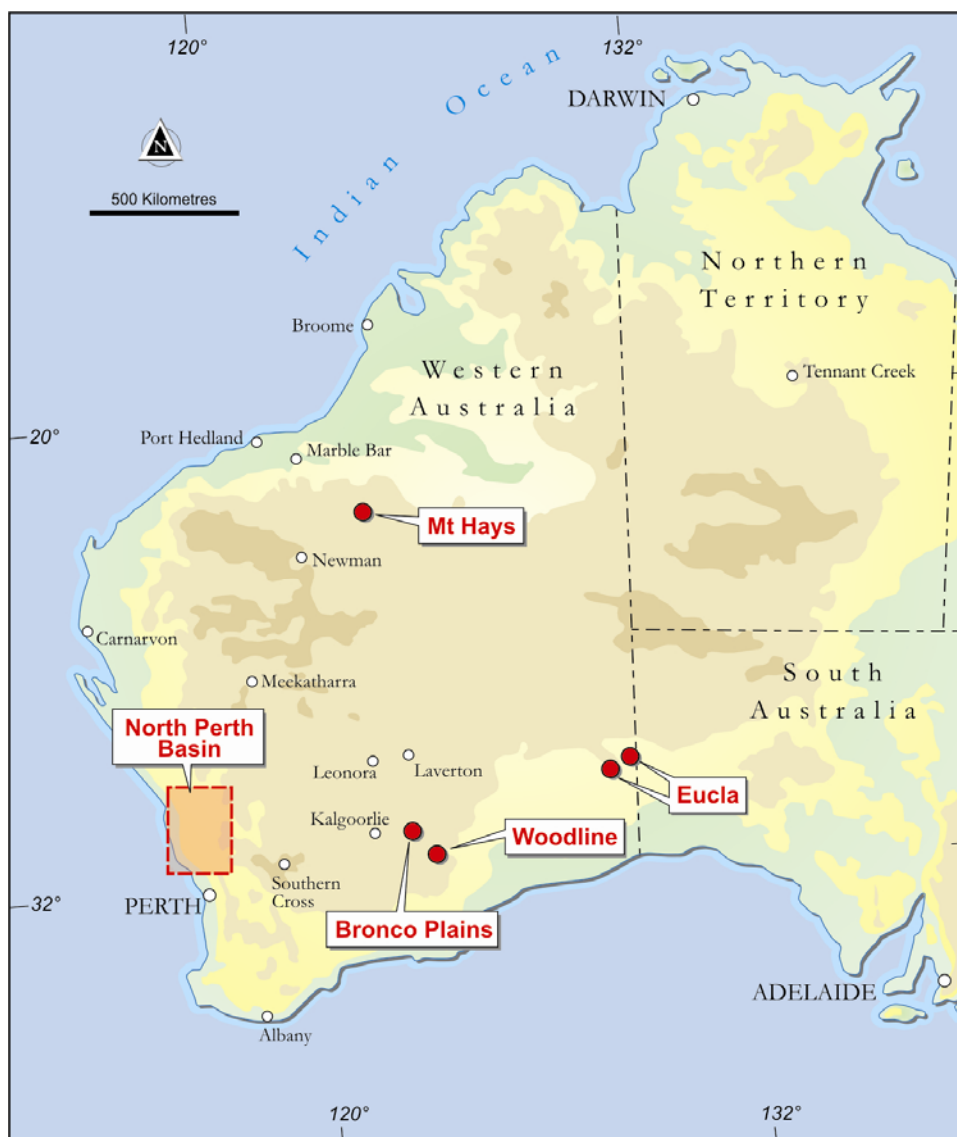
The following persons were directors of Image Resources NL ("Image") during the whole of the half-year and up to the date of this report:

Mr Peter Thomas, Mr George Sakalidis, Mr Roger Thomson

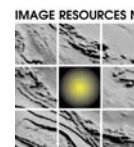
REVIEW OF OPERATIONS

The loss for the half-year ended 31 December 2008 was \$2,181,457 (2007 – \$3,677,621). This includes an amount of \$169,250 (2007 - \$1,958,000) which has been expensed as a share-based payment (see note 2). The net loss excluding this share-based payment amounts to \$2,012,207 (2007 - \$1,719,621).

The Company's activities during the six month period are summarised as follows, with project locations shown on this Location Map.



Location Map



NORTH PERTH BASIN MINERAL SANDS

SCOPING STUDY

Image completed its scoping study on its North Perth Basin heavy mineral (HM) project (ASX release 1 December 2008). The scoping study was carried out on Image's initial identified indicated and inferred resources which contain 6.4 million tonnes of heavy minerals (ASX release 8 May 2008). The object of the study was to assess the potential economics of the development and commercialisation of the initial resources and in particular to examine the possible:

- mining scenarios for a standalone operation producing concentrate which could then be toll processed by existing underutilised dry separation plants in the region.
- value of the resources to existing producers with established but underutilised infrastructure and depleted reserves in this mature mineral sands province.

The scoping study had several positive outcomes summarised as follows:

- Image has several options for the commercialisation of its existing North Perth Basin resources: stand alone dry mining; stand alone dredging; and larger scale dredging/dry mining by a third party ("incremental case").
- The incremental case dredging (2,000tph) and dry mining (800tph) combination gives a best case (US60c exchange rate) Net Present Value (10% discount, before tax) of \$180M (Internal Rate of Return 294%) with potential to increase this NPV to \$298M if a Synthetic Rutile ilmenite premium is applied for ilmenite suitable for processing to synthetic rutile (SR ilmenite).
- Stand alone dredging (800tph and viable on part only of the resources) gives a best case NPV of \$87M (IRR 105%), of which Image's share is \$68M plus any participation by Image in the NPV (up to \$160M with SR ilmenite premium) to a third party mining the balance of the resources.
- The presence of SR ilmenite has the potential to add significantly to the NPV of both stand alone and incremental cases, illustrating the need to determine the distribution of SR ilmenite throughout the project.
- Only the resources identified from the drilling of 20% of Image's targets are addressed. The value of resources identified in the remaining 80% has the potential to be substantially greater by leveraging sunken capital and/or economies of scale.

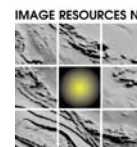
The scoping study highlighted the value adding potential of SR ilmenite and test work to determine the SR ilmenite content of the identified resources has commenced.

Following the positive results of the scoping study Image signed memoranda of understanding (MOU) with two Western Australian heavy mineral producers. The MOU's provide for the release of composite samples and resource models from Image's North Perth Basin project to enable the producers to further assess these resources with a view to their possible commercialisation. In addition, Image has commenced discussions for MOU's with other interested parties.

COOLJARLOO JV (Image 70%)

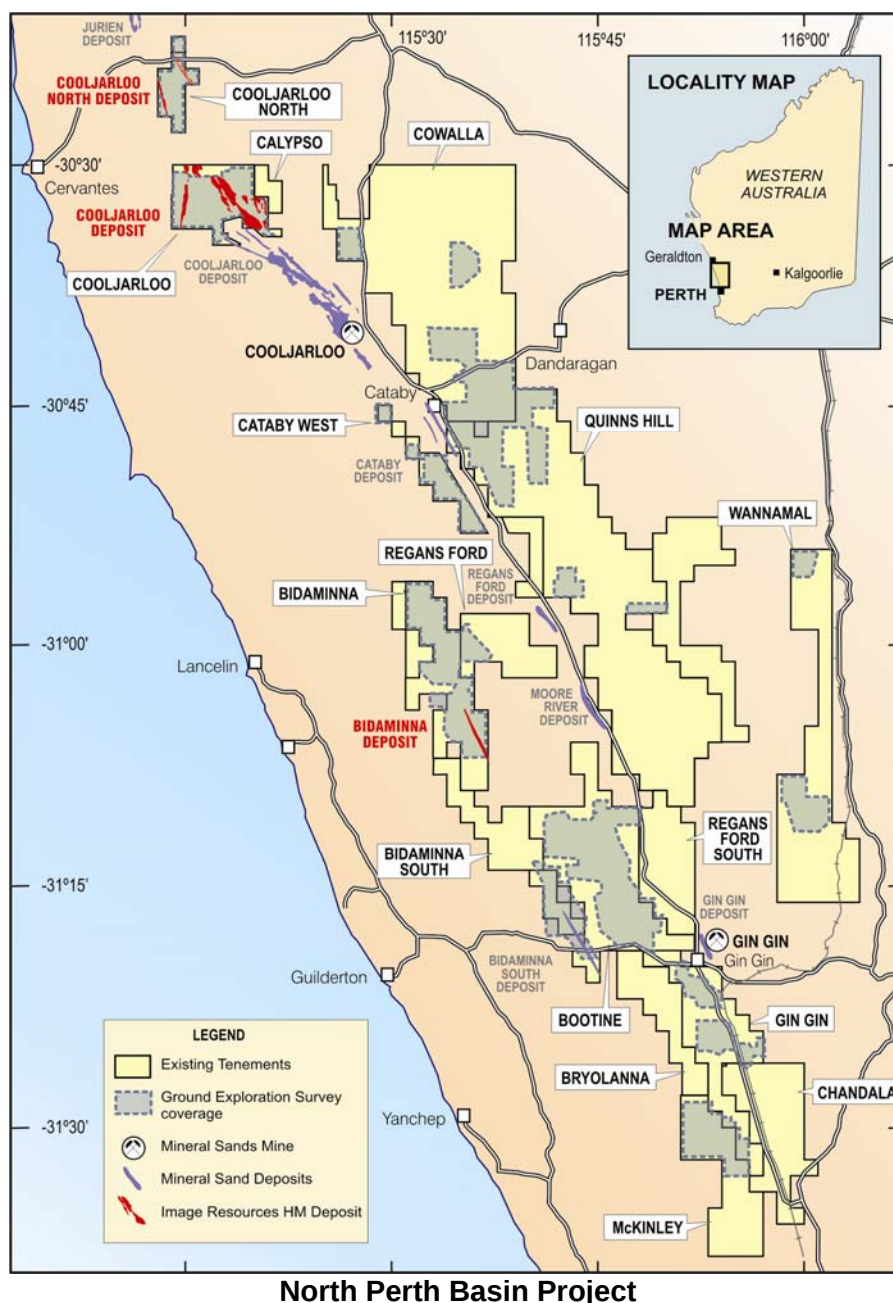
During the period, Image carried out infill aircore drilling on the Atlas inferred resource (9.7 million tonnes at 5.8% HM, containing 560,000 tonnes of HM) and on nearby geophysical targets (total 370 holes, 4,535m). Laboratory processing of these samples is in progress. The infill drilling at Atlas is closing the drill spacing to approximately 200m x 20m which is expected upgrade the inferred resource to an indicated resource and provide greater confidence in the grade and continuity of the HM mineralisation.

DIRECTORS' REPORT



COOLJARLOO NORTH (Image 100%)

Aircore drilling was carried out on the northern strike extension of the Helene indicated resource (11.5 million tonnes at 4.5% HM, containing 520,000 tonnes of HM) and nearby geophysical targets (88 holes, 2,478m). In addition 8 audit drill holes were completed at Helene. The holes were twinned with historical holes drilled by Iluka Resources with the aim of testing the reliability of Image's sampling method and comparing grade estimates with the previous drilling.

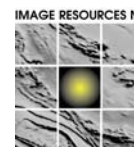


North Perth Basin Project

COOLJARLOO EXTENSIONS JV (Image earning 70%)

Image entered into a joint venture with Matilda Minerals on an exploration licence application adjoining Image's Cooljarloo joint venture. The Matilda tenement is situated along strike from parts of Image's Calypso deposits and is considered to have potential for extensions to this thick channel-style mineralisation.

DIRECTORS' REPORT



GINGIN (Image 100%)

Geophysical surveys on this 95sq km tenement near Iluka's mine at Gingin have identified at least 45km of new targets, one of which is more than 8.6km in length and 0.35km in width (ASX release 21 October 2008). Image has increased the total cumulative length of identified targets to 292km, up from 247km. This number is expected to grow as ground surveys are progressively carried out on the remaining 66% of Image's tenements which have not yet been surveyed.

CHANDALA JV (Image earning 80%)

Image agreed terms for a joint venture with Derby Mines Pty Ltd on a 107sq km exploration licence at Chandala south of Gingin (ASX release 18 December 2008). The tenement is strategically situated on the Gingin Scarp between Iluka's operating Gingin mine and the Bullsbrook HM deposit. The Gingin Scarp is a major paleo-coastline known to host major HM deposits such as Eneabba and Capel.

The joint venture tenement is believed to host potentially economic mineralisation at the Muchea HM deposit where historic exploration outlined a mineralised zone reported to contain 2.25 million tonnes at 8.5% HM

REGANS FORD JV (Image earning 75%)

Image has agreed terms for a joint venture with Kingsreef Pty Ltd on an 85sq km exploration licence south of Regan's Ford (ASX release 29 December 2008) increasing Image's holdings in the North Perth Basin to about 2.410 sq km. The joint venture tenement is situated on the Gingin Scarp approximately 15km north of the Chandala tenement mentioned above.

Significantly, the Regan's Ford South tenement covers the strike extension of high-grade mineralisation identified by Westralian Sands (now Iluka Resources Ltd) in 1998 where a best drill intersection of 3m at 12.0% HM from 21m was reported.

PHOSPHATE PROJECT (Image 100%)

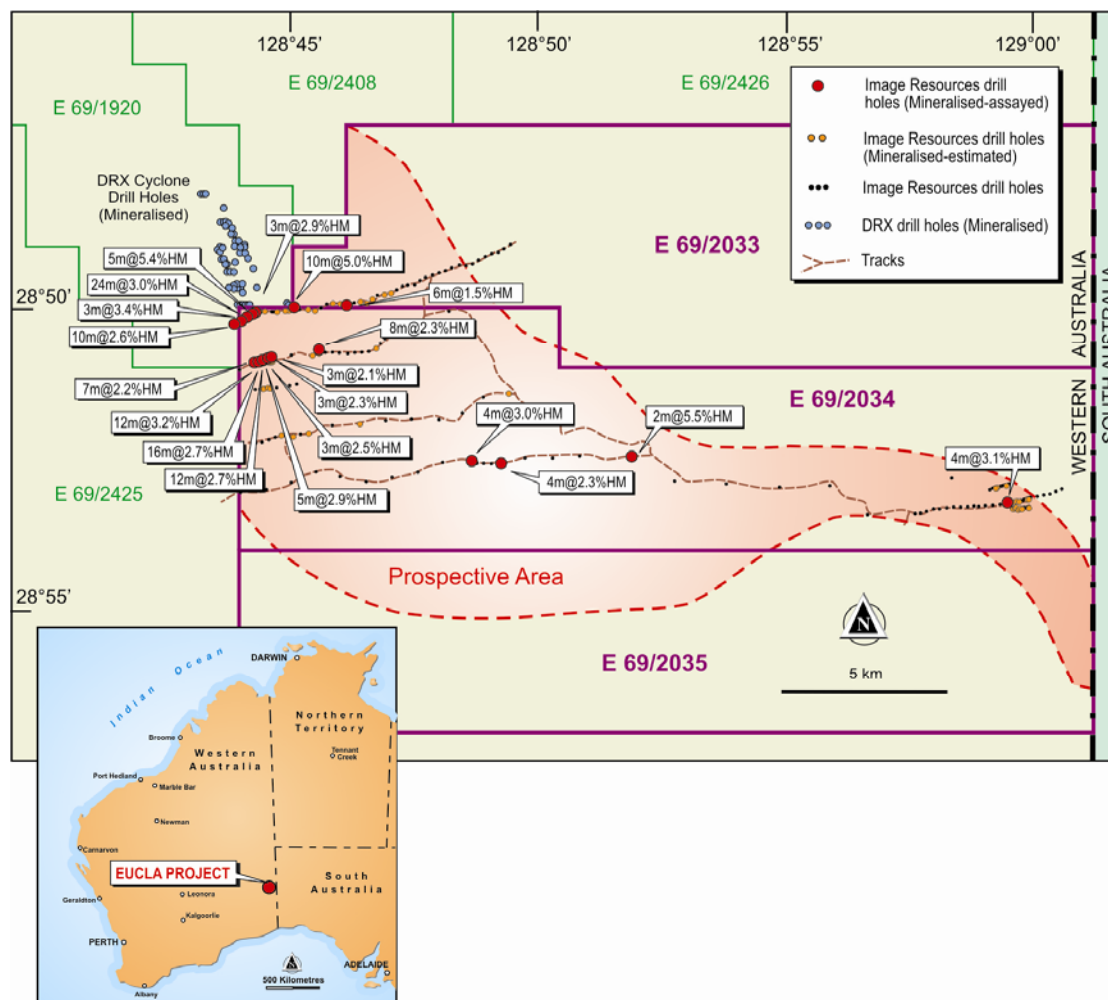
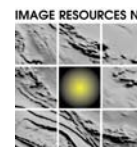
No field work was completed during the period pending grant of the more prospective exploration licences.

EUCLA BASIN MINERAL SANDS

First pass aircore drilling was carried out on Image's 100%-owned Serpentine Lakes tenements, situated along strike from the zircon-rich Cyclone prospect discovered by Diatreme Resources (DRX ASX release 15 February 2008; Inferred Resource 60Mt at 3.1%HM containing 1.8Mt HM). The drilling (210 holes totalling 8,497m) was aimed at determining the local stratigraphy of the Barton paleo-shoreline, testing for strike extensions of the Cyclone mineralisation and identifying targets for further drilling.

The drilling intersected mineralisation up to 2.5km along strike from Cyclone indicating potential for a continuation of this resource into Image's tenements, with best intercepts of 24m @ 3.0% HM from 4m and 16m @ 2.7% HM from 8m.

DIRECTORS' REPORT



Serpentine Lakes, Eucla Basin

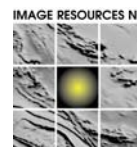
Significantly, mineralisation has been intersected a further 6km and 22km east of the Cyclone extension, suggesting potential for widespread heavy mineral concentrations within the tenements. The most easterly mineralisation occurs on an interpreted "J" shaped paleo-shoreline with heavy minerals intersected on three drill lines over a strike length of 1.1km. Visual examination of the Serpentine Lakes drill samples indicates a high proportion of contained zircon, however this is currently being checked in the laboratory.

WOODLINE JV (Image 100%, diluting)

Geological and regolith mapping of the joint venture tenements continued during the period. A drilling programme to test geochemical anomalies and aeromagnetic targets on all three joint venture tenements (E28/1328, E28/1400 and E28/1496) is in progress following receipt of the necessary permits.

BRONCO PLAINS JV (Image 100%, diluting)

Image entered into a joint venture agreement on its 230sq km 100%-owned Bronco Plains project situated 140 km east of Kalgoorlie. The Image tenements occur on the 300km-long Tropicana-Beachcomber trend where AngloGold Ashanti Australia Ltd (AGA) and Independence Group NL (IGO) discovered the 4Moz Tropicana-Havana gold deposits.



DIRECTORS' REPORT

Under the terms of the agreement AGA and IGO may earn a combined 72% interest in two contiguous exploration licences by sole funding \$2million of expenditure within four years. A programme of auger soil sampling and aircore drilling of geochemical anomalies has been proposed subject to obtaining the necessary permits for the Coonana Timber Reserve.

MT HAYS (Image 90%)

Geochemical soil sampling (482 samples) has been carried out over a 10km strike length adjacent or along strike from gold mineralisation previously identified by Image's drilling (best intersection 2m at 52.1g/t Au from 92m (ASX release 5 August 2008). The geochemical survey covered interpreted structural targets along strike from Millenium Minerals' (formerly Wedgetail Mining) Nullagine gold project. Sample analyses are in progress.

The information in this report that relates to exploration results is based on information compiled by Roger Thomson BSc, ARSM, MAusIMM, who is a Member of the Australian Institute of Geoscientists. Roger Thomson is a director of Image Resources NL. Roger Thomson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Roger Thomson consents to the inclusion of this information in the form and context in which it appears in this report.

INDEPENDENCE DECLARATION BY AUDITOR

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 9 for the half-year ended 31 December 2008.

This report has been signed in accordance with a resolution of directors.

For and on behalf of the Directors

G SAKALIDIS

Managing Director

12 March 2009

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF IMAGE RESOURCES NL**

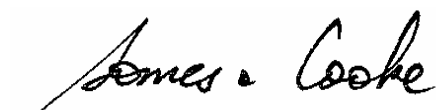


Auditor's Independence Declaration to the Directors of Image Resources NL

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Image Resources NL.

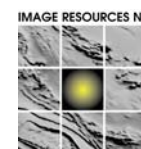
As audit partner for the review of the financial statements Image Resources NL for the period ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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


SOMES and COOKE


K. C. Somes
Partner
1304 Hay Street
West Perth WA 6005

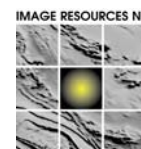
Date: 13 March 2009



CONDENSED INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Notes	Half Year Ended 31 Dec 2008 (\$)	Half Year Ended 31 Dec 2007 (\$)
Revenue from ordinary activities		295,425	235,176
Depreciation expense		(21,043)	(16,659)
Exploration and tenement expenses written off		(1,357,862)	(1,226,867)
Other expenses from ordinary activities		(928,727)	(711,271)
Share based payments	2	(169,250)	(1,958,000)
Loss from ordinary activities before income tax expense		<u>(2,181,457)</u>	<u>(3,677,621)</u>
Income tax expense relating to ordinary activities		-	-
Loss from ordinary activities after related income tax expense		<u>(2,181,457)</u>	<u>(3,677,621)</u>
Loss from ordinary activities after related income tax expense attributable to members of Image Resources NL		<u>(2,181,457)</u>	<u>(3,677,621)</u>
Basic loss per share (cents per share)		(2.7390)	(4.7642)
Diluted loss per share (cents per share)		<u>(2.7390)</u>	<u>(4.7642)</u>

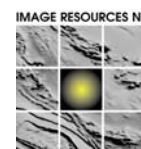
The accompanying notes form part of these financial statements.



CONDENSED BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	31 Dec 2008 (\$)	30 June 2008 (\$)
Current Assets			
Cash assets		4,932,041	6,431,257
Receivables		203,048	230,776
Prepayments		24,626	43,044
Total Current Assets		<u>5,159,715</u>	<u>6,705,077</u>
Non-Current Assets			
Plant and equipment		101,836	102,349
Mineral interests		-	-
Other financial assets	3	<u>379,281</u>	<u>958,467</u>
Total Non-Current Assets		<u>481,117</u>	<u>1,060,816</u>
TOTAL ASSETS		<u>5,640,832</u>	<u>7,765,893</u>
Current Liabilities			
Payables		<u>341,911</u>	<u>345,895</u>
Total Current Liabilities		<u>341,911</u>	<u>345,895</u>
TOTAL LIABILITIES		<u>341,911</u>	<u>345,895</u>
NET ASSETS		<u>5,298,921</u>	<u>7,419,998</u>
Equity			
Contributed equity	4	19,801,026	19,801,026
Reserves		3,321,259	3,260,879
Accumulated losses		<u>(17,823,364)</u>	<u>(15,641,907)</u>
TOTAL EQUITY		<u>5,298,921</u>	<u>7,419,998</u>

The accompanying notes form part of these financial statements.



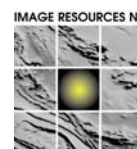
CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

Share Capital	Available for Sale Financial Assets Reserve Capital	Employee Benefit Reserve	Accum Losses	Total
(\$)	(\$)	(\$)	(\$)	(\$)

Balance at 1.7.2007	14,671,747	785,971	1,194,009	(11,955,103)	4,696,624
Shares issued during the period	4,150,000				4,150,000
Options exercised during the period at \$0.25 each	75,000				75,000
Options exercised during the period at \$0.335 each	597,975				597,975
Options exercised during the period at \$0.39 each	306,303				306,303
Share based payments			1,958,000		1,958,000
Changes in fair value of available for sale assets		(350,012)			(350,012)
Loss for period				(3,677,621)	(3,677,621)
Balance at 31.12.2007	19,801,025	435,959	3,152,009	(15,632,724)	7,756,269

Balance at 1.7.2008	19,801,026	108,870	3,152,009	(15,641,907)	7,419,998
Share based payment			169,250		169,250
Changes in fair value of available for sale assets		(626,792)			(626,792)
Write-off of negative balance in Available for Sale Asset Reserve		517,922			517,922
Loss for period				(2,181,457)	(2,181,457)
Balance at 31.12.2008	19,801,026	-	3,321,259	(17,823,364)	5,298,921

The accompanying notes form part of these financial statements.



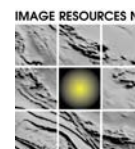
CONDENSED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Half Year Ended 31 Dec 2008 (\$)	Half Year Ended 31 Dec 2007 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
GST refunds received	51,487	154,750
Payments to suppliers and contractors	(592,584)	(570,878)
Interest and dividends received	231,225	178,777
Net cash provided by / (used in) operating activities	(309,872)	(237,351)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(20,530)	(19,098)
Payments for exploration and evaluation	(1,111,252)	(820,428)
Proceeds on sale of tenements/recoupments	-	90,067
Short term loans advanced	-	(61,450)
Purchase of investments	(47,606)	(2,800)
Purchase of new prospects	(9,956)	(16,486)
Proceeds from sale of investments	-	-
Net cash provided by / (used in) investing activities	(1,189,344)	(830,195)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from new issues of shares	-	4,979,279
Share issue expenses	-	-
Net cash provided by financing activities	-	4,979,279
Net (decrease) / increase in cash held	(1,499,216)	3,911,733
Cash at the beginning of the financial period	6,431,257	3,511,835
Cash at the end of the financial period	<u>4,932,041</u>	<u>7,423,568</u>

NON-CASH FINANCING ACTIVITIES

Share issue:
Shares to the value of \$150,000 were issued to finance the acquisition of tenements during the six months ended 31 December 2007.

The accompanying notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 1 BASIS OF PREPARATION

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

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

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

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

Reporting Basis and Conventions

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

NOTE 2 SHARE BASED PAYMENTS

**Half Year Ended
31.12.2008
(\$)**

2,500,000 unlisted options were issued to a director following shareholder approval at the Company's 2008 Annual General Meeting.

These options have been expensed fully at the independent valuation obtained (to satisfy the legal requirement that a value be placed on the Options and disclosed to shareholders using recognised valuation methodology). The directors believe that the amount which could have been obtained upon a sale of the options at the date of their grant would have been significantly less.

169,250

169,250

NOTE 3 OTHER FINANCIAL ASSETS

**Half Year Ended
31.12.2008
(\$)**

Available for sale assets

Balance 1 July 2008

958,467

Purchases – at cost

47,606

Sales at carrying value

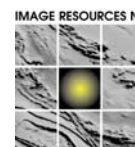
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Increase/(Decrease) in fair value

(626,792)

Balance 31 December 2008

379,281



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 4 CONTRIBUTED EQUITY

Ordinary Shares

Balance 1 July 2008

Total Shares Issued at 31 December 2008

Number	\$
79,644,246	19,801,026
79,644,246	19,801,026

Unlisted Options exercisable at \$1.50 on or before 19 November 2011

Balance 1 July 2008

Options granted to directors pursuant to shareholders' resolution 18 November 2008

-	-
2,500,000	-
2,500,000	-

Other Unlisted Options

Exercisable at \$0.39 on or before 26 November 2009

Exercisable at \$0.37 on or before 21 November 2010

Exercisable at \$1.80 on or before 16 November 2011

Exercisable at \$2.38 on or before 26 March 2012

Exercisable at \$2.12 on or before 20 November 2012

1,214,604	-
2,000,000	-
2,500,000	-
1,000,000	-
2,200,000	-
8,914,604	-
11,414,604	-

Total Options issued at 31 December 2008

NOTE 5 TENEMENT EXPENDITURES COMMITMENTS

The Company has entered into certain obligations to perform minimum exploration work on tenements held. These obligations vary from time to time in accordance with contracts signed. Tenement rentals and minimum expenditure obligations which may be varied or deferred on application, are expected to be met in the normal course of business.

The minimum statutory expenditure requirement on the granted tenements for the next twelve months amounts to \$2,500,710. Of this amount, \$1,714,590 is expected to be met by JV participants as a result of various joint ventures entered into.

The tenements are subject to legislative requirements with respect to the processes for application, grant, conversion and renewal. Tenements are also subject to the payment of annual rent and the meeting of minimum annual expenditure commitments. There is no guarantee that any applications, conversions or renewals for the Company's tenements will be granted.

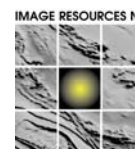
NOTE 6 SEGMENT INFORMATION

The Company operates one business, that being the exploration for and development of minerals. Geographically, the Company's activities are conducted mainly within Western Australia, Northern Territory and South Australia.

NOTE 7 EVENTS SUBSEQUENT TO REPORTING DATE

There have been no matters or circumstances that have arisen since 31 December 2008 which have significantly affected or may significantly affect:

- (a) the Company's operations in future years; or
- (b) the results of those operations in future years; or
- (c) the Company's state of affairs in future years.



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 8 CONTINGENT LIABILITIES

Native Title

The Company's activities in Australia are subject to the Native Title Act and its interpretation.

The Native Title Act legally recognises the title rights of indigenous Australians over areas where those rights have not been lawfully extinguished. State and Commonwealth native title legislation regulates the recognition, application and protection of native title. Native title may affect the status, renewal and conversion of existing tenements and the granting of new tenements. Indigenous land use agreements, including terms of compensation, heritage survey and protection agreements or other agreement types may need to be negotiated with affected parties.

The Native Title Act prescribes procedures applicable to the grant of tenements which apply even in the case of, for instance, a granted exploration licence being "converted" to, say, a mining lease. Compensation may become payable in respect of any impact which the grant of any tenements or other activities have on native title. A tenement holder may be liable for the payment of compensation for the affect of mining and exploration activities on any native title rights and interests that exist in the area covered by a tenement. Compensation may be payable in forms other than money, including the transfer of property and the provision of goods and services.

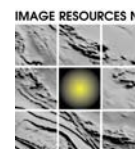
It is not currently possible to assess whether compensation will be payable by the Company to native title holders in relation to any of the tenements but such compensation could be significant.

There may be sites and objects of significance to indigenous Australians located on the land relating to the Company's tenements. State and Commonwealth Aboriginal heritage legislation aims to preserve and protect these sites and objects from use in a manner inconsistent with Aboriginal tradition. The Company proposes carrying out 'clearance surveys' if it considers this to be appropriate before conducting any exploration work that would disturb the surface of the land. The Company's tenements may contain some such sites of significance, which would need to be avoided or cause delays. It is possible that areas containing mineralisation or an economic resource may also contain sacred sites, in which case they may remain unexploited. Access agreements will need to be negotiated with affected parties.

Native title, Aboriginal heritage or other indigenous matters are matters of substantial risk (giving rise to the threat that certain tenements may not be granted, access to certain tenements may be denied or delayed in addition to potentially significant cost exposure in respect of things such as negotiations, surveys, incentive payments and compensation to name but a few) as the legislative frame works provide torturous and frequently uncertain routes to the endeavour by both stakeholders (that is explorers/miners and indigenous peoples) to attain certainty.

It is not possible to quantify the financial or other impact native title and Aboriginal heritage will have upon the Company as, amongst other things, the processes involved with:

- (a) identifying all and only the indigenous peoples with a relevant interest;
 - (b) registering an indigenous land use agreement;
 - (c) obtaining access to land without infringing the provisions of the Aboriginal Heritage Act;
- are open ended, can involve substantial delay and cost and there can be no certainty as to the outcome with it being possible for projects to be entirely frustrated.



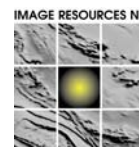
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

This could be the case, for instance, even in circumstances where:

- (a) a native title party consents to the grant of an exploration licence and assists the exploration endeavour thereon (and the discovery of an otherwise economic deposit);
- (b) the Company, in order to exploit that discovery, applies for a mining lease (or other required approval, consent, authority etc.) but such grant, approval, consent or authority is not forthcoming by reason of an objection by the same or another native title party.

Freehold Access

The interests of holders of freehold land encroached by tenements are given special recognition by the Mining Act (WA). As a general proposition, a tenement holder must obtain the consent of the owner of freehold before conducting operations on the freehold land. There can be no assurance that the Company will secure rights to access those portions of the tenements encroaching freehold land either at all or for all purposes but, importantly, the grant of freehold extinguished native title so wherever the tenements encroach freehold the Company is in the position of not having to abide by the Native Title Act albeit aboriginal heritage matters will still be of concern.



DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the accompanying financial statements and notes:
 - (a) comply with Accounting Standard AASB 134 : Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position of the Company as at 31 December 2008 and its performance for the half-year ended on that date.
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

Signed at Perth: **George Sakalidis**
Managing Director

Dated this 12th day of March 2009

**Independent review report to the members of
IMAGE RESOURCES NL
Scope**

We have reviewed the accompanying half-year financial report of Image Resources NL (the Company), which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement or description of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and, maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

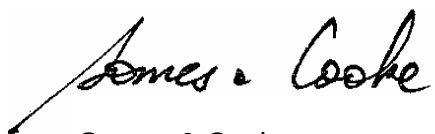
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 13 March 2009, would be in the same terms if provided to the directors as at the date of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001* including:

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



Somes & Cooke
Chartered Accountants



Kevin Clarence Somes
Partner
Perth

Date: 13 March 2009