



Financial Report

Year ended 30 June 2009

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CORPORATE DIRECTORY

This financial report covers Riviera Resources Limited ("the Company" or "Riviera Resources") during the year ended the 30 June 2009. The Company's functional and presentation currency is AUD (\$)

OFFICERS

Mr Mark Foster	(Chairman)
Mr Philip Re	(Managing Director/Secretary)
Mr Paul Lloyd	(Non-Executive Director)
Mr Nicholas Revell	(Non-Executive Director)

REGISTERED OFFICE

C/Parkinson Corporate Pty Ltd
Level 1, 322 Hay Street
SUBIACO WA 6008

SOLICITORS

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

AUDITORS

Bentleys
Level 1, 12 Kings Park Road
WEST PERTH WA 6005

SHARE REGISTRY

Advanced Share Registry Ltd
Unit 2, 150 Stirling Highway
NEDLANDS WA 6009
Telephone: (08) 9389 8033
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PRINCIPAL PLACE OF BUSINESS

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WEBSITE

www.rivieraresources.com.au

ASX CODE

RVE

DIRECTOR'S REPORT



ABN: 27 128 806 977

Your directors present their report together with the financial statements of Riviera Resources Limited for the financial year ended the 30 June 2009.

Directors

The names of directors in office at any time during or since the end of the year are:

Mark Foster (Non-Executive Director / Chairman)

Philip Re (Managing Director)

Paul Lloyd (Non-Executive Director)

Nicholas Revell (Non- Executive Director)

Directors have been in office since the start of the financial year to the date of this report.

Company Secretary

Mr Philip Re held the position of company secretary at the end of the financial year and for the all financial year:

Mr Philip Re was appointed company secretary on 06/12/2007.

Principal Activities

The principal activities of the Company during the financial year were:

On 1st July 2008 the Company lodged a prospectus to raise \$2,500,000 @ \$0.20.

The Company was officially admitted to the ASX on 8th September 2008 and commenced trading on 10th September 2008.

The company's principal activity is mineral exploration and evaluation.

There were no other significant changes in the nature of the Company's principal activities during the financial year.

Review of operations

The company commenced exploration of its 100% owned Three Sisters Project located 250 km south of Charters Towers in Central Eastern Queensland.

Previously, the Three Sisters Project had only underground reconnaissance exploration that identified a number of targets in an area known to host economic mineralisation.

In November 2008, the company completed a soil sampling program by collecting 994 soil samples designed to investigate in more detail gold anomalies identified in favourable host lithologies within EPM 14588 and EPM 15517.

The result of the program follows:

Infill soil sampling in the southern portion of the project has located two discrete, contoured gold anomalies. Anomaly 1 is a ~1200m long, southeasterly trending gold anomaly that is interpreted as an extension to the gold anomalies defined in previous sampling programmes (i.e.: 'gold corridor'). An area of ~500m where no sampling had been completed occurs in the central portion of the anomaly.

The southern most gold response (Anomaly 2) occurs over ~750m and is still open to the south. The 2008 sampling appears to have extended the south easterly trending 'gold corridor' outlined from the 2007 infill sampling (SE Infill area) to 3000-3500m. The southern most anomaly sits off this trend, but still has a south easterly orientation. Several elements show a good correlation with the gold anomalism, and should be considered as possible pathfinder elements. These are Ag, As, +/-Co, Cu, Mo.

In March 2009 Riviera completed Aeromagnetic, radiometric and Landsat data interpretation. The results further defined and confirmed previously completed field exploration that identified a "Gold Corridor".

Riviera has commenced a proposed work program to follow up previous encouraging results.

Competent Persons: The information within this report relating to exploration activities on the Company's projects is based on information compiled by Nicholas Revell who is a member of the Australasian Institute of Mining and Metallurgy. Mr Revell 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 for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Revell has consented to the inclusion in the report of the information on the Three Sisters Project in the form and context represented above.

DIRECTOR'S REPORT



ABN: 27 128 806 977

Operating Results

The loss for the year ended 30 June 2009 after providing for income tax amounted to \$355,025 (2008: \$ 6,748) .

Dividends Paid or Recommended

No Dividends were paid or declared for payment.

Financial Position

The net assets of the Company have increased to \$2,449,416 in 2009 (2008: 206,418). This increase has largely resulted from the following factors:

- Successful Capital Raising from the prospectus dated the 1st July 2008 to raise \$2,500, 000.

The directors believe the company is in a strong and stable financial position to expand and grow its current operations.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the company occurred during the financial year:

- i. On 28th August 2008 the company settled on the sale and purchase agreement for the purchase of EPM 15577 and EPM 14588 with Greenland Minerals and Energy Limited. As part of the settlement Greenland Minerals and Energy Limited were issued 1,200,000 shares and the balance of the settlement to the amount of \$ 130,000.00 was paid.
- ii. On 10th September 2008 Riviera Resources Limited listed on the ASX after successfully raising \$2,500,000.

After Balance Date Events

There are no matters or circumstances that have arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Environmental Issues

The Directors believe that the Company has, in all material respects complied with all particular and significant environmental regulations relevant to its operations.

The company's operations will be subject to significant environmental regulation under the law of the Commonwealth and State.

The majority of the activities will involve low level disturbance associated with exploration programs. Approvals, licenses and leasings and other regulatory requirements are performed by the operators of each permit or lease on behalf of the Company.

The Company considered the NGER Act and based on the current position is satisfied that it will not impact on the Company's compliance.

DIRECTOR'S REPORT

Information on Directors

Mark Foster	—	Chairman
Qualifications	—	Mr Foster has practised as a corporate lawyer since 1996 having graduated from the University of Western Australia with a Bachelor of Laws and Commerce (majoring in accounting).
Experience		He is currently a partner with corporate law firm Steinepreis Paganin. Mr Foster has significant experience in corporate and resources law having advised on numerous initial public offers and secondary capital raisings, all forms of acquisition and mergers (including takeovers and schemes of arrangement) and project acquisition and divestments generally. Mr Foster is also a member of FINSIA (formerly the Securities Institute of Australia).
Interest in Shares and Options	—	691,000 Ordinary Shares in Riviera Resources Limited
Directorships held in other listed entities	—	None
Philip Re	—	Managing Director
Qualifications	—	Mr Re holds a Bachelor of Business, is a Chartered Accountant, a Chartered Secretary and holds a Certificate of Public Practice. Mr Re has also completed a Graduate Diploma in Company Secretarial Practice.
Experience		In recent years Mr Re has been involved as a director and company secretary for a number of public companies involving transactions in the mineral exploration industry. Recently Mr Re was a director and the company secretary for ASX Listed Meridian Minerals Limited, and is currently the company secretary for Promesa Limited. Mr Re previously held the role as company secretary for Transit Holdings Limited. Mr Re is one of the founders of the charity organisation "The Better Life Foundation WA", where he currently acts as Chairman. Mr Re is also a director of Parkinson Chartered Accountants.
Interest in Shares and Options	—	1,705, 000 Ordinary Shares in Riviera Resources Limited
Directorships held in other listed entities	—	None
Paul Lloyd	—	Non-Executive Director
Qualifications	—	Paul Lloyd is a Chartered Accountant with over 25 years' commercial experience.
Experience	—	Mr Lloyd operates his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. After commencing his career with an international accounting firm, he was employed for approximately 10 years as the General Manager of Finance for a Western Australian based international drilling contractor working extensively in Asia and Africa.
Interest in Shares and	—	950,000 Ordinary Shares in Riviera Resources Limited

DIRECTOR'S REPORT



ABN: 27 128 806 977

Options

Directorships held in other listed entities — Mr. Lloyd is Chairman of ASX listed Beacon Minerals Limited and Non-Executive Director of Target Energy Limited.

Nicholas Revell

— Non-Executive Director

Qualifications

— Nicholas Revell has 19 years' experience in mine and exploration geology.

Experience

He established an independent consultancy 7 years ago and specialises in mine development, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including gold, base metals and iron ore and qualifies as a Competent Person as defined by the VALMIN Code and JORC Code.

Mr. Revell was previously Chief Geologist at Macarthur Minerals Limited and International Gold Mining Limited, both of which are companies listed on the Toronto Stock Exchange. In addition Nick Revell held roles as Chief Geologist at Fortescue Metals Group and worked for Crescent Gold Limited (formerly Apollo Gold Mining Limited), Auriongold Limited (formerly Goldfields Limited), North Limited, Renison Goldfields Limited and St Barbara Limited (formerly St Barbara Mines Limited).

Interest in Shares and Options

— 400,000 Ordinary Shares in Riviera Resources Limited

Directorships held in other listed entities

— None.

DIRECTOR'S REPORT



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REMUNERATION REPORT

The information provided in the remuneration report includes remuneration disclosures that are required under Accounting Standard AASB 124 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited.

Principles used to determine the nature and amount of remuneration

The Board determines the appropriate nature and amount of remuneration. The Board ensures that the executive reward satisfies the following criteria for good reward governance practice:

- competitiveness and reasonableness;
- acceptability to shareholders;
- alignment of executive remuneration to performance;
- transparency; and
- capital management.

The framework provides a mix of fixed and variable pay.

Non-executive Directors and executive Director

Fees and payments to non-executive directors and the executive Director reflect the demands which are made on, and the responsibilities of, the directors. Non executive directors' fees and payments are reviewed annually by the Board.

Directors' fees

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum pool limit currently stands at \$300,000 per annum and will be approved at the next Annual General Meeting.

Retirement allowances

Superannuation contributions required under the Australian superannuation guarantee Legislation are deducted from the directors' overall fee entitlements

Key Management Personnel Remuneration Policy

The board's policy for determining the nature and amount of remuneration of key management for the company is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future.

The employment conditions of the managing director, Philip Re and other key management personnel are formalised in letters of employment. Other than the managing director, all other key management personnel are the Non Executive Directors of Riviera Resources Limited, Mark Foster, Paul Lloyd and Nicholas Revell.

The letter of employments of the Non-Executive and Executives Directors formalise the appointment, independence and remuneration terms.

DIRECTOR'S REPORT



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Key Management Personnel Remuneration

2008

No remuneration was paid to key management persons during the 2008 financial year

2009

Key Management Person	Short-term Benefits				Post-employment Benefits
	Cash, salary and commissions	Cash profit share	Non-cash benefit	Other (accrual)	Super-annuation
	\$	\$	\$	\$	\$
Philip Re (*)	25,000	-	-	-	2,250
Mark Foster	25,000	-	-	-	2,250
Paul Lloyd	25,000	-	-	-	2,250
Nicholas Revell	25,000	-	-	-	2,250
	100,000	-	-	-	9,000

DIRECTORS' REPORT

2009 (continued)

Key Management Person	Other Long-term Benefits	Share-based Payment		Total	Performance Related
	Other	Equity	Options		
	\$	\$	\$	\$	%
Philip Re	-	-	-	27,250	-
Mark Foster	-	-	-	27,250	-
Paul Lloyd	-	-	-	27,250	-
Nicholas Revell	-	-	-	27,250	-
	-	-	-	109,000	-

(*) Parkinson Corporate Pty Ltd, a company Mr Re has an interest in, receives fees from Riviera Resources Limited for corporate, accounting and secretarial services. The total fees net of secretarial services allocation have been disclosed under related party transactions under note 15.

Performance income as a proportion of total remuneration

Executive directors and executives were not paid performance based bonuses.

Options issued as part of remuneration for the year ended 30 June 2009

No options were issued to directors and executives as part of their remuneration.

DIRECTOR'S REPORT



ABN: 27 128 806 977

Meetings of Directors

During the financial year, 7 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mark Foster	7	7
Philip Re	7	7
Paul Lloyd	7	7
Nicholas Revell	7	7

Indemnification and insurance of Directors and Officers

During or since the end of the financial year the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the following current and former directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$6,655 for all directors.

Mark Foster

Philip Re

Paul Lloyd

Nicholas Revell

Options

At the date of this report, the unissued ordinary shares of Riviera Resources Limited under option are nil.

During the year ended 30 June 2009, no ordinary shares of Riviera Resources Limited were issued on the exercise of options granted under the Riviera Resources Limited Employee Option Plan.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Future Developments

Other than as referred to in this report, further information as to likely developments in the operations of the Company and expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the Company and its shareholders.

DIRECTOR'S REPORT

Non-audit Services

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2009

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 18 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.

Philip Re 

Executive Director

Dated this 17th day of September 2009

CORPORATE GOVERNANCE STATEMENT



ABN: 27 128 806 977

The board of Directors is responsible for the corporate governance of the Company. The Board guides and monitors business activities and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with company's needs. The Corporate Governance Statement has been structured with reference to ASX Corporate Governance Council's ("council") "Principles of Good Corporate Governance and Best Practise Recommendations" to the extent that they are applicable to the Company.

Information about the Company's corporate governance practises are set out below.

Board of Directors

Role of the board

The Board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for the overall corporate governance of the entity including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems. It is also responsible for approving and monitoring financial and other reporting.

Board Processes

The Board has established a framework for the management of the entity including a system of internal control, a business risk management process and appropriate ethical standards.

The full Board schedules meetings, including strategy meetings and any extraordinary meetings, as necessary to address any specific significant matters that may arise. The agenda for meetings is prepared in conjunction with the Chairman and Company Secretary. Standing items include the management report, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance.

The entity is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of separate board committees, including a Nomination Committee, Remuneration Committee or an Audit Committee. Accordingly, all matters that may be considered by such committees are dealt with by the full Board. Details of the Board's procedures in respect to each of these areas are further outlined within the Corporate Governance Statement below - see Nomination Committee, Remuneration Committee and Audit committee respectively.

Director Education

The company has a formal process to educate new directors about the nature of the business, current issues, the corporate strategy and the expectations of the entity concerning performance of directors. Directors also have the opportunity to visit entity facilities and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

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 chairman, may seek independent professional advice from a suitably qualified adviser at the entity's expense. The director must consult with an advisor suitably qualified in the relevant field, and obtain the chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other members of the board.

Composition of the Board

The names of the Directors of the Company in office at the date of this report are set out in the Directors' Report on page 6 to 7.

CORPORATE GOVERNANCE STATEMENT

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

- A minimum of three directors, with a broad range of expertise both nationally and internationally
- Directors having extensive knowledge of the Company's industries, and those which do not, have extensive expertise in significant aspects of auditing and financial reporting, or risk management and financing of public companies
- The roles of Chairman and Managing Director are not to be exercised by the same individual.

Board members have experience in the management of public companies. The board currently does not have a majority of independent directors as recommended by the ASX Corporate Governance Council. The directors consider that, given the current size and stage of development of the Company, the current number of independent directors in the Company is appropriate for the effective execution of the board's responsibilities. The directors periodically monitor the need to appoint additional independent directors.

Mr Paul Lloyd and Mr Nicholas Revell are considered "Independent Directors" in terms of ASX Recommendations as they do not hold a substantial amount of shares in the Company.

Chairman

The Company is not currently considered to be of a size, nor is its affairs of such complexity to justify the need for an independent Chairman. The Chairman has been selected to bring specific skills and industry experience relevant to the company.

Nomination Committee

The board considers that a formally constituted Nomination Committee is not appropriate as the board, as part of its usual role, oversees the appointment and induction process for directors, and the selection, appointment and succession planning process of the Company's executive officers. The board considers the appropriate skill mix, personal qualities, expertise and diversity of each position. When a vacancy exists or there is a need for particular skills, the board determines the selection criteria based on the skills deemed necessary. The board identifies potential candidates and may take advice from an external consultant. The board then appoints the most suitable candidate. Board candidates must stand for election at the next general meeting of shareholders.

The chairman of the board continually reviews the effectiveness of the board, individual directors, and senior executives. The other directors have an opportunity to contribute to the review process. The reviews generate recommendations to the board, which votes on them. Directors displaying unsatisfactory performance are required to retire.

Remuneration Committee

The board considered that a formally constituted Remuneration Committee is not appropriate as the board, as part of its usual role, oversees the appointment and remuneration of directors and the Company's executive officers. Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. The board may seek independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. Remuneration packages include a mix of fixed remuneration, performance-based remuneration, and equity-based remuneration.

The remuneration structures explained below are designed to attract suitably qualified candidates, and to affect the broader outcome of maximising the Company's profitability. The remuneration structures take into account:

- Overall level of remuneration for each director and executive;
- The executive's ability to control the performance of the relevant area; and
- The amount of incentives within each executive's remuneration.

Shares and options can only be issued to Company Directors under a resolution at a general meeting of shareholders.

Non executive Directors may receive a base fee and can be remunerated by way of share and option issues approved under a resolution at a general meeting of shareholders.

The board has no established retirement or redundancy schemes.

CORPORATE GOVERNANCE STATEMENT



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Audit committee

The company is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Audit Committee. Whilst the Company does not have a formally constituted Audit Committee, the board, as part of its usual role, undertakes audit related responsibilities including:

- Reviewing the annual and interim financial reports and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards and generally accepted accounting principles, and assessing whether the financial information is adequate for shareholders needs;
- Assessing corporate risk assessment processes;
- Assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. The external auditor provides an annual declaration of independence which is consistent with Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board;
- Addressing any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, Australian Securities Exchange and financial institutions;
- Reviewing the nomination and performance of the external auditor. The external audit engagement partner will be rotated every five years;
- Assessing the adequacy of the internal control framework and the Company's code of ethical standards;
- Monitoring the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements.

The directors review the performance of the external auditors on an annual basis and normally meet with them during the year to:

- Discuss the external audit plans, identify any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed;
- Review the annual and half-year reports prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings, prior to announcement of the result.

The board monitors the need to form an Audit Committee on a periodic basis.

Risk Management

Overview of the Risk Management System

The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. This includes assessing, monitoring and managing operational, financial reporting, and compliance risks for the company. The company is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for reporting risk management and associated compliance and controls. Instead, a director, in accordance with company policy, approves all expenditure, is intimately acquainted with all operations and reports all relevant issues to the other directors at the directors' meetings. The company secretary has declared to the board, that the aforementioned system is working efficiently and effectively. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively. All risk assessments covered the entire part of the financial year that the Company operated and the period up to the signing of the annual financial report for all material operations in the company.

CORPORATE GOVERNANCE STATEMENT



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Risk Profile

The company is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Risk Management Committee. Instead, the board, as part of its usual role and through direct involvement in the management of the Company's operations ensures risks are identified, assessed and appropriately managed. Where necessary, the board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

Major risks arise from such matters as actions by competitors, government policy changes, difficulties in sourcing raw materials, the robustness of the technologies being used or proposed to be used, environment, occupational health and safety, financial reporting and the purchase, development and use of information systems.

Risk Management, Compliance and Control

The board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities.

Practices have been established to ensure:

- Capital expenditure and revenue commitments above a certain size obtain prior board approval;
- Financial exposures are controlled, including the potential use of derivatives;
- Occupational health & safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- Business transactions are properly authorised and executed;
- The quality and integrity of personnel (see below);
- Financial reporting accuracy and compliance with the financial reporting regulatory framework (see below); and
- Environmental regulation compliance (see below).

Quality and Integrity of Personnel

The Company conducts a comprehensive review of the ability and experience of potential employees prior to appointment. Informal appraisals will be conducted regularly with continuous feedback and on the job monitoring and training for all employees. Formal appraisals will be conducted at least annually for all employees. Training and development and appropriate remuneration and incentives with regular performance reviews will create an environment of co-operation and constructive dialogue with employees and senior management.

Financial Reporting

The company secretary has declared, to the board that the Company's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

Following the reporting year, monthly actual results are reported against budgets approved by the directors and revised forecasts for the year are prepared regularly.

Environmental Regulation

The Company's operations are subject to significant environmental regulation in relation to its operational activities. The Company is committed to achieving a high standard of environmental performance. The board is responsible for the regular monitoring of environmental exposures and compliance with environmental regulations.

Internal Audit

The Company does not have a formally established internal audit function. The board ensures compliance with the internal controls and risk management procedures previously mentioned.

CORPORATE GOVERNANCE STATEMENT



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Ethical Standards

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Conflict of Interest

Directors must keep the board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The board has developed procedures to assist directors to disclose potential conflicts of interest.

Where the board believes that a significant conflict exists for a director on a board matter, the director concerned is not present at the meeting whilst the item is considered.

Code of conduct

The Company has established a Code of Conduct (Code) which aims to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour of the directors, officers, employees and contractors (collectively, the employees) in carrying out their roles for the Company. Through this Code, the Company seeks to encourage and develop a culture of professionalism, honesty and responsibility in order to maintain and enhance our reputation as a valued employer, business operator and "corporate citizen". The Code is designed to broadly outline the ways in which the Company wishes to conduct its business. The Code does not cover every possible situation that employees may face, but is intended to provide employees with a guide to taking a commonsense approach to any given situation, within an overall framework.

Trading in the Company's securities by directors and employees

The Company has established a Security Trading Policy that is provided to all Directors and employees on commencement.

The constitution permits directors to acquire shares in the Company. Company policy prohibits directors from dealing in shares whilst in possession of price sensitive information. Directors must notify the company secretary once they have bought or sold shares in the Company or exercised options over ordinary shares. In accordance with the provisions of the Corporations Act 2001 and the Listing Rules of the Australian Securities Exchange, the Company on behalf of the directors must advise the Australian Securities Exchange of any transactions conducted by them in shares and / or options in the Company.

Communication with Shareholders

The board has formally documented the Company's continuous disclosure procedures and established a Compliance policy. The board, as part of its usual role, provides shareholders with information using comprehensive continuous disclosure processes which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX and issuing media releases.

In summary, the continuous disclosure processes operate as follows:

- The chairman and the company secretary are responsible for all communications with the ASX. Matters that may have an effect on the price of the Company's securities are advised to the ASX on the day they are discovered. Senior executives monitor all areas of the Company's internal and external environment;
- The full annual financial report is made available to all shareholders, and includes relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments;
- The half-yearly report contains summarised financial information and a review of the operations of the Company during the period. The half-year reviewed financial report is lodged with the Australian Securities and Investments Commission and the ASX, and sent to any shareholder who requests it;
- Proposed major changes in the Company which may impact on share ownership rights are submitted to a vote of shareholders;
- All announcements made to the market, and related information (including information provided to analysts and the media), are released to the ASX; and

CORPORATE GOVERNANCE STATEMENT



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- The external auditor attends the Annual General Meeting to answer any questions concerning the audit and the content of the Auditor's Report.

The board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of directors, the granting of options and shares to directors and changes to the constitution. Copies of the constitution are available to any shareholder on request

Other Information

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's web site at www.rivieraresources.com.au.

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

This declaration is made in connection with our audit of the financial report of Riviera Resources Limited for the year ended 30 June 2009 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- no contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the audit.

Yours faithfully



BENTLEYS
Chartered Accountants



CHRIS WATTS
Director

DATED at PERTH this 17th day of September 2009

FINANCIAL REPORTS

INCOME STATEMENT FOR YEAR ENDED 30 JUNE 2009

	Note	2009 \$	6 December 2007 to 30 June 2008 \$
Revenue	2	80,986	123
Administration Expense		(55,000)	(174)
Employee Benefit Expense		(109,000)	-
Financial Administration and Compliance Expense		(153,090)	(6,000)
Legal Expense		(27,007)	-
Project Evaluation Expense		(19,300)	-
Travel and Accommodation Expense		(47,105)	-
Other Expense		(25,509)	(697)
Loss before income tax	3	(355,025)	(6,748)
Income tax expense	4	-	-
Loss from continuing operations		(355,025)	(6,748)
Overall Operations			
Basic loss per share (cents per share)	7	(1.5)	(.07)

FINANCIAL REPORTS

BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	2,015,449	250,972
Trade and other receivables	9	9,294	57
Other assets		1,107	-
TOTAL CURRENT ASSETS		2,025,850	251,029
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	10	548,132	20,000
TOTAL NON-CURRENT ASSETS		548,132	20,000
TOTAL ASSETS		2,573,982	271,029
CURRENT LIABILITIES			
Trade and other payables	11	124,566	64,611
TOTAL CURRENT LIABILITIES		124,566	64,611
TOTAL LIABILITIES		124,566	64,611
NET ASSETS		2,449,416	206,418
EQUITY			
Issued capital	12	2,811,189	213,166
Accumulated losses		(361,773)	(6,748)
TOTAL EQUITY		2,449,416	206,418

FINANCIAL REPORTS

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2009

	Note	Share Capital		Total
		Ordinary	Accumulated	
			losses	
		\$	\$	\$
Balance 6 December 2008		-	-	-
Shares issued during the period	12	309,300	-	309,300
Capital Raising Costs		(96,134)	-	(96,134)
Current Period Loss		-	(6,748)	(6,748)
Balance at 30 June 2008		213,166	(6,748)	206,418
Shares issued during the year	12	2,740,000	-	2,740,000
Capital Raising Costs		(141,977)	-	(141,977)
Current Year Loss		-	(355,025)	(355,025)
Balance at 30 June 2009		2,811,189	(361,773)	2,449,416

FINANCIAL REPORTS

CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2009

	Note	2009 \$	6 December 2007 to 30 June 2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(319,046)	(871)
Interest received		80,986	123
Payment for deferred exploration expenditure		(166,932)	-
Net cash provided by (used in) operating activities	13	(404,992)	(748)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of prospects		(130,000)	(20,000)
Net cash provided by (used in) investing activities		(130,000)	(20,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,500,000	309,300
Other		(200,531)	(37,580)
Net cash provided by (used in) financing activities		2,299,469	271,720
Net increase in cash held		1,764,477	250,972
Cash at beginning of financial year		250,972	-
Cash at end of financial year	8	2,015,449	250,972

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the financial statements and notes of Riviera Resources Limited.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

b. Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

c. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Company, are classified as finance leases.

d. Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

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 and are subsequently measured at amortised cost using the effective interest rate method.

iii. *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

e. **Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f. **Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

g. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

h. **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST)

i. **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

j. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k. **Comparative Figures**

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. .

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Estimates — Exploration and evaluation costs

Acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

Key Estimates – Income tax

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Key Judgement – Environmental issues

Balances disclosed in the financial statements and notes thereto not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the companies development and its current environmental impact the directors believe such treatment is reasonable and appropriate".

The financial report was authorised for issue on 17th September 2009 by the board of directors.

NOTE 2: REVENUE

	Note	2009 \$	6 December 2007 to 30 June 2008 \$
Other revenue			
— interest received	2a	80,986	123
Total Revenue		80,986	123
a. Interest revenue from:			
— other persons		80,986	123
Total interest revenue		80,986	123

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 3: LOSS FOR THE YEAR

	2009 \$	6 December 2007 to 30 June 2008 \$
Significant expenses :		
Accounting, Bookkeeping and Compliance Fees	74,091	-
Audit Fees	24,000	6,000
Bank Charges	743	174
Corporate Secretarial	55,000	-
Formation Cost	-	697
Insurance	7,748	-
Share Registry	6,282	-

NOTE 4 INCOME TAX

	2009 \$	6 December 2007 to 30 June 2008 \$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-

Deferred income tax expense included in income tax expense comprises:

- (Increase) in deferred tax assets	4(c) (47,440)	-
- Increase in deferred tax liabilities	4(d) 47,440	-
	-	-

(b) Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax on operating profit at 30%	(106,508)	(2,024)
Add / (Less)		
Tax effect of:		
Other non-allowable items	571	1,967
Deferred tax asset not brought to account	105,937	57

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 4 INCOME TAX

	2009	6 December 2007 to 30 June 2008
	\$	\$
Income tax attributable to operating loss	-	-
The applicable weighted average effective tax rates are as follows:	%	%
Balance of franking account at year end	Nil	Nil
(c) Deferred tax assets		
Provisions and Accrual	10,632	-
Other	36,808	-
	47,440	-
Set-off deferred tax liabilities	4(d) (47,440)	-
Net deferred tax assets	-	-
(d) Deferred tax liabilities		
Exploration expenditure	47,440	-
	47,440	-
Set-off deferred tax assets	4(c) (47,440)	-
Net deferred tax liabilities	-	-
(e) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	178,894	3,118

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2009 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- i. The company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- ii. The company continues to comply with conditions for deductibility imposed by law; and
- iii. no changes in tax legislation adversely affect the company in realising the benefit from the deductions for the loss and exploration expenditure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

Names and positions held of Company key management personnel in office at any time during the financial year are:

Key Management Person	Position
Mark Foster	Non Executive Director / Chairman
Philip Re	Managing Director
Paul Lloyd	Non Executive Director
Nicholas Revell	Non Executive Director

Number of Options Held by Key Management Personnel

	Balance 30.6.2009	Total Vested 30.6.2009	Total Exercisable 30.6.2009	Total Unexercisable 30.6.2009
Mark Foster	-	-	-	-
Philip Re	-	-	-	-
Paul Lloyd	-	-	-	-
Nicholas Revell	-	-	-	-
Benjamin Giustiniano	-	-	-	-
Total	-	-	-	-

Number of Shares Held by Key Management Personnel

(Directly and indirectly)

	Balance 1.7.2008	Received as Compensation	Options Exercised	Net Change Other	Balance 30.6.2009
Mark Foster	500,000	-	-	191,000	691,000
Philip Re	1,000,000	-	-	705,000	1,705,000
Paul Lloyd	950,000	-	-	-	950,000
Nicholas Revell	300,000	-	-	-	300,000
Total	2,750,000	-	-	896,000	3,646,000

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 6: AUDITORS' REMUNERATION

	2009 \$	6 December 2007 to 30 June 2008 \$
Remuneration of the auditor for:		
— auditing or reviewing the interim financial report	8,000	-
— auditing of 2009 financial report	12,000	-
— auditing of 2008 financial report	4,000	6,000
— Independent Accountant Report	-	7,000
	<u>24,000</u>	<u>13,000</u>

NOTE 7: EARNINGS PER SHARE

	2009 \$	6 December 2007 to 30 June 2008 \$
a. Reconciliation of earnings to profit or loss		
Earnings used to calculate basic EPS	(355,025)	(6,748)
	No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	23,521,370	9,180,569
	<u>23,521,370</u>	<u>9,180,569</u>

NOTE 8: CASH AND CASH EQUIVALENTS

	Note	2009 \$	2008 \$
Cash at bank and in hand		4,733	90,825
Short-term bank deposits		2,010,716	160,147
		<u>2,015,449</u>	<u>250,972</u>

The effective interest rate on short-term bank deposits was varying between 6.55% to 7.05%.

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	2,015,449	250,972
	<u>2,015,449</u>	<u>250,972</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 9: TRADE AND OTHER RECEIVABLES

	2009	2008
	\$	\$
CURRENT		
GST receivable	9,294	57

NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE

	2009	2008
	\$	\$
Exploration expenditure capitalised		
— Tenement	390,000	20,000
— Exploration and Evaluation expenditure	158,132	-
	548,132	20,000

The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Company's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

NOTE 11: TRADE AND OTHER PAYABLES

	Note	2009	2008
		\$	\$
CURRENT			
Trade payables		5,397	13,491
Sundry payables and accrued expenses		13,231	477
Accounts payable and accrued expenses to related parties		105,938	50,643
		124,566	64,611

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 12: ISSUED CAPITAL

	2009	2008
	\$	\$
26,000,000 (2008 :12,300,000) fully paid ordinary shares	3,049,300	309,300
Less Capital Raising Costs	(238,111)	(96,134)
	<u>2,811,189</u>	<u>213,166</u>

The company has issued share capital amounting to 26,000,000 ordinary shares of no par value.

	2009	2008
	No.	No.
a. Ordinary shares		
At the beginning of reporting year	12,300,000	0
Shares issued during the year	-	-
— 06 December 2007	-	9,300,000
— 24 June 2008	-	3,000,000
— 25 August 2008	1,200,000	-
— 5 September 2008	12,500,000	-
At reporting date	<u>26,000,000</u>	<u>12,300,000</u>

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options

There were no options issued at balance date.

c. Capital risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2009 and 30 June 2008 are as follows:

	Company	
	2009	2008
	\$	\$
Cash and cash equivalents	2,015,449	250,972
Trade and other receivables	10,401	57
Trade and other payables	(124,566)	(64,611)
Working capital position	<u>1,901,284</u>	<u>186,418</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 13: CASH FLOW INFORMATION

	2009 \$	6 December 2007 to 30 June 2008 \$
a. Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(355,025)	(6,748)
Cash flows excluded from loss attributable to operating activities		
Exploration cost capitalised	(158,132)	-
Changes in assets and liabilities		
Increase/(decrease) in trade payables and accruals	118,566	6,000
Increase/(decrease) in GST payable	(9,294)	-
Increase/(decrease) in prepayment	(1,107)	-
Cash flow from operations	<u>(404,992)</u>	<u>(748)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 14: EVENTS AFTER THE BALANCE SHEET DATE

There are no matters or circumstances that have arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years

NOTE 15: RELATED PARTY TRANSACTIONS

	2009 \$	6 December 2007 to 30 June 2008 \$
<u>Transactions with related parties:</u>		
Parkinson Corporate Pty Ltd, a Company which Mr Philip Re has an interest in and is a director was paid rent, company secretarial, corporate advisory, bookkeeping, telephone, travel, administration and compliance fees. A summary of the total fees paid during the year is as follows:		
Company secretarial fees.	55,000	30,000
Company accounting fees, bookkeeping and administrative fees	74,090	-
Rent , office administration and secretarial support	55,000	-
Capital raising administration costs	9,500	-
Legal fees to Steinepreis Paganin accrued. Mark Foster has an interest in Steinepreis Paganin.	34,220	20,643
Consulting fee to Ruby Rich Pty Limited , Nick Revell has an interest in Ruby Rich Pty Ltd	3,500	-
Consulting fee to Coral Brook Pty Ltd, Paul Lloyd has an interest in Coral brook Pty Ltd	18,000	-
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		

NOTE 16: SEGMENT REPORTING

Riviera Resources Limited operates in one business and geographical segment being the mining and exploration segment in Australia.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 17: COMMITMENTS

Tenement Expenditure Commitments:

The Company will be required to maintain current rights of tenure for tenements, which require outlay of expenditure.

Commitments on EPM 14588 and 15517 will be as follows:

Rent Payable:	2009	2008
	\$	\$
– not later than 12 months	4,485	4,485
– between 12 months and 5 years	1,869	6,355
– greater than 5 years	-	-
	<u>6,354</u>	<u>10,840</u>

Program of work for EPM 14588 and 15517 required by the exploration Permit:

	2009	2008
	\$	\$
Program of work expenditure:		
– not later than 12 months	133,333	103,333
– between 12 months and 5 years	133,333	266,666
– greater than 5 years	-	-
	<u>266,666</u>	<u>370,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 18: CONTINGENCIES

There are no contingent assets or liabilities as at balance date.

NOTE 19 : SHARE BASED PAYMENTS

On 25th August 2008, 1,200,000 shares were issued to Greenland Minerals and Energy Limited as consideration for the purchase of the tenements EPM 14588 and 15517.

The fair value of those shares, determined by reference to market price, was 20 cents.

NOTE 20 : FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The company's financial instruments consist mainly of deposits with banks.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The Company does not speculate in the trading of derivative instruments.

i. Treasury Risk Management

The board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The board's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis.

ii. Financial Risk Exposures and Management

Interest rate risk

The company exposure to financial risk is limited to interest rate risk arising from assets and liabilities bearing variable interest rates. The weighed average interest rate on cash holdings is 4.81 % at the 30 June 2009. All other assets and liabilities are non interest bearing. The net fair value of the company's financial assets and liabilities approximate their carrying value.

The company holds cash deposits with Australian banking financial institutions, namely the Commonwealth bank. The Commonwealth bank has an A-1+ rating with Standard & Poors.

Liquidity risk

The board manages liquidity risk by monitoring forecast cash flows against actual liquidity level on a regular basis.

There are no unused borrowing facilities from any financial institution.

Credit risk

There no material amounts of collateral held as security at balance date.

Credit risk is reviewed regularly by the board. It arises through deposits with financial institutions.

The board monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

— only banks and financial institutions with an 'A' rating are utilised;

The company only invests in listed available-for-sale financial assets that have a minimum 'A' credit rating.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Unlisted available-for-sale financial assets are not rated by external credit agencies. These are reviewed regularly by the company to ensure that credit exposure is minimised.

The credit risk for counterparties included in trade and other receivables at balance date is nil.

The company holds cash deposits with Australian banking financial institutions, namely the Commonwealth bank. The Commonwealth bank has an AA rating with Standard & Poors.

Price risk

The company is not exposed to commodity price risk as it is still operating at the exploration level.

b. **Financial Instruments**

i. **Derivative Financial Instruments**

Derivative financial instruments are not used by the company.

The company does not enter into swap contracts.

ii. **Financial instrument composition and maturity analysis:**

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity. The Financial instruments are all classified as current.

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2009 %	2008 %	2009 \$	2008 \$
Financial Assets:				
Cash and cash equivalents	4.81%	7%	2,015,449	250,972
Total Financial Assets			<u>2,015,449</u>	<u>250,972</u>
Financial Liabilities:				
Trade and sundry payables		-	124,566	64,611
Total Financial Liabilities			<u>124,566</u>	<u>64,611</u>

iii. **Net Fair Values**

The net fair values of all financial assets and financial liabilities approximate their carrying value.

iv. **Sensitivity Analysis**

Interest Rate Risk

The company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Interest Rate Sensitivity Analysis

At 30 June 2009, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2009 \$	6 December 2007 to 30 June 2008 \$
Change in loss		
— Increase in interest rate by 50 percent	40,493	61
— Decrease in interest rate by 50 percent	(40,493)	(61)
Change in Equity		
— Increase in interest rate of 50 percent	40,493	61
— Decrease in interest rate of 50 percent	(40,493)	(61)

DIRECTOR'S DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 19 to 39 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company ;
2. The Chief Executive Officer and Chief Finance Officer have each declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view;
3. 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.

Director:

Philip Re



Executive Director

Dated this 17th day of September 2009

Independent Auditor's Report

To the Members of Riviera Resources Limited

We have audited the accompanying financial report of Riviera 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 and other explanatory notes and the directors' declaration of the company.

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Directors Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the 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. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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 whether the financial report is free from material misstatement.

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

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Auditor's Opinion

In our opinion:

- a. The financial report of Riviera Resources Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1

Report on the Remuneration Report

We have audited the Remuneration Report included in the report of the directors for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Riviera Resources Limited for the year ended 30 June 2009, complies with s 300A of the Corporations Act 2001.



BENTLEYS
Chartered Accountants



CHRIS WATTS
Director

DATED at PERTH this DATE 17th of SEPTEMBER 2009

ADDITIONAL INFORMATION FOR LISTED COMPANIES

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

1. Shareholding

a. Distribution of Shareholders

Category (size of holding)	Number Holders	Number Ordinary
1 – 1,000	1	1,000
1,001 – 5,000	4	16,000
5,001 – 10,000	110	1,095,500
10,001 – 100,000	145	6,730,833
100,001 – and over	44	18,156,667
	304	26,000,000

b. The number of shareholdings held in less than marketable parcels is nil.

c. The names of the substantial shareholders listed in the holding company's register as at 14 August 2009 are:

		Number	
	Shareholder	Ordinary	%
1	Benjamin Giustiniano	3,965,000	15.25
2	Philip Re	1,705,000	6.55
3	Pareto Nominees Pty Ltd < the Damelle A/C>	1,734,167	6.50

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Redeemable and converting preference shares

- These shares have no voting rights.

e. 20 Largest Shareholders — Ordinary Shares

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1 Traditional Securities Group Pty Ltd < LPR Family account>	1,500,000	5.769
2 Bench Growth Pty Ltd < BCG family A/C>	1,325,000	5.096
3 Greenland Minerals and Energy limited	1,200,000	4.615
4 Pareto Nominees Pty Ltd < The Damelle A/C>	1,000,000	3.845
5 Lakecrest Nominees Pty Ltd	1,000,000	3.846
6 Mr Paul Geoffrey Lloyd & Mrs Sharon Marie Lloyd < Lloyd Super Fund A/C>	950,000	3.654

ADDITIONAL INFORMATION FOR LISTED COMPANIES

e. 20 Largest Shareholders — Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
7	Pareto Nominees Pty Ltd < The Damelle A/c>	734,167	2.824
8	Giustiniano Nominees Pty Ltd < Giustiniano Family A/C>	700,000	2.692
9	Lakecrest Nominees Pty Ltd	700,000	2.692
10	Rivergrade Pty Ltd < Rivergrade A/C>	695,000	2.673
11	Fairfield Capital Pty Ltd < Fairfield capital A/C>	640,000	2.462
12	Kioraku Pty Ltd <Kioraku A/C>	530,000	2.038
13	Mimosa Fund Pty Ltd	525,000	2.019
14	Mrs Meleisha Foster	500,000	1.923
15	Benjamin (WA) Pty Ltd < Benjamin super fund A/C>	500,000	1.923
16	Benjamin Pty Ltd < Benjamin superfund A/C>	437,500	1.683
17	Helen Lewis	375,000	1.442
18	Mr David Sydney Fong & Mrs Simone Nicole Fong < Superannuation account>	320,000	1.231
19	Nicholas Revell	300,000	1.154
20	Woodlands Asset Management Pty Ltd	250,000	0.962
		14,181,667	54,545

2. The name of the company secretary is Mr. Philip Re
3. The address of the principal registered office in Australia is.
C/- Parkinson Corporate Pty Ltd
Level 1
322 Hay Street
SUBIACO WA 6008
Telephone 08 9388 9744

4. Registers of securities are held at the following addresses
Western Australia Unit 2 150 Stirling Hwy
NEDLANDS
WA 6009
Australia

5. Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

6. Unquoted Securities

There are no Options over Unissued Shares