

Appendix 4D
Half-year report
Period ended 31 December 2009

Name of Entity
CERVANTES CORPORATION LTD
ACN 097 982 235

(ASX code: CVS)

1 Financial Year ended (current period) 31 December 2009
Financial Year ended (previous period) 31 December 2008

2 Results for announcement to the market

	% Change\$		Amount of Change		\$
2.1 Revenue		-	-	to	-
2.2 Loss after Tax	down	22%	52,952	to	(186,573)
2.3 Net loss for the period attributable to Members	down	22%	52,952	to	(186,573)

2.4 Dividends

Dividends	Amount per Security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil

2.5 Record date for determining entitlement to the dividend

Not Applicable

2.6 Brief explanation of figure reported above to enable the figures to be understood.

Commissions received from the provision of funds to related parties to enable their recapitalisation, an increase in fair value of held-for-trading investments, reversal of impairment of intangible assets has lead to an increase in total revenue for the period. An increase in expenditure on research projects contributed to the recording of a loss after tax.

3 Net tangible asset per security.

Reporting period 0.167c
Previous corresponding period 0.279c

4 Gain or loss of control of entities

Not Applicable

5 Details of dividends

Not Applicable

6 Details of dividend reinvestment plans

Not Applicable

7 Details of associates & joint ventures

Not applicable

8 Foreign entities

Not applicable

9 Audit/review status

The review of the half-year financial statements has been completed by Grant Thornton Audit Pty Ltd. The half-year financial statements are not subject to a review dispute or qualification.



Company Secretary

Dated 24 February 2010

Cervantes Corporation Ltd

A.B.N. 79 097 982 235

And Controlled Entity

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER, 2009

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity

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Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half year ended 31 December 2009.

Directors

The names of directors who held office during and since the end of the half-year

Mr Collin Vost	Managing Director (Appointed 9 October 2007)
Mr Barry MacKinnon	Non Executive Director and Chairman (Appointed 28 August 2001)
Mr Graeme Albert Armstrong	Non Executive Director (Appointed 16 January 2008)

Review of Operations

A review of the operations of the Group for the half-year ended 31 December is as follows:

The Lobster pots will continue to be a source of income for the Group during the Lobster Season.

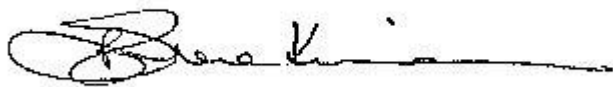
The Group continues to buy and sell shares in an active market and continues to assess various projects, including projects in the Resource and Energy sector, for a possible diversification of the Group's operations.

The Board will continue to assess projects, offers and opportunities which it believes will add value to Cervantes shares, based on market conditions, sector activity and ASX compliance requirements as well as ensuring the risk to reward ratio favours the Company and its shareholders.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 4 for the half-year ended 31 December 2009.

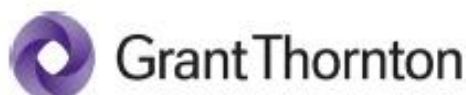
This report is signed in accordance with a resolution of the Board of Directors:



Barry MacKinnon
Director and Chairman

Dated: 24 February 2010

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CERVANTES CORPORATION LTD



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Auditor's Independence Declaration
To the Directors of Cervantes Corporation Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Cervantes Corporation Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read "Grant Thornton Audit Pty Ltd".

GRANT THORNTON AUDIT PTY LTD

A handwritten signature in black ink, appearing to read "M J Hillgrove".

M J Hillgrove
Director – Audit and Assurance Services

Perth, 24 February 2010

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Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31
DECEMBER 2009

	Note	Consolidated Group As at 31 December 2009	As at 31 December 2008
Interest income		3,426	24,150
Other income		19,804	46,888
Fair value gain	2	25,383	-
Commissions	3	185,000	-
Impairment reversal of intangible assets		20,000	-
 Fair value loss	 2	 -	 (61,198)
Employee benefits expenses		(46,099)	(46,125)
Occupancy expenses		(19,882)	(19,693)
Depreciation		(35)	-
Project research expenses	2	(293,111)	(59,128)
Travel		(2,000)	-
Administration expenses		(75,879)	(75,682)
Finance costs		(492)	-
Impairment of intangible assets		-	(40,000)
Other expenses		(2,688)	(8,737)
 Loss from ordinary activities before related Income Tax benefit		 (186,573)	 (239,525)
 Income tax benefit relating to ordinary activities		 -	 -
 Loss from ordinary activities after related Income Tax benefit		 (186,573)	 (239,525)
 Other comprehensive income		 -	 -
 Total comprehensive income		 (186,573)	 (239,525)
 Loss per share			
- Basic		(0.06)c	(0.07)c
- Diluted		(0.06)c	(0.07)c

The accompanying notes form part of these financial statements.

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

	Note	Consolidated Group As at 31 December 2009	As at 30 June 2009
Current Assets			
Cash and cash equivalents		207,346	277,619
Trade and other receivables		9,208	279,746
Other financial assets		299,587	117,727
Other assets		2,000	7,000
Total Current Assets		518,141	682,092
Non-Current Assets			
Property, plant and equipment		1,852	1,887
Other assets		-	55,367
Intangible assets	4	100,670	80,670
Total Non-Current Assets		102,522	137,924
Total Assets		620,663	820,016
Current Liabilities			
Trade and other payables		37,476	50,256
Total Current Liabilities		37,476	50,256
Total Liabilities		37,476	50,256
Net Assets		583,187	769,760
Equity			
Issued capital		11,983,070	11,983,070
Accumulated losses		(11,399,883)	(11,213,310)
Total Equity		583,187	769,760

The accompanying notes form part of these financial statements.

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER
2009

Consolidated Group	\$	\$	\$
	Share Capital	Accumulated	
	Ordinary	Losses	Total
Balance at 1.7.2008	11,949,170	(10,820,463)	1,128,707
Total comprehensive income	-	(239,525)	(239,525)
Sub-total	11,949,170	(11,059,988)	889,182
Share issue during the period	-	-	-
Balance at 31.12.2008	11,949,170	(11,059,988)	889,182
Balance at 1.7.2009	11,983,070	(11,213,310)	769,760
Total comprehensive income	-	(186,573)	(186,573)
Sub-total	11,983,070	(11,399,883)	(583,187)
Share issued during the period	-	-	-
Balance at 31.12.2009	11,983,070	(11,399,883)	(583,187)

The accompanying notes form part of these financial statements.

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Consolidated Group	
	31 Dec 2009	31 Dec 2008
Cash Flow from Operating Activities		
Cash receipts in the course of operations	8,511	-
Payments to suppliers and employees	(170,919)	(162,422)
Dividends received	1,792	-
Interests received	3,426	25,558
Net cash flows from (used in) operating activities	<u>(157,190)</u>	<u>(136,864)</u>
 Cash Flow from Investing Activities		
Purchase of held for trading investments	(28,792)	(256,383)
Proceeds from held for trading investments	66,816	155,970
Advance to non-related parties	61,637	-
Loan repayments from related parties	215,000	-
Payments for exploration & evaluation	(227,744)	-
Net cash flows from (used in) investing activities	<u>86,917</u>	<u>(100,413)</u>
 Cash Flow from Financing Activities		
Proceeds from issue of shares	-	-
Costs of share issue	-	-
Net cash flows from financing activities	<u>-</u>	<u>-</u>
 Net increase (decrease) in cash and cash equivalents	(70,273)	(237,277)
Cash and cash equivalents at the beginning of the period	277,619	880,848
Cash and cash equivalents at the end of the period	<u>207,346</u>	<u>643,571</u>

The accompanying notes form part of these financial statements.

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED

31 DECEMBER 2009

Note 1: Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with the requirements of the *Corporation Act 2001* and Australian Accounting Standards including AASB134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statement of Cervantes Corporation Ltd and its controlled entity (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2009, together with any public announcements made during the half-year.

The same accounting policies and method of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Accounting Standards not previously applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the content and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of income statement with statement of comprehensive income. Items of income and expenses not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statements of changes in equity;
- the adoption of the separate income statement/single statement approach to the presentation of the statement of comprehensive income;
- other financial statements are renamed in accordance with the Standard; and
- presentation of a third statement of the financial position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

Operating Segments

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the statements of comprehensive income and statement of financial position. Reconciliations of such management information to the statutory information contained in the interim financial statements have been included.

As a result of the adoption of the revised AASB 8, certain cash-generating units have been redefined having regard to the requirements in AASB 136: Impairment of Assets.

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED

31 DECEMBER 2009

Business Combination and Consolidation Procedures

Revised AASB 3 is applicable prospectively from 1 July 2009. Changes introduced by this Standard, or as a consequence of amendments to other Standards relating to business combinations which are expected to affect the Group, include the following:

- All business combinations, including those involving entities under common control, are accounted for by applying the acquisition method which prohibits the recognition of contingent liabilities of the acquiree at acquisition date that do not meet the definition of a liability. Costs incurred that relate to the business combination are expensed instead of comprising part of the goodwill acquired on consolidation. Changes in the fair value of contingent consideration payable are not regarded as measurement period adjustments and are recognised through the profit or loss unless the change relates to circumstances which existed at acquisition date.
- Unrecognised deferred tax assets of the acquiree may be subsequently realised within 12 months of acquisition date on the basis of facts and circumstances existing at acquisition date with a consequential reduction in goodwill. All other deferred tax assets subsequently recognised are accounted for through profit or loss.
- The proportionate interest in losses attributable to non-controlling interests is assigned to non-controlling interests irrespective of whether this results in a deficit balance. Previously, losses causing a deficit to non-controlling interest were allocated to the parent entity.
- If the Group holds less than 100% of the equity interest in an acquiree and the business combination results in goodwill be recognised, the Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method'). The Group elects which method to adopt for each acquisition.
- Where control of a subsidiary is lost, the balance of the remaining investment account shall be remeasured to fair value at the date that control is lost.

Revenue Recognition

Dividends received from a subsidiary, joint venture or associate shall be recognised as dividend revenue in the profit or loss irrespective of whether such dividends may have been paid out of pre-acquisition profits. Previously, such dividends were treated as a return of capital invested. Such dividends may be an indicator of impairment where the carrying amount of the investment exceeds the consolidated net assets relating to that investment or where the dividend exceeds the total comprehensive income of the respective investee in the period the dividend is declared.

Going Concern

As at the date of this report the directors are considering raising further equity capital through a share placement. Also, the Group has current assets, being held for sale investments, which could be sold to meet financial obligations.

As a consequence, the directors believe the Group is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the interim financial report.

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. However, should the held for sale investment not be realised as necessary or capital raising not occur, there is significant uncertainty whether the Group would be able to continue as a going concern.

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the interim financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED

31 DECEMBER 2009

future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates – Impairment/Revaluation

Based on the Group's current use of the craypots the directors have estimated the recoverable amount of the craypots as the fair value of these pots less costs to sell which is higher than value in use. The fair value was determined by reference to information obtained from external industry sources on prices at which craypots are sold currently. The revaluation has led to a decrease in the provision for impairment of intangible assets of \$20,000 for the half-year ended 31 December 2009.

Key Judgment – Advance to non related parties

The recovery of the full amount was dependent on the successful exploitation and sale of gold recovered from the retreatment projects being financed by the subsidiary. At the date of this report the directors have sufficient reason to believe that the exploration in the specific areas will not lead to the discovery of viable quantities of mineral resources and the non related parties have decided to discontinue such activity. Sufficient data exists to indicate that the recovery of the amounts advanced is unlikely.

Key Judgment – Exploration and evaluation expenditure

The Group's policy for exploration and evaluation requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off through the income statement. At the date of this report the Group has sufficient reason to believe that the exploration in specific areas will not lead to the discovery of viable quantities of mineral resources and the Group has decided to discontinue such activity in the specific areas. Such capitalised expenditure is carried at reporting date at \$0 and the amount written off through the profit and loss for projects abandoned amounted to \$293,111.

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED

31 DECEMBER 2009

Consolidated Group	
31 December 2009	31 December 2008
\$	\$

NOTE 2: Loss for the Period

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Increase in fair value of held for trading investments	25,383	(61,198)
Project research costs		
Write-off of capitalised exploration and evaluation expenditure on areas of interest abandoned during the period	(293,111)	-
Write-off of project research cost incurred during the period	-	(59,128)

NOTE 3: Commissions

Commissions	185,000	-
	185,000	-

During the period the Group received shares in Baraka Petroleum Ltd (Baraka) for providing financial assistance in the recapitalisation and the reinstatement of Baraka on the Australian Securities Exchange. Mr Barry MacKinnon and Mr Collin Vost are directors of Baraka.

Also, during the period the Group received shares in JV Global Ltd (JV Global) for providing financial assistance in the expanding of its existing operations and funding of a placement. Mr Collin Vost is a director of JV Global.

31 December 2009	30 June 2009
\$	\$

NOTE 4: Intangible Assets

Licences and leases at valuation	490,000	490,000
Less - Provision for impairment	(390,000)	(410,000)
Company formation expenses	670	670
	100,670	80,670

Based on the Group's current use of the craypots licences the directors have estimated the recoverable amount of the craypots licences as the fair value of these pots licences less costs to sell, which is higher than the value in use. The fair value was determined by reference to information obtained from external industry sources. The change in fair value has led to a decrease in the provision for impairment of intangible assets of \$20,000 for the half-year ended 31 December 2009.

NOTE 5: Operating Segments

Identification of reportable segments

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

The Group is managed primarily on the basis of product category and service offerings since the diversifications of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on this basis.

Reportable segment disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and also similar with respect to the following:

- The product sold and/or services provided by the segment;
- The manufacturing process;
- The type or class of customer for the product or service
- The distribution method; and
- External regulatory requirements

Types of products and services by segment

Seafood and Aquaculture

The seafood and aquaculture segment lease craypots and evaluates seafood and aquaculture projects.

Mineral exploration and evaluation

The mineral exploration and evaluation segment evaluated projects in the mining industry

Share Trading

The share trading segment buys and sells Australian shares through the Australian Securities Exchange.

Basis of accounting for the purposes of reporting by operating segment

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

An internally determined transfer price is set for all inter-entity sales. This price is re-set quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation for the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments revenue generation within the Group. The Board of Directors believes this is representative of likely consumptions of head office expenditure that should be used in assessing segment performance and cost recoveries.

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

NOTE 5: Operating Segments (cont'd)

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Derivatives;
- Impairment of assets and other non-recurring items of revenue or expense;
- Other financial liabilities; and
- Intangible assets;

Comparative information

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been stated to conform to the requirements of the Standard.

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

NOTE 5: Operating Segments (cont'd)

(i) Segment performance

	Seafood & aquaculture \$	Exploration & evaluation \$	Share trading \$	Total \$
Six months ended 31.12.2009				
Revenue				
External sales	4,000	-	219,884	223,884
Revaluation of intangible asset	20,000	-	-	20,000
Total segment revenue	<u>24,000</u>	<u>-</u>	<u>219,884</u>	<u>243,884</u>
<i>Reconciliation of segment revenue to group revenue</i>				
Interest				3,426
Dividends				1,792
Other income				4,511
Total group revenue				<u>253,613</u>
Segment net profit before tax	<u>23,402</u>	<u>(293,961)</u>	<u>219,429</u>	<u>(51,130)</u>
<i>Reconciliation of segment results to group net profit/(loss) before tax</i>				
Amount not included in segment results but reviewed by the Board:				
Depreciation & amortisation	-	(35)	-	(35)
Unallocated items:				
Corporation changes				(135,408)
Net profit before tax from continuing operations				<u><u>(186,573)</u></u>

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

NOTE 5: Operating Segments (cont'd)

(i) Segment performance

	Seafood & Aquaculture \$	Exploration & evaluation \$	Share Trading \$	Total \$
Six months ended 31.12.2008				
Revenue				
External sales	5,000	-	40,480	45,480
Total segment revenue	<u>5,000</u>	<u>-</u>	<u>40,480</u>	<u>45,480</u>
<i>Reconciliation of segment revenue to group revenue</i>				
Interest				24,150
Dividends				1,408
Total group revenue				<u>71,038</u>
Segment net profit before tax	<u>(59,755)</u>	<u>(36,328)</u>	<u>(23,358)</u>	<u>(119,441)</u>
<i>Reconciliation of segment results to group net profit/(loss) before tax</i>				
Amount not included in segment results but reviewed by the Board:				
Depreciation & amortisation				-
Unallocated items:				
Corporation changes				(120,084)
Net profit before tax from continuing operations				<u>(239,525)</u>

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

NOTE 5: Operating Segments (cont'd)

(ii) Segment assets

	Seafood & Aquaculture \$	Exploration & evaluation \$	Share Trading \$	Total \$
As at 31.12.2009				
Segment assets	<u>100,000</u>	<u>4,294</u>	<u>299,587</u>	403,881
Segment assets increased for the period				
Capital expenditure	-	181,133	-	181,133
Less capital expenditure written off	-	(176,839)	-	(176,839)
Acquisitions/(disposals)	-	-	(28,792)	(28,792)
	<u>-</u>	<u>4,294</u>	<u>(28,792)</u>	<u>(24,498)</u>

Reconciliation of segment assets to group assets

Unallocated assets:

Others				216,112
Intangibles				670
Total group assets from continuing operations				<u>620,663</u>

As at 30.06.2009

Segment assets	<u>80,000</u>	<u>55,754</u>	<u>117,727</u>	253,481
Segment assets increased for the period				
Capital expenditure	-	128,630	-	128,630
Less capital expenditure written off	-	(72,876)	-	(72,876)
Acquisitions/(disposals)	-	-	94,627	94,627
	<u>-</u>	<u>55,754</u>	<u>94,627</u>	<u>150,381</u>

Reconciliation of segment assets to group assets

Unallocated assets:

Others				565,865
Intangibles				670
Total group assets from continuing operations				<u>820,016</u>

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

NOTE 5: Operating Segments (cont'd)

(iii) Segment liabilities

	Seafood & Aquaculture \$	Exploration & evaluation \$	Share Trading \$	Total \$
As at 31.12.2009				
Segment liabilities	-	15,546	-	15,546
<i>Reconciliation of segment liabilities to group liabilities</i>				
Unallocated liabilities				
Other liabilities				21,930
Total liabilities from continuing operations				<u>37,476</u>
As at 30.06.2009				
Segment liabilities	-	41,829	-	41,829
<i>Reconciliation of segment liabilities to group liabilities</i>				
Unallocated liabilities				
Other liabilities				8,427
Total liabilities from continuing operations				<u>50,256</u>

(iv) Revenue by geographical region

All Group revenue attributable to external customers was generated in Australia.

(v) Assets by geographical region

The Group operated only in Australia.

NOTE 6: Contingent Liabilities

There has been no change in contingent liabilities since the end of the last annual reporting period.

NOTE 7: Event Subsequent to Balance Date

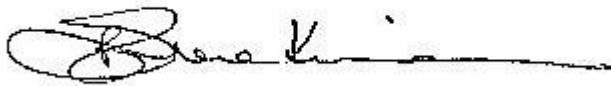
There are no matters or circumstances that have arisen since the end of the half-year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
DIRECTORS' DECLARATION

The directors of Cervantes Corporation Limited (the company) declare that:

1. The financial statements and notes as set out on pages 5 to 18:
 - (a) comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2009 and of 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.



Barry MacKinnon
Director and Chairman

Dated: 24 February 2010

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS



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Independent Auditor's Review Report
To the Members of Cervantes Corporation Limited

We have reviewed the accompanying half-year financial report of Cervantes Corporation Limited (the Company) which comprises the consolidated financial statements being the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the company and the entities it controlled at the half-year's end or from time to time during the half-year.

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 establishing and maintaining internal controls 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 consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: Review of Interim and Other Financial Reports 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 consolidated entity's financial position as at 31 December 2009 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 Cervantes Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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 complied with the independence requirements of the Corporations Act 2001.

Conclusion

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

- 1 giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- 2 complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Significant uncertainty regarding continuation as a going concern

Without qualification to the audit opinion expressed above, attention is drawn to the following matter. As described in Note 1 in the financial report, the going concern of the consolidated entity is contingent upon future capital raising or realisation of financial assets. This matter indicates the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and whether it will realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD



M J Hillgrove
Director – Audit and Assurance Services

Perth, 24 February 2010

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