OTOC LIMITED FOR THE HALF YEAR ENDED 31 DECEMBER 2011

RESULTS ANNOUNCEMENT TO THE MARKET 31 DECEMBER 2011

APPENDIX 4D

				$0'000
Revenue from ordinary activities	up	377%	to	70,492
Profit/ (loss) from operating activities after tax attributable to members	up	176%	to	1,746
Net Profit/ (loss) for the period attributable to members	up	176%	to	1,746

NTA Backing	Current Period	Previous Corresponding Period 31 December 2010
Net tangible asset backing per ordinary security	$0.05	$0.05

Control gained or lost over entities in the financial period

On 13 October 2011, Emerson Stewart Group Limited subsequently renamed OTOC Limited ("OTC") completed an acquisition of OTOC Group Pty Ltd ("OGPL"). In accordance with the accounting standards, this acquisition has been treated as a reverse acquisition business combination for accounting purposes.

In this regard the results above for the period ending 31 December 2011 include the results of OGPL for the 6 month period 31 December 2011 and OTOC for the 3 month period from the date of acquisition to 31 December 2011. The Comparison for the period ending 31 December 2010 represents the results of OGPL only for that period.

Dividends Declared

No dividends were declared or paid during the period by OTOC Limited.

A fully franked dividend of $950K (40 cents per share) was paid on the 30 September 2011 by OTOC Group Pty Ltd being a pre-acquisition distribution.

Dividend or distribution reinvestment plan

OTOC Limited does not currently operate a dividend reinvestment plan.

Audit dispute or disqualification

The interim financial report has been independently reviewed and is not subject to qualifications.

OTOC LIMITED

31 DECEMBER 2011

INTERIM FINANCIAL REPORT

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DIRECTORS' REPORT

The directors present their report together with the consolidated financial statements of OTOC Limited ABN 80 122 958 178 (the "Company" or "OTOC") and the entities it controlled at the end of, or during the six months ended 31 December 2011.

The directors of the Company at any time during or since the end of the interim period are:

Derek la Ferla (Director appointed 28 October 2011)

Non executive independent chairman

Mr La Ferla is a partner with the Perth office of international law firm Norton Rose. He is Non-Executive Chairman of ASX listed Sandfire Resources Limited and of unlisted public company Cashmere Iron Ltd.

He has been a director of a number of public and private companies over the years (including ASX listed Katana Capital Limited) and has served on the board of the predecessor firm to Norton Rose in Australia (Deacons).

As a senior corporate solicitor over the past 25 years, Mr. La Ferla has worked closely with the boards and management of many public, private and statutory corporations, with particular emphasis over the past eight years on corporate governance, director responsibilities and balancing commercial, risk and management considerations.

Mr La Ferla holds Bachelor of Arts and Bachelor of Laws degrees and is a Fellow of the Australian Institute of Company Directors.

Adam Lamond (Director appointed 13 October 2011)

Chief executive officer

Mr Lamond is a qualified electrician and electrical contractor with over 16 years experience in the mining industry. Mr Lamond has particular expertise in the electrical trade and camp installations in remote Western Australia.

Mr Lamond began his career in the mining industry in 1995, working for a private electrical contractor and subsequently as a sub-contractor. He founded his own electrical contracting business in 2003 before merging it with several other private contracting businesses to form Ocean to Outback Contracting Pty Ltd, and held the position of Chief Executive Officer.

Tom Lawrence (Director appointed 13 October 2011)

Non executive director

Mr Lawrence is a qualified accountant and taxation law expert with a Masters Degree in taxation. Mr. Lawrence has been the principal of Lawrence Business Management for over 15 years, providing tax and management advice to a diverse range of businesses. Mr. Lawrence has been an advisor to OTOC from its inception.

Dario Amara (Director since 2008)

Non executive director

Dario Amara is a civil engineer and executive with extensive business experience and networks gained over 30 plus years in the Australian and international markets and spanning the property, infrastructure and industrial sectors.

Prior to founding Emerson Stewart Group Limited (now OTOC Limited) in 2005 and for over 16 years, he occupied senior executive roles with major construction and engineering groups.

He is currently a non-executive director of Austal Limited (ASX listed), non executive chairman of Mission NewEnergy (ASX, NASDAQ listed) and a board member of the Murdoch University Art Collection.

Dario has served as Chairman of the West Australian Opera Company, the Art Gallery of Western Australia and Heritage Perth and as a director of the Perth International Arts Festival.

He is a graduate from the Curtin University of Technology, a Fellow of the Institution of Engineers Australia, a chartered professional engineer and a Registered Builder.

Steven Cole - Non executive Director /Chairman - Resigned 16 October 2011

James Cullen - Non executive Director - Resigned 16 October 2011

Company secretaries

Gene Lilly

Gene Lilly is a Senior Banker with 30 years experience in Corporate Finance and Major Credit. He has held senior management positions both in Australia and overseas and joined OTOC Limited after 9 years with HSBC Bank Australia, the last 6 as State Manager for Western Australia.

Vince Salsano

Vince Salsano is a qualified Certified Practising Accountant with over 29 years of experience. Prior to assuming the role of Financial Officer/Company Secretary at OTOC Limited, Vince served as Financial Controller and General Manager of Whelans (WA) Pty Ltd for over 11 years.

Principal activities

The Group provides construction and turnkey camp/ village installations, environmental, surveying, mapping, town planning, engineering, project delivery and specialist consulting services across the infrastructure, resources and energy sectors.

Review of operations

The acquisition of OTOC Group Pty Ltd ("OGPL") was successfully completed on the 13th October 2011 and shortly thereafter the Company changed its name to OTOC Limited to better reflect the underlying business of the Group. The acquisition has been deemed to be a reverse acquisition under AASB 3 *Business Combinations* and as such these financial statements are deemed to be those of OGPL and the results of the existing OTOC Limited business have been consolidated from the date of acquisition.

The Company achieved first half operating revenue of $70m and net profit after tax from continuing operations of $2.1m. The profit after tax includes a non-cash gain of $2m on the revaluation of the contingent consideration relating to Performance Shares on the OGPL acquisition. The results were achieved from the Company's wholly owned subsidiaries OGPL (six months of operations) and Whelans (WA) Pty Ltd (3 months of operations being from date of acquisition of OGPL to 31 December).

The Company's other wholly owned subsidiary Emerson Stewart Pty Ltd contributed a loss after tax of $0.4m (3 months of operations being from date of acquisition of OTGPL to 31 December) resulting in a net group profit after tax of $1.7m. During the reporting period the Group commenced a sales process for this business which is now reported as an asset held for sale.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 6 and forms part of the directors' report for the six months ended 31 December 2011.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and director's report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors.

Adam Lamond

Director

Perth, 29 February 2012

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

To: the directors of OTOC Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2011 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

B. Steedman
Partner

Perth

29 February 2012

Condensed consolidated interim statement of comprehensive income for the six months ended 31 December

	Note	Consolidated Group 2011 $000's	2010 $000's
Continuing operations			
Revenue		70,492	18,679
Cost of sales		(63,715)	(13,487)
Gross profit		6,777	5,192
Marketing expenses		(100)	(40)
Occupancy expenses		(599)	(197)
Administration expenses		(5,258)	(3,099)
Results from operating activities		820	1,856
Financial income		2,029	2
Finance costs		(618)	(377)
Net finance income/(costs)	9	1,411	(375)
Profit before income tax		2,231	1,481
Income tax (expense)		(83)	(490)
Net profit after tax from continuing operations		2,148	991
Loss from discontinued operation			
Loss from discontinued operation net of income tax	8	(402)	-
Net profit for the period		1,746	991
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income for the period		1,746	991
Earnings per share			
Basic earnings per share (cents per share)		1.20	0.71
Diluted earnings per share (cents per share)		1.06	0.71

Condensed Consolidated Interim Statement of Financial Position

		Consolidated Group	
		31 December	30 June
		2011	2011
	Note	$000's	$000's
Current Assets			
Cash and cash equivalents		10	2,094
Trade and other receivables		19,171	13,441
Work in progress		16,861	2,721
Other current assets		2,789	563
Asset held for sale	8	2,464	-
Total Current Assets		41,295	18,819
Non Current Assets			
Plant and equipment		8,927	3,612
Investments		-	585
Other non current assets		147	-
Deferred tax assets		222	109
Intangible assets		1,111	-
Total Non Current Assets		10,407	4,306
Total Assets		51,702	23,125
Current Liabilities			
Trade and other payables		19,451	9,521
Loans and borrowings		6,678	1,364
Employee benefits		3,445	1,808
Liabilities held for sale	8	1,041	-
Current tax payable		769	3,573
Financial liability	10	6,000	-
Total Current Liabilities		37,384	16,266
Non Current Liabilities			
Loans and borrowings		5,142	1,304
Employee benefits		184	-
Total Non Current Liabilities		5,326	1,304
Total Liabilities		42,710	17,570
Net Assets		8,992	5,555
Equity			
Share capital		4,588	1,975
Reserves		(46)	-
Retained earnings		4,450	3,580
Total Equity		8,992	5,555

The notes on pages 12 to 29 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Changes in Equity

Consolidated Group	Attributable to equity holders of the Company			
	Share Capital	Retained Earnings/ (Accumulated loss)	Other Reserves	Total Equity
	$000's	$000's	$000's	$000's
Balance at 1 July 2011	1,975	3,580	-	5,555
Total comprehensive income for the period				
Profit/(loss)	-	1,746	-	1,746
Total comprehensive income for the period	-	1,746	-	1,746
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Equity issued net of transaction costs	1,316	-	-	1,316
Dividends declared	-	(950)	-	(950)
Share based payment transactions	-	-	(46)	(46)
Adjustment on reverse acquisition	1,297	74	-	1,371
Total contributions by and distributions to owners	2,613	(876)	(46)	1,691
Balance at 31 December 2011	4,588	4,450	(46)	8,992

The notes on pages 12 to 29 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Changes in Equity (continued)

	Attributable to equity holders of the Company			
Consolidated Group	**Share Capital**	**Retained Earnings/ (Accumulated loss)**	**Other Reserves**	**Total Equity**
	$000's	**$000's**	**$000's**	**$000's**
Balance at 1 July 2010	1,975	5,547	-	7,522
Total comprehensive income for the period				
Profit/(loss)	-	991	-	991
Total comprehensive income for the period	-	991	-	991
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Dividend Declared	-	(283)	-	(283)
Total contributions by and distributions to owners	-	(283)	-	(283)
Balance at 31 December 2010	1,975	6,255	-	8,230

The notes on pages 12 to 29 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows for the six months ended 31 December

	Consolidated Group	
	2011	**2010**
	$000's	**$000's**
Cash flows from operating activities		
Receipts from customers	81,755	21,495
Payments to suppliers and employees	(85,754)	(18,743)
Operating cashflow from discontinued operation	(646)	-
Income tax paid	(1,712)	359
Interest paid	(618)	(377)
Net cash (used) / provided by operating activities	(6,975)	2,734
Cash flows from investing activities		
Interest received	29	2
Proceeds from sale of property, plant and equipment	57	53
Payment to OTOC Group Pty Ltd shareholders on purchase of company	(5,280)	-
Acquisition of other investments	(80)	-
Purchase of property, plant and equipment	(2,349)	(874)
Net cash used in investing activities	(7,623)	(819)
Cash flows from financing activities		
Dividends paid	(950)	(283)
Proceeds from issue of share capital, net of transaction costs	7,633	-
Repayment of borrowings	(418)	(2,712)
Proceeds from borrowings	5,713	1,931
Net cash provided by / (used in) financing activities	11,978	(1,064)
Net decrease in cash and cash equivalents	(2,620)	851
Cash and cash equivalents at 1 July	2,094	(432)
Cash and cash equivalents at 31 December	(526)	419
Represented by -		
Cash at bank	10	419
Bank overdraft	(536)	-
	(526)	419

The notes on pages 12 to 29 are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

Note 1: Reporting entity

OTOC Limited (the Company) is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2011 comprises the Company and its subsidiaries (together referred to as the "Group"). The consolidated annual financial report of the Group as at and for the year ended 30 June 2011 is available upon request from the Company's registered office at Old Swan Brewery 110/171 Mounts Bay Road, Perth, WA 6000.

Note 2: Statement of compliance

The consolidated interim financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2011.

This consolidated interim financial report was approved by the Board of Directors on 29 February 2012.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Note 3: Significant accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2011.

(a) Reverse acquisition accounting

On 13 October 2011, Emerson Stewart Group Limited, subsequently renamed OTOC Limited ("OTOC") completed an acquisition of OTOC Group Pty Ltd (OGPL). In accordance with the accounting standards, this acquisition has been treated as a reverse acquisition business combination for accounting purposes. In applying the requirements of AASB 3 *Business Combinations* to the Group:

a) OTOC Limited remains the legal parent of the Group; and

b) OGPL is deemed to the accounting acquirer.

The consolidated financial information incorporated the assets and liabilities of all the entities deemed to be acquired by OGPL, and the results from those entities from the date those entities are deemed to be acquired by OGPL The assets and liabilities of OTOC were recorded at fair value while the assets and liabilities of OGPL were maintained at book value.

Note 3: Significant accounting policies (continued)

As the transaction occurred mid-month the results of OTOC have been consolidated effective 1 October 2011. The impact of all transactions between the entities in the group were eliminated in full. The impact on equity of treating the formation of the Group as a reverse acquisition is discussed in more detail in Note 4.

AASB 3 *Business Combinations* requires that consolidated Financial Statements prepared following a reverse acquisition be issued under the name of the legal parent (OTOC), but be a continuation of the financial statements of the legal subsidiary (OGPL – the acquirer for accounting purposes). The impact of applying AASB on each of the primary financial statements comparatives is as follows:

(i) Statement of financial position

The statement of financial position as at 30 June 2011 represents OGPL only. The consolidated financial position as at 31 December 2011 represents the combined position of OTOC and OGPL.

(ii) Statement of comprehensive income

The statement of comprehensive income for the period ending 31 December 2010 represents OGPL only. The consolidated statement of comprehensive income for the period ending 31 December 2011 includes the results of OGPL for the 6 month period 31 December 2011 and OTOC from the date of acquisition (1 October 2011) to 31 December 2011.

(iii) Statement of changes in equity

The 2010 statement of changes in equity comprises OGPL only for the period to 31 December 2010.

The 2011 opening retained earnings balances and other equity balances recognised are those of OGPL before the business combination.

The comprehensive income for the period includes the results of OGPL for the 6 month period to 31 December 2011, and the results of OTOC from the date of acquisition (1 October 2011) to 31 December 2011.

(iv) Statement of cash flows

The statement of cash flows for the period to 31 December 2010 comprises OGPL only for the 6 month period to 31 December 2010.

Cash flows for the period to 31 December 2011 includes those of OGPL for the 6 month period to 31 December 2011, and the those of OTOC from the date of acquisition (1 October 2011) to 31 December 2011.

Note 3: Significant accounting policies (continued)

(b) Basis of consolidation

(i) Business combinations

The Group has adopted revised AASB 3 *Business Combinations* (2008) and amended AASB 127 *Consolidated and Separate Financial Statements* (2008) for business combinations occurring in the financial year starting 1 July 2009. All business combinations occurring on or after 1 July 2009 are accounted for by applying the acquisition method.

For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control of the other combining entities or businesses.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are exposed as incurred.

Goodwill

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payments awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account.

Note 3: Significant accounting policies (continued)

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(c) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets:

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Note 3: Significant accounting policies (continued)

(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, preference shares and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at fair value for performance shares, and amortised cost using the effective interest rate method for all others.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to / from retained earnings.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Note 3: Significant accounting policies (continued)

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss. When re-valued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on either a straight-line or diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment.

The depreciation rates for the current and comparative periods are as follows:

- Plant and equipment 2.5% - 50%
- Motor vehicles 25%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(e) Intangible assets

(i) Goodwill

Goodwill (negative goodwill) arises on the acquisition of subsidiaries, associates and jointly controlled entities.

As described in note 3(a)(i) goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses (see Note 3(f)(ii)). In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

(ii) Other intangible assets

Other intangible assets including customer relationships that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Note 3: Significant accounting policies (continued)

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Capitalised development costs 3 years
- Customer relationships 5 years

(f) Impairment

(i) Financial assets (including receivables)

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security.

The Group considers evidence of impairment for receivables and are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Note 3: Significant accounting policies (continued)

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Note 3: Significant accounting policies (continued)

(g) Employee benefits

(i) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are met.

(h) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Note 3: Significant accounting policies (continued)

(j) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Group's statement of financial position. Investment property held under an operating lease is recognised on the Group's statement of financial position at its fair value.

(k) Work in progress

Work in progress represents the gross unbilled amount expected customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

(l) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(m) Finance income and expense

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit and loss using the effective interest method.

(n) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Note 3: Significant accounting policies (continued)

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(i) Tax consolidation

The Group and its wholly-owned entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax-consolidated group is OTOC Limited.

The Group recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(ii) Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts.

Note 3: Significant accounting policies (continued)

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(o) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(p) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

Following the reverse acquisition, earning per share have been calculated in accordance with the specific guidance provided in AASB 3 *Business Combination.*

(q) Segment reporting

Determination and presentation of operating segments

The Group determines and presents operating segments based on the information that internally is provided to the CEO, who is the Group's chief operating decision maker. Comparative segment information has been re-presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Note 3: Significant accounting policies (continued)

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

(r) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations were effective for annual periods beginning after 1 July 2011, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group.

(s) Presentation of financial statements

The Group presents in the consolidated statement of changes in equity all owner changes in equity, where as all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(t) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

(ii) Intangible assets

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

Note 3: Significant accounting policies (continued)

(iii) Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, but including service concession receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(iv) Share-based payment transactions

The fair value of employee stock options is measured using a binomial lattice model. The fair value of share appreciation rights is measured using the Black-Scholes and Monte Carlo formula.

Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Note 4: Business combination

a) Acquisition of OGPL by OTOC

On 23 September 2011 the acquisition of OGPL by OTOC was approved by shareholders at an Extraordinary General Meeting, with the acquisition taking place on 13 October 2011 (effective date 1 October 2011).

(i) Accounting and disclosure implication of the acquisition

Under the accounting standards, the acquisition of OGPL by OTOC is accounted for as a business combination. Given the Board and Management composition, equity holding of the respective parties as well as other factors, the transaction was deemed to be a reverse acquisition for accounting purposes. As such, OGPL is deemed to be the accounting acquirer, while OTOC remains the legal parent. Refer to note 3(a) for the implications of this reverse acquisition.

Under the accounting guidance, the consideration that OGPL is deemed to have paid for OTOC is the fair value of OTOC's equity at the date of acquisition, which was $14.5 million. This value has been allocated to the fair value of the assets and liabilities acquired. Under the terms of the acquisition, an additional 20 million performance shares are to be issued to the existing OGPL vendors should the earnings before interest and tax ("EBIT") of OGPL be greater than $5.5 million for the year to 30 June 2012, with an additional 5 shares issued for every dollar of EBIT over this (capped to a maximum of 40 million shares). Management have determined that OGPL is likely to meet the full $6.5 million target. As such, these shares have been included in the calculation of the consideration paid, and recorded as a financial liability on the date of acquisition (see Note 10).

Note 4: Business combination (continued)

(ii) Summary of acquisition

The provisional details of consideration and the fair value of the identifiable assets acquired at 1 October 2011 is as follows:

	2011
	$000's
Consideration	14,577
Less: Fair value of identifiable net assets acquired	(14,577)
Goodwill	-

The fair value of the ordinary shares acquired was based on the listed share price of OTOC at 13 October of $0.20 per share plus $7,180,000 in cash raised through a share placement (before cost).

Provisional values of the net assets acquired by OGPL at 1 October 2011 are as follows:

	2011
	$000's
Cash	6,808
Receivables	9,881
Other current assets	769
Property plant and equipment	4,080
Intangible assets	1,380
Other non-current assets	636
Trade & other payables	(4,108)
Employee benefits	(2,148)
Loans and borrowings	(2,721)
Net fair value of identifiable net assets acquired	**14,577**

Note 5: Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2011.

Note 6: Financial risk management

The consolidated entity's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 30 June 2011.

Note 7: Operating segments

The Group has three reportable segments being managed separately by the service provided. Internal management reports on the performance of these reportable segments are reviewed monthly by the Chief Executive Officer. The following summary describes the operations in each of the Group's reportable segments:

OTOC Operations ("OTOC") – provides turnkey camp/village installations to the Western Australian resources and infrastructure sector.

Whelans Consulting Operations ("Whelans") – provides surveying, mapping and town planning services throughout Western Australian.

Corporate Development – Merger & Acquisitions ("Corp. Dev. M&A") – provides an incubation area for acquisition targets.

The Emerson Stewart Consulting Operations is considered to be an asset held for sale and not included in the operating segments and the results have been separately disclosed in Note 8.

Information regarding the results of each reportable segment is detailed below. Comparative segment information has been presented in conformity with the requirement of IFRS 8 Operating Segments.

	OTOC Operations		**Whelans Operations**		**Corp. Dev. M&A Operations**		**Total**	
Operating segments information Reportable segments for the six months ended 31 December	**2011 $000's**	**2010 $000's**	**2011 $000's**	**2010 $000's**	**2011 $000's**	**2010 $000's**	**2011 $000's**	**2010 $000's**
External revenues	64,785	18,679	5,707	-	-	-	70,492	18,679
Inter-segment revenues	-	-	431	-	-	-	431	-
Reportable segment result before income tax	251	1,481	243	-	(263)	-	231	1,481
Reportable segment assets	34,954	23,125	13,980	-	304	-	49,238	23,125

Note 7: Operating segments (continued)

Reconciliation of profit before income tax from continuing operations for the period –

	2011 $000
Total reportable segment results before income tax as above	231
Add: Fair value gain on financial liability (Note 10)	2,000
Total profit before income tax from continuing operations for the period	**2,231**

Note 8: Asset held for sale

As at 31 December 2011 Management had committed to a plan to sell its Emerson Stewart Consulting Operations ("ES Operations") segment which provides project management, engineering and environmental science services across the infrastructure, resources and energy sectors. The Consolidated Statement of Comprehensive Income has been presented to show the ES Operations segment separately from continuing operations. Results for the ES Operations segment for the six months ended 31 December were –

	2011 $000's
External revenues	1,948
Inter-segment revenues	48
Results from operating activities	(568)
Income tax benefit	166
Results from operating activities net of tax	(402)

Note 9: Finance income and expense

	31-Dec-11 $000's	31-Dec-10 $000's
Financial income		
Bank interest	29	2
Fair value gain on contingent consideration (Note 10)	2,000	-
	2,029	2
Finance expenses		
Interest expense	(618)	(377)
	(618)	(377)
Net financial income	1,411	(375)

Note 10: Financial liability

	31-Dec-11 $000's	30-Jun-11 $000's
Contingent consideration	6,000	-
	6,000	-

Contingent consideration relates to performance shares that are issuable to the existing vendors of OGPL should the business achieve set EBIT targets for the financial year ended 30 June 2012. A total of 40 million shares are issuable, depending on the actual EBIT amount reached. At 1 October 2011, management considered it probable that the full EBIT target will be achieved for the 2012 financial year.

Due to the share price of OTOC Limited decreasing from $0.20 per share at the date of acquisition to $0.15 per share as at 31 December 2011 a gain of $2 million has been recorded in the Consolidated Statement of Comprehensive Income.

Note 11: Dividends

The following dividends were declared and paid by OTOC Group Pty Ltd:

For the six months ended 31 December

	2011 $000's	2010 $000's
Dividends paid	950	283
	950	283

Note 12: Related Parties

During the period, certain related parties made loans to the Company under normal commercial terms. The details of these loans are as follows:

	Interest rate %	Amount $000's
Adam Lamond (Director)	12	2,000
Shareholders	12	1,000
		3,000

Loans outstanding to related parties are made under normal commercial terms, and are repayable on demand. Interest is accrued monthly and paid upon maturity.

KPMG

Independent auditor's review report to the members of OTOC Limited

Report on the financial report

We have reviewed the accompanying interim financial report of OTOC Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2011, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year period.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2011 and its performance for the half-year period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of OTOC Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

(a) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance for the half-year period ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

B. Steedman
Partner

Perth

29 February 2012

DIRECTORS DECLARATION

In the opinion of the directors of OTOC limited ("the Company"):

1 the financial statements and notes set out on pages 12 to 29, are in accordance with the Corporations Act 2001 including:

   a) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance for the six month period ended on that date; and

   b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated, 29 February 2012

Signed in accordance with a resolution of the directors:

Adam Lamond
Director

CORPORATE INFORMATION

The registered office of the company is:

OTOC Limited

Old Swan Brewery

110/171 Mounts Bay Road

Perth WA 6000

The principal place of business is:

OTOC Limited

Old Swan Brewery, Level 1

171 – 173 Mounts Bay Road

Perth WA 6000