

## APPENDIX 4D

# HALF-YEAR REPORT

### 1. Company details

Name of entity:	<b>Dark Blue Sea Limited</b>
ABN:	47 091 509 796
Reporting period:	<b>Half-year ended 31 December 2008</b>
Previous corresponding period:	Half-year ended 31 December 2007

### 2. Results for announcement to the market

Revenues from operating activities	down 6.3%	to	\$ 14,557,225
Net profit from ordinary activities after tax attributable to members	down 80.5%	to	\$ 359,076
Net profit for the period attributable to members	down 80.5%	to	\$ 359,076

#### *Dividends*

	Amount per security	Franked amount per security
Final ordinary dividend for the year ended 30 June 2008 paid on 29 September 2008	0.500 cents	0.500 cents

On 24 February 2008, the directors elected not to declare an interim dividend.

#### *Comments*

During the six months to 31 December 2008 ("current period"), both operating revenue and net profit decreased compared to the period 31 December 2007 ("previous corresponding period").

Revenue from operating activities decreased from \$15,529,715 in the previous corresponding period, to \$14,557,225 in the current period.

This decrease in operating revenue was due mainly to the weakness in the US online advertising market. The scale of the decline was to some extent offset by the decline in the A\$ which traded between 65c and 97c in the current period. In the previous corresponding period the A\$ generally strengthened in a range between 85c and 92c.

The Group recorded a net profit from ordinary activities after income tax of \$359,076 in the current period, compared to the net profit of \$1,842,291 recorded during the previous corresponding period.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the current period was \$812,945 down from \$2,753,576 for the previous corresponding period.

Operating costs incurred by the Group in the current period were \$14,033,677 (up from \$13,242,118 in the previous corresponding period).

This increase was primarily due to the 'cost of traffic', rising from \$9,310,021 in the previous corresponding period to \$10,641,576 in the current period. The cost of traffic consists of expensing the Group's domain name registrations and renewals, as well as fees paid to affiliates, i.e. third party providers of Internet traffic to the Group.

Operating cash flow for the current period was a negative \$13,828 (compared to the positive \$1,948,577 cash flow recorded during the previous corresponding period).

**2. Results for announcement to the market (continued)**

Financing cash flows was negative \$2,098,953 consisting of on-market buybacks of \$1,706,412 and dividend paid of \$392,541 compared to negative outflows of \$1,745,782 in the previous corresponding period.

The negative net cash flow position of the Group in the current period has resulted in cash on hand as at 31 December 2008 of \$2,486,790 (down from \$5,010,893 on hand at 30 June 2008).

The financial results of the Group in the current reporting period were disappointing. The revenue generated from our own domain name revenue was down from the same corresponding period last year whilst revenue generated from our domain sales was higher in the current period. Our external business was similar to the same corresponding period last year.

During the current reporting period, the Group has also continued to focus its resources into the further development and marketing of its domain name resale or "secondary market" business "Domain Distribution Network". This area of the business continued to grow in the current period despite the prevailing economic conditions in the USA.

The Group has also commenced a process of reviewing its own domain name portfolio due to changing revenue streams and the tough economic conditions which are likely to continue in the near future. As at 31 December 2008, the Group owned approximately 515,000 domain names, making it one of the largest domain name portfolios in the world.

**3. NTA backing**

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary security	5.02 cents	9.51 cents

**4. Control gained over entities**

Name of entities (or group of entities)	N/A	
Date control gained		
Contribution of such entities to the reporting entity's profit/(loss) from operating activities during the period (where material)		\$ -
Profit/(loss) from operating activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period (where material)		\$ -

**5. Loss of control over entities**

Name of entities (or group of entities)	N/A	
Date control lost		
Contribution of such entities to the reporting entity's profit/(loss) from operating activities during the period (where material)		\$ -
Profit/(loss) from operating activities after tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)		\$ -

## 6. Dividends

	Amount per security	Franked amount per security
<i>Current period</i>		
Final ordinary dividend for the year ended 30 June 2008 paid on 29 September 2008	0.500 cents	0.500 cents
<i>Previous corresponding period</i>		
Final ordinary dividend for the year ended 30 June 2007 paid on 3 October 2007	1.500 cents	1.500 cents

## 7. Dividend reinvestment plans

*The following dividend or distribution plans are in operation:*

N/A

The last date(s) for receipt of election notices for the dividend or distribution plans: N/A

## 8. Details of associates and joint venture entities

	Reporting entity's percentage holding		Contribution to net profit/(loss) (where material)	
Name of associate / joint venture	Current period	Previous corresponding period	Current period	Previous corresponding period
N/A				
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit(loss) from operating activities before income tax				
Income tax on operating activities				

## 9. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

N/A

## 10. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The accounts were subject to a review by the auditors and the review report is attached as part of the Interim Report.


**11. Attachments**

*Details of attachments (if any):*

The Interim Report for the half-year ended 31 December 2008 for Dark Blue Sea Limited is attached.

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**12. Signed**

Signed:  \_\_\_\_\_

Date: 26 February 2009

Vernon Alan Wills  
Chairman  
Brisbane

**Dark Blue Sea Limited**

**ABN 47 091 509 796**

**Interim Report for the half-year ended 31 December 2008**

**Dark Blue Sea Limited**  
**Contents**  
**For the half-year ended 31 December 2008**

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**General information**

The financial report covers Dark Blue Sea Limited as a consolidated entity consisting of Dark Blue Sea Limited and the entities it controlled for the half-year ended 31 December 2008. The financial report is presented in Australian currency.

Dark Blue Sea Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 10  
243 Edward Street  
Brisbane QLD 4000

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report.

The financial report was authorised for issue by the directors on 26 February 2009.

**Dark Blue Sea Limited**  
**Directors' report**  
**31 December 2008**

Your directors submit their report of the consolidated entity, consisting of Dark Blue Sea Ltd and its wholly owned subsidiaries ("the Group"), for the half-year ended 31 December 2008.

**Directors**

The names of the Group's directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated:

Vernon Alan Wills (Non Executive Chairman), Appointed 9 October 2002  
Richard Edward Moore (Executive Director), Appointed 9 October 2002  
Joseph Michael Ganim (Non-executive Director), Appointed 9 October 2002

**Review of results and operations**

*Review of results*

During the six months to 31 December 2008 ("current period"), both operating revenue and net profit decreased compared to the period 31 December 2007 ("previous corresponding period").

Revenue from operating activities decreased from \$15,529,715 in the previous corresponding period, to \$14,557,225 in the current period.

This decrease in operating revenue was due mainly to the weakness in the US online advertising market. The scale of the decline was to some extent offset by the decline in the A\$ which traded between 65c and 97c in the current period. In the previous corresponding period the A\$ generally strengthened in a range between 85c and 92c.

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Operating cash flow for the current period was a negative \$13,828 (compared to the positive \$1,948,577 cash flow recorded during the previous corresponding period).

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The negative net cash flow position of the Group in the current period has resulted in cash on hand as at 31 December 2008 of \$2,486,790 (down from \$5,010,893 on hand at 30 June 2008).

**Dark Blue Sea Limited**  
**Directors' report (continued)**  
**31 December 2008**

*Review of operations*

The financial results of the Group in the current reporting period were disappointing. The revenue generated from our own domain name revenue was down from the same corresponding period last year whilst revenue generated from our domain sales was higher in the current period. Our external business was similar to the same corresponding period last year.

During the current reporting period, the Group has also continued to focus its resources into the further development and marketing of its domain name resale or "secondary market" business "Domain Distribution Network". This area of the business continued to grow in the current period despite the prevailing economic conditions in the USA.

The Group has also commenced a process of reviewing its own domain name portfolio due to changing revenue streams and the tough economic conditions which are likely to continue in the near future. As at 31 December 2008, the Group owned approximately 515,000 domain names, making it one of the largest domain name portfolios in the world.

**Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2008 that has significantly affected, or may significantly affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

**Auditor's independence declaration**

We have obtained an auditor's independence declaration from our auditors, Ernst & Young. A copy is attached on page 4 of this report.

Signed in accordance with a resolution of the directors.



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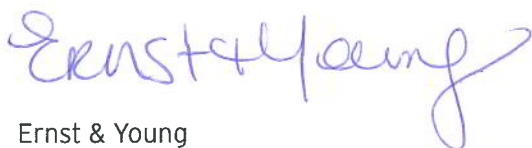
Vernon Alan Wills  
Chairman

Dated this 26th day of February 2009  
Brisbane



## Auditor's Independence Declaration to the Directors of Dark Blue Sea Limited

In relation to our review of the financial report of Dark Blue Sea Limited for the half-year ended 31 December 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A stylized, handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, appearing to read 'Winna Brown'.

Winna Brown  
Partner  
Brisbane  
26 February 2009

**Dark Blue Sea Limited**  
**Income statement**  
**For the half-year ended 31 December 2008**

		<b>Consolidated Half-year</b>	
	<b>Note</b>	<b>2008 \$</b>	<b>2007 \$</b>
<b>Revenue from continuing operating activities</b>	3	14,557,225	15,529,715
Other income	4	110,754	440,449
<b>Expenses</b>			
Cost of traffic		(10,641,576)	(9,310,021)
Salaries wages and related costs		(1,880,750)	(2,057,817)
Share-based payments expense		(169,953)	(214,212)
Depreciation and amortisation expense		(68,617)	(124,532)
Impairment of premium domain names		(123,140)	-
Computer hosting and bandwidth		(289,879)	(216,997)
Rent		(135,500)	(106,485)
Travelling and marketing		(60,669)	(183,305)
Foreign currency exchange		(49,656)	(209,069)
ASX fees		(10,048)	(16,623)
Other expenses		(583,889)	(744,978)
Finance costs		(20,000)	(58,079)
<b>Profit before income tax expense</b>		634,302	2,728,046
Income tax expense		(275,226)	(885,755)
<b>Profit after income tax expense attributable to members of Dark Blue Sea Limited</b>		<u>359,076</u>	<u>1,842,291</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		0.46	2.13
Diluted earnings per share		0.46	2.13

*The above income statement should be read in conjunction with the accompanying notes*

**Dark Blue Sea Limited**  
**Balance sheet**  
**As at 31 December 2008**

		<b>Consolidated</b>	
		<b>31 December</b>	<b>30 June</b>
		<b>2008</b>	<b>2008</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Cash and cash equivalents		2,486,790	5,010,893
Trade and other receivables		1,232,483	1,422,598
Prepayments		2,796,642	2,164,087
Total current assets		<u>6,515,915</u>	<u>8,597,578</u>
<b>Non-current assets</b>			
Property, plant and equipment		207,898	231,419
Intangibles		2,565,815	2,331,122
Deferred tax		174,258	191,526
Prepayments		61,012	-
Total non-current assets		<u>3,008,983</u>	<u>2,754,067</u>
<b>Total assets</b>		<u>9,524,898</u>	<u>11,351,645</u>
<b>Current liabilities</b>			
Trade and other payables		2,189,480	2,467,561
Income tax		64,911	340,648
Provisions		229,553	307,657
Other		318,281	303,408
Total current liabilities		<u>2,802,225</u>	<u>3,419,274</u>
<b>Non-current liabilities</b>			
Deferred tax		900	2,700
Provisions		214,298	200,504
Total non-current liabilities		<u>215,198</u>	<u>203,204</u>
<b>Total liabilities</b>		<u>3,017,423</u>	<u>3,622,478</u>
<b>Net assets</b>		<u>6,507,475</u>	<u>7,729,167</u>
<b>Equity</b>			
Contributed equity	7	8,987,507	10,345,687
Reserves		2,581,637	2,411,684
Accumulated losses		<u>(5,061,669)</u>	<u>(5,028,204)</u>
<b>Total equity</b>		<u>6,507,475</u>	<u>7,729,167</u>

*The above balance sheet should be read in conjunction with the accompanying notes*

**Dark Blue Sea Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2008**

	<b>Contributed equity \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
<b>Consolidated</b>				
Balance 1 July 2007	13,374,702	1,565,799	(5,181,303)	9,759,198
Net income/(expense) recognised directly in equity	-	-	-	-
Profit after income tax expense	-	-	1,842,291	1,842,291
Total recognised income/(expense) for the half-year	-	-	1,842,291	1,842,291
Cost of share-based payments	-	214,212	-	214,212
Share buy-back	(443,354)	-	-	(443,354)
Dividends paid	-	-	(1,302,428)	(1,302,428)
Balance 31 December 2007	<u>12,931,348</u>	<u>1,780,011</u>	<u>(4,641,440)</u>	<u>10,069,919</u>
<b>Consolidated</b>				
Balance 1 July 2008	10,345,687	2,411,684	(5,028,204)	7,729,167
Net income/(expense) recognised directly in equity	-	-	-	-
Profit after income tax expense	-	-	359,076	359,076
Total recognised income/(expense) for the half-year	-	-	359,076	359,076
Cost of share-based payments	-	169,953	-	169,953
Share buy-back	(1,358,180)	-	-	(1,358,180)
Dividends paid	-	-	(392,541)	(392,541)
Balance 31 December 2008	<u>8,987,507</u>	<u>2,581,637</u>	<u>(5,061,669)</u>	<u>6,507,475</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Dark Blue Sea Limited**  
**Cash flow statement**  
**For the half-year ended 31 December 2008**

	Note	Consolidated Half-year	
		2008 \$	2007 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		14,760,630	16,445,124
Payments to suppliers (inclusive of GST)		<u>(14,308,938)</u>	<u>(13,600,235)</u>
		451,692	2,844,889
Interest received		20,484	99,039
Finance costs paid		(20,000)	(58,079)
Subsidies and grants received		69,491	156,975
Income taxes paid		<u>(535,495)</u>	<u>(1,094,247)</u>
Net cash inflow/(outflow) from operating activities		<u>(13,828)</u>	<u>1,948,577</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(40,696)	(25,496)
Payments for traffic/premium domain names		(363,326)	(571,990)
Payments for software		(805)	(28,873)
Proceeds from sale of traffic/premium domain names		<u>43,161</u>	<u>331,492</u>
Net cash inflow/(outflow) from investing activities		<u>(361,666)</u>	<u>(294,867)</u>
<b>Cash flows from financing activities</b>			
Dividends paid	8	(392,541)	(1,302,428)
Payments for share buy-back		<u>(1,706,412)</u>	<u>(443,354)</u>
Net cash inflow/(outflow) from financing activities		<u>(2,098,953)</u>	<u>(1,745,782)</u>
Net increase/(decrease) in cash and cash equivalents		(2,474,447)	(92,072)
Cash and cash equivalents at the beginning of the financial half-year		5,010,893	6,212,192
Effects of exchange rate changes on cash		<u>(49,656)</u>	<u>(209,069)</u>
Cash and cash equivalents at the end of the financial half-year	6	<u><u>2,486,790</u></u>	<u><u>5,911,051</u></u>

*The above cash flow statement should be read in conjunction with the accompanying notes*

**Dark Blue Sea Limited**  
**Notes to the financial statements**  
**31 December 2008**

**Note 1. Significant accounting policies**

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This half-year financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by the company during the half-year reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**Changes in accounting policy**

New and / or revised standards and interpretations applicable for the year commencing 1 July 2008 have been reviewed and it was determined that changes were not required to the existing accounting policies adopted by Dark Blue Sea Limited. Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by Dark Blue Sea Limited for the interim reporting period. The directors have not yet assessed the impact of these new or amended standards and interpretations to the extent relevant to Dark Blue Sea Limited.

**Note 2. Segment information**

The consolidated entity operates a single integrated business and no segmented financial reporting is undertaken by the consolidated entity, primarily due to the integral way in which each of its four core business units, Roar/PageSeeker, Fabulous, Dark Blue and its Domain Name portfolio interact and collectively contribute to the revenue generating activities of the consolidated entity.

The consolidated entity conducts its business activities via the Internet in the global market. Sales are derived primarily in the United States with immaterial sales occurring in other jurisdictions. As the Internet is global, the consolidated entity does not and cannot specifically identify the geographic location of the end users.

**Dark Blue Sea Limited**  
**Notes to the financial statements**  
**31 December 2008**

**Note 3. Revenue**

	<b>Consolidated Half-year</b>	
	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>From continuing operations</b>		
<i>Sales revenue</i>		
Advertising click revenue	8,134,821	10,666,989
Domain name registrations	3,837,488	2,622,433
Domain name sales	2,563,686	2,139,961
	<u>14,535,995</u>	<u>15,429,383</u>
<i>Other revenue</i>		
Interest received	20,484	99,039
Other revenue	746	1,293
	<u>21,230</u>	<u>100,332</u>
Revenue from continuing operations	<u>14,557,225</u>	<u>15,529,715</u>

**Note 4. Other income**

	<b>Consolidated Half-year</b>	
	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Net gain on sale of traffic and premium domain names	41,263	283,474
Subsidies and grants	<u>69,491</u>	<u>156,975</u>
Other income	<u>110,754</u>	<u>440,449</u>

**Note 5. Expenses**

	<b>Consolidated Half-year</b>	
	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Profit before income tax includes the following specific items:		
<b>Expenses</b>		
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	<u>115,823</u>	<u>87,995</u>
Total rental expense relating to operating leases	<u>115,823</u>	<u>87,995</u>
<i>Defined contribution superannuation expense</i>		
Defined contribution superannuation expense	142,610	148,221

**Dark Blue Sea Limited**  
**Notes to the financial statements**  
**31 December 2008**

**Note 6. Current assets - cash and cash equivalents**

	<b>Consolidated</b>	
	<b>31 December 2008</b>	<b>31 December 2007</b>
	<b>\$</b>	<b>\$</b>
<i>Reconciliation to cash at the end of the half-year</i>		
For the purpose of the half-year cash flow statement, cash and cash equivalents at the end of the financial half-year are reconciled as follows:		
Cash on hand	1,840	758
Cash at bank	<u>2,484,950</u>	<u>5,910,293</u>
Balance as per cash flow statement	<u><u>2,486,790</u></u>	<u><u>5,911,051</u></u>

**Note 7. Equity - contributed**

	<b>Consolidated</b>		<b>Consolidated</b>	
	<b>31 December 2008</b>	<b>30 June 2008</b>	<b>31 December 2008</b>	<b>30 June 2008</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>78,508,081</u>	<u>82,369,287</u>	<u>8,987,507</u>	<u>10,345,687</u>

*Movements in ordinary share capital during the half-year*

<b>Details</b>	<b>Date</b>	<b>No of shares</b>	<b>Market price</b>	<b>\$</b>
Balance	30 June 2008	82,369,287		10,345,687
Cancelled shares pursuant to on-market share buy-back	1 July 2008	<u>(3,861,206)</u>	\$0.352	<u>(1,358,180)</u>
Balance	31 December 2008	<u>78,508,081</u>		<u>8,987,507</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

**Note 8. Equity - dividends**

	<b>Consolidated</b>	
	<b>Half-year 2008</b>	<b>Half-year 2007</b>
	<b>\$</b>	<b>\$</b>
Final ordinary dividend for the year ended 30 June 2008 of 0.5 cents (2007: 1.5 cents) per fully paid share paid on 29 September 2008	<u>392,541</u>	<u>1,302,428</u>



**Note 9. Contingent liabilities**

Since the last annual reporting date, there has been no material change in any contingencies of the Group. Readers should refer to note 28 of the Group's Annual Report for further information.

**Note 10. Events occurring after balance date**

No matter or circumstance has arisen since 31 December 2008 that has significantly affected, or may significantly affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

**Dark Blue Sea Limited**  
**Directors' declaration**

In accordance with a resolution of the directors of Dark Blue Sea Limited, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - i. giving a true and fair view of the financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
  - ii. complying with Accounting Standard AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



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Vernon Alan Wills  
Chairman

Dated this 26th day of February 2009  
Brisbane

To the members of Dark Blue Sea Limited

## Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Dark Blue Sea Limited, which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year 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 half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements 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 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Dark Blue Sea Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## Conclusion

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

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

A stylized, handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink that reads 'Winna Brown'.

Winna Brown

Partner

Brisbane

26 February 2009