

28 August 2009

The Manager, Company Announcements
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir,

HORIZON OIL (HZN) LODGES JUNE 2009 PRELIMINARY FINAL REPORT

In accordance with Listing Rule 4.3A, Horizon Oil Limited lodges the Group's report for the year to 30 June 2009.

The financial results for the period are set out in the attached results announcement and preliminary final report.

Operational highlights

Ø *Maari Field, Offshore New Zealand (HZN interest 10%)*

- The Maari oilfield development reached a significant milestone during the year, with first oil from the Maari field achieved on 25 February 2009. The 100 hour performance test of the production facilities was successfully completed on 8 March 2009 and as at the date of this report, over 2.9 million barrels of oil have been produced with over 2.7 million barrels lifted and sold.
- Drilling of the Manaia appraisal well commenced on 1 August 2009, to be followed by drilling of the M2A well. If warranted, both wells will be completed as producers and tied back to the existing Maari production facilities.

Ø *Block 22/12, Offshore China (HZN interest 30%)*

- Activities during the year were focused on the completion of development feasibility work and preparation of the Overall Development Plan ('ODP'). The ODP is now in the initial stages of preparation and is expected to be completed in the last quarter of 2009.

Ø *PRL 4 and PRL 5, Onshore Papua New Guinea*

PRL 4 (Stanley) (HZN interest 100%)

- The Company assumed operatorship of PRL 4 during the year and following the successful production test conducted in June / July 2008, has advanced the key regulatory activities required for the grant of a Petroleum Development Licence ('PDL') for the Stanley field. Planning for the appraisal and development well drilling program has also commenced with design and specification of long lead items and negotiations to secure a drilling rig underway. Drilling operations are scheduled to begin in Q1 2010.

- In May 2009, the Company advised shareholders that it had entered into a sale and purchase agreement with Mega Fortune International Limited, a subsidiary of P3 Global Energy Company Limited (together 'P3GE') of Thailand to appraise and develop Horizon Oil's gas / condensate resources in western Papua New Guinea. If completion of the agreement occurs, P3GE would acquire a 50% interest in PRL 4, which contains the Stanley discovery and a 24.82% interest in PRL 5, which contains the Elevala and Ketu discoveries, for a total consideration of US\$55 million.

P3GE did not complete its obligations under the agreement on the prescribed date. P3GE's failure to complete may lead to termination of the sale and purchase agreement.

PRL 5 (Elevala and Ketu) (HZN interest 49.65%)

- The mapping of reprocessed seismic data over Elevala and Ketu in mid 2008 concluded that the existing seismic grid is adequate to select an Elevala appraisal well location. Planning and logistics in preparation for drilling an appraisal well on Elevala as part of the Stanley drilling phase were carried out during the latter half of this financial year.

Key points – Finance

Ø Cash

Cash on hand at 30 June 2009 - US\$10.0 million (2008: US\$19.6 million).

Ø Debt Facilities

The Group's US\$19.25 million corporate debt facility matured on 30 June 2009 and was repaid on that date in accordance with the terms of the facility agreement.

After the repayment of the corporate debt facility, the Group's remaining bank debt is the US\$45.75 million Maari project debt facility which will be progressively repaid from surplus Maari operating cashflows.

During the period the Group acquired plant and equipment by way of finance lease. At 30 June 2009, the related lease liability was \$23.8 million.

Key points – Capital raising

Ø Placement

On 14 April 2009, Horizon Oil announced the placement of 185.0 million ordinary shares to raise A\$18.5 million. The placement took place in two tranches, with the first tranche of placement shares issued on 17 April 2009. The second tranche placement shares were subject to shareholder approval at a general meeting of the company held on 28 May 2009. This approval was received and the second tranche placement shares were issued on 3 June 2009.

Ø Share Purchase Plan

On 4 June 2009, Horizon Oil issued 142.1 million ordinary shares to raise A\$14.2 million under a Share Purchase Plan.

Yours faithfully,



Michael Sheridan
Chief Financial Officer / Company Secretary



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Horizon Oil Limited

Preliminary Final Report For the year ended 30 June 2009

ABN 51 009 799 455

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A

Current reporting period:	Financial Year ended 30 June 2009
Previous corresponding period:	Financial Year ended 30 June 2008

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Note: Reports are based on accounts in the process of being audited.

Horizon Oil Limited

Results for Announcement to the Market For the Financial year ended 30 June 2009

		Percentage Change		Amount
				US\$'000
Revenue from continuing operations	Up	10,095%	to	8,156
Loss from continuing operations (net of tax)	Down	87.2%	to	(2,035)
Loss from discontinued operations (net of tax)	Up	1,971.5%	to	(6,028)
Loss for the period attributable to members	Down	50.3%	to	(8,063)

Dividends / distributions	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil

Brief explanation of Revenue, Loss from continuing operations after tax and Net Loss

Revenue

Revenue from operating activities has increased by US\$8,076,000 to US\$8,156,000, the result of production from the Maari oil field operation commencing on 25 February 2009.

Other income of US\$201,000 consists principally of interest.

Loss from continuing operations after tax

The loss from continuing operations after tax for the year amounted to \$2,035,000 (2008: \$15,922,000 loss).

The current year profit reflects the gross operating profit of the Maari oil field operation together with an income tax benefit of \$1,334,000 arising on the recognition of a net deferred tax asset, offset by corporate office and financing costs.

The prior year loss included write offs of unsuccessful drilling costs in Block 22/12.

Loss from discontinued operations after tax

The loss from discontinued operations reflects the financial effect of the Group's divestment of Thai exploration interests which was concluded in February 2009.

Net Loss

The net loss after tax for the year decreased by \$8,150,000 to \$8,063,000.

Horizon Oil Limited

Preliminary consolidated income statement For the year ended 30 June 2009

	Note	Consolidated	
		2009 US\$000	2008 US\$000
Revenue from continuing operations	2(a)	8,156	80
Cost of sales	2(c)	(3,553)	(143)
Gross profit		4,603	(63)
Other income	2(b)	201	770
General and administrative expenses	2(d)	(4,038)	(3,886)
Exploration and development expenses	2(e)	(890)	(13,034)
Financing costs	2(f)	(2,945)	(82)
Other expenses	2(g)	(300)	381
(Loss) / profit before income tax expense		(3,369)	(15,914)
NZ Royalty tax (expense) / benefit		(140)	-
Income tax benefit / (expense)		1,474	(8)
(Loss) / profit from continuing operations		(2,035)	(15,922)
(Loss) / profit from discontinued operations (net of tax)	9	(6,028)	(291)
(Loss) / profit for the financial year		(8,063)	(16,213)
Net (loss) / profit attributable to members of Horizon Oil Limited		(8,063)	(16,213)
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company:			
		US Cents	US Cents
Basic earnings per share	16(a)	(0.24)	(2.11)
Diluted earnings per share	16(a)	(0.24)	(2.11)
Earnings per share for loss attributable to the ordinary equity holders of the company:			
		US Cents	US Cents
Basic earnings per share	16(b)	(0.95)	(2.14)
Diluted earnings per share	16(b)	(0.95)	(2.14)

The above Income Statement should be read in conjunction with the accompanying notes.

Horizon Oil Limited

Preliminary consolidated balance sheet As at 30 June 2009

	Note	Consolidated 2009 US\$000	2008 US\$000
Current Assets			
Cash and cash equivalents		10,000	19,562
Receivables		826	933
Inventories		86	-
Other		185	123
Total Current Assets		11,097	20,618
Non-Current Assets			
Deferred tax assets		1,777	-
Plant & equipment		301	282
Exploration phase expenditure		34,548	33,237
Development and production phase expenditure		92,428	40,529
Total Non-Current Assets		129,054	74,048
Total Assets		140,151	94,666
Current Liabilities			
Payables		6,537	9,903
Derivative financial instruments		186	239
Borrowings		34,201	18,738
Total Current Liabilities		40,924	28,880
Non-Current Liabilities			
Payables		531	564
Borrowings		34,836	20,229
Provisions		3,255	1,761
Total Non-Current Liabilities		38,622	22,554
Total Liabilities		79,546	51,434
Net Assets		60,605	43,232
Equity			
Contributed equity		124,917	100,291
Reserves		2,999	2,189
Accumulated losses	12	(67,311)	(59,248)
Total Parent Entity Interest and Total Equity		60,605	43,232

The above Balance Sheet should be read in conjunction with the accompanying notes.

Horizon Oil Limited

Preliminary consolidated statement of cash flows For the year ended 30 June 2009

	Note	Consolidated 2009 US\$'000	2008 US\$'000
Cash flows from operating activities			
Receipts from customers		8,206	132
Payments to suppliers and employees		(2,816)	(3,596)
		5,390	(3,464)
Interest received		150	783
Interest paid		(2,388)	(36)
Income taxes paid		(8)	(8)
Net cash inflow / (outflow) from operating activities	7(a)	3,144	(2,725)
Cash flows from investing activities			
Payments for exploration phase expenditure		(16,178)	(23,111)
Payments for development and production phase expenditure		(26,229)	(20,677)
Payments for plant and equipment		(60)	(296)
Net cash (outflow) / inflow from investing activities		(42,467)	(44,084)
Cash flows from financing activities			
Proceeds from share issues		25,455	17,854
Payment of share issue expenses		(882)	(540)
Proceeds from borrowings (net of borrowing costs)		24,850	29,115
Repayment of borrowings		(19,250)	-
Net cash inflow / (outflow) from financing activities		30,173	46,429
Net (decrease) / increase in cash held		(9,150)	(380)
Cash at the beginning of the financial year		19,562	19,835
Effects of exchange rate changes on cash		(412)	107
Cash at the end of the financial year		10,000	19,562

Non-cash financing and investing activities

7(b)

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Horizon Oil Limited

Notes to the preliminary consolidated financial statements and other information For the year ended 30 June 2009

1. Basis of preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. The accounting policies adopted in the preparation of the preliminary final report are consistent with those adopted and that will be disclosed in the 2009 annual financial report.

2. Profit / (Loss) from continuing operations

	Consolidated	
	2009	2008
	US\$'000	US\$'000
Revenue:		
(a) From continuing operations		
Crude oil sales	8,156	80
	8,156	80
(b) Other income		
Interest received from unrelated corporations	150	747
Other income from unrelated corporations	51	23
	201	770
Expenses:		
(c) Cost of sales		
Direct production costs	603	135
Amortisation of oil & gas assets	2,918	8
Royalties	32	-
	3,553	143
(d) General and administrative expenses		
Employee benefit expense	3,062	3,100
Corporate office expenses	813	607
Depreciation – plant & equipment	40	18
Rental expense relating to operating leases	123	161
	4,038	3,886
(e) Exploration and development expenses		
Exploration expenditure written off / expensed	890	13,034
	890	13,034
(f) Financing costs		
Interest and finance charges	2,389	35
Unwinding of provision for restoration	115	8
Amortisation of prepaid financing costs	441	39
	2,945	82
(g) Other expenses		
Net foreign exchange losses / (gains)	298	(389)
Loss on sale of plant & equipment	2	8
	300	(381)

Horizon Oil Limited

4. Commentary on results

Results

Refer to the commentary on page 2.

Key points – Finance

Cash

Cash on hand at 30 June 2009 - US\$10.0 million (2008: US\$19.6 million).

Debt Facilities

The Group's US\$19.25 million corporate debt facility matured on 30 June 2009 and was repaid on that date in accordance with the terms of the facility agreement.

After the repayment of the corporate debt facility, the Group's remaining bank debt is the US\$45.75 million Maari project debt facility which will be progressively repaid from surplus Maari cashflows.

During the period the Group acquired plant and equipment by way of finance lease. At 30 June 2009, the related lease liability was \$23.8 million.

Key points – Capital raising

During the year, the Group raised a total A\$32.7 million before expenses by way of placement and share purchase plan resulting in the issue of approximately 327 million shares at A\$0.10 per share.

Placement

On 14 April 2009, the Group announced that it had raised a total of A\$18.5 million by way of the placement to various institutions and sophisticated and professional investors.

The placement shares were issued in two tranches with the second tranche of shares being issued subject to shareholder approval. This approval was received at a general meeting of the Company's shareholders on 28 May 2009.

Share Purchase Plan

On 14 April 2009, the Group announced a further capital raising by way of a share purchase plan ('SPP'). The SPP opened on 27 April 2009 and closed on 28 May 2009 and gave eligible shareholders the opportunity to acquire up to 100,000 shares at A\$0.10 per share, resulting in the issue of 142.1 million shares.

Shares issued as part of the SPP were allotted on 4 June 2009.

Key points – Disposals

Thailand

On 13 February 2009, the Group announced that it transferred all its interests in Blocks G1/48, G3/48, G6/48, G10/48 and G11/48 ("Thai petroleum concessions") to Pearl Energy Limited, which either directly or indirectly via subsidiary companies, operates each of the petroleum concessions.

The divestment of the Thai petroleum concessions eliminated Horizon Oil's liability to a committed and obligatory 2009 offshore drilling program with an estimated cost, net to Horizon Oil, of US\$22 – 30 million. As a consequence of the transfer, Horizon Oil has no further obligations in respect of, nor participating interests in, the Thai petroleum concessions.

Horizon Oil Limited

The Company's considerable carry obligations in Blocks G1/48, G3/48 and G6/48 in favour of Pearl Energy Limited were offset against the Company's expenditure to date in all concessions, resulting in no consideration payable by either the Company or Pearl Energy Limited. As a result of the transaction, the Company recognised an impairment charge of US\$6.8 million in respect of the Thai petroleum concessions in its 31 December 2008 half-year accounts.

Papua New Guinea

In May 2009, the Company advised shareholders that it had entered into a sale and purchase agreement with Mega Fortune International Limited, a subsidiary of P3 Global Energy Company Limited (together 'P3GE') of Thailand to appraise and develop Horizon Oil's gas / condensate resources in western Papua New Guinea. If completion of the agreement occurs, P3GE would acquire a 50% interest in PRL 4, which contains the Stanley discovery and a 24.82% interest in PRL 5, which contains the Elevala and Ketu discoveries, for a total consideration of US\$55 million.

P3GE did not complete its obligations under the agreement on the prescribed date. P3GE's failure to complete may lead to termination of the sale and purchase agreement.

Returns to shareholders

No distributions were made to shareholders during the financial period.

5. Fundamental errors

Nil

6. Extraordinary items

Nil

7. Notes to cash flow statement

(a) Reconciliation of loss from ordinary activities after income tax to net cash flow from operating activities

	Consolidated	
	2009	2008
	US\$'000	US\$'000
Net loss attributable to members of Horizon Oil Limited	(8,063)	(16,213)
Exploration & development expenditure written off / expensed	8,401	11,929
Depreciation	40	18
Movement in employee entitlement liabilities	(13)	203
Non-cash employee benefits expense	757	1,058
Amortisation of development expenditure	2,918	10
Amortisation of prepaid financing costs	441	39
Provision for restoration of operating locations	76	8
Loss on fixed asset disposals	2	8
Net exchange differences	297	(494)
<i>Change in operating assets and liabilities:</i>		
Decrease / (increase) in trade debtors	9	-
(Increase) / decrease in other debtors and prepayments	(12)	264
(Increase) / decrease in inventory	(86)	-
(Increase) / decrease in deferred tax assets	(1,777)	-
Increase / (decrease) in trade creditors	209	23
(Decrease) / increase in other creditors	(55)	422
Net cash inflow / (outflow) from operating activities	3,144	(2,725)

(b) Non-cash financing and investing activities

	Consolidated	
	2009	2008
	US\$'000	US\$'000
Acquisition of plant and equipment by means of finance leases	27,296	-

Horizon Oil Limited

8. Segment note

The Group operates in the following geographical segments: New Zealand, China, Papua New Guinea, USA and Thailand. Segment reporting information for these segments is set out below:

Segment Revenue	New Zealand US\$'000	China US\$'000	Papua New Guinea US\$'000	USA US\$'000	Thailand ¹ US\$'000	Unallocated US\$'000	Consolidated US\$'000
2009							
Sales to customers outside the Group (crude oil and gas)	8,144	-	-	12	-	-	8,156
Other revenue from entities outside the Group	-	-	-	-	-	201	201
Total segment revenue	8,144	-	-	12	-	201	8,357

1. The Group's Thai operations were disposed of during the year. Refer to note 9 for further information.

Segment Revenue	New Zealand US\$'000	China US\$'000	Papua New Guinea US\$'000	USA US\$'000	Thailand US\$'000	Unallocated US\$'000	Consolidated US\$'000
2008							
Sales to customers outside the Group (crude oil and gas)	-	-	-	80	-	-	80
Other revenue from entities outside the Group	-	-	-	10	-	760	770
Total segment revenue	-	-	-	90	-	760	850

Segment Results	New Zealand US\$'000	China US\$'000	Papua New Guinea US\$'000	USA US\$'000	Thailand ¹ US\$'000	Unallocated US\$'000	Consolidated US\$'000
2009							
Segment Results	2,497	(28)	(159)	(849)	(6,028)	-	(4,567)
Interest income	-	-	-	-	-	150	150
Net foreign currency (losses) / gains	-	-	-	-	-	(298)	(298)
Other expenditure (including general and administrative costs)	-	-	-	-	-	(4,682)	(4,682)
Group (loss) / profit from ordinary activities before income tax expense	2,497	(28)	(159)	(849)	(6,028)	(4,830)	(9,397)
Income tax (expense) / benefit	1,342	-	-	(8)	-	-	1,334
Net profit / (loss)	3,839	(28)	(159)	(857)	(6,028)	(4,830)	(8,063)

1. The Group's Thai operations were disposed of during the year. Refer to note 9 for further information.

Segment Results	New Zealand US\$'000	China US\$'000	Papua New Guinea US\$'000	USA US\$'000	Thailand US\$'000	Unallocated US\$'000	Consolidated US\$'000
2008							
Segment Results	(360)	(12,889)	(365)	(155)	(293)	-	(14,062)
Interest income	-	-	-	-	-	747	747
Net foreign currency (losses) / gains	-	-	-	-	-	389	389
Other expenditure (including general and administrative costs)	-	-	-	-	-	(3,279)	(3,279)
Group (loss) / profit from ordinary activities before income tax expense	(360)	(12,889)	(365)	(155)	(293)	(2,143)	(16,205)
Income tax (expense) / benefit	-	-	-	(8)	-	-	(8)
Net (loss) / profit	(360)	(12,889)	(365)	(163)	(293)	(2,143)	(16,213)

Horizon Oil Limited

Segment Other	New Zealand US\$'000	China US\$'000	Papua New Guinea US\$'000	USA US\$'000	Thailand ¹ US\$'000	Unallocated US\$'000	Consolidated US\$'000
2009							
Segment Assets	98,692	17,115	17,516	1,043	-	5,785	140,151
Segment Liabilities	77,055	906	207	274	-	1,104	79,546
Other Segment Information:							
Acquisition of property, plant and equipment and other non-current assets (excluding investments, exploration and development / production expenditure)	-	-	-	-	-	60	60
Depreciation of Plant and Equipment	-	-	-	-	-	40	40
Expenditure on exploration phase	105	1,735	4,844	-	2,205	-	8,889
Expenditure on development and production phase	55,640	-	-	-	-	-	55,640
Amortisation of production expenditure	2,914	-	-	4	-	-	2,918
Significant non-cash expenses (other than depreciation) included in segment results:							
Exploration & development / production written off and carrying value of assets disposed	-	-	-	(823)	(7,578)	-	(8,401)

1. The Group's Thai operations were disposed of during the year. Refer to note 9 for further information.

Segment Other	New Zealand US\$'000	China US\$'000	Papua New Guinea US\$'000	USA US\$'000	Thailand US\$'000	Unallocated US\$'000	Consolidated US\$'000
2008							
Segment Assets	49,537	16,530	12,242	901	6,033	9,423	94,666
Segment Liabilities	31,532	2,922	6,026	28	186	10,740	51,434
Other Segment Information:							
Acquisition of property, plant and equipment and other non-current assets (excluding investments, exploration and development / production expenditure)	-	-	-	-	-	296	296
Depreciation of Plant and Equipment	-	-	-	-	-	18	18
Amortisation of production expenditure	-	-	-	8	-	-	8
Significant non-cash expenses (other than depreciation) included in segment results:							
Exploration & development / production written off and carrying value of assets disposed	-	(11,929)	-	-	-	-	(11,929)

9. Discontinued operations

(i) Description

On 30 January 2009, the Group entered into an agreement to sell its Thai exploration interests. The transaction was completed on 12 February 2009. The terms of the arrangement involved the disposal of the entities holding the various Thai interests for a consideration of US\$824,000, being the assumption of the Group's liabilities as at the date of the transaction.

(ii) Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 12 February 2009 and the year ended 30 June 2008.

Horizon Oil Limited

	Consolidated	
	2009	2008
	US\$'000	US\$'000
Revenue	-	-
Expenses	(6,028)	(291)
(Loss) / profit before income tax	(6,028)	(291)
Income tax expense	-	-
(Loss) / profit after income tax expense	(6,028)	(291)
(Loss) / profit on sale of the operation before income tax	-	-
Income tax expense	-	-
(Loss) / profit on sale of the operation after income tax	-	-
(Loss) / profit from discontinued operation	(6,028)	(291)
Net cash (outflow) / inflow from operating activities	(48)	(44)
Net cash (outflow) / inflow from investing activities	(2,204)	(5,273)
Net cash inflow / (outflow) from financing activities	2,242	5,305
Net (decrease) / increase in cash generated by the segment	(10)	(12)

(iii) Details of the sale of the operation

	Consolidated	
	2009	2008
	US\$'000	US\$'000
Consideration – assumption of liabilities by acquirer	824	-
Carrying amount of net assets sold	(824)	-
(Loss) / profit on sale before income tax	-	-
Income tax expense	-	-
(Loss) / profit on sale after income tax	-	-

The carrying amount of assets and liabilities as at the date of sale 12 February 2009 were:

	US\$'000
Cash and cash equivalents	105
Trade receivables	1,182
Prepayments	4
Exploration phase expenditure	795
Total assets	2,086
Trade creditors	2,878
Other liabilities	32
Total liabilities	2,910
Net (liabilities) / assets	(824)

Horizon Oil Limited

10. Events occurring after reporting date

In May 2009, the Company advised shareholders that it had entered into a sale and purchase agreement with Mega Fortune International Limited, a subsidiary of P3 Global Energy Company Limited (together 'P3GE') of Thailand to appraise and develop Horizon Oil's gas / condensate resources in western Papua New Guinea. If completion of the agreement occurs, P3GE would acquire a 50% interest in PRL 4, which contains the Stanley discovery and a 24.82% interest in PRL 5, which contains the Elevala and Ketu discoveries, for a total consideration of US\$55 million.

P3GE did not complete its obligations under the agreement on the prescribed date. P3GE's failure to complete may lead to termination of the sale and purchase agreement.

11. Additional dividend / distribution information

No dividends / distributions were declared or paid during or subsequent to the year ended 30 June 2009. There are no dividend / distribution reinvestment plans.

12. Accumulated losses

	Consolidated	
	2009	2008
	US\$'000	US\$'000
Accumulated losses		
Accumulated losses at beginning of financial year	(59,248)	(43,035)
Net loss attributable to members of Horizon Oil Limited	(8,063)	(16,213)
Accumulated losses at end of financial year	(67,311)	(59,248)

13. NTA backing

	Consolidated	
	2009	2008
	US\$	US\$
Net tangible asset backing per ordinary share	0.02	0.01

14. Controlled entities acquired or disposed of

No controlled entities were acquired during the year.

The controlled entities disposed of during the year were:

Horizon Oil (Thailand Holdings) Limited
 Horizon Oil (Thailand) Limited
 Horizon Oil (Siam) Limited
 Horizon Oil (G1) Limited
 Horizon Oil (G3) Limited

Loss of control of these companies was effective from 13 February 2009.

15. Associates and joint venture entities

Nil

Horizon Oil Limited

16 Earnings per share

	Consolidated	
	2009	2008
	US Cents	US Cents
(a) Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:		
Basic earnings per share	(0.24)	(2.11)
Diluted earnings per share	(0.24)	(2.11)
(b) Earnings per share for loss attributable to the ordinary equity holders of the company:		
Basic earnings per share	(0.95)	(2.14)
Diluted earnings per share	(0.95)	(2.14)

Note: Diluted earnings per share equates to basic earnings per share because a loss per share is not considered dilutive for the purposes of calculating earnings per share pursuant to AASB 1027.

	Consolidated	
	2009	2008
	US\$'000	US\$'000
(c) Reconciliation of earnings used in calculating earnings per share:		
Loss attributable to the ordinary equity holders of the company used in calculating earnings per share:		
Basic earnings per share:		
from continuing operations	(2,035)	(15,922)
from discontinued operations	(6,028)	(291)
	(8,063)	(16,213)
Diluted earnings per share:		
from continuing operations	(2,035)	(15,922)
from discontinued operations	(6,028)	(291)
	(8,063)	(16,213)

	2009	2008
	Number	Number
(d) Weighted average number of shares used as the denominator:		
Weighted average number of shares used as the denominator in calculating basic earnings per share	847,372,775	769,937,277
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	847,980,834	773,603,230