Appendix 4 D

Half year report

Name of entity:	**HydroMet Corporation Limited**

1. Details of the reporting period

Current period:	1 July 2006 – 31 December 2006
Previous corresponding period:	1 July 2005 – 31 December 2005

2. Results for announcement to the market

				$A'000
2.1 Revenues from ordinary activities	down	16.1%	to	6,670
2.2 Profit from ordinary activities after tax attributable to members	up	35.6%	to	343
2.3 Net Profit attributable to members	up	2.4%	to	259

2.4 Dividends	Amount per security	Franked amount per security
Interim dividend	Nil	N/A
Final dividend	Nil	N/A

2.5 Record date for determining entitlements to dividends	N/A

2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood:

The consolidated profit from ordinary activities for the half year ended 31 December 2006 attributable to equity holders of the Company was $342,698 (2005: $252,523).

Highlights of the December 2006 half year included :

- Record production and sales of Zinc Sulphate achieved in August;
- Strong Zinc metal price, and improved Zinc Sulphate pricing and margins;
- Stable selenium price with expectations of continuing stability in 2007;
- Commissioning of the Used Lead Acid Battery Project in November, with first shipments of lead product to our overseas client made in December;
- The high Lead price has been of benefit since commencement of lead product sales; and
- Commencement of an application to the regulatory authorities for approval to increase the processing capacity of our battery recycling plant from 12,000 to 30,000 tonnes per annum.

Hydromet's Unanderra Operation continued to process electric arc furnace (EAF) dust. Although Onesteel redirected its dust to Zinifex from October 2006, we achieved an increase in feed material effective from November 2006 from our other clients, Smorgon Steel and Comsteel.
The record upward movement in the Zinc metal price since mid 2006 has attracted the attention of various zinc producers also interested in processing EAF dust. We have an agreement with Smorgon/Comsteel for a minimum 7,000 tonnes of dust until December 2007, and are confident of retaining an ongoing place in the treatment of EAF dust residues.

The Used Lead Acid Battery Project is underway and we expect to reach steady state processing by the end of February.

The Minmet operation in Newcastle processes precious metal/selenium and tellurium/copper bearing residues from Norway, the United States, Canada and more recently South Africa. Hydromet has become well established and recognised as a processor of these valuable but complex residues and we expect this unique business to grow further in 2007. The selenium price stabilised in mid 2006 and we are hopeful that this stability will continue during 2007. We will be identifying other sources of similar materials for the plant with a long range plan to produce a range of chemicals from the selenium, tellurium and copper extracted from the residues.

Other developments:

- In discussions with zinc metal producers, mining and fertilizer companies to provide zinc sulphate as a feed source for their operations. These are high consumers of zinc and would provide Hydromet with a significant outlet for zinc sulphate. We expect to know of likely outcomes by the end February;
- Application to increase our battery plant throughput is underway with a decision expected in the June quarter 2007;
- Evaluation and feasibility study commenced to take our battery recycling project to the next logical step i.e. the installation of a secondary lead smelter to increase the return on lead extracted from the used lead acid batteries. The secondary smelter option would lift revenues and profits substantially. The evaluation is expected to be completed by June 2007.
- Discussions under an MOU commenced in January to consider the acquisition of a major offshore selenium and tellurium chemical producer. With compelling synergies

with our existing selenium/tellurium business, the acquisition would lift our combined position in the world production of selenium/tellurium chemical processing to in excess of 20%. With due diligence in progress, a decision on the opportunity will be made by the end February;

- Negotiations are underway to increase the precious metal feeds for the Minmet operation. The objective is to increase this profitable activity and develop other product options to capitalize on premiums available from chemical production;
- Hydromet will assist Exide Technologies in commissioning a new lead slag treatment plant at its Wellington New Zealand operation. The objective of the process is to provide a slag treatment solution which will enable the treated slag to be disposed to landfill complying with regulatory disposal criteria;
- A group General Manager has been appointed. Mr Ian Wilson, formerly General Manager of Port Kembla Copper, will take up the position on April 2nd. Ian brings a wealth of mining, smelting and general operational experience to Hydromet and we look forward to working with Ian and our committed staff to implement the growth strategies planned for the company.

3. Net tangible assets per security

	31 December 2006	**31 December 2005**
Net tangible assets per share (cents)	2.78	3.03

4. Control gained or lost over entities during the period

N/A

5. Details of dividends/distributions

5.1	Date the dividend (distribution) is payable	N/A
5.2	+Record date to determine entitlements to the dividend (distribution)	N/A

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend	Date of payment
5.3	**Final dividend:** Current year	- ¢	- ¢	- ¢	
5.4	Previous year	- ¢	- ¢	- ¢	
5.5	**Interim dividend:** Current year	- ¢	- ¢	- ¢	
5.6	Previous year	- ¢	- ¢	- ¢	

+ See chapter 19 for defined terms.

6. Details of dividend reinvestment plan

The dividend reinvestment plan approved by the shareholders in 1999 is in operation.

7. Details of associates and joint venture entities

N/A

8. Accounting Standards used by foreign entities

N/A

9. Qualification of audit/review

N/A

+ See chapter 19 for defined terms.

Hydromet Corporation Limited
ABN 71 002 802 646
and its controlled entities

31 December 2006

Interim Financial Report

Offices and officers

Principal registered office
Lot 3 Five Islands Road
Unanderra NSW 2526

Telephone: 02 4271 1822
Facsimile: 02 4271 6151
www.hydromet.com.au

Company Secretary
Mr Pipvide S Tang

Offices
Hydromet Corporation Limited
Hydromet Operations (Southern) Limited
Lot 3 Five Islands Road
Unanderra NSW 2526

Telephone: 02 4271 1822
Facsimile: 02 4271 6151
www.hydromet.com.au

Hydromet Operations Limited
Tasmania operation
Risdon Road
New Town TAS 7008

Telephone: 03 6278 9287
Facsimile: 03 6278 9320

Minmet Operations Pty Limited
25 School Drive
Tomago NSW 2322

Telephone: 02 4964 8266
Facsimile: 02 4966 5958

Location of share registry
Sydney
Computershare Investor Services Pty Limited
Level 3 60 Carrington Street
Sydney NSW 2000

Telephone: 02 8234 5000
Facsimile: 02 8235 8150
Investor enquiries: 1300 855 080

Stock Exchange
The Company is listed on the Australian Securities Exchange. The Home Exchange is Sydney.

Other information
Hydromet Corporation Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Auditor
KPMG
Level 3
63 Market Street
PO Box 866
Wollongong NSW 2500

Hydromet Corporation Limited and its controlled entities
For the six months ended 31 December 2006

Contents

Hydromet Corporation Limited and its controlled entities

Directors' report

The directors present their report together with the consolidated financial report for the half-year ended 31 December 2006 and the review report thereon.

Directors

The directors of the company at anytime during or since the end of the half-year are:

Name	**Period of directorship**
Non-executive	
Mr Timothy R Allen (Deputy Chairperson)	Director since 2001 - appointed Deputy Chairperson in February 2006
Mr Stephen H Kwan	Director since 1991
Mr Stephen Wolfe	Resigned 23 November 2006
Executive	
Dr Lakshman D Jayaweera (Chairperson)	Director since 1991 - appointed Deputy Chairperson 2000 and Chairperson 2001
Mr Gregory W Wrightson	Director since 1998 - appointed Managing Director 2000
Mr Pipvide S Tang	Director from 1991 to 1996 and since 1997 - appointed Finance Director 2004

Review of operations

Consolidated results

The consolidated profit from ordinary activities for the half year ended 31 December 2006 attributable to equity holders of the Company was $343,000 (2005: $253,000).

Highlights of the December 2006 half year included :

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

The lead auditor's independence declaration is set out on page 17 and forms part of the directors' report for the half-year ended 31 December 2006.

Rounding off

The consolidated entity 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 directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Wollongong this 26th day of February 2007

Signed in accordance with a resolution of the directors:

GW Wrightson
Director

Hydromet Corporation Limited and its controlled entities

Consolidated interim income statement
For the six months ended 31 December 2006

In thousands of AUD	**Note**	**31 Dec 2006**	**31 Dec 2005**
Revenue from sales of goods		3,697	3,026
Revenue from rendering of services		2,973	4,928
Total revenue		6,670	7,954
Other income		68	125
Change in inventories of finished goods & WIP		(247)	(626)
Raw materials and consumables used		(1,301)	(1,156)
Direct production costs		(2,042)	(3,018)
Personnel expenses		(1,716)	(2,124)
Depreciation and amortisation expenses		(279)	(232)
Consultants and professional services		(98)	(149)
Insurance expenses		(114)	(116)
Property rental and site costs		(52)	(14)
Other expenses		(415)	(350)
Results from operating activities		474	294
Financial income		45	58
Financial expenses		(159)	(99)
Profit before income tax		360	253
Tax expense	7	(17)	-
Profit for the period		343	253
Earnings per share			
Basic and diluted earnings per share (cents)		0.116	0.086

The income statement is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 8 to 13.

Hydromet Corporation Limited and its controlled entities

Consolidated interim statement of recognised income and expense
For the six months ended 31 December 2006

In thousands of AUD	**Note**	**31 Dec 2006**	**31 Dec 2005**
Cash flow hedges:			
(Loss) taken to equity		(84)	-
Income and expense recognised directly in equity		(84)	-
Profit for the period		343	253
Total recognised income and expense for the period		259	253
Attributable to shareholders of the Company		259	253

Other movements in equity arising from transactions with owners as owners are set out in note 10. The statement of recognised income and expense is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 8 to 13.

Hydromet Corporation Limited and its controlled entities

Consolidated interim balance sheet
As at 31 December 2006

In thousands of AUD	Note	31 Dec 2006	30 June 2006
Current assets			
Cash and cash equivalents		1,753	2,474
Trade and other receivables		2,474	2,505
Inventories		2,181	765
Income tax receivable		32	47
Total current assets		6,440	5,791
Non-current assets			
Property, plant and equipment	8	9,974	8,504
Intangible assets	9	1,045	1,045
Total non-current assets		11,019	9,549
Total assets		17,459	15,340
Current liabilities			
Trade and other payables		2,133	1,504
Loans and borrowings	11	2,608	2,208
Employee benefits		395	299
Provisions		897	966
Total current liabilities		6,033	4,977
Non-current liabilities			
Loans and borrowings	11	1,800	1,000
Employee benefits		180	138
Provisions		177	215
Total non-current liabilities		2,157	1,353
Total liabilities		8,190	6,330
Net assets		9,269	9,010
Equity			
Issued capital		64,010	64,010
Reserves		(84)	-
Accumulated losses		(54,657)	(55,000)
Total equity	10	9,269	9,010

The balance sheet is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 8 to 13.

Hydromet Corporation Limited and its controlled entities

Consolidated interim statement of cash flows
For the six months ended 31 December 2006

In thousands of AUD	**31 Dec 2006**	**31 Dec 2005**
Cash flows from operating activities		
Cash receipts from customers	6,723	6,984
Cash paid to suppliers and employees	(6,756)	(8,508)
Cash generated from operations	(33)	(1,524)
Interest paid	(149)	(99)
Net cash used in operating activities	(182)	(1,623)
Cash flows from investing activities		
Interest received	45	58
Acquisition of property, plant and equipment	(1,828)	(652)
Proceeds from sale of property, plant and equipment	43	31
Net cash used in investing activities	(1,740)	(563)
Cash flows from financing activities		
Payment of finance lease liabilities	(36)	(35)
Repayments of borrowings	(99)	-
Proceeds from borrowings	1,336	80
Net cash from financing activities	1,201	45
Net decrease in cash and cash equivalents	(721)	(2,141)
Cash and cash equivalents at 1 July	2,474	3,442
Cash and cash equivalents at 31 December	1,753	1,301

The statement of cash flows is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 8 to 13.

Hydromet Corporation Limited and its controlled entities

Condensed notes to the consolidated interim financial report

1 Reporting entity

Hydromet Corporation 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 2006 comprises the Company and its subsidiaries (together referred to as the "consolidated entity") and the consolidated entity's interest in associates.

The consolidated interim financial report of the consolidated entity as at and for the half year ended 31 December 2006 is available upon request from the Company's registered office at Lot 3, Five Islands Road, Unanderra, NSW 2526 or at www.hydromet.com.au.

2 Statement of compliance

The consolidated interim financial report is a general purpose financial report which 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 consolidated entity as at and for the year ended 30 June 2006.

The consolidated interim financial report was approved by the Board of Directors on 26 February 2007.

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

3 Significant accounting policies

Except as described below, the accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2006.

The consolidated entity adopted the following account policy for *Hedging* as at 1 July 2006. Previously the consolidated entity did not enter any hedging relationships and adopted no accounting policies on hedging.

Hedging

On entering into a hedging relationship, the consolidated entity formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have been effective throughout the financial reporting periods for which they are designated.

3 Significant accounting policies (continued)

Cash flow Hedge

A hedge of the exposure to variability in cash flows that (i) is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and (ii) could affect profit or loss.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity through the statement of recognised income and expense. The ineffective portion of the gain or loss on the hedging instrument is recognised in profit and loss.

When a hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains or losses that were recognised directly in the statement of recognised income and expense is reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss. When all or a portion of a loss recognised directly in equity will not be recovered in one or more future periods, the loss is classified into profit or loss at the amount that is not expected to be recovered.

4 Estimates

The preparation of the interim financial report 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 consolidated entity'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 2006.

5 Financial risk management

During the six months ended 31 December 2006 the consolidated entity adopted the policy of hedging the selling price of its lead metal sales. The consolidated entity now hedges 80 percent (2005: nil) of its estimated selling price exposure in respect of forecasted lead metal sales over the following two months.

Other aspects of the consolidated entity's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2006.

6 Segment reporting

Business segment

The consolidated entity operates in one business segment which is the treatment of industrial residues using hydrometallurgical processing technology.

Geographical segments

The consolidated entity operates processing plants geographically in Australia and New Zealand. The Company considers the New Zealand operation is engaged in providing industrial residue treatment services under similar economic and political conditions as those experienced by its Australian operations, and without currency or special risk significantly different to those experienced in Australia.

7 Income tax expense

The consolidated entity's consolidated effective tax rate in respect of continuing operations for the six months ended 31 December 2006 was 0 percent (for the year ended 30 June 2006: 0 percent; for the six months ended 31 December 2005: 0 percent). The 0 percent effective tax rate for the six months ended 31 December 2006 was due to the utilisation of carried forward tax losses.

8 Property, plant and equipment

Acquisitions and disposals

During the six months ended 31 December 2006 the consolidated entity acquired assets with a cost of $1,828 thousand (six months ended 31 December 2005: $652 thousand).

Assets with a carrying amount of $79 thousand were scrapped and disposed of during the six months ended 31 December 2006 (six months ended 31 December 2005: $34 thousand), resulting in a loss on disposal of $37 thousand (six months ended 31 December 2005: loss of $4 thousand), which is included in "other expenses".

Capital commitments

During the six months ended 31 December 2006 the consolidated entity issued purchase orders to purchase property, plant and equipment for $32 thousand (six months ended 31 December 2005: nil); delivery is expected in January 2007.

9 Intangible assets

The consolidated entity performed its annual impairment testing of intangible assets during the six months ended 31 December 2006.

Hydroproc process

The Hydroproc process is the technology applied by the consolidated entity in its operations. The recoverable amount of the Hydroproc process cash-generating unit is based on value in use calculations. These calculations use cash flow projections based on the following assumptions:

- budgeted operating results;
- the five-year business plan; and
- a five percent growth rate for cash flows for a further ten-year period.

A pre-tax discount rate of fifteen percent has been used in discounting the projected cash flows. As the calculated recoverable amount exceeds the carrying amount of the Hydroproc process, no impairment losses were incurred during the six months to 31 December 2006.

Exploration and evaluation assets

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

In November 2006 the consolidated entity entered into an option agreement to sell the assets in a multi stage process. As the consideration under the agreement exceeds the carrying amount of the exploration and evaluation assets, no impairment losses were incurred during the six months to 31 December 2006.

10 Capital and reserves

Reconciliation of movements in equity attributable to shareholders of the Company.

In thousands of AUD	**Share capital**	**Hedging reserve**	**Accumulated losses**	**Total equity**
Consolidated				
Balance at 1 July 2005	64,000	-	(54,126)	9,874
Total recognised income and expense	-	-	(875)	(875)
Issue of ordinary shares	10	-	-	10
Adjustment for rounding	-	-	1	1
Balance at 30 June 2006	64,010	-	(55,000)	9,010
Balance at 1 July 2006	64,010	-	(55,000)	9,010
Total recognised income and expense	-	(84)	343	259
Balance at 31 December 2006	64,010	(84)	(54,657)	9,269

11 Loans and borrowings

The following loans and borrowings (non-current and current) were issued and repaid during the six months ended 31 December 2006:

In thousands of AUD	Currency	Interest rate nominal	Interest rate effective	Face value	Carrying amount	Year of maturity
Balance at 1 July 2005	AUD			1,273	1,273	
New issues						
Finance lease liabilities	AUD	8.39%	8.39%	280	280	2005 – 2009
Repayments						
Finance lease liabilities		8.48%	8.48%	(234)	(234)	
Balance at 31 December 2005	AUD			1,319	1,319	
Balance at 1 July 2006	AUD			3,208	3,208	
New issues						
Secured bank loans	AUD			241	241	2007
Finance lease liabilities	AUD	6.73%	6.73%	1,226	1,226	2006 – 2009
Repayments						
Debentures	AUD	12%	12.3%-14.5%	(90)	(90)	
Finance lease liabilities	AUD	7.86%	7.86%	(177)	(177)	
Balance at 31 December 2006	AUD			4,408	4,408	

12 Contingencies

In October 2005, a party brought a Supreme Court action against a wholly-owned subsidiary. The subsidiary was alleged, along with others, to have knowingly participated in and assisted in breaches of fiduciary duty by the directors of its then holding company. During the six months ended 31 December 2006 the action was settled and the subsidiary received a settlement amount from other party.

13 Related parties

Transactions with key management personnel

Key management personnel receive compensation in the form of short-term employee benefits and post-employment benefits.

Other related party transactions

	Transaction value Six months ended		Balance outstanding	
In thousands of AUD	**31 Dec 2006**	**31 Dec 2005**	**31 Dec 2006**	**30 Jun 2006**
Expenses				
Directors – consulting services	-	-	38	38
Directors – sale of goods	26	-	26	-

14 Subsequent event

There has not arisen in the interval between 31 December 2006 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

Hydromet Corporation Limited

Directors' declaration

In the opinion of the directors of Hydromet Corporation Limited ("the company"):

1 the financial statements and notes set out on pages 4 to 13, are in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2006 and of its performance, as represented by the results of its operations and cash flows for the half-year 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 at Wollongong this 26th day of February 2007.

Signed in accordance with a resolution of the directors:

GW Wrightson
Director

KPMG

Independent auditor's review report to the members of HydroMet Corporation Limited

Report on the Financial Report

We have reviewed the accompanying interim financial report of HydroMet Corporation Limited, which comprises the consolidated interim balance sheet as at 31 December 2006, condensed income statement, statement of recognised income and expense and cash flow statement for the interim period ended on that date, a description of accounting policies and other explanatory notes 1 to 14 and the directors' declaration set out on pages 4 to 14 of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim 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 interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 consolidated entity's financial position as at 31 December 2006 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of HydroMet Corporation 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.

KPMG

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 HydroMet Corporation Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the interim period ended on that date; and

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

KPMG

KPMG

Warwick Shanks
Partner

Wollongong

26 February 2007

KPMG

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

To: the directors of HydroMet Corporation Limited.

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2006 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

Warwick Shanks
Partner

Wollongong

26 February 2007