



SUNDANCE
RESOURCES LTD



INTERIM FINANCIAL REPORT
HALF YEAR ENDED 31 DECEMBER 2008
ABN 19 055 719 394
and Subsidiaries



SUNDANCE RESOURCES LTD
CORPORATE DIRECTORY

DIRECTORS: George Jones (Non-Executive Chairman)
Donald Lewis (Managing Director)
Kenneth Talbot
Craig Oliver
Geoff Wedlock

COMPANY SECRETARY: John Carr-Gregg

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Perth WA 6000

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SUNDANCE RESOURCES LTD DIRECTORS' REPORT

Your Directors present their report, together with the consolidated financial report, for the half-year ended 31 December 2008 and the auditors report thereon.

DIRECTORS

The table below lists the Directors of the Company during or since the end of the half-year:

Name of Director	Period of Directorship
Executive	
Donald Lewis (<i>Managing Director</i>)	Director since November 2006
Alec Pismiris	Resigned 28 November 2008
Non-executive	
George Jones (<i>Chairman</i>)	Director since November 2006
Kenneth Talbot	Director since September 2007
Geoff Wedlock	Director since October 2007
Craig Oliver	Director since April 2008
John Saunders	Resigned 28 November 2008

REVIEW OF FINANCIAL RESULTS

The consolidated loss after income tax for the half year was \$7,425,724 (2007: \$567,062)

REVIEW OF OPERATIONS

Mbalam Iron Ore Project

Framework Agreement

A Framework Agreement was executed between Cam Iron SA, represented by the Chairman of Sundance, and the Government of Cameroon, represented by the Prime Minister on 18 December 2008.

This Agreement represents a key step in the Company's development program at Mbalam, with the next stage in the Government negotiation process being the completion of the Mbalam Convention (which will be based on the Framework Agreement) and the granting of a Mining Permit.

Pursuant to the Framework Agreement, the Government has committed to becoming a partner in the Mbalam Project by agreeing to acquire a 25% interest in Cam Iron SA at a purchase price equivalent to 50% of the costs incurred up to the date of purchase.

The Framework Agreement also sets out the commitment of Government to put in place tax and fiscal incentives to ensure that the Mbalam Project is internationally competitive. These concessions and incentives will be defined in the Mbalam Convention to be executed when the Project feasibility study has been completed.



SUNDANCE RESOURCES LTD DIRECTORS' REPORT

Kribi Port Development

In November 2008, Cam Iron SA submitted a proposal to the Government of Cameroon for the development and operation of an Iron Ore Terminal as part of the Kribi Deepwater Port, a multi-user port development proposed by the Government near the location selected by CamIron for its iron ore export facilities.

Cam Iron SA was shortlisted as one of 16 pre-qualified parties to proceed to bid for the Deepwater Port and, on 14 January 2009, the Government announced that Cam Iron had been selected as the preferred developer of the Iron Ore Terminal. Kick-off meetings with Government are scheduled for the second quarter of 2009.

Potential Strategic Partners

An Information Memorandum was distributed during the period to selected international parties with potential interest in product off-take and/or financing of the Mbalam Project.

Site inspections were completed by a number of parties in the reporting period with further assessment and site visits to be undertaken over the next quarter.

The Mbalam Project is recognised as a long term iron ore development project with very significant resources. However, uncertainty associated with the Global Financial Crisis, and its consequent impact on commodity markets, is affecting the process to introduce strategic partners to the project. Given the current economic situation, the Company has decided to raise additional working capital to ensure that its current activities are fully funded through to 2010. This will provide time to develop the best possible arrangements with potential partners and ensure that the Company is best positioned to advance the project as and when global market conditions improve.

Funding

On 10 March 2009, the Company announced agreement to a A\$5 million placement to its major shareholder, Talbot Group Investments Pty Ltd ("TGI"). The placement to TGI will comprise the issue of 62.5 million shares at 8 cents per share.

On 10 March 2009, the Company also announced the launch of a Share Purchase Plan Offer ("the Offer") to eligible shareholders. Under the Offer, eligible shareholders will have an opportunity to acquire up to A\$5,000 worth of new shares at the lesser of:

- a) 8 cents per share; or
- b) A 5 per cent discount to volume weighted average price ("VWAP") of shares traded on the ASX in the five trading days up to and including the closing date of the Offer.

The Offer will be underwritten by BBY Ltd to a value of A\$5 million, meaning that a minimum A\$10 million will be raised by way of the placement to TGI and the underwritten Share Purchase Plan Offer.

The funds raised through the placement and the Offer will strengthen the Company's financial position in the current market environment and will be utilised to provide sufficient working capital to fund the Company's current level of operations through to 2010.

Acquisition in Strategic Exploration Permits in the Republic of Congo

On 10 October 2008 Sundance announced that it had reached agreement to acquire an increased interest in Congo Iron SA ("Congo Iron"), the holder of Research Permits 2007 – 362 and 2007 – 363 in the Republic of Congo located immediately south of the Company's landholdings in Cameroon. These permits confer iron ore exploration rights over the Nabeba and Ibanga prospects. As a result of this acquisition, Sundance increased its interest in Congo Iron from an indirect 63% interest (direct interest held by Cam Iron SA) to a direct 85% interest.



**SUNDANCE RESOURCES LTD
DIRECTORS' REPORT**

This acquisition represents a significant opportunity as development activities gather momentum with the Company now controlling a total landholding of 3,752km² in this emerging iron ore province extending from Cameroon into neighbouring Gabon and the Republic of Congo (refer Figure 1).

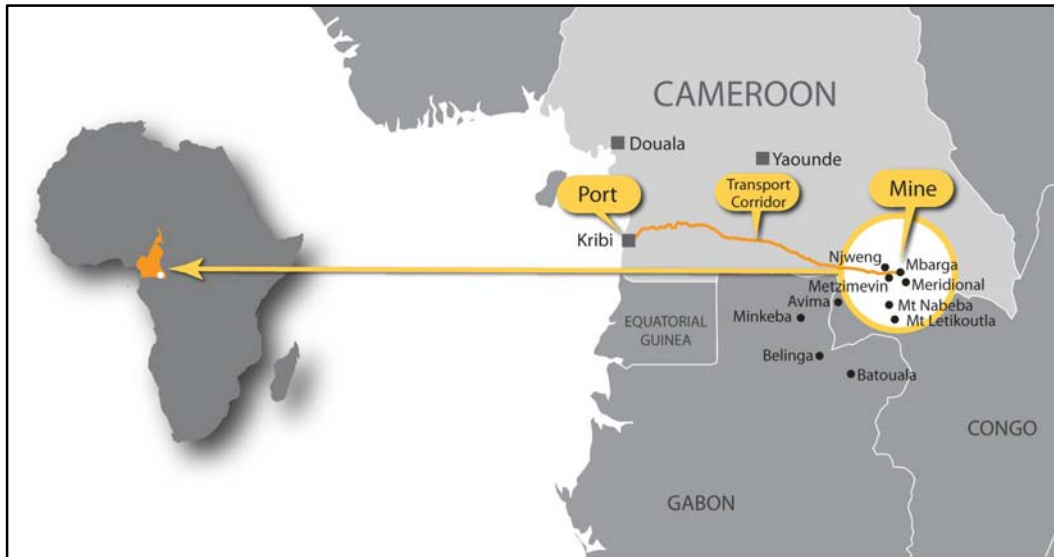


FIGURE 1 – LOCATION OF THE MBALAM IRON ORE PROJECT

Resource Definition Exploration Program

The first stage of resource definition drilling was completed on EP92 on 9 December 2008. A total of 383 drill holes have been completed on the permit area for a total of 80,784 metres drilled. Exploration drilling has focused on the Mbarga Deposit but initial drilling has also been completed on the Metzimevin Deposit with 34 holes drilled.

Supergene Hematite Mineralisation

The Company has reported a JORC-Code compliant Inferred Mineral Resource of supergene hematite at the Mbarga and Mbarga South Deposits of 220 million tonnes at an average grade of 60.1% Fe (refer Table 1).

Deposit	Million Tonnes	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Mbarga	195.6	60.3	8.8	2.6	0.09	1.9
Mbarga South	24.3	58.8	9.4	3.0	0.06	2.9
TOTAL	219.9	60.1	8.9	2.6	0.09	2.0

Note: Classification of resources is based on, and meets, the JORC Code (2004) standards of resource classification. Resources have been classified as Inferred based on a drilling density of 100 to 200m along strike and 100m across strike of mineralization. Resource estimation has been carried out using Ordinary Kriging methodology using an assigned density value of 4.0t/m³ and a cut-off value of 50% Fe.

TABLE 1 – INFERRED MINERAL RESOURCE OF DSO QUALITY HEMATITE



SUNDANCE RESOURCES LTD DIRECTORS' REPORT

Drilling at the Metzimevin Deposit has identified supergene mineralisation similar to the Mbarga Deposit but further analysis and interpretation is required to complete a JORC-Code compliant resource estimate.

The Project Exploration Target for Direct Shipping Ore ('DSO') quality mineralisation over the Company's landholdings was updated during the reporting period to range from 265 to 360 million tonnes at 55% to 65% Fe hematite (refer Table 2). This includes the Inferred Resource defined over the Mbarga and Mbarga South Deposits and exploration targets defined for the Metzimevin Deposit and the Nabeba Prospect in the Republic of Congo.

Deposit	Category	Tonnage (Million Tonnes)	Grade (Fe %)
Mbarga / Mbarga South	Inferred Resource	220 Mt	60%
Metzimevin	Exploration Target ¹	20 - 40 Mt	55 – 62 %
Nabeba	Exploration Target ¹	25 - 100 Mt	60 – 65 %

TABLE 2 – INFERRED RESOURCE AND EXPLORATION TARGETS FOR DSO QUALITY MINERALISATION

Itabirite Hematite Mineralisation

Drilling below the supergene zone at the Mbarga Deposit has defined extensive itabirite hematite to vertical depths of over 500m.

The Company has reported a JORC-Code compliant Inferred Mineral Resource of itabirite hematite at the Mbarga Deposit of 2.255 billion tonnes at an average grade of 38.6% Fe (refer Table 3). The Project Exploration Target for itabirite hematite mineralisation of 2.0 to 2.5 billion tonnes over the EP92 permit area has been achieved solely from the Mbarga Deposit.

Mbarga Deposit	Million Tonnes	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Total	2,255	38.6	43.4	0.5	0.04	0.36

Note: Classification of resources is based on, and meets, the JORC Code (2004) standards of resource classification. Resources have been classified as Inferred based on a drilling density of 100 to 200m along strike and 100m across strike of mineralization. Resource estimation has been carried out using Ordinary Kriging methodology using an assigned density value of 3.35t/m³ and a cut-off value of 34% Fe

TABLE 3 – ITABIRITE INFERRED MINERAL RESOURCE INVENTORY

¹ While the Company is optimistic that it will report additional resources in the future, any discussion in relation to the potential quantity and grade of Exploration Targets described in this report are only conceptual in nature. There has been insufficient exploration to define a Mineral Resource over the referenced prospects and it is uncertain if further exploration will result in determination of a Mineral Resource.



SUNDANCE RESOURCES LTD DIRECTORS' REPORT

Regional Exploration

The Company completed an airborne geophysical survey over its extended exploration portfolio in December 2008 to delineate the magnetic response over significant topographic features considered to have potential to host iron ore mineralisation. The results of this survey, supported by historical drilling data recently obtained by the Company from the Nabeba Prospect in the Republic of Congo, are very encouraging. The Nabeba Prospect is located only 40km south of the Mbarga Deposit on EP92 in Cameroon.

Initial processing of the survey data has confirmed that areas of high magnetic response extend immediately to the south of EP92 into the northern parts of the adjacent Congo permit (refer Figure 2). Preliminary field mapping of these areas indicates the presence of supergene iron as well as itabirite mineralisation.

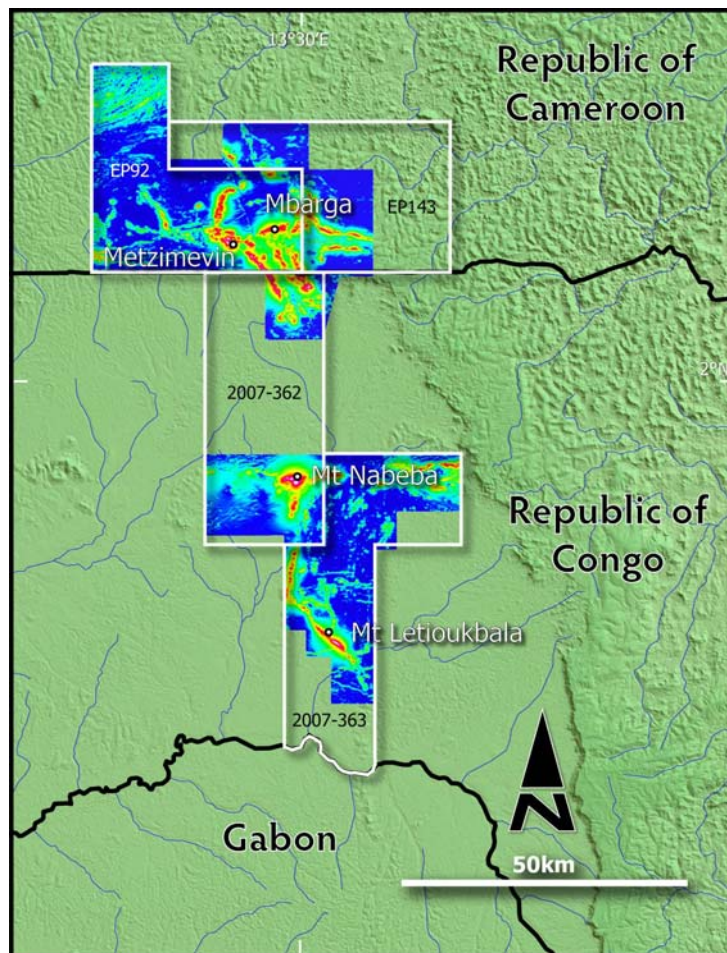


FIGURE 2 – PROCESSED ANALYTICAL SIGNAL FROM GEOPHYSICAL SURVEYS COMPLETED IN 2008 MERGED WITH 2006 SURVEY RESULTS OVER EP92

The Company has assigned an Exploration Target¹ of 25 to 100 million tonnes for potential DSO quality mineralisation at the Nabeba Prospect with a grade range of 60% to 65% Fe.

¹ While the Company is optimistic that it will report additional resources in the future, any discussion in relation to the potential quantity and grade of Exploration Targets described in this report are only conceptual in nature. There has been insufficient exploration to define a Mineral Resource over the referenced prospects and it is uncertain if further exploration will result in determination of a Mineral Resource.



SUNDANCE RESOURCES LTD DIRECTORS' REPORT

Feasibility Study Program

Feasibility assessment of the project continued during the period. This work included:

- Receipt of final reports on the Stage 2 metallurgical testwork by Ammtec / Ultra Trace, confirming the beneficiation strategy for itabirite mineralisation at Mbarga;
- Ongoing project infrastructure studies, including a preliminary seismic survey of the rail corridor and optimisation of the port design;
- Submission and acceptance of a proposal for development of an Iron Ore Terminal as part of the Kribi Deep Sea Port being facilitated by the Government of Cameroon; and
- Completion of baseline studies for the ESIA.

Project planning continues to be progressed on the basis of staged DSO / itabirite hematite production.

Mine Planning

Mine planning is being managed in-house by Sundance. Pit optimisation work for the Mbarga Deposit is being conducted on the basis of start-up mining of near-surface supergene DSO material followed by deeper pit development for mining of the underlying itabirite ore. The Mbarga pit model currently includes approximately 1.5 billion tonnes of itabirite grading 39% Fe plus 195 million tonnes of DSO quality supergene hematite.

The pit model contains sufficient material to support 20 years of proposed mine operations at a production rate of 35 million tonnes of ore products per annum. This excludes potential satellite deposits at Metzimevin, Meridional and Nabeba, which provide the potential for the Mbalam Project to produce in excess of 35 million tonnes of ore products per annum for the proposed 20 year mine life. Options are currently being considered which may increase ultimate throughput up to 50 Mtpa of product.

Product Suite

Resource definition work and metallurgical testing completed to date indicates that the Mbalam Project can deliver the following products:

- DSO Lump and Fines grading 60% Fe; and
- Blast Furnace ('BF') grade itabirite concentrate grading 66% Fe; or
- A combination of Direct Reduction ('DR') grade itabirite concentrate grading 68% Fe and BF grade itabirite concentrate grading 65% Fe.

The product suite has not yet been finalized as the Company is still considering process options to optimize the mix of products. At this stage of project development, a conservative approach has been modelled and the beneficiation flowsheet is based on a 75µm primary grind of the Mbarga itabirite with selective 38µm re-grind with the aim of maximising recovery of a BF grade product. The Company will continue to optimise the beneficiation testwork to enable production of a DR grade concentrate and, given the potential availability of competitively priced gas near Kribi, the Company will also evaluate the potential for developing a DR grade pellet plant adjacent to the port.



SUNDANCE RESOURCES LTD DIRECTORS' REPORT

Product Transport and Export Infrastructure

Infrastructure planning continued during the reporting period, based on the preferred transport corridor alignment from the mine at Mbalam to the proposed port site south of Kribi.

The port layout has been refined on the basis of marine bathymetric and seismic reflection/refraction studies completed on site (refer Figure 3). This has reduced previously reported cost estimates for the marine scope of the port development.

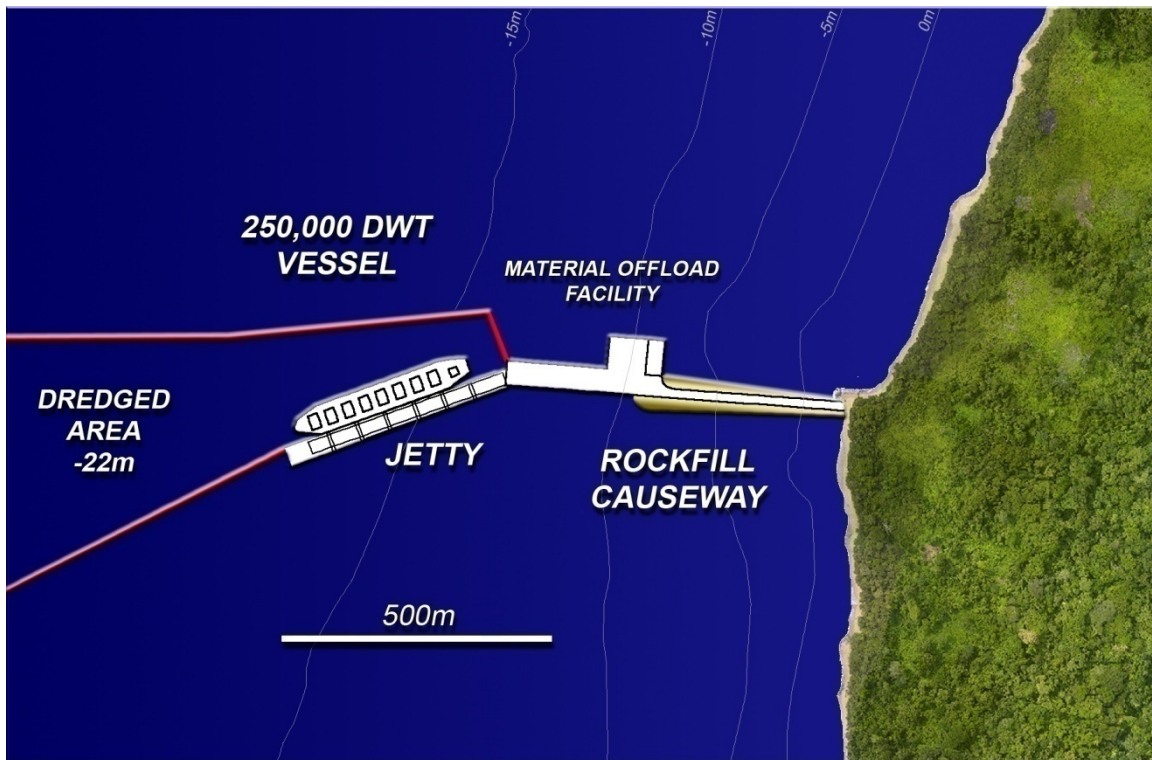


FIGURE 3 – PROPOSED PORT LAYOUT

Environmental and Social Impact Assessment (ESIA)

The collection of baseline data for the project ESIA was completed during the period by the Company's Cameroon based consultant, Rainbow Environmental Consulting, with the support of NGO's including WWF (World Wildlife Fund) and CED (Centre for Environment and Development). The preparation of the ESIA documentation and associated Management Plans is expected to be completed by the second quarter of 2009. The submission of these documents to the Cameroon Government will be followed by a 4-6 month public review process convened by the Ministry of Environment and Nature Protection (MINEP).



SUNDANCE RESOURCES LTD DIRECTORS' REPORT

CORPORATE

Resignation of Executive Director

In November 2008, Mr Alec Pismiris notified the Board of Sundance of his resignation as an Executive Director. Mr Pismiris was also the Company Secretary of Sundance until the appointment of Mr John Carr-Gregg on 15 July 2008.

Resignation of Non-Executive Director

In November 2008, Dr John Saunders notified the Board of Sundance of his resignation as a Non-Executive Director.

Appointment of Company Secretary

Mr John Carr-Gregg was appointed as Company Secretary and General Manager Corporate Services on 15 July 2008.

STATE OF AFFAIRS

On 10 October 2008, the Company announced it acquired an 85% interest in Congo Iron SA. The Company purchased 70% interest previously held by Cam Iron SA and 15% previously held by Congo Mining Investments SA.

There was no other significant change in the state of affairs of the Company during the reporting period.



SUNDANCE RESOURCES LTD DIRECTORS' REPORT

Forward-Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the iron ore mining industry, expectations regarding iron ore prices, production, cash costs and other operating results, growth prospects and the outlook of SDL's operations including the likely commencement of commercial operations of the Mbalam Project or other exploration interests and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding SDL's exploration operations, economic performance and financial condition. Although SDL believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in iron ore prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to SDL's most recent annual report and half year report. SDL undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Robin Longley, a Member of the Australian Institute of Geoscientists, and Mr Lynn Widenbar, a member of the Australasian Institute of Mining and Metallurgy.

Mr Longley is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Longley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Widenbar is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Widenbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

While the Company is optimistic that it will report additional resources in the future, any discussion in relation to Exploration Targets, over and above the stated Inferred Resources of is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource over and above the Inferred Resource and it is uncertain if further exploration will result in determination of a Mineral Resource.



SUNDANCE RESOURCES LTD DIRECTORS' REPORT

AUDITORS INDEPENDENCE DECLARATION

In accordance with the Corporations Act 2001 section 307C the auditors of the Company, Deloitte Touche Tohmatsu Ltd have provided a signed auditors independence declaration to the directors in relation to the half-year ended 31 December 2008. The auditors independence declaration has been included in the half-year financial report.

Signed in accordance with a resolution of the directors.

G Jones
Director

DP Lewis
Director

13 March 2009
Perth, Western Australia



**SUNDANCE RESOURCES LTD
DIRECTORS' DECLARATION**

The directors of Sundance Resources Ltd A.C.N. 055 719 394 ("Company") declare that:

- a) in the director's opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- b) In the director's opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

G Jones
Director

DP Lewis
Director

13 March 2009
Perth, Western Australia



SUNDANCE RESOURCES LTD
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Note	31 December 2008 \$	31 December 2007 \$
CONTINUING OPERATIONS			
Revenue	2(a)	1,210,417	2,248,846
Net foreign exchange loss		(1,216,298)	—
Administration expenses	2(b)	(7,419,843)	(2,815,908)
LOSS FROM CONTINUING OPERATIONS		(7,425,724)	(567,062)
Income tax expense		—	—
LOSS FOR THE PERIOD		(7,425,724)	(567,062)
Attributable to:			
Equity holders of the parent		(7,171,281)	(600,887)
Minority interest		(254,443)	33,825
NET LOSS ATTRIBUTABLE TO MEMBERS		(7,425,724)	(567,062)
BASIC LOSS PER SHARE – CONTINUING OPERATIONS (CENTS PER SHARE)		(0.40)	(0.03)
DILUTED LOSS PER SHARE – CONTINUING OPERATIONS (CENTS PER SHARE)		(0.40)	(0.03)

The accompanying notes form part of this financial report on pages 17 to 23



SUNDANCE RESOURCES LTD
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	31 December 2008 \$	30 June 2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		19,061,721	47,031,353
Inventory		1,381,583	547,545
Other current assets		2,069,464	1,515,675
Trade and other receivables		2,208,891	2,408,175
TOTAL CURRENT ASSETS		24,721,660	51,502,748
NON-CURRENT ASSETS			
Exploration and evaluation assets	4	97,685,129	64,373,079
Intangibles		384,543	235,780
Property, plant and equipment	3	9,395,472	7,432,539
TOTAL NON-CURRENT ASSETS		107,465,144	72,041,398
TOTAL ASSETS		132,186,803	123,544,146
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		6,690,772	6,721,498
TOTAL CURRENT LIABILITIES		6,690,772	6,721,498
NON- CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		—	—
TOTAL LIABILITIES		6,690,772	6,721,498
NET ASSETS		125,496,031	116,822,648
EQUITY			
Issued capital	5	188,665,269	187,059,817
Reserves		24,284,039	9,790,384
Accumulated losses		(87,040,008)	(79,868,727)
Parent interest		125,909,300	116,981,474
Minority equity interest		(413,269)	(158,826)
TOTAL EQUITY		125,496,031	116,822,648

The accompanying notes form part of this financial report on pages 17 to 23



SUNDANCE RESOURCES LTD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Note	31 December 2008 \$	31 December 2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(8,107,735)	(4,253,846)
Interest received		1,724,327	2,179,819
NET CASH USED IN OPERATING ACTIVITIES		(6,383,408)	(2,074,027)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,554,570)	(3,464,100)
Exploration and evaluation expenditure		(20,099,357)	(12,575,437)
Other		(148,763)	—
NET CASH USED IN INVESTING ACTIVITIES		(21,802,690)	(16,039,537)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity issues		—	61,350,000
Capital raising costs		—	(660,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES		—	60,690,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(28,186,098)	42,576,436
Cash and cash equivalents at beginning of period		47,031,353	24,171,094
Effect of foreign currency movements		216,466	(16,331)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	19,061,721	66,731,199

The accompanying notes form part of this financial report on pages 17 to 23



SUNDANCE RESOURCES LTD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Issued Capital \$	Option Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Attributable to equity holders of the parent \$	Minority Interest \$	Total Equity \$
<i>At 1 July 2007</i>	126,104,817	9,003,675	35,965	(71,136,993)	64,007,464	(72,240)	63,935,224
Loss for the period	—	—	—	(600,887)	(600,887)	33,825	(567,062)
TOTAL RECOGNISED INCOME AND EXPENSE	—	—	—	(600,887)	(600,887)	33,825	(567,062)
Securities issued	61,350,000	—	—	—	61,350,000	—	61,350,000
Equity raising costs	(660,000)	—	—	—	(660,000)	—	(660,000)
Cost of share based payment	—	825,843	—	—	825,843	—	825,843
Foreign currency reserve	—	—	(24,505)	—	(24,505)	—	(24,505)
AT 31 DECEMBER 2007	186,794,817	9,829,518	11,460	(71,737,880)	124,897,915	(38,415)	124,859,500

	Issued Capital \$	Option Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Attributable to equity holders of the parent \$	Minority Interest \$	Total Equity \$
<i>At 1 July 2008</i>	187,059,817	9,771,375	19,009	(79,868,727)	116,981,474	(158,826)	116,822,648
Loss for the period	—	—	—	(7,171,281)	(7,171,281)	(254,443)	(7,425,724)
TOTAL RECOGNISED INCOME AND EXPENSE	—	—	—	(7,171,281)	(7,171,281)	(254,443)	(7,425,724)
Securities issued	—	314,881	—	—	314,881	—	314,881
Equity raising costs	—	—	—	—	—	—	—
Cost of share based payment	1,605,452	—	—	—	1,605,452	—	1,605,452
Foreign currency reserve	—	—	14,178,774	—	14,178,774	—	14,178,774
AT 31 DECEMBER 2008	188,665,269	10,086,256	14,197,783	(87,040,008)	125,909,300	(413,269)	125,496,031

The accompanying notes form part of this financial report on pages 17 to 23



SUNDANCE RESOURCES LTD
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Reporting entity

Sundance Resources Limited is a company domiciled in Australia. The condensed consolidated interim financial report of the company as at and for the six months ended 31 December 2008 comprises the company and its subsidiaries (together referred to as the "consolidated entity") and the consolidated entity's interests in associates and jointly controlled entities.

The statutory annual financial report of the consolidated entity as at and for the year ended 30 June 2008 is available upon request from the company's registered office. A copy can also be downloaded from the company's website www.sundanceresources.com.au

Statement of compliance

The half-year 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. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

The half-year 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 2008.

Significant accounting policies

The accounting policies applied by the consolidated entity in this condensed consolidated interim financial report are the same as those applied by the consolidated entity in the consolidated financial report as at and for the year ended 30 June 2008.



SUNDANCE RESOURCES LTD
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (CONTINUED)

Going concern

The financial statements have been prepared on the basis that the Consolidated Entity will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

In arriving at this position, the directors have considered the following pertinent matters and have taken steps to ensure the Consolidated Entity continues as a going concern.

These include:

- (i) as announced on 10 March 2009, the company has entered into an agreement to raise a minimum of \$10 million, detailed further in Note 11;
- (ii) the Directors have reviewed the quantum and timing of all discretionary expenditures including exploration and development costs and wherever necessary these costs will be minimised or deferred to suit the Company's cash-flow forecast;
- (iii) the Consolidated Group balance sheet remains strong with net assets of \$125 million and net current assets of \$18 million as at 31 December 2008; and
- (iv) the Consolidated Entity is in discussion with prospective strategic investors, including corporate investors. The form and value of funding from such investors is yet to be determined.

The Directors believe at the date of signing the financial statements there are reasonable grounds to believe that, having regard to the matters detailed above, the Consolidated entity will have sufficient funds to meet its obligations as and when they fall due.

Should the Consolidated Entity be unable to continue as going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or any adjustments to the amounts and classification of liabilities that may be necessary should the Consolidated Entity be unable to continue as a going concern.



SUNDANCE RESOURCES LTD
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

31 December **31 December**
2008 **2007**
\$ **\$**

NOTE 2. REVENUE AND EXPENSES

2(a) REVENUE

Interest received	1,210,417	2,179,819
Other	—	69,027
TOTAL REVENUE	1,210,417	2,248,846

2(b) ADMINISTRATION EXPENSES

Wages and salaries, including superannuation	3,577,924	1,846,946
Employee option expense	314,881	825,843
Other administration expenses	3,527,038	143,119
TOTAL ADMINISTRATION EXPENSES	7,419,843	2,815,908



SUNDANCE RESOURCES LTD
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31 December 2008 \$	30 June 2008 \$
NOTE 3. PROPERTY, PLANT & EQUIPMENT		
Buildings – at cost	2,234,093	1,166,256
Accumulated depreciation	—	—
	<u>2,234,093</u>	<u>1,166,256</u>
Plant and equipment – at cost	9,970,705	7,333,520
Accumulated depreciation	(2,966,957)	(1,235,363)
	<u>7,003,748</u>	<u>6,098,157</u>
Leasehold Improvements – at cost	168,861	168,861
Accumulated depreciation	(11,230)	(735)
	<u>157,631</u>	<u>168,126</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u><u>9,395,472</u></u>	<u><u>7,432,539</u></u>

NOTE 4. EXPLORATION AND EVALUATION ASSETS

Mbalam Iron Ore Project

Carrying amount at beginning of period	64,271,181	35,279,857
Expenditure ¹	32,746,582	28,991,324
Carrying amount at end of period	<u>97,017,763</u>	<u>64,271,181</u>

Congo Iron Ore Project

Carrying amount at beginning of period	101,898	—
Expenditure ¹	565,468	101,898
Carrying amount at end of period	<u>667,366</u>	<u>101,898</u>

TOTAL EXPLORATION AND EVALUATION ASSETS	<u><u>97,685,129</u></u>	<u><u>64,373,079</u></u>
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¹ Expenditure includes translation of opening carrying amount for movement in foreign currency.



SUNDANCE RESOURCES LTD
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

31 December **30 June**
2008 **2008**
\$ **\$**

NOTE 5. ISSUED CAPITAL

ORDINARY SHARES

1,898,026,559 fully paid ordinary shares (30 June 2008: 1,880,915,241)	188,665,269	187,059,817
	188,665,269	187,059,817

MOVEMENTS IN ORDINARY SHARES

At the beginning of the period	187,059,817	126,104,817
9,462,542 shares issued 30 November 2008	921,652	—
7,648,776 shares issued 30 November 2008	683,800	—
13,000,000 shares issued 30 July 2007	—	390,000
4,000,000 shares issued 30 July 2007	—	80,000
118,500,000 shares issued 30 July 2007	—	47,400,000
6,500,000 shares issued 3 August 2007	—	2,600,000
4,000,000 shares issued 17 August 2007	—	120,000
25,000,000 shares issued 10 September 2007	—	10,000,000
13,333,333 shares issued 24 September 2007	—	400,000
12,000,000 shares issued 15 October 2007	—	360,000
2,000,000 shares issued 28 May 2008	—	40,000
7,500,000 shares issued 24 June 2008	—	225,000
Capital raising costs	—	(660,000)
AT THE END OF THE PERIOD	188,665,269	187,059,817

On 30 November 2008, the Company allotted and issued 9,462,542 fully paid ordinary shares in the Company to Ausdrill as consideration for part payment of October 2008 drilling invoices.

On 30 November 2008, the Company allotted and issued 7,648,776 fully paid ordinary shares in the Company to Ausdrill as consideration for part payment of November 2008 drilling invoices.

NOTE 6. RECONCILIATION OF CASH

For the purposes of the Condensed Cash Flow Statement, cash and cash equivalents comprise cash at bank at 31 December 2008 and 31 December 2007.

NOTE 7. SEGMENT INFORMATION

During the half-year ended 31 December 2008 and 31 December 2007, the Company was engaged entirely in the exploration industry in Central Africa.



SUNDANCE RESOURCES LTD
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 8. RELATED PARTY TRANSACTIONS

The company is a single entity and is not controlled by another entity.

Linden Group Pty Ltd received benefits of \$25,000 from the Company for services performed by Mr John Saunders, a director of the Company.

JBP Nominees Pty Ltd received benefits of \$100,000 from the Company for services performed by Mr George Jones, a director of the Company.

Piedmont Nominees Pty Ltd received benefits of \$275,000 from the Company for services performed by Mr Donald Lewis, a director of the Company.

Triglow Nominees Pty Ltd received benefits of \$30,000 from the Company for services performed by Mr Geoff Wedlock, a director of the Company.

Longley Mining Consultants Pty Ltd received benefits of \$195,830 from the Company for services performed by Mr Robin Longley, an executive of the Company.

Azure Capital Pty Ltd received \$111,998 for corporate advisory services (2007: nil).

Keypalm Pty Ltd received \$54,545 for consulting services provided by Mr Geoff Wedlock, a director of the Company (2007: nil).

NOTE 9. CONTINGENT LIABILITIES

The Company is aware of the following contingent liabilities as at 31 December 2008.

Absolute Analogue & David Porter v Sundance

There has been no significant change in this case since 30 June 2008. The matter is proceeding through the courts.

David Bay v Sundance

The Company has an ongoing dispute with Mr David Bay, a former employee of the Group. The claim by Mr Bay is for alleged lost remuneration on termination of employment.

The parties are in settlement discussions and expect to resolve the matter shortly.

No provision is made in the accounts to 31 December 2008.

There have been no other significant changes in contingent liabilities since the last annual reporting date.



SUNDANCE RESOURCES LTD
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 10. EXPENDITURE COMMITMENTS

Drilling Contract

The Company terminated the contract drilling services of Ausdrill Ltd on 9 December 2008. The fee payable for contract termination is USD \$1.5million. All costs associated with contract termination and de-mobilisation costs have been included in the 2009 forecast budget.

Exploration Permits

Exploration Permit No. 92 was renewed on 29 September 2008 for a further 2 years. The Cameroon Ministry of Mines requires total minimum exploration expenditure under Exploration Permit No.92 of XAF 4,000,000,000 (approximately \$12 million) over the 2 year term, which commenced on 29 September 2008. The expenditure requirements of Exploration Permit No.92 are denoted in Central African CFA franc (XAF).

The Cameroon Ministry of Mines requires total minimum exploration expenditure under Exploration Permit No.143 of XAF 400,000,000 (approximately \$1 million) over the 3 year term, which commenced on 10 April 2008. The expenditure requirements of Exploration Permit No.143 are denoted in Central African CFA franc (XAF).

The Republic of Congo Ministry of Mines requires total expenditure commitment under Decree No 2007-362 and Decree No 2007-363 totalling USD \$4.4 million over the 3 year term, which commenced on 2 August 2007.

NOTE 11. EVENTS SUBSEQUENT TO BALANCE DATE

On 10 March 2009, the Company announced a A\$5 million placement to its major shareholder, Talbot Group Investments Pty Ltd.

On 10 March 2009, the Company also announced the launch of a Share Purchase Plan Offer ("the Offer") to eligible shareholders. Under the Offer, eligible shareholders will have an opportunity to acquire up to A\$5,000 worth of new shares. The Offer will be underwritten by BBY Ltd to an amount of A\$5 million, meaning that a minimum A\$10 million will be raised by way of the placement to Talbot Group Investments Pty Ltd and the Share Purchase Plan Offer.

The funds raised through the placement and the Offer will strengthen the Company's financial position in the current market environment and will be utilised to provide sufficient working capital to fund the Company's current level of operations through to 2010.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.

Independent review report to the members of Sundance Resources Limited

We have reviewed the accompanying half-year financial report of Sundance Resources Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, cash flow statement, statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 12 to 23.

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 designing, implementing and maintaining internal control 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 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 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 Sundance Resources Limited, 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.

Deloitte.

Auditor's Independence Declaration

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 half-year financial report of Sundance Resources 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 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Ross Jerrard
Partner
Chartered Accountants
Perth, 13 March 2009

The Board of Directors
Sundance Resources Limited
Level 27
St Martin's Tower
44 St Georges Terrace
PERTH WA 6000

13 March 2009

Dear Board Members

Sundance Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Sundance Resources Limited.

As lead audit partner for the review of the financial statements of Sundance Resources Limited for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Ross Jerrard
Partner
Chartered Accountants
Perth, WA