

**CITYVIEW CORPORATION LIMITED**  
**(ABN 59 009 235 634)**

**INTERIM FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 30 JUNE 2009**

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## CORPORATE DIRECTORY

### Directors

M A Africano	Chairman
P M Smyth	Director/CEO
P Rand	Director
B R Brady	Director Appointed 29 June 2009
R J F Brothers	Director Resigned 8 April 2009
W V Reid	Director Resigned 29 June 2009

### Advisory Board

Conrad Maher	Chairman
Bart de Boer	Member
David Boote	Member
Caleb Dengu	Member
Lewis Musasike	Member
Kevin Sylvester	Member

### Registered Office and Principal Place of Business

Level 9  
28 The Esplanade  
Perth Western Australia 6000

Telephone: (61-8) 9226 4788  
Facsimile: (61-8) 9226 4799  
Email: [info@cityviewcorp.com](mailto:info@cityviewcorp.com)  
Web: [www.cityviewcorp.com](http://www.cityviewcorp.com)

### Auditor

Somes and Cooke  
1304 Hay Street  
West Perth Western Australia 6872

### Company Secretary

P M Smyth Appointed 8 April 2009  
P R Williams Resigned 8 April 2009

### Australian Share Registry

Computershare Registry Services Pty Ltd  
Level 2, 45 St George's Terrace  
Perth Western Australia 6000

Telephone: (61-8) 9323 2000  
Facsimile: (61-8) 9323 2033

### USA Share Registry

Computershare Trust Company, Inc  
Suite 800  
Golden Colorado CO 80401

Telephone: (303) 262 0600  
Facsimile: (303) 262 0603

### Stock Exchange Listings

Australian Securities Exchange Limited  
Trading Code: CVI

NASD:OTCBB  
Trading Code: CTVWF

Frankfurt Stock Exchange  
Trading Code: C4Z

## DIRECTORS' REPORT

The Directors of CityView Corporation Limited ("CityView" or "the Company") present the financial report for the half year ended 30 June 2009.

In order to comply with the provisions of the Corporations Act, the Directors report as follows:

The names and particulars of the Directors of the Company during or since the end of the half year are:

**M A Africano**

**P M Smyth**

**P Rand**

**B R Brady**

**R J F Brothers**

**W V Reid**

**Appointed 29 June 2009**

**Resigned 8 April 2009**

**Resigned 29 June 2009**

### Review of Operations

#### Minerals & Diamonds

An extensive review of the proposed work programmes in Angola has been undertaken. This has resulted in a recognition that the scope of work at Longonjo, Cachoeiras, Chipindo, Nhefo and Luachisse has to be increased to achieve the required objectives. It has been agreed that not only additional plant and equipment will be needed, but also the capacity of the current orders should be reconfigured. The requisite planning is now being formulated.

#### Refinery

CityView's co-venturer Deanshanger Projects Limited ("Deanshanger") in the refinery joint venture known as DPL Energy Limited has continued discussions with the regulatory authorities. However Deanshanger has decided that it will not enter into the final contract phase until all Government consents are in place. This is not in line with the original Memorandum of Understanding so CityView has decided to pursue other alternatives both within and outside Africa.

#### Finance Review

The Company began the half year with cash reserves of \$128,912. During the half year 520,496,000 fully paid ordinary shares were issued raising \$5.55 million (after capital raising costs) to fund the exploration programme with Fortitude Minerals Limited and other working capital.

During the half year total amount of funds advanced to Fortitude Minerals Limited was \$4,439,850. In line with the Company's accounting policies, all exploration expenditure other than acquisition and feasibility costs, are written off as incurred during the half year. This has resulted in an operating loss after income tax for the half year ended 30 June 2009 of \$5,784,223 (2008: \$29,660,997).

At 30 June 2009 cash reserves available totalled \$151,115.

#### Board and Management Changes

Mr B R Brady was appointed as a Director on 29 June 2009 and Mr P M Smyth was appointed as Company Secretary on 8 April 2009.

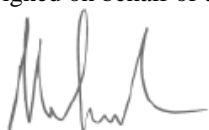
Mr R J F Brothers resigned on 8 April 2009 and Mr W V Reid on 29 June 2009 as Directors. Mr P R Williams resigned as Company Secretary on 8 April 2009.

#### Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 17.

## **DIRECTORS' REPORT (continued)**

Signed on behalf of the Directors in accordance with their resolution for that purpose.

A handwritten signature in black ink, appearing to read 'Mark Smyth', with a stylized, cursive script.

**MARK SMYTH**

Director

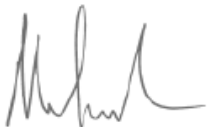
18 August 2009

## DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 16 inclusive are in accordance with the Corporations Act 2001, including:
  - (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2009 and its performance as represented by the results of its operations and its cash flows for the half year ended on that date.
2. In the opinion of the directors there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration was made in accordance with a resolution of the directors.



**MARK SMYTH**  
Director

18 August 2009

**CITYVIEW CORPORATION LIMITED**  
(ABN 59 009 235 634)

**Consolidated Income Statement**  
**For the Half Year Ended 30 June 2009**

	Notes	<b>Half Year Ended 30 June 2009</b> \$	Half Year Ended 30 June 2008 \$
Revenue from continuing operations	3	5,725	89,722
Administration expenses		(324,543)	(682,227)
Employee wages and benefits expenses		(113,631)	(184,629)
Employee share based payment		-	(201,230)
Consulting/legal expenses		(613,752)	(795,119)
Depreciation and amortisation expenses		(7,842)	(7,250)
Occupancy expenses		(36,018)	(30,652)
Marketing expenses		(122,615)	(583,868)
Impairment of Other Financial Assets		(4,571,547)	(27,260,096)
Other expenses from ordinary activities		-	(5,648)
Profit/(Loss) before income tax	3	(5,784,223)	(29,660,997)
Income tax expense		-	-
Profit/(Loss) from continuous operations. The Profit/(loss) is fully attributable to CityView Corporation Limited.		(5,784,223)	(29,660,997)
Basic profit/(loss) per share (cents per share)		(0.59)	(7.48)
Where diluted earnings per share are not diluted they are not disclosed		-	-

Notes to and forming part of the half year consolidated accounts are attached.

**CITYVIEW CORPORATION LIMITED**  
(ABN 59 009 235 634)

**Consolidated Balance Sheet**  
As at Half Year Ended 30 June 2009

	Notes	30 June 2009 \$	31 December 2008 \$
<b>CURRENT ASSETS</b>			
Cash		151,115	128,912
Receivables		49,063	27,928
<b>TOTAL CURRENT ASSETS</b>		<b>200,178</b>	<b>156,840</b>
<b>NON CURRENT ASSETS</b>			
Other financial assets	4	-	-
Property, plant and equipment		17,138	24,755
<b>TOTAL NON CURRENT ASSETS</b>		<b>17,138</b>	<b>24,755</b>
<b>TOTAL ASSETS</b>		<b>217,316</b>	<b>181,595</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		70,144	13,010
<b>TOTAL CURRENT LIABILITIES</b>		<b>70,144</b>	<b>13,010</b>
<b>TOTAL LIABILITIES</b>		<b>70,144</b>	<b>13,010</b>
<b>NET ASSETS</b>		<b>147,172</b>	<b>168,585</b>
<b>EQUITY</b>			
Contributed equity	5	113,065,818	107,315,153
Reserves	6	5,197,191	5,185,046
Accumulated losses		(118,115,837)	(112,331,614)
<b>TOTAL EQUITY</b>		<b>147,172</b>	<b>168,585</b>

Notes to and forming part of the half year consolidated accounts are attached.

**CITYVIEW CORPORATION LIMITED**  
(ABN 59 009 235 634)

**Consolidated Statement of Changes in Equity**  
**As at Half Year Ended 30 June 2009**

	<b>Half Year Ended 30 June 2009</b>	<b>Half Year Ended 30 June 2008</b>
	\$	\$
<b>Total equity at the beginning of the Half Year</b>	<b>168,585</b>	11,961,999
Minority interests	-	(348,304)
<b>Profit/(Loss) for the half year</b>	<b>(5,784,223)</b>	<b>(29,660,997)</b>
Transactions with equity holders in their capacity as equity holders:		
Contributions of equity, net of transaction costs		
Share Issues – (see note 5)	<b>5,750,665</b>	19,123,877
Reserves – (See note 6)	<b>12,145</b>	201,230
	<b>5,762,810</b>	19,325,107
<b>Total equity at the end of the Half Year</b>	<b>147,172</b>	1,277,805

Notes to and forming part of the half year consolidated accounts are attached.



**CITYVIEW CORPORATION LIMITED**  
(ABN 59 009 235 634)

**Consolidated Statement of Cash Flows**  
**For the Half Year Ended 30 June 2009**

	<b>Half Year Ended 30 June 2009</b>	<b>Half Year Ended 30 June 2008</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	1,500	89,722
Interest paid	(7)	-
Payment to suppliers and employees	(1,064,235)	(3,881,816)
<b>Net cash outflow from operating activities</b>	<b>(1,062,742)</b>	<b>(3,792,094)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for other financial assets	(43,727)	-
Payments of investments net of cash	-	(27,319,304)
Payments for property, plant and equipment	(226)	-
Cash acquired from consolidation of European Oil Limited	18,193	-
<b>Net cash outflow from investing activities</b>	<b>(25,760)</b>	<b>(27,319,304)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the issue of shares less costs	1,111,038	19,123,877
Unmarketable parcels	-	(543)
<b>Net cash inflow from financing activities</b>	<b>1,111,038</b>	<b>19,123,334</b>
<b>Net increase (decrease) in cash held</b>	<b>22,536</b>	<b>(11,988,064)</b>
<b>Cash at the beginning of the half year</b>	<b>128,912</b>	<b>12,070,490</b>
<b>Effects of exchange rate changes on cash</b>	<b>(333)</b>	<b>-</b>
<b>Cash at the end of the half year</b>	<b>151,115</b>	<b>82,426</b>
<b>NON CASH TRANSACTIONS</b>		
The following non cash transactions occurred to the half year ended 30 June 2009		
Proceeds from the issue of shares less costs	4,439,850	-
Loan to Associated Companies	(4,439,850)	-
	-	-
Sale of Subsidiary – Glenvale Associates Limited	-	22,361,647
Investment in Associates – Fortitude Minerals Limited	-	(22,361,647)
	-	-

Notes to and forming part of the half year consolidated accounts are attached.

**CITYVIEW CORPORATION LIMITED**  
(ABN 59 009 235 634)

**Notes to and Forming Part of the Consolidated Accounts**  
**For the Half Year Ended 30 June 2009**

**1. Summary of significant accounting policies**

This general purpose financial report for the interim half year reporting period ended 30 June 2009 has been prepared in accordance with the Corporations Act 2001, all applicable Accounting Standards and Australian Accounting interpretations.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2008 and any public announcements made by CityView Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period for been adjusted to reflect.

***Voluntary Change in Accounting Policy***  
*Exploration and Evaluation Expenditure*

*Changes to Comparative Figures for a material misstatement in the prior years report*

Outlined in Note 1 – Statement of Significant Accounting Policies in the annual report for the year ended 31 December 2008.

The adjustments to the comparative figures are outlined in Note 8.

***Going Concern***

This interim financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the period ended 30 June 2009, and in accordance with the company's change in accounting policy to expense certain items as incurred rather than capitalising them, the company recorded a loss of \$5,784,223.

The company expects to be able to maintain sufficient cash reserves to meet day to day obligations as and when they fall due for the next 12 month period.

The company has available to it one or more of the following sources of funding:

- Further issue of shares
- Sale of exploration properties held by associates
- CityView has a draw down facility to the value of \$2,000,000 to fund its next 15 months administration and operating costs of which \$100,000 has been drawn down as at 18 August 2009.

The Board of Directors is aware of the company's working capital requirements to continue its normal business activities and based on the above matters consider the going concern basis of preparation to be appropriate for this financial report.

In the event that the above matters do not eventuate, there exists uncertainty as to whether the company will be able to continue as a going concern and realise its assets extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

**2. Financial Reporting by Segments**

The consolidated group operates predominantly in one business and geographical segment being Investment in Africa.

**CITYVIEW CORPORATION LIMITED**  
(ABN 59 009 235 634)

**Notes to and Forming Part of the Consolidated Accounts  
For the Half Year Ended 30 June 2009**

	<b>Half Year Ended 30 June 09 \$</b>	<b>Half Year Ended 30 June 08 \$</b>
<b>3. Operating Loss</b>		
The operating loss before income tax includes the following items of revenue and expenses that are unusual because of their nature, size or incidence:		
<i>Revenue</i>		
Interest revenue	1,500	89,722
Other income	4,225	-
<i>Expense</i>		
Administration expenses	(324,543)	(682,227)
Employee wages and benefits expenses	(113,631)	(184,629)
Employee share based payments	-	(201,230)
Consulting/legal expenses	(613,752)	(795,119)
Depreciation and amortisation expenses	(7,842)	(7,250)
Occupancy expenses	(36,018)	(30,652)
Marketing expenses	(122,615)	(583,868)
Impairment of Other Financial Assets	(4,541,547)	(27,260,096)
Other expenses from ordinary activities	-	(5,648)

**CITYVIEW CORPORATION LIMITED**  
(ABN 59 009 235 634)

**Notes to and Forming Part of the Consolidated Accounts  
For the Half Year Ended 30 June 2009**

**4. Other Financial Assets at Cost**

	<b>30 June 2009</b>	<b>31 December 2008</b>
	\$	\$
Investment – Angola Diamond Holdings Limited (a)	<b>11,089,130</b>	-
Investment – Fortitude Minerals Limited (b)	<b>27,932,834</b>	14,882,241
Investment – Pensador Resources Inc (c)	-	12,436,720
Investment – Quest Energy Middle East Limited (d)	<b>1,688,870</b>	1,600,910
Impairment Provision (e)	<b>(40,710,834)</b>	(28,919,871)
	-	-

**Movements – Other Financial Assets at Cost**

**(a) Angola Diamond Holdings Limited**

Balance at the beginning of half year		-
Reclassification of Canzar Resources Option Fee and Preliminary Diamond Exploration Expenditure	<b>5,381,595</b>	
Realisation of Pensador Resources Inc Investment	<b>5,707,535</b>	
Closing Balance at 30 June 2009	<b>11,089,130</b>	

**(b) Fortitude Minerals Limited**

Balance at the beginning of half year		<b>14,882,241</b>
Reclassification of Fortitude Mineral Expenses (prior period)	<b>637,493</b>	
Reassignment of loan in Fortitude Minerals Limited	<b>7,929,524</b>	
Funds advanced during half year ended 30 June 2009	<b>4,439,850</b>	
Payments for Technical Reports	<b>43,726</b>	
Closing Balance at 30 June 2009	<b>27,932,834</b>	

**(c) Pensador Resources Inc**

Balance at the beginning of half year		<b>12,436,720</b>
Reclassification of Consulting/Legal Expenses (prior period)	<b>1,200,339</b>	
Reassignment for shares in Angola Diamond Holdings Limited	<b>(5,707,535)</b>	
Reassignment of loan in Fortitude Minerals Limited	<b>(7,929,524)</b>	
Closing Balance at 30 June 2009	-	

**(d) Quest Energy Middle East Limited**

Balance at the beginning of half year		<b>1,600,910</b>
Shares issued in consideration for acquisition of shares in European Oil Limited (see Note 5 (b))	<b>87,960</b>	
Closing Balance at 30 June 2009	<b>1,688,870</b>	

The above is the major asset of European Oil Limited. The balance as at 31 December 2008 was classified as European Oil Limited.

**CITYVIEW CORPORATION LIMITED**  
(ABN 59 009 235 634)

**Notes to and Forming Part of the Consolidated Accounts  
For the Half Year Ended 30 June 2009**

**4. Other Financial Assets at Cost (continued)**

**30 June 2009**

\$

**(e) Impairment Provision**

Balance at the beginning of half year	(28,919,871)
Reclassification of prior period expenses	(7,219,416)
Movement during half year ended 30 June 2009	(4,571,547)
Closing Balance at 30 June 2009	(40,710,834)

**5. Contributed Equity**

**(a) Share capital**

	Number of Shares	Share Capital \$
Ordinary fully paid shares at 31 December 2008	561,873,441	107,315,153
Ordinary fully paid shares at 30 June 2009	<b>1,082,369,441</b>	<b>113,065,818</b>

Effective 1 July 1998, the Corporations' Legislation abolished the concept of authorised capital and par value shares. Accordingly, the company does not have authorised capital or par value in respect of its issued shares.

**(b) Movements in ordinary shares on issue**

Balance at beginning of year	561,873,441	107,315,153
Issue of fully paid ordinary shares @ \$0.0125	434,200,000	5,427,500
Issue of fully paid ordinary shares @ \$0.01 in satisfaction of acquisition of additional shares in European Oil Limited	8,796,000	87,960
Issue of fully paid ordinary shares @ \$0.008 in satisfaction of promotion and marketing of the company	15,000,000	120,000
Issue of fully paid ordinary shares @ \$0.008	62,500,000	500,000
Share issue costs	-	(384,795)
	<b>1,082,369,441</b>	<b>113,065,818</b>

**(c) Options**

As at 30 June 2009 there were 96,529,950 options on issue with an exercise price of 15c, expiring 30 November 2009.

**CITYVIEW CORPORATION LIMITED**  
(ABN 59 009 235 634)

**Notes to and Forming Part of the Consolidated Accounts  
For the Half Year Ended 30 June 2009**

**6. Reserves**

	<b>30 June 2009</b>	31 December 2008
	\$	\$
Share based payment reserve	<b>2,911,600</b>	2,911,600
Option premium reserve	<b>2,273,446</b>	2,273,446
Foreign currency translation reserve	<b>12,145</b>	-
	<b>5,197,191</b>	5,185,046
<b>Movements</b>		
Share based payment reserve		
Balance at the beginning of the half year/year	<b>2,911,600</b>	2,710,370
Movement during the half year/year	-	201,230
Closing Balance	<b>2,911,600</b>	2,911,600
Option premium reserve		
Balance at the beginning of the half year/year	<b>2,273,446</b>	-
Movement during the half year/year	-	2,273,446
Closing Balance	<b>2,273,446</b>	2,273,446
Foreign currency translation reserve		
Balance at the beginning of the half year/year	-	-
Movement during the half year/year	<b>12,145</b>	-
Closing Balance	<b>12,145</b>	-

**7. Acquisitions/Disposals of Controlled Entities**

**Half Year Ended 30 June 2009**

On 1 January 2009, European Oil Limited became a controlled entity of the Company. During the half year the Consolidated Entity increased the ownership in European Oil Limited from 70% to 96.42%.

European Oil Limited is a private company incorporated in the United Kingdom.

The acquired company contributed income of \$4,225 and a loss of \$811 to the Consolidated Entity for the half year ended 30 June 2009.

At the date of becoming a controlled entity, the acquired company is intended to provide services to the oil and gas industry.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	\$
<b>Purchase consideration</b>	
Cash paid	1,600,910
Issue of 8,796,000 fully paid ordinary shares at 1 cents each (see Note 4 (d))	87,960
<b>Total purchase consideration</b>	1,688,870
Fair value of net identifiable assets acquired of Quest Energy Middle East Limited	1,688,870
<b>Goodwill</b>	-

**CITYVIEW CORPORATION LIMITED**  
(ABN 59 009 235 634)

**Notes to and Forming Part of the Consolidated Accounts  
For the Half Year Ended 30 June 2009**

**7. Acquisitions/Disposals of Controlled Entities (continued)**

**Half Year Ended 30 June 2008**

On 5 March, 2008 CityView Corporation Limited sold its share holding in Glenvale Associates Limited to Fortitude Minerals Limited, an exploration group operating in Angola for 15 million shares in Fortitude Minerals Limited at US\$1.39 per share.

Sale Consideration

	\$
Value received for sale of subsidiary	22,361,647
Less Costs incurred	4,376,549
Gain on sale	17,985,098

Gain on sale was applied against the cost of Fortitude Minerals Limited investment.

**8. Voluntary Changes in Accounting Policy**

	30 June 2008
	\$
Adjustment to the Financial Account Income Statement for the half year ended 30 June 2008.	
Profit/(Loss) from continuing operations	(4,297,310)
<i>Adjustment</i>	
Write Off Cameroon Oil Deposit expense written off 31 December 2007	1,896,409
	(2,400,901)
Impairments of Other Financial Assets	
- European Oil Limited	887,760
- Canzar Resources Limited	5,381,595
- Pensador Resources Inc	12,686,720
- Fortitude Minerals Limited	12,231,988
	(27,260,996)
Profit/(Loss) from continuing operations as per Income Statement	(29,660,997)

**CITYVIEW CORPORATION LIMITED**  
**(ABN 59 009 235 634)**

**Notes to and Forming Part of the Consolidated Accounts**  
**For the Half Year Ended 30 June 2009**

**9. Related Party Disclosure**

(a) Subsidiaries

On 1 January 2009, European Oil Limited became a controlled entity of the Company. During the half year the consolidated entity increased the ownership in European Oil Limited from 70% to 96.42%.

(b) Associated Companies

During the half year ended 30 June 2009 the following transactions occurred with associated companies:

**Fortitude Minerals Limited**

Funds advanced during half year ended 30 June 2009	4,439,850
Payments for Technical Reports	43,726
	<hr style="width: 100%; border: 0.5px solid black;"/>
	4,483,576

**10. Commitments for Expenditure**

All of CityView's future exploration and development expenditure will be paid directly by its associated companies for their relevant exploration and development expenditure.

CityView will be responsible for its ongoing local administration and operating costs.

CityView has a draw down facility to the value of \$2,000,000 to fund its next 15 months administration and operating costs of which \$100,000 has been drawn down as at 18 August 2009.

**11. Contingent Liabilities**

The Company is currently involved in negotiations for the purchase and installation of an oil refinery. Negotiations are continuing.

Montaque Capital Partners previously threatened to make a claim against the Company for non-payment of an alleged commission to it from the Company. The claim has been withdrawn.

**12. Subsequent Events**

No matters or circumstances have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the consolidated entity subsequent to the half year ended 30 June 2009.



18 August 2009

The Board of Directors  
Cityview Corporation Limited  
Level 9  
28 The Esplanade  
PERTH WA 6000

Dear Directors

**Cityview Corporation 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 **Cityview Corporation Limited**.

As lead audit partner for the *review* of the financial statements of **Cityview Corporation Limited** for the *half-year* ended 30 June 2009, 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



SOMES and COOKE



Partner  
Chartered Accountants

Partners  
Kevin Somes FCA  
John Cooke FCA ACIS

Associates  
Julie Burns CA  
Chris Casale CA  
Rachelle Rose CA



## Independent Auditor's Review Report

To the members of CityView Corporation Limited

### Report on the Half-Year Consolidated Financial Report

We have reviewed the accompanying half-year consolidated financial report of CityView Corporation Limited, which comprises the condensed balance sheet as at 30 June 2009, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies ; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of 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 company's financial position as at 30 June 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of CityView 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 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.

Partners

Kevin Somes FCA

John Cooke FCA ACIS

Associates

Julie Burns CA

Chris Casale CA

Rachelle Rose CA



## **Matters Relating to the Electronic Presentation of the Audited Financial Report**

This review report relates to the financial report of the consolidated entity for the half-year ended 30<sup>th</sup> June 2009 included on the website of Cityview Corporation Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information invalided in the reviewed financial report presented on the company's website.

## **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of CityView Corporation Limited on [date], would be in the same terms if provided to the directors as at the date of this auditor's review report.

## **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CityView 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 30 June 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and *Corporations Regulations 2001*.

### Partners

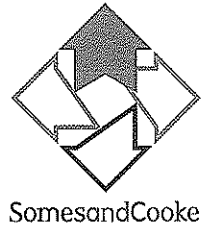
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**Inherent uncertainty regarding continuation as a going concern.**

Without qualification to the conclusion expressed above, attention is drawn to Note 1 in the financial report which indicates that the group made a new loss from continuing operations of \$5,784,223. At 30<sup>th</sup> June 2009, the group had a net working capital surplus of \$130,034. These matters indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



Somes & Cooke  
Chartered Accountants



**Kevin Somes**  
Partner

18 August 2009

**Partners**

Kevin Somes FCA  
John Cooke FCA ACIS

**Associates**

Julie Burns CA  
Chris Casale CA  
Rachelle Rose CA

