Appendix 4D

Half - year report for the six months to 31 December 2009

Name of entity:	ABN Reference:
MEDIVAC LIMITED	**64 055 747 941**

1. Results for announcement to the market

(All comparisons to half-year ended 31 December 2008)

	Current period 2009 $A	Previous corresponding period 2008 $A	Movement / Change %		Amount of Change $A	
Key Information						
Revenues	421,472	333,207	up	26.49%	up	88,265
Profit/(Loss) from ordinary activities after tax attributable to members	(877,129)	(806,242)	down	8.79%	down	(70,887)
Net Profit/(Loss) for the period attributable to members	(877,129)	(806,242)	down	8.79%	down	(70,887)

It is not proposed to pay a dividend for the half year

2. Commentary on Financial results

- Higher cash reflects strong uptake of Share Purchase Plan and Share Placement. Receipt of proceeds (net of costs) was $3.281M.
- Revenue above includes $246,867 received from R&D Tax refunds.
- There has been a delay in customer receipts – a further $45K was received in early January 2010, leaving a further $205K outstanding.
- In line with our previously announced strategy to accelerate commercialisation of our two key operating subsidiaries, cash was expended during the half year on inventory build for SunnyWipes and on product development of the new concept MetaMizer.
- Following our strategy of prudent financial management, debt was also reduced during the half year by $507K.
- The slightly higher loss for the half reflects a delay in securing sales in the professional market whilst the Company awaits critical regulatory approvals and a deliberate strategy to invest in the above mentioned commercialisation activities. The Directors are confident these investments will pay off in higher and more regular's sales revenue in the ensuing and following periods.

3. NTA backing

	Current period		Previous corresponding period	
Net tangible asset (liability) backing per ordinary security	$	0.002	$	0.000

4. Preliminary Half Year report - financial details

Additional Appendix 4D disclosure requirements can be found in the notes to this half-year financial reports and the Executive Chairman report attached thereto.

This report is based upon the consolidated half-year financial report which has been subject to a review by William Buck Chartered Accountants.

P. D. McPherson

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Mr Paul McPherson
(Executive Chairman)

Date: 22 February 2010

MediVac Limited
ABN 64 055 747 941

INTERIM FINANCIAL REPORT

ASX Half Year Information – 31 December 2009
Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 2009 Annual Report

MEDIVAC LIMITED

HALF YEAR REPORT FOR THE PERIOD ENDED 31 DECEMBER 2009

CONTENTS

This interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the annual report and annual financial statements for the year ended 30 June 2009 and any public announcements made by MediVac Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

MEDIVAC LIMITED

DIRECTORS' REPORT

Your directors submit their report for the half year ended 31 December 2009.

Directors

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

- Paul McPherson – Executive Chairman & Chief Executive Officer
- Stephen Copulos – Non-Executive Director
- John Evans – Non-Executive Director
- Nick Gatsios – Non-Executive Director
- Peter Steve – Executive Director

Principal Activities

MediVac is all about delivering cleaner, safer, healthcare solutions. MediVac Limited has three subsidiaries that operate principally in the healthcare industry.

Medivac Technology Pty Ltd is a healthcare technology company that delivers an integrated best practice solution to the handling and remediation of clinical and quarantine waste, resulting in lower costs, improved infection control and environmental benefits.

Diakyne Pty Ltd Limited has an item of intellectual property, TraceSmart, a novel diagnostic and research tool for use in the analysis of the elemental composition of fluids. Upon commercialisation (which is subject to the successful completion of research and development activities) it is expected to be able to analyse body fluids such as blood as an indicator of disease states.

SunnyWipes Pty Ltd has developed and is commercialising a range of cleaning / sanitizing / infection control products for a broad range of target markets. SunnyWipes are an all natural eco friendly range of hard surface wipes and hand sanitising solutions that assist in the increasing and urgent need for infection control. SunnyWipes products use no harsh chemicals, are made from natural products and are kind to the skin.

MEDIVAC LIMITED

DIRECTORS' REPORT (CONTINUED)

Review of Results and Operations

Key results arising from the Company's operations during the half year ending 31 December 2009 included:

- Higher cash reflects strong uptake of Share Purchase Plan and Share Placement. Receipt of proceeds (net of costs) was $3.281M.

- Revenue includes $246,867 received from R&D Tax refunds.

- Customer receipts reflect a delay in timing of receipts – a further $45,000 was received in early January 2010, leaving a further $205,000 outstanding.

- In line with our previously announced strategy to accelerate commercialisation of our two key operating subsidiaries, cash was expended during the half year on inventory build for SunnyWipes and on product development of the new concept MetaMizer.

- The slightly higher loss for the half reflects a delay in securing sales in the professional market whilst the Company awaits critical regulatory approvals and a deliberate strategy to invest in the above mentioned commercialisation activities. The Directors are confident these investments will pay off in higher and more regular's sales revenue in the ensuing and following periods.

- Following our strategy of prudent financial management, debt was also reduced during the half year by $507,000.

- The deferred consideration payment (issue of 113,250,000 MDV shares and $367,500 cash) for the acquisition of SunnyWipes will not be paid as the as the condition precedent in the Share Sale Agreement – SunnyWipes achieving target sales receipts of $3 million in cleared funds by December 31, 2009 – has not been met.

- No Interim Dividend has been or will be declared.

Specific achievements during the Half Year period included:

- Successful capital raisings to fund accelerated commercialisation / development of the Company's two core technologies – the MetaMizer & SunnyWipes.

- SunnyWipes has entered into an arrangement with leading FMCG (Fast Moving Consumer Goods) marketer Kimberly-Clark Australia to test market SunnyWipes hand sanitiser gel under the Kleenex Brand in 300 Priceline pharmacies nationally.

- SunnyWipes has successfully completed the first full commercial production runs of its Antibacterial Hand Sanitising Gels and Antimicrobial Wipes.

- SunnyWipes has lodged applications for TGA certification for its General Virucidal Wipes and Antimicrobial Gels to enable it to launch into domestic & global professional healthcare channels.

- SunnyWipes has continued its R & D Activities to leverage its unique IP into further line extensions / unique new products.

Review of Results and Operations (Continued)

- SunnyWipes has secured its first export order for its range of natural antibacterial hand sanitising gels and antimicrobial hard surface wipes.
- SunnyWipes has secured natural product licenses for its range of products from the Natural Health Products Directorate of Canada.
- Medivac Technology has accelerated its development of a new concept MetaMizer which will have significantly increased capacity and increased longevity.
- MediVac Technology has secured new Distributors – Relia Trading Ltd & Krisna Patient Care Systems India Pvt Ltd – for its MetaMizer range in Greece / Cyprus and India respectively.
- MediVac has broadened its range with the addition of the Ozonator, targeting large scale healthcare institutions and quarantine facilities.
- Appointment of a new Scientific Committee (SAC) to assist the group in commercialising its unique technologies.
- The Company has accelerated its focus on export markets – where it believes the majority of its revenue will originate – with participation in overseas Exhibitions.
- The Company has launched a new Web Site – www.medivac.com.au- emphasising its positioning as delivering cleaner, safer health care solutions.
- MediVac Limited is in a strong position to execute new sales opportunities in the forthcoming quarters across both its MediVac Technology and SunnyWipes businesses.

Outlook

The Directors believe that MediVac Limited is in a strong position to execute new sales opportunities in the forthcoming quarters across both its MediVac Technology and SunnyWipes businesses.

Statement Regarding Going Concern

The consolidated entity incurred a loss of $877,129 (2008: $806,242) for the 6 months to 31 December 2009, and a net cash outflow from operating activities of $1,773,733 (2008: $860,762 outflow).

Notwithstanding this, the Directors believe that the consolidated entity will be able to execute the strategies detailed below and, accordingly, have prepared the half year financial report on a going concern basis. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the half year financial report at 31 December 2009.

Accordingly, no adjustments have been made to the half year financial report relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities.

Over the course of the six month period covered by this Financial Report and the ensuing period to the date of signing of this report, the Company has continued to promote its product in the normal course of business and execute its broader market strategy as outlined in the operations report. These activities are wholly in line with the Company's business plan.

The Company's strategy is to accelerate its commercialisation of its MediVac Technology and SunnyWipes business units whilst still providing sufficient R & D resources behind these divisions to ensure they reach their full potential. The commercialisation of these business units present the Company with a potentially significant recurring revenue stream. Research and development will remain the primary focus within the Diakyne business. Across the Company, there will be a continuing rigid focus on cost containment.

The Directors believe that MediVac Limited is in a strong position to execute new sales opportunities in the forthcoming quarters across both its MediVac Technology and SunnyWipes businesses. They are assured there is adequate cash flow to pursue the Company's strategy providing a reasonable proportion of the sales targets are met.

The Directors continually review the Company's cash position and will explore additional sources of funding for the Company if required to do so. This is evident by the placement to sophisticated investors and the shareholder purchase plan which raised a total of $3,281M net of costs.

The Directors conclude that MediVac Limited remains a going concern as at the date of signing of this report.

Auditor's Independence

The review auditor's independence declaration under S307C of the Corporations Act 2001 is set out on Page 7.

This report is signed in accordance with a resolution of Directors.

P. D. McPherson

Paul McPherson
Executive Chairman

22 February, 2010

William Buck
Business Advisors
Chartered Accountants

Auditor’s Independence Declaration

To the Directors of MediVac Limited:

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2009, 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.

Yours faithfully

William Buck
Chartered Accountants

L.E. Tutt
Partner

Sydney, 22 February 2010

Praxity MEMBER
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MEDIVAC LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated	
		2009	**2008**
		$	**$**
Revenue	2	149,189	252,985
Interest income		12,936	56,912
Other income		259,347	23,310
		421,472	333,207
Cost of sales		120,759	186,258
Employee benefit expense	2	349,282	232,688
Depreciation and amortisation	2	98,201	46,520
Finance costs		74,117	37,381
Other expenses		656,242	636,602
		1,298,601	1,139,449
Loss before income tax		(877,129)	(806,242)
Income tax benefit		-	-
Loss after tax		(877,129)	(806,242)
Net loss attributable to members of the parent entity		**(877,129)**	**(806,242)**
Earnings Per Share:			
Basic (cents per share)		(0.093)	(0.11)
Diluted (cents per share)		(0.093)	(0.11)

The accompanying notes form part of these financial statements

MEDIVAC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	Note	Consolidated	
		As at 31 December 2009	**As at 30 June 2009**
ASSETS		**$**	**$**
Current Assets			
Cash and Cash Equivalents		1,458,460	366,153
Trade & Other Receivables		759,534	776,631
Inventories		902,523	174,470
Total Current Assets		**3,120,517**	**1,317,254**
Non Current Assets			
Property, Plant & Equipment		312,810	315,449
Intangible Assets		4,433,159	4,228,507
Total Non Current Assets		**4,745,969**	**4,543,956**
TOTAL ASSETS		**7,866,486**	**5,861,210**
LIABILITIES			
Current Liabilities			
Trade & Other Payables		500,400	517,970
Loans		573,884	586,842
Provisions		60,482	32,309
Total Current Liabilities		**1,134,766**	**1,137,121**
Non Current Liabilities			
Loans		549,553	945,843
Total Non Current Liabilities		**549,553**	**945,843**
TOTAL LIABILITIES		**1,684,319**	**2,082,964**
NET ASSETS		**6,182,168**	**3,778,246**
EQUITY			
Issued Capital	3	49,316,979	46,035,928
Reserves		80,950	443,936
Accumulated Losses		(43,215,761)	(42,701,618)
TOTAL EQUITY		**6,182,168**	**3,778,246**

The accompanying notes form part of these financial statements

MEDIVAC LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Consolidated	
	2009	**2008**
	$	$
Cash flows from operating activities		
Receipts from customers	166,286	389,382
Receipts from Government grant	259,347	93,938
Payments to suppliers and employees	(2,138,185)	(1,348,356)
Interest received	12,936	27,458
Interest paid	(74,117)	(23,184)
Net cash used in operating activities	(1,773,733)	(860,762)
Cash flows from investing activities		
Cash on acquisition of subsidiary	-	8,192
Payments for acquisition of subsidiary	-	(401,296)
Payment for property, plant and equipment	(5,763)	(19,931)
Net cash used in investing activities	(5,763)	(413,035)
Cash flows from financing activities		
Proceeds from issue of equity securities	3,369,000	-
Payment for share issue costs	(87,949)	-
Net Proceeds/(Repayment) of borrowings	(409,248)	(165,485)
Net cash provided by financing activities	2,871,803	(165,485)
Net increase (decrease) in cash held	1,092,307	(1,439,282)
Cash at beginning of the period	366,153	2,184,974
Cash at end of the period	1,458,460	745,692

The accompanying notes form part of these financial statements

MEDIVAC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

Consolidated	**Attributable to equity holders of the parent**			**Total Equity**
	Issued capital	*Accumulated losses*	*Other reserves*	
	$	*$*	*$*	*$*
1 July 2009	46,035,928	(42,701,618)	443,936	3,778,246
Shares issued – 5 Sep 2009	950,000	-	-	950,000
Shares issued – 21 Oct 2009	2,331,051	-	-	2,331,051
Expiration of share options	-	362,986	(362,986)	-
Loss for the period	-	(877,129)	-	(877,129)
31 December 2009	49,316,979	(43,215,761)	80,950	6,182,168

Consolidated	**Attributable to equity holders of the parent**			**Total Equity**
	Issued capital	*Accumulated losses*	*Other reserves*	
	$	*$*	*$*	*$*
1 July 2008	44,903,428	(41,581,185)	443,936	3,766,179
Shares issued – 4 Nov 2008	1,132,500	-	-	1,132,500
Loss for the period	-	(806,242)	-	(806,242)
31 December 2008	46,035,928	(42,387,426)	443,936	4,092,438

The accompanying notes form part of these financial statements

1 BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL REPORT

This general purpose financial report for the interim half-year ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting, other mandatory professional reporting requirements (Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act 2001.

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 30 June 2009 and any other public announcements made by MediVac Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies have been followed as those applied in the financial report for the year ended 30 June 2009, except for the adoption of the following new and revised accounting standards.

Accounting Standards not previously applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of income statement with statement of comprehensive income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- the adoption of the single statement approach to the presentation of the statement of comprehensive income;
- other financial statements are renamed in accordance with the Standard; and
- presentation of a third statement of financial position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

Operating Segments

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the statement of comprehensive income and statement of financial position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included.

As a result of the adoption of the revised AASB 8, certain cash-generating units have been redefined having regard to the requirements in AASB 136: Impairment of Assets.

1 BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL REPORT *(Continued)*

Business Combinations and Consolidation Procedures

Revised AASB 3 is applicable prospectively from 1 July 2009. Changes introduced by this Standard, or as a consequence of amendments to other Standards relating to business combinations which are expected to affect the Group, include the following:

- All business combinations, including those involving entities under common control, are accounted for by applying the acquisition method which prohibits the recognition of contingent liabilities of the acquiree at acquisition date that do not meet the definition of a liability. Costs incurred that relate to the business combination are expensed instead of comprising part of the goodwill acquired on consolidation. Changes in the fair value of contingent consideration payable are not regarded as measurement period adjustments and are recognised through profit or loss unless the change relates to circumstances which existed at acquisition date.
- Unrecognised deferred tax assets of the acquiree may be subsequently realised within 12 months of acquisition date on the basis of facts and circumstances existing at acquisition date with a consequential reduction in goodwill. All other deferred tax assets subsequently recognised are accounted for through profit or loss.
- The proportionate interest in losses attributable to non-controlling interests is assigned to non-controlling interests irrespective of whether this results in a deficit balance. Previously, losses causing a deficit to non-controlling interests were allocated to the parent entity.
- If the Group holds less than 100% of the equity interests in an acquiree and the business combination results in goodwill being recognised, the Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group elects which method to adopt for each acquisition.
- Where control of a subsidiary is lost, the balance of the remaining investment account shall be remeasured to fair value at the date that control is lost.

Revenue Recognition

Dividends received from a subsidiary, joint venture or associate shall be recognised as dividend revenue in the profit or loss irrespective of whether such dividends may have been paid out of pre-acquisition profits. Previously, such dividends were treated as a return of capital invested. Such dividends may be an indicator of impairment where the carrying amount of the investment exceeds the consolidated net assets relating to that investment or where the dividend exceeds the total comprehensive income of the respective investee in the period the dividend is declared.

1 BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL REPORT *(Continued)*

(a) Going Concern Basis

The consolidated entity incurred a loss of $877,129 (2008: $806,242) for the 6 months to 31 December 2009, and a net cash outflow from operating activities of $1,773,733 (2008: $860,762 outflow).

Notwithstanding this, the Directors believe that the consolidated entity will be able to execute the strategies detailed below and, accordingly, have prepared the half year financial report on a going concern basis. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the half year financial report at 31 December 2009.

Accordingly, no adjustments have been made to the half year financial report relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities.

Over the course of the six month period covered by this Financial Report and the ensuing period to the date of signing of this report, the Company has continued to promote its product in the normal course of business and execute its broader market strategy as outlined in the operations report. These activities are wholly in line with the Company's business plan.

The Company's strategy is to accelerate its commercialisation of its MediVac Technology and SunnyWipes business units whilst still providing sufficient R & D resources behind these divisions to ensure they reach their full potential. The commercialisation of these business units present the Company with a potentially significant recurring revenue stream. Research and development will remain the primary focus within the Diakyne business. Across the Company, there will be a continuing rigid focus on cost containment.

The Directors believe that MediVac Limited is in a strong position to execute new sales opportunities in the forthcoming quarters across both its MediVac Technology and SunnyWipes businesses. They are assured there is adequate cash flow to pursue the Company's strategy providing a reasonable proportion of the sales targets are met.

The Directors continually review the Company's cash position and will explore additional sources of funding for the Company if required to do so. This is evident by the placement to sophisticated investors and the shareholder purchase plan which raised a total of $3,281M net of costs.

The Directors conclude that MediVac Limited remains a going concern as at the date of signing of this report.

2 REVENUE AND EXPENSES

	Consolidated 2009 $	2008 $
Continuing operations		
Revenue from sales	149,189	252,985
	149,189	252,985
Expenses		
Employee benefits expense	349,282	232,688
Marketing	124,591	2,749
Accounting and legal	117,969	128,251
Depreciation and amortisation	98,201	46,520
Provision for Doubtful Debts	-	139,979

3 ISSUED CAPITAL

	Dec 09 $	Jun 09 $
Ordinary shares		
Issued and fully paid	49,316,979	46,035,928

Movements in ordinary shares on issue	Number	$
At 1 July 2009	783,128,286	46,035,928
Issued 5 Sep 2009	100,000,000	950,000
Issued 21 Oct 2009	236,900,000	2,331,051
	1,120,028,286	49,316,979

4 EARNINGS PER SHARE

	31 Dec 2009 Cents	31 Dec 2008 Cents
Basic earnings per share	(0.093)	(0.11)
Diluted earnings per share	(0.093)	(0.11)

Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	939,958,721	704,961,166

5 SEGMENT REPORTING

The Medivac Group operates within the healthcare sector and comprises of the following business units,

- Clinical waste management (being the Medivac Technology business)
- Scientific diagnostic (being the Diakyne business)
- Cleaning and infection control products (being the SunnyWipes business)

	Clinical Waste		Scientific Diagnostic		Cleaning and Infection Control		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenue								
Sales income	30,586	252,985	-	-	118,603	-	149,189	252,985
Other income	6	79	12,480	25,315	37,716	160	272,283	80,221
Total revenue	**30,592**	**253,064**	**12,480**	**25,315**	**156,319**	**160**	**421,472**	**333,206**
Expenses								
Cost of sales	(27,907)	(185,239)	-	-	(92,852)	(1,019)	(120,759)	(186,258)
Other expenses	(249,232)	(341,512)	(26,052)	(94,158)	(293,201)	(56,542)	(1,103,725)	(915,810)
Total expenses	**(277,139)**	**(526,751)**	**(26,052)**	**(94,158)**	**(386,053)**	**(57,561)**	**(1,224,484)**	**(1,102,068)**
Finance costs	(11,263)	(17,901)	-	-	(13,074)	(4,333)	(74,117)	(37,381)
Loss before tax	**(257,810)**	**(291,588)**	**(13,572)**	**(68,843)**	**(242,808)**	**(61,734)**	**(877,129)**	**(806,243)**
Income tax	-	-	-	-	-	-	-	-
Net Loss	**(257,810)**	**(291,588)**	**(13,572)**	**(68,843)**	**(242,808)**	**(61,734)**	**(877,129)**	**(806,243)**
Total Assets	814,036	441,741	498,115	666,678	1,050,507	191,866	7,866,486	5,880,073
Total Liabilities	(3,655,717)	(2,904,539)	212,876	(110,264)	(1,738,322)	(365,834)	(1,684,319)	(1,787,635)

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segments assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

6 RELATED PARTIES

Transactions with Key Management Personnel

(a) Resulting from the acquisition of SunnyWipes Pty Ltd in October 2008 the consolidated entity is liable for an existing loan with Eyeon Investments Pty Ltd, an entity associated with Director Stephen Copulos. The terms of the loan are as follows:

Purpose:	To assist with working capital
Loan:	$200,000
Interest Rate:	13% p.a. payable monthly
Term:	The original loan agreement expired on 18th September 2008 however Eyeon Investments Pty Ltd granted an extension of the loan until 18th January 2010. This has since again been extended until 31st March 2010.

(b) Medivac Ltd secured a $1,000,000 convertible note facility through CityWest Corp Pty Ltd, an entity associated with Director Stephen Copulos, to assist their working capital requirements. Medivac Ltd repaid $600,000 during the half year to reduce debt as there was sufficient cash raised in the shareholder purchase plan and share placement to sophisticated investors. The terms of the loan are as follows:

Purpose:	To assist with working capital
Loan:	$1,000,000 (reduced to $400,000 on 23rd Oct 2009)
Interest Rate:	15% p.a. payable monthly
Term:	The loan matures 17th April 2011

(c) In December 2007, the Group entered into an agreement with CGI Management Pty Ltd, a company associated with Director Stephen Copulos, for the provision of accounting and administration services to the Group. For the purposes of determining the remuneration to be paid under this agreement, the Company sought an alternative quote from an independent third party provider of such services. That quote proved to be higher than the quote provided by CGI Management. The Company considers, in light of the need to contain administration costs, that the agreement with CGI Management represents the most cost-effective means of obtaining these services. The agreement was reviewed after the acquisition of Sunnywipes and the agreement was increased to $120,000 from the previous fee being $100,000. The directors were pleased with the outcome as SunnyWipes was previously paying $30,000 for their administrative services. The agreement was again reviewed in November 2009 and increase by CPI to $125,000 per annum.

7 CONTINGENT ASSETS AND LIABILITIES

As at balance date the outcome of two (2) legal cases have been concluded:

The Court has ruled in the Company's favour that former director, Mr. Mark Butler is required to pay MediVac a net amount of $149,232 plus legal costs amounting to $60,348. The directors believe it is probable that the full amount will not be recovered due to Mr. Mark Butler personal finances and have raised a provision for a doubtful debt in the accounts at 30 June 2009.

The Court has also ruled in the Company's favour against former Director Mr. Paul Ralph and an entity associated with Mr. Ralph, Colorado Investments Pty Limited to recover a payment of $110,000 received by Colorado on 30 November 2007. The court has ruled Mr. Paul Ralph and Colorado are to pay interest of $17,212 and legal costs (yet to be fully assessed). The defendants to this action have lodged an Appeal – which was heard on February 10, 2010 - but Directors are confident that this will not be successful. Colorado has provided a security in the form of a Bank Guarantee for the Judgement Debt. The directors are confident the full balance, including costs, will be paid, hence have not raised a provision in the accounts.

8 SUBSEQUENT EVENTS

No subsequent events have occurred since balance date.

9 CAPITAL COMMITMENTS

The Group has no major capital commitments at the interim Balance Sheet date.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 8 to 18

(i) comply with accounting standard AASB134 Interim Financial Reporting and the Corporations Regulations 2001, and

(ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date; and

(b) there are reasonable grounds to believe that MediVac Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

P. D. McPherson

Paul McPherson
Executive Chairman

February 22, 2010

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of MediVac Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying consolidated half-year financial report of MediVac Limited, which comprises the condensed balance sheet as at 31 December 2009, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement, 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 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 company's financial position as at 31 December 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 MediVac 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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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 MediVac 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 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.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the conclusion expressed above, we draw attention to Note 1a in the half year financial report which indicates that during the half year ended 31 December 2009, the economic entity incurred a net loss of $877,129 (2008: loss of $806,242) and a net cash outflow from operating activities of $1,773,733 (2008: outflow of $860,762). These conditions, along with other matters as set forth in Note 1a, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

Yours faithfully

William Buck
Chartered Accountants

L.E. Tutt
Partner

Sydney, 22 February 2010