

QUARTERLY REVIEW

To be read in conjunction with Appendix 4C

FUNDING

During the quarter, the Company generated net operating cash outflows of \$342,000. Cash on hand at the end of the quarter was \$425,000.

CHINA COAL OPERATIONS

The Company has previously advised that Sino-Excel Energy Pte Ltd (formerly Sino-Excel Petroleum Holdings Pte Ltd) ["Sino-Excel"] is to list through a share exchange with Norwood Abbey Ltd.

During the quarter, due diligence commenced on the China operations and has progressed to the stage where primary legal and structural aspects are being addressed preparatory to finalisation of the Definitive Agreement. The draft Prospectus and Notice of Meeting have been prepared, now awaiting completion of the Investigating Accountant's Report and Independent Expert Report, which will proceed as soon as all legal and structural issues have been finalised.

Current indications suggest that the Company should be in a position to submit the proposal for shareholder approval during March/April 2010.

RESTRUCTURE PROGRESS

The company has continued its restructuring and debt reduction.

No further arrangements have been completed during the quarter. The needle-free injection system project and Norwood Immunology Ltd maintain their previous status as cash-neutral investments.

The US ophthalmic consulting group continued to seek buyers for the Eyecare project; no deal has yet been finalised.

Annual and half-year accounts are expected to be lodged during February 2010 upon completion of audit; re-quotation of the Company's shares is likely to occur only upon completion of the Sino-Excel transaction.

To find out more about the Norwood group, visit www.norwoodabbey.com

For further information please contact:

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

NORWOOD ABBEY LIMITED

ABN

20 085 162 456

Quarter ended ("current quarter")

31 December 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	-	13
1.2 Payments for (a) staff costs	(42)	(84)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(95)	(407)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
Other Income	-	-
Legal Expenses	(55)	(55)
Travel Expenses	(4)	(4)
Professional Fees	(146)	(146)
Net operating cash flows	(342)	(683)

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(342)	(683)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(342)	(683)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	550	850
1.18 Repayment of borrowings	-	(145)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	550	705
Net increase (decrease) in cash held	208	22
1.21 Cash at beginning of quarter/year to date	217	403
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	425	425

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	33
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	(a) Includes Directors Fees and reimbursement of expenses incurred on behalf of the company.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

None

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements - various	-	-

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	425	217
4.2	Deposits at call	-	-
4.3	Bank overdraft		
4.4	Other (provide details) Borrowings received – subject to shareholder approval at EGM		
Total: cash at end of quarter (item 1.23)		425	217

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here: ...Jeffrey Bell.....
(~~Director~~/Company secretary)

Date: 29 January 2010

Print name: ...Jeffrey Bell

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.