



TPL CORPORATION LIMITED



ABN 72 088 749 008

**INTERIM FINANCIAL REPORT
31 DECEMBER 2011**

CORPORATE DIRECTORY

Directors

Hugh Warner	Executive Chairman
James Pratt	Non-executive
Neil Hackett	Non-executive

Company Secretary

Neil Hackett

Auditors

Stantons International
Level 2
1 Walker Avenue
West Perth WA 6005

Bankers

Westpac Banking Corporation
109 St Georges Terrace
Perth WA 6000

Registered Office

Suite 6,
245 Churchill Avenue
Subiaco WA 6008
Telephone: +61 8 9217 3300
Facsimile: +61 8 9388 3006
Website: www.tplcorporation.com.au

Share Registry

Computershare Limited
Level 2
45 St Georges Terrace
Perth WA 6000

Investor Enquiries:	1300 557 010
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Stock Exchange Listing

Securities of TPL Corporation Limited are listed on the Australian Securities Exchange.

ASX Code: TPL

CONTENTS

Directors' Report	4
Auditor's Independence Declaration	5
Condensed Consolidated Statement of Comprehensive Income	6
Condensed Consolidated Statement of Financial Position	7
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Condensed Notes to the Financial Statements	10
Directors' Declaration	15
Independent Auditor's Review Report	16

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 2011 and any public announcements made by TPL Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**DIRECTORS' REPORT
31 December 2011**

Your directors submit the financial report of TPL Corporation Limited ("the Company") and its controlled entity (together, the "Consolidated Entity") for the half-year ended 31 December 2011.

Directors

The names of directors who held office during or since the end of the interim period to the date of this report are:

Hugh Warner
James Pratt
Neil Hackett
Mark Gunther (resigned 6 February 2012)

Directors were in office for this entire period unless otherwise stated.

Review of Operations

During the period, the Consolidated Entity:

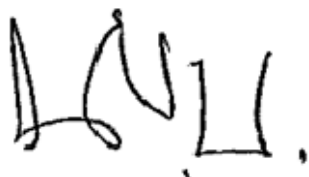
1. Focused on the exploration of the Canning Basin Coal tenure. Work included extensive desk top studies, and signing of four Native Title Heritage Protection Agreements (HPA) with the result that more than 90% of TPL's Canning Basin tenements are now covered by HPA's allowing clearance for on ground exploration through the 2012 exploration season.
2. Was granted twenty exploration licenses totaling 3,892 square kilometers in area within the Canning Basin, Western Australia.
3. Continued project generation involving the review of coal exploration opportunities; and
4. Ceased the activity of web based publications through the Total Hits website www.totalhits.com.au.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by Section 307C of the *Corporations Act 2001* is included on page 5.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



Hugh Warner
Executive Chairman

Perth
Date: 27 February 2012

27 February 2012

Board of Directors
TPL Corporation Limited
Suite 6, 245 Churchill Avenue
SUBIACO WA 6008

Dear Sirs

RE: TPL 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 TPL Corporation Limited.

As Review Director for the review of the financial statements of TPL Corporation Limited for the period ended 31 December 2011, 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 Faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(Authorised Audit Company)



John Van Dieren
Director

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 31 December 2011

	Note	Half-year 2011 \$	Half-year 2010 \$
Continuing operations			
Application fees	2	(2,650)	-
Directors' remuneration – cash		(101,578)	(89,265)
Directors' remuneration – share based payments	6	(92,283)	(136,496)
Company secretarial fees – share based payment		-	(40,000)
Project assessment costs		(170,378)	(48,871)
Publications		(20,000)	(34,498)
Impairment of capitalised exploration expenditure		(17,558)	-
Other administrative expenses – cash		(152,624)	(118,512)
Total expenses		(557,071)	(467,642)
Finance income		48,359	36,855
Loss before income tax		(508,712)	(430,787)
Income tax expense		-	-
Loss for the half-year		(508,712)	(430,787)
Other comprehensive income		-	-
Total comprehensive loss for the half-year		(508,712)	(430,787)
Basic and diluted loss per share (cents per share)	9	(0.09)	(0.09)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Note	31 December 2011 \$	30 June 2011 \$
Assets			
Current assets			
Cash and cash equivalents		2,307,635	1,451,249
Advances	2	53,140	186,596
Receivables		4,455	216,071
Prepayments		6,596	17,280
Total current assets		2,371,826	1,871,196
Non-current asset			
Exploration expenditure	3	1,018,314	626,757
Office and computer equipment		12,945	14,372
Total non-current assets		1,031,259	641,129
Total assets		3,403,085	2,512,325
Liabilities			
Current liabilities			
Trade and other payables		63,237	89,704
Provisions		19,734	15,566
Total current liabilities		82,971	105,270
Total liabilities		82,971	105,270
Net Assets		3,320,114	2,407,055
Equity			
Contributed equity	4	32,743,130	31,413,642
Share based payments reserve	6	732,984	640,701
Accumulated losses		(30,156,000)	(29,647,288)
Total Equity		3,320,114	2,407,055

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2011

	Issued capital	Option Premium Reserve	Share Based Payments Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2010	30,998,295	825	322,546	(28,730,975)	2,590,691
Total comprehensive income for half-year:					
Loss for half-year	-	-	-	(430,787)	(430,787)
Transactions with owners in their capacity as owners:					
Shares issued	50,000	-	-	-	50,000
Options exercised	330,000	-	-	-	330,000
Cost of issues	(5,478)	-	-	-	(5,478)
Share based payments	40,000	-	136,496	-	176,496
Transfer from option premium reserve	825	(825)	-	-	-
Total contributions by owners	415,347	(825)	136,496	(430,787)	120,231
Balance at 31 December 2010	31,413,642	-	459,042	(29,161,762)	2,710,922
Balance at 1 July 2011	31,413,642	-	640,701	(29,647,288)	2,407,055
Total comprehensive income for half-year:					
Loss for half-year	-	-	-	(508,712)	(508,712)
Transactions with owners in their capacity as owners:					
Shares issued	1,420,200	-	-	-	1,420,200
Cost of issues	(90,712)	-	-	-	(90,712)
Share based payments	-	-	92,283	-	92,283
Total contributions by owners	1,329,488	-	92,283	(508,712)	913,059
Balance at 31 December 2011	32,743,130	-	732,984	(30,156,000)	3,320,114

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2011

	Note	Half-year 2011 \$	Half-year 2010 \$
Cash flows from operating activities			
Payments to employees & suppliers		(264,388)	(295,464)
Exploration expenditure		(465,027)	(320,863)
Refund of licence application fees		209,772	-
Interest received		48,359	36,855
Net cash inflow (outflow) from operating activities		(471,284)	(579,472)
Cash flows from investing activities			
Acquisition of plant and equipment		(1,818)	(7,439)
Net cash inflow (outflow) from investing activities		(1,818)	(7,439)
Cash flows from financing activities			
Net proceeds from issues of shares		1,329,488	338,500
Net cash inflow (outflow) from financing activities		1,329,488	338,500
Net increase (decrease) in cash and cash equivalents		856,386	(248,411)
Cash and cash equivalents at beginning of the half-year		1,451,249	2,171,044
Cash and cash equivalents at end of the half-year		2,307,635	1,922,633

The above condensed consolidated statement of cash flow should be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

31 December 2011

1. Basis of preparation of half-year report

Statement of compliance

This general purpose financial report for the half-year reporting period ended 31 December 2011 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134 *Interim Financial Reporting*.

The half-year financial report does not include full disclosures 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 2011 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the annual report for the year ended 30 June 2011.

Basis of preparation

The financial statements are prepared on an accrual basis and are based on historical costs. No critical accounting estimates and/or assumptions have been made during the preparation of the financial report other than for share based payment transactions.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of the Company as at 31 December 2011 and the results of the subsidiary for the period then ended.

Canning Basin Coal Pty Ltd is the subsidiary over which the Company has the power to govern the financial and operating policies as the holder of all of the voting rights. The subsidiary is fully consolidated from the date of incorporation of the subsidiary and the issue on that date of its one share to the Company. Consolidation will cease from the date that control of the subsidiary ceases. Any and all intercompany transactions and balances between the Company and the subsidiary are eliminated on consolidation.

Adoption of new and revised accounting standards

In the half-year ended 31 December 2011, all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011 have been reviewed. It has been determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the operations of the Company and Consolidated Entity and, therefore, no change is necessary to the accounting policies.

Going Concern

The 31 December 2011 condensed interim financial report have 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 half year ended 31 December 2011, the Company recorded a loss of \$508,712 (2010: \$ 430,787) and had cash and cash equivalents of \$2,307,635 (June 2011: \$1,451,249).

In order to maintain the mineral tenements in which the Company is involved, the Company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted, which is \$2,185,000 (refer note 10).

The Company will require further funding during the 2012 and 2013 financial years in order to meet day to day obligations as they fall due and progress its exploration projects. Based on the Company's cash flow forecast the Board of Directors is aware of the Company's need to access additional working capital funds in the next 12 months to enable the Company to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due.

The Directors are aware that the Company has the option, if necessary to relinquish tenements in order to maintain its cash funds at appropriate levels. Based on these facts, the Directors consider the going concern basis of preparation to be appropriate for this financial report.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
31 December 2011

1. Basis of preparation of half-year report (continued)

Operating Segments

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 Consolidated Entity, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income and statement of financial position.

The Consolidated Entity has one geographic segment being Australia and operates in two industries being web based publications and the resources sector.

Exploration Expenditure

Exploration and evaluation expenditure incurred on granted exploration licences is accumulated in respect of each identifiable area of interest. These costs are carried forward where the rights to tenure of the area of interest are current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to any abandoned area will be written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review will be undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

2. Advances

Applications lodged with the Department of Petroleum and Mining for licences to explore for coal in the Canning Basin area of Western Australia include the application fees (which are expensed in the Statement of Comprehensive Income) and advances brought to account in the Statement of Financial Position. The advances are either applied to the annual rentals on grant of the licence (with GST applied thereto); or returned to Canning Basin Coal Pty Ltd if an application is not granted or withdrawn.

3. Exploration expenditure

	Half-year 2011	30 June 2011
	\$	\$
Opening Balance	626,757	-
Expenditure incurred		
- Canning Basin Coal	409,115	626,757
Impairment expensed		
- Canning Basin Coal	(17,558)	-
Closing balance	<u>1,018,314</u>	<u>626,757</u>

4. Issued Capital

Consolidated and Company	Half-year 2011		30 June 2011	
	Number of shares	\$	Number of shares	\$
Ordinary Shares				
Opening balance	526,076,382	31,413,642	487,451,382	30,998,295
Issues during the period				
Placements	78,900,000	1,420,200	3,125,000	50,000
Share based payment	-	-	2,500,000	40,000
Options exercised	-	-	33,000,000	330,000
Transfer from option premium reserve	-	-	-	825
Cost of issues	-	(90,712)	-	(5,478)
Closing balance	<u>604,976,382</u>	<u>32,743,130</u>	<u>526,076,382</u>	<u>31,413,642</u>

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
31 December 2011

5. Option premium reserve

	Half-year 2011		30 June 2011	
	No of options	\$	No of options	\$
Opening balance	7,000,000	-	40,000,000	825
Options exercised	-	-	(33,000,000)	(825)
Closing balance	7,000,000	-	7,000,000	-

6. Share based payments reserve

	Half-year 2011		30 June 2011	
	No of options	\$	No of options	\$
Opening balance	48,000,000	640,701	18,000,000	322,546
Options issued (director incentivisation)	-	92,283	30,000,000	318,155
Closing balance	48,000,000	732,984	48,000,000	640,701

In the prior period, 15,000,000 options exercisable at 3 cents and 15,000,000 options exercisable at 5 cents on or before 17 August 2015 were issued to the Managing Director, Mark Gunther, on 18 August 2010 following shareholder approval given on 19 July 2010.

The fair value of the options is determined using a Black Scholes model and applying the following assumptions:

Exercise price	3 cents	5 cents
No of options	15,000,000	15,000,000
Grant date	18 August 2010	18 August 2010
Vesting Conditions and Period	See the following terms and conditions but the time period (12 and 24 months from issue) is used for the valuation of the options.	
Expiry date	17 August 2015	17 August 2015
Share price at grant date	1.90 cents	1.9 cents
Risk-free interest rate	4.5%	4.5%
Volatility	140.26%	140.26%
Fair value at grant date	1.65 cents	1.58 cents

Other than the exercise price and the time period vesting condition, the options have the same terms and conditions and entitle the holder to subscribe for shares in the Company on the following terms and conditions:

- (a) each option gives the right to subscribe for one share on exercise of the options in accordance with the terms and conditions of the options.
- (b) The options expire at 5:00 pm (WST) five years from the date of issue on 17 August 2015.
 The options will not vest until the earlier of:
 - (i) the board of directors of the Company approving the commencement of a pre-feasibility study for the establishment of a minimum 100 million tonne JORC resource coal mine on the Company's Canning Basin Tenements; or
 - (ii) For the 3 cent options, 12 months from the date of issue of the options, and for the 5 cent options, 24 months from the date of issue of the options; or
 - (iii) an unconditional takeover offer being made for the Company which is recommended by the board of directors of the Company subject to a superior offer being made or such takeover offer reaches the compulsory acquisition thresholds prescribed by the Corporations Act; or
 - (iv) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with scheme for the reconstruction of the Company or its amalgamation with any other company or companies,

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
31 December 2011

6. Share based payment reserve (continued)

- (c) Subject to (b), the options may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (d) Subject to (b), the optionholder may exercise their options by lodging with the Company, before the expiry date:
 - (i) a written notice of exercise of options specifying the number of options being exercised; and
 - (ii) a cheque or electronic funds transfer for the exercise price for the number of options being exercised (exercise notice).
- (e) An exercise notice is only effective when the Company has received the full amount of the exercise price in cleared funds.
- (f) Within 10 business days of receipt of the exercise notice accompanied by the exercise price, the Company will allot the number of shares required under these terms and conditions in respect of the number of options specified in the exercise notice.
- (g) Subject to the vesting of the Options in accordance with (c) above, the options are transferable.
- (h) All shares allotted upon the exercise of options will upon allotment rank pari passu in all respects with other shares.
- (i) The Company will not apply for quotation of the options on ASX. However, The Company will apply for quotation of all shares allotted pursuant to the exercise of options on ASX within 10 business days after the date of allotment of those shares.
- (j) If at any time the issued capital of the Company is reconstructed, all rights of an optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) There are no participating rights or entitlements inherent in the options and the optionholder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 business days after the issue is announced. This will give optionholder the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue.
- (l) An option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised.

Nature and Purpose of Reserves

The option premium reserve arises pursuant to an issue of options for consideration pursuant to a capital raising. The share based payments reserve arises pursuant to an issue of shares or options as consideration for a service or an acquisition transaction.

7. Events occurring after the balance sheet date

On the 6 February 2012, Mark Gunther resigned as Managing Director of the Company. Upon his resignation, 15,000,000 options exercisable at \$0.05 were cancelled as they did not meet the vesting terms. The financial impact of cancelling these options is Share Based Payments Reserve and Accumulated Losses reducing by \$162,760.

8. Contingent Assets and Liabilities

There has been no change in contingent assets or liabilities since the last annual reporting date.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
31 December 2011

9. Loss Per Share

(a) Basic Loss Per Share

The calculation of basic consolidated loss per share for the 6 months ended 31 December 2011 was based on the consolidated loss of \$508,712 (2010: \$430,787) and the weighted number of shares on issue during the 31 December 2011 half-year of 573,673,665 (2010: 493,005,730).

(b) Diluted Loss Per Share

As the company has made a loss for the half year ended 31 December 2011, the options on issue have no dilutive effect, therefore diluted loss per share is equal to basic loss per share.

10. Commitments

Exploration and Expenditure Commitments

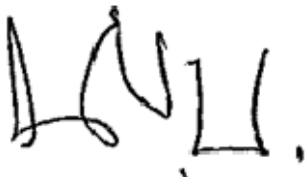
In order to maintain the mineral tenements in which the Company is involved, the Company is committed to fulfill the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure commitment requirement for the next year is \$2,185,000 (30 June 2011: \$1,127,766). These obligations are capable of being varied from time to time. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

DIRECTORS' DECLARATION

In the opinion of the directors of TPL Corporation Limited:

- (a) the financial statements and notes set out on pages 6 to 14 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2011 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) 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 is made in accordance with a resolution of the directors.



Hugh Warner
Executive Chairman

Perth
Date: 27 February 2012

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
TPL CORPORATION LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of TPL Corporation Limited, which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for TPL Corporation Limited (the consolidated entity). The consolidated entity comprises both TPL Corporation Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of TPL Corporation Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 half year 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 2011 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 TPL 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

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*, has been provided to the directors of TPL Corporation Limited on 27 February 2012.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd



John P Van Dieren
Director

West Perth, Western Australia
27 February 2012