

NORWOOD ABBEY LIMITED

RESULTS FOR ANNOUNCEMENT TO THE MARKET

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

		<u>Percentage change</u>		<u>\$</u>
Revenue from ordinary activities	down	0%	to	NIL
Loss from ordinary activities after tax attributable to members	down	45%	to	351,786
Loss from extraordinary items after tax attributable to members				NIL
Net loss for the period attributable to members	down	45%	to	351,786

<u>Dividends</u>	<u>Amount per security</u>	<u>Franked amount per security</u>
Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividend	Not applicable	

	<u>As at 31 Dec 10</u>	<u>As at 31 Dec 09</u>
Net Tangible Assets Per Security	(\$0.005)	(\$0.005)

Brief explanation of the figures reported above:

Earnings per share for the half-year ended 31 December 2010 is a loss of 0.08 cents (31 December 2009, a loss 0.17 cents).

For further explanation of the reported figures see the attached financial statements and Directors declaration, which has been subject to review by Norwood Abbey Limited independent auditors.

Details of controlled entities acquired or disposed of:

None.

Norwood Abbey Limited

ABN 20 085 162 456

Financial report for the half-year ended 31 December 2010

Financial report for the half-year ended 31 December 2010

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Directors' report

The directors of Norwood Abbey Limited submit herewith the financial report for the half-year ended 31 December 2010. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

Name

Mr. S. Chan	Chairman aged 62, joined the Board on 29 September 2009 in a non-executive capacity.
Mr. R. Boman	Aged 42, joined the Board on 4 November 2009 in a non-executive capacity.
Mr. L. Peng	Aged 30, joined the Board on 29 September 2009 in a non-executive capacity.
Mr. C.H. Wong	Aged 63, joined the Board on 22 November 2010 in a non-executive capacity.
Mr. R.S. Lewis	Aged 64, joined the Board in 1999 in a non-executive capacity until his resignation on 16 November 2010.

Review of operations

During the half-year the consolidated entity continued to focus on rationalisation of its operations. The following highlight the key events during and since the end of this period:

On 14 September 2009, Norwood Abbey Limited announced it had entered into a Letter of Intent ("LOI") with Sino-Excel Energy Pte Ltd ("Sino-Excel") and Henan DeBang Resources Development Co. Ltd ("DB") under which Norwood Abbey Limited will acquire a 100% interest in Sino-Excel. Sino-Excel owns 100% of DB. On completion of the transaction DB will hold management rights over an established and significant coal trading operation in Henan Province in the Peoples' Republic of China.

Under the terms of the LOI, the transaction will be satisfied by the issue of shares in Norwood to the shareholders in Sino-Excel, based on an agreed transaction price of \$0.017 per Norwood share. The indicative transaction value is \$60,000,000. All the conditions required to be met prior to completion of the transaction have been met by the parties and the Notice of Meeting is expected to be delivered to Norwood shareholders prior to the end of April 2011 with a meeting date for shareholder approval of the proposed transaction expected to be held in late May 2011.

In line with the Board's plan to minimise the consolidated entity's ongoing costs pending the identification of new activities each of the consolidated entity's project costs have been maintained as close to cash neutral as possible.

Norwood Abbey Limited continues to be the largest shareholder in Norwood Immunology Ltd ("NIM") with 48.6 million shares representing a 26% holding.

Auditor's independence declaration

The auditor's independence declaration is included on page 3 of the half-year financial report

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



S. Chan
Chairman

Singapore, 14 April 2011.

The Board of Directors
Norwood Abbey Limited
C/- Level 23
525 Collins Street
Melbourne VIC 3000

14 April 2011

Dear Board Members

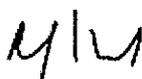
Norwood Abbey Limited

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

As lead audit partner for the review of the financial statements of Norwood Abbey Limited for the half year ended 31 December 2010, 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



Rod Whitehead
Partner
Chartered Accountants

Independent Auditor's Review Report to the members of Norwood Abbey Limited

We have reviewed the accompanying half-year financial report of Norwood Abbey Limited, which comprises the condensed statement of financial position as at 31 December 2010, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 12.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 2010 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 Norwood Abbey 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.

Auditor's Independence Declaration

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*, which has been given to the directors of Norwood Abbey Limited, would be in the same terms if given to the directors as at the time 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 Norwood Abbey 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 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusions, we draw attention to Note 1 in the financial report which indicates that the consolidated entity incurred a net loss of \$351,786 during the half-year ended 31 December 2010 and, as of that date, the consolidated entity's liabilities exceeded its total assets by \$2,373,079. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and 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.

Debita Joule Johnson
DELOITTE TOUCHE TOHMATSU

M/W

Rod Whitehead
Partner
Chartered Accountants
Hobart, 14 April 2011

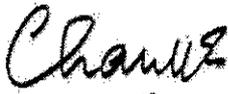
Directors' declaration

The directors declare that:

- (a) in the directors' opinion, on the basis of the matters referred to in note 1, there are reasonable grounds to believe that the disclosing entity will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the Directors



S. Chan
Chairman

Singapore, 14 April 2011.

Condensed consolidated statement of comprehensive income for the half-year ended 31 December 2010

	Consolidated	
	Half-Year Ended 31 Dec 10	Half-Year Ended 31 Dec 09
	\$	\$
<i>Continuing operations:</i>		
Revenue	-	-
Cost of sales	-	-
<i>Gross profit</i>	-	-
Other revenue	81,515	(186,868)
Distribution expenses	(562)	(1,597)
Marketing expenses	(8,993)	(10,449)
Occupancy expenses	-	(5,738)
Administration expenses	(369,954)	(431,760)
Finance costs	(31,275)	(2,588)
Other expenses	(22,517)	-
Loss before income tax expense	(351,786)	(639,000)
Income tax expense	-	-
Loss for the period	(351,786)	(639,000)
Other comprehensive income	-	-
Total comprehensive loss for the period	(351,786)	(639,000)
Earnings per share:		
From continuing operations:		
Basic and diluted (cents per share)	(0.08)	(0.17)

Notes to the financial statements are included on pages 11 to12.

Condensed consolidated statement of financial position as at 31 December 2010

	Consolidated	
	31 Dec 10 \$	30 Jun 10 \$
Current assets		
Cash and cash equivalents	90,149	26,287
Trade and other receivables	65,182	74,903
Total current assets	155,331	101,190
Non-current assets		
Other financial assets	695,534	695,439
Total non-current assets	695,534	695,439
Total assets	850,865	796,629
Current liabilities		
Trade and other payables	1,401,426	1,355,974
Financial liabilities	1,735,641	1,390,033
Provisions	86,877	71,915
Total current liabilities	3,223,944	2,817,922
Total liabilities	3,223,944	2,817,922
Net assets/(deficiency)	(2,373,079)	(2,021,293)
Equity		
Issued capital	106,729,488	106,729,488
Accumulated losses	(112,790,275)	(112,438,489)
Reserves	3,687,708	3,687,708
Total equity/(deficiency)	(2,373,079)	(2,021,293)

Notes to the financial statements are included on pages 11 to 12.

Condensed consolidated statement of changes in equity for the half-year ended 31 December 2010

\$	Issued Capital	Accumulated losses	Equity settled benefits reserve	Total
Balance at 1 July 2009	106,467,701	(111,504,556)	3,687,708	(1,349,147)
Loss for the period	-	(639,000)	-	(639,000)
Balance as at 31 December 2009	106,467,701	(112,143,556)	3,687,708	(1,988,147)
Balance at 1 July 2010	106,729,488	(112,438,489)	3,687,708	(2,021,293)
Loss for the period	-	(351,786)	-	(351,786)
Balance as at 31 December 2010	106,729,488	(112,790,275)	3,687,708	(2,373,079)

Notes to the financial statements are included on pages 11 to 12.

Condensed consolidated statement of cash flows for the half-year ended 31 December 2010

	Consolidated	
	Half-Year Ended 31 Dec 10 \$	Half-Year Ended 31 Dec 09 \$
Cash flows from operating activities		
Payments to suppliers and employees	(284,548)	(675,062)
Interest and other costs of finance paid	(1,590)	(2,588)
Net cash used in operating activities	(286,138)	(677,650)
Cash flows from investing activities		
Net cash provided by investing activities	-	-
Cash flows from financing activities		
Proceeds from borrowings	350,000	850,000
Repayment of borrowings	-	(145,000)
Net cash provided by financing activities	350,000	705,000
Net increase in cash and cash equivalents	63,862	27,350
Cash and cash equivalents at the beginning of the half-year	26,287	397,911
Cash and cash equivalents at the end of the half-year	90,149	425,261

Notes to the financial statements are included on pages 11 to 12.

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2010

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2010 annual financial report for the financial year ended 30 June 2010.

In the current period the consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2010. The adoption of these new and revised Standards and Interpretations has not resulted in changes to the consolidated entity's policies.

New and revised Standards and Interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvement Process
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project
- Conceptual Framework – Chapter 1: The objective of general purpose financial reporting and Chapter 3: Qualitative characteristics of useful financial information

Going concern basis

As at 31 December 2010 the consolidated entity had accumulated losses of \$112,790,275 and incurred negative cash flows from operations of \$286,138, and had a deficiency of assets of \$2,373,079.

Whilst the consolidated entity does not have sufficient cash resources to fund its current level of activities for at least the next 12 months, and there are uncertainties as to the exact timing and form of additional fund raising, the directors have a reasonable expectation that they can raise additional cash resources during the period for this purpose. These financial statements have therefore been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Directors believe the going concern basis of preparation to be appropriate given the following reasons:

During the half-year ended 31 December 2010, the company raised an additional \$350,000 through the issue of additional convertible notes. Since the end of the 2010 financial year an extension of the term of these notes was negotiated and these notes now expire on completion of the transaction with Sino-Excel Energy Pte Ltd. Since the end of the half-year, the company has raised an additional \$200,000 through a series of additional convertible notes.

On 14 September 2009, Norwood Abbey Limited announced it had entered into a Letter of Intent ("LOI") with Sino-Excel Energy Pte Ltd ("Sino-Excel") and Henan DeBang Resources Development Co. Ltd ("DB") under which Norwood Abbey Limited will acquire a 100% interest in Sino-Excel. Sino-Excel owns 100% of DB. On completion of the transaction, DB will hold management rights over an established and significant coal trading operation in Henan Province in the Peoples' Republic of China.

1. Significant accounting policies

Going concern basis (cont'd)

Under the terms of the LOI, the transaction will be satisfied by the issue of shares in Norwood to the shareholders in Sino-Excel, based on an agreed transaction price of \$0.017 per Norwood share. The indicative transaction value is \$60,000,000. All the conditions required to be met prior to completion of the transaction have been met by the parties and the Notice of Meeting is expected to be delivered to Norwood shareholders prior to the end of April 2011 with a meeting date for shareholder approval of the proposed transaction expected to be held in late May 2011.

Subject to completion of the transaction with Sino-Excel a proposed substantial fundraising to raise a minimum of \$2,500,000 will be completed to recapitalise the company and provide funding for ongoing working capital and expansion of the Sino-Excel coal trading businesses. This fundraising is expected to be completed contemporaneously with the Sino-Excel transaction.

In the event that the consolidated entity is unable to raise sufficient funds as set out above or complete the proposed transaction with Sino-Excel, there is significant uncertainty whether the consolidated entity could continue as a going concern. If the consolidated entity is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

2. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

NAL has one reportable segment under AASB 8 "Operating Segments" being medical technology sales.

3. Issuance of debt securities

During the half-year reporting period, Norwood Abbey entered into an additional placement and loan agreement with independent third parties which resulted in the issue of \$350,000 of convertible notes. At 31 December 2010, the value of the convertible notes on issue was \$1,735,641 (30 June 2010: \$1,390,033).

4. Contingencies and commitments

There has been no change in contingent liabilities since the Annual Report date.

5. Subsequent events

On 4 February 2011, Norwood Abbey Limited announced that Mr. David Semmens had been appointed as joint company secretary.

On 28 February 2011, the company entered into an agreement with Lettered Management Pty Ltd to extend the convertible note arrangements between the parties to 31 May 2011. In consideration for the extension Norwood Abbey has agreed to issue an additional 7,500,000 shares and alter the terms of the convertible notes such that on conversion of the notes the options to be granted will have an expiry date of 30 June 2014.

On 28 February 2011, the company issued convertible notes to Mr. Zhou, an investor based in Hong Kong, for \$960,900. These funds were used to immediately redeem notes issued to Marvel Eam Limited. On 1 March 2011, Mr Zhou converted these notes into 96,090,000 fully paid ordinary shares and 96,090,000 options over fully paid ordinary shares were granted with an exercise price of \$0.01 per share expiring 30 June 2014.

A commercial settlement deed has been reached with the former Norwood Abbey Limited Chairman Mr. Peter Hansen to extend the time for payment of the amounts owing to him under the terms of the settlement agreement originally entered into in September 2007 to 31 July 2011. Under the terms of the extended agreement, Norwood Abbey Limited is obligated to make cash payments totaling \$676,519 for various employee entitlements, reimbursement of expenses and separation payments. Norwood Abbey Limited must also issue a further 10,000,000 fully paid ordinary shares at \$0.01 per share.