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## HALF YEAR REPORT

31 December 2007

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THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE  
30 JUNE 2007 ANNUAL REPORT OF THE COMPANY

[www.orionequities.com.au](http://www.orionequities.com.au)

ASX Code: OEQ

ORION EQUITIES LIMITED

A.B.N. 77 000 742 843



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**CORPORATE DIRECTORY****BOARD**

Farooq Khan	(Chairman)
William M. Johnson	(Director)
Victor P. H. Ho	(Director)
Yaqoob Khan	(Director)

**COMPANY SECRETARY**

Victor P. H. Ho

**PRINCIPAL & REGISTERED OFFICE**

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221 St Georges Terrace  
Perth Western Australia 6000

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**SHARE REGISTRY**

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110 Stirling Highway  
Nedlands Western Australia 6009

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Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

Website: [www.asrshareholders.com](http://www.asrshareholders.com)

**STOCK EXCHANGE**

Australian Securities Exchange  
Perth, Western Australia

**ASX CODE**

OEQ

**AUDITOR**

BDO Kendalls Audit & Assurance (WA) Pty Ltd  
128 Hay Street  
Subiaco, Western Australia 6008

Telephone: (08) 9380 8400

Facsimile: (08) 9380 8499

Website: [www.bdo.com.au](http://www.bdo.com.au)

## APPENDIX 4D HALF YEAR REPORT

This Half Year Report is provided to the Australian Securities Exchange (**ASX**) under ASX Listing Rule 4.2A.3

Current Reporting Period: 1 July 2007 to 31 December 2007

Previous Corresponding Period: 1 July 2006 to 31 December 2006

Balance Date: 31 December 2007

Company: Orion Equities Limited (**OEQ**)

Consolidated Entity: OEQ and controlled entities:

- (1) Silver Sands Developments Pty Ltd (ACN 094 097 122), a wholly owned subsidiary;
- (2) Central Exchange Mining Ltd (ACN 119 438 265), a wholly owned subsidiary;
- (3) Koorian Olives Pty Ltd (ACN 120 616 891) incorporated in Western Australia on 7 July 2006, a wholly owned subsidiary;
- (4) Orion Indo Operations Pty Ltd (ACN 124 702 245) incorporated in Western Australia on 30 March 2007, a wholly owned subsidiary;
- (5) PT Orion Indo Mining, incorporated in Indonesia on 4 April 2007, 100% beneficially owned by Orion Indo Operations Pty Ltd.

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

Consolidated Entity	Dec 2007 \$	Dec 2006 \$	% Change	Up / Down
Total revenues	1,581,794	9,679,531	84%	Down
Total expenses	(1,544,659)	(820,911)	88%	Up
<b>Profit before tax</b>	37,135	8,858,620	100%	Down
Income tax benefit/(expense)	644,257	(3,277,961)	120%	Down
<b>Profit after tax attributable to members</b>	681,392	5,580,659	88%	Down
Basic and diluted earnings per share (cents)	3.82	31.33	88%	Down
Pre-tax NTA backing per share	\$2.173	\$2.223	2%	Down
Post-tax NTA backing per share	\$1.949	\$1.931	1%	Up

## APPENDIX 4D HALF YEAR REPORT

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### Brief Explanation of Results

The Consolidated Entity reported a net profit during the current reporting period of \$37,135 (pre tax) (December 2006: \$8,858,620) and \$681,392 (after tax) (December 2006: \$5,580,659).

Total revenues of \$1,581,794 (Dec 2006: \$9,679,532) include:

- (1) \$1,124,812 net profit from the Company's share trading portfolio (Dec 2006: \$8,497,074), which comprises:
  - (a) \$498,111 unrealised losses on securities (Dec 2006: \$6,646,730 unrealised gains);
  - (b) \$1,555,653 realised gains on securities (Dec 2006: \$1,764,273);
  - (c) \$67,270 dividend income (Dec 2006: \$86,071);
- (2) \$852,796 share of Associate entities' net losses (Dec 2006: \$823,229 net profits), comprising:
  - (a) \$186,164 net losses attributable to ASX listed Bentley International Limited (**BEL**);
  - (b) \$666,632 net losses attributable to ASX listed Scarborough Equities Limited ("**SCB**");
- (3) \$255,124 dividend income received from Associate entities (Dec 2006: \$237,553), comprising:
  - (a) \$112,760 fully franked dividends attributable to BEL;
  - (b) \$142,364 fully franked dividends attributable to SCB;
- (4) \$1,022,800 income from olive grove operations (Dec 2006: \$Nil).

Total expenses of \$1,544,659 (Dec 2006: \$820,911) include:

- (1) \$942,657 olive grove operations (Dec 2006: \$268,357);
- (2) \$13,069 exploration and evaluation expenses (Dec 2006: \$79,988);
- (3) \$308,909 personnel costs (including Directors' fees) (Dec 2006: \$242,539);
- (4) \$27,922 brokerage fees (Dec 2006: \$37,588).

Please also refer to the balance of this Half Year Report.

### Dividends

The Company will be paying an interim dividend as follows:

Dividend Rate	Record Date	Expected Payment Date	Franking	Total Dividends Payable
1.5 cents per share	22 March 2008	29 March 2008	Fully franked	\$267,216

As the Consolidated Entity earned a net profit of \$681,392 for the half year (below the cost of the dividends payable), this interim dividend is also sourced from the Company's retained earnings of \$15,140,494 as at 31 December 2007 and is consistent with the Company's objective to provide a regular and stable dividend payment to shareholders.

## APPENDIX 4D HALF YEAR REPORT

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### Associates

The Company has accounted for the following investments at Balance Date as investments in an Associate entity (on an equity accounting basis):

- (1) 28.5% interest in ASX listed Scarborough Equities Limited (**SCB**);
- (2) 28.8% interest in ASX listed Bentley International Limited (**BEL**).

The following entity became an Associate entity during the half year:

- (1) AquaVerde Holdings Pty Ltd (ACN 128 938 090) incorporated in Western Australia on 17 December 2007, 50% owned by wholly owned subsidiary, Silver Sands Developments Pty Ltd.

For and on behalf of the Directors,



Date: 29 February 2008

Victor Ho  
Executive Director and Company Secretary  
Telephone: (08) 9214 9797  
Email: info@orionequities.com.au

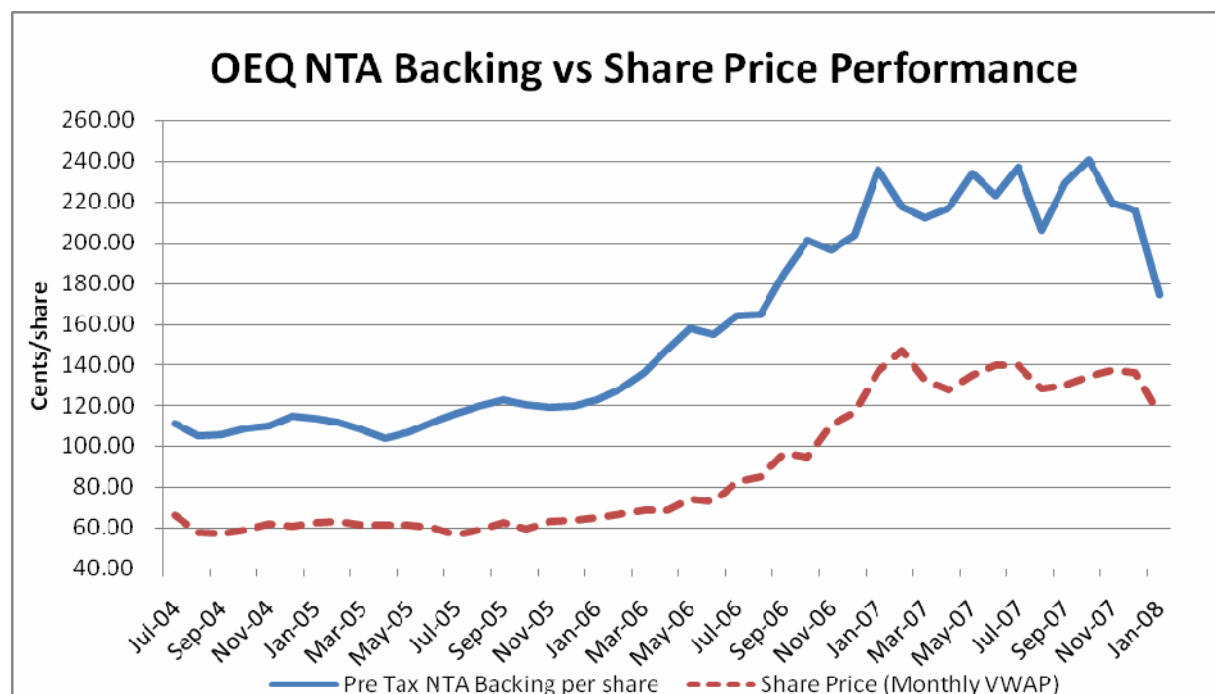
## COMPANY PERFORMANCE

Orion Equities Limited is an investment company (**LIC**) listed on the Australian Securities Exchange (**ASX**) (under ASX Code: **OEQ**).

At 31 December 2007, OEQ had a market capitalisation of \$23.34 million (at \$1.31 per share), net assets of \$34.98 million (at \$1.949 after tax NTA backing per share), 17,814,389 fully paid ordinary shares on issue, and 760 shareholders on its share register (31 December 2006: \$21.47 million market capitalisation (at \$1.205 per share), net assets of \$34.6 million (at \$1.931 cents after tax NTA backing per share), 17,814,389 shares on issue, and 820 shareholders).

The Company has paid regular dividends since becoming an LIC in 2004, including an interim fully franked dividend of 1.5 cents per share for the half year ended 31 December 2007:

Dividend Rate per share	Record Date	Payment Date	Franking	Total Dividends Paid/Payable
1.5 cents	22 March 2008	29 March 2008	Fully franked	\$267,216
2 cents	17 September 2007	21 September 2007	Fully franked	\$356,288
1.5 cents	8 March 2007	15 March 2007	Fully franked	\$267,216
3.0 cents	12 October 2006	19 October 2006	Fully franked	\$534,432
1.5 cent	31 March 2006	7 April 2006	Fully franked	\$267,216
1.5 cent	30 September 2005	13 October 2005	Fully franked	\$267,216
5 cents	6 July 2004	9 July 2004	60% franked	\$861,000



**VWAP** = volume weighted average OEQ price for the month;

**NTA** = net tangible asset backing at month end

Source: IRESS

## DIRECTORS' REPORT

The Directors present their report on Orion Equities Limited (**Company** or **Orion Equities** or **OEQ**) and its controlled entities (the **Consolidated Entity**) for the half year ended 31 December 2007 (**Balance Date**).

Orion Equities is a company limited by shares that is incorporated and domiciled in Australia and has been listed on the Australian Securities Exchange (**ASX**) since November 1970.

Orion Equities has prepared a consolidated financial report incorporating the entities that it controlled during the financial half year. Controlled wholly owned entities are:

- (1) Silver Sands Developments Pty Ltd (ACN 094 097 122), a wholly owned subsidiary;
- (2) Central Exchange Mining Ltd (ACN 119 438 265), a wholly owned subsidiary;
- (3) Koorian Olives Pty Ltd (ACN 120 616 891) (formerly OEQO Pty Ltd) incorporated in Western Australia on 7 July 2006, a wholly owned subsidiary;
- (4) Orion Indo Operations Pty Ltd (ACN 124 702 245) incorporated in Western Australia on 30 March 2007, a wholly owned subsidiary;
- (5) PT Orion Indo Mining, incorporated in Indonesia on 4 April 2007, 100% beneficially owned by Orion Indo Operations Pty Ltd.

Orion Equities has accounted for the following investments at Balance Date as investments in an Associate entity (on an equity accounting basis):

- (1) 28.5% interest in ASX listed Scarborough Equities Limited (**SCB**) (30 June 2007: 28.2%);
- (2) 28.8% interest in ASX listed Bentley International Limited (**BEL**) (30 June 2007: 28.4%)
- (3) 50% interest in AquaVerde Holdings Pty Ltd (incorporated in Western Australia on 17 December 2007) held by wholly owned subsidiary, Silver Sands Developments Pty Ltd.

## OPERATING RESULTS

<b>Consolidated</b>	<b>Dec 2007</b>	<b>Dec 2006</b>
	<b>\$</b>	<b>\$</b>
Total revenues	1,581,794	9,679,531
Total expenses	(1,544,659)	(820,911)
<b>Profit before tax</b>	37,135	8,858,620
Income tax benefit/(expense)	644,257	(3,277,961)
<b>Profit after tax</b>	<b>681,392</b>	<b>5,580,659</b>

Total revenues of \$1,581,794 (Dec 2006: \$9,679,532) include:

- (1) \$1,124,812 net profit from the Company's share trading portfolio (Dec 2006: \$8,497,074), which comprises:
  - (a) \$498,111 unrealised losses on securities (Dec 2006: \$6,646,730 unrealised gains);
  - (b) \$1,555,653 realised gains on securities (Dec 2006: \$1,764,273);
  - (c) \$67,270 dividend income (Dec 2006: \$86,071);
- (2) \$852,796 share of Associate entities' net losses (Dec 2006: \$823,229 net profits), comprising:
  - (a) \$186,164 net losses attributable to BEL;
  - (b) \$666,632 net losses attributable to SCB;

## DIRECTORS' REPORT

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- (3) \$255,124 dividend income received from Associate entities (Dec 2006: \$237,553), comprising:
- (a) \$112,760 fully franked dividends attributable to BEL;
  - (b) \$142,364 fully franked dividends attributable to SCB;
- (4) \$1,022,800 income from olive grove operations (Dec 2006: \$Nil).

Total expenses of \$1,544,659 (Dec 2006: \$820,911) include:

- (1) \$942,657 olive grove operations (Dec 2006: \$268,357);
- (2) \$13,069 exploration and evaluation expenses (Dec 2006: \$79,988);
- (3) \$308,909 personnel costs (including Directors' fees) (Dec 2006: \$242,539);
- (4) \$27,922 brokerage fees (Dec 2006: \$37,588).

## EARNINGS PER SHARE

Consolidated Entity	Dec 2007	Dec 2006
Basic and diluted earnings per share (cents)	3.82	31.33
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	17,814,389	17,814,389

## FINANCIAL POSITION

Consolidated	Dec 2007 \$	Jun 2007 \$
Cash	838,985	1,620,198
Current investments - shares	20,144,475	20,935,654
Non-current investments - shares	-	-
Investments - listed Associate entities	11,041,863	11,639,535
Inventory	3,821,038	4,467,902
Receivables	106,727	167,201
Resource projects	815,169	-
Other assets	2,637,455	2,670,395
	39,405,712	41,500,885
Tax liabilities	(3,987,739)	(5,195,589)
Other payables and liabilities	(442,556)	(1,654,983)
Net assets	34,975,417	34,650,313
Contributed Equity	19,374,007	19,374,007
Retained Earnings	15,601,410	15,276,306
Total Equity	34,975,417	34,650,313

## DIRECTORS' REPORT

### NET TANGIBLE ASSET BACKING

Consolidated	Dec 2007 \$	Jun 2007 \$
Net tangible assets (before tax)	38,713,156	39,595,902
<b>Pre-Tax NTA Backing per share</b>	<b>2.173</b>	<b>2.223</b>
Less: Provision for tax	(3,987,739)	(5,195,589)
Net tangible assets (after tax)	34,725,417	34,400,313
<b>Post-tax NTA Backing per share</b>	<b>1.949</b>	<b>1.931</b>
Based on total issued share capital	17,814,389	17,814,389

### Dividends

The Company will be paying an interim dividend as follows:

Dividend Rate	Record Date	Expected Payment Date	Franking	Total Dividends Payable
1.5 cents per share	22 March 2008	29 March 2008	Fully franked	\$267,216

As the Consolidated Entity earned a net profit of \$220,476 for the half year (below the cost of the dividends payable), this interim dividend is also sourced from the Company's retained earnings of \$15,140,494 as at 31 December 2007 and is consistent with the Company's objective to provide a regular and stable dividend payment to shareholders.

#### Dividend Policy

It is the objective of the Company to provide a regular and stable dividend payment to shareholders after the announcement of its half year and full year operating results. These results are normally announced in February and August each year and the Company will endeavour to announce its dividend payments at this time.

The Company intends to distribute annually to shareholders up to 50% of the available net profits arising from the dividend, interest and other income it receives from its investments and the gains on its investments, to the extent permitted by law and subject to prudent business practices. Dividends will be franked to the extent that available franking credits permit and in accordance with the stated objective of providing 2 dividend payments a year.

### SECURITIES IN THE COMPANY

At Balance Date and as at the date of this Directors' Report, the Company has 17,814,389 fully paid ordinary shares on issue (31 December 2006: 17,814,389). All such shares are listed on ASX. The Company has no other securities on issue.

# DIRECTORS' REPORT

## REVIEW OF OPERATIONS

### 1. Portfolio Details As At 31 December 2007

#### Asset Weighting

	<u>% of Net Assets</u>
Australian equities	77%
International equities <sup>1</sup>	13%
Property held for development and resale	11%
Koorian Olives <sup>2</sup>	8%
Tax liabilities (current year and deferred)	-12%
Net cash/other assets and provisions	<u>3%</u>
<b>TOTAL</b>	<u>100%</u>

#### Top 20 Listed Equity Holdings

Equities	Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
1. Strike Resources Limited	13.16	38.1%	SRK	Materials
2. Scarborough Equities Limited <sup>3</sup>	5.68	16.5%	SCB	Diversified Financials
3. Bentley International Limited <sup>3</sup>	4.35	12.6%	BEL	Diversified Financials
4. Alara Uranium Limited	1.52	4.4%	AUQ	Energy
5. Oilex NL	1.49	4.3%	OEX	Energy
6. Katana Capital Limited	1.36	3.9%	KAT	Diversified Financials
7. BHP Billiton Limited	0.60	1.7%	BHP	Materials
8. Bell Financial Group Limited	0.53	1.5%	BFG	Diversified Financials
9. Logicamms Limited	0.26	0.8%	LCM	Capital Goods
10. Woodside Petroleum Ltd.	0.21	0.6%	WPL	Energy
11. Jabiru Metals Limited	0.19	0.6%	JML	Materials
12. Cooper Energy Limited	0.16	0.5%	COE	Energy
13. Chemrok Pty Ltd	0.16	0.5%	Unlisted	Materials
14. Global Construction Services Limited	0.08	0.2%	GCS	Capital Goods
15. Malagasy Minerals Limited	0.08	0.2%	Unlisted	Materials
16. Magma Metals Limited	0.07	0.2%	MMB	Materials
17. Telstra Corporations Limited	0.07	0.2%	TLSCA	Telecommunications
18. Elixir Petroleum	0.05	0.1%	EXR	Energy
19. Straits Resources Limited	0.05	0.1%	SRL	Materials
20. Jutt Holdings Limited	0.04	0.1%	JUT	Materials
<b>TOTAL</b>	<u>30.11</u>	<u>78.20%</u>		

The investment in Strike Resources Limited comprises the following securities:

- 
- <sup>1</sup> BEL is an ASX listed investment company with investments in securities listed on overseas markets. The Company's investment in BEL represents an indirect interest in international equities
- <sup>2</sup> Includes land, water licence, buildings, plant and equipment and inventory
- <sup>3</sup> BEL and SCB have been accounted for as investments in Associate entities

## DIRECTORS' REPORT

	Fair Value \$'million	% of Net Assets	ASX Code
(a) Listed shares	6.91	20.0%	SRK
(b) Unlisted \$0.20 (9 Feb 2011) Options	3.34	9.7%	Unlisted
(c) Unlisted \$0.30 (9 Feb 2011) Options	2.91	8.4%	
<b>Sub-total</b>	<b>13.16</b>	<b>34.2%</b>	

Fair value is based on a Black-Scholes options valuation model applying the following assumptions:

- (i) SRK's share price being \$1.98 (the last bid price as at 31 December 2007).
- (ii) A risk free rate of return of 6.79% (based on the Commonwealth 3 year bond yield rate as at 31 December 2007).
- (iii) An estimated future volatility of SRK's share price of 65%.

## 2. Berau Coal Project (East Kalimantan, Indonesia)<sup>4</sup>

The Consolidated Entity holds a 70% interest in a thermal coal concession in north-east Kalimantan, Indonesia (of 5,000 hectares located approximately 40 kilometres south-west of Tanjungredeb (Berau) and approximately 350 kilometres north of Balikpapan (the capital city of Kalimantan) (Berau Coal Project)).

A drilling programme comprising 21 diamond drill holes, for an aggregate advance of 1,524 metres was conducted during the half year. A total of 59 composite samples were analysed, with results indicating good quality coal.



<sup>4</sup> The information in this section that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Mr Hem Shanker Madan who is a Member of The Australian Institute of Mining and Metallurgy. Mr Madan is the Managing Director of Strike Resources Limited, who retains a 30% interest in the Berau Coal Project. Mr Madan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)." Mr Madan consents to the inclusion in this section of the matters based on his information in the form and context in which it appears.

## DIRECTORS' REPORT

A summary of the coal sample results representing coal seams greater than 1.5 metres is shown in the table below:

	Calorific Value (ar)	Calorific Value (adb)	Calorific Value (db)	Calorific Value (daf)	Total Moisture	Inherent Moisture	Ash	Volatile Matter	Fixed Carbon	Total Sulphur	HGI
Minimum	4558	4753	5357	7016	12.80	11.28	1.26	32.09	32.47	0.19	45
Maximum	6099	6286	7214	7351	23.17	17.59	21.83	44.26	45.62	2.84	55
Average	5621	5824	6798	7242	17.28	14.29	5.32	39.76	40.62	0.61	51

Other exploration activities conducted within the priority area include a 1:5000 scale topographic survey, surface geological and structural mapping, and geophysical downhole logging.

A second drilling programme comprising ~40 diamond drill holes for ~3,000 metres is currently in progress to further delineate the coal resource and develop a mine pit optimisation model. This programme is expected to be completed by mid March 2008 with analysis of results expected within 6 to 8 weeks thereafter.

The Consolidated Entity is also currently undertaking environmental and scoping/feasibility studies for the development of mining operations and transportation to the coast near Berau.

### 3. Koorian Olive Grove

The Consolidated Entity owns the Koorian Olive Grove, a 143 hectare commercial olive grove located in Gingin, Western Australian (approximately 100 kilometres North of Perth) producing extra virgin olive oil (EVOO) and table olives from approximately 64,500, 8 year old olive tree plantings.

The 2007 harvesting season yielded ~1,416 tonnes of fruit from which ~205,000 litres of EVOO were extracted. This oil was sold for ~\$1.02 million during the half year.



# DIRECTORS' REPORT

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# DIRECTORS' REPORT

## DIRECTORS

Information concerning Directors in office during or since the financial half year is as follows:

<b>Farooq Khan</b>	<b>Executive Chairman</b>
<i>Appointed</i>	23 October 2006
<i>Qualifications</i>	BJuris , LLB. ( <i>Western Australia</i> )
<i>Experience</i>	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	2,000 shares - directly 8,558,127 shares - indirectly <sup>5</sup>
<i>Special Responsibilities</i>	Chairman of the Company and the Investment Committee
<i>Other current directorships in listed entities</i>	Current Chairman and Managing Director of: <ol style="list-style-type: none"> <li>(1) Queste Communications Ltd (QUE) (since 10 March 1998)</li> </ol> Current Chairman of: <ol style="list-style-type: none"> <li>(2) Bentley International Limited (BEL) (director since 2 December 2003)</li> <li>(3) Scarborough Equities Limited (SCB) (since 29 November 2004)</li> </ol> Current Executive Director of: <ol style="list-style-type: none"> <li>(4) Strike Resources Limited (SRK) (since 9 September 1999)</li> <li>(5) Alara Uranium Limited (AUC) (since 18 May 2007)</li> <li>(6) Interstaff Recruitment Limited (ITS) (since 27 April 2006)</li> </ol>
<b>William M. Johnson</b>	<b>Executive Director</b>
<i>Appointed</i>	28 February 2003.
<i>Qualifications</i>	MA (Oxon), MBA
<i>Experience</i>	Mr Johnson commenced his career in resource exploration and has most recently held senior management and executive roles in a number of public companies in Australia, New Zealand and Asia. As Executive Director, Mr Johnson is part of the Investment Committee of the Company and has been actively involved in the strategic analysis of a diverse range of business and investment opportunities and the execution of a number of corporate transactions. Mr Johnson brings a considerable depth of experience in business strategy and investment analysis and execution
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	Member of Investment Committee
<i>Other current directorships in listed entities</i>	Current Director of: <ol style="list-style-type: none"> <li>(1) Strike Resources Limited (SRK) (since 14 July 2006)</li> <li>(2) Scarborough Equities Limited (SCB) (since 29 November 2004)</li> <li>(3) Drillsearch Energy Limited (DLS) (since October 2006)</li> <li>(4) Sofcom Limited (SOF) (since 18 October 2005)</li> </ol>

<sup>5</sup> Held by Queste Communications Ltd (**QUE**); Farooq Khan (and associated companies) have a deemed relevant interest in the OEQ shares in which QUE has a relevant interest by reason of having >20% voting power in QUE.

## DIRECTORS' REPORT

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<b>Victor P. H. Ho</b>	<b>Executive Director and Company Secretary</b>
<i>Appointed</i>	Executive Director since 4 July 2003; Company Secretary since 2 August 2000
<i>Qualifications</i>	BCom, LLB ( <i>Western Australia</i> )
<i>Experience</i>	Mr Ho has been in company secretarial/executive roles with a number of public listed companies since early 2000. Previously, Mr Ho had 9 years experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate transactions, capital raisings and capital management matters and has extensive experience in public company administration, corporations law and stock exchange compliance and shareholder relations
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	Member of Investment Committee
<i>Other positions held in listed entities</i>	Current Executive Director and Company Secretary of: <ul style="list-style-type: none"> <li>(1) Strike Resources Limited (SRK) (Secretary since 9 March 2000 and Director since 12 October 2000)</li> <li>(2) Sofcom Limited ((SOF) Director since 3 July 2002 and Company Secretary since 23 July 2003)</li> </ul> Current Company Secretary of: <ul style="list-style-type: none"> <li>(3) Queste Communications Ltd (QUE) (since 30 August 2000)</li> <li>(4) Bentley International Limited (BEL) (since 5 February 2004)</li> <li>(5) Scarborough Equities Limited (SCB) (since 29 November 2004)</li> <li>(6) Alara Uranium Limited (AUO) (since 4 April 2007)</li> </ul>
<b>Yaqoob Khan</b>	<b>Non-Executive Director</b>
<i>Appointed</i>	5 November 1999
<i>Qualifications</i>	BCom ( <i>Western Australia</i> ), Master of Science in Industrial Administration ( <i>Carnegie Mellon</i> )
<i>Experience</i>	After working for several years in the Australian Taxation Office, Mr Khan completed his postgraduate Masters degree and commenced work as a senior executive responsible for product marketing, costing systems and production management. Mr Khan has been an integral member of the team responsible for the pre-IPO structuring and IPO promotion of a number of ASX floats and has been involved in the management of such companies. Mr Khan brings considerable international experience in key aspects of corporate finance and the strategic analysis of listed investments
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	None
<i>Other current directorships in listed entities</i>	Queste Communications Ltd (QUE) (since 10 March 1998)

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## DIRECTORS' REPORT

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### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 forms part of this Directors Report and is set out on page 16. This relates to the Independent Review Report, where the Auditors state that they have issued an independence declaration.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.



Farooq Khan  
Chairman

Perth, Western Australia

29 February 2008



Victor Ho  
Director

## DIRECTORS' DECLARATION

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In accordance with a resolution of the directors of Orion Equities Limited made pursuant to sub-section 303(5) of the *Corporations Act 2001*, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2007 and of its performance for the half year ended on that date; and
  - (ii) complying with Accounting Standards AASB 134 "Interim Financial Reporting" and *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.

On behalf of the Board,



Farooq Khan  
Chairman



Victor Ho  
Director

Perth, Western Australia

29 February 2008

## INFORMATION ON SECURITIES

### as at 31 December 2007

#### DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread of Holdings	Number of Holders	Number of Shares	% of Total Issue Capital
1 – 1000	295	156,075	0.876%
1,001- 5000	260	637,117	3.576%
5,001- 10,000	84	633,399	3.556%
10,001 – 100,000	108	2,996,008	16.818%
100,001 and over	13	13,391,790	75.174%
<b>Total</b>	<b>760</b>	<b>17,814,389</b>	<b>100%</b>

#### TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

RANK	SHAREHOLDER	TOTAL SHARES	% ISSUED CAPITAL
1	QUESTE COMMUNICATIONS LTD*	8,558,127	48.04%
2	UBS NOMINEES PTY LTD	1,035,907	5.82%
3	CELLANTE SECURITIES PTY LIMITED	784,538	4.40%
4	KATANA CAPITAL LIMITED	650,000	3.65%
5	MR ABE ZELWER	582,914	3.27%
6	STRIKE RESOURCES LIMITED	505,026	2.83%
7	MR DONALD GORDON MACKENZIE & MRS GWENNETH EDNA MACKENZIE	308,189	1.73%
8	ANZ NOMINEES LIMITED <CASH INCOME A/C>	270,790	1.52%
9	REDSUMMER PTY LTD	225,000	1.26%
10	MS HOON CHOO TAN	147,038	0.83%
11	MR EDWARD JAMES STEPHEN DALLY	115,000	0.65%
12	MR JOHN CHENG-HSIANG YANG & MS PEGA PING PING MOK	103,726	0.58%
13	RADIATA PTY LTD	101,525	0.57%
14	MR LAWRENCE BRIAN CUMMINGS & MRS FRANZIE NANETTE CUMMINGS <CUMMINGS FAMILY S/F A/C>	100,000	0.56%
15	MR BRUCE SIEMON	89,650	0.50%
16	MR RODNEY MALCOLM JONES & MRS CAROL ROBIN JONES <HOPERIDGE ENT P/L SUPER A/C>	90,000	0.51%
17	MRS CAROLINE ANN PICKERING	80,067	0.45%
18	MR JOHN GORDON KELLAS	80,000	0.45%
19	MR ANTHONY NEALE KILLER & MRS SANDRA MARIE KILLER <THE KILLER SUPER A/C>	70,000	0.39%
20	MR KING CHONG CHAI	76,164	0.43%
	<b>TOTAL</b>	<b>13,985,751</b>	<b>78.51%</b>

\* Substantial shareholder of the Company