



HALF YEAR REPORT

31 December 2008

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE 2008 ANNUAL REPORT OF THE COMPANY



ASX Code: OEQ

www.orionequities.com.au

ORION EQUITIES LIMITED

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CORPORATE DIRECTORY

BOARD

Farooq Khan	Executive Chairman
William Johnson	Executive Director
Victor Ho	Executive Director
Yaqoob Khan	Non-Executive Director

COMPANY SECRETARY

Victor Ho

PRINCIPAL & REGISTERED OFFICE

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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
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Website: 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 2008 to 31 December 2008

Previous Corresponding Period: 1 July 2007 to 31 December 2007

Balance Date: 31 December 2008

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

Consolidated Entity: Orion and controlled entities:

- (1) Silver Sands Developments Pty Ltd (ACN 094 097 122), a wholly owned subsidiary;
- (2) Koorian Olives Pty Ltd (ACN 120 616 891), a wholly owned subsidiary;
- (3) CXM Limited (ACN 132 294 645), as a wholly owned subsidiary;
- (4) Central Exchange Mining Ltd (ACN 119 438 265), a wholly owned subsidiary (ceased to be a controlled entity on 11 August 2008);
- (5) Orion Indo Operations Pty Ltd (ACN 124 702 245), a wholly owned subsidiary (ceased to be a controlled entity on 11 August 2008); and
- (6) PT Orion Indo Mining, 100% beneficially owned by Orion Indo Operations Pty Ltd (ceased to be a controlled entity on 11 August 2008).

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Consolidated Entity	DECEMBER 2008 \$	DECEMBER 2007 \$	% Change	Up/ Down
Total revenues	17,843,810	2,932,486	508%	Up
Total expenses	(35,571,874)	(2,884,150)	1133%	Up
Profit/(Loss) before tax	(17,728,064)	48,336	36777%	Profit Down
Income tax benefit	4,095,981	644,257	536%	Benefit Up
Profit/(Loss) from continuing operations	(13,632,083)	692,593	2068%	Profit Down
(Loss) from discontinued operations	(6,076)	(11,201)	46%	Loss Down
Profit/(Loss) attributable to members of the Company	(13,638,159)	681,392	2102%	Profit Down
Basic and diluted earnings/(loss) per share	(76.56)	3.82	2102%	Earnings Down
	DECEMBER 2008	JUNE 2008		
Pre-tax NTA backing per share	\$1.015	\$2.016	50%	Down
Post-tax NTA backing per share	\$1.015	\$1.786	43%	Down

APPENDIX 4D HALF YEAR REPORT

BRIEF EXPLANATION OF RESULTS

Total revenues of \$(17,843,810) include:

- (1) \$16,961,679 net gain from sale of subsidiaries (December 2007: Nil);
- (2) \$311,530 income from olive grove operations (December 2007: \$1,022,800);
- (3) \$Nil dividend income received from Associate entities (December 2007: \$255,124), comprising:
 - (a) \$Nil fully franked dividends attributable to BEL (December 2007: \$112,760);
 - (b) \$Nil fully franked dividends attributable to SCB (December 2007: \$142,364);
- (4) \$527,330 gains on sale of securities - trading portfolio (December 2007: \$1,555,653).

Total expenses of \$35,571,874 include:

- (1) \$30,868,115 net change in fair value in trading portfolio (December 2007: 498,111);
- (2) \$2,476,851 share of Associate entities' net losses (December 2007: \$852,796), comprising:
 - (a) \$(1,893,260) net losses attributable to Scarborough Equities Limited (**SCB**) (December 2007: \$666,632);
 - (b) \$(511,069) net losses attributable to Bentley International Limited (**BEL**) (December 2007: \$186,164);
 - (c) \$72,522 impairment expense attributable to Scarborough Equities Limited (**SCB**) (December 2007: Nil)
- (3) \$1,200,000 downwards revaluation of property held for development and resale (December 2007: \$Nil);
- (4) \$445,447 olive grove operations (which does not include Inventory, depreciation, corporate and administration expenses) (December 2007: \$942,657);
- (5) \$369,871 personnel costs (including Directors' fees) (December 2007: \$308,909).

Please refer to the Directors' Report and Financial Report for further information on a review of the operations and the financial position and performance of Orion Equities' for the half year ended 31 December 2008.

DIVIDENDS

The Directors have not declared an interim dividend as the Company incurred a net loss for the half year and had accumulated losses as at 31 December 2008.

The Company paid a final dividend during the period:

Dividend Rate	Record Date	Payment Date	Franking
0.5 cent per share	19 September 2008	26 September 2008	Fully Franked

APPENDIX 4D HALF YEAR REPORT

ASSOCIATE ENTITIES

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

- (1) 28.47% interest in ASX listed Scarborough Equities Limited (ACN 061 287 045) (**SCB**);
- (2) 28.80% interest in ASX listed Bentley International Limited (ACN 008 108 218) (**BEL**); and
- (3) AquaVerde Holdings Pty Ltd (ACN 128 938 090), 50% owned by wholly owned subsidiary, Silver Sands Developments Pty Ltd.

CONTROLLED ENTITIES

The Company ceased having control over the following entities during the half year:

- (1) Central Exchange Mining Ltd, formerly a wholly owned subsidiary, was disposed to Strike Resources Limited (**Strike** or **SRK**) on 11 August 2008 in consideration for 1,750,000 Strike shares;
- (2) Orion Indo Operations Pty Ltd, formerly a wholly owned subsidiary, was disposed to Strike on 11 August 2008 in consideration for 7,750,000 Strike shares; and
- (3) PT Orion Indo Mining, which is 100% beneficially owned by Orion Indo Operations Pty Ltd.

The Company gained control of the following entity during the half year:

- (1) CXM Limited (ACN 132 294 645) which was incorporated on 18 July 2008 as a wholly owned subsidiary.

For and on behalf of the Directors,



Date: 27 February 2009

Victor Ho
Executive Director and Company Secretary

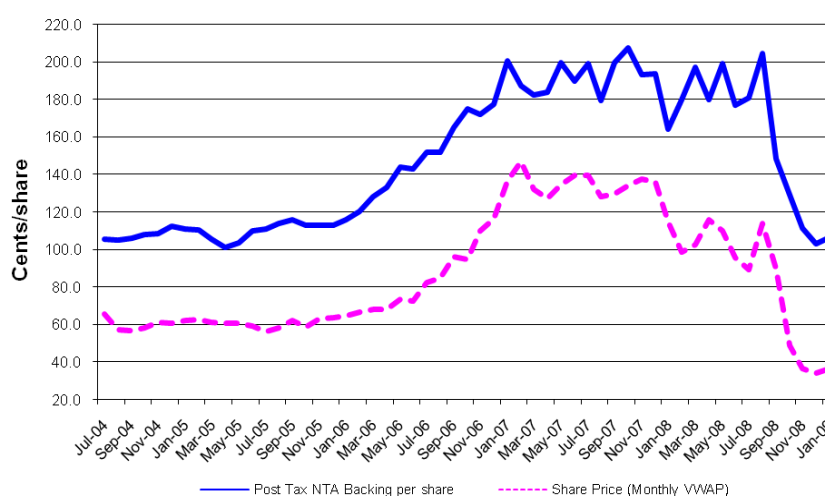
Telephone: (08) 9214 9797
Email: vho@orionequities.com.au

COMPANY PROFILE

OEQ NTA Backing vs Share Price Performance

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

At 31 December 2008, OEQ had a market capitalisation of \$6.15 million (at \$0.345 per share), net assets of \$18.08 million (at \$1.015 after tax NTA backing per share), 17,814,389 fully paid ordinary shares on issue, and 746 shareholders on its share register (31 December 2007: \$23.34 million market capitalisation (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).



VWAP = volume weighted average OEQ price for the month; NTA = net tangible asset backing at month end
Source: IRESS

Asset Weighting as at 31 December 2008

	% of Net Assets
Australian equities	49%
International equities ¹	18%
Property held for development and resale	13%
Agribusiness ²	18%
Net tax liabilities (current year and deferred tax assets/liabilities)	-
Net cash/other assets and provisions	2%
TOTAL	100%

Top 5 Holdings in Securities Portfolio as at 31 December 2008

Equities	Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
1. Strike Resources Limited	4.34	24.00%	SRK	Materials
2. Scarborough Equities Limited ³	3.45	19.08%	SCB	Diversified Financials
3. Bentley International Limited ³	3.28	18.14%	BEL	Diversified Financials
4. Katana Capital Limited	0.50	2.79%	KAT	Diversified Financials
5. Alara Resources Limited	0.31	1.70%	AUQ	Energy
TOTAL	\$11.88m	65.71%		

Dividend Track Record

Dividend Rate per share	Record Date	Payment Date	Franking
0.5 cents	19 September 2008	26 September 2008	Fully Franked
1.5 cents	22 March 2008	29 March 2008	Fully franked
2 cents	17 September 2007	21 September 2007	Fully franked
1.5 cents	8 March 2007	15 March 2007	Fully franked
3.0 cents	12 October 2006	19 October 2006	Fully franked
1.5 cents	31 March 2006	7 April 2006	Fully franked
1.5 cents	30 September 2005	13 October 2005	Fully franked
5 cents	6 July 2004	9 July 2004	60% franked

¹ 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.

² Koorian Olives business assets include land, water licence, buildings, plant and equipment and inventory.

³ Associate entities, BEL and SCB, have been equity accounted and are not held at fair value based on their last bid price on ASX as at Balance Date.

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 2008 (**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.

OPERATING RESULTS

Consolidated Entity	Dec 2008 \$	Dec 2007 \$
Total revenues	17,843,810	2,932,486
Total expenses	(35,571,874)	(2,884,150)
Profit/(loss) before tax	(17,728,064)	48,336
Income tax benefit/(expense)	4,095,981	644,257
Profit/(loss) from continuing operations	(13,632,083)	692,593
Profit/(Loss) from discontinued operations	(6,076)	(11,201)
Profit/(Loss) attributable to members of the Company	(13,638,159)	681,392

Total revenues of \$(17,843,810) include:

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Total expenses of \$35,571,874 include:

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 - (b) \$(511,069) net losses attributable to Bentley International Limited (**BEL**) (December 2007: \$186,164);
 - (c) \$72,522 impairment expense attributable to Scarborough Equities Limited (**SCB**) (December 2007: Nil).
- (3) \$1,200,000 downwards revaluation of property held for development and resale (December 2007: \$Nil);
- (4) \$445,447 olive grove operations (which does not include Inventory, depreciation, corporate and administration expenses) (December 2007: \$942,657);
- (5) \$369,871 personnel costs (including Directors' fees) (December 2007: \$308,909).

DIRECTORS' REPORT

EARNINGS/(LOSS) PER SHARE

Consolidated Entity	Dec 2008	Dec 2007
Basic and diluted earnings/(loss) per share (cents)	(76.56)	3.82
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 Entity	Dec 2008 \$	Jun 2008 \$
Cash	669,204	517,781
Financial assets at fair value through profit and loss	5,489,681	17,991,115
Investments in listed Associate entities	6,730,664	9,207,515
Inventory	2,450,000	3,810,526
Receivables	63,306	271,834
Deferred tax assets	-	-
Resource Projects	-	1,413,771
Intangibles	250,000	250,000
Other assets	3,113,033	3,192,234
Total Assets	18,765,888	36,654,776
Tax liabilities	-	(4,095,981)
Other payables and liabilities	(432,573)	(498,249)
Net Assets	18,333,315	32,060,546
Issued capital	19,374,007	19,374,007
Retained earnings	(1,643,478)	12,083,753
Reserves	602,786	602,786
Total Equity	18,333,315	32,060,546

NET TANGIBLE ASSET BACKING (NTA)

Consolidated Entity	Dec 2008 \$	Jun 2008 \$
Net tangible assets (before tax)	18,083,315	35,906,527
Pre-Tax NTA Backing per share	1.015	2.016
Less deferred tax assets and tax liabilities	-	(4,095,981)
Net tangible assets (after tax)	18,083,315	31,810,546
Post-tax NTA Backing per share	1.015	1.786
Based on total issued share capital	17,814,389	17,814,389

DIRECTORS' REPORT

CONTROLLED AND ASSOCIATE ENTITIES

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

- (1) Silver Sands Developments Pty Ltd (ACN 094 097 122), a wholly owned subsidiary;
- (2) Koorian Olives Pty Ltd (ACN 120 616 891), a wholly owned subsidiary;
- (3) CXM Limited (ACN 132 294 645), a wholly owned subsidiary;
- (4) Central Exchange Mining Ltd (ACN 119 438 265), a wholly owned subsidiary (until 11 August 2008);
- (5) Orion Indo Operations Pty Ltd (ACN 124 702 245), a wholly owned subsidiary (until 11 August 2008); and
- (6) PT Orion Indo Mining, 100% beneficially owned by Orion Indo Operations Pty Ltd (until 11 August 2008).

The Company ceased control of the following entities during the financial half year:

- (1) Central Exchange Mining Ltd, formerly a wholly owned subsidiary, was disposed to Strike Resources Limited (**Strike** or **SRK**) on 11 August 2008 in consideration for 1,750,000 Strike shares;
- (2) Orion Indo Operations Pty Ltd, formerly a wholly owned subsidiary, was disposed to Strike on 11 August 2008 in consideration for 7,750,000 Strike shares; and
- (3) PT Orion Indo Mining, 100% beneficially owned by Orion Indo Operations Pty Ltd.

The Company gained control of the following entity during the half year:

- (1) CXM Limited (ACN 132 294 645) which was incorporated on 18 July 2008 as a wholly owned subsidiary.

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

- (1) 28.47% interest in ASX listed Scarborough Equities Limited (ACN 061 287 045) (**SCB**);
- (2) 28.80% interest in ASX listed Bentley International Limited (ACN 008 108 218) (**BEL**); and
- (3) AquaVerde Holdings Pty Ltd (ACN 128 938 090), 50% owned by wholly owned subsidiary, Silver Sands Developments Pty Ltd.

DIVIDENDS

The Directors have not declared an interim dividend as the Company incurred a net loss for the half year and had accumulated losses as at 31 December 2008.

The Company paid a final dividend during the period:

Dividend Rate	Record Date	Payment Date	Franking
0.5 cents per share	19 September 2008	26 September 2008	Fully Franked

SECURITIES IN THE COMPANY

At Balance Date and the date of this report, the Company had 17,814,389 shares on issue (31 December 2007: 17,814,389). The Company does not have other securities on issue at the date of this report.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

(a) Portfolio Details As At 31 December 2008

Asset Weighting

	<u>% of Net Assets</u>
Australian equities	49%
International equities ⁴	18%
Property held for development and resale	13%
Agribusiness ⁵	18%
Net tax liabilities (current year and deferred tax assets/liabilities)	-
Net cash/other assets and provisions	<u>2%</u>
TOTAL	<u>100%</u>

Top 10 Holdings in Securities Portfolio

<u>Equities</u>	<u>Fair Value</u>	<u>% of</u>	<u>ASX</u>	<u>Industry Sector Exposures</u>
	\$'million	Net Assets	Code	
1. Strike Resources Limited ⁶	4.34	24.00%	SRK	Materials
2. Scarborough Equities Limited ⁷	3.45	19.08%	SCB	Diversified Financials
3. Bentley International Limited ⁴	3.28	18.14%	BEL	Diversified Financials
4. Katana Capital Limited	0.50	2.79%	KAT	Diversified Financials
5. Alara Resources Limited	0.31	1.70%	AUQ	Energy
6. Chemrok Pty Ltd	0.16	0.86%	Unlisted	N/A
7. Bell Financial Group Ltd	0.11	0.62%	BFG	Diversified Financials
8. Malagasy Minerals Limited	0.02	0.12%	MGY	Materials
9. Advanced Share Registry Limited	0.02	0.12%	ASW	Diversified Financials
10. Jabiru Metals Limited	<u>0.02</u>	<u>0.10%</u>	JML	Materials
TOTAL	<u>12.21</u>	<u>67.5%</u>		

⁴ 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.

⁵ Koorian Olives assets include land, water licence, buildings, plant and equipment and inventory.

⁶ SRK includes listed shares and unlisted options (as disclosed in the note following the Top 10 Holdings)

⁷ Associate entities, BEL and SCB, have been equity accounted and are not held at fair value based on their last bid price on ASX as at Balance Date.

DIRECTORS' REPORT

Note: The investment in Strike comprises the following securities:

	Fair Value \$/million	% of Net Assets	ASX Code	
(a) 13,190,802 shares	3.82	21.2%	SRK	
(b) 1,833,333 unlisted \$0.178 (9 Feb 2011) Options	0.30	1.6%	Unlisted	Fair value is based on a Black-Scholes options valuation model applying the following assumptions:
(c) 1,666,667 unlisted \$0.278 (9 Feb 2011) Options	0.22	1.2%		(i) SRK's share price being \$0.29 (the last bid price as at 31 December 2008).
				(ii) A risk free rate of return of 3.05% (based on the Commonwealth 3 year bond yield rate as at 31 December 2008).
				(iii) An estimated future volatility of SRK's share price of 80%.
Sub-total	4.34	24.0%		

(b) Merger of Bentley International Limited and Scarborough Equities Limited

On 28 November 2008, Scarborough Equities Limited (**Scarborough**) and Bentley International Limited (**Bentley**) entered into a merger implementation agreement (**Merger Agreement**) for the acquisition by Bentley of all the issued share capital of Scarborough (**Merger**).

Both Scarborough and Bentley are relatively small players in an industry dominated by much larger listed investment companies. Through the combination of these companies, Scarborough and Bentley shareholders have the opportunity to benefit from the enhanced position of the merged group by becoming shareholders in what will become a single listed investment company with larger net assets of approximately \$27 million⁸ (with no borrowings) and a larger shareholder base of approximately 2,400 shareholders⁹.

The Merger will involve Scarborough shareholders exchanging their Scarborough shares for shares in Bentley on a net tangible asset (**NTA**) for NTA valuation basis. The Merger is implemented via a Court-approved scheme of arrangement (**Scheme**). Upon implementation of the Scheme, Bentley will acquire 100% of Scarborough's shares; Scarborough will become a wholly owned subsidiary of Bentley and will be delisted from the ASX.

Illustratively, and based upon the recently released 31 January 2009 post-tax NTA of Bentley (\$0.3788 per share¹⁰) and Scarborough (\$0.5892 per share¹¹) shares:

- Bentley would issue approximately 1.5554 new Bentley shares for each Scarborough share acquired from eligible Scarborough shareholders;
- Orion would receive ~ 8,740,796 new Bentley shares in consideration for the transfer of 5,619,645 Scarborough shares to Bentley under the Scheme;
- Post-Merger, Orion would own ~20.329 million Bentley shares representing 28.7% of Bentley expanded share capital (currently 28.8%).

The final position is to be determined as at the Calculation Date, which is the date on which the Scheme becomes effective, on 27 February 2009.

⁸ Based on the unaudited NTAs of Scarborough and Bentley as at 31 January 2009.

⁹ Based on the number of shareholders of Scarborough and Bentley as at 31 January 2009.

DIRECTORS' REPORT

On 20 February 2009, Scarborough shareholders approved the Scheme¹⁰.

On 25 February 2009, Bentley shareholders approved various matters in connection with the Merger, including the adoption of a new investment mandate and change of name to "Bentley Capital Limited"¹¹.

On 27 February 2009, Scarborough obtained Court approval for the Scheme. This is the date on which the Scheme becomes effective.

Upon completion of the Scheme, Bentley will acquire 100% of Scarborough's shares; Scarborough will become a wholly owned subsidiary of Bentley and will be delisted from the ASX.

(c) Agribusiness

The Koorian Olive Grove is a 143 hectare commercial olive grove located in Gingin, Western Australian (approximately 100 kilometres North of Perth) producing olive oil and table olives from approximately 64,500, 9 year old olive tree plantings.

A summary of olive grove operations during the half year is as follows:

- (a) Sales of ~95,000 litres of oil from the 2008 harvest season realised \$311,530 (Dec 2007: \$1,022,800);
- (b) The reduction in oils processed from the 2008 harvest reflects the biennial cycle of growth and production from olive trees whereby trees exhibit alternating years of high and low bearing fruit;
- (c) Olive grove operation expenses were \$445,447 (which does not include Inventory, depreciation, corporate and administration expenses) (Dec 2007: \$942,657);
- (d) There were no Inventory (that is, unsold olive oils) as at 31 December 2008 (Dec 2007: \$160,562).

(d) Sale of Interests in Berau Coal and Paulsens East Iron Ore Projects

On 11 August 2008, the Company disposed of its 70% interest in the Indonesian Berau Coal Project (via the sale of Orion Indo Operations Pty Ltd) and its 25% interest in the West Australian Paulsens East Iron Ore Project (via the sale of Central Exchange Mining Ltd) to its joint venture (**JV**) partner in these projects, ASX listed Strike Resources Limited. A total of 9.5 million Strike shares were issued to Orion as consideration for the sale.

These transactions crystallised a significant value gain for Orion shareholders on disposal. At the date these transactions were completed, Strike shares were trading at \$1.97, valuing the 9.5 million shares received as consideration at \$18.7 million. The Company had accounted for these projects at cost, being \$1.7 million. Therefore, the gain realised on sale during the half year was \$17 million (pre tax).

Orion now holds a total of 13,090,802 shares in Strike, accounting for 10.07% of Strike's total issued share capital and 3.5 million unlisted options with a weighted average exercise price of \$0.225 per option.

Orion has retained an existing 2% royalty on production, which remains in place on the projects vended into Strike in 2006, which includes the Paulsen East tenements, and the projects vended into ASX listed Alara Resources Limited (**AUQ**) in May 2007.

¹⁰ Pursuant to Scarborough's Scheme Booklet dated 16 January 2009 and released on ASX on 22 January 2009.

¹¹ Pursuant to Bentley's Notice of Meeting dated 15 January 2009 and released on ASX on 23 January 2009.

DIRECTORS' REPORT

BOARD OF DIRECTORS

Information concerning Directors in office during or since the half year are:

Farooq Khan	Executive Chairman
<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 ¹²
<i>Other current directorships in listed entities</i>	Current Chairman and Managing Director of: (1) Queste Communications Ltd (QUE) (since 10 March 1998) Current Chairman of: (2) Bentley International Limited (BEL) (director since 2 December 2003) (3) Scarborough Equities Limited (SCB) (since 29 November 2004) Current Executive Director of: (4) Strike Resources Limited (SRK) (since 9 September 1999) (5) Alara Resources Limited (AUQ) (since 18 May 2007) Current Non-Executive Director of: (6) Interstaff Recruitment Limited (ITS) (since 27 April 2006)
<i>Former directorships in other listed entities in past 3 years</i>	(1) Altera Capital Limited (AEA) (9 November 2001 to 18 October 2005) (2) Sofcom Limited (SOF) (3 July 2002 to 18 October 2005)

William M. Johnson	Executive Director
<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 Regional Director Asia Pacific for Telecom New Zealand Ltd, Mr Johnson was responsible for identifying, evaluating and implementing investment strategies that included start-up technology ventures, a technology focussed venture capital fund and strategic investments and acquisitions in Asia and Australia. 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>Other current directorships in listed entities</i>	Current Director of: (1) Strike Resources Limited (SRK) (since 14 July 2006) (2) Scarborough Equities Limited (SCB) (since 29 November 2004)
<i>Former directorships in other listed entities in past 3 years</i>	(1) Drillsearch Energy Limited (DLS) (24 October 2006 to 11 August 2008) (2) Altera Capital Limited (AEA) (18 October 2005 to 8 August 2006) (3) Sofcom Limited (SOF) (18 October 2005 to 19 March 2008)

¹² 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

Victor P. H. Ho	Executive Director and Company Secretary
<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 executive and company secretarial 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, stock exchange compliance and shareholder relations.
<i>Relevant interest in shares</i>	None
<i>Other positions held in listed entities</i>	Current Executive Director and Company Secretary of: (1) Strike Resources Limited (SRK) (Secretary since 9 March 2000 and Director since 12 October 2000) Current Company Secretary of: (2) Queste Communications Ltd (QUE) (since 30 August 2000) (3) Bentley International Limited (BEL) (since 5 February 2004) (4) Scarborough Equities Limited (SCB) (since 29 November 2004) (5) Alara Resources Limited (AUQ) (since 4 April 2007)
<i>Former directorships in other listed entities in past 3 years</i>	(1) Altera Capital Limited (AEA) (Director between 9 November 2001 and 8 August 2006; Secretary between 26 November 2001 and 8 August 2006) (2) Sofcom Limited (SOF) (Director between 3 July 2002 and 19 March 2008; Secretary between 23 July 2003 and 19 March 2008)

Yaqoob Khan	Non-Executive Director
<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>Other current directorships in listed entities</i>	Queste Communications Ltd (QUE) (since 10 March 1998)
<i>Former directorships in other listed entities in past 3 years</i>	Strike Resources Limited (SRK) (9 September 1999 to 26 September 2005)

DIRECTORS' REPORT

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 15. This relates to the Auditor's 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



Victor Ho
Director

27 February 2009

27th February 2009

The Directors
Orion Equities Ltd
Level 14, 221 St Georges Tce
PERTH WA 6000

Dear Sirs,

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF ORION EQUITIES LIMITED

As lead auditor for the review of Orion Equities Limited for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Orion Equities Limited and the entities it controlled during the period.



Brad McVeigh
Director



BDO Kendalls Audit & Assurance (WA) Pty Ltd

Dated this 27th day of February 2009
Perth, Western Australia

INCOME STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2008

	Note	Consolidated Entity	
		31 Dec 08	31 Dec 07
		\$	\$
Revenue from continuing operations		354,801	1,121,709
Other income		527,330	1,555,653
- Gains on sale of securities		-	255,124
- Dividends received from Associate entities		16,961,679	-
- Net gain from sale of subsidiaries			
	2 a	17,843,810	2,932,486
Expenses	2 b		
Personnel		(369,871)	(308,909)
Communications		(11,158)	(13,042)
Occupancy		(16,953)	(39,836)
Corporate		(17,663)	(13,465)
Financing		(1,303)	(2,015)
Borrowing cost		-	(47)
Costs in relation to investments		(653)	-
Trading portfolio - net change in fair value		(30,868,115)	(498,111)
Olive grove operations		(445,447)	(942,657)
Land operations		(1,236,271)	-
Administration expenses			
- legal and other professional fees		(7,980)	(13,069)
- exploration and evaluation expenditure		(19,224)	(13,304)
- brokerage fees		(6,364)	(27,922)
- other		(94,021)	(158,977)
Share of Associate entities' net profit/(loss)		(2,476,851)	(852,796)
Profit/(Loss) before income tax		(17,728,064)	48,336
Income tax (expense)/ benefit		4,095,981	644,257
Profit/(Loss) from continuing operations		(13,632,083)	692,593
Loss from discontinued operations	3	(6,076)	(11,201)
Profit/(Loss) after income tax		(13,638,159)	681,392
Dividends per share (cents)	4	3.5	4.50
Basic earnings/(loss) per share (cents)	5	(76.6)	3.8

The accompanying notes form part of these financial statements

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Note	Consolidated Entity	
		31 Dec 08	30 Jun 08
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	669,204	517,781
Trade and other receivables		30,483	239,011
Financial assets at fair value through profit or loss	7	5,489,681	17,991,115
Inventories	8	-	160,526
TOTAL CURRENT ASSETS		6,189,368	18,908,433
NON CURRENT ASSETS			
Trade and other receivables		32,823	32,823
Inventory	8	2,450,000	3,650,000
Investments in controlled entities		-	-
Investments in Associate entities - equity accounted	9	6,730,664	9,207,515
Property, plant and equipment		2,531,453	2,610,654
Olive trees		581,580	581,580
Intangibles		250,000	250,000
Resource projects		-	1,413,771
TOTAL NON CURRENT ASSETS		12,576,520	17,746,343
TOTAL ASSETS		18,765,888	36,654,776
CURRENT LIABILITIES			
Trade and other payables		432,573	498,249
Current tax liabilities		-	58,116
TOTAL CURRENT LIABILITIES		432,573	556,365
NON CURRENT LIABILITIES			
Deferred tax liability		-	4,037,865
TOTAL NON CURRENT LIABILITIES		-	4,037,865
TOTAL LIABILITIES		432,573	4,594,230
NET ASSETS		18,333,315	32,060,546
EQUITY			
Issued capital		19,374,007	19,374,007
Reserves		602,786	602,786
Retained earnings/(accumulated losses)		(1,643,478)	12,083,753
TOTAL EQUITY		18,333,315	32,060,546

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2008

<u>Consolidated Entity</u>	Issued Capital	Reserves	Retained Earnings (Accumulated losses)/	Total Equity
At 1 July 2007	19,374,007	-	15,276,306	34,650,313
Profit for the half year	-	-	681,392	681,392
Total recognised income and expense for the half year	-	-	681,392	681,392
Dividends paid	-	-	(356,288)	(356,288)
At 31 December 2007	<u>19,374,007</u>	<u>-</u>	<u>15,601,410</u>	<u>34,975,417</u>
At 1 July 2008	19,374,007	602,786	12,083,753	32,060,546
Loss for the half year	-	-	(13,638,159)	(13,638,159)
Total recognised income and expense for the half year	-	-	(13,638,159)	(13,638,159)
Dividends paid	-	-	(89,072)	(89,072)
At 31 December 2008	<u>19,374,007</u>	<u>602,786</u>	<u>(1,643,478)</u>	<u>18,333,315</u>

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2008

	Note	Consolidated Entity	
		31 Dec 08	31 Dec 07
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		311,530	1,022,800
Sale proceeds from trading portfolio		1,141,704	4,222,014
Payments for trading portfolio		(262,740)	(3,077,474)
Proceeds from options portfolio		-	-
Payments to suppliers and employees		(629,400)	(1,242,542)
Payments for exploration and evaluation		(358,371)	(828,473)
Interest received		9,737	31,853
Interest paid		-	(46)
Income tax paid		-	(563,593)
Dividends received		28,035	55,012
		<hr/>	<hr/>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		240,495	(380,449)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for:			
property, plant and equipment		-	(44,463)
		<hr/>	<hr/>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		-	(44,463)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for dividends		(89,072)	(356,301)
		<hr/>	<hr/>
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(89,072)	(356,301)
NET INCREASE IN CASH ASSETS HELD		151,423	(781,213)
Cash at beginning of the half year		517,781	1,620,198
		<hr/>	<hr/>
CASH AT THE END OF THE HALF YEAR	6	669,204	838,985

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2008

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 and the Company's ASX announcements released from 1 July 2008 to the date of this 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 financial report for the year ended 30 June 2008.

2. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period includes the following items of revenue and expenses below. Included are the revenue and expenses of discontinued operations of Orion Indo Mining Pty Ltd and Central Exchange Mining Ltd, wholly owned subsidiaries disposed on 11 August 2008 (refer to Note 3).

	Consolidated Entity	
	31 Dec 08	31 Dec 07
	\$	\$
(a) Revenue		
Dividends received from securities - trading portfolio	31,339	67,270
Income from sale of olive oils	311,530	1,022,800
Interest received - other	11,932	31,854
	354,801	1,121,924
Other Income		
Net gain from sale of subsidiaries	16,961,679	-
Dividends received from Associate entities	-	255,124
Gains on sale of securities - trading portfolio	527,330	1,555,653
	17,489,009	1,810,777
(b) Expenses		
Olive grove operations	445,447	942,657
Land operations	36,271	-
- Impairment of property held for development and resale	1,200,000	-
Net change in fair value in trading portfolio	30,868,115	498,111
Share of Associate entities' profit/(losses)	2,476,851	852,796
Occupancy expenses	16,953	39,836
- Personnel - remuneration and other	348,607	4,348
- employee entitlements	21,264	304,561
Finance expenses	1,303	2,392
Borrowing cost	-	47
Corporate expenses	17,663	13,465
Administration expenses		
- Communications	11,158	13,070
- Legal and other professional fees	7,980	13,069
- Exploration and evaluation expenses	19,224	13,304
- Brokerage fees	6,364	27,922
- Costs in relation to investments	653	-
- Write off fixed assets	124	-
- Depreciation expenses	78,675	77,497
- Realisation cost of share portfolio provision/(written back)	(43,760)	-
- Other expenses	65,058	92,491
	35,577,950	2,895,566

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2008

3. DISCONTINUED OPERATIONS

On 11 August 2008, the Company disposed of its mining assets via the sale of its subsidiaries, Orion Indo Mining Pty Ltd and Central Exchange Mining Ltd to Strike Resources Limited (Strike) in consideration for the issue of 9,500,000 ordinary shares in Strike. Financial information relating to the discontinued operations of the subsidiaries from 1 July 2008 to the date of cessation is set out below.

Financial information relating to the discontinued operation, which has been incorporated into the Income Statement, is as follows:

Revenue
Expenses
Loss before income tax
Income tax expense
Loss after income tax

Gain on sale of subsidiary
Income tax expense
Gain on sale of subsidiary after tax

Consolidated Entity	
31 Dec 08	31 Dec 07
\$	\$
4	215
(6,080)	(11,416)
(6,076)	(11,201)
-	-
(6,076)	(11,201)
16,961,679	-
-	-
16,961,679	-

The carrying amounts of assets and liabilities of the operation at the date of cessation were:

Cash
Other receivables
Mining asset
Total assets
Other payables
Net assets

76,971	40,364
197,969	52,145
1,492,073	16,476
1,767,013	108,985
(13,692)	(14,103)
1,753,321	94,882

The net cash flows of the business, which have been incorporated into the Cash Flows Statement, are as follows:

Net cash outflow from operating activities
Net cash inflow from investing activities
Net increase/(decrease) in cash from businesses

(40,791)	(390,152)
77,121	420,575
36,330	30,423

Details of sale of subsidiaries

Consideration received:
Shares

Carrying amount of net assets sold
Gain on sale before income tax
Income tax expense
Gain on sale after income tax

18,715,000	-
18,715,000	-
(1,753,321)	-
16,961,679	-
-	-
16,961,679	-

4. DIVIDENDS

Declared and paid during the year	Date paid
<u>Dividends on ordinary shares</u>	
2.0 cents per share fully franked	21-Sep-07
0.5 cent per share fully franked	26-Sep-08

Consolidated Entity	
31 Dec 08	31 Dec 07
\$	\$
-	356,288
89,072	-
89,072	356,288

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2008

5. EARNINGS/(LOSS) PER SHARE	Consolidated Entity	
	31 Dec 08	31 Dec 07
Basic earnings/(loss) per share	(0.766)	0.038
Net profit/(loss) for the period	(13,638,159)	681,392
Weighted average number of ordinary shares outstanding during the period used in calculation of basic earnings per share	17,814,389	17,814,389

Diluted earnings per share is not materially different from basic earnings per share and therefore is not disclosed in the Interim Financial Report.

6. CASH AND CASH EQUIVALENTS	Consolidated Entity	
	31 Dec 08	30 Jun 08
Cash at bank	\$ 169,204	\$ 517,781
Term deposit	500,000	-
	<u>669,204</u>	<u>517,781</u>

(a) Disclosure of Non-Cash Financing and Investing Activities

On 11 August 2008, the Company sold its 70% interest in the Berau Coal Project and its 25% interest in the Paulsens East Iron Ore Project, through the sale of its subsidiary companies Orion Indo Mining Pty Ltd and Central Exchange Mining Ltd to its joint venture partner, ASX listed Strike Resources Limited (Strike) in consideration for 9.5 million ordinary Strike shares, valued at \$18.7 million based on SRK's closing bid price on 11 August 2008 of \$1.97.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	Consolidated Entity	
	31 Dec 08	30 Jun 08
Financial assets at fair value comprise:	\$	\$
Listed investments at fair value	4,975,819	11,258,713
Unlisted options in listed corporations at cost	10,000	10,000
Add: net change in fair value	503,862	6,722,402
	<u>513,862</u>	<u>6,732,402</u>
Total financial assets at fair value	<u>5,489,681</u>	<u>17,991,115</u>

8. INVENTORIES		
Current		
Olive oil - work-in-progress (at cost)	-	160,526
Non Current		
Property held for development and resale	3,797,339	3,797,339
Impairment of property	(1,347,339)	(147,339)
	<u>2,450,000</u>	<u>3,650,000</u>

Property held for development and resale relates to a beachfront property located in Mandurah, Western Australia. The property was recently assessed by an independent qualified licensed valuers and the downwards revaluation has been recognised as an expense through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2008

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of Associate	Principal Activity	Ownership Interest		Carrying Amount	
		31 Dec 08	30 Jun 08	31 Dec 08 \$	30 Jun 08 \$
Bentley International Limited	Investments	28.80%	28.80%	3,281,888	3,792,957
Scarborough Equities Limited	Investments	28.47%	28.47%	3,448,776	5,414,558
				<u>6,730,664</u>	<u>9,207,515</u>
Movement in Investments in Associates					
Shares in listed Associate entities brought forward				9,207,515	11,639,535
Share of profit/(loss) before income tax expense				(2,262,693)	(3,086,050)
Share of income tax expense				(141,636)	654,030
Impairment expense				(72,522)	-
Dividends received				-	(255,124)
Acquisition of shares				-	255,124
Carrying amount at the end of the financial year				<u>6,730,664</u>	<u>9,207,515</u>
Fair value of listed investments in Associates					
Bentley International Limited				2,433,467	2,954,924
Scarborough Equities Limited				2,247,858	3,399,885
				<u>4,681,325</u>	<u>6,354,809</u>
Net tangible asset value of listed investments in Associates					
Bentley International Limited				4,380,241	4,632,858
Scarborough Equities Limited				3,448,776	5,344,282
				<u>7,829,017</u>	<u>9,977,140</u>
Share of Associates' profits/(losses)					
Loss before income tax				(2,262,693)	(3,086,050)
Income tax expense				(141,636)	654,030
Loss after income tax				<u>(2,404,329)</u>	<u>(2,432,020)</u>

The impairment expense of \$72,522 relates to Scarborough Equities Limited's (SCB) carrying value being written down to its net tangible asset value of \$3,448,776.

Summarised Financial Position of Associates

	Group share of:			
	Bentley International Limited		Scarborough Equities Limited	
	31 Dec 08	30 Jun 08	31 Dec 08	30 Jun 08
	\$	\$	\$	\$
Current assets	4,429,208	4,672,284	85,488	682,335
Non current assets	1,167	264,237	3,389,819	4,771,547
Total assets	<u>4,430,375</u>	<u>4,936,521</u>	<u>3,475,307</u>	<u>5,453,882</u>
Current liabilities	(50,622)	(40,651)	(26,427)	(81,154)
Non current liabilities	-	(262,953)	-	(30,498)
Total liabilities	<u>(50,622)</u>	<u>(303,604)</u>	<u>(26,427)</u>	<u>(111,652)</u>
Net assets	<u>4,379,753</u>	<u>4,632,917</u>	<u>3,448,881</u>	<u>5,342,230</u>
Revenues	679,967	130,700	6,133	1,108,696
Profit after income tax of Associates	<u>(511,069)</u>	<u>(1,093,611)</u>	<u>(1,893,260)</u>	<u>(1,598,012)</u>

Scarborough Equities Limited and Bentley International Limited - Lease Commitments

SCB and BEL has the same lease commitments disclosed in note 12.

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2008

10. RELATED PARTY DISCLOSURES

	Consolidated Entity	
	31 Dec 08	31 Dec 07
	\$	\$
(a) Transactions with related parties		
<i>Dividends revenue</i>		
Bentley International Limited (BEL)	-	112,760
Scarborough Equities Limited (SCB)	-	142,364
<i>Dividends paid</i>		
Queste Communications Ltd (QUE)	42,791	171,162

At balance date, the ultimate Australian Parent entity, Queste Communications Ltd holds 48% of the ordinary shares in the Company. During the last financial year, there were transactions between the Company, QUE, BEL and SCB, pursuant to shared office and administration expense arrangements on a cost recovery basis. Interest is not charged on such outstanding amounts and amounts were fully received/(paid) by balance date.

11. SEGMENT REPORTING

The Consolidated Entity operates in the investments, olive grove operations and resources sectors.

BUSINESS SEGMENT	Segment revenue		Segment result	
	31 Dec 08	31 Dec 07	31 Dec 08	31 Dec 07
	\$	\$	\$	\$
Investments	31,339	67,270	(31,508,974)	1,352,014
Resources	-	-	(19,224)	(13,304)
Olive grove operations	311,530	1,022,800	(210,378)	5,899
Share of associates' profit	-	-	(2,476,851)	(852,796)
Unallocated	11,932	31,854	16,481,287	(454,678)
Total segment revenue	<u>354,801</u>	<u>1,121,924</u>		
Profit/(loss) before income tax			(17,734,140)	37,135
Income tax benefit/(expense)			4,095,981	644,257
Profit/(loss) after income tax			<u>(13,638,159)</u>	<u>681,392</u>

	Segment Assets		Segment liabilities	
	31 Dec 08	30 Jun 08	31 Dec 08	30 Jun 08
	\$	\$	\$	\$
Investments	14,670,345	30,848,630	-	4,037,865
Resources	-	1,613,664	-	-
Olive grove operations	3,351,819	3,617,201	130,804	211,133
Unallocated	743,724	575,281	301,769	345,232
	<u>18,765,888</u>	<u>36,654,776</u>	<u>432,573</u>	<u>4,594,230</u>

Other	31 Dec 08			30 Jun 08		
	Investments	Resources	Olive grove operations	Investments	Resources	Olive grove operations
	\$	\$	\$	\$	\$	\$
Acquisition of segment assets	262,740	-	-	3,086,507	-	74,845
Other non-cash expenses						
- Unrealised gains/(losses) on securities	(30,868,115)	-	-	(1,836,528)	-	(281,580)
- Revaluation of trees	-	-	-	-	-	-
- Depreciation	-	-	-	-	-	184,196

GEOGRAPHICAL SEGMENT

	Segment revenue		Segment results	
	31 Dec 08	31 Dec 07	31 Dec 08	31 Dec 07
	\$	\$	\$	\$
Australia	354,801	1,121,924	(17,714,916)	50,439
Indonesia	-	-	-	-
Pakistan	-	-	(19,224)	(13,304)
	<u>354,801</u>	<u>1,121,924</u>	<u>(17,734,140)</u>	<u>37,135</u>

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2008

11. SEGMENT REPORTING (continued)

	Segment Assets		Segment Liabilities		Acquisitions of segment assets	
	31 Dec 08	30 Jun 08	31 Dec 08	30 Jun 08	31 Dec 08	30 Jun 08
	\$	\$			\$	\$
Australia	18,765,888	35,537,284	(432,573)	(4,594,230)	262,740	3,161,352
Indonesia	-	1,117,492	-	-	-	-
Pakistan	-	-	-	-	-	-
	<u>18,765,888</u>	<u>36,654,776</u>	<u>(432,573)</u>	<u>(4,594,230)</u>	<u>262,740</u>	<u>3,161,352</u>

12. COMMITMENTS

	Consolidated Entity	
	31 Dec 08	30 Jun 08
	\$	\$
Lease Commitments		
Non-cancellable operating lease commitments:		
Not longer than one year	76,489	26,062
Between 12 months and 5 years	251,515	131,109
Greater than 5 years	-	-
	<u>328,004</u>	<u>157,171</u>

The lease is the Company's share of the office premises at Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia, and includes all outgoing (exclusive of GST). The lease is for a 7 year term expiring 30 June 2013 and contains a rent review increase each year alternating between 5% and the greater of market rate or CPI + 1%.

13. CONTINGENT ASSETS AND LIABILITIES

(a) Royalty on Resource Tenements

The Consolidated Entity is entitled to a 2% royalty on production, which remains in place on the resources tenements vended into ASX listed Strike Resources Limited (SRK) in 2006, which were on-sold by SRK to ASX listed Alara Resources Limited (AUQ) in May 2007.

(b) Directors' Deeds

The Company has entered into deeds of indemnity with each of its Directors indemnifying them against liability incurred in discharging their duties as directors/officers of the Consolidated Entity. At the end of the financial period, no claims have been made under any such indemnities and accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

14. EVENTS AFTER BALANCE SHEET DATE

The following matters occurred after the balance date in relation to the proposed merger via a scheme of arrangement (**Scheme**) between ASX listed Associate entities, Scarborough Equities Limited (**Scarborough**) and Bentley International Limited (**Bentley**):

- On 20 February 2009, Scarborough shareholders approved the Scheme;
- On 25 February 2009, Bentley shareholders approved various matters in connection with the merger, including a change of name to "Bentley Capital Limited";
- On 26 February 2009, Scarborough and Bentley declared satisfaction of all conditions precedent under the merger agreement between the two companies dated 28 November 2008;
- On 27 February 2009, Scarborough obtained Court approval for the Scheme;
- The date on which the Scheme becomes effective is 27 February 2009.

Upon completion of the Scheme, Bentley will acquire 100% of Scarborough's shares; Scarborough will become a wholly owned subsidiary of Bentley and will be delisted from the ASX.

There were no matter or circumstance that has arisen since the end of the financial period that significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

DIRECTORS' DECLARATION

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 2008 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 consolidated entity 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

27 February 2009

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ORION EQUITIES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Orion Equities Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity 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 establishing 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 Interim and Other Financial Reports 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 disclosing entity's financial position as at 31 December 2008 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 Orion Equities 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*.

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 Orion Equities 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 2008 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.

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls
BM Veigh

Brad McVeigh

Director

Dated this 27th day of February 2009
Perth, Western Australia

SECURITIES INFORMATION

as at 31 December 2008

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread of Holdings	Number of Holders	Number of Shares	% of Total Issue Capital
1 – 1000	284	149,842	0.841
1,001- 5000	245	601,294	3.375
5,001- 10,000	75	573,583	3.220
10,001 – 100,000	103	3,002,962	16.857
100,001 and over	17	13,486,708	75.707
Total	724	17,814,389	100%

TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

RANK	SHAREHOLDER	TOTAL SHARES	% ISSUED CAPITAL
1	QUESTE COMMUNICATIONS LTD *	8,558,127	48.041
2	ANZ NOMINEES LIMITED <CASH INCOME A/C>	1,005,800	5.646
3	UBS NOMINEES PTY LTD	860,424	4.830
4	CELLANTE SECURITIES PTY LIM ITED	714,038	4.008
5	STRIKE RESOURCES LIMITED	505,026	2.835
6	MR DONALD GORDON MACKENZIE & MRS GWENNETH EDNA MACKENZIE	328,189	1.842
7	REDSUMMER PTY LTD	225,000	1.263
8	MS HOON CHOO TAN	197,538	1.109
9	VIKAND CONSULTING PTY LTD <VIKAND SUPER FUND A/C>	164,798	0.925
10	MR BRUCE SIEMON	145,150	0.815
11	MR EDWARD JAMES STEPHEN DALLY	125,000	0.702
12	OPTION OPPORTUNITY FUND PTY LTD	122,403	0.687
13	MRS TAMI ELSIE VARNEY	111,050	0.623
14	MR IAN STUART WATSON & MRS CATHERINE JANE WATSON SUPER A/C> <WATSON	110,000	0.617
15	MR ABE ZELWER <ZELWER SUPER FUND A/C>	108,914	0.611
16	MR JOHN CHENG-HZIANGYANG & MS PEGA PING PING MOK	103,726	0.582
17	RADIATA PTY LTD	101,525	0.570
18	MR LAWRENCE BRIAN CUMMINGS & MRS FRANZIE NANETTE CUMMINGS <CUMMINGS FAMILY S/F A/C>	100,000	0.561
19	MRS CAROLINE ANN PICKERING	100,000	0.561
20	MR DAMIAN GERARD BOWDLER <DGB TESTAMENTARY A/C>	85,900	0.482
	TOTAL	13,772,608	77.310

* Substantial shareholder of the Company