HELIX RESOURCES LIMITED

ABN 27 009 138 738

FINANCIAL REPORT

HALF-YEAR ENDED 31 DECEMBER 2008

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Corporate Directory

Directors

G J WHEELER	BCom; FCA; SF Fin; GAICD	Executive Chairman
M H WILSON	BEc; BSc(Hons); MAusIMM	Technical Director
J DEN DRYVER	BE(Mining); MSc; FAusIMM(CP)	Non Executive Director
G DUNBAR	BSc(Hons); MSc; FAusIMM(CP); FAIG	Non Executive Director

Company Secretaries
G J WHEELER
J McNAMARA BBus; ACIS

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Facsimile: +61 8 9321 3909
Website: www.helix.net.au

Auditors
Grant Thornton (WA) Partnership
Level 1
10 Kings Park Road
WEST PERTH WA 6005

ASX Listing

ASX Code:	Shares	HLX
	Options	HLXO

Share Registry
Advanced Share Registry
150 Stirling Highway
NEDLANDS WA 6009

Telephone: +61 8 9389 8033
Facsimile: +61 8 9389 7871

Directors' Report

The Directors present the financial report of the Group, consisting of Helix Resources Ltd ["Company"] and its controlled entities, for the half-year ended 31 December 2008.

DIRECTORS
The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in the office for the entire period unless otherwise stated.

Mr Greg J Wheeler	Executive Chairman
Mr Michael H Wilson	Technical Director
Mr John den Dryver	Non-Executive Director
Mr Gordon Dunbar	Non-Executive Director

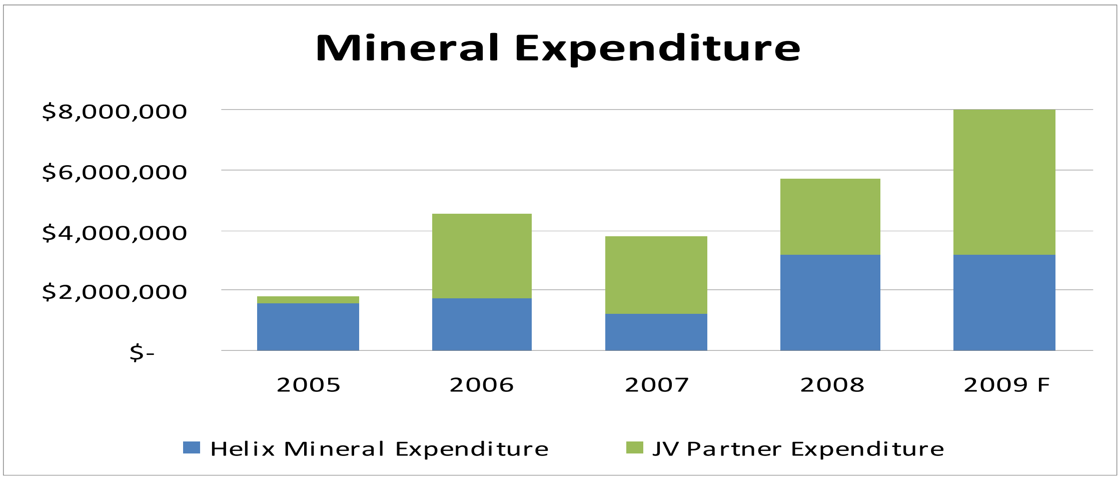
REVIEW OF OPERATIONS
The Consolidated entities activities are contained in releases to the ASX on a quarterly basis and contained on our website at www.helix.net.au.

The Company's strategy continues to be acquiring large tenement holdings in prospective mineral provinces and utilising our corporate and geological expertise to create and extract value for the benefit of our shareholders.

We believe that gold remains an appropriate commodity to invest in, particularly at this time of significant challenges within the global financial markets. We currently have exposure to +1M oz gold through our 100% Glenburgh and 49% Tunkillia JV, and we will be looking to extract maximum value from these assets.

Whilst the markets may continue to be in a state of turmoil for some time, the Helix Board is of the opinion the outlook for the Company is solid, with sufficient cash to advance our Assets well into 2010 in conjunction with expenditure by our JV partners, and this should be reflected in positive share price performance once markets stabilise.

A summary of our 5 Year expenditure on our Mineral Assets is detailed below:-



Mineral Asset Project Highlights include:-

Iron Ore

- Yalleen Project [API (Aquila/AMCI) – 70% / Helix 30%] continues with $4.2 million exploration program for 2008/9 targeting Channel iron (CID) and bedded iron (BID) deposits.
- Initial Inferred Resource of 112 Mt @ 55.6% Fe for Kumina Creek and Robe Exit based on drilling to December 2007.
- Continued drilling results to December 2008 provide further confidence regarding the overall potential of the Yalleen Project. A resource estimation update is anticipated from API in 1Q09.
- Discussions continue with Rio Tinto regarding a satisfactory commercial arrangement which takes account of their application to place a railway and infrastructure through the Yalleen tenements to access their Bungaroo CID deposit.

Gold

- Glenburgh Project - Drilling programs during 2008 on targets defined from gold in soil anomalies has upgraded the existing Resource by 88% from 108,000 oz [1.1Mt @3gpt Au Inferred] to 203,000 oz [2.4Mt @2.6gpt Au Inferred]. This updated resource will form part of an initial desktop Scoping Study to determine economic viability under various production scenarios.

- Tunkillia Project - JV partner and manager Minotaur Exploration has indicated they have met the required expenditure of $5M to earn a 51% interest [subject to audit] completing a RC and diamond drilling campaign in 3Q08. The project has an existing resource at Area 223 – comprising a total of 800,000oz Au and 1,600,000oz Ag. Minotaur has previously advised economic studies are underway. Helix has undertaken a technical review of the results and made a decision to not contribute in respect of the JV budget program to June 2009.

Base Metals

- AngloAmerican [earning 80% by funding $5M within 5 years] have completed a 678 line kilometre VTEM survey on prospective nickel targets on the Booyeema Nickel Project. Results and interpretations are expected 1Q09.
- Drilling of Blinman copper targets on the Parachilna Project has been completed and confirm the conceptual model. Assays are expected 1Q09.
- A 10,000 line kilometre Aeromagnetic survey covering the southern half of the Olary project has identified a number of base metal, gold and uranium targets that require follow up work.

Uranium

JV partner - Toro Energy Ltd announced in October 2008 their withdrawal from the Gawler Uranium JV. Toro expended $248,000 on the Project since 2005. Helix will seek interested parties to replace Toro Energy whilst not expending its available cash reserves on uranium exploration.

RESULT

The operating result for the half-year ended 31 December 2008 for the Group was a loss after income tax of $468,478 (2007: $621,600)).

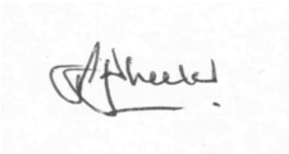
EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance that has arisen since 31 December 2008 which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Grant Thornton (WA) Partnership, as presented on page 5 of this half-year financial report.

Signed in accordance with a resolution of the Board of Directors.



G J Wheeler
Executive Chairman

Dated this 11th day of February 2009

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF HELIX RESOURCES LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Helix Resources Limited for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

J W Vibert
Partner
Perth, 11th February 2009

Condensed Income Statement

HALF-YEAR ENDED 31 DECEMBER 2008

	Notes	Consolidated 31 December 2008 $	31 December 2007 $
Revenue from ordinary activities - interest		227,676	123,504
Profit from sale of investments		-	183,384
Profit / (Loss) on sale of mineral area		-	-
Tenement Rental Reimbursement		-	26,331
Loss on Disposal of Fixed Assets		(35,550)	(942)
Other Income		1,817	10,339
Employment costs	7	(328,954)	(379,151)
Audit and Accountancy		(30,548)	(21,810)
Depreciation		(29,363)	(19,948)
Premises costs		(115,529)	(77,715)
Professional fees		(18,646)	(168,813)
Travel and accommodation costs		(1,941)	(2,870)
Revaluation of investments		(117,540)	22,500
Impairment of Exploration and Evaluation Expenditure		-	(258,736)
Other expenses from ordinary activities		(19,900)	(57,673)
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		**(468,478)**	**(621,600)**
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES		-	-
PROFIT / (LOSS) FOR THE PERIOD		**(468,478)**	**(621,600)**
NET PROFIT / (LOSS) ATTRIBUTABLE TO MEMBERS OF HELIX RESOURCES LIMITED		**(468,478)**	**(621,600)**
Basic earnings / (loss) per share (cents)		(0.36)	(0.53)
Diluted earnings / (loss) per share (cents)		(0.36)	(0.53)

The consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Balance Sheet
AS AT 31 DECEMBER 2008

	Notes	Consolidated 31 December 2008 $	Consolidated 30 June 2008 $
CURRENT ASSETS			
Cash and cash equivalents		5,123,864	7,479,985
Financial Assets		13,260	130,800
Trade and Other Receivables		211,252	372,139
TOTAL CURRENT ASSETS		**5,348,376**	**7,982,924**
NON-CURRENT ASSETS			
Property, plant and equipment		139,059	198,616
Exploration and Evaluation		14,863,430	12,158,401
Other		107,480	103,406
TOTAL NON-CURRENT ASSETS		**15,109,969**	**12,460,423**
TOTAL ASSETS		**20,458,345**	**20,443,347**
CURRENT LIABILITIES			
Trade and Other Payables		569,972	185,952
Provisions		39,084	21,264
TOTAL CURRENT LIABILITIES		**609,056**	**207,216**
NON CURRENT LIABILITIES			
Provisions		74,280	54,270
TOTAL NON CURRENT LIABILITIES		**74,280**	**54,270**
TOTAL LIABILITIES		**683,336**	**261,486**
NET ASSETS		**19,775,009**	**20,181,861**
EQUITY			
Share Capital		55,824,935	55,824,908
Other Reserves		78,787	287,187
Accumulated losses		(36,128,713)	(35,930,234)
TOTAL EQUITY		**19,775,009**	**20,181,861**

The consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Statement of Changes in Equity

HALF-YEAR ENDED 31 DECEMBER 2008

	$	$	$	$
	Share Capital			**Total**
	Ordinary	**Options Reserve**	**Retained Profits**	
Balance at 1.7.2007	47,844,351	284,463	(35,316,185)	12,812,629
Shares issued during the year	7,958,996	-	-	7,958,996
Employee Incentive Options issued	-	17,187	-	17,187
Employee Incentive Options cancelled / exercised	-	(14,463)	14,463	-
Loss attributable to members of parent entity	-	-	(621,600)	(621,600)
Balance at 31.12.2007	55,803,347	287,187	(35,923,322)	20,167,212
Balance at 1.7.2008	55,824,908	287,187	(35,930,235)	20,181,860
Shares issued during the year	27	-	-	27
Employee Incentive Options issued	-	61,600	-	61,600
Employee Incentive Options expired	-	(270,000)	270,000	-
Loss attributable to members of parent entity	-	-	(468,478)	(468,478)
Balance at 31.12.2008	55,824,935	78,787	(36,128,713)	19,775,009

The consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Notes	Consolidated 2008 $	Consolidated 2007 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(406,998)	(674,705)
Interest received		330,376	123,504
Other		96,761	82,005
NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES		**20,139**	**(469,196)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(6,057)	(12,267)
Payments for capitalised exploration and evaluation expenditure		(2,370,704)	(1,361,981)
Proceeds from / (payments for) investments		-	482,264
Proceeds from sale of assets		474	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(2,376,287)**	**(891,984)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		27	8,278,901
Share and option issue transaction costs		-	(319,906)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		**27**	**7,958,995**
NET INCREASE IN CASH HELD		(2,356,121)	6,597,815
CASH AT BEGINNING OF PERIOD		7,479,985	2,822,200
CASH AT END OF PERIOD		**5,123,864**	**9,420,015**

The consolidated financial statements should be read in conjunction with the accompanying notes.

Notes to the Half-Year Financial Statements
31 DECEMBER 2008

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT
The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Helix Resources Limited as at 30 June 2008. It is also recommended that the half-year financial report be considered together with any public announcements made by Helix Resources Limited during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting
The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Accounting Standards including Accounting Standard AASB 134: “Interim Financial Reporting”.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Accounting policies
The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2008 annual financial report.

2. EQUITY SECURITIES ISSUED

	2008 No.	2007 No.	2008 $	2007 $
Issue of ordinary shares during the half-year				
Placement of 17,000,000 shares @ $0.485 per share, less costs	-	17,000,000	-	7,925,095
Conversion of 26,337 options @ $0.30	-	26,337	-	7,901
Conversion of 100,000 Employee Incentive Options @ $0.26	-	100,000	-	26,000
Conversion of 88 HLXO options @ $0.30	88	-	27	-
	88	**17,126,337**	**27**	**7,958,996**
Issue of employee incentive options during the half-year				
Cancellation of 900,000 Employee Incentive Options	-	(900,000)	-	(9,463)
Issue of 275,000 Employee Incentive Options @ $0.44	-	275,000	-	17,187
Exercise of 100,000 Employee Incentive Options @ $0.26	-	(100,000)	-	(5,000)
Issue of 17,600,000 Employee Incentive Options @ $0.55	17,600,000	-	61,600	-
Expiry of 5,400,000 Employee Incentive Options @ $0.26	(5,400,000)	-	(270,000)	-
	12,200,000	**(725,000)**	**(208,400)**	**2,724**

3. SEGMENT REPORTING

The Group operated predominantly in one geographical segment and one business, being gold and other base metals exploration and development in Western Australia and South Australia.

4. CONTINGENT ASSETS OR LIABILITIES

There are no contingent assets or liabilities as at the reporting date.

5. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance that has arisen since 31 December 2008 which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

6. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

These condensed consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 June 2008. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

The following applicable standards have been issued but have not been early adopted:
- AASB 101 *Presentation of Financial Statements* (Revised 2007)
- AASB 8 *Operating Segments*
- AASB 123 *Borrowing Costs* (Revised 2007)

AASB 101 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. AASB 101 affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. Further, a 'Statement of changes in equity' is now presented as a primary statement.

AASB 8 now reports segment results based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual and interim financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns.

AASB 123 *Borrowing Costs* (Revised 2007) requires the capitalisation of borrowing costs to the extent they are directly attributable to the acquisition, production or construction of qualifying assets that need a substantial period of time to get ready for their intended use or sale. Borrowing costs have been capitalised only for qualifying assets with a commencement date after 1 January 2009.

7. INCENTIVE OPTIONS ISSUED

The Helix shareholders approved the issue of Incentive Options at the 9th October 2008 AGM. A Black & Scholes calculation of the theoretical notional value of the Incentive Options was determined based on the following assumptions:

a. the Incentive Options expire on 31 October 2011 and are exercisable at $0.55 each;

b. a current price per Share of $0.08;

c. a volatility factor of 70%;

d. an interest rate of 5.38%;

e. a discount factor of 50% has been applied due to inherent restrictions of the Incentive Options;

f. the valuations ascribed to the Incentive Options may not necessarily represent the market price of the Incentive Options at the date of the valuation; and

g. the valuation date for the Incentive Options was 10^{th} October 2008.

The value for each Incentive Option was determined at $0.0035. The $61,600 notional value [17.6M options at $0.0035 each] has been charged to the Condensed Income Statement as part of Employment costs in the 31 December 2008 accounts.

The change in the value of incentive options from 15^{th} August 2008 of $0.029 to 10 October 2008 of $0.0035 is due to the Helix share price decreasing significantly from 21 cents to 8 cents, the options being 580% Out of The Money and the risk free interest rate falling.

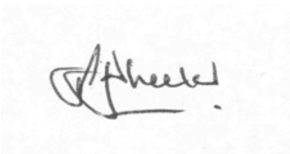
DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Directors of Helix Resources Limited, we state that:

In the opinion of the directors:

1. The financial statements and notes of the Group comply with the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting and give a true and fair view of the financial position as at 31 December 2008 and the performance for the half-year ended on that date; and

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



G J Wheeler
Executive Chairman

Dated this 11th day of February 2009

Grant Thornton

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF HELIX RESOURCES LIMITED AND CONTROLLED ENTITIES

Report on the half-year financial report

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

Directors' responsibility for the half-year financial report

The directors of the Company 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 consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: Review of an 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 consolidated 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 Helix Resources 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.

Grant Thornton

Accordingly, we do not express an audit opinion.

Independence
In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Basis for Qualified Conclusion
During the period, the company issued 17,600,000 employee incentive options. The company is required to value and expense these options under Australian Accounting Standard AASB2 "Share-based Payment". The company has valued the options at 0.35 cents each, resulting in a charge to the income statement and a credit to the Share Option Reserve of $61,600. The valuation was based upon the Black-Scholes option valuation model.

As set out in the notes to the half-year financial report, the company has used a share price volatility input of 70%. In addition, the value obtained via the company's option valuation model has been discounted by 50% as the options have inherent restrictive conditions. We consider a valuation discount to be inappropriate in principle.

If an historical volatility factor based on a similar term to the option period is used and the impact of the 50% discount is removed, the value of the options would be calculated as 3.1 cents each. This would result in an increased charge to the income statement for the period and a further credit to the Share Option Reserve of $484,000.

Qualified Conclusion
Except for effects of the matter referred to in the qualification section above, 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 Helix Resources Limited is not in accordance with the Corporations Act 2001, including:

1 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

2 complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

J W Vibert

J W VIBERT
Partner
Perth, 11th February 2009