



ABN 38 116 834 336

Interim Financial Report
for the Half-Year ended
31 December 2008

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Corporate Directory

DIRECTORS

Mr Robert Grover	Executive Chairman
Mr Joseph Obeid	Director
Mr Winton Willesee	Director

COMPANY SECRETARY

Mr Winton Willesee

PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE

Suite 24, 18 Stirling Highway
Nedlands WA 6009

CONTACT DETAILS

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Nedlands WA 6009

SOLICITORS TO THE COMPANY

Fairweather & Lemonis
Ground Floor
1 Havelock Street
West Perth WA 6005

AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE

Australian Securities Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000

SHARE REGISTRY

Computershare Investor Services
45 St Georges Terrace
Perth WA 6000
Ph: +61 (8) 9323 2000

Directors' Report

Your directors' present their report on the Company and its controlled entities ("Group") for the half year ended 31 December 2008.

Directors

The names of the directors in office at any time during or since the end of the year are:

Mr Robert Grover
Mr Joseph Obeid
Mr Winton Willesee

Review of Operations

During the period, the Group continued to increase its interest in oil shale assets, explore for oil shale and review technologies for processing oil shale.

Auditor's Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included within this financial report.

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



Winton Willesee
Director

DATED this 13th day of March 2009

RSM Bird Cameron Partners

Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF BOSS ENERGY LIMITED

As lead auditor for the review of the financial report of Boss Energy 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:

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

This declaration is in respect of Boss Energy Limited and the entities it controlled during the period.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



T PHONG
Partner

Perth, WA
Dated: 13 March 2009

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Perth, Sydney, Melbourne,
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Income Statement

For the Half-Year Ended 31 December 2008

	Consolidated	
	Half Year ended 31/12/2008	Half Year ended 31/12/2007
	\$	\$
Revenue	51,842	71,540
Employees and consultants	(332,523)	(172,800)
Accounting and legal	(56,916)	(43,049)
Travel and accommodation	(42,147)	(75,810)
Interest expense	-	(16,274)
Corporate services	(175,455)	(78,727)
Share of loss of associate accounted for using the equity method	(54,621)	(4,184)
Impairment of investment in associate accounted for using the equity method	(4,155,807)	-
Impairment of other investments	(260,869)	-
Other expenses	(151,600)	(47,138)
Loss before income tax	(5,178,096)	(366,442)
Income tax	-	-
Loss after income tax expense	(5,178,096)	(366,442)
Basic earnings/(loss) per share (cents per share)	(8.41)	(0.89)
Diluted earnings/(loss) per share (cents per share)	(8.41)	(0.89)

The accompanying notes form part of this financial report

Balance Sheet

As at 31 December 2008

	Consolidated	
Notes	31/12/2008	30/06/2008
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	725,415	1,639,990
Trade and other receivables	44,187	45,553
TOTAL CURRENT ASSETS	769,602	1,685,543
NON CURRENT ASSETS		
Investments accounted for using the equity method	4,010,651	8,006,584
Mineral tenements	651,546	624,851
Plant & equipment	7,115	8,142
TOTAL NON CURRENT ASSETS	4,669,312	8,639,577
TOTAL ASSETS	5,438,914	10,325,120
CURRENT LIABILITIES		
Interest bearing liability	500,000	-
Trade and other payables	169,969	323,258
TOTAL CURRENT LIABILITIES	669,969	323,258
TOTAL LIABILITIES	669,969	323,258
NET ASSETS	4,768,945	10,001,862
EQUITY		
Issued capital	11,751,597	11,772,853
Associates reserve	(65,584)	(32,019)
Retained losses	(6,917,068)	(1,738,972)
TOTAL EQUITY	4,768,945	10,001,862

The accompanying notes form part of this financial report

Statement of Changes in Equity

For the Half-Year Ended 31 December 2008

Consolidated

	Issued Capital	Retained Earnings	Associates Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2007	3,472,163	(190,112)	-	3,282,051
Shares and options issued during the year	2,999,602	-	-	2,999,602
Capital raising costs	(260,786)	-	-	(260,786)
Loss attributable to equity shareholders	-	(366,442)	-	(366,442)
Balance at 31 December 2007	<u>6,210,979</u>	<u>(556,554)</u>	<u>-</u>	<u>5,654,425</u>
Balance at 1 July 2008	11,772,853	(1,738,972)	(32,019)	10,001,862
Options issued during the year	845,625	-	-	845,625
Capital raising costs	(866,881)	-	-	(866,881)
Change in associates value attributable to shareholders	-	-	(33,565)	(33,565)
Loss attributable to equity shareholders	-	(5,178,096)	-	(5,178,096)
Balance at 31 December 2008	<u>11,751,597</u>	<u>(6,917,068)</u>	<u>(65,584)</u>	<u>4,768,945</u>

The accompanying notes form part of this financial report

Cash Flow Statement

For the Half-Year Ended 31 December 2008

	Consolidated	
	Half Year ended	Half Year ended
	31/12/2008	31/12/2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash payments in the course of operations	(1,145,183)	(636,274)
Interest received	26,618	71,540
NET CASH USED BY OPERATING ACTIVITIES	<u>(1,118,565)</u>	<u>(564,734)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capitalised payments for exploration and evaluation	(26,695)	(336,047)
Payments for acquisition of equity investments	(248,059)	(7,855,083)
Payments for acquisition of other fixed assets	-	(2,116)
NET CASH USED BY FINANCING ACTIVITIES	<u>(274,754)</u>	<u>(8,193,246)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	(21,256)	2,488,816
Proceeds from advance	500,000	4,500,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>478,744</u>	<u>6,988,816</u>
NET (DECREASE) IN CASH HELD	(914,575)	(1,769,164)
Opening Cash at Bank	1,639,990	3,495,038
CLOSING CASH AT BANK	<u>725,415</u>	<u>1,725,874</u>

The accompanying notes form part of this financial report

Notes to the Financial Statements

For the Half-Year Ended 31 December 2008

Note 1: BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Boss Energy Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated entity and are consistent with those in the annual financial report for the year ended 30 June 2008.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern

As disclosed in the financial statements, the consolidated entity has net current assets of \$99,633, recorded an operating loss of \$5,178,096 and had cash outflows from operating activities of \$1,118,565 respectively for the half-year ended 31 December 2008. These factors indicate uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe after consideration of the above matters, 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 and is a going concern because of the following factors:

- The operating loss of \$5,178,096 for the half-year ended 31 December 2008 is mainly attributable to impairment of assets which totalled \$4,416,676;
- The 2:5 fully underwritten rights issue to raise approximately \$1.478 million announced to ASX on 13 March 2009;
- The availability of a \$4 million loan facility from a private lender; and
- The ability of the consolidated entity to scale back its activities to conserve cash.

Accordingly, the Directors believe that the consolidated entity will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

The financial report does not contain any adjustments to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Notes to the Financial Statements

For the Half-Year Ended 31 December 2008

NOTE 2: CONTRIBUTED EQUITY

No shares were issued during the half-year ended 31 December 2008.

There were 15,375,000 listed options issued on 29 July 2008 as consideration for capital raising costs during the half-year ended 31 December 2008.

NOTE 3: DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2008.

NOTE 4: SEGMENT REPORTING

The consolidated entity operates predominately in one segment involved in mineral exploration and development industry. Geographically, the consolidated entity is domiciled and operates in one segment being Australia.

NOTE 5: CONTINGENT LIABILITIES

Since the last reporting date, there has been no change of any contingent liabilities or contingent assets.

NOTE 6: EVENTS SUBSEQUENT TO BALANCE DATE

On 13 March 2009, the Company advised the market that it was undertaking a rights issue to existing shareholders. The rights issue will be an offer of two shares for every five shares currently held at an offer price of 6c per share along with one free attaching option (20 cents, 30 Nov 2010) for every share subscribed for under the rights issue. The issue is fully underwritten by Novus Capital Limited.

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. give 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.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board.



Winton Willesee
Director

DATED this 13th March 2009.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BOSS ENERGY LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Boss Energy Limited (the consolidated entity) which comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements and directors' declaration for the half-year ended 31 December 2008. The consolidated entity comprises both Boss Energy Limited (the company) and the entities it controlled during the 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 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 an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of 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 the company, 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.

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Independence

In conducting our review, we have followed applicable independence requirements of the *Corporations Act 2001*.

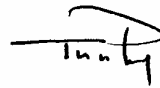
Conclusion

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 Boss Energy 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*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



T PHONG
Partner

Perth, WA
Dated: 13 March 2009